

NEIGHBOURHOOD SERVICES COMMITTEE AGENDA



Tuesday 13 December 2016

at 4.00 pm

**in Committee Room B,
Civic Centre, Hartlepool**

MEMBERS: NEIGHBOURHOOD SERVICES COMMITTEE

Councillors Beck, Belcher, Hunter, James, Loynes, Robinson and Springer

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the Minutes and Decision Record of the meeting held on 22 November 2016 (*previously circulated*).

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Three Year Savings Programme – Neighbourhoods Division - *Director of Regeneration and Neighbourhoods*

5. KEY DECISIONS

- 5.1 Car Park – Review of Charges - *Director of Regeneration and Neighbourhoods*

6. OTHER ITEMS REQUIRING DECISION

No items.



7. ITEMS FOR INFORMATION

- 7.1 Strategic Financial Management Report – as at 30 September 2016 – *Director of Regeneration and Neighbourhoods and Chief Finance Officer*
- 7.2 Council Plan 2016-17 – Quarter 2 Performance Report – *Director of Regeneration and Neighbourhoods*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

ITEMS FOR INFORMATION

Date of next meeting – Monday 23 January 2017 at 4.00 pm in the Civic Centre.



NEIGHBOURHOOD SERVICES COMMITTEE

13th December 2016



Report of: Director of Regeneration and Neighbourhoods

Subject: THREE YEAR SAVINGS PROGRAMME –
NEIGHBOURHOODS DIVISION

1.0 TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

2.0 PURPOSE OF REPORT

2.1 The purpose of this report is to enable Members to consider the initial 2017/18 savings proposals relating to the Committees remit to contribute towards achieving the overall savings requirement.

3.0 BACKGROUND

3.1 A comprehensive report on the “Council Plan and Medium Term Financial Strategy – Capital and Revenue” was considered by Finance and Policy on 28th November 2016. The report advised Members that as a Council we are ambitious for the Borough. Despite the fact that we continue to face unprecedented financial and demographic pressure it is important that we remain focused on securing the future prosperity and wellbeing of our residents. Whilst managing government funding cuts we need to remain committed to realising the potential of Hartlepool to be a place that is truly exceptional and use our unique spirit and assets to grow as a vibrant, dynamic and welcoming place to live, learn, work, play and invest.

3.2 The Council plan is currently being developed and will be based around six strategic priorities:

- Growing our Economy, Jobs and Skills;
- Regenerating our town;
- Developing and promoting Hartlepool as a great place to live;
- Developing new services for people and communities;
- Better beginnings and better futures for our children and young people;

- Providing effective leadership based upon innovation and efficiency.

3.3 The report to Finance and Policy Committee reminded Members that Government funding for the Council will be reduced further over the next three years. As a result we are therefore proposing an approach to meeting the financial and demographic challenges based upon a three year strategic and financial plan that will deliver an improvement and efficiency programme focused on new ways of delivering services within and with communities; better integration of early help services to help people live healthier independent lives to reduce pressure on high cost services; and increasing income by promoting growth and a more commercial approach to traded services.

3.4 In relation to the development of the five year capital plan the report to Finance and Policy Committee sort Members views on the Council's key regeneration and development priorities. Once these priorities have been approved a further report will be prepared detailing an investment strategy for delivering the capital plan, which will include identifying those areas where the Council will need to secure capital grant and external investment.

3.5 There will be a presentation at the start of the Committee meeting to provide an overview of the issues reported to Finance and Policy Committee which will provide the context and background for the issues detailed in this report.

3.6 Service Aims

3.6.1 **Community Safety and Engagement** - The aim of the service is to deliver a high quality and safe environment, secure investment and work together with local communities to provide and develop excellent services that will improve the prosperity and quality of life for people living and working in Hartlepool.

This section is responsible for the development and activities of the Safer Hartlepool Partnership including the Council's Community Safety Plan which aims to promote confident, cohesive and safe communities by reducing crime and anti-social behaviour, the harm caused by illegal drugs and alcohol, and reducing reoffending.

The team is also responsible for the provision of support to the voluntary and community sector, capacity building, and engaging with residents to support elected Members to enable residents to influence and improve accountability in service delivery ensuring a co-ordinated approach to tackling issues across the neighbourhoods of Hartlepool.

3.6.2 **Facilities Management** – The service operates and delivers a number of key service areas both within the Council and to the private sector, including:

- School Meals Service
- Function Catering
- Building Cleaning
- Security Contract
- Inspirations Café and Garden Centre

3.6.3 Environmental Services - This section provides a 'one-stop-shop' for a range of front-line services which are delivered town-wide. 'Working for a safer, cleaner greener environment' is the key aim and is achieved through a combination of on-street service delivery, co-ordinated education campaigns and enforcement activities when the need arises. Scheduled day to day activities ensure that roads and back streets are kept clean and safe, domestic and street litter bins are emptied regularly, street lights are working and roadside verges are kept trimmed and free of litter. The section has responsibility for

- Green spaces, parks and beaches
- Cemeteries and the Crematoria
- Children's outdoor play spaces and fixed play equipment
- Football pitches, games spaces and bowling greens
- Waste disposal & collection including recycling
- Street cleansing & grounds maintenance
- Highways & street lighting

The management of the Councils fleet plays a pivotal role in ensuring all Council vehicles are kept well maintained safe and reliable. This enables respective sections and departments to provide a seamless service to the residents of the town.

3.6.4 Transport & Infrastructure – The section provides a range of services across Traffic & Transport, Engineering Design and Passenger Transport. Areas of responsibility include the management and co-ordination of the highway network, the provision of a safe and effective transport system, road safety and maintaining safe, smooth traffic flows.

The team also provides civil, structural and environmental engineering services for the Council, with areas of responsibility which encompass coast protection, land drainage, contaminated land, bridge maintenance, dangerous structures and demolition.

The integrated transport service includes road safety and passenger transport, aiming to provide a fully integrated single service, offering good links to fully accessible 'mainstream' public transport, regardless of mobility needs.

3.6.5 Building Design and Construction - A complete building design consultancy service including feasibility studies, building surveying, condition surveying, design, advice, energy management, project management and a procurement service for construction schemes. It comprises Architects, Clerk of Works, Landscape Architects, Quantity Surveyors, Mechanical & Electrical Engineers and CDM Coordinators as

well as full inspection compliance services including electrical test and inspection, Part 'P' inspections, Legionella control and management, gas safety inspections, asbestos management and accessibility/access audits.

This service operates the Building Maintenance Trading Account which provides construction and building maintenance services to the Council and external clients, including Schools.

The section also provides operational support services including stores provision and purchasing, depot operations, depot security, small plant and tool hire and a cutting facility for the manufactured joinery items.

3.7 **Service Users & Engagement**

The range of services covered by this report are delivered to all residents across the whole of the borough, agencies working in Hartlepool from the statutory, voluntary and community as well as providing commercial services to external organisations colleges and schools via Service Level Agreements and contracts.

Services provided include delivery to internal and schools clients but some service portfolios have by necessity significant external public sector, commercial and private cliental. To meet the Council's client service expectations some service portfolios are already operating under the parameters of a public sector charging and trading arm to assist revenue streams.

Feedback from service users is obtained in a number of different ways and this is often determined by the type of service, the target audience, and the way in which it is delivered. Examples include: -

- Satisfaction questionnaires
- Neighbourhood Forums, resident groups & associations, and
- Stakeholder liaison Groups

The Community Safety and Engagement section has a strong interface with Ward Councillors on a daily basis ensuring appropriate support to residents in addressing neighbourhood issues.

