FINANCE AND POLICY COMMITTEE

AGENDA

Monday 20 June, 2016

at 10.00 am

in the Council Chamber,
Civic Centre, Hartlepool.

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Barclay, Beck, Clark, Cranney, Hind, James, Loynes, Moore, Thomas and Thompson.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 16 May 2016.

4. BUDGET AND POLICY FRAMEWORK ITEMS

4.1 Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 – *Corporate Management Team*

4.2 Review of Minimum Revenue Provision (MRP) Policy for 2017/18 – *Chief Finance Officer*

5. KEY DECISIONS

None.

6. OTHER ITEMS REQUIRING DECISION

6.1 Holiday Hunger Pilot Scheme – *Director of Child and Adult Services*

6.2 Quarter 4 – Council Overview of Performance and Risk 2015/16 – *Assistant Chief Executive*

6.3 Performance Reporting 2016/17 – *Assistant Chief Executive*

6.4 Employee Sickness Absence Annual Report 2015/16 – *Assistant Chief Executive*

7. ITEMS FOR INFORMATION

7.1 Corporate Procurement Quarterly Report on Contracts – *Director of Regeneration and Neighbourhoods*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION

Date of next meeting – Monday 25 July, 2016 at 10.00 am in the Civic Centre, Hartlepool.

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

16 May 2016

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

Present:

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Kevin Cranney, Marjorie James, Brenda Loynes, George Springer and Paul Thompson.

Also Present: In accordance with Council Procedure Rule 5.2: -
Councillor Jim Lindridge as substitute for Councillor Allan Barclay;
Councillor Paul Beck as substitute for Councillor Carl Richardson.

Officers: Gill Alexander, Chief Executive
Andrew Atkin, Assistant Chief Executive
John Morton, Assistant Chief Finance Officer
Alyson Carman, Head of Legal Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Alastair Rae, Public Relations Manager
David Cosgrove, Democratic Services Team

179. Apologies for Absence

Councillors Allan Barclay and Carl Richardson.

180. Declarations of Interest

None were made at the commencement of the meeting.
During consideration of Minute 186 “Durham Tees Valley Airport (DTVA) – Delivering the Masterplan” Councillor Kevin Cranney declared a personal interest as the Council’s appointed representative on the DTVA Board.

181. Minutes of the meeting held on 14 March 2016

Received.

182. Minutes of the meeting of the Health and Wellbeing Board held on 14 March, 2016

Received.

183. Minutes of the meeting of the meeting of the Safer Hartlepool Partnership held on 22 January, 2016.

Received.

184. HME/HMRN/HMS Trincomalee Review (*Director of Regeneration and Neighbourhoods*)

Type of decision

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

Purpose of report

To seek Member approval to complete agreements for the implementation of a single site operation at Hartlepool Maritime Experience (HME) managed and operated by National Museum of the Royal Navy Hartlepool (NMRNH) a subsidiary of the National Museum of the Royal Navy, (NMRN) which operates a number of prestigious naval museums including those at Portsmouth, Gosport, Belfast and Yeovilton. To seek approval to fund the cost of outstanding building works on the site both before and after the transfer.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the initial impetus for the review of HME and HMS Trincomalee was focused on the potential to improve the overall management and financial circumstances of the site, the involvement of NMRN has brought in the potential for major enhancement of the attraction and wider benefits to both the immediate area and Hartlepool in general. At the same time, the Hartlepool Regeneration Masterplan had been finalised; building on the work of the Hartlepool Vision the Masterplan sets out a strategy to deliver fundamental change for the town and enable a new chapter in the economic growth of the borough. The proposals set out in this report for HME, therefore, needs to be considered in this context as the establishment of NMRN at the site will be a major driver for beneficial change.

The Director outlined in detail within the report how the development of the NMRN Hartlepool would enhance the tourism offer in Hartlepool, its links into the Masterplan and the positive benefits that NMRN had brought to other locations across the country. For example, the number of speculative enquiries for Jacksons Landing has increased since the NMRN announced their interest in HME.

The Director reminded Members that a report on this matter had been presented to Committee on 30 January 2015, when Members agreed to proceed with the implementation of a single site operation managed and operated through the NMRN Hartlepool subject to Committee approval for the dilapidations costs. Since that time considerable work has been carried out to facilitate the transition to the new arrangements and further detailed discussions have taken place with NMRN in relation to the legal and commercial structure of an agreement to be entered into between the parties.

Whilst much progress had been made, a number of points had yet to be finalised though it was intended the start date for the new structure would be 1st June 2016 subject to a suite of legal agreements in relation to lease terms, options to purchase and financial and services contracts together with arrangements in relation to TUPE. The site would be leased to the NMRN Hartlepool but would be operated through the NMRN (Operations) and NMRN (Trading) to ensure compliance with the Charities and Company Law requirements.

Under the proposals the Council would contribute an increased subsidy for the first five years as set out in Confidential Appendix 4. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

NMRN's business planning indicated a very substantial investment in the site on the basis of achieving major grants in order to considerably enhance the attraction and increase visitor numbers. The single site operation was intended to streamline the management of the facility. Through the introduction of new and refreshed exhibitions together with re-branding the site as the NMRN Hartlepool combined with improved marketing it was intended to make the museum financially sustainable. The major part of the investment is likely to be in the fifth and sixth years of the lease but more modest, though significant, investment was also being considered for the earlier years.

A vision document has recently been received from the Director General of NMRN expressing significant enthusiasm to develop the Museum to make Hartlepool the NMRN's northern base. The full vision document was set out in Appendix 3 to the report together with illustrations of some of NMRN's projects at Appendix 2.

As part of the agreement NMRN Hartlepool would also have an option to purchase the site after ten years with the Council retaining an option of first refusal to buy back the site should the NMRN Hartlepool decide to sell in the future. If the Council does not decide to repurchase and the site is sold to a third party, the Council would have the benefit of an overage arrangement, to share in future sale proceeds. The terms recommended for agreement were set out in Confidential Appendix 4. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to

Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

The detailed proposals and risk implications were set out in detail in the report and the Director highlighted in the Financial Considerations that ongoing repair and maintenance for the HME would be the responsibility of the NMRN Hartlepool after transfer, reducing this liability for the Council going forward. Although, as outlined in the previous report, the transfer does include a requirement for the Council to make good any defects currently outstanding on the site prior to the site being leased to NMRN Hartlepool. This issue had been reported to the Committee on 30th January, 2015 wheen Members sought a further report to be submitted to the Regeneration Services and Finance and Policy Committee detailing the proposed schedule of works, associated costs and timescales, prior to NMRN taking responsibility for repairs and maintenance.

As part of the transfer arrangement a detailed condition survey needed to be completed and an agreement reached between the Council and NMRN Hartlepool on works currently outstanding. A detailed assessment had now been completed. The cost had been reduced by agreeing for some of the works to be carried out by the Council's own in-house Building Maintenance service. A three year programme was being negotiated for building, mechanical and electric works and dry dock repairs to be completed as shown in Confidential Appendix 5 – table 1. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

These costs would have been met over a number of years from the Council's Capital Fund as the need for the works arose. The Director stated that these were not additional works required as a result of the transfer. These repairs would have been required in the future and a funding decision would have been required at some point over the next three to five years regardless of the transfer.

These costs needed to be funded and it was proposed to use the Council's Capital Fund (CCF) to cover these costs over a three year period. After reflecting these commitments the uncommitted CCF budget is £182,000.

In addition to the schedule of works agreed with the NMRN Hartlepool negotiations were ongoing regarding other potential works which may be required as shown in Confidential Appendix 5 – table 2. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

The cost of these potential works exceeds the uncommitted CCF budget of £182,000 and the Council may need to identify additional funding if all these works need to be completed over a three year period. As these costs would fall over three financial years it was recommended that these costs were funded from a combination of achieving a 2016/17 managed revenue budget underspend, or the over achievement of the existing capital receipts target.

The Capital costs associated with the Wingfield Castle would continue to be the Council's responsibility and the Wingfield Castle was expected to require major renovation works in the next five to ten years. Detailed structural survey work would be undertaken, and the results of which would be presented to Members by way of a future Committee report.

In relation to staffing, the Director reported that all the staff except one who had applied to take voluntary redundancy, would be transferred to NMRN Hartlepool under TUPE. NMRN had formulated a new structure and the process to achieve this had been ongoing since early 2016. The staffing arrangements to facilitate a proposed business transfer from the Council and HMSTT and Executive Catering were progressing well and on course for June 2016. Formal consultations had been undertaken, involving the recognised Trade Unions during February and March 2016 and a job matching exercise undertaken with recruitment selection processes have been underway during April 2016. The outcome was that all Council staff had secured employment and with one employee being granted voluntary redundancy.

The Director concluded by indicating that while this had been a long process the successful implementation of this project by NMRN had the potential to enhance the value and or bring forward the redevelopment of other Council assets in this location, although other town centre assets may also benefit through wider regeneration.

In discussion, Members referred to the transport links into the town and the site and considered that improvements at the Railway station in particular may be needed to address the potential increase in visitors to the attraction and the town in general. The Director agreed with the comments and indicated that the case for transport infrastructure improvements would need to be made through the Council and the Tees Valley Combined Authority. Members also considered that marketing would also be a key issue. After opening and national marketing, visitor numbers to the Historic Quay had been significant. It was hoped that this development would bring back such high visitor numbers.

Members also indicated that future consideration may need to be given to the potential of park and ride facilities away from the town centre. The Chair suggested that this issue should be considered as part of the wider Masterplan and, therefore, referred to the Regeneration Services Committee.

Members congratulated officers on the work undertaken to develop the proposal to this stage. The securing of the future of the Trincomalee was considered a key element of the proposal.

There was concern expressed by a Member at the risk involved in the scheme which he considered had not been fully mitigated. The subsidy being paid by the local authority was highlighted as a concern as this would result in funding being drawn from other services. The sharing of future profits was also considered to be ambitious. The Director stated that any profits would be shared between the Council and NMRN though for the first five years it had been agreed that any profits would be reinvested. The Director also indicated that NMRN Hartlepool and the Council would both be able to apply for various grants to assist in the development of the attraction, essentially doubling up on the opportunities for funding. The Director also stated that the budgets being transferred as part of the arrangement were at current budget levels.

A Member queried of the toilet block on the site would be re-opened as part of this proposal. The Director stated that it was within the site being transferred as part of the proposals and would be for NMRN to consider as the facility did need to be staffed. The non-inclusion of the Wingfield Castle in the proposed transfer to NMRN was questioned. The Director stated that the Wingfield Castle did not fit within the catalogue of attractions the NMRN would wish to offer.

Members supported the proposal and the Chair requested that the Director ensure that the Committees thanks be extended to all the staff that had worked to bring the proposal forward and complete all the work that had gone into developing what was a very exciting opportunity for Hartlepool.

Decision

1. That approval is given to complete agreements with NMRN for HME to become NMRN Hartlepool, a key facility within NMRN's national organisational structure, on the basis of the terms set out in Confidential Appendix 4 to the report. The appendices contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para. 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

2. That the maximum cost of the agreed dilapidations as outlined in Confidential Appendix 5 – table 1 be approved. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3.) information relating to the financial or business affairs of any particular person (including the authority holding that information).

3. That delegated authority be given to the Chief Executive, Director of Regeneration and Neighbourhoods, Chief Finance Officer and Chief Solicitor, in consultation with the Leader, to conclude negotiations regarding other potential works which may be required as shown in Confidential Appendix 5 – table 2 to the report. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para. 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

4. That the cost of the potential works detailed in recommendation 3 above (summarised in Confidential Appendix 5 – table 2) be noted. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para. 3) information relating to the financial or business affairs of any particular person (including the authority holding that information). The Committee noted that the potential works may require additional funding and if this was necessary a further report would be submitted to Finance and Policy Committee and Full Council recommending that they be funded from a combination of the uncommitted CCF budget, achieving a 2016/17 managed revenue budget underspend and the over achievement of the existing capital receipts target.

5. That as part of the development of the 2017/18 Medium Term Financial Strategy, approval be sought to replenish the Council's Capital Fund on the following basis over the next three years:-
   (i) any future uncommitted underspends at Budget Outturn; and
   (ii) additional Income generated from Capital Receipts over and above the target currently included within the MTFS.

6. That approval be given to the payment of redundancy costs in relation to one voluntary redundancy from the existing redundancy reserve.

7. That the Committee recommends to Council that the Council representatives on the NMRN Hartlepool, should initially be the Chief Executive and Leader of the Council.

185. Senior Leadership Restructure (*Chief Executive*)

Type of decision

Key Decision – Test i applies, a General Exception Notice applies.

Purpose of report

The report made recommendations to Finance and Policy Committee in respect of the Chief Officer structure of the Council with particular reference to Regeneration and Neighbourhoods Department.

Issue(s) for consideration

The Chief Executive reported that since taking up her post in June 2015 she had considered the current Corporate Structure and taken the opportunity to review the functional groupings in each Department as part of the ongoing financial situation facing the Council.

The Chief Executive indicated that the proposals set out in the report focused on the Regeneration and Neighbourhoods department which had a significant role to play in achieving the Councils ambition not only through the delivery of the Town Centre / Waterfront Masterplan, but also through the provision of responsive quality front line services in our neighbourhoods and communities. The department is the main trading arm of the Council and it is more important than ever we maximise our efforts to stimulate growth, generate income and develop commercial opportunities.

A fundamental review had been undertaken of the functions and policy areas against the Councils ambition (in conjunction with the Director of Regeneration and Neighbourhoods) and the Chief Executive proposed a number of functional changes to the existing structure. The aim being to provide a better alignment of services in terms of those focused on the regeneration of the town against the maintenance and trading arm of the Council. The existing structure had developed over time as senior officers have left the Council, enabling significant savings to be made, however the current structure had developed piecemeal without strategic planning and wasn't fit for purpose for the future direction of the Council and Local Government.

The proposals for these changes were included in Appendix 1 in the exempt section of the report. This item contained exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).

Outside of the proposals for the Regeneration and Neighbourhoods Department, there were no changes proposed at this time for the Child and Adult Services or Public Health departments. One change did affect the Chief Executive's department and that involved the transfer of the Corporate Procurement Unit to the department. The Unit provided a corporate function and should form part of the central services function of the Council.

The proposals in relation to the implementation of the recommended structure were submitted as Appendix 1 in the exempt section of the report. This appendix contained exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).

The Chief Executive indicated that the implementation of the proposed structure at an Assistant Director level was scheduled to take place following consideration and approval by Members. The other aspects of the proposals would be implemented following appropriate consultation.

The Chief Executive stated that the proposal recommended would produce a recurring annual saving in 2017/18 of £143,760 (at the maximum of the grade). As the restructure proposal was an integral element of the Departmental service restructuring and efficiency plan, this amount would help towards the delivery of the Regeneration and Neighbourhood Services savings plan.

The Chief Executive stated that there were a number of other areas where she was considering further potential changes and these included the strategic management of capital programmes across the council, options for enhancing the capacity of legal support and specialist advice, community safety, closer alignment of the various aspects of the skills agenda across the council, various aspects of service which contribute to the public health agenda and the management and delivery of corporate communications and events.

The Hartlepool Joint Trade Unions Committee (HJTUC) have been provided with a copy of this report in advance of the meeting and had submitted a formal written response which was circulated to the Committee at the meeting.

Decision

1. That the deletion of the post identified in the Not for Publication element of the report be approved.

2. That the gradings as set out in the Not for Publication element of the report be approved.

3. That the proposals included in the Not for Publication element of the report provide the basis for consultation with those staff affected. The Not for Publication section of the report referred to in recommendations 1, 2 and 3 above contained exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).

4. That the Committee notes that the Chief Executive would potentially be submitting a further report when she had concluded consideration of those aspects not specifically addressed in this report.

186. Durham Tees Valley Airport (DTVA) – Delivering the Masterplan (*Chief Executive*)

Type of decision

Key Decision – Test (i), a General Exception Notice applies.

Purpose of report

To update the Committee on progress in relation to the delivery of the DTVA/Peel Master Plan, and to highlight developments regarding the required package of support sought by DTVA/Peel in that respect.

Issue(s) for consideration

The Chief Executive reported that at the 21 September 2015 meeting the Committee considered a report regarding progress in relation to the DTVA Master Plan proposals. The background to that report was an earlier review (circa September/October 2014) undertaken by Stockton Borough Council's Regeneration and Transport Select Committee, which had examined how the Master Plan proposals would ensure a viable airport going forward, and how future investment would seek to develop the airport related businesses. The Select Committee produced and submitted its final report regarding this review, to Stockton's Cabinet, at their meeting on the 9 October 2014. Cabinet were advised that ongoing losses had prompted the production of, and consultation on a Master Plan proposing to put DTVA on a sustainable financial footing and to secure its long term future as an operating airport. A further update in September 2015 also considered ongoing losses, in the context of the impact and effect of the recession, the changes in the air passenger travel industry and the loss of holding charter programmes, resulting in reduced passenger numbers, had prompted the production of, and consultation on the Master Plan. Also the recent Lord Hesletine report identified DTVA as a key asset and made specific recommendations around supporting a sustainable future for it.

Since that report, the Local Growth Fund bid for £5M funding to provide for a new access road linking the Airport's Northside with the Southside, around the eastern end of the runway, had been approved (October 2015) by the Tees Valley LEP. Planning permission had also been granted for the construction of the link road. When built this would open up the Southside, to enable an employment park, and logistics and processing areas with a variety of employment uses, to be provided.

Progress had also been made by DTVA/Peel in discussion with Darlington Borough Council in connection with the preparation of a planning application for residential development on the northside of the airport. This would be supported by planning obligations in a Section 106 Agreement in relation to education, open space, play provisions etc. A bid was made for Enterprise Zone Status in October 2012 by Tees Valley Unlimited but unfortunately was not supported by Government.

Against the backdrop of the Master Plan proposals, reports to the local authorities involved with the airport explained that DTVA/Peel had asked the Local Authority Shareholders to consider a further proposal. This proposal was, and continued to be seen by DTVA/Peel as an important part of a package of key measures aimed at securing the Airports future. The other measures were the reduction in the cost base and operations of the airport and diversifying its revenue base, in order to approach cash neutrality by the financial year 2023/24 (these measures were substantially completed at the time of the September 2015 report), together with approval for and implementation of the housing development referred to earlier in this latest report.

The Committee agreed to support the proposal by DTVA/Peel, in principle, subject to certain matters being satisfactorily agreed and concluded. Details of the proposal were again set out in the exempt Appendix (Appendix A). This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3 and 5) to this report. Together with details of the developments that have occurred since September 2015.

At this point in the meeting Councillor Kevin Cranney declared a personal interest as the Council's appointed representative on the DTVA Board and recorded at Minute 180.

At this point and at the request of Members the Chair sought a resolution to move the meeting into closed session.

Decision

The meeting moved into closed session and in accordance with the Access to Information Procedure Rules, the press and public were excluded from the meeting.

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

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

Minute 188 – Durham Tees Valley Airport (DTVA) – Delivering the Masterplan – This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information) and (para 5) information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

188. Durham Tees Valley Airport (DTVA) – Delivering the Masterplan (*Chief Executive*) This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (paras 3 and 5)

Type of decision

Key Decision – Test (i), a General Exception Notice applies.

Purpose of report

To update the Committee on progress in relation to the delivery of the DTVA/Peel Master Plan, and to highlight developments regarding the required package of support sought by DTVA/Peel in that respect.

Issue(s) for consideration

The meeting debated some of the issues detailed in the confidential appendices to the report.

THE MEETING RETURNED TO OPEN SESSION

The Chair referred to the discussions concluded in the exempt section of the meeting and proposed the recommendations as set out in the report.

Decision

1. That the Proposal as detailed in the exempt appendix to the report be approved. The appendix to the report contained exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information), and (para 5) information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

2. That the Chief Executive, in consultation with the Chair of Finance and Policy Committee, be given delegated authority to finalise and agree the specific details of the Proposal and the basis upon which it is to be concluded and implemented, and the authority through the Chief Solicitor to execute all necessary or appropriate legal documentation in that respect on behalf of the Council.

189. Any Other Items which the Chairman Considers are Urgent

None.

The Committee noted that the next meeting would be held on Monday 13 June 2016 commencing at 10.00 am at the Civic Centre, Hartlepool.

The meeting concluded at 10.55 am.

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 24 MAY 2016

FINANCE AND POLICY COMMITTEE

20th June 2016

HARTLEPOOL
BOROUGH COUNCIL

Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2017/18 TO 2019/20

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1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework Decision.

2. PURPOSE OF REPORT

2.1 The purposes of the report are to:-

i) Inform Members of information received from the Department for Communities and Local Government regarding the arrangements inviting authorities to apply for multi-year finance settlements for 2017/18 to 2019/20 and determine whether the Council should apply for a multi-year finance settlement;

ii) Update Members on the Council's financial position and the forecast budget deficits for 2017/18 to 2019/20;

iii) To enable Members to approve the proposed budget timetable, including arrangements for making early decisions to underpin the development of a robust and sustainable 2017/18 budget;

iv) To review the Local Council Tax Support scheme options for 2017/18 to 2019/20 and;

v) To inform Members of the final 2015/16 outturn.

3. BACKGROUND

3.1 The previous MTFS report informed Members that the Council faces an increasingly challenging financial position for the next three years owing to the impact of:

- Continuing significant Government grant cuts which mean that by 2019/20 the level of Government grant will be **£44.2m** less than it was in 2010/11 – which is a total cut of **57%**. This includes a further cut for the period 2017/18 to 2019/20 of **£9.8m**;

- The ongoing impact of the Valuation Office Agency decision to reduce the rateable value of the Power Station and the resulting permanent reduction in the Council's share of Business Rates income of £3.8m. The approved funding strategy for managing this income loss over the period 2015/16 to 2018/19 is based on a combination of using one-off resources and the allocation of growth in the Council Tax base/Business Rates base. However, this strategy does not fully address the permanent income reduction and in 2019/20 the Council will need to address an ongoing net income shortfall of £1.5m;

- The commitment of significant one-off resources to support services over the period of the MTFS. This strategy does not provide a permanent solution to offset the reductions in Government funding and is designed to provide a slightly longer lead time to identify permanent efficiencies and budget reductions;

- The fundamental change in the Government's Council Tax policy and the implementation of the additional 2% Social Care precept, which effectively supports annual Council Tax increases of 3.9% for the period 2016/17 to 2019/20.

- Information provided by the Chancellor in his March 2016 Budget confirmed the Government's forecast of increasing Council Tax income for English councils up to 2019/20. These forecasts reflect a combination of housing growth and the assumption that individual Social Care councils will implement annual Council Tax increases of 3.9%, including the 2% Social Care precept. The latest Government forecast anticipate an overall increase in Council Tax income between 2015/16 and 2019/20 of approximately 20%. The following table compares the Chancellor's March 2016 Budget forecast with previous forecasts. The table highlights the impact of the change in the Government's Council Tax policy which will result in an increasing proportion of local services being funded from Council Tax rather than Government grant:

Government projections for Council Tax income for England (£'billions)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Budget 2016	24.0	24.7	26.0	27.1	28.3	29.6
Autumn Statement 2015	24.0	24.7	25.7	26.7	27.8	29.0
Budget 2015	24.0	24.4	24.9	25.4	26.1	26.8
Budget 2014	23.8	24.2	24.9	25.8	25.8	Not forecast

3.2 As reported previously, the position beyond 2019/20 is also extremely uncertain as the Government has stated that from 1st April 2020 Local Authorities will retain 100% of Business Rate income and Revenue Support grant will be completely phased out. The Government has indicated they will issue detailed consultation proposals in the summer and details will be reported to a future meeting.

3.3 The implementation of a 100% Business Rates retention scheme is extremely complex owing to a variety of factors and these issues will need addressing to ensure the new system is fair and sustainable for all authorities. The key issues are summarised below:

- There is significant variation in the amount individual Authorities raise from Business Rates.

  These differences generally reflect historic business decisions and geographic factors, rather than success of individual Authorities attracting Business Rate payers. There are also significant variations in service needs and in many areas the costs of meeting these needs exceed the amount raised locally from increasing the local share of retained Business Rates to 100%. The Government has recognised these issues and indicated the new system will need to equalise Business Rate resources between regions and individual authorities.

  It is not yet clear how future resource equalisation will be implemented, or how the position will be sustained in future years beyond 2020/21.

- At a national level, the additional Business Rates income retained by Local Authorities will exceed the Revenue Support Grant forecast to be paid in 2019/20.

  The Government has indicated that additional responsibilities will be transferred to Local Authorities equal to the value of these additional national resources. These proposals significantly increase the complexity of designing a 100% Business Retention system which is fair and sustainable for all authorities.

- The Valuation Office Agency (VOA) will be implementing a complete revaluation of Rateable Values on 1st April 2017.

  This will be the first revaluation since Rateable Values applying from 1st April 2010 were set. At a national level the revaluation will be fiscally neutral i.e. the total Business Rates yield will be unchanged. However, it is expected that there will be significant changes between regions and for individual properties/businesses.

  The Government has indicated that new arrangements for managing appeals against the new Rateable Values will be implemented to ensure all appeals are addressed before the 100% Business Rates retention system goes live from 1st April 2020. However, this is an extremely challenging timescale.

This is a significant risk issue for Hartlepool given the previous VOA decision in relation to the Power Station. The main concern is that the Government may again, as was the case in April 2013, introduce the changes to the Business Rates system before Rateable Value appeals have been resolved. As Members are aware when this happened in April 2013 the Council was left to manage the impact of the 48% reduction in the Rateable Value of the Power Station determined by the VOA in May 2015. This risk has been raised with the Local Government Minister by the Leader, both verbally and in written representations.

3.4 Further updates will be provided when more information is available. However, final details may not be known until much nearer to 2019/20. As these changes will significantly increase financial uncertainty it is recommended that if one off resources become available from either future years managed outturn, or the overachievement of the existing capital receipts target, that the development of a strategy for using such one off resources reflects the increased risks facing the Council in the medium term.

3.5 As ongoing resources reduce and further budget cuts are implemented the Council will have significantly less financial flexibility to manage financial risks, the impact of in-year budget pressures arising from demand pressures and unforeseen events or in-year income shortfalls. Therefore, a forward looking multi-year financial strategy will become increasingly important. As Members are aware, this approach has delivered significant benefits in the past and enabled the Council to address a range of issues which it could not have addressed without a multi-year strategic financial plan, including:

- managing the impact of the Power Station Rateable Value reduction;
- the allocation of one off resources to support the current MTFS; and
- the provision of a higher level of Local Council Tax Support over the period 2013/14 to 2016/17 than provided by the other Tees Valley authorities.

4. THE CHANCELLOR'S MARCH 2016 BUDGET

4.1 The Chancellor made a number of announcements which will, or may, impact on Local Authorities and the key issues include:

- <u>Public Sector Efficiency Review</u>

  The Government stated they will find a further £3.5 billion of savings from public spending in 2019/20. This will be based on an efficiency review to be led by the Chief Secretary of the Treasury, which will report in 2018. The Government has stated that the defence and overseas aid commitments, the real-terms protections for the NHS in England, schools funding in England, the police and science will be maintained. This protection means that the additional cuts will fall on unprotected services.

At this stage the potential impact on local authorities cannot be quantified, although it should be noted that by 2019/20 the Government is only forecasting a national Departmental Expenditure Limit for Local Government of £6.2 billion. Therefore, scope for further direct cuts in Council funding is potentially limited. However, Local Authorities may suffer indirect cuts in funding received from other Government departments.

- Business Rates – Small Business Rates changes

  The threshold for 100% Small Business Rate Relief will double for properties with a rateable value of up to £12,000 and taper relief will apply for rateable values between £12,000 and £15,000. The threshold for the higher business rates multiplier will increase from £18,000 to £51,000. These changes apply from April 2017.

  Whilst, these changes will be welcomed by small businesses they will permanently reduce the Business Rates base. The Government has indicated that Local Authorities will be compensated for the loss of this income and the impact of these measures will be considered as part of the consultation on the implementation of the 100% Business Rates Retention in summer 2016.

  It is estimated that in 2017/18 the Council's share of Business Rates income will be reduced by £0.980m as a result of these changes. Provided the Government provide a section 31 grant for this amount in 2017/18 and 2018/19 there should be no financial impact.

  The position in future years is more uncertain and will depend on the arrangements the Government implements for the 100% Business Rate Retention system.

- Business Rates – Annual indexation
  In accordance with existing regulations Business Rates increases are linked to the Retail Prices Index (RPI) and this has applied since April 1990. The Government capped the increase in 2014/15 and 2015/16, and Local Authorities were fully compensated by the Government paying Section 31 grant.

  From April 2020, when the 100% Business Retention system will be implemented, the Government will switch annual indexation from RPI to the Consumer Prices Index (CPI). As CPI is lower than RPI, this change will be welcomed by business. From Local Government's perspective this change will reduce the overall income generated from Business Rates on an annual basis and in the longer term will have a significant adverse cumulative financial impact.

  This change is being introduced at a time when Business Rate income will become a more important source of funding for local services. The Government has indicated that they will also compensate authorities for this change. However, the effectiveness of this compensation in 2020/21 and future years is uncertain and will depend on the arrangements the Government implements for the 100% Business Rate Retention system.

- Business Rates – More frequent revaluations

  The Government will be consulting on proposals to introduce more frequent revaluations (at least every 3 years). If these changes are implemented this will increase financial uncertainty and risk to Local Authorities.

- Business Rates – Summary of changes

  The Chancellor's March 2016 Budget statement indicated that since the 2015 Autumn Statement the changes outlined above will reduce total Business Rates income on an annual basis over the period 2017/18 to 2019/20. By 2019/20 the Government are now forecasting a reduction in Business Rates income of £1.6 billion (5%) compared to the forecast in the Autumn 2015 Statement. It is not yet clear how this reduction will impact on individual authorities.

Government projections for Business Rates income for England (£'billions)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Budget 2014	26.9	28.7	30.0	30.8	32.3	Not forecast
Budget 2015	27.3	28.0	29.0	29.5	30.7	32.0
Autumn Statement 2015	27.3	27.8	28.2	29.1	30.2	31.4
Budget 2016	27.3	27.8	28.4	27.7	28.7	29.8

- National Living Wage (NLW)

  The Government has asked the Low Pay Commission to set out how the NLW will reach 60% of median earning by 2020. The Office for Budget Responsibility forecast a NLW by 2020 of £9 per hour.

  The current MTFS forecasts are based on the NLW increasing from £7.20 to £9.00 in equal annual increments, with the Council paying a higher rate until the NLW catches up with the Hartlepool Living Wage. This planning assumption may need to be updated to reflect the work of the Low Pay Commission and further details will be reported to a future meeting.

- Education Reforms

  As part of the Chancellor's Budget statement he indicated that the Government expects that all schools will become academies by 2020, or have an academy order in place to convert by 2022. These proposed changes were subsequently amended and it is anticipated that further information will be provided by the Government. There remains a risks that changes in the governance arrangements for schools may have a direct impact on Councils in terms of funding remaining to fund reduced Local Education Authority responsibilities. There will also be an indirect impact in terms of the sustainability of a range of services currently bought back by schools.

The Government have also stated they will introduce a national funding formula for schools. It is anticipated this will reduce funding for Hartlepool schools.

5. MULTI-YEAR SETTLEMENTS

5.1 In December 2015 the Department for Communities and Local Government (DCLG) announced details of an opportunity for councils to sign up to a 4-year Government funding settlement. Further information on these arrangements was provided in March 2016. This confirms that the multi-year settlement offer covers the period up to 2019/20 and relates to Revenue Support Grant, Transitional Grant and Rural Services Delivery Grant.

5.2 In addition, top-up grant in 2017/18, 2018/19 and 2019/20 will not be altered for reasons related to the relative needs of local authorities, and the final year may be subject to the implementation of the 100% Business Rates retention system.

5.3 In accordance with existing regulations the Government will still need to obtain Parliament's approval of these figures each year. The DCLG has stated that "barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year". Whilst, this is not a 100% guarantee it is clear that DCLG is committed to the principle of a 4-year funding settlement. Furthermore, the Secretary of State has stated

- "Of course this offer is entirely optional. It is open to any council to continue to work on a year-by-year basis, but I cannot guarantee future levels of funding to those who prefer not to have a 4-year settlement".

5.4 It is not yet known if the 'Public Sector Efficiency Review' announced in the Chancellor's March 2016 (detailed in paragraph 4.1) will be deemed by the Government to be 'exceptional circumstances'.

5.5 On the basis of the above statements it is recommended that the Council's funding allocations for the period up to 2019/20 will best be protected by signing up to the multi-year settlement for 2017/18 to 2019/20. This advice is based on the clear indication from the Secretary of State and DCLG that they argued hard with the Treasury for a 4-year settlement for Local Authorities, as requested by the sector. The advice also reflects the anticipation that most authorities will seek a 4-year settlement on the basis of this providing certainty and is the 'best' deal local authorities will get from the Government.

5.6 For Hartlepool a 4-year settlement will cover the following grants, as Hartlepool does not receive Transitional Grant, or Rural Services Delivery Grant allocations.

Hartlepool funding covered by multi-year settlement

2016/17 £'m		2017/18 £'m	2018/19 £'m	2019/20 £'m
18.210	Revenue Support Grant	13.790	10.800	7.780
7.510	Top Up Grant	7.660	7.880	8.140
25.720	Total	21.450	18.680	15.920
14.6%	Percentage reduction from previous year	16.6%	12.9%	14.8%

5.7 To access the multi-year settlement Councils simply need to send an email or a letter to DCLG by 14th October 2016 and include a link to the Council's published efficiency plan. DCLG do not intend providing further guidance on what an efficiency plan should contain and have simply indicated that they should;

- be locally owned and driven;
- show how this greater certainty can bring about opportunities for further savings;
- cover the full 4-year period (2016/17 to 2019/20); and
- be open and transparent about the benefits this will bring to both your council and your community.

5.8 A recommended efficiency strategy is detailed in **Appendix A**.

6. UPDATE OF BUDGET FORECAST 2017/18 TO 2019/20

6.1 The current MTFS forecasts had been prepared before the 2016/17 Local Government Finance (LGF) settlement announcement and had initially covered a three year period up to 2018/19. As the LGF settlement covers the period up to 2019/20 the MTFS forecasts have now been rolled forward to include this year. The updated MTFS forecasts are based on the following planning assumptions:

- **Council Tax**
  In line with the current Government Council Tax policy annual increase of 3.9% (including the 2% Adult Social Care precept) are reflected in the MTFS.

  In addition, annual increases in the Council Tax base are anticipated over the next three years on the basis of forecast house building. The MTFS anticipates that the 2019/20 Council Tax base will be approximately 950 Band D equivalent properties higher than in 2016/17. This equates to forecast average annual growth of 317, compared to a long term average of 280 for the period 2000/01 to 2016/17. Achievement of the forecast annual increases will be monitored closely and future MTFS forecasts will be updated to reflect any changes.

In summary it is forecast that the above factors will increase Council Tax income from £34.3m in 2016/17 to £40m in 2019/20. This is an overall increase in Council Tax yield of 17%. This is slightly higher than the national forecast increase in Council Tax yield for this period of 14% included in the Chancellor's March Budget. The MTFS forecast reflects the Council's ambitious housing growth targets and the Government's figure will be depressed by the impact of a 2% referendum limit for district councils, fire authorities and police and crime commissioner's precepts.

The following table provides a summary of the forecast Council Tax increase included in the MTFS and highlights the increased resources from implementing annual Council Tax increases of 3.9% (including the 2% Social Care precept) and the impact of forecast housing growth.

Forecast Council Tax Growth 2017/18 to 2019/20

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total ongoing increase from 2019/20 £'000
2% Social Care Precept	695	733	770	2,198
1.9% Council Tax increase	660	696	732	2,088
Council Tax generated from housing growth	448	539	461	1,448
Total	1,803	1,968	1,963	5,734

- **Government Grant cuts**
  The MTFS forecasts reflect the grant cuts announced by the Government in January 2016, as detailed in paragraph 5.6.

- **Pay Award and National Living Wage**
  Provision for annual cost of living pay awards of 1% is included in the MTFS forecast in line with the Government pay cap. As public sector pay has been suppressed for a number of years already there is a risk that the 1% pay cap may not be sustainable over the period of the MTFS. This issue will be subject to annual review.

  As detailed in the previous MTFS provision has been made for increasing the Hartlepool Living Wage by the agreed national cost of living pay award until such time as the National Living Wage exceeds this amount. At that stage the Council will then pay the National Living Wage.

- **Inflation and demographic pressures**
  Provision for inflation of 2.5% is made for non pay expenditure and income budgets. There is no specific additional funding for demographic pressures

which departments need to fund from the existing resources base, or additional efficiency savings.

- **Budget Savings approved for implementation 2017/18**
  One off funding has previously been approved to retain the Lifeguard Service and School Crossing patrols until 2016/17, with these services being removed in 2017/18. The total value of this saving is £195,000, consisting of £75,000 for Lifeguards and £120,000 for School Crossing patrols. For planning purposes the achievement of the Lifeguard saving is included in the updated forecasts, subject to the outcome of a service review to considered by the relevant policy committee later in the year. The position in relation to School Crossing patrols has been reviewed and this savings has been removed as this saving cannot be achieved as originally anticipated as schools cannot legally use the Dedicated Schools Grant to fund this service.

6.2 **Strategy for managing budget deficits 2017/18 to 2019/20**

6.3 In line with the strategy approved by Finance and Policy Committee on 11th January 2016 the Corporate Management Team has commenced work to develop a detailed savings programme for the next three years based upon the following approved work streams:

- Growing Hartlepool;
- Reducing Demand;
- Improving Education, Employability and Skills;
- Maximising Income through enterprise and Innovation;
- Strategic Asset and Investment Planning; and
- Service Reviews.

6.4 In relation to the Growing Hartlepool work stream, an assessment of the forecast Council Tax base has been completed. As detailed in paragraph 6.1 an increase of approximately 950 band D equivalent property's is forecast over the next three financial years. By 2019/20 it is forecast that this will generate additional annual Council Tax income of approximately £1.5m. This income is reflected in the updated budget forecast detailed in paragraph 6.10. If this housing growth is not achieved, the Council will face a higher budget deficit.

6.5 As reported previously, the development of detailed proposals for the other work streams will be extremely challenging as significant reductions have already been made in previous years. Work is progressing to develop detailed business cases for a broad range of proposals, which will be submitted to future meetings in line with the recommended budget timetable.

6.6 The successful delivery of a number of these proposals will require a longer lead time and decisions will need to be made as part of the 2017/18 budget process to ensure the necessary savings for 2018/19 and 2019/20 can be achieved. This is a significant shift in the approach previously adopted to balance the budget on an annual basis. However, given the scale of the additional cuts required over the next three years, this approach is no longer appropriate and will not deliver the necessary service transformations.

6.7 A detailed assessment of a range of corporate budgets has been completed to identify budget savings for 2017/18. These savings could either not have been taken in previous years as the savings had not materialised, or if the saving had been taken in a previous year it would have been for a lower amount and would have been sustained for a shorter time period. The identification of these savings for 2017/18 therefore maximises the financial benefit to the Council at a time when these measure are needed most owing to the cumulative impact of continuing significant Government grant cuts. Owing to the nature of these savings these initiatives cannot be repeated in future and in some cases fully remove the whole of the available budget provision.

6.8 For 2017/18 these savings cover the following issues:

- **Review of Minimum Revenue Provision (MRP) - £2 million savings**

  The Council is required to make annual MRP charges to the revenue budget to pay off borrowing costs, technically referred to as the Capital Financing Requirement (CFR).

  Existing arrangements for repayment of the pre 31st March 2008 CFR are based on a reducing MRP basis. These arrangements reflect previous Government arrangements for providing Revenue Support Grant to partly fund annual MRP charges. As a result of changes to the Revenue Support Grant system, significant cuts in this funding over the last few years and further cuts over the next 3 years this linkage no longer exist. Therefore, the General Fund budget is bearing an increasing proportion of annual MRP charges.

  There is a separate comprehensive report on the agenda in relation to this issue which outlines the rationale for achieving this savings. This proposal will enable a recurring revenue budget saving of £2 million to be taken over a 12 year period i.e. 2017/18 to 2028/29.

  In 2029/30 the savings will reduce to £1.4m. From 2030/31 there will continue to be a recurring annual MRP savings of £1m from adopting the recommended revised MRP policy compared to the position that would have existed if the current MRP policy is maintained.

  In addition, to the recurring revenue savings which can be achieved by adopting the revised MRP policy, the Council will fully repay the pre 31st March 2008 CFR within 50 years. This would not be achieved under the existing CFR policy, which would leave an outstanding CFR of 13% (£9.4m) after 50 years. As the revised MRP policy fully repays the CFR over a defined period the revised policy provides a more prudent basis than the existing policy, which still leaves a significant outstanding CFR after 50 years.

It is understood that other North East Councils have either reviewed their MRP policies for 2016/17, or are in the process of reviewing for 2017/18.

The revised recommended MRP policy for the pre 31st March 2008 CFR could potentially have been implemented in an earlier financial year. However, this would have provided a lower annual saving for a shorter period. The recommendation to implement the revised MRP policy for the 2017/18 financial year provides the greatest annual financial savings and sustains this saving for the longest period i.e. a £2m recurring annual saving for 12 years until 2028/19.

- **Review of Corporate Costs - £1.031m saving**

There are a small number of corporate budgets covering support for the Local Council Tax Support Scheme, IT contract costs, insurance costs and energy costs. These issues have been reviewed and a sustainable saving of £1.031m can be achieved.

Section 7 provides an update on the Local Council Tax Support scheme and details how a budget saving can be achieved whilst maintaining 12% Local Council Tax Support scheme for the period 2017/18 to 2019/20.

The IT contract saving reflects the financial benefits of continued rationalisation of the IT estate and the benefits of the inflation cap included in the contract.

The insurance cost savings reflects an assessment of existing/future insurance claims and is predicated on maintaining the existing Insurance Fund to manage these risks over the period of the MTFS.

The energy saving reflects continued lower actual energy costs.

6.9 A review of Council resources has also been completed covering the following issues:

- **New Homes Bonus and Better Care Fund - £0.640 net income reduction**

As reported previously the Government is making significant changes to the New Homes Bonus (NHB) regime, including reducing the national amount allocated as NHB and reducing the period NHB is paid for from 6 to 4 years. The money top sliced from the national NHB allocation will be used to partly fund an increase in the Better Care Fund. As these changes will be phased in over different timescales it is currently anticipated that there will be a net reduction in funding in 2017/18 of £0.640m. This is mainly owing to the impact of NHB payments reducing from 6 to 4 years in 2017/18.

In 2018/19 and 2019/20 it is currently anticipated that reductions in NHB will be offset by increased Better Care Fund resources received by the Council. The Government previously indicated that future Better Care Fund resources will be targeted at areas which benefit least from the 2% Adult Social Care precept, as a result of having a low Council Tax base. Therefore, from 2018/19 onwards it is hoped that when the Government issues further details of the formula for allocating future Better Care Fund resources, that the Council may receive additional funding to offset cuts in Revenue Support Grant and help maintain Adult Social care services. At this stage it is not possible to estimate the potential financial benefit, or assess the compliance regime for using increased Better Care Fund resources. Further details will be reported when this information is available.

6.10 In summary the above measures reduce the 2017/18 to 2019/20 forecast budget deficit from £17.240m to £12.690m as summarised below:

Revised 2017/18 to 2018/19 Forecast Budget Deficit

	Previous Forecast £'m	Latest Forecast £'m
2017/18	8.663	5.634
2018/19	3.443	2.784
Sub Total	12.106	8.418
2019/20	5.134	4.272
Total	**17.240**	**12.690**
Total deficit as a percentage of 2016/17 Budget	20%	15%

6.11 The increase in the forecast Council Tax base and the corporate measures detailed in previous paragraphs provide a significant contribution towards reducing the budget deficit for the next three years. As highlighted in the above table, these measures have a particularly beneficial impact in reducing the 2017/18 forecast deficit and therefore provide a longer lead time to implement budget reductions. However, the Council still needs to address a budget deficit of £12.690m, which is a further budget reduction of 15%, in addition to the cuts made over the last 6 years.

6.12 In view of the scale of the reductions required in 2017/18, it may be possible to defer part of these savings until 2018/19 if one off resources can be identified by achieving a 2016/17 managed under spend. If this is the case then it is recommended that this be a maximum of £1m. This proposal would provide a more even annual savings requirement across the next 3 financial years. This proposal is designed to help manage financial and capacity risks in delivering more challenging savings proposals. It is recommended that if this option is adopted, that it is underpinned by the early approval of savings proposals for a multi-year period, to provide adequate lead times to manage implementation risks. This proposal will also help maximise the potential opportunities for redeploying staff.

6.13 The following table provides a summary of the revised savings required from departmental budgets of £12.690m and options for phasing these savings over the next three years:

<u>Revised Forecast Deficits 2017/18 to 2019/20</u>

	Previous Forecast £'m	Latest Forecast £'m	Latest Forecast <u>WITH</u> potential phasing £'m
2017/18	8.663	5.634	4.634
2018/19	3.443	2.784	3.784
Sub Total	12.106	8.418	8.418
2019/20	5.134	4.272	4.272
Total	**17.240**	**12.690**	**12.690**
Total deficit as a percentage of 2016/17 Budget	20%	15%	15%

6.14 The above forecast deficits are based on Members approving annual Council Tax increases of 3.9% (including the 2% Adult Social Care precepts). If these increases are not implemented, the budget deficits would increase significantly and this would result in further service cuts being required as follows:

Annual Council Tax increase	Net Budget cuts required 2017/18 to 2019/20 £'m	Net budget cuts as a percentage of 2016/17 budget
3.9%	12.690	15%
2.0%	14.888	18%
Zero	16.976	20%

7. Budget Timetable 2017/18

7.1 In view of the scale of the budget deficits facing the Council over the next 3 years and the increasingly difficult decisions which will be required to address continuing Government grant cuts, a budget timetable has been developed to enable a robust strategy to be developed. The recommended budget timetable provides a framework for making early budget decisions which can then be implemented earlier than has been the case in previous years. This approach will provide a more sustainable basis for making budget decisions and help mitigate the risks of securing the savings required over the next 3 years.

7.2 The recommended budget timetable is underpinned by the continuation of principles adopted by the Council for many years whereby detailed savings proposal are:

- initially developed and approved by individual Policy Committees;

- individual Policy Committee proposals are then considered by Finance and Policy Committee; and
- final proposals are then referred by Finance and Policy Committee to full Council.

7.3 The recommended timetable for 2017/18 proposes having 2 stages for developing and approving savings proposals following the principles detailed in paragraph 7.2. The first stage will involve the development of initial savings proposals for consideration at Council in September/October and a second stage to finalise the balance of the savings proposals for consideration at Council in February 2017. The detailed recommended budget timetable is attached at **Appendix B** for Members consideration and approval.

7.4 Section 11 provides details of the suggested approach to undertake a wide consultation on shaping the future of Hartlepool, including the role and priorities of the Council going forward. This includes details of the timescales for engaging with residents, partner agencies and our workforce on a dialogue about the issues and choices the Council will face.

8. LOCAL COUNCIL TAX SUPPORT (LCTS) SCHEME 2017/18 TO 2019/20

8.1 Since 2013/14 Local Authorities have received less funding from the Government to support LCTS schemes. In 2013/14 the Government implemented a national cut in LCTS funding of 10%. The reduction in funding falls entirely on low income working age households (including households in work) as pensioners are fully protected from these changes. As a result the initial Government funding reduction effectively built a 20% cut in Council Tax support into the system in 2013/14 for working age households, which account for approximately half of the caseload. LCTS funding was rolled into the main revenue grant in 2014/15 and has therefore be subject to further cuts in 2014/15, 2015/16 and 2016/17, although the Government argue this funding has been protected.

8.2 As these changes were implemented at the same time as other welfare reductions implemented by the Government, the Council has previously determined to limit the impact on low income households. This has been achieved by phasing reductions in LCTS support over a number of years, including maintaining a 12% LCTS scheme for 3 years up to, and including 2016/17. The other Tees Valley authorities have operated 20% LCTS schemes since 2013/14.