3.8 Inputs

3.8.1 The current cost to the Council of the services delivered by the Regeneration and Neighbourhoods Department is below:

3.8.2 The cost of these services to the Council, in line with many other service areas in the Council, reduced significantly over the last 5 years. In addition, many of the areas in question are "trading activities" and have, as an integral part of their budget, income generation requirements. Some areas, as can be seen from the table, are budgeted to make a surplus. Some areas do not have budgets and rely on fees and income to cover the associated running costs.

Service Area	2016/17 Net Budget £'000
Building Design & Building Maintenance	(370)
Cems & Crems	(100)
Community Safety & Engagement	1,120
Car Parking	(450)
Parks & Countryside	300
Facilities Management	810
Technical Services	7,900
Environmental Services	7,600
Total	16,810

3.9 Outputs & Outcomes

- 3.9.1 A summary of the outcomes from the services are outlined below
- Delivery of technical, support and frontline services to internal Council departments, external organisations and schools.
 - Delivery of the Council's Community Cohesion and Engagement Strategy, and Community Safety Plan.

4.0 PROPOSALS AND FINANCIAL CONSIDERATIONS

- 4.1 The table below provides a summary of the savings proposals for Neighbourhood Services :-

Service	Proposed Savings 2017/18 £'000	Proposed Savings 2018/19 £'000	Proposed Savings 2019/20 £'000	Total Proposed Savings £'000
Transport and Infrastructure	90	50	0	140
Vehicle Fleet	50	0	0	50
Building Design and Construction	20	0	0	20
Environmental Services	170	360	160	690
Community Safety and Engagement-	50	0	0	50
Neighbourhood Services – Income Generation	265	0	0	265
Total for Neighbourhood Services	655	410	160	1,225

- 4.2 Within the overall Neighbourhood services division, the following savings have been made over the last five financial years:

- 2012/13 £ 880,000
- 2013/14 £ 790,000
- 2014/15 £1,342,000
- 2015/16 £1,147,000
- 2016/17 £ 595,000

Total savings achieved to date therefore total £4,754,000.

- 4.3 The proposals in respect of the services in the Environment and Neighbourhoods Division reflect the overall approach adopted by the Corporate Management Team for identifying achievable savings, as part of an approach aimed at protecting front line services, recognising that not all areas can be protected in the current financial climate.

- 4.4 There have been a number of requests for voluntary redundancies within the Department as part of the rolling process for considering Voluntary Redundancy and Early retirement opportunities. Vacant or fixed term posts have also been considered as part of the options for savings in this year. Whilst it is not possible to manage all of the savings in this way it has been an underpinning principle for the budget for 2017/18.

- 4.5 We want Hartlepool to be known as a great place to live as well as invest and visit. We will develop a new approach to working in neighbourhoods. Working with partners we will prioritise improving the environment, public realm and play spaces through a co-ordinated neighbourhood investment programme. We recognise that our residents want us to take strong action to make sure our neighbourhoods are clean, green and safe. Members are fully aware of the financial and demographic pressures the Council faces. Therefore in order to deliver on the Council's ambitions to develop and promote Hartlepool as a great place to live and contribute towards the overall savings the Council has to realise the Department proposes to contribute to this over the next three years by:-

- i) realigning services to maximising resilience across front line services
- ii) maximising income at every opportunity, therefore reducing the subsidy the council provides in supporting services and
- iii) undertaking service reviews where necessary.

5.0 **DEVELOPING AND PROMOTING HARTLEPOOL AS A GREAT PLACE TO LIVE**

- 5.1 Hartlepool is in a fortunate position of being well supplied with green and open spaces, from the long expanse of attractive beach and coastline to the open countryside on the fringes of the town to the parks, recreation grounds and green spaces within. Hartlepool can boast a pleasant

environment. The challenge is to keep the streets and areas of open space clean, uncluttered and well maintained whilst resources to fund such work become increasingly scarce.

- 5.2 The Councils Household survey undertaken in 2013 shows that resident satisfaction with our front line services, such as refuse collection, recycling facilities, street cleansing, parks and open spaces is generally high and that residents value the clean and green spaces of Hartlepool. However residents still feel improvements could be made to their local areas and highlighted that the condition of roads, street cleanliness including dog fouling and litter/rubbish collection as being the highest priority. The Council is committed to addressing these issues and creating a better environment for people to enjoy.
- 5.3 As Hartlepool competes with others to attract growth, tourism and inward investment a clean, green and pleasant environment plays an important role in marketing the town as a place to live in, move to and visit. Businesses are drawn to places with good quality environment as this in turn attracts customers, employees and services into the town. The coastal area is an important tourist attraction that brings visitors into the town. In addition a well maintained town has a positive impact on commercial and domestic property values and people are willing to pay to live in clean and well kept neighbourhoods.
- 5.4 The Council's recent "*Your say, our future*" consultation reaffirmed the importance of the local environment to residents and highlighted the need for the Community and the Council to work together to improve the area and also reduce demand on services. The Council recognises that in order to be successful in creating a more attractive environment and delivering on the towns ambitions we will not only have to work with our existing volunteers and other committed partners but will also need the support and active citizenship of the local community. Key themes emerging from the consultation include:
- Deliver improvements to neighbourhoods, open spaces, parks and play sites;
 - Launch a new joined up approach to enforcement and community safety;
 - launch a campaign to address the problem that "litter is everyone's responsibility"
- 5.5 The Councils Customer Relationship Management (CRM) system records information from all contacts, providing a useful indication of the high demands placed on services. Records show that over 23,000 contacts were received by the Council in relation to clean and green services in 2015/16. An analysis of these contacts reveals that the greatest number of requests, and therefore demand for services, were in relation to:
- Removal of Bulky household waste
 - Damaged bins

- Request to remove fly tipped materials (including side waste)
- Missed collections due to incorrect presentation of bins
- Street cleansing

- 5.6 These figures demonstrate that with a little more care and attention by residents in relation to correctly recycling, ensuring bins are not overflowing and refraining from thrown out excess waste and placing it next to bins the demand for Clean and Green services and therefore expenditure could be significantly reduced.

Environmental Services

- 5.7 The challenge of delivering savings whilst retaining standards shouldn't be underestimated; achieving savings in the region of £690k within Environmental Services will be difficult, we will need the help and focus of residents, officers and Members. By reviewing operating practices across all areas we can reduce the need for casual and seasonal staff and protect permanent jobs in the long term. This will involve staff working across different service areas. It will involve an increase in flexibility by all to improve productivity which in turn will reduce the need for vehicles in some cases. Downtime on vehicles can be reduced if working practices change to maximise demand in certain services at peak times, which subsequently will bring vehicle and fuel savings. These changes will involve the reduction of mechanical processes in some areas of the town which can be replaced with manual cleaning rounds. Grounds maintenance vehicles can also be reduced to reflect the initiatives already put in place that reduce the level of grass cutting e.g. low maintenance alternatives and wild flowers. Further work will be carried out to reduce maintenance costs on vehicles. Wear and tear is an unavoidable cost however avoidable repairs are still at an unacceptable level, further staff training will be provided and appropriate management action taken to reduce the impact where possible of vehicle repairs.

- 5.8 A review of management, supervisory technical and operational posts will be necessary. It is anticipated that some savings will be achieved through normal staff turnover maximising vacancies across the service areas along with the acceptance of requests for voluntary redundancy however a reduction of up to 9FTE posts may be necessary as it is unrealistic to expect no compulsory redundancies when dealing with savings and a review of this nature.