8.3 Members have previously recognised that owing to the impact of continuing Government grant cuts in the next three years that maintaining a 12% LCTS scheme will be increasingly difficult. Members therefore supported a planned change in Hartlepool's LCTS scheme from 12% in 2016/17 to 20% in 2017/18. At that time it was recognised that the final decision on the 2017/18 LCTS scheme would not be made until December 2016 and would be based on an updated assessment of the impact of changing the LCTS.

8.4 The initial decision to move to a 20% LCTS scheme was taken before the Government announced the 2% Adult Social Care Precept and the ongoing impact of this significant national policy change had been assessed. These factors have now been assessed as the combined impact of changing the Hartlepool LCTS scheme and the impact of the future Council Tax increases will impact on low income working age households.

8.5 This assessment has also considered the impact on households where the LCTS liability is collected by an attachment to benefit. Under these arrangements the Council secures payment direct from other Welfare Benefits paid by the Department for Work and Pensions (DWP). The maximum weekly amount which can be recovered in this way is £3.70, which equates to £192.40 per year. There are currently approximately 3,200 LCTS accounts with an attachment to benefit arrangement running. In addition, 2,400 of these accounts have a further attachment of benefit on hold until the previous Council Tax liability has been fully discharged.

8.6 The following table summarises the annual LCTS liability of adopting a 20% scheme and annual Council Tax increase of 3.9% for a Band A property (88% of the working age LCTS caseload – which currently equates to 7,353 households). The table highlights the increasing annual difference between the actual LCTS Council Tax liability and the amount which can be recovered as an attachment to benefit. The unpaid Council Tax at the end of 2017/18 would be a first call on the attachment of benefit in 2018/19, and so on in future years. This position would increase Council Tax arrears and increase the risk that this income may not be collected. The change would also place an additional financial burden on low income households, which could act as a disincentive to work and also have a detrimental impact on child and family poverty.

<u>20% Local Council Tax Support Scheme from 2017/18 - Band A Property</u>

Actual		Forecast		
2016/17		2017/18	2018/19	2019/20
140.49	Annual Council Tax liability	242.55	251.27	260.31
192.40	Annual Limit Benefit Attachment	192.40	192.40	192.40

8.7 The risks highlighted in the previous paragraph could be avoided by either retaining a 12% LCTS scheme, or moving to a 15% scheme for 2017/18 to 2019/20. The following tables indicate that:

- a 12% LCTS scheme would remain below the Annual Benefit Attachment limit for the next three years;
- a 15% LCTS scheme would remain below the Annual Benefit Attachment limit for the next two years. In 2019/20 the annual payment would slightly exceed the existing annual limit by £2.83.

12% Local Council Tax Support Scheme from 2017/18 - Band A Property

Actual		Forecast		
2016/17		2017/18	2018/19	2019/20
140.49	Annual Council Tax liability	145.53	150.76	156.19
192.40	Annual Limit Benefit Attachment	192.40	192.40	192.40

15% Local Council Tax Support Scheme from 2017/18 - Band A Property

Actual		Forecast		
2016/17		2017/18	2018/19	2019/20
140.49	Annual Council Tax liability	181.91	188.45	195.23
192.40	Annual Limit Benefit Attachment	192.40	192.40	192.40

8.8 A 12% LCTS scheme would provide a more robust financial base for the Council than a 20% LCTS scheme as there would be less potential for annual increases in Council Tax arrears, which would increasingly be more difficult and costly to recover in future years.

8.9 In addition, a 12% LCTS scheme would provide support for low income working age households by limiting the annual Council Tax liability. This would help avoid disincentives to work and reduce the financial pressure on low income household budgets Over the 3 years 2017/18 to 2019/20 a 12% LCTS would provide more financial support than a 20% scheme as highlighted in the following table support. As many of these households will include children, a 12% LCTS scheme would help address child and poverty issues by enabling these households to retain a slightly higher proportion of their household income to pay for other essential household costs.

Additional Support annual provided with a 12% LCTS scheme compared to a 20% LCTS scheme (working age households)

	Band A £	Band B £
2017/18	97.02	113.19
2018/19	100.51	117.26
2019/20	104.13	121.48
Total	301.65	351.93
Number Households	7,353	669

8.10 In view of the above considerations it is not now recommended that the Council should move from a 12% LCTS scheme in the current year to a 20% LCTS scheme for 2017/18 to 2019/20. The Corporate Management Team and Chief Finance Officer would therefore recommend that Members retain a 12% LCTS scheme for the next three years. The budget forecasts detailed earlier in the report are based on a 12% LCTS scheme.

8.11 If Members wish to consider implementing an alternative LCTS scheme additional financial model will need to be undertaken to assess the potential impact on collection rates, the impact of the £3.70 attachment to benefit cap and potential to reduce the forecast budget deficit.

8.12 In terms of the potential impact on the overall forecast budget deficit a 15% LCTS would reduce the deficit from £12.690m to £12.510m, a reduction of £180,000. The implementation of a 20% LCTS scheme would potentially reduce the budget deficit from £12.690m to £12.240m, a reduction of £450,000. However, it would be increasingly difficult and costly to collect income due under a 20% LCTS scheme.

8.13 As part of the development of the LCTS scheme for 2017/18 and future years Members attention is drawn to an independent report, commissioned by the Secretary of State. This report has been prepared by Eric Ollerenshaw OBE (Conservative MP until March 2015 and former Leader of the Conservative group at Hackney Council), titled "Three Years On: An Independent Review of Local Council Tax Support Scheme" and was issued at the end of March 2016. Details of the report's findings will be included in a separate LCTS update report to be submitted to a future Finance and Policy Committee. Based on an initial assessment of the independent report the following issues reasonate with issues previously indentified in previous local LCTS reports:

- <u>Report Extract</u> - Since 2014/15 it has not been possible for councils to identify how much funding Government is providing for LCTS schemes.

    - <u>Council comment</u> - As reported previously this position reflects the Government's decision to only identify LCTS funding as a separate grant in 2013/14, the first year of the regime, and to then roll this funding into the main Revenue Support Grant in 2014/15 and subsequent years. Consequently, it is not possible to determine whether the LCTS funding has been protected meaning the whole Government grant cut therefore falls on the Revenue Support Grant available to support the General Fund budget, or whether funding to support both the LCTS scheme funding and Revenue Support Grant available to support the General Fund budget have both been cut by the same annual percentage.

    - <u>Report Extract</u> -Collecting council tax from LCTS working-age recipients is reported by councils as being far more time-consuming and costly when compared with usual collection. There also seems to be a not insignificant proportion of recipients with arrears *from previous years* – in other words, the arrears cannot be paid off before a new council tax bill is issued. With only two full years' worth of arrears and collection data, it is too early to judge if this trend will continue. Based on what I have seen to date, though, it does appear that at least some councils are facing the problem of accumulation of arrears that are unlikely to be paid off.

- Council comment - Locally we would concur with this statement as the proportion of LCTS claimants paying by direct debt is only 16%, compared to 68% for non LCTS claimants. So far the Council has maintained the overall Council Tax collection rate and in part this reflects maintaining a 12% LCTS scheme.

- <u>Report Extract</u> - An issue with an attachment to benefits is how slowly the debt is recovered. The attachment of £3.70 is sometimes not enough to clear the debt within the year. Citizens Advice described this to me as “the £3.70 trap”

- <u>Council comment</u> - The Council has so far minimised this issue by limiting the LCTS cuts to a 12% scheme which equates to a 2016/17 weekly payment of for a Band A property of £2.70 and for a Band B property £3.15, which respectively account for 88% and 8% LCTS working age households . The potential impact of the “£3.70 trap” in future years are highlighted in paragraphs 8.6 and 8.7.

8.14 In conclusion the development of the LCTS scheme for 2017/18 to 2019/20 has been updated to reflect the impact of the Government’s current Council Tax regime, including the 2% Social Care precept and issues highlighted in the independent report from Eric Ollerenshaw. As detailed in the previous paragraphs three potential LCTS scheme options have been assessed – based on schemes of 12%, 15% and 20%. These options have been assessed in terms of the impact on the MTFS, the impact on collection rates and the impact on working age households.

8.15 On the basis of this assessment a 20% scheme is not recommended as there would be a significant increase in collection risk and this option would result in increasing numbers of low income households falling into the “£3.70 attachment to benefit’ trap. A 15% scheme would not have an adverse impact on collection rates and would potentially provide a small reduction in the overall budget deficit of £180,000. However, given the scale of the overall budget deficit this potential reduction is not significant. Therefore, based on the overall assessment of the impact on the MTFS, the impact on collection rates and the impact on working age households it is recommended that a 12% LCTS scheme is adopted for 2017/18 to 2019/20.

9. RISK IMPLICATIONS

9.1 The Council faces a significant budget deficit over the next 3 years and robust plans need to be developed to identify detailed savings proposals to address this position. Future reports will provide further detailed savings proposals and will include appropriate risk mitigation measures, which may need to include allocating one off resources to manage phasing risks of implementing saving proposals over the next three years.

9.2 The MTFS forecasts are also predicated on significant growth in Council Tax income over the next three years, reflecting both housing growth and annual increases in line with the Government's national Council Tax policy, including implementing annual Adult Social Care precepts. If these increases are not achieved there will be an increase in the forecast budget deficits and the budget cuts which will need to be implemented.

9.3 It will become increasingly difficult to explain to the public that services are being cut at the same time that Council Tax is increasing. The Council will need to explain that as a result of continuing Government grant cuts that a greater proportion of a smaller budget is funded from Council Tax.

9.4 The MTFS forecasts anticipate continued low levels for annual cost of living increases and inflation. These factors will need to be reviewed on an annual basis. There is also a potential risk that the valuation of the Teesside Pension Fund may result in an increase in the employers' pension rate from 1st April 2017. This risk will be assessed once the actuaries have completed the Pension Fund valuation later this year.

9.5 Financial risks continue in relation to Business Rates income over the period 2016/17 to 2019/20, including new risks arising from NHS Foundation Trusts applying for Mandatory Business Rate Relief. This is a national issue and the Local Government Association has raised concerns regarding this issue with the Department for Communities and Local Government as the NHS funding regime is based on Business Rates being payable by individual Trusts.

9.6 From 2020/21 there is a risk that the implementation of the 100% Business Rates retention system will place additional financial risks on local authorities. These risks will need to be assessed when the Government provide more details on how the 100% Business Rate retention system will operate, including the arrangements for equalising resources across the country. In addition, at a national level, the value of additional Business Rates income to be allocated to local authorities will exceed Revenue Support Grant which will be removed when the 100% system is implemented. This is an extremely complex issue and whilst the Government may get the balance of additional services and funding right at a national level, there is a significant risk that this may not be the case at a local level. There have been a number of examples over the years where additional responsibilities transferred to the Council have not been matched by additional funding allocations, particularly where additional responsibilities are driven by deprivation factors. For example, localisation of Council Tax support has had the greatest impact on deprived areas and these authorities have suffered disproportionate grant cuts over the last 6 years.

9.7 If Members determined to reduce the level of LCTS support provided and move from a 12% to scheme to a 20% scheme there would be increased risk to long term collection rates and potentially increased collection costs, which would adversely impact on the MTFS forecasts.

10. FINAL OUTTURN STRATEGY 2015/16

10.1 One-off resources of £1.278m from the forecast 2015/16 outturn and reserves review were allocated to partly offset the higher actual 2016/17 Government grant cut than forecast. Work to finalise the 2015/16 outturn is progressing and it is anticipated that the actual final managed under spend will be £1.371m, which is £93,000 more than forecast.

10.2 It is recommended that a strategy for using these uncommitted resources is considered later in the year, when more information is available on the detailed savings plan for 2017/18 to 2019/20.

11 PUBLIC ENGAGEMENT AND COMMUNICATION

11.1 The Council faces increasingly difficult budget decisions over the next three years in order to address the continuing cuts in Government funding. It is important that we engage with both residents' and staff about the difficult choices we face and why we face them. In order to do this the Council will be undertaking an indepth public engagement and communication exercise over the next few months. This exercise will focus on ensuring that there is a general understanding of:

- what the Council does and why;
- how the Council is funded, how that has changed over the last few years and how it will continue to change;
- how much it costs the Council to do certain things and how residents can help to reduce those costs.

11.2 It is also important, as we continue to face severe budget constraints, that we can reaffirm our ambition for the town and get the views of residents and staff on where our priorities should lie, where we should be ambitious, what we should be doing (and also what we should not) and what we could do differently.

11.3 This exercise will involve town wide engagement with Hartlepool residents and engagement of Council employees through a range of communications and events. We will promote the exercise through a series of dedicated pages on our website, through Hartbeat magazine and our social media accounts. We will provide information in a range of formats including posters, leaflets, infographics and videos. We also host a series of dedicated events and attend other programmed events across the town over the course of the exercise. An online survey will also be available and widely publicised to both residents and staff.

11.4 The future is going to be challenging for the Council in conjunction with other public sector bodies working in the town. It is important that we undertake this engagement and communication to take into account a broad set of views on the future direction of the Council.

12. CAPITAL STRATEGY

12.1 Despite the impact of continuing Government grant cuts on the revenue budget the Council still needs to remain ambitious for the town and continue to make capital investment in the town, particularly for projects where there is a sound business case which will provide a future revenue stream, for example:

- investment in highways infrastructure to enable housing developments which will increase sustainable Council Tax income; or
- investment in services which will provide a net revenue savings to help reduce the forecast budget deficits over the next few years.

12.2 Further details of potential projects and capital funding streams will be reported to a future meeting. This will include identify potential external income streams, capacity to achieve additional capital receipts (in addition to the existing £6.5m target) and other one-off income from the sale of Council assets.

12.3 In addition, there will be a future report on the Housing Revenue Account, including the impact on further potential phases of social housing and the development of a strategy for using uncommitted Right to Buy income of £203,000 received from Housing Hartlepool in 2015/16 and further income which may be received in 2016/17.

13. FINANCIAL CONSIDERATIONS

13.1 Detailed in previous paragraphs.

14. LEGAL, EQUALITY AND DIVERSITY, STAFF AND ASSET MANAGEMET CONSIDERATIONS

14.1 None – although there will be issues arising in relation to detailed savings proposals and these will be reported to future meetings of this Committee, or the relevant Policy Committee, as appropriate.

15. CHILD AND FAMILY POVERTY

15.1 The recommended LCTS scheme proposal for 2017/18 to 2019/20 to maintain a 12% scheme would provide a greater level of support to working age households than a 20% scheme. As many of these households will have children this proposal will help to mitigate child and family poverty issue arising by reducing the proportion of household income allocated to pay Council Tax over the next 3 years.

15.2 As indicated in paragraph 8.9 this support avoids pushing the annual Council Tax liability for low income working age households above the £3.70 benefit attachment limit. In financial terms this support equates to approximately £100 per year for a Band A property (this accounts for 88% (7,353) of LCTS working age households in Hartlepool). To put this figure into context the Government's decision to increase the income tax threshold to £11,000 from 1st April 2016, previous limit £10,600 reduces the annual income tax liability for a basic rate tax payer by £80.

16. CONCLUSIONS

16.1 Local Authorities have already faced 6 years of austerity (2011/12 to 2016/17). Government grant cuts implemented over the last 6 years have had a disproportionate impact on Authorities, including Hartlepool, with the greatest dependency on Government Grant, with the least ability to raise resources locally from Council Tax or Business Rates and higher levels of need and deprivation.

16.2 The Council has also had to manage the impact of a decision by the Valuation Office Agency to reduce the Rateable Value of the Power Station that they had set in 2010 by 48%. This reduces the Council’s share of Business Rates income by £3.8m on a recurring basis.

16.3 The Council has implemented significant efficiencies and budget reductions over the last 6 years to manage the impact of Government grant cuts. These measures cannot be repeated as the budget has either been removed completely, or cut to a minimal level. These measures have had a fundamental impact on how services are delivered and on capacity.

16.4 To put the scale of the efficiencies and budget reductions implemented over the last 6 years in context the Council has removed approximately 430 posts over this period – this equates to a reduction 12% on the 2010/11 staffing baseline.

16.5 The Government has confirmed that Local Authorities will continue to face further significant funding cuts over the next three years (2017/18 and 2019/20). For Hartlepool, this means a further cut in Government funding of **£9.8m.** The additional cuts will mean that by 2019/20 Government funding will have been cut by **£44.2m** from the level provided in 2010/11 – this is a reduction of **57%**.

16.6 The Government grant cuts over the next 3 years equate to approximately 30% of the amount the Council will raise in Council Tax in 2016/17. To put this into context the following table details the Government grant cuts per property for the different Council Tax bands.

<u>Comparison of 2016/17 Council Tax and Grant cuts 2017/18 to 2019/20</u>.

Property Band	Council Tax - HBC Services 2016/17 £	Grant cut 2017/18 to 2019/20 per property £
A	1,167.11	281
B	1,361.62	328
C	1,556.13	374
D	1,750.65	421
E	2,139.68	515
F	2,528.71	608
G	2,917.76	702
H	3,501.30	842

16.7 The Secretary of State for Communities and Local Government statement on the 2016/17 Finance Local Government Finance Settlement stated:

- "I responded to the clear call from all tiers of local government to recognise the important priority – and growing costs – of caring for our elderly population. Through a dedicated social care precept of 2% a year and a Better Care Fund of £1.5 billion a year by 2019/20 the provisional settlement made up to £3.5 billion available by 2019/20".

16.8 This statement needs to be considered in the context of three issues:

- the national cut in the national Settlement Funding Assessment (Revenue Support Grant and Top Up grant) of £6.750 billion by 2019/20 – nearly twice the amount referred to in paragraph 13.7;
- the Government forecast assumes that all Social Care authorities will implement the dedicated social care precept for the next 3 years;
- £800 million of the additional Better Care Fund allocation of £1.5 billion will be funded by reducing New Homes Bonus payments.

16.9 The introduction of the Social Care precepts in 2016/17 ended the Government's policy of encouraging local authorities to freeze Council Tax. Over the four years, 2016/17 to 2019/20, the Government's Council Tax policy now anticipated that Social Care Authorities will implement annual Council Tax increases of 3.9% (including the 2% Social Care precept) and this is reflected in Government budget forecasts. For Hartlepool annual Council Tax increases of 3.9%, including the Social Care precept, for the next three years should generate £4.3m, this is less than half of the reduction in Government grant of £9.8m over the next three years.

16.10 As highlight in the following table the continuation of Government grant cuts until 2019/20 and the change in the national Council Tax policy will result in:

- a reduction in net resources available to fund Council services by 2019/20, compared to 2013/14 of £22.481m – a reduction of 23%. This assumes annual Council Tax increase of 3.9% for the next three years;

- a reduction in Government of grant as a proportion of overall funding for the Council from 45% in 2013/14 to 21.1% in 2019/20;

- a corresponding shift in the proportion of the overall budget funded from Council Tax from 31.1% in 2013/14 to 52.4% in 2019/20;

	2013/14		2019/20	
	£'m	%	£'m	%
Government Grant	44.582	45.0%	16.134	21.1%
Share Business Rates income	17.720	17.9%	17.281	22.6%
New Homes Bonus	1.188	1.2%	2.850	3.7%
Council Tax income	30.810	31.1%	40.050	52.4%
Use of Reserves	4.823	4.8%	0.127	0.2%
Total	99.123	99.9%	76.442	100.0%

16.11 The budget forecasts have been rolled forward to 2019/20 to align with the current Government funding settlement period. The updated forecasts reflect a range of corporate savings, forecast housing growth and annual Council Tax increases of 3.9%. After reflecting these issues it is currently forecast that the Council will still need to make annual savings of **£12.690m** over this next 3 years, which equates to a 15% reduction in the total budget, as summarised below:-

	Previous Forecast £'m	Latest Forecast £'m	Latest Forecast <u>WITH</u> potential phasing £'m
2017/18	8.663	5.634	4.634
2018/19	3.443	2.784	3.784
Sub Total	12.106	8.418	8.418
2019/20	5.134	4.272	4.272
Total	**17.240**	**12.690**	**12.690**
Total deficit as a percentage of 2016/17 Budget	20%	15%	15%

16.12 In view of the savings made over the last 6 years increasingly difficult budget decisions will need to be made over the next 3 years. Detailed proposals for addressing the forecast deficit will be reported to future Finance and Policy Committees in line with the recommended budget timetable. This will include identifying early budget decisions for consideration by Finance and Policy Committee, prior to referral to full Council in late summer.

16.13 It will be essential that robust plans are developed and implemented to address the above deficits as beyond 2019/20 the Council will face significant additional financial risks arising from the implementation of the 100% Business Retention system by the Government. As Members are aware the Council has already been adversely affected by the initial implementation of a 50% Business Rates Retention system in 2013 owing to the impact in relation to the Power Station.

16.14 The move to a 100% Business Rates Retention system poses an even greater risk as the Government will completely phase out Revenue Support Grant at the same time. In addition, at a national level the level of additional Business Rates to be transferred to Local Government will exceed the final year's Revenue Support Grant. The Government will therefore be consulting on transferring additional responsibilities to Councils to be funded from these additional resources. The Government has recognised at an individual authority level there will be imbalances between local Business Rates resources and the costs of additional responsibilities to be transferred to Councils and they will seek to address these issues when designing the new system.

16.15 The Council has previously raised our significant concerns with the Government regarding the 50% Business Retention system through responses to consultation documents, meetings with senior Civil Servants and a meeting between the Leader and the Secretary of State. We have also now volunteered to be members of joint working groups set up by the Department for Communities and Local Government and the Local Government Association responsible for co-designing the new system.

16.16 The following recommendations seek Members endorsement of two key building blocks which have a fundamental impact on the scale of the budget cuts which will need to be identified. These issues relate to:

- The level of Council Tax increases for the next three years, which it is recommended are set at 3.9%,in line with current Government policy; and
- The level of Local Council Tax Support, which it is recommended is set at 12%.

17. RECOMMENDATIONS

17.1 It is recommended that Members:

i) Note the report;

ii) Approve the recommendation to apply to DCLG for a 4-year settlement (2016/17 to 2019/20) and refer this proposal to Council for approval;

iii) Approve the Efficiency Plan detailed at Appendix A;

iv) Consider, subject to the outcome of a detailed service review, the decision made as part of the 2015/16 MTFS to remove Lifeguard Service in 2017/18 and to note that at this stage the MTFS forecast for 2017/18 assumes this savings of £75,000 will be achieved;

v) To note that the proposed savings from removing School Crossing Patrols in 2017/18 has been removed from the MTFS forecasts;

vi) Approve the following key principles underpinning the 2017/18 to 2019/20 budget strategy:

- Confirm that in line with the Government’s Council Tax policy annual increases in Council Tax of 3.9% (including the 2% Social Care Precept) will be implemented for 2017/18 to 2019/20; and

- Approve the recommendation not to implement a 20% LCTS scheme for 2017/18 to 2019/20 and to instead implement a 12% LCTS scheme for the next three years.

vii) Approve the implementation of the Corporate Budget savings detailed in paragraph 6.9 and note that a detailed report on the proposed saving from reviewing the Minimum Revenue Provision will be referred to the Audit and Governance Committee for detailed considered as part of the Committees remit for reviewing the annual Treasury Management Strategy;

viii) Note that after reflecting the recommended Corporate Budget savings the Council still needs to identify budget savings/reductions of £12.690m from departmental budget over the next three years, which equates to a 15% reduction in the total budget;

ix) Note the phasing of the £12.690m budget deficit, as summarised in paragraph 14.10, and note that detailed proposal for achieving the necessary savings will be submitted to future Finance and Policy Committees meetings;

x) Note the budget timetable detailed at Appendix B, which includes provision to refer some early budget decisions to Council in September/October;

xi) Note the public engagement and communication exercise and support as appropriate;

18. REASONS FOR RECOMMENDATIONS

18.1 The recommendations enable Members to make strategic decisions to underpin the development of detailed MTFS proposals for 2017/18 to 2019/20.

19. BACKGROUND PAPERS

Medium Term Financial Strategy 2016/17 to 2018/19 report Finance and Policy Committee 11th January 2016.
Medium Term Financial Strategy 2016/17 to 2018/19 report Council 18th February 2016.

20. CONTACT OFFICER

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HARTLEPOOL BOROUGH COUNCIL

EFFICIENCY STRATEGY 2016/17 TO 2019/20

1.0 PURPOSE OF EFFICIENCY STRATEGY

1.1 This document provides an overview of the strategy the Council will adopt over the four years up to 2019/20 to address achieve efficiency savings to address the impact of continuing reductions in Government funding.