Transport and Infrastructure

- 5.9 Connectivity across the Tees valley and a well maintained highway network together with sustainable transport and travel patterns for pedestrians and cyclists will need to be developed as part of our ambition to develop and promote Hartlepool as a great place to live. The National Highways & Transport Network Survey 2015 provides evidence that the residents of Hartlepool place a high level of importance on the condition of highways. Members are fully aware of the condition of the town's

highways and the level of investment required, which is replicated across the country. The Council manages the repair and maintenance of the highway with the resources allocated from central government via the Local Transport Plan maintenance pot.

- 5.10 The Traffic and Transport section manage's the Councils statutory duties in respect of the public highway, whilst also being responsible for the development and delivery of the local transport plan schemes. To date, this service area has contributed successfully towards the Councils Medium Term Financial Plan (MTFP) by generating additional income through their respective trading activities. In addition many of the services provided by the road safety team continues to generate income through the collaboration with Durham County Council and the National Driver Offender Retraining Scheme (NDORS) which we manage on behalf of Cleveland and Durham Police.
- 5.11 As a result of the street lighting replacement programme energy and maintenance savings can be found. We will continue to align services in line with the Councils strategic priorities which will involve the merger of Highways services with Transport and Traffic which will operate under the name of Transport and Infrastructure. This will enable services to be realigned resulting in some posts combining to ensure we meet our responsibilities to retain a level of service necessary to deliver on our statutory duties, and deliver on key deliverables. Savings in the region of **£110k** can be realised from this approach which will result in a reduction of resources and may require a reduction of up to 3 FTE posts, maximising vacant posts at every opportunity.

The amount paid for Concessionary Fares will depend on a number of factors. The costs incurred by bus operators, the price of an adult fare, and the number of passengers travelling. In recent years increases have been required in this area, however, based on the actual costs incurred; this budget can be reduced by **£30k** in 2017/18. This is a volatile budget and is demand led which means that there is a risk associated with this saving. The situation will be monitored closely and in the event that costs do begin to rise an alternative saving will need to be identified in the Department.

Building, Design and Construction

- 5.12 A full review of the Building Design & construction service will commence in the new year. The review will consider all service areas within design and construction; it will look at the current market and opportunities and resource itself accordingly. In the short term savings in the region of **£20k** are anticipated from the rationalisation and reduction in size of the stores facility at Reed Street (former Focus Building). New financial and management processes and procedures are currently being designed to help streamline the operation and should further increase efficiency. Members will receive a further report on the future service delivery model regarding the future of building design and construction going forward.

Community Safety and Engagement

- 5.13 A review is currently underway to explore how the Council strengthens and builds capacity in communities. Proposals include a restructure to retain a level of service that reflects the Council's statutory duties and by realigning the community engagement aspects of the service to generate a greater resilience in the community and voluntary sector, and the provision of a more focused and targeted community engagement approach to support Council and resident priorities around community cohesion. It is envisaged savings in the region of **£50k** will be determined and may result in a reduction of up to 2 FTE's.
- 5.14 A further review is underway in partnership with Cleveland Police and the Fire Authority examining the possibilities of pooling resources which it is anticipated will identify further savings over the next three years. Members of Finance and Policy Committee will receive a further report once the review has concluded.

Vehicle Fleet

- 5.15 Following the changes taking place in the service areas referred to within this report and the recent move to a new depot at Tofts Farm it is anticipated there will be a reduction in the Council's fleet costs in the region of **£50k**. A comprehensive analysis utilising the financial management, and tracker system, has identified a more efficient use of the Council's fleet.

6.0 MAXIMISING INCOME

- 6.1 The Department has looked to generate additional income as part of the savings programme. A review of fees and charges has been carried out and the Environment and Neighbourhoods division has identified additional income proposals which if approved could generate **£275k** over the next three years. The Income Generating proposals are as follows:-
- 6.2 Allotments - plot charges were recently changed to £25 admin fee and 15p per square metre. Allotments are currently the subject of a review and a further report to Neighbourhood Services Committee will be prepared. The proposal is to increase the fees to a level that would fully fund the running costs associated with the service and remove any revenue grant support. This would require an increase on current levels of 42p per square metre. Members are requested to note that any increase requires 12 month prior notification on tenancy agreements which commence in April each year. This will ensure the service is self sufficient. A bench marking exercise has been undertaken in relation to charges for allotment plots in other Local Authority areas, and the proposed changes to 42p per square metre would still be comparable with other neighbouring Councils.
- 6.3 Cemeteries and Crematorium. The 2016 regional benchmarking exercise has identified sufficient scope to review fees and charges. The proposal is

to increase charges to the midpoint of the regional range, to bring in an additional **£100k**. These changes will mean that Hartlepool will maintain a competitive position and will result in a midpoint regional ranking for standard adult cremation charge and combined purchase of standard burial plot and associated burial.

- 6.4 Household Waste Recycling Centre. Whilst the Council has a statutory duty to provide a civic amenity site for residents to dispose of ordinary household waste, it is not under any obligation to accept DIY waste such as soil, rubble, plasterboard, plate glass/windows, and asbestos-based building materials.

These materials are classified as non-household, or construction waste, and accordingly local authorities are allowed to charge for their disposal. The Waste Management section is therefore proposing to introduce a charge for disposing of these materials.

Many Local Authorities across the country are either charging, or are looking to introduce charging, for disposing of non-household waste items at their civic amenity sites. In the Tees Valley, only Middlesbrough and Hartlepool do not charge, although Middlesbrough is at present considering options. Charges already introduced by other local authorities vary somewhat; however, essentially, the following table is an indication of the level of charges introduced in the North East:

HWRC Fees and Charges Council	Inert Waste	Asbestos	Plasterboard	Tyres
Hartlepool	n/a	n/a	n/a	n/a
Middlesbrough	n/a			
Darlington	Pay As You Throw Scheme in operation for: Tyres, Paving Slabs, Brick Rubble, Ceramics, Household Fittings, Construction Waste, Plasterboard, Soil & Landscaping	Asbestos charged £25 per trailer		
Redcar	No business Waste Hardcore, rubble, ceramics = £3 inc vat for a 25kg bag or equivalent	Asbestos = £7.20 inc vat for a 25kg bag or equiv	Plasterboard = £6 inc vat for a 25kg bag or equiv	
Stockton	£20 for residents disposing of Brick and Rubble, Kitchen Units, Plasterboard, Bathroom Suites and Tiles in a van or			

	trailer			
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It is proposed to introduce a charge in line with other Local Authorities as follows:-

- £12 – 25kg of Asbestos
- £3 – 25kg of Plasterboard, soil, rubble, plate glass
- £3 – per Tyre

It is anticipated that this would generate approximately **£50k** p.a. and is based on the continuation of 25% of the current activity levels.

- 6.5 Trade Waste. The proposal is to increase Trade Waste charges by 7% from April 2017 and this would bring our charges in line with other providers. The rate will still be competitive as we provide a more inclusive service than other service providers. It is anticipated that this would generate approximately **£15k** p.a..

- 6.6 Bulky Waste
The Council currently operates a bulky waste collection service two days a week charging £7.50 for residents in receipt of benefit and £15 as a standard charge. It is proposed to increase these rates to £10 and £20 respectively which will generate **£10k** and reduce the Council subsidy.

- 6.7 Staff Car Parking
The Council has undertaken reviews of on-street car parking and Car parks over the last 18 months which have improved accessibility of the service to more residents and has also generated additional income. Staff car parking charges have been at the current rate since 2007/8. It is therefore proposed to introduce a standard increase of monthly payment charges for all staff on the current HBC staff permit scheme to generate **£50k** p.a. The rates will continue to be based upon annual salary, bringing this into line with public season ticket parking charges.