2.0 BACKGROUND

2.1 The Council has made significant efficiency savings over the last five years (2011/12 to 2015/16) through a combination of measures, including:

- Restructuring the organisational structure of the Council and reducing the number of departments from 5 to 3. This including reducing the number of Council Directors from 5 to 3, reducing the salaries of the remaining Director posts' and reducing the Chief Executive 's salary. The number of senior management posts has also been reduced;

- Staffing restructures across the Council have also been reviewed and 430 posts have been removed – this equates to a 12% reduction on the 2010/11 staffing baseline;

- New Governance arrangements were introduced in May 2013 and savings achieved by reducing the number of Councillors and the cost of Special Responsibility Allowances paid to Councillors with additional responsibilities;

- ICT procurement savings have been achieved by awarding a new contract with a private sector company for the provision of these services;

- Service reviews have been completed and identified more efficient ways of providing services.

2.2 Many of the efficiency measure implemented over the last five years cannot be repeated. Therefore, the Council recognises that new approaches will need to be adopted over the four years up to 2019/20 to identify new efficiencies.

3.0 EFFICIENCY STRATEGY 2016/17 TO 2019/20

3.1 The level of Government funding will continue to reduce on an annual basis over the four years up to 2019/20. The Council will also face increased inflationary pressures, including the impact of the National Living Wage, and demographic pressures arising from an ageing population.

3.2 The Council set a balanced budget for 2016/17 and this reflected planned efficiency savings to be delivered from 1st April 2016 of £3.1 million – which equated to an overall efficiency saving of 4%.

3.3 The Council has ambitious plans to grow the town, both business and housing growth. Business growth will not have a direct financial impact on the Council as growth in the Business Rates base is needed to stand still and offset significant rateable value reductions determined by the Valuation Office Agency. However, business growth will diversify the economic base of the town and provide increased employment opportunities for local people. Housing growth will increase the number of house-holds paying Council Tax, which will have a direct impact on the Council's financial position. To achieve the Council's ambitious housing growth targets for the next 10 years investment will be required in new infrastructure, including roads and schools. The Council is actively pursuing funding to the support the housing growth targets.

3.4 The Council will need make further efficiency saving of £12.7 million over the three years up to 2019/20 – which equates to an overall efficiency saving of 15%. In broad terms this equates to an annual efficiency target of 5% for 2017/18, 2018/19 and 2019/20.

3.5 In view of the scale of the efficiency savings already achieved in previous years it will be extremely challenging to achieve further annual efficiencies of 5% in future years. Therefore, to address this challenge the Council will be implementing a range of new measures to achieve further efficiencies savings based around the following key themes:

- **Demand Management**

  The Council recognises that for many services efficiency savings need to be achieved by managing demand for services to ensure that Council intervention occurs at the right time and lowest cost. This approach is based on intelligence lead targeting of interventions and promotion of alternative service delivery models.

  Demand management ranges from reducing street cleansing costs by changing people's behaviour regarding littering, to more complex changes in how Social Care Services are delivered.

- **Strategic Asset Management**

  The Council will continue to reduce the cost of using buildings by rationalising the overall estates.

- **Alternative Delivery Models**

  The Council is exploring a range of alternative service delivery models to increase efficiency and sustainability of services, including the potential extension of existing contractual arrangements with external providers, or the establishment of trading companies to deliver services to the Council and other organisations.

- **Service Reviews**

  The Council will continue to undertake service reviews to identify efficiency savings which can be achieved by changing service delivery arrangements, increased automation and use of technology.

3.6 The Council has developed a range of projects to achieve the efficiency target of £12.7 million and detailed business cases are currently been prepared for submission to the relevant Council Committee for approval. As part of this approach decisions regarding efficiencies savings to be achieved over the next three financial years will be made in the current year. This is a significant change in the Council's previous approach of identify efficiencies on an annual basis. The new approach recognises that many of the efficiency projects have a longer lead time and early decision will ensure these savings are phased over the next three years and achieved when needed.

3.7 Delivery of the overall efficiency plan will be managed by the Finance and Policy Committee and the Corporate Management Team. This approach will ensure that the overall plan is achieved and if necessary enable corrective action to be taken at an early stage.

3.8 Over the last five years the Council has successfully achieved significant efficiencies and this has addressed the impact of reduce Government funding. Over this period the Council has maintained service performance.

3.9 The Council recognises that achieving further efficiencies savings will be challenging and detailed business cases for individual projects will seek to maintain existing service performance. Where this is not possible the business case will explain the revised level of service performance and the implications this will have.

4.0 BENEFITS OF THE EFFICIENCY STRATEGY

4.1 The Efficiency Strategy provides the strategic framework for improving service efficiency and achieving a reduction on the Council's operating costs of 15% by 2019/20. This will ensure that the Council is able to continue to set a sustainable budget and deliver services to the local community.

4.2 The Efficiency Strategy should also enable the Council to secure a four year Government funding settlement for the period 2016/17 to 2019/20. This will provide certainty over future funding allocations, which will underpin the development of the Council's service planning up to 2019/20.

4.3 The Efficiency Strategy and detailed business cases for individual projects will enable the Council to explain to the public the financial challenges facing the Council and the approach to be taken to address this position.

Figure 1 Summary of Budget Process

Medium Term Financial Strategy Update – End of May / June

The Corporate Management Team will present a report to the Finance and Policy Committee to provide an update on the financial position facing the Council for the period covered by the Medium Term Financial Strategy. This will include determining indicative Council Tax increases, indicative Local Council Tax Support Scheme and savings requirements.

Individual Policy Committees – August/September

Develop and approve initial savings proposals to contribute towards achieving overall savings requirements identified by the Finance and Policy Committee, which can be approved for early implementation.

Finance and Policy Committee – September/October

Consider and approve initial savings proposal developed by individual Policy Committees which can be referred to Council for early implementation.

Budget Communication – July to September

Provision of information and explanation on the financial position facing the Council.

Finance and Policy Committee - October

Review of reserves held at 31st March.

Council – October/November

Consider and approve initial savings proposals referred by Finance and Policy Committee for early implementation.

Individual Policy Committees - December

Consider and approve final savings proposals required to achieve a balanced budget.

Council - December

Consider and approve Local Council Tax Support Service proposed by Finance and Policy Committee based on simple majority vote.

Finance and Policy Committee - January

Approve final budget proposals developed by individual Policy Committees to be referred to full Council.

Council - February

Consider and approve budget proposals and HBC Council Tax level proposed by Finance and Policy Committee.
Consider and approve statutory Council Tax calculations incorporating precepts approved by Police and Crime Commissioner, Cleveland Fire Authority and Parish Councils.

FINANCE AND POLICY COMMITTEE

20th June 2016

HARTLEPOOL BOROUGH COUNCIL

Report of: Chief Finance Officer

Subject: **REVIEW OF MINIMUM REVENUE PROVISION (MRP) POLICY FOR 2017/18**

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1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework Decision.

2. PURPOSE OF REPORT

2.1 To provide detailed information on the proposal included in the Medium Term Financial Strategy report to revise the Minimum Revenue Provision (MRP) policy for 2017/18 prior to this proposal being referred to the Audit and Governance Committee for detailed scrutiny, before submission to full Council.

3. BACKGROUND

3.1 In consultation with the Chair of the Finance and Policy Committee a review of the current MRP policy commenced during 2015/16 to provide an adequate lead time to review the complex technical and legal requirements in relation to the MRP. This lead time was necessary to enable this detailed report to be prepared for consideration by this Committee and also referred to the Audit and Governance Committee, prior to any changes being submitted to Council for implementation in 2017/18.

3.2 The MRP policy is part of the annual Treasury Management Strategy which provides the framework for managing the repayment of the Council's borrowing used to fund previous capital investment. The Treasury Management Strategy is considered each year by the Audit and Governance Committee before detailed proposals are referred to full Council. In normal circumstances the draft Treasury Management Strategy is considered by the Audit and Governance Committee in December and then referred to Council in February.

3.3 The existing MRP policy has been in place for eight years and to provide adequate time to consider a revised MRP policy this report is being presented to Finance and Policy Committee for information, prior to referral to the Audit and Governance Committee for detailed scrutiny in accordance with the Council's constitution.

3.4 In accordance with regulations which came into force on 31st March 2008 local authorities are required, on an annual basis, to determine a MRP policy which it considers is appropriate to ensure the Capital Financing Requirement (CFR) is repaid over an appropriate period. The CFR and MRP are defined as follows:

- The CFR is the accumulated level of borrowing undertaken to finance capital expenditure; and
- The MRP is the annual charge to the revenue budget to repay the CFR.

4. REVIEW OF MRP POLICY

4.1 The existing MRP policy consists of two components:

- **MRP for pre 31st March 2008 borrowing**

  Borrowing up to this date was all subject to Government approval via the granting of 'credit approvals', which provided authority to borrow for capital purposes. In accordance with national regulations applying at that time the MRP for non-housing capital investment was set at 4% of the CFR.

- **MRP for post 1st April 2008 borrowing**

  From this date local authority borrowing is regulated via the Prudential Code, which enables individual authorities to set their own borrowing limits, subject to specific conditions being met. The most important condition is the ability to repay Prudential Borrowing over an appropriate time period.

  The Council has adopted a cautious approach to using the Prudential Borrowing regime. Most borrowing has been linked to specific business cases or operational requirements, for example housing investments and operational vehicle repayments, where there is either a specific income stream, budget savings or ongoing revenue budget to fund the annual MRP and interest costs. In these cases the MRP reflects the operational life of individual assets.

4.2 It is not proposed to make any changes to the MRP policy for post 1st April 2008 borrowing and MRP payments will continue in accordance with existing arrangements to ensure the debt is repaid over the existing asset lives.

4.3 As detailed later in the report Local Authorities have had the power for a number of years to review their MRP policies, although most Authorities, including Hartlepool have continued to base MRP charges for pre 31st March 2008 borrowing on the regime apply up to that date.

4.4 The position in relation to pre 31st March 2008 borrowing needs to be reviewed to ensure these arrangements remain appropriate in light of the significant changes to the Local Government funding system introduced over the last few years. It is my understanding that other North East Councils have either reviewed their MRP policies for 2016/17, or are in the process of reviewing for 2017/18.

4.5 From this Council's perspective reviewing the MRP policy for the 2017/18 financial year provides the maximum benefits in terms of the scale of the ongoing saving which can be achieved and the number of years this saving can be sustained for. If this review had been completed in an earlier financial year the financial benefits would have been lower and sustained over a shorter time period. Further information is provided in section 5.

4.6 There are a number of factors to take into account in reviewing the pre 31st March 2008 MRP policy as follows:

- The current MRP rate of 4% was set by the Government at a time when the Government system for distributing Revenue Support Grant (RSG) included specific formula to allocate RSG on the basis of the approved CFR and annual MRP repayments of 4%. These arrangements meant that part of the annual MRP repayment costs were funded from RSG and part from the General Fund budget.

  As a result of changes on the RSG formula and the significant cuts in RSG over the last 5 years there is no longer a specific component of RSG linked to annual MRP charges. Therefore, the previous link to Government grant no longer exists and this means a greater proportion of MRP is now falling on the General Fund budget as less Government grant is received to support these costs. This position will be exacerbated over the next few years as further Government grant cuts will be implemented.

- The current annual MRP charge is 4% of the reducing CFR and front loads repayment costs. This means a disproportionate element of borrowing costs falls on the General Fund in the earlier years of making MRP repayments. This has significant implications for services in the current financial climate;

- The MRP current policy for pre 31st March 2008 CFR does not provide for the full repayment of this amount within a reasonable time period as highlighted in paragraph 4.7.

4.7 The development of a revised CFR policy needs to address the above issues and retain a prudent basis for repaying the CFR. These objectives can be achieved by basing the MRP policy on a 50 year annuity loan. The revised MRP policy is prudent and would ensure:

- The balance of the CFR at 31st March 2008 will be fully repaid after 50 years, i.e. by 31st March 2057.

- Under the current MRP policy this would not be achieved as 13% (£9.4m) of the CFR would still be outstanding at 31st March 2057. There would still be 7% (£5.1m) outstanding at 31st March 2072 – some 65 years after 31st March 2008;

- The revised MRP policy does not increase the overall level of debt, although it does change the repayment profile.

- The annual financial commitment of making MRP repayments will be fairer for both Council Tax payers and the budget over a 50 year period.

  Whilst, the revised MRP charges are lower in the early years and higher in the later years, the total 'net present value' (NPV) charges are lower than the existing MRP charges over a 50 year period. This position reflects the fact that the NPV figures represent the real term value of money - i.e. £100 today is worth more than £100 in ten years time. Therefore, this provides a fairer 'real term' cost over time to the budget and Council Tax payers. As detailed in the following table the NPV for the revised MRP policy is lower than the existing MRP policy. The table also shows that the revised MRP policy provides for the full repayment of the CFR by 31st March 2057. This is not the case for the existing MRP policy.

Repayment Basis	Net Present Value (£m)*	CFR Outstanding 31st March 2057 (£m)
4% MRP on Reducing CFR Balance	32.733	9.362
50 Year Annuity Repayment	29.973	0.00

  *Based on 2% Bank of Englance Target Inflation Rate

- By adopting the revised MRP policy the annual charge to the revenue budget will never exceed the current charge. This will provide a revenue savings which can be taken into account when setting the 2017/18 budget, as detailed in the next section.

5. FINANCIAL CONSIDERATIONS

5.1 The revised recommended MRP policy for the pre CFR at 31st March 2008 cannot be applied retrospectively as the financial accounts for 2008/09 to 2014/15 have been closed. However, the financial impact of the revised MRP policy and the current policy has been assessed. This analysis shows that the 31st March 2017 the Council will have 'overprovided MRP' by £13.8m.

5.2 If this policy change had been considered 12 months earlier the Council would have 'overprovided MRP' by £11.7m. As indicated earlier in the report this demonstrate that if the revised policy had been considered earlier the overall benefit and resulting annual savings would have been lower and for a shorter number of years.

5.3 To address the overprovision of MRP under the existing policy it is recommended that no MRP payments are made in relation to the pre-2008 CFR for the period 2017/18 to 2028/29. The proposal will enable the Council to re-base the repayment of the CFR so that the CFR outstanding at 31st March 2028 will be at the level it should have been had the revised MRP policy applied from 1st April 2008.

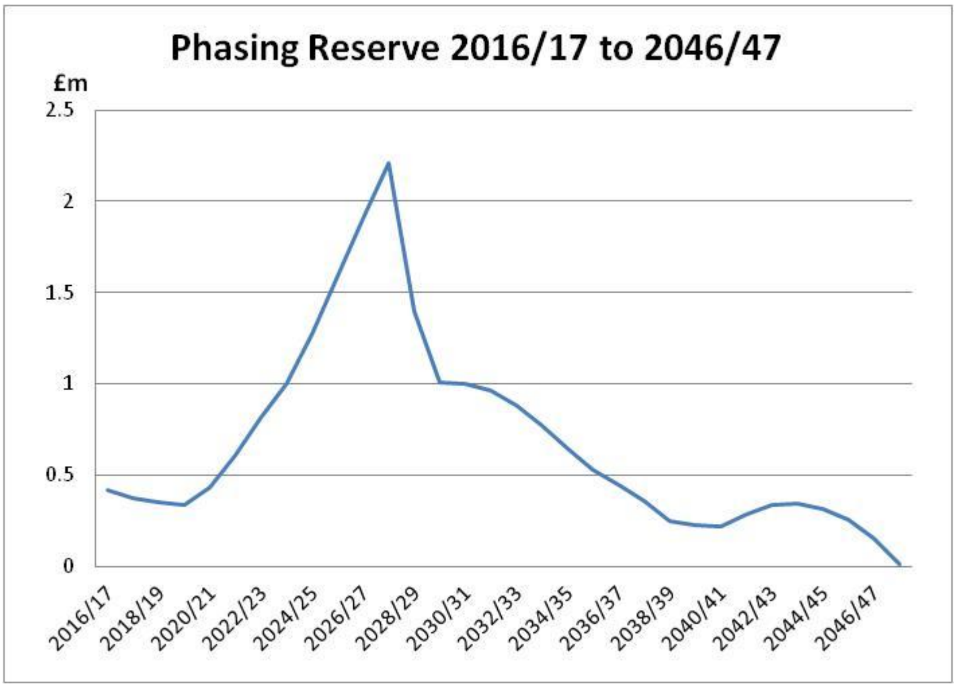
5.4 This proposal will enable a recurring revenue budget saving of £2 million to be taken over a 12 year period i.e. 2017/18 to 2028/29.

5.5 In 2029/30 the savings will reduce to £1.4m. There will then be a further reduction in 2030/31 to £1m.

5.6 However, the key issue to recognise is that from 2030/31 the aggregate annual MRP (i.e. covering the pre and post 2008 CFR) will be £1m lower than it would have been if the existing MRP policy is maintained.

5.7 To ensure the annual saving detailed in the previous paragraphs can be relied upon over a 50 year period the Council will need to manage annual fluctuations by maintaining a phasing reserve. As the revised MRP policy is a long term financial strategy the phasing reserve also needs to reflect this planning horizon.

5.8 As the summarised in the following graph small annual contributions will be made to the phasing reserves from the existing budget (net of the £2m MRP saving) up until 2026/27, when the reserve will peak at approximately £2.2m. The reserve will then begin to be used in 2027/28 when £1m will be withdrawn. This will enable a £2m benefit to the General Fund budget to be maintained in 2027/28 consisting of net recurring MRP saving of £1m and £1m draw down from the reserve. Further smaller annual draw downs of the reserve will be made in 2028/29 and future years to sustain an annual benefit of at £1m (i.e. combined value of MRP saving and reserve draw down) until 2047/48. Movements in the phasing reserve are summarised in the following graph:



6. RISK IMPLICATIONS

6.1 As detailed in the previous paragraphs the phasing reserves manages the risk of sustaining the financial benefits to the General Fund from adopting the revised MRP policy.

7. LEGAL CONSIDERATIONS

7.1 The proposal detailed in the report can be implemented in accordance with the requirement of Statutory Instrument 2008 Number 414 - the 'Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 and provide a prudent basis for determining the annual MRP provision for the pre 31st March 2008 CFR.

8. CHILD AND FAMILY POVERTY

8.1 There are no direct child and family poverty implications in this instance. However, the revised recommended MRP policy will help avoid the need for cuts in services, which may have had child and family poverty implications.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

9.1 There are no equality and diversity considerations in this instance.

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

10.1 None

11. STAFF CONSIDERATIONS

11.1 None

12. ASSET MANAGEMENT CONSIDERATIONS

12.1 None

13. CONCLUSIONS

13.1 In consultation with the Chair of the Finance and Policy Committee a review of the current MRP policy commenced during 2015/16 to provide an adequate lead time to review the complex technical and legal requirements in relation to the MRP. This lead time was necessary to enable this detailed report to be prepared for consideration by this Committee and also referred to the Audit and Governance Committee, prior to any changes being submitted to Council for implementation in 2017/18.

13.2 The Council is required to adopt a prudent MRP policy to repay the CFR and the policy for the pre-31st March 2008 CFR has not previously been reviewed. This position needs to be reviewed to ensure these arrangements remain appropriate in light of the significant changes to the Local Government funding system introduced over the last few years. In reviewing the MRP policy the Council needs to ensure that the proposed new policy remains prudent and this is assessed by considering 2 key questions:

- Will the revised MRP policy repay the pre-31st March 2008 CFR sooner than the existing policy?; and
- Will the revised MRP avoid deferring a higher annual MRP charge to future years?

13.3 As detailed earlier in this report the revised recommended MRP policy meets these objectives as it ensures the CFR is fully repaid within 50 years. This would not be achieved under the existing CFR policy, as this would leave an outstanding CFR of 13% (£9.4m) after 50 years. Therefore, the revised MRP policy provides a significantly more prudent basis for repaying the pre 31st March 2008 CFR.

13.4 Compared to the continuation of the previous policy the revised proposal demonstrates that at 31st March 2017 the Council will have overprovided MRP by £13.8m. This position reflects the previous policy front loading repayment cost borne by the General Fund budget over the early years of the loan repayment period. Perversely, as indicated in the previous paragraph the current MRP policy would not repay the CFR over a 50 year period.

13.5 To enable the Council to benefit from the change in MRP policy it is recommended that no MRP charges are made in relation to the pre-2008 CFR for the period 2017/18 to 2028/29. The proposal will enable the Council to re-base the repayment of the CFR so that the CFR outstanding at 31st March 2028 will be at the level it should have been had the revised MRP policy applied from 1st April 2008.

13.6 The revised MRP policy will provide a recurring annual saving of £2m over a 12 year period - i.e. 2017/18 to 2028/29. From 2029/30 this savings will reduce to £1m to ensure the CFR is repaid within 50 years. The annual savings are predicated on establishing a phasing reserve as detailed in section 5.

13.7 The proposals in the report do not impact on post 2008 CFR and MRP payments which will continue on accordance with existing arrangements to ensure the debt is repaid over the existing asset lives. This remains the most prudent basis for repaying the post 2008 CFR.

13.8 In the event that Members support the recommendations in this report and these proposal are subsequently approved by full Council I can confirm that in my professional opinion the revised recommended change in the MRP policy for the pre 31st March 2008 CFR is prudent and provides a sustainable and robust basis for ensuring the repayment of the CFR.

13.9 The revised recommended MRP policy for the pre 31st March 2008 CFR could potentially have been implemented in an earlier financial year, but this would have provided a lower annual saving for a shorter period.

13.10 The recommendation to implement the revised MRP policy for the 2017/18 financial year provides the greatest annual financial savings and sustains this saving for the longest period i.e. a £2m recurring annual saving until 2028/29.

14. RECOMMENDATIONS

14.1 It is recommended that Members:

i) Note the report and the potential to achieve an annual saving of £2m over the period 2017/18 to 2028/29 by implementing a revised MRP policy for the pre 31st March 2008 CFR;

ii) Note that as detailed in paragraph 5.7 the recommended revised MRP policy is a long term strategy covering a 50 year period and to ensure the annual recurring saving detailed in the report can be achieved a phasing reserve will be required. This reserve can be funded from small annual contributions from the existing budget;

iii) Refer this report for earlier consideration by the Audit and Governance Committee to enable this savings to be built into the 2017/18 budget strategy to help address the 2017/18 budget deficit.

15. REASONS FOR RECOMMENDATIONS

15.1 To enable Members to consider the implications of a revised MRP policy for the pre 31st March 2008 CFR and to enable this proposal to be referred to the Audit and Governance Committee for detailed consideration.

16. BACKGROUND PAPERS

16.1 Treasury Management Strategy to Council on 18th February 2016.

17. CONTACT OFFICER

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FINANCE AND POLICY COMMITTEE

20 June 2016

HARTLEPOOL BOROUGH COUNCIL

Report of: Director of Child and Adult Services

Subject: HOLIDAY HUNGER PILOT SCHEME

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1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non key.

2. PURPOSE OF REPORT

2.1 To outline the proposals for a holiday hunger pilot scheme to be delivered during the school summer holiday period and the seek agreement from Finance and Policy Committee to implement the pilot.

3. BACKGROUND

3.1 A report was presented to Finance and Policy Committee on 14th March 2016 outlining the development of the Child and Family Poverty Strategy 2016 onwards. This report updated Members on the changes taking place at a national level in relation to the definition of child poverty, the work underway to produce a new strategy for Hartlepool and proposals for expenditure in relation to the Child and Family Poverty reserve Council had previously created. The report outlined options for Members to consider in relation to maximising the impact of the available reserve and, at the request of Members, proposed three options as follows:

- A programme in schools to address money management and budgeting;
- Building capacity and skills within the voluntary sector to support families in poverty particularly offering debt advice, money management. At its meeting on 15th February 2016, Finance and Policy Committee agreed to extend the contract with West View Advice and Resource Centre to deliver the Council's financial advice and support service during the 2016/17 financial year. This decision committed £110,000 of the £500,000 reserve;
- Deliver a pilot Holiday Hunger scheme during the 2016 school summer holidays and support organisations that are currently working directly with

families in food poverty to develop the scheme so that it is sustainable in the long term.