- 6.8 Transport and Infrastructure
Highways and Network Infrastructure have identified new areas which we could charge for, and the proposals include the following:-

- Increase of licence charges for skips, scaffolds and road openings etc.
- Introduce of a charge for 'A' boards, signs, banners and seating areas placed outside of shops and businesses.
- Introduce of a charge of £500 per week to companies for the use of Villiers St site (next to the Library) for promotional use.
- Introduce of a charge for the numbering of new developments or the re-numbering of existing properties.

It is anticipated that this would generate approximately **£20k** p.a. in total.

6.9 Beach Safety Budget Pressure

One off funding has previously been approved to retain the Lifeguard Service until 2016/17, on the basis that this service would be removed in 2017/18. The total value of this saving is £75,000 and for planning purposes the achievement of this saving was included in the updated budget forecasts considered by the Finance and Policy Committee on 20th June 2016. This was subject to the outcome of a service review to be considered by the relevant policy committee later in the year. The continuation of any service provision after 31st March 2017 will result in a future budget pressure of £67k. The service will provide a summer holiday only lifeguard service and paddling pool provision at Seaton Carew and the Headland. It is proposed that this pressure can be funded by introducing seasonal car parking charges and a separate report outlining this proposal is to be considered later in the meeting's agenda.

6.10 Other Departmental pressures - £690,000

In addition to the savings required to support the savings programme it has been necessary to identify savings to fund specific budget pressures within the Department. Pressures include the shortfall in savings of £157,000 identified in 2016/17, Growth of the Town pressures of £300,000 in Waste and Environmental services and various income shortfalls e.g. car parking. Savings have been identified in other areas to offset these pressures including additional revenue savings resulting from the Street Lighting LED scheme. Budgets have been realigned where possible to manage shortfalls in income budgets and ensure that realistic income targets are set for the next three years. This has meant that these savings were not available to address the budget gap.

- 6.11 In addition to the financial pressures on operating budgets the Department continues to operate a number of trading activities on a commercial basis. These services face separate pressures each year as they are required to generate sufficient income to fund the associated operating costs. Inflation must be found each year to “stand still” financially and in an ever increasing competitive market place this can sometimes be difficult to achieve. These services will need to be reviewed to ensure that the accounts remain viable, and avoid the need for subsidy from the Council in these challenging economic times.

Trading Accounts contribute towards overhead costs incurred by the Council and in many cases these are fixed costs and not easy to down size proportionately if contracts are lost e.g. Admin Buildings, Central Support Services, Depot Running Costs. It is essential therefore that these accounts continue to generate external income to avoid a future budget pressure for the Council.

Where services do not generate sufficient income to support the General Fund a review will be carried out over the next three years to consider future delivery options.

- 6.12 An example of where we have to plan for the future and ensure services are sustainable is School Meals. Price increases will be required to fund inflation each year as pay awards and the rising cost of food is expected to cost the service £60k every year. A 5p increase each year on the cost of a meal will be required to fund this cost and ensure the viability of the Trading Account. This area continues to face growing pressures from external providers and efficiencies continue to be made to ensure services remain competitive at the same time as improving standards to meet the growing needs of clients.

7.0 CONCLUSION

- 7.1 Recognising the austere climate and the savings the Council has to achieve in line with Government Policy, the department has aligned and prioritised resources to focus on the Council's ambition to develop and promote Hartlepool as a great place to live. The Council's recent "*Your say, our future*" consultation reaffirmed the importance of the local environment to residents and highlighted the need for the Community and the Council to work together to improve the area and also reduce demand on services. The Council will
- Deliver improvements to neighbourhoods, open spaces, parks and play sites;
 - Launch a new joined up approach to enforcement and community safety;
 - launch a campaign to address the problem that "litter is everyone's responsibility"
- 7.2 It is important to note that in addition to the savings required to support the Council's overall savings programme it has been necessary to identify savings to fund budget pressures within the department which are referred to in 6.10 above. In addition to the financial pressures on operating budgets the Department continues to operate a number of trading activities on a commercial basis. These services face separate pressures each year as they are required to generate sufficient income to fund the associated operating costs. Inflation must be found each year to "stand still" financially and in an ever increasing competitive market place this can sometimes be difficult to achieve. These services will need to be reviewed to ensure that the accounts remain viable, and avoid the need for subsidy from the Council in these challenging economic times.
- 7.3 There remains however a significant pressure on the department as further work is required to find a funding solution to address the budget pressures. It is therefore proposed a review of all services / trading accounts which continue to be subsidised and or do not make a surplus to contribute towards the MTFS is undertaken.

- 7.4 It is therefore very important the Council embraces a workforce development programme that focuses on commercialism and entrepreneurship to transform Council services that contribute towards the Council's revenue and reduce ongoing subsidies

8.0 RISK IMPLICATIONS

- 8.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. There are a number of risks in these changes, particularly taken in the context of previous savings which have been made. The assessments which have been undertaken, the summary of the conclusions from this are included in the sections above in the context they have been described are viewed as being manageable but with there being a significant need to review workloads, priorities and for the potential scaling back of a number of current activities in line with the resources available.
- 8.2 It is considered that these savings can be delivered, although not without difficulty or some degree of risk but that this can be managed over the three years, however achieving these savings becomes more difficult each year, which is the case in other departments. The following points highlight the key risks;
- Reduced staff morale. Where restructuring or reducing budgets has a continuing impact as the level of staff left to deliver services, it is essential to engage fully with those staff in order to ensure services are delivered in an effective and efficient way.
 - Reduced operational budgets can lead to a reduced ability to deliver key targets, outputs and outcomes.
 - Response times to enquiries and subsequent actions.
 - Income targets not been met.
 - Insufficient reserve to fund posts.
 - Reputational damage for the Council. With the continued reduction in budgets and the ability to deliver frontline services through reduced staffing capacity, there is a real danger the Council's reputation will suffer. There may be an increase in the number of complaints or a reduction in the level of customer satisfaction.
- 8.4 A key risk to note is the increase in relation to income generation targets within the Division. Close monitoring of budgets in year is essential to manage the risk of not achieving these targets. In the event that income targets cannot be achieved reserves may be used to support services in the short term, however, alternative permanent savings will need to be identified and this will need to form part of a prioritisation exercise to review which services may need to reduce.

9.0 LEGAL CONSIDERATIONS

- 9.1 There are no legal considerations to this report.

10.0 CHILD AND FAMILY POVERTY

- 10.1 The proposed budget savings have been identified that will have the least impact on frontline services. There are no significant Child and Family Poverty impacts associated with these savings.

11.0 EQUALITY AND DIVERSITY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)

- 11.1 For each of the proposed savings areas where there is likely to be a direct impact on customers/service users and/or staff, consideration is given to the impact across each of the protected characteristic groups. This is recorded through an Equality Impact Assessment (see **Appendix 1**).
- 11.2 This impact assessment will be reviewed by the Corporate Equality Group alongside those for the other Department savings proposals. An overall Equality Impact Assessment will be undertaken to identify if there is any Council-wide cumulative impact on protected groups from the savings proposals for the next three years.

12.0 SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 12.1 Whilst all services across the Council are sighted on their section 17 obligations when reviewing services, as outlined in section 3 of this report, the Environment and Neighbourhoods Division is responsible for some core statutory responsibilities in relation to preventing crime and disorder and the co-ordination of activity to improve community safety and cohesion whilst Community Safety falls under the remit of Finance and Policy Committee it is recognised that community safety impacts on neighbourhoods.
- 12.2 In undertaking this review the Division has therefore taken particular care to ensure that these statutory responsibilities continue to be sustained by the Division and are supported by the proposed realignment of the Community Engagement elements of the service.

13.0 STAFF CONSIDERATIONS

- 13.1 It is anticipated that there is a risk of compulsory redundancies as part of the savings proposals outlined above.

14.0 ASSET MANAGEMENT CONSIDERATIONS

- 14.1 There are no asset management considerations to this report.

15.0 RECOMMENDATIONS

- 15.1 That Members of the Committee note the content of the report and formulate a response to be presented to Finance and Policy Committee on 9th January 2017.

16.0 REASON FOR RECOMMENDATIONS

- 16.1 The proposals included in this report have been identified as being sustainable and deliverable.

17.0 BACKGROUND PAPERS

- 17.1 The following background papers were used in the preparation of this report:-

Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 - 20th June 2016.

18.0 CONTACT OFFICERS

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Impact Assessment Form

Department	Division	Section	Owner/Officer
Regeneration and Neighbourhoods	Neighbourhoods		Denise Ogden
Service, policy, practice being reviewed/changed or planned	<ul style="list-style-type: none"> • Concessionary Fares • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation 		
Why are you making the change?	<ol style="list-style-type: none"> 1. Financial savings required by the Council in response to reduced Government funding. 2. Respond to changing service delivery expectations from communities and users. 3. To provide services in a more efficient and responsive manner. 		
How might this impact (positively/negatively) on people who share protected characteristics?			
		<i>Please tick</i>	
		POSITIVELY	NEGATIVELY
Age			
<ul style="list-style-type: none"> • Concessionary Fares Reduction in budget is based on the level of costs currently being incurred and is not anticipated to impact on service users many of whom are aged or affect the statutory duty placed upon the Authority. • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation At present no significant negative impacts have been identified for users in relation to the above. 			
Disability			
<ul style="list-style-type: none"> • Concessionary Fares Reduction in budget is based on the level of costs currently being incurred and is not anticipated to impact on service users some of whom are disabled or affect the statutory duty placed upon the Authority. • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet 			

APPENDIX 1

<ul style="list-style-type: none"> • Income Generation At present no significant negative impacts have been identified for users in relation to the above. 		
Gender Re-assignment		
<ul style="list-style-type: none"> • Concessionary Fares • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation At present no significant negative impacts have been identified for users in relation to the above. 		
Race		
<ul style="list-style-type: none"> • Concessionary Fares • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation At present no significant negative impacts have been identified for users in relation to the above. 		
Religion		
<ul style="list-style-type: none"> • Concessionary Fares • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation At present no significant negative impacts have been identified for users in relation to the above. 		
Gender		
<ul style="list-style-type: none"> • Concessionary Fares • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation At present no significant negative impacts have been identified for users in relation to the above. 		
Sexual Orientation		
<ul style="list-style-type: none"> • Concessionary Fares • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation At present no significant negative impacts have been identified for users in relation to the above. 		

Marriage & Civil Partnership		
<ul style="list-style-type: none"> • Concessionary Fares • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation <p>At present no significant negative impacts have been identified for users in relation to the above.</p>		
Pregnancy & Maternity		
<ul style="list-style-type: none"> • Concessionary Fares • Environmental Services • Transport and Infrastructure • Building Design and Construction • Community Safety and Engagement • Vehicle Fleet • Income Generation <p>At present no significant negative impacts have been identified for users in relation to the above.</p>		
<p>Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?</p>	<p>The following has been or will be considered and where appropriate will be used to inform decisions regarding the proposed changes:</p> <ul style="list-style-type: none"> • Organisational structures. • Job Descriptions. • Single Status and Job Evaluation • Established HR Procedures (Redundancy selection criteria is based on objective matters which are not related to any protected groups). • Service reviews and research. • Information from service users <ul style="list-style-type: none"> - 'Your Say Our Future' consultation - Satisfaction surveys - Regular liaison meetings with users, providers and partners - Neighbourhood forums and resident groups - Transport liaison groups - Ward Councillor feedback <p>Concessionary Fares The amount paid for concessionary fares depends on a number of factors, ie the costs incurred by bus operators, the price of an adult fare, and the number of passengers travelling. Based on actual costs incurred, this budget can be reduced by £30k in 2017/18. These savings are not anticipated to affect the statutory duties placed upon the Authority.</p> <p>Environmental Services Savings can potentially be achieved from reviewing the operating practices across the service. Reduced casual and seasonal staff, improved productivity and changes in working practices are anticipated. Downtime on vehicles could be reduced as well as the number of mechanical processes. It is expected that there will be reductions in</p>	

	<p>staffing through ER/VR's and some compulsory redundancies may be unavoidable. Any future restructuring will be subject to consultation with staff concerned. The changes are not anticipated to affect the statutory duties placed upon the Authority.</p> <p>Transport and Infrastructure It is anticipated that a restructure will take place involving the merger of Highways services with Transport and Traffic and services will be realigned. Additional savings can be generated as a result of the Street Lighting replacement programme through energy savings and a reduction in maintenance costs. These savings are not anticipated to affect the statutory duties placed upon the Authority. The reduction in resources may however require the loss of up to 3 full time posts. Any future restructuring will be subject to detailed consultation with staff concerned.</p> <p>Building Design and Construction A £20k saving is anticipated from the rationalisation and reduction in the size of the stores facility.</p> <p>Community Safety and Engagement A review is underway to explore how the Council strengthens and builds capacity in communities and continues to retain a level of service that reflects the Councils statutory duties. This review may however lead to a reduction of up to 2 FTE posts. Any restructuring would be subject to detailed consultation with staff concerned.</p> <p>Vehicle Fleet Following changes in several service areas and the recent move to the new depot at Tofts Farm it is anticipated that fleet costs can be reduced.</p> <p>Income Generation Income generation opportunities have been examined and proposals regarding introducing new charges and increasing existing charges have been set out. Benchmarking data has been used to compare the Council with other local authorities. The fees and charges relate to discretionary services and may be set according to the nature of the service being offered and prevailing market conditions.</p>
<p>As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?</p>	<p>Equality impacts on particular groups and staff have been considered as part of the savings programme. The proposals, as they stand, will have minimal if any impact on equality and statutory services will not be affected. Where staff may be affected, impacts will be considered further as savings options are agreed but will include:-</p> <ul style="list-style-type: none"> • Early Retirement/Voluntary Redundancy opportunities – these will be in line with the Council's HR policy and staff will be appropriately advised and supported throughout the process. • Compulsory Redundancy – any requirements will be addressed in line with Council's HR policies and

		<p>staff affected will be supported and advised throughout the process. Where appropriate Council job vacancies will be earmarked as redeployment opportunities for anyone in the workforce deemed to be at risk of redundancy.</p> <ul style="list-style-type: none"> Reconfiguration of services and merging of functions – No specific impact on users and communities identified. However it is noted that there will be increased pressure on staff to deliver services and potential reduced flexibility and effectiveness of service. 	
Describe how you will address and monitor the impact		<p>The proposed changes will be addressed and monitored by the appropriate managers and front line staff through existing methods as appropriate. These are likely to include:</p> <ul style="list-style-type: none"> Public surveys and questionnaires CRM data Complaints (informal and formal) Budget monitoring data Liaison meetings with users and providers Neighbourhood forums Ward Councillor feedback <p>If necessary the appropriate management level will need to address any emerging concerns.</p> <p>The equality impact of the following item will be monitored particularly closely:-</p> <p>Concessionary Fares This is a volatile budget and demand led and therefore there is a risk that the budget will be insufficient to meet the costs incurred by aged and/or disabled service users. The budget situation will be closely monitored. If costs do arise over and above the reduced budget level, alternative savings will need to be identified in the department.</p>	
		<p>2. Adjust/Change Policy n/a</p>	
		<p>3. Adverse Impact but Continue as is n/a</p>	
		<p>4. Stop/Remove Policy/Proposal n/a</p>	
Initial Assessment	8/11/16	Reviewed	22/11/16
Completed		Published	

NEIGHBOURHOOD SERVICES COMMITTEE

13th December 2016



Report of: Director of Regeneration and Neighbourhoods

Subject: CAR PARK – REVIEW OF CHARGES

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision. Test (i) and (ii) applies. Reference RN 24/16.