3.2 Committee approved the recommendations as outlined in the report and during the discussion on the issue of holiday hunger the Chair noted as follows: '... it was essential that the Council undertook the pilot previously agreed on school holiday hunger to assess the real need in the community.'

3.3 Following the request from Finance and Policy Committee that a scheme be delivered this summer, officers in Child and Adult Services, Public Health and Neighbourhood and Regeneration have met to develop a cost effective holiday hunger pilot scheme which maximises the available resources within the Child and Family Poverty reserve, builds community capacity and is potentially sustainable in the long term.

4. PROPOSALS

4.1 The proposed holiday hunger pilot scheme is made up of two parts, an initiative with the Food Bank to offer an enhanced service over the summer from community based locations and the development of a ring fenced non-recurrent resource for local and voluntary organisations to bid for funds to deliver a scheme in their local community.

4.2 Working in partnership with the Trussell Trust, who operate the Food Bank in Hartlepool, it is proposed that food parcels provided by the Food Bank are available from three key distribution sites across the town. This will be in addition to the regular support available from the Food Bank. It is proposed the distribution sites are locations in the north, central and south areas of the town via either children's centres or voluntary and community centres; further options will be explored but initial options include West View Advice and Resource Centre or Hindpool Children's Centre (North), Chatham or Lynnfield Children's Centre (Central) and Kilmarnock Road Resource Centre or Rossmere Children's Centre (South). It is proposed that HBC work in partnership with the Trussell Trust to add value to the scheme through adding menu cards to the food parcel offering information and advice on how to prepare healthy, well balanced meals based on the contents. Parcels will also include information on access to other services for example the crisis fund and other financial support services.

4.3 Food parcels will consist of staples such as rice, pasta, soup, tinned vegetables and fruit and tinned meat and fish equating to £25-30 worth of food. The total cost for this initiative will be £13,000 over the six week period; additional costs relating to packaging, stationary and printing as well as extra staff time will be absorbed by the Foodbank. Delivery and transport of the parcels will be via HBC ITU at a cost of £100 per day i.e. £600 in total..

4.4 It is anticipated that through this initiative, 80 food boxes will be available each week (maximum 480 in total), spread across the North, Central and South venues. Officers will monitor take up at each venue after the first delivery to best manage demand and adjust the arrangements as necessary.

4.5 To complement the initiative with the Food Bank, it is proposed that a ring fenced non-recurrent resource will be created from the Child Poverty reserve totaling £25,000, which is open to voluntary and community sectors organisations to bid to deliver a holiday hunger initiative. The use of the fund is targeted towards organisations that are supporting children and young people through the provision of meals during the school summer holiday. The maximum amount any single organisation can bid for will be £3,000.

4.6 Following the decision of Finance and Policy Committee on the proposed schemes and subject to approval from Committee, further details of the ring fenced non-recurrent resource and its administration will be developed. It is anticipated the scheme will be ready to receive bids from 01 July 2016 and will be available throughout the school summer holiday.

4.7 It is proposed that following the conclusion of the pilot scheme this summer, an evaluation is undertaken to evaluate the level of need in the town, measure the effectiveness of the scheme to tackle and mitigate the impact of poverty, establish what worked well and what could be done differently should the initiative be delivered in future years.

5. RISK IMPLICATIONS

5.1 The risks will be managed by officers coordinating the scheme.

6. FINANCIAL CONSIDERATIONS

6.1 At a meeting in December 2015, Council agreed to the creation of a Child and Family Poverty reserve and committed £500,000. It is proposed that the costs associated with the delivery of the holiday hunger pilot scheme as outlined in this report are met from this reserve.

6.2 The costs of the scheme delivered in partnership with the Trussell Trust will be a maximum of £13k plus £600 transport, and the ring fenced non-recurrent resource £25k; with commitments already made £110k, this will leave a balance of £350k in the Child and Family Poverty Reserve.

7. LEGAL CONSIDERATIONS

7.1 There are no legal considerations arising from this report.

8. CHILD AND FAMILY POVERTY

8.1 The pilot scheme outlined in this report is devised with the intention to tackle and mitigate the impact of poverty. Many children in Hartlepool are in receipt of free school meals and the welfare of these children during school holidays is of concern when they are unable to access a meal at school. This initiative is designed to provide meals for children during the summer school holiday to ensure they do not go hungry and are well and ready to learn upon their return to school in September.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

9.1 The pilot scheme will be universally available to children and young people, although targeted in locations with higher numbers of families accessing free school meal support

10. STAFF CONSIDERATIONS

10.1 There are no staffing considerations arising from this report.

11. ASSET MANAGEMENT CONSIDERATIONS

11.1 There are no asset management considerations arising from this report.

12. RECOMMENDATIONS

12.1 It is recommended that Finance and Policy Committee approve the pilot scheme for operation during the school summer holiday 2016 based on the following arrangements:

- Food parcels distributed from three locations in partnership with the Trussell Trust;
- The creation of a ring fenced non-recurrent resource of £25,000 from the Child and Family Poverty reserve for voluntary and community sector organisations to bid to deliver a holiday hunger initiative;
- That use of the fund is targeted towards organisations that are supporting children and young people through the provision of meals during the school summer holiday; and
- That the limit per organisation bidding be £3,000.

12.2 Finance and Policy Committee is asked to note that an evaluation will be undertaken and reported to Committee following the conclusion of the pilot programme.

13. REASONS FOR RECOMMENDATIONS

13.1 Members have expressed a wish to support children and young people who may be at risk of going hungry through the long school holiday.

14. BACKGROUND PAPERS

14.1 Minutes of Finance and Policy Committee 14 March 2016

15. CONTACT OFFICER

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FINANCE AND POLICY COMMITTEE

20th June 2016

Report of: Assistant Chief Executive

Subject: QUARTER 4 – COUNCIL OVERVIEW OF PERFORMANCE AND RISK 2015/16

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision

2. PURPOSE OF REPORT

2.1 To inform Finance and Policy Committee of the progress made against the 2015/16 Council Plan, for the period ending 31 March 2016.

3. BACKGROUND

3.1 The Council Plan was agreed by Council on the 26th March 2015.

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

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

3.4 The structure of the report is:

Paragraphs	Content
4.1 – 4.7	Council Overview of Performance and Risk
5.1 – 5.6	Child and Adult Services Departmental Update
6.1 – 6.6	Public Health Departmental Update
7.1 – 7.6	Regeneration and Neighbourhoods Departmental Update
8.1 – 8.6	Chief Executives Departmental Update
16.1	Recommendations

4. COUNCIL OVERVIEW OF PERFORMANCE AND RISK

4.1 In total the Council Plan includes 177 actions and 141 performance indicators to deliver and measure improvements across key priority areas (outcomes) identified in the Community Strategy and Council Plan.

4.2 Of the 141 indicators, 85 have targets set and 55 are included for monitoring purposes only. Updates have been provided for 79 of the 85 targeted indicators, data is currently not available for the remaining 6 indicators at this stage of the year. Only the targeted indicators are included in the analysis for this report.

4.3 Officers have assessed the indicators and actions included in the plans, making judgments based on progress to the 31 March 2016. Progress is categorised as: -

Performance Indicator	Action
Achieved	Completed
On track to achieve target	On track to be completed
Acceptable progress made	Acceptable progress made
Requiring intervention	Requiring intervention
Not achieved	Not completed
No value	

4.4 Charts 1 and 2 below summarise officers' assessments of the Council Plan actions and targeted performance indicators.

Chart 1: Council Plan Action Progress for period to 31 March 2016

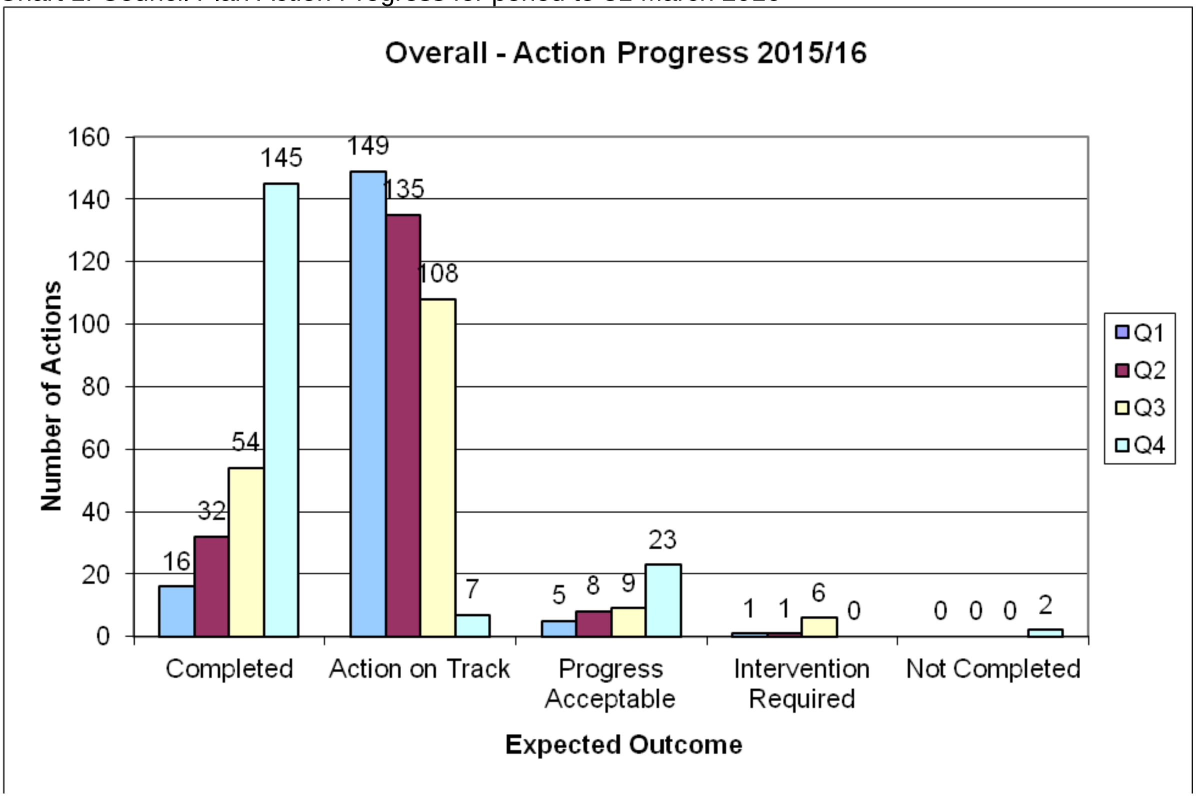
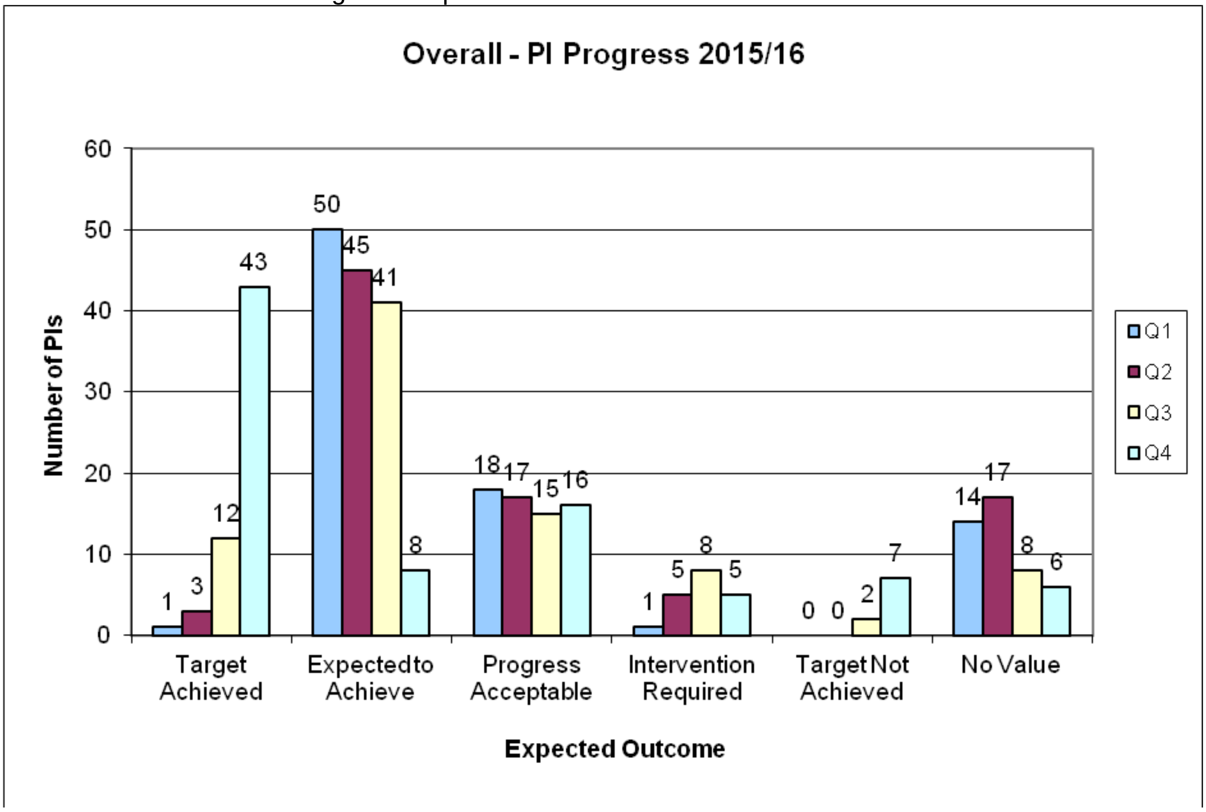


Chart 2: Council Plan PI Progress for period to 31 March 2016



4.5 91 strategic risks across various outcomes have been identified within the Council Plan. These, along with other risks not included in the plan are being managed in accordance with the Council's Risk Management Framework. This report will only include information on risks within the Council Plan that have changed their rating in the last quarter. However it should be noted that **all** risks on both the accepted and actively managed risk registers are reviewed on a regular basis.

4.6 Sections 5.5, 6.5, 7.5 and 8.5 of this report provide an update on those risks within the Council Plan that have changed in rating since Quarter 3 of 2015/16.

4.7 As agreed by Finance & Policy Committee regular reporting to Elected Members on the use of the Regulation of Investigatory Powers Act (RIPA) is to be undertaken through the quarterly reports on performance and risk. The following table sets out the latest position for 2015/16 at the end of quarter 4:

PI	Value	Latest note
CEDLS P011 Number of authorisations for Directed Surveillance and Covert Human Intelligence Sources granted by the Council under the Regulation of Investigatory Powers Act (RIPA)	0	No authorisations granted during 2015/16.

5. CHILD AND ADULT SERVICES DEPARTMENTAL UPDATE

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

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

5.2 The Child and Adults Department has identified 24 actions and 21 performance indicators (17 Targeted and 4 Monitored) spread across the outcomes within the Council Plan that it is responsible for. At this stage of the year data is only available for 15 of the 17 targeted PI's.

5.3 Chart 3 summarises the overall progress on CAD actions and Table 1 provides detail on the 4 actions identified as intervention required:

Chart 3: CAD Overall Action Progress – to 31 March 2016

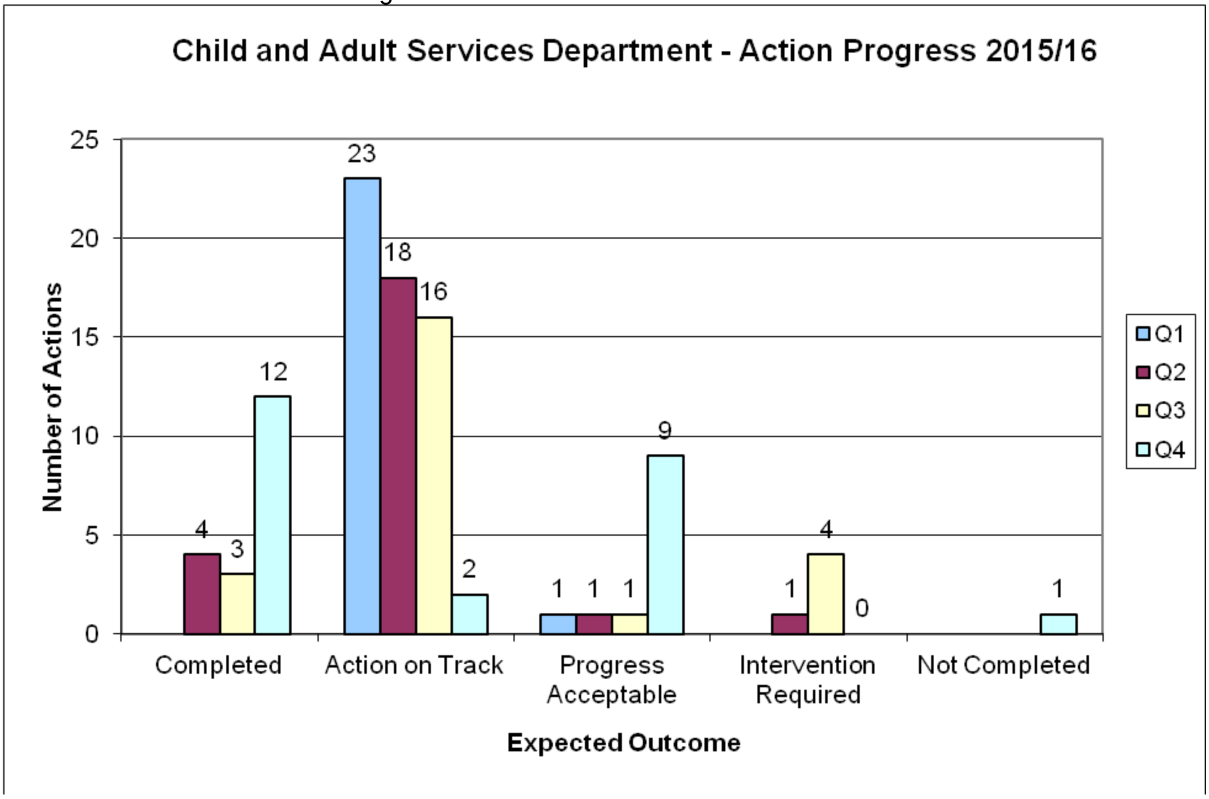


Table 1: CAD Actions identified as Not Achieved – 31 March 2016

Expected Outcome	Code & Title	Note
Not Achieved	CAD 15/16 LLS02 Provide an intensive challenge and support programme to secondary schools to ensure that the percentage of pupils achieving 5+ GCSE A*-C including mathematics and English is in the top 20% of the most improved authorities in the country by 2015	Support to High Tunstall and St Hild's continues to be proportionate: High Tunstall at a lower level than that at St Hild's Early projected outcomes for summer 2016 at High Tunstall looking more positive than 2015 with a high degree of certainty/reliability. Early projected outcomes at St Hild's were weak - final data capture due late April/early May. LA support and challenge to St Hild's being augmented by CE Diocese. 5+A*-C including English and mathematics is no longer a measure.

5.4 Chart 4 summarises the overall progress on CAD targeted performance indicators and Table 2 provides detail on the performance indicators identified as intervention required or target not achieved:

Chart 4: CAD Targeted Performance Indicators – Progress to 31 March 2016

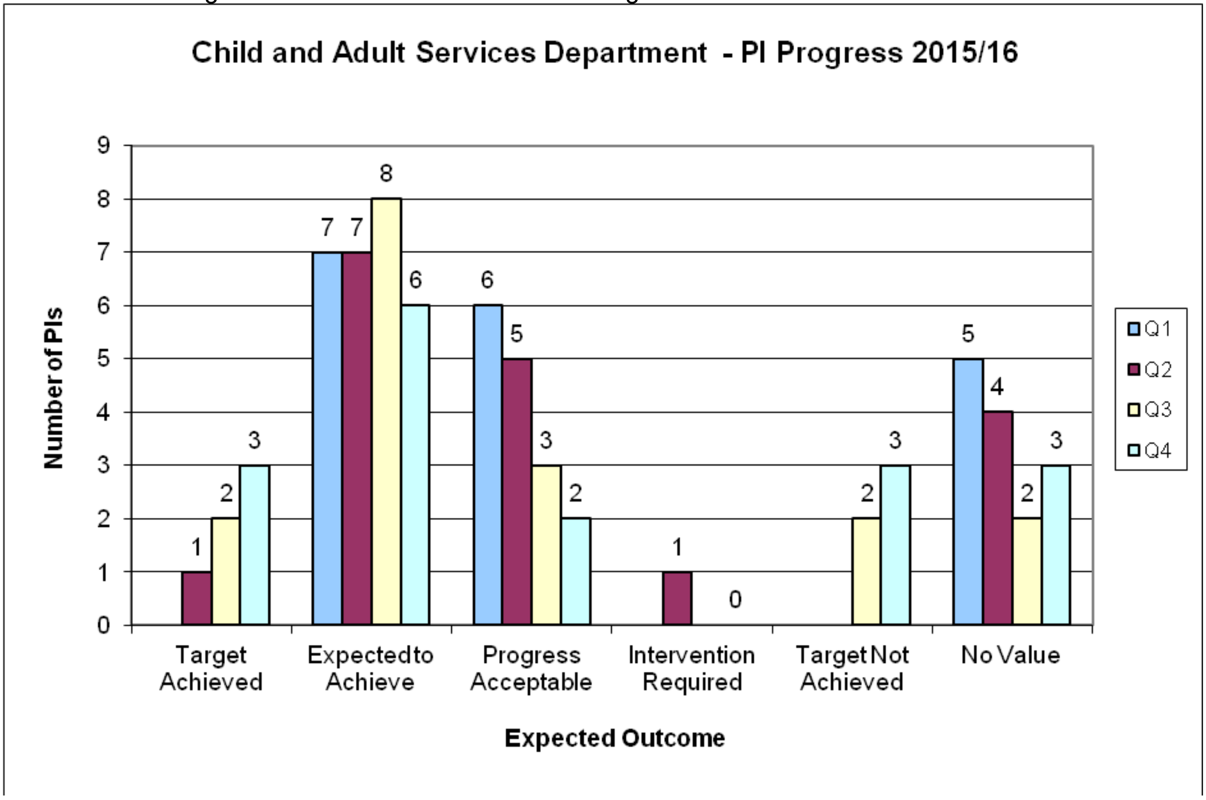


Table 2: CAD PI's identified as Not Achieved – 31 March 2016

Expected outcome	Performance Indicator	Value	Target	Latest Note
Not Achieved	CSD P144 Achievement gap between disadvantaged pupils in Hartlepool and all pupils nationally at Key Stage 4 GCSE 5 A*-C including maths and English	-31.3		No data change since previous quarter. Trend is positive but slow. Hopeful of a more rapid closure in summer 2016.
Not Achieved	NI 75 Percentage of pupils achieving 5 or more A*- C grades at GCSE or equivalent including English and Maths	53.4%	56.0%	No change in value from previous quarter. Indicative data for key performance measures due to be collected from schools in May 2016.
Not Achieved	ACS P066 Number of admissions of supported residents aged 65 or over to residential/nursing care per 10,000 population	589.5	823.9	In the first 9 months of the year, there have been 101 admissions to residential care of people over 65 years old. This converts to a rate of 589.5 per 100,000 population. If this figure was continued to year end, the final year figure would be 786, which would be under the level expected in the annual target for the year . This figure will continue to be tightly monitored across the next quarter.