2. PURPOSE OF REPORT

2.1 To consider options for reviewing car park charges.

3. BACKGROUND

3.1 Hartlepool Borough Council manages over 2,000 parking spaces mostly within the central area of the town and seeks to balance the needs of different groups including long stay commuters and short term shoppers visiting the town centre. A map showing the car parks in the central area referred to in this report is set out at **Appendix A**.

3.2 Car parking income is significant with £1,335,000 having been generated through all forms of parking charges and fines in 2015/16. The annual budgeted income projection for the year however was £1,460,000 leading to an adverse variance of £125,000. There are a number of reasons for this:

3.3 Car parking income has reduced at a national level as a result of the economic downturn and the trend of reduced spending in town centres as trade has moved to out of town shopping centres. There have been a number of initiatives to boost the local economy. In addition to balancing the parking needs of commuters and shoppers the importance of a vibrant commercial town centre and the difficulties experienced by local traders have also been recognised. As a result the Council has opted to maintain the level of pay and display charges for a number of years. In addition, free parking on Sundays has been supported for some time and initiatives in relation to free parking after 4pm and also on Saturdays in December have been introduced with a view to boosting trade in the Middleton Grange Shopping Centre.

- 3.4 At the meeting of the Neighbourhood Services Committee on 20th September 2016 it was agreed that a review of car park charges be undertaken. Whilst options relating to limited free parking would be included within the scope Members determined that abolishing charges and making parking wholly free was not something that they wished to consider as the loss of this income would increase the overall budget deficit.
- 3.5 Various options for change have now been appraised and the findings are set out in Sections 4 and 5 of this report. The review has mainly focused on short stay parking. Useful benchmarking data was gathered during the review in respect of charges currently set by other Tees Valley Councils for their short stay car parks. The details are set out in Table 1 below.

Table 1

Council	Location	Charges
Stockton on Tees Borough Council	Stockton on Tees Town Centre (Short Stay)	Free for 60 minutes or £1 for 3 hours then £1 for every hour thereafter on Monday to Saturday 9am-5pm; Free Parking on Sunday and Bank Holidays (Minor variations on the above apply at some car parks, for example, where a 1 hour maximum stay is in place)
	Yarm (Short Stay)	Free for 60 minutes or £1 for 3 hours then £1 for every hour thereafter n Monday to Saturday 9am-5pm; Free Parking Sunday and Bank Holidays
Middlesbrough Borough Council (The three Council car parks closest to the Town Centre are used for illustration purposes.)	Captain Cook Car Park	Free for 2 hours; £1.10 per hour thereafter, up to a maximum of £6.60 - Monday to Saturday 8am to 6pm, including Bank Holidays. Free for 2 hours, £1.40 for over 2 hours on Sunday
	Buxton and MIMA Car Parks	Free for 2 hours, £2.20 for up to 4 hours, £1.10 per hour thereafter, up to a maximum of £6.60 - Monday to Saturday, 8am to 6pm, including Bank Holidays. Free for 2 hours, £1.40 for over 2 hours on Sunday.
	Zetland Car Park	Free for 2 hours, £1.60 for over 2 hours - Monday to Saturday, 8am to 6pm, including Bank Holidays. Free for 2 hours, £1.60 for over 2 hours on Sunday

Redcar and Cleveland Borough Council	Redcar Town Centre (Short Stay)	£1 for first hour; £1.50 for two hours; £1 each additional hour thereafter - Monday to Saturday 8am-6pm including Bank Holidays
	Guisborough Town Centre (Short Stay)	£1 for first hour; £1.50 for two hours; £1 each additional hour thereafter - Monday to Saturday 8am-6pm including Bank Holidays
	Saltburn Sea Front Car Parks	£1 for first hour; £1.50 for two hours; £4 all day parking Monday to Saturday 8am-6pm including Bank Holidays (From May to September these charges also apply in Saltburn each Sunday)
Darlington Borough Council	Darlington Town Centre (Short Stay)	£1 per hour - Monday to Saturday 8am-6pm including Bank Holidays £1 per day on Sunday
Hartlepool Borough Council	Hartlepool Town Centre (Short Stay)	70p for 1 hour; £1.40 for 2 hours. Thereafter £2.10 for 3 hours; £2.80 for 4 hours; £3.50 for 5 hours; £4.20 for 6 hours; £4.90 for 7 hours; £5.60 for up to 10 hours. Monday to Saturday 8am-6pm including Bank Holidays. Free parking on Sunday.

3.6 The benchmarking data indicates that there are variations in approach to setting short stay parking charges across the Tees Valley. It can be seen that both Middlesbrough and Stockton Borough Councils operate limited free parking as part of their overall arrangements. The most favourable to motorists appears to be the scheme in Middlesbrough where two hours of free parking can be obtained in town centre car parks. Middlesbrough is clearly a much larger retail centre than Hartlepool and therefore has significantly more spaces to meet demand. It is also important to note that there are two main indoor shopping complexes (Cleveland Centre and Hill Street) which each have their own dedicated privately operated parking provision, integrally linked to the facilities. Neither offers free customer parking, the cheapest tariff for two hours being £1.50 at the Cleveland Centre. These sites are however particularly attractive to shoppers seeking a convenient, central location to park and therefore Middlesbrough Council must bear this private competition in mind when setting their own charges.

3.7 Hartlepool's current town centre short stay parking charges compare favourably with rates set by both Darlington and Redcar & Cleveland Councils. Table 1 shows that both of these local authorities charge £1 for

the first hour of parking in their town centre car parks and rates rise thereafter. It should also be noted that Darlington makes a £1 per day charge for Sunday parking. Redcar & Cleveland Borough Council charges for parking at Saltburn's seaside car parks. From May to September these charges also apply each Sunday.

4. SUMMARY OF PROPOSALS

- 4.1 There are numerous options that could be assessed in a review of charges. Previous comments expressed by the committee have been taken into account and five different options for change have been appraised.
- 4.2 These options aim to provide an opportunity for changes to be made that do not create new budget pressures for the Council. However the desire of Members to assist town centre traders is also recognised and proposals that could increase footfall and dwelling time of visitors at the Middleton Grange Shopping Centre and in the Park Road/York Road areas are included.
- 4.3 The five options for change are set out below:
1. Introduce 'free first 2 hour' parking in Middleton Grange Shopping Centre car parks.
 2. Introduce a flat rate charge of £1 for short stay parking for up to 2 hours.
 3. Introduce a flat rate charge of £1 for short stay parking for up to 2 hours which includes a 'free first 30 minute stay' made available at designated town centre car park sites.
 4. Introduce a 'free after 3pm' scheme in designated Middleton Grange Shopping Centre car parks. This would enhance the 'free after 4pm' scheme currently in operation.
 5. Introduce new summer season charges at car parks at Seaton Carew and Headland.
- 4.4 The advantages and issues arising with each option are explored in detail in Section 5 of this report. Estimates are also provided for the increased costs or changes in income that would occur if implemented. It should be noted that the figures set out are the most accurate available at this time based on the information available to the service. More detailed design work, feasibility studies and negotiations with equipment suppliers would however be required before some of these indicative costs and savings figures could be confirmed.

5. DETAILED OPTIONS ANALYSIS

- 5.1 An analysis of the different options shown in paragraph 4.3 is set out in this section.

5.2 Option 1 - Introduce 'free first 2 hour' parking in Middleton Grange Shopping Centre car parks.

Following a petition submitted to the Council in June 2015, this proposal was considered by the Neighbourhood Services Committee but not approved. As interest in two hour free parking has again been expressed by some Members and benchmarking data shows that Middlesbrough Council is operating such a scheme, it is appropriate that the impact of introducing a similar arrangement in Hartlepool is again evaluated as part of this review. As noted earlier in the report however, Middlesbrough Council is competing with private sector car parks in better locations which do charge.

5.3 In 2015/16, parking income at the main shopping centre sites totalled £525,000. The most recent analysis of payment records indicates that within the Middleton Grange Shopping Centre Basement, Waldon Street and East side (former Marks & Spencer) car parks some 92% of the total transactions were made by motorists parking for two hours or less. In the Multi Storey car park, 66% of purchases were for parking of less than two hours. Based on these four car parks, it is estimated that the option for two hour free parking would result in a loss of income to the Council of around £450,000. To put this income loss into context, it equates to the amount raised from a 1.3% Council Tax increase or the loss of approximately 20 jobs.

5.4 The actual figure is however likely to be significantly higher as displacement would occur from surrounding car parks where over £230,000 of income was collected from short stay parking of two hours or less. Further displacement from on street pay and display areas and from permit controlled areas where a fee is charged is likely and penalty charge notices would also reduce. The report submitted to the Neighbourhood Services Committee on 15th June 2015 estimated that the total loss of income to the Council by introducing a first two hour free parking initiative would be between £650,000 and £800,000. There have been no changes in the service since that report was considered which would significantly alter this estimate.

5.5 The loss of revenue from a two hour free parking scheme would burden the authority with the continued operating expenditure of car parks but with a significantly diminished income stream. The cost of this option could not realistically be covered by other modifications to car parking tariffs or a reconfiguration of the service. This would therefore create a significant budget pressure for the Council that would have to be found by cutting services elsewhere.

5.6 It is reasonable to assume that free two hour parking in the Middleton Grange Centre on Saturdays and weekdays may lead to some increase in both footfall and dwelling time of visitors in the shopping areas. It should be noted however that free parking on Sundays has not in itself proved sufficient to ensure car parks are regularly filled to capacity. There is therefore no guarantee that a substantial increase in shoppers and resulting trade would occur even if two hour free parking was introduced.

- 5.7 Previous customer surveys carried out in Hartlepool show that cost is not necessarily the main consideration for motorists when using car parks. Whilst undoubtedly a factor, a safe, secure, well lit and well maintained site were found to be of equal importance. As a result, the Council has concentrated on ensuring all car parks are to a standard that meets the Park Mark accreditation standard.
- 5.8 After consideration of the above factors this option is not recommended to Members.
- 5.9 **Option 2 - Introduce a flat rate charge of £1 for short stay parking for up to two hours.**
It is recognised that the current sliding scale tariff for the shortest stays (70p for 1 hour / £1.40 for 2 hours) may be persuading some people to limit their visits to the town centre to no longer than one hour. Moving to a flat rate charge which applies for the first two hours may therefore increase the average length of stay and help boost the profitability of shops, cafes and other businesses.
- 5.10 There is some difficulty in accurately estimating the impact on car parking income should a flat rate of £1 be introduced for the first two hours of parking. The most recent analysis points to 65% of short stay visitors paying to park in the town centre for only one hour or less. This should mean that the Council would see an overall increase in its car parking income if this option is approved. What cannot be quantified however is the number of visitors who currently overpay because they do not have the correct change for the pay and display machine. A £1 flat rate charge would largely remove these overpayments. A realistic expectation of increased income as a result of the introduction of a £1 flat rate charge is around £60,000.
- 5.11 Although car parking income would increase if this new tariff was introduced, visitors who currently purchase a two hour short stay parking ticket would benefit from a 40p reduction. Whilst not their preferred option, Middleton Grange Shopping Centre have recently indicated that they felt a two hour tariff rate could increase dwelling time in the centre.
- 5.12 Introducing the flat rate option would be relatively straightforward and would not entail any significant officer time or costs. For consistency, it is envisaged that all short stay car parks in the borough where the sliding scale tariff is currently applied would convert to the new flat rate charge if this option was agreed.
- 5.13 The benchmarking exercise indicates that setting a £1 charge for up to 2 hours of parking would not appear to be unreasonable and would bring Hartlepool into line with the current tariffs of both Darlington and Redcar and Cleveland Councils whilst remaining considerably cheaper than these local authorities for two hours of car parking. Given the current financial pressures on the Council this option is recommended to the committee.

5.14 Option 3 – Introduce a flat rate charge of £1 for short stay parking for up to 2 hours which includes a ‘free first 30 minute’ scheme made available at designated town centre car park sites.

This proposal builds on the previous option by introducing a ‘first 30 minutes free’ parking provision meaning that only stays between 30 minutes and two hours would be charged the £1 flat rate. It is officers’ opinion that to maintain effective monitoring and enforcement arrangements, any proposal which includes an element of free parking would best be managed by a ‘pay on foot’ (also known as ‘pay on exit’) arrangement. This means that a motorist entering a car park would need to collect a ticket on entry or drive past an automatic number plate recognition (ANPR) camera system. Before returning to their vehicle on departure, the ticket would have to be validated at a pay station and the fee due would be paid. The vehicle would then leave through a barrier controlled exit point. Although such a system is now commonplace at many sites across the country, Hartlepool’s car parking infrastructure would require considerable upgrading. Capital investment would be required to purchase new ticket machines capable of operating the ‘pay on foot’ scheme and funding would need to be identified for car park design works, new barriers, ANPR systems and modifications to signage and layout.

5.15 As part of this review, the Council’s Enforcement Team Leader visited a ‘pay on foot’ car park in Sunderland and discussed the advantages and difficulties of such an arrangement with colleagues there. Whilst a ‘pay on foot’ system may appear to be largely self supporting and reduce the need for wardens to monitor and enforce, two attendants are permanently located at the Sunderland car park site to ensure any breakdowns of entry/exit barriers or ticket machines are promptly addressed. Without some permanent on site presence there is the possibility of long queues forming or for motorists and their vehicles to become stranded in the car park with no means of exit should there be any failure of equipment.

5.16 Informal consultations with the Council’s Traffic Management team have indicated that not all town centre car parks may be suitable for a ‘pay on foot’ system. In particular, it would need to be clearly demonstrated that these arrangements would not cause queues at entry points at busy times leading to vehicles encroaching onto main highway routes.

5.17 The upgrading of the parking infrastructure resulting from this option would appear to offer some benefits to the Council. For example, better data could be captured on car park usage than at present and trends could be identified which would support more accurate forecasting. Tariffs could be more easily adjusted and also potentially allow for special promotional free parking days to take place where details of the fee income lost could be easily identified and passed onto the event sponsor.

5.18 A ‘first 30 minutes free’ parking arrangement is likely to be beneficial in encouraging some additional ‘drop in’ trade to town centre shops and businesses. Some traders may however feel that the free parking element

would cause visitors who would otherwise have remained in the town centre for longer to intentionally curtail their visit to avoid incurring any charges.