5.5 There are 20 risks across 5 outcomes in the Council Plan 2015/16. Table 3 provides a summary of those risks whose ratings have changed over the last quarter:

Table 3: CAD Risks, where risk rating has changed/deactivated – 31 March 2016

Risk Code & Title	Latest Note
CAD R066 Alternative education provision in Hartlepool is judged to be inadequate	Deactivated because we no longer provide the service

5.6 For the period up to 31 March 2016 the Child and Adult Services Department have identified the following achievements and issues:

- To help strengthen the role of the Local Safeguarding Children's Board the data set proposals have been accepted by all four Safeguarding Boards and a Chair has been identified as Jean Golightly who will progress the Tees-wide data set framework. A meeting will be arranged and it is anticipated that Jean will co-ordinate this. Funding has been agreed by all four Boards to action a full-time data analyst and this will be progressed.
- For information the completely new national assessment frameworks in both primary and secondary schools in 2016 will make year-on-year comparison with previous outcomes difficult
- CAD 15/16 LLS05 Review and re-commission behaviour, attendance and alternative education provision to reengage children and young people with challenging behaviour in their education, the end date of this action should be moved to July 2017. A new risk is required in the risk register due to uncertainty in LA and schools' funding through the new National Funding Formula 2017-18 onwards (phased implementation).
- A review of Youth Offer has been commissioned and the final completion of this review is March 2017
- Work has been undertaken through the Tees-wide Safeguarding Adults Board and the Policy, Procedures & Practice Guidance Sub Group to ensure that all documentation is Care Act compliant and supports the principles of Making Safeguarding Personal. The Making Safeguarding Personal Evaluation Report 2014/15 was published in November 2015 and will be used, along with local intelligence regarding different approaches, to inform the way forward. There is an ongoing commitment in Hartlepool to ensure that people who experience the safeguarding process are supported appropriately and have the opportunity to identify their desired outcomes.
- Dementia Friendly accreditation has been achieved. Work continues through the North of Tees Dementia Collaborative to promote best practice and raise awareness. A Dementia Advisory Service has been commissioned and is co-located with the town centre based information service provided at The Bridge. The rate of dementia diagnosis continues to increase. Plans are in place to deliver a family leadership course.
- The proportion of reviews completed for the full year is 76.3% against the annual target of 75%. This represents 3,806 people reviewed across the year (there were actually 4,699 reviews completed, as some clients will receive more than one review in the year). This is a closely monitored figure as 'reviews completed' is a key quality measure across

Adult Social Care. The 75% target was set to match expected national levels and achieving this signifies good performance.

- Performance at year end is 91.5% which is made up of cumulative figures of 751 out of 821 client goals being met. This is very good performance and exceeds the 70% annual target. This is a key qualitative measure to show that outcomes for clients using the reablement service are being achieved.
- The availability of care home placements in Hartlepool was exacerbated by the removal of registration and subsequent closure of 3 residential homes in January 2016, which followed a home closure in 2015. This, in addition to embargoes on new admissions to a number of homes, limits choice for individuals and has the potential to worsen waiting lists and impact on delayed transfers of care from hospital. There are potential new providers coming into the market which may have a positive impact within the next 6-12 months but there has been limited engagement with the Council to date from these providers.
- Two Serious Case Reviews (AS and NE) have been concluded and action plans signed off as complete by the Tees Safeguarding Adults Board (TSAB) SAR Sub Group. The Safeguarding Adult Review (AW) has commenced and is expected to be complete by the end of the year.

6. PUBLIC HEALTH DEPARTMENTAL UPDATE

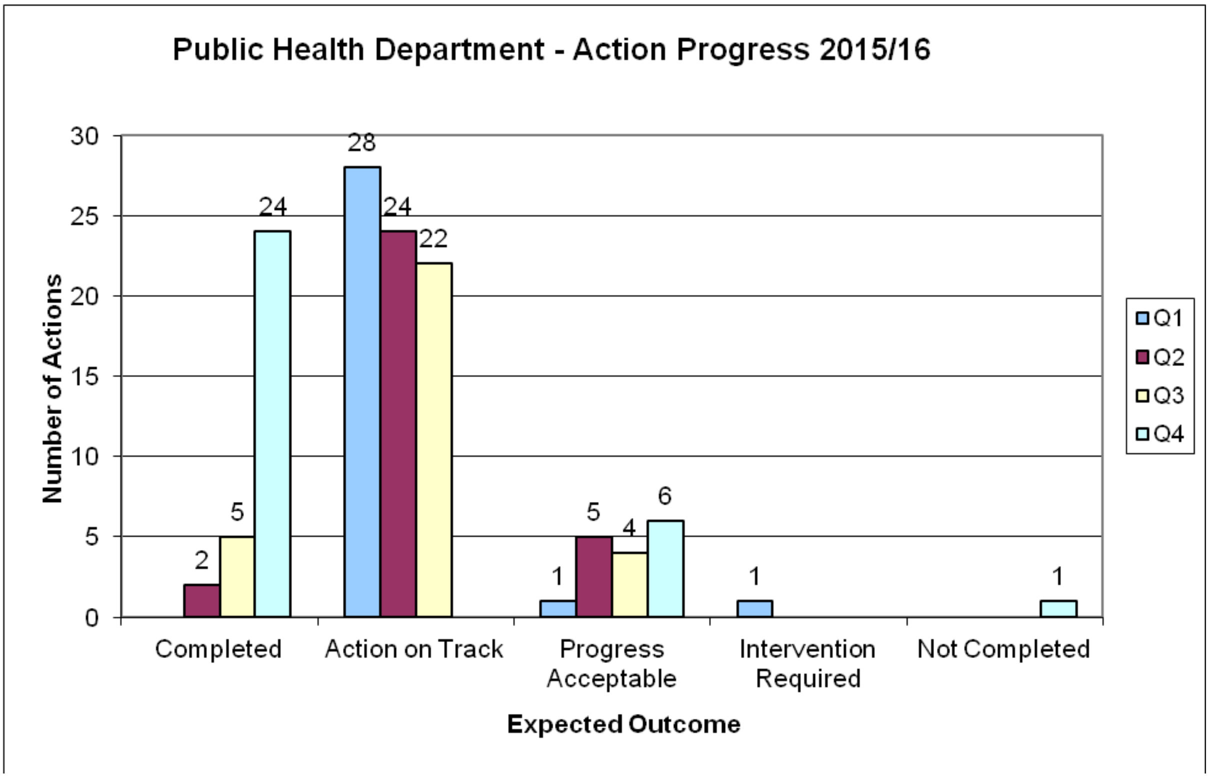
6.1 The Public Health Department contributes to 3 outcomes within the Council Plan, spread across 1 theme:

- Health and Wellbeing

6.2 The Public Health Department has identified 31 actions and 34 performance indicators (9 Targeted and 25 Monitored) spread across 3 outcomes within the Council Plan that it is responsible for. In addition the department has also identified 10 strategic risks that are included in the Council's 2015/16 Plan.

6.3 Chart 5 summarises the overall progress on PHD actions:

Chart 5: Public Health Overall Action Progress – to 31 March 2016



6.4 Chart 6 summarises the overall progress on PHD targeted performance indicators and Table 4 provides detail on the performance indicators identified as intervention required:

Table 4: PHD Actions identified as Not Achieved – 31 March 2016

Expected Outcome	Code & Title	Note
Not Achieved	PHD 15/16 HW19 Undertake an Estates Excellence project with partners	No further work undertaken due to staffing issues and change of priorities. Work to continue in 2016/17

Chart 6: Public Health Targeted Performance Indicators – Progress to 31 March 2016

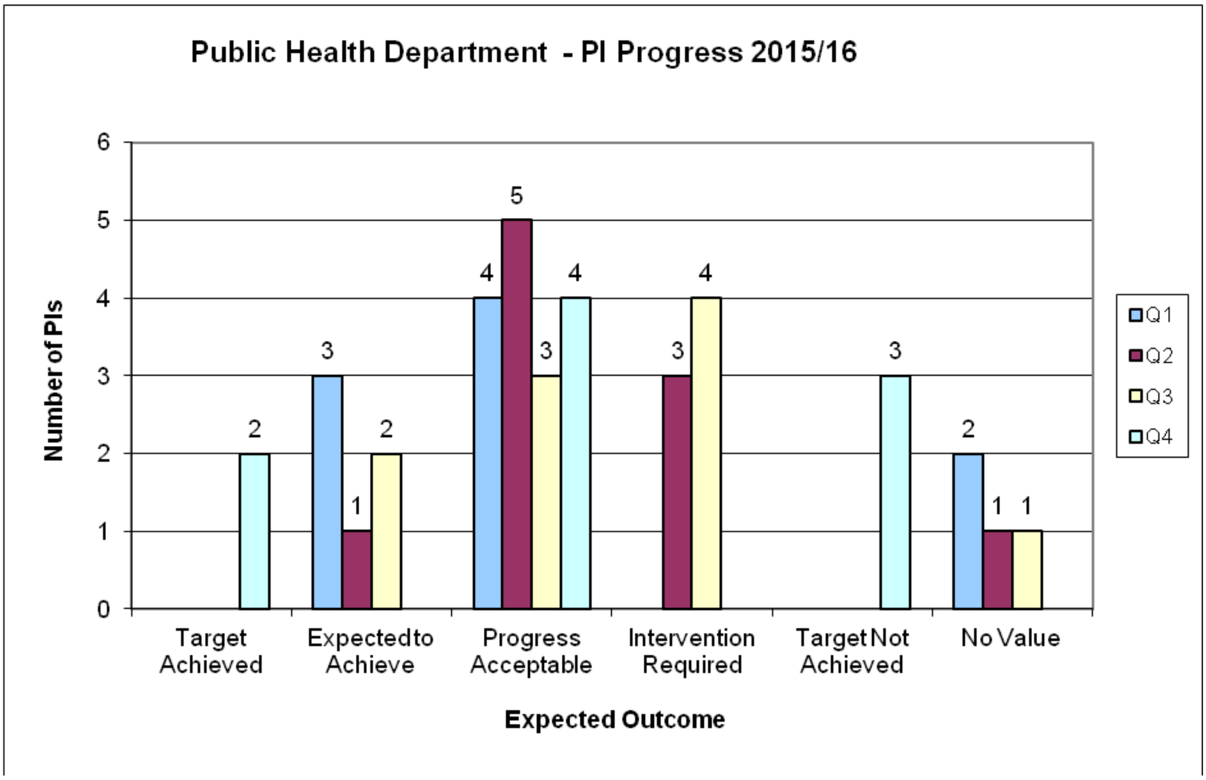


Table 5: PHD PI's identified as Intervention Required – Progress to 31 March 2016

Expected outcome	Performance Indicator	Value	Target	Latest Note
Not Achieved	ACS P059 Overall attendance at Mill House, Brierton and Headland Leisure Centres	313,041	368,750	**Mill House Leisure Centre** January - 16892 February _ 18404 March _17510 Total - 52806 **Headland Sports Hall** January - 1999 February _ 2169 March _ 1959 Total - 6127 **Brierton Sports Centre** January - 9384 February _ 9130 March _ 8711 Total - 27225 Quarter 4 overall attendances down and down overall, assume now as a result of other competitors in the town and national trends - monitoring software to be installed on our attendance figures to measure ourselves against other similar operators nationally so we can bench mark to see if reduced attendances is a national trend or not and in what areas

Not Achieved	ACS P081 Number of patients completing a 10 week programme of referred activity recommended as a health intervention - GP referrals	226	300	Target will not be reached. there has been considerable disruption to the programme in relation to staffing which we are addressing for this next financial year. It is also hoped that with the inclusion of the health trainers into the Health and Exercise Team not only the number of referrals will increase but also completions. We are also addressing the shortage of staff and have recruited recently which will have a positive impact in Q1.
Not Achieved	PHD 2.03 Smoking status at time of delivery	21.4	17	There is a North of Tees Smoking in Pregnancy Group that develops, implements and monitors an annual action plan re smoking in pregnancy. All initiatives within the plan are in place to reduce smoking in pregnancy. The work is a partnership between our own Specialist Stop Smoking Service, Midwifery Services in the FT, Children Centres, etc. There are plans in place to use a voucher scheme for pregnant women to access nicotine replacement products - this would remove one step and one barrier to having easy access to products. This should be in place by end June 2016.

6.5 There have been no changes to the risk ratings this quarter.

6.6 The Public Health Department have identified the following issues and achievements for Quarter 4.

- The Health Improvement Practitioner spoke at the national Health & Wellbeing at Work conference at Birmingham NEC in March, on the subject of ‘Embedding health and wellbeing initiatives into organisational culture’ using HBC and NEBHAWA as a case study. Middleton Grange Shopping Centre has signed up to the bronze award for 2016/17, which will present lots of positive opportunities for promotion of public health issues to staff, tenants and customers.

- Hartlepool Borough Council became one of the first workplaces in the region (4 in Tees) to be awarded the new ‘ambassador’ status of the North East Better Health at Work Award. The award was presented to HBC at the successful Tees-wide Better Health at Work celebration event held at the Borough Hall on 10 March.

- Target was 70% of those people completing ten weeks of a GP referral programme to remain in activity 6 months after completing course. Achieved 71% at end of year.

- The under 18 conception rate for 2014 was released by Office for National Statistics (ONS) in March 2016. This data of 28.9 per 1,000 demonstrated a further reduction in under 18 conceptions for Hartlepool

Local Authority. The reduction in teenage pregnancy rates since 1998 is 62%.

7 REGENERATION AND NEIGHBOURHOODS DEPARTMENTAL UPDATE

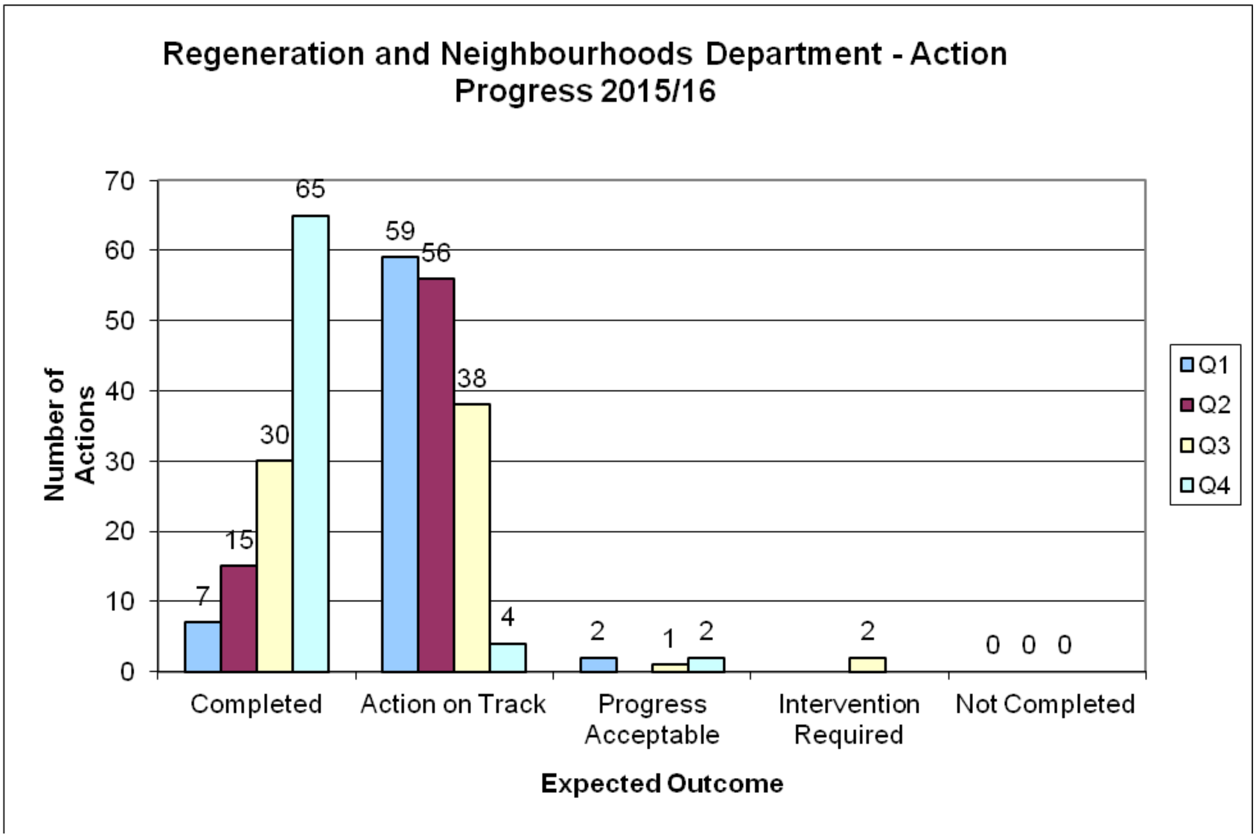
7.1 The Regeneration and Neighbourhoods Department contributes to 22 outcomes, spread across 9 themes.

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

7.2 The Regeneration and Neighbourhoods Department has identified 71 actions and 59 performance indicators (39 targeted and 20 monitored) within the Council Plan that it is responsible for. In addition the department has also identified 35 strategic risks that are included in the Council Plan.

7.3 Chart 7 summarises overall progress against Council Plan Actions:

Chart 7: RND Overall Action Progress – to 31 March 2016



7.4 Chart 8 summarises the overall progress on RND targeted performance indicators and Table 6 provides detail on the performance indicator identified as intervention required:

Chart 8: RND Overall PI Progress – to 31 March 2016

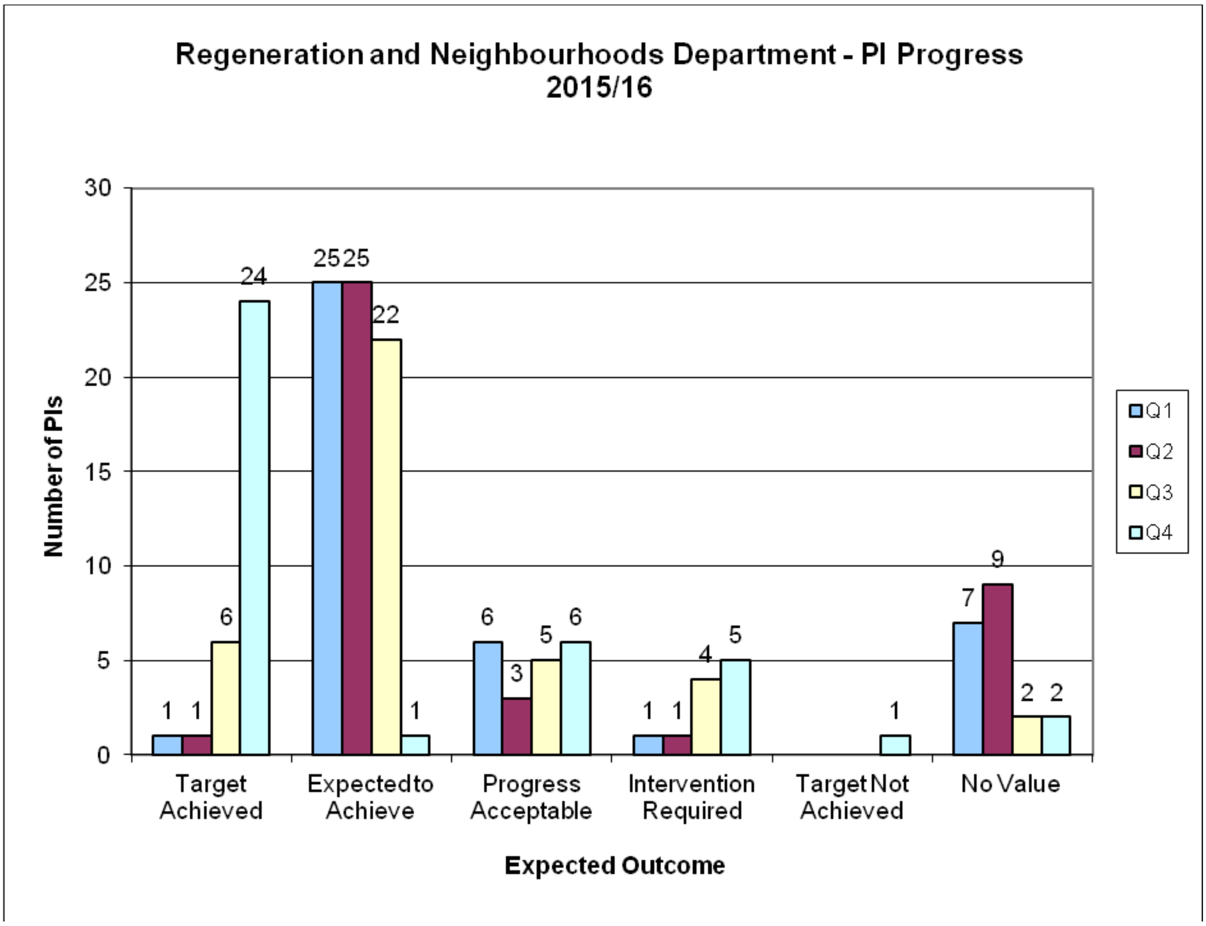


Table 6: RND PI's identified as Target not achieved – Progress to 31 March 2016

Expected outcome	Performance Indicator	Value	Target	Latest Note
Not achieved	RND P094 Number of unique visitors to destination Hartlepool	81,973	100,000	Slightly under target at re launch which is likely to include a lag in google analytics, however further promotion work will be implemented including work with the NMRN.
Not achieved	NI 193 Percentage of municipal waste (all waste collected by the local authority) land filled	20.5% (Q1) 2.5% (Q2) 1.2% (Q3	5.00%	Quarter 4 figures are not yet available, however early indication show landfill has only been used during the routine maintenance shut down for two weeks in March 2016. Whilst the expected outcome may be over target, it is due to large breakdown earlier in the year at the Energy From Waste Plant.
Not achieved	RND P120 Percentage of HBC managed properties which are void	8%	2%	8% of properties were void at the end of Q4 which includes 11 voids from the existing stock and 6 voids from newly acquired stock EPPS Phase 2 programme Although the annual outturn of voids is higher than the expected annual target however this reflects a number of factors:- · the annual target was set before we had had a opportunity to assess the management of

				the Council stock; · during 15/16 stock was coming on line for first let in higher numbers due to the completion of EPPS1; · additional stock was added to the Councils portfolio taking it from 186 units to 222 units in 15/16; · turnover is greater due to demand & type of property the Council has in parts of the town. The EPPS scheme targeted areas associated with higher levels of empties.
Not achieved	ACS P107 Number of schoolchildren visiting the Museum of Hartlepool, Hartlepool Maritime Experience, and Hartlepool Art Gallery.	7,746	12,500	Due to staffing capacity within the service it has not been possible to accommodate as many school children at the various venues as we have done in the past.
Not achieved	ACS P108a Number of Visitors to the Town Hall	41,589	51,000	As a result of a number of dance schools no longer using the venue, the number of visitor to the Town Hall has reduced over the course of the year. This will result in the target set for visitor numbers not being achieved this year.
Not achieved	ACS P104 Number of hours usage of the Libraries Peoples Network computers	34,797	39,000	Q4 showed an improvement in usage for the 2nd quarter running, however it remained below target. The annual target has not been achieved. Extensive works to the Central Library resulted in a reduction in footfall, which together with technical issues resulted in a lower than anticipated use of the People's Network computers in 2015/16.

7.5 RND have identified 35 risks across in the Council Plan 2015/16. There is an increased Risk rating to two Risks this quarter.

Table 7: RND Risks, where risk rating has changed/deactivated – 31 March 2016

Risk Code & Title	Latest Note
CAD R048 Failure to reach the minimum levels of performance for the SFA or Ofsted	We have received our QAR (Qualification Achievement Rates) and in the process of analysing the data. The service has implemented the big 90 project which has set Aspirational team targets of 90% across all indicators which was launched on the 1/2/16 and due to be completed on the 15/05/16. The outcome of this process is to •To respond to the increasing demands of Ofsted •To identify early interventions to raise performance and eradicate under-performance •To relook at our arrangements for monitoring Subject Sector Areas, including SAR and Business Improvement Plans •Be ever-ready for Ofsted inspection
RND R088 Failure to achieve sufficient uptake of school meals	The risk of schools and Academies leaving the in-house catering service, this could have an impact on the ability to provide school meals across the town and in particular the village schools

7.6 The following achievements have been identified within the Regeneration & Neighbourhoods Department for Quarter 4

- A successful partnership between Adult Education and Heritage Craft Alliance has meant that a cohort of 16 Level 3 Advanced Apprentices are now able to receive a 17 month programme of learning in traditional skills. Crucial in helping to plug a huge skills gap that currently exists in the heritage sector, apprentices learn a variety of tasks, stranded to cover traditional skills in either wood occupations or masonry.