- 5.19 Introducing 'pay on foot' arrangements across all town centre sites in a single phase would be resource intensive and difficult to achieve in a short space of time. A number of different design issues would need to be addressed before a tendering exercise could commence and traffic management impacts, location and security of ticket machines and staffing arrangements to support the new systems would all need to be considered. In addition, investing Council funding into 'pay on foot' arrangements across a number of sites might be seen as high risk unless and until it can be demonstrated that the desired level of economic benefit to retailers and local businesses would result. It is therefore proposed that should the option for a 'first 30 minute free' parking scheme be one the committee supports, a phased approach is taken to converting the car parks beginning with one or two designated sites. This would also allow for the success of scheme to be confirmed before moving onto the next stage. As a large integral shopping centre car park with a suitable off road entrance ramp and a frequent on site staff presence, the Multi Storey car park would be the best site to launch the first 'pay on foot' scheme. Ticket machines, which would also hold coins for change, could easily be conveniently located whilst still being kept within an enclosed environment to maintain security. The Basement car park is also integrally linked to the shopping centre and could be the second designated site if required.
- 5.20 As indicated above detailed site survey work would be required to determine design and equipment requirements. Negotiations would also need to be carried out with potential suppliers before accurate financial estimates for a 'pay on foot' system could be established. To help Members understand the scale of the capital investment required however, officers suggest that an indicative figure of £100-£150k could reasonably be expected for the first two car park sites.
- 5.21 Modernising the car parking infrastructure by introducing a 'pay on foot' system is the preferred option of the Middleton Grange Shopping Centre management, who feel it is the best approach for increasing dwelling time in the centre and improving profitability of traders. Should this option be one that is supported by the committee, the possibility of financial assistance from the owners of the shopping centre could be explored to help meet implementation costs, particularly if this is eventually introduced across multiple sites. An indicative capital cost of £150k would result in a maximum annual borrowing cost of £15,000.
- 5.22 New arrangements which would combine a free first 30 minutes provision along with a £1 flat rate charge are quite different from the present tariffs and therefore it is difficult to assess the impact on parking habits and overall income generation. The most probable outcome is that the combination of increases and reductions of charges would result in a near neutral position. It is believed therefore that the principal financial implications associated with this option would result from the capital expenditure requirements described.

- 5.23 An upgraded car parking system would be beneficial to both the Council and town centre traders and the 'pay on foot' option is strongly supported by the Middleton Grange Shopping Centre management. However the element of free parking incorporated within this proposal would remove the potential for increasing Council fee income described in option 2. In addition the scale of capital investment required is considerable with no guarantees that there would be a resulting increase in town centre trade or that it would be sufficient to justify the level of investment. On balance, this option is not recommended to Members.
- 5.24 **Option 4 – Introduce a 'free after 3pm' scheme in designated Middleton Grange Shopping Centre car parks.**
This would effectively be an enhancement to the 'free after 4pm' scheme currently in operation. It is not envisaged that this scheme would be introduced in conjunction with other free parking initiatives (options 1 and 3).
- 5.25 The 'free after 4pm' scheme operates in the Multi Storey and Basement car parks as well as at the East side (former Marks & Spencer) site. Whilst the Middleton Grange Shopping Centre management supports this initiative they have previously requested that the Waldon Street car park is also included as part of the arrangement. They feel that this would provide a more consistent approach and allow them to openly promote the free parking scheme without fear of it leading to shoppers unwittingly parking at the Waldon Street site after 4pm without paying and consequently receiving a penalty charge notice. Waldon Street has not previously been included in the free parking scheme as it was felt that this car park not only serves the shopping centre but is also very well used by visitors to the Park Road/York Road shops and businesses and acts as the overflow car park for the One Life Centre. In addition, the car parks currently designated for free parking after 4pm have sufficient capacity to deal with demand. Irrespective of whether the 'free after 4' scheme remains in place or a 'free after 3' scheme is introduced, officers would continue to recommend that normal tariffs apply at the Waldon Street car park all day.
- 5.26 A new 'free after 3' proposal would mean visitors arriving at the three integral shopping centre car parks after 3pm could park free of charge. Footfall in the town centre is known to decrease around this time and therefore extending the existing free parking scheme by one hour would provide an improved incentive to shoppers to visit late in the day. From the Council's perspective the scheme would be relatively easy to introduce and there would be no new costs associated with the change.
- 5.27 This proposal would however incur an additional loss of income. The car parking service estimates that the current 'free after 4pm' scheme reduces income to the Council by approximately £40,000 per year. Extending this arrangement by one hour to 3pm is likely to lead to a further reduction of income by around £20,000 per year. This option is therefore not recommended.

5.28 Option 5 - Introduce new summer season charges at car parks at Seaton Carew and Headland.

This option refers to the possibility of introducing new charges at Seaton Carew and Headland car parks during the summer season including on Sundays. The car parks would include those at Newburn Bridge, Coronation Drive, Rocket House, Coach Park and Borough Hall. All parking at these locations is currently free. It is proposed that on street parking charges would also be introduced on appropriate sections of the sea front highway.

5.29 If this option is supported by the committee, a detailed feasibility study would be required to ensure that issues that may arise in relation to traffic management, on street parking and displacement of vehicles into residential areas are fully identified and addressed. Careful consideration would also need to be given to setting tariffs to ensure the correct balance between long term and short stay parking provision is achieved.

5.30 It is proposed that any parking charges would be limited to the summer season only and run from 1st April to 31st October each year. This is because the cost of monitoring these new car parking areas and collecting cash from ticket machines during the winter months when usage is much lower would likely outweigh the income benefit received.

5.31 The detailed feasibility work outlined above is also needed before income levels can be accurately forecasted. In addition, no data is held with regard to the usage of these car parks as they are currently unmonitored. Visitor numbers during a summer season will also be very much subject to weather conditions, particularly at weekends and may vary considerably from one year to the next.

5.32 Despite this uncertainty, it is not unreasonable to assume that if car parking charges are introduced at Seaton Carew and Headland an income stream of £100,000 per annum could be generated. New ticket machines and other associated works both at the car parks and on the surrounding highway network would be required.

5.33 This option would require a number of new ticket machines to be purchased. Until the detailed feasibility study is done to fully assess works needed an indicative figure of £50,000 is provided to give the committee an idea of the scale of the capital investment which would be required. This would be met by prudential borrowing and an annual revenue charge would be incurred of around £10,000.

5.34 The amount of officer time required to implement this option would be significant and more consideration would need to be given as to how the enforcement service was resourced to cover these outlying car parks and potentially including Sunday working.

5.35 If the Committee supports the introduction of charges at Seaton Carew and Headland, there is likely to be some resistance to the plans particularly from

local traders who rely on the summer season for a large proportion of their annual income. The Tees Valley benchmarking data set out in Table 1 (Section 3.5) however indicates that Redcar & Cleveland Council already levies charges at Saltburn's seaside car parks all year round, as well as on Sundays during the summer months. Further research shows that charges are also in place at coastal car parks north of Hartlepool including at South Shields, Tynemouth and Whitley Bay. Whilst the introduction of new tariffs is rarely welcomed, it can be seen that charging by councils for spaces at seaside car parks is not unusual.

- 5.36 A significant advantage of introducing this option is that the income generated could be used to solve a departmental budget pressure in relation to Lifeguards. A saving of £75,000 was included in the 2015/16 MTFS owing to the planned cessation of the service. However, Members requested that the service was continued for a further two years and has since been funded on a temporary basis. Members are therefore recommended to approve this option in order to fund the continuation