- The department has successfully processed over 90% of all planning applications received within government prescribed timescales, which is above the targets set for these measures.
- We have seen the uptake of school meals at Primary Schools increase by a further 4% from the previous year, to 74% above the target set for this indicator of 70%. The school catering service is continuing to work with those schools where up take is low to improve levels.
- A report has been agreed in March 2016 to sell Carr/Hopps Street site to the preferred developer PlaceFirst. As part of this PlaceFirst will deliver a strategy and masterplan for the area and scheme in 2016/17. Early demolition of some properties has taken place and PlaceFirst plan to be on site in June 2016.
- We have been successful in the application to the Heritage lottery Fund, securing a £1.2m grant for the Church Street area.
- The Council has launched a social letting agency in January, managing 3 tenancies. Further leads continued to be followed up with both prospective landlords and tenants. Various Marketing initiatives are being undertaken to promote the new property management services to private sector landlords.
- Employability and enterprise sessions have been delivered to approximately 100, 13-19 year olds as part of the Global Entrepreneurship week. The sessions provided three workshops to the attendees, who then produced a social enterprise proposal which was presented to a panel.
- Through intervention by the Council, 86 private dwellings which have been empty for over 6 months have been brought back into use.

8 CHIEF EXECUTIVE'S DEPARTMENT UPDATE

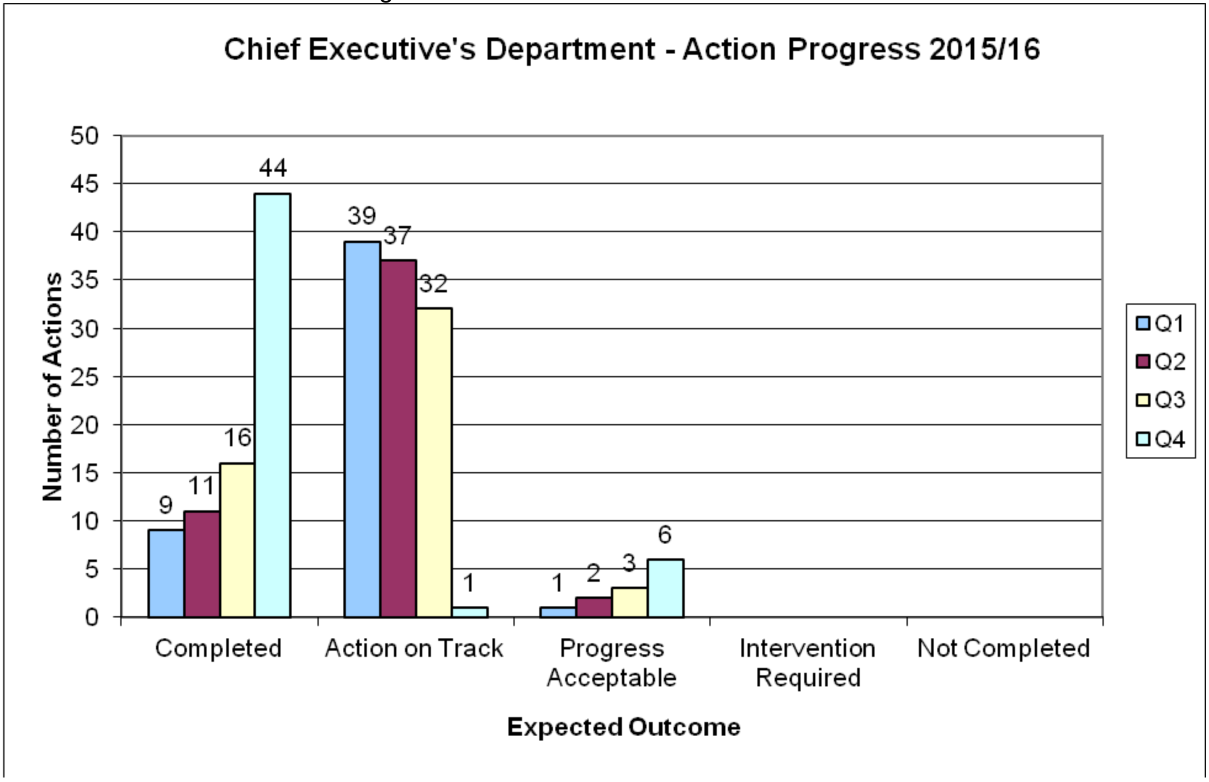
8.1 The Chief Executive's Department contributes to 10 outcomes, spread across 5 themes:

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

8.2 The Chief Executive's Department has identified are 51 actions and 26 performance indicators (20 targeted and 6 monitored). In addition the department has also identified 26 strategic risks that are included in the Council Plan.

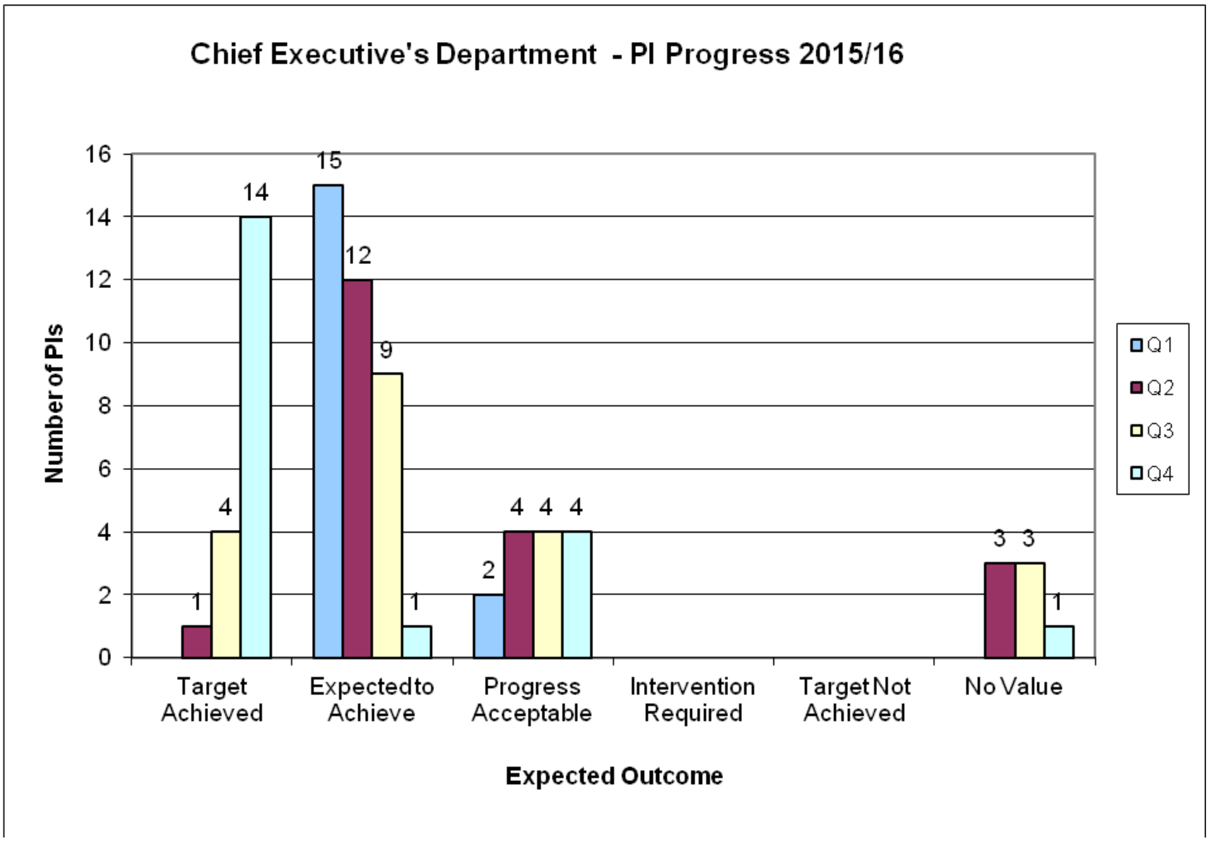
8.3 Chart 9 summarises the progress to date on actions within the Plan;

Chart 9: CED Overall Action Progress – to 31 March 2016.



8.4 Chart 10 summarises the overall progress on CED targeted performance indicators:

Chart 10: CED Overall PI Progress – to 31 March 2016.



8.5 There has been a change in two of the risk ratings this quarter.

Table 8: CED Risks, where risk rating has changed/deactivated – 31 March 2016

Risk Code & Title	Latest Note
CED R097 Failure to comply with the controls in the PSN Code of Connection leading to the withdrawal of 'connected' status	Increase in rating. We have a number of XP devices still on the estate but these are being addressed as part of the IT desktop / VDI rollout
CED R005 The failure to maintain a positive/excellent reputation.	Increase in rating. Hartlepool has been the focus of national media attention.

8.6 For the period up to 31 March 2016 the Chief Executive's Department have identified the following achievements:

- The percentage of invoices paid to local businesses within 10 working days has improved significantly in the last 12 months with the actual figure being 93.8% in Quarter 4 against a target of 85%. This is a significant improvement from an actual of 87.57% at the same time last year.
- The percentage of Council Tax collected is above target in Quarter 4 with 95.40% collected against a target of 95%.
- Business Rates collected are just above target at 98.5% against a target of 98%
- Long term collection (after 5 years) of both Council Tax and Business Rates has exceeded the target of 99%, with Council tax at 99.3% and Business Rates at 99.8%.

9. RISK IMPLICATIONS

9.1 No implications

10. FINANCIAL CONSIDERATIONS

10.1 No implications

11. LEGAL CONSIDERATIONS

11.1 No implications

12. CHILD AND FAMILY POVERTY

12.1 No implications

13. EQUALITY AND DIVERSITY CONSIDERATIONS

13.1 No implications

14. STAFF CONSIDERATIONS

14.1 No implications

15. ASSET MANAGEMENT CONSIDERATIONS

15.1 No implications

16. RECOMMENDATIONS

16.1 Finance and policy Committee is asked to: -

- Note the position in performance as at end of March 2016 (Quarter 4);
- Note the position in relation to use of RIPA powers as set out in section 4.7;
- Note the Actions identified as not completed, as set out in Tables 1 and 4;
- Note the Performance Indicators identified as target not achieved, set out in Tables 2, 5 and 6;
- Note the change to risks as set out in tables 3, 7 and 8.

17. REASONS FOR RECOMMENDATIONS

17.1 Finance and Policy Committee have overall responsibility for the monitoring of the Council Plan.

18. BACKGROUND PAPERS

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

19. CONTACT OFFICER

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FINANCE AND POLICY COMMITTEE

20th June 2016

HARTLEPOOL BOROUGH COUNCIL

Report of: Assistant Chief Executive

Subject: PERFORMANCE REPORTING 2016/17

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1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

2.1 To update Finance and Policy Committee on the new style of performance reports, commencing at quarter 1 2016/17, and to identify the priority areas the committee would like to receive updates on during the quarterly reporting cycle.

3. BACKGROUND

3.1 Previously, progress on the actions, Performance Indicators (PIs) and risks that make up the Council Plan has been reported quarterly to CMT and Finance and Policy Committee. These lengthy reports focused on reporting by exception and highlighting actions and PIs that were not on track or had missed deadlines or targets. They included risks where ratings had changed and requests for the addition/amendment/removal of actions, PIs and risks. There was also a section for Departments to highlight any issues they were facing and achievements that they had made. In addition there have been a series of other update reports provided to individual committees at different stages of the year outside this approach to corporate performance reporting.

3.2 The style of performance reports had remained largely unchanged for a number of years which in part prompted us to review our approach. In March, Policy Chairs agreed a new format and style to performance reporting which aims to be more engaging for elected members, and to reduce the number of lengthy quarterly reports to Policy Committees on individual service areas.

4. PROPOSALS

4.1 From the end of quarter 1 Finance and Policy committee will receive the new style performance report which will include an overview of the Council Plan produced from performance information in Covalent and an update on one specific activity or project that sits within the committees remit. Other Policy Committees will receive a similar style report relating to their respective areas only (these reports will be for information only and they will not be requested to make decisions on performance).

4.2 In order to ensure that those projects or activities that are important to the Committee are included it was agreed that each Committee would identify 4 areas at the beginning of the financial year to be included in their quarterly performance reports.

4.3 Suggested topics from the Department's are:

- Strategic Asset Management
- Community Hubs
- Workplace Health
- Welfare Reform / Benefit System changes

4.4 The Committee is requested to identify their 4 topics for 2016/17.

5. RISK IMPLICATIONS

5.1 There are no risk implications

6. FINANCIAL CONSIDERATIONS

6.1 There are no financial implications

7. LEGAL CONSIDERATIONS

7.1 There are no legal implications

8. CHILD AND FAMILY POVERTY CONSIDERATIONS

8.1 There are no child and family poverty implications

9. EQUALITY AND DIVERSITY CONSIDERATIONS

9.1 There are no equality and diversity implications

10. STAFF CONSIDERATIONS

10.1 There are no staff implications

11. ASSET MANAGEMENT CONSIDERATIONS

11.1 There are no asset management implications

12. RECOMMENDATIONS

12.1 That the Finance and Policy Committee confirm the 4 topics that will be included within the Council Plan performance reporting for 2016/17.

13. REASONS FOR RECOMMENDATIONS

13.1 To allow officers to prepare for performance reporting arrangements for the 2016/17 Council Plan.

14. BACKGROUND PAPERS

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

15. CONTACT OFFICER

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FINANCE AND POLICY COMMITTEE

20th June 2016

HARTLEPOOL BOROUGH COUNCIL

Report of: Assistant Chief Executive

Subject: EMPLOYEE SICKNESS ABSENCE ANNUAL REPORT 2015/16

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1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

2.1 To update the Committee on the Council's performance in 2015/16 in relation to employee sickness absence and seek approval for the sickness absence targets (paragraph 3.7) and key focus areas (paragraph 3.8) for 2016/17.

3. BACKGROUND

3.1 The extent to which employees are absent from work due to illness has a direct impact on the quality, level and cost of the provision of services. As such the Council have included this as a Local Performance Indicator (HRPI 5A) – The number of working days/shifts lost due to sickness absence in its group of Corporate Health Performance Indicators.

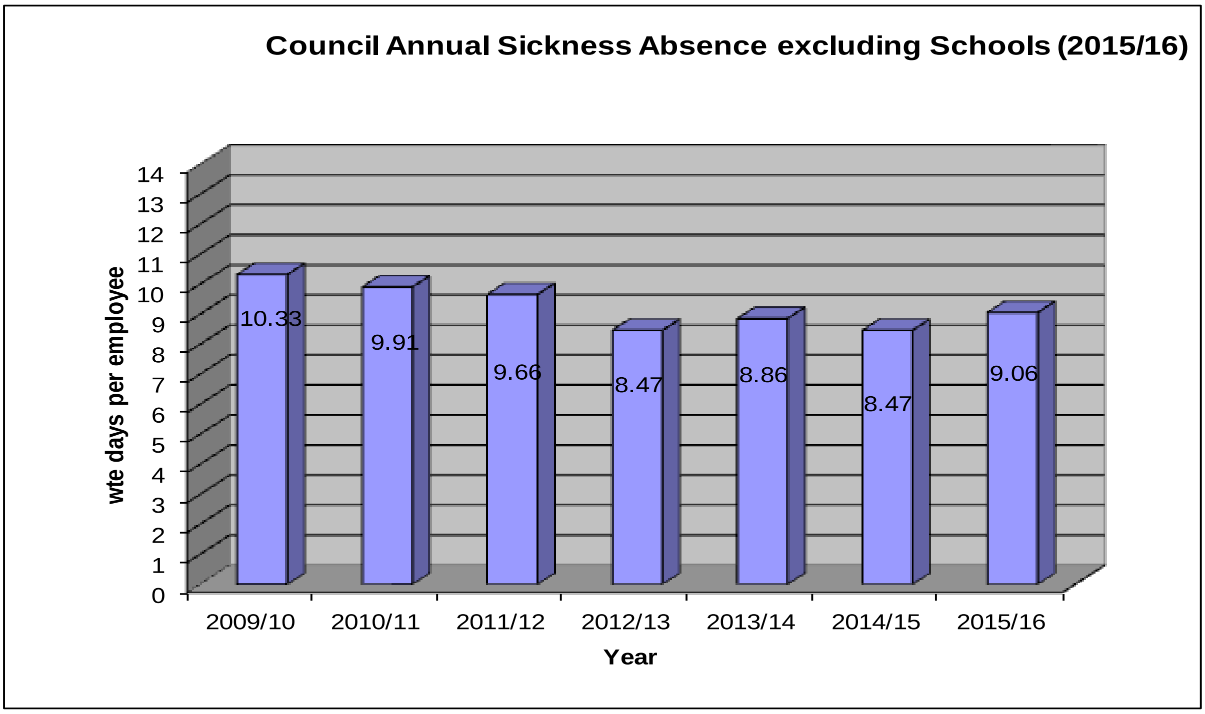
4. SICKNESS ABSENCE PERFORMANCE INFORMATION 2015/16

4.1 <u>Sickness Absence Performance 2015/16</u>

The target figure for 2015/16 for the Council excluding Schools is 8.20 average wte days absence per wte employee (whole time equivalent). The end of year figure is over target at 9.06 wte and demonstrates a fractional increase in sickness absence rates from 2014/15 of 0.59 wte days.

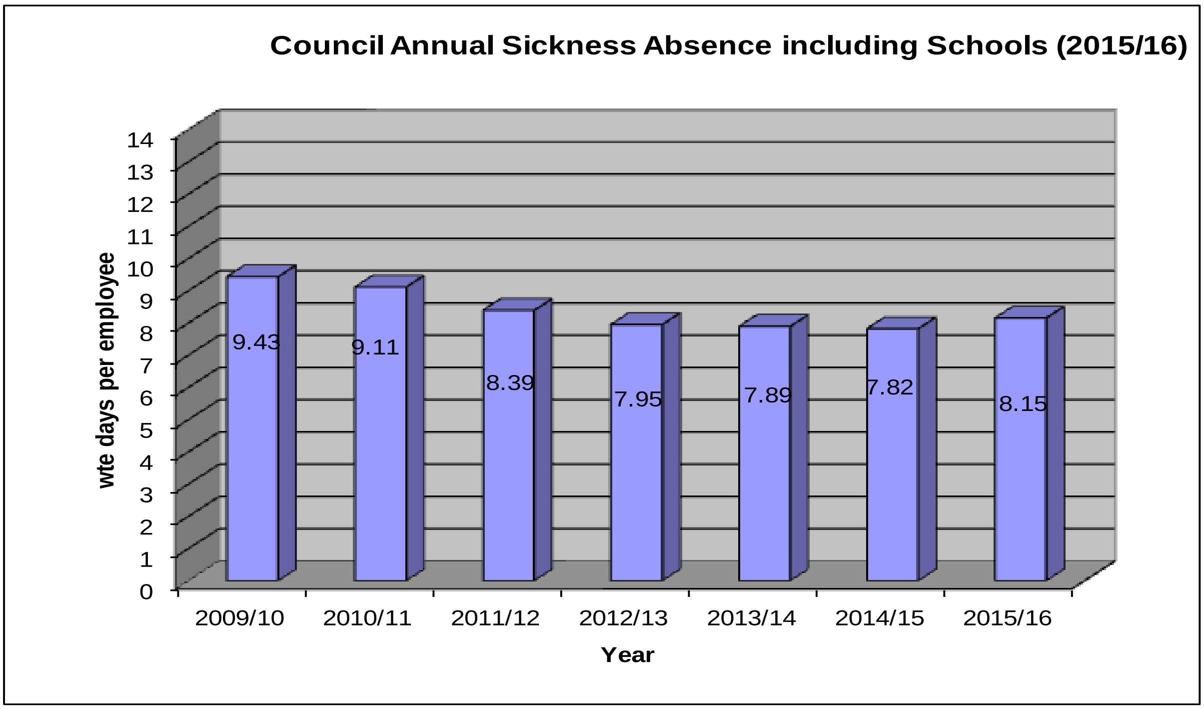
The Council continues to focus on sickness absence management to drive these figures down further. This commitment is demonstrated in the target proposed at paragraph 4.7.

Figure 1 below shows the Council performance excluding Schools employees.



4.2 The target figure for 2015/16 for the Council including Schools is 7.30 average wte days absence per wte employee (whole time equivalent). The end of year figure is over target at 8.15 wte as illustrated in Figure 2 below. This identifies a fractional increase in rates from 2014/15 by 0.33 wte.

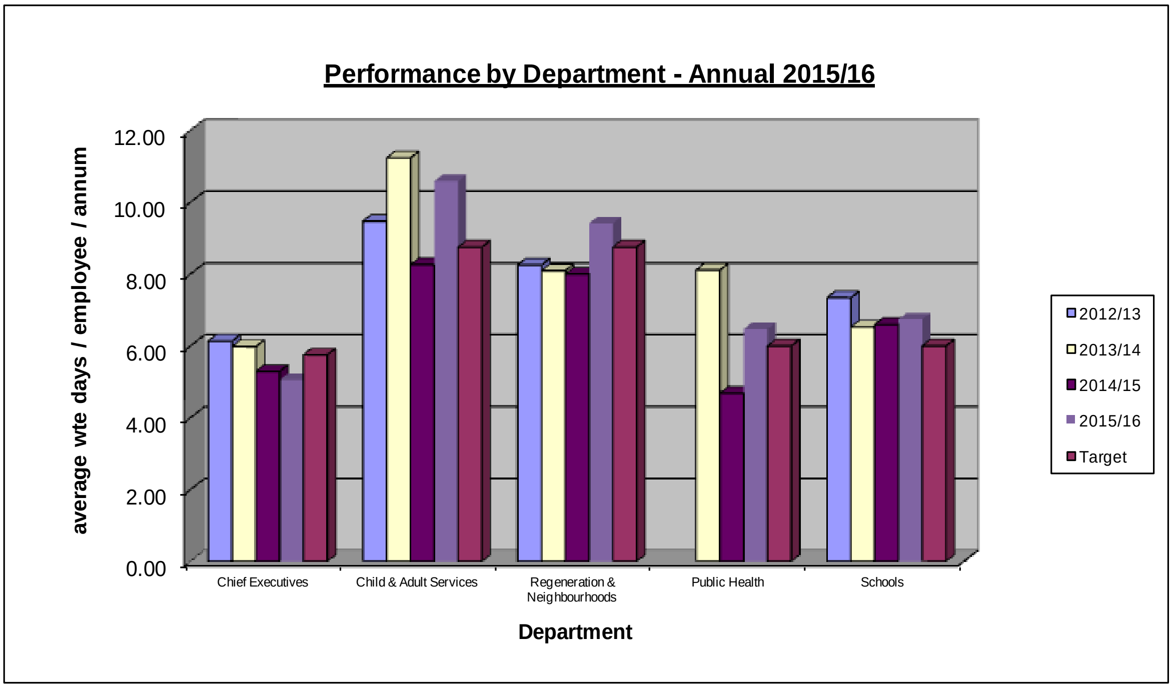
Figure 2



4.3 Figure 3 below illustrates the actual performance for each Department and Schools as at 31 March 2016. This can be compared to performance over the last three years in Chief Executives and Schools. The final column shows the 2015/16 annual target set by each Department and Schools.

The figure identifies that there is a downward trend in sickness absence rates in Chief Executive Department. However there has been an increase in all other Departments and Schools mainly due to the number of long term ill health cases in these departments during the 12 month period.

Figure 3



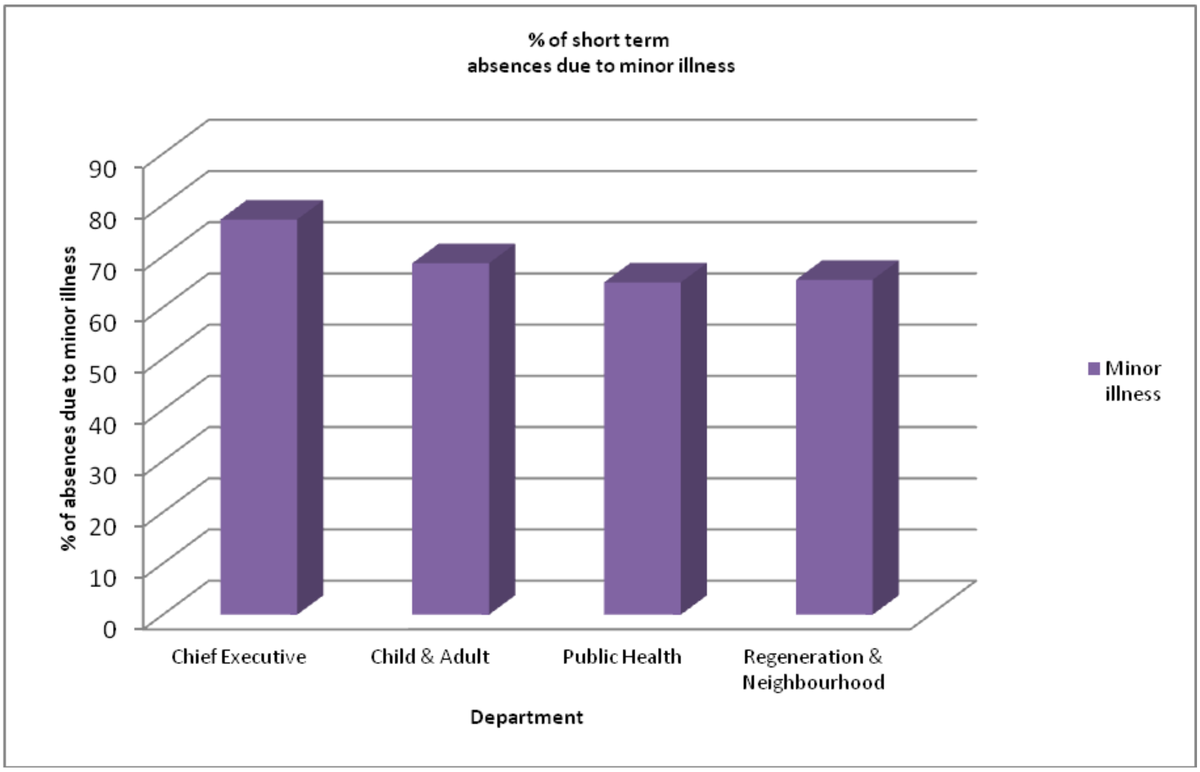
4.4 The Corporate Institute of Personnel and Development (CIPD) in their Annual Survey Report for 2015 reports the average sickness rate at 6.9 days per employee across all sectors. The public sector sickness averages have remained static with the rates for both 2014 and 2015 being 7.9 average days lost per employee.

4.5 Short Term Sickness Absence

The CIPD Annual Survey Report 2015 identifies that for public sector, manual workers, short term sickness absence, the main cause of absence is for minor illnesses (for example, colds, flu, stomach upsets, headaches and migraines) at 81%, this is also mirrored for non manual public sector workers with 94% of absences being attributable to minor illness.

The top reason for short term sickness within the Council is minor illness with all four departments having this as their top reason for short term sickness.

Figure 4 below identifies the % of short term sickness absence attributable to minor illness across the Departments.



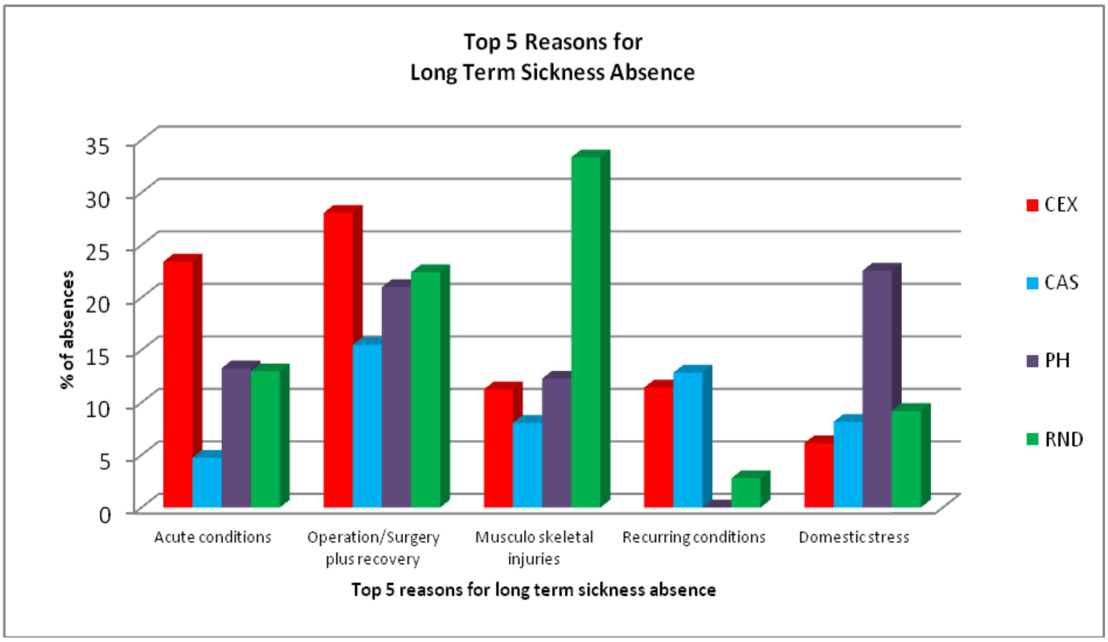
4.6 Long Term Sickness Absence

The CIPD Annual Survey Report 2015 reports that the top 5 most common causes of long term absences for manual workers in the public sector is stress at 77%, musculoskeletal injuries at 57%, acute medical conditions (for example stroke, heart attack and cancer) at 57%, mental ill health at 53% and back pain at 43%.

For non manual workers in the public sector, it is 79% for stress, 64% for acute medical conditions, 61% for mental ill health, 49% for musculo skeletal injuries and 36% due to back pain.

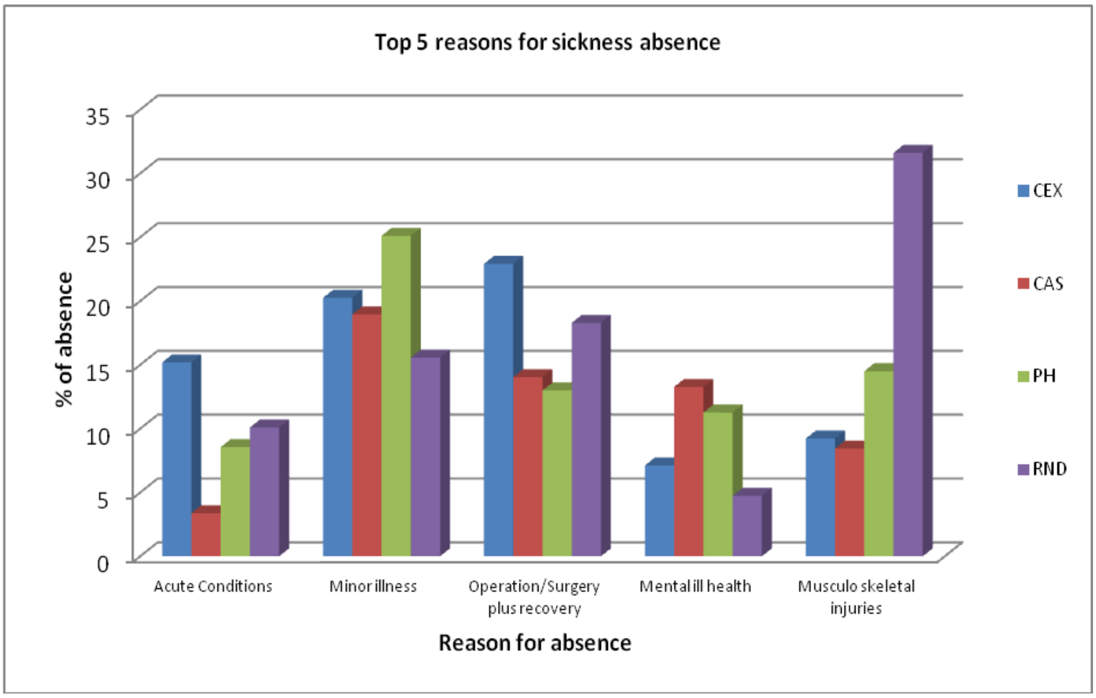
According to the CIPD Annual Survey 2015, manual workers have on average 1.5 more days absence per year than non manual workers.

Figure 5 below identifies the rates for the top 5 reasons for long term sickness absence across the Council



Within the Council the top 5 reasons for long term sickness absence are acute conditions, operation surgery plus recovery, musculo skeletal injuries, recurring conditions and domestic stress. The Council has a number of pro active strategies to manage long term sickness absence, such as home visits, referrals to occupational health services, counselling, physiotherapy, phased returns to work, amended hours, altered duties all to assist the employee in returning to work.

Figure 6 below identifies the top 5 reasons for sickness absence across the Council.



According to the CIPD annual survey report 2015, overall two-fifths of organisations claim an increase in reported mental health problems, (such as anxiety and depression) among employees in the past 12 months. The Council has mental ill health as one of its top 5 reasons for sickness absence in the past 12 months which is in line with the national statistics.

The Council has a number of pro active strategies to deal with mental ill health, referrals to Hartlepool MIND are used to assist employees in managing their mental well being. The Council has also run mental health briefings to assist managers to support employees who are suffering from mental ill health. It is important that the Council continues to consider those preventative measures which may be implemented to support employees, as part of an overall consideration of workforce development arrangements within the Council this will be considered.

Musculo-skeletal problems are cited as another top 5 reason for sickness absence across the Council. The Council adopts a number of pro-active strategies aimed at reducing the number of staff absent from work due to musculo-skeletal injuries. These include regular refresher training on manual handing, hand arm vibration awareness, use of personal protective equipment and referrals to Physiotherapy services. The Health, Safety and Wellbeing Team also conduct annual risk assessments throughout Departments, aimed at reducing the need for the use of manual handling by providing lifting aids.

As a Council we continue to take a pro active approach to managing the well being of employees with the aim of reducing the overall sickness absence levels in the Council further.

4.7 Long, Medium and Short Term Sickness Absence

Long term	= 20 days plus
Medium term	= 5 to 20 days
Short term	= under 5 days

Figure 6

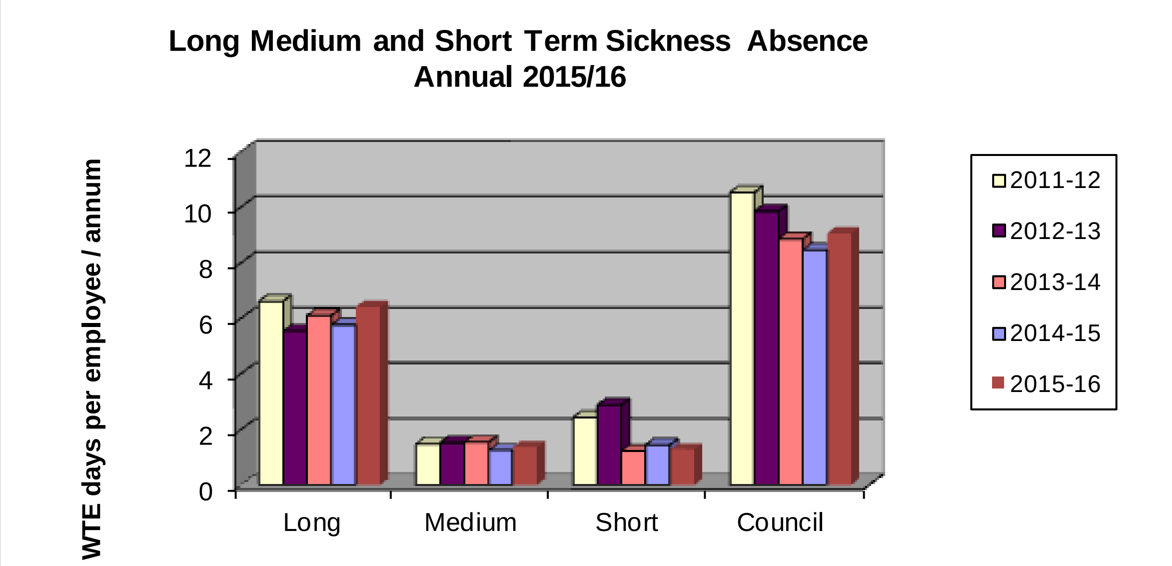


Figure 6 shows a breakdown of long, medium or short term sickness absence for the past 5 years up to March 2016. The final column shows the impact this had on the overall Council sickness absence figure.

In 2015/16 there has been a small decrease in short term sickness of 0.17 wte average days per annum and a marginal increase in medium terms sickness of 0.18 wte. The most significant increase and the reason for the overall increase in rates is in long terms sickness which increased from last year by 0.54 wte.

4.8 Sickness Absence Targets

Each Department has set their average sickness absence targets for 2016/17 as detailed in Table 1 below. The first two columns show the target and actual sickness for 2015/16 and the final column shows the proposed targets for 2016/17.

Table 1

Department	**2015/16 Actual**	**2015/16 Target**	**2016/17 Proposed Target**
Chief Executive's	4.96	5.75	**4.5**
Child & Adult Services	10.55	8.75	**9.0**
Regeneration & Neighbourhoods	9.51	8.75	**9.0**
Public Health	6.34	6.00	**5.5**
Council (Excluding Schools)	9.06	8.2	**8.2**

The Council target agreed by CMT for 2016/17 is based upon individual targets set by departments. The target represents a realistic sickness absence performance for a 12 month period.

4.9 Sickness Absence Management Key Performance Aims 2016/17

The following are key issues for effective sickness absence management and are supported by the Council within their working practices:

- Early intervention is key and the sooner support is provided the quicker the employee is able to return to their job. The Council support this by monitoring absence at an early stage.

- Work in a well managed workplace is shown to aid recovery and an early return aids both physical and mental health
- Discussions can lead to simple adjustments that enable an early return before 100% fitness
- Encouraging health and wellbeing and supporting employee participation in health initiatives can have a positive effect

There is a commitment to explore the following areas which will assist in driving performance. However it should be noted that this work is ongoing subject to resources.

- In the current climate of a reduced workforce and increased workloads then the Council need to continue to monitor and reduce workloads to reduce stress related absences
- Celebrating a culture of wellbeing such as the recognition for employees with 5 years of no sickness absence
- Continued review of the Council's sickness absence policy and management arrangements
- Continue to promote flexible working measures, including home working
- Work together with trade unions to support employees and assist in the management of sickness absence in the Council

5. RISK IMPLICATIONS

There are no specific risk implications from this report

6. FINANCIAL CONSIDERATIONS

There are no specific financial considerations from this report

7. LEGAL CONSIDERATIONS

There are no specific legal considerations from this report

8. CHILD/FAMILY POVERTY CONSIDERATIONS

There are no specific child / family poverty considerations from this report

9. EQUALITY AND DIVERSITY CONSIDERATIONS

There are no specific equality / diversity considerations from this report

10. STAFF CONSIDERATIONS

There are no specific staffing considerations from this report other than those highlighted in the body of the report

11. ASSET MANAGEMENT CONSIDERATIONS

There are no specific asset management considerations from this report

12. RECOMMENDATIONS

12.1 It is recommended that the Committee notes the information in relation to employee absence in 2015/16 and approves the sickness absence targets (paragraph 4.8) and key focus areas (paragraph 4.9) for 2016/17.

13. REASONS FOR RECOMMENDATIONS

13.1 To advise the Committee of the current performance in respect of sickness levels and set the sickness targets for 2016/17 for the Council and Departments.

14. BACKGROUND PAPERS

14.1 None

15. CONTACT OFFICERS

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FINANCE AND POLICY COMMITTEE

20th June 2016

HARTLEPOOL BOROUGH COUNCIL

Report of: Director of Regeneration and Neighbourhoods

Subject: **CORPORATE PROCUREMENT QUARTERLY REPORT ON CONTRACTS**

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1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For information.

2. PURPOSE OF REPORT

2.1 To satisfy the requirements of the Council’s Contract Procedure Rules with regard to the Finance & Policy Committee:

- Receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable.
- Receiving and examining reports on any exemptions granted in respect of the Council’s Contract Procedure Rules.

3. BACKGROUND

3.1 The Council’s Contract Procedure Rules require that the following information be presented to the Finance & Policy Committee on a quarterly basis:

Section of Contract Procedure Rules		**Information to be reported**
Introduction	Para 8 iii & Para 8 vi	Outcome of contract letting procedures
Part G	Para 12 v	

Introduction Part B	Para 8 iii Para 3 v	Basis of award decision if not lowest/highest price payable/receivable
Introduction	Para 8 vi	Contract Name & Reference Number
Part G	Para 12 v	
Introduction	Para 8 vi	Description of Goods/Services being procured
Part G	Para 12 v	
Introduction	Para 8 vi	Department/Service area procuring the goods/services
Part G	Para 12 v	
Introduction	Para 8 vi	Prices (separate to Bidders details to preserve commercial confidentiality)
Part G	Para 12 v	
Part G	Para 12 v	Details of Bidders

3.2 In addition to tender related information, details of exemptions granted to the Contract Procedure Rules are also reportable quarterly.

4. INFORMATION FOR REVIEW

4.1 Tender information

The table at **Appendix A** details the required information for each procurement tender awarded since the last quarterly report.

4.2 The Committee may within the Contract Procedure Rules request further information or seek further monitoring reports on selected contracts.

4.3 In addition the Audit and Governance Committee may request a contract to be monitored under their specific responsibilities relating to the scrutiny of contracts.

4.4 Exemption information

Appendix B provides details of the required information in relation to Contract Procedure Rules exemptions granted since the last Corporate Procurement Quarterly Report on Contracts.

4.5 The table at confidential **Appendix C** includes the commercial information in respect of the tenders received.

This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Appendix C.

5. RISK IMPLICATIONS

5.1 This report is for information only. There are no risk implications attached to this report.

6. FINANCIAL CONSIDERATIONS

6.1 This report is for information only. There are no financial considerations attached to this report.

7. LEGAL CONSIDERATIONS

7.1 This report is for information only. There are no legal considerations attached to this report.

8. CHILD AND FAMILY POVERTY

8.1 This report is for information only. There are no child and family poverty implications attached to this report.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

9.1 This report is for information only. There are no equality and diversity considerations attached to this report.

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

10.1 This report is for information only. There are no Section 17 considerations attached to this report.

11. STAFF CONSIDERATIONS

11.1 This report is for information only. There are no staff considerations attached to this report.

12. ASSET MANAGEMENT CONSIDERATIONS

12.1 This report is for information only. There are no asset management considerations attached to this report.

13. RECOMMENDATIONS

13.1 That the Committee note and comment on the contents of the report,

14. REASONS FOR RECOMMENDATIONS

14.1 The Committee is required to review the information supplied to ensure that monitoring in the award of contracts is carried out and evidenced.

15. BACKGROUND PAPERS

15.1 There are no background papers.

16. CONTACT OFFICER

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Tender Information

Date of Contract Award	**Contract Name and Reference Number**	**Description of Goods / Services being procured**	**Duration of Contract (optional extensions in brackets)**	**Department / Service area procuring the goods / services**	**Details of Bidders**	**Location of Bidder**	**Basis of award decision if not lowest/highest price payable / receivable**	**Outcome of contract letting procedures**	**Previous Provider / Location**
22/2/2016	225/16	Supported Accommodation for People with Mental Health Problems	3 Years(plus 2 x 12 months optional extension)	C&A	Avalon Creative Support Richmond Fellowship	Harrogate, North Yorkshire Manchester West Yorkshire	Most Economically Advantageous Tender	Creative Support	Richmond Fellowship West Yorkshire
9/3/2016	803/16	Community Floating Support	3 Years(plus 2 x 12 months optional extension	C&A	Creative Support Disc Everlasting Care Home Group Lifeline Project	Manchester Newton Aycliffe, Durham North Shields, Tyne & Wear Newcastle Manchester	Most Economically Advantageous Tender	Home Group	Home Group Newcastle
18/3/2016	592/16	Care Support & Welfare Navigation Services	3 Years	C&A	Hartlepool Care Services Limited The Stroke Association	Hartlepool West Bridgford Nottingham	Most Economically Advantageous Tender	The Stroke Association	The Stroke Association Nottingham

9/5/2016	150-16	Occupational Health Services	3 Years	CEX	Durham County Council North Tees & Hartlepool NHS Trust Occupational Health and Wellbeing Limited	Durham Stockton-on-Tees Newcastle	Most Economically Advantageous Tender	Durham County Council	Durham County Council Durham
25/2/2016	648 Extended Activities	Extended Activities - The provision of the delivery of extended activities and play scheme provision for children with disabilities and additional needs.	1 Year(plus 2 x 12 months optional extension)	C&A	Hartlepool Families First	Hartlepool	100% Quality	Hartlepool Families First	Hartlepool Families First Hartlepool
25/2/2016	649 Toy Loan Service	Toy Loan Service - The provision of the delivery of a specialist toy loan service for families of children with disabilities and additional needs.	1 Year(plus 2 x 12 months optional extension)	C&A	Hartlepool Families First	Hartlepool	100% Quality	Hartlepool Families First	Hartlepool Families First Hartlepool

Procurements Exempted from Council Contract Procedure Rules

Dept	Service Unit	Company Name	Company Based at	Estimated Expenditure	Description	Approval
R&N	Building Design & Construction	Billinghurst George & Partners	Thornaby	£10,200.00	Structural survey at the Borough Hall which was required at short notice.	20.01.2016
R&N	Street Lighting	McNicholas Homes Limited	Billingham	£100,000.00	Street Lighting Works with the current incumbent provider due to lack of in house provisions within the timelines required to complete the LED Capital replacement program.	16.02.2016
CEX	Corprate Finance	Capita	London	£7,000.00	Advice in reopening Housing Revenue Accounts to ensure compliance with regulatory and accounting requirements.	23.02.2016
R&N	Estates and Regeneration	Solmek	Stockton on Tees	£2,830.00	Site Investigation works at 13-17 Whitby Street. The site investigations are required pre purchase to ensure that there are no issues before legal completion.	25.02.2016
C&A	Looked after Children and Care leavers	Tees, Esk & Wear Valley NHS Foundation Trust	Middlesbrough	£174,000 over 2 years (£87,000 per annum)	The provision of specialist mental health services and therapy for looked after children & adolescents for a two year period.	29.02.2016
R&N	Building Design & Construction	Billinghurst George & Partners	Thornaby	£3,900 - £4,850 exc VAT (depending on whether HBC can supply its own access platform).	Structural survey at the 13-17 Whitby Street. This supplier has been chosen as the contractor because they are the only local company who can carry out the site investigations rapidly enough to inform HBC of any issues before the legal purchase before 31.03.16.	01.03.2016
R&N	Estates and Regeneration	LGSA Marine	Hull	£4,900	Urgent comprehensive survey of the graving dock and dam board at HME in time for the completion of the new lease to the Royal Navy.	09.03.2016

R&N	Building Design & Construction	NE & C Windows and Doors Ltd	Washington	£25,000	Supply and installation of Phase 2 aluminium windows to high level areas in the Kingsley School Dining Hall. The client/end user has expressed a wish to continue with the same contractor for the second phase of the work with the benefits being the same window specification being used to all areas for aesthetics and the same supplier will mean guarantees encompass the whole of the dining hall and therefore simplify any reporting of possible future defects.	29.03.2016
CEX	Corporate Finance	Capita	London	£40,500 (+£27,000) based on three year agreement with an option to extend for a further two years.	Continuity of Treasury Management Advice Service. This Company already has an understanding of our treasury management position and approach for managing risk.	22.04.2016
R&N	Estates and Regeneration	Cushman and Wakefield	Leeds	£24,215	Urgent appointment of architects in relation to a grant application for the development of the Whitby Street GPO. Cushman & Wakefield already have the expertise and project background to progress to the next stage of designs without the need for briefing them on the whole project which another company would require. With the priority to secure further LGF monies quickly, and to take advantage of the under-spend from other local councils, this piece of work is required in the quickest turnaround possible.	22.04.2016
R&N	Waste and Environmental Services	Poundfield Products	Ipswich	£5,790	Procurement of Concrete Blocks within a limited timeframe for Burn Road Waste Transfer Station. Whilst a number of companies do similar, products the company above can provide the exact product and in the required timescales.	05.05.2016

R&N	Corporate Procurement	Inner Winner	London	£9,508	Delivery of Myers Briggs Type Indicator Reports within a limited timeframe.	09.05.2016

Contracts Extended

Dept	Service Unit	Company Name	Description	Approval	Contract Extension Start	Contract Extension End	Estimated Expenditure
C&A	Children's Commissioning	Thirteen Group	Procurement of a worker to support families involved in the Think family, Think Communities Programme. The six month extension period for this worker will provide specific knowledge and skills specific to supporting families with housing needs, which otherwise provide us with a gap in service within the 'Think Family' programme	04.04.2016	01.04.2016	30.09.2016	£19591.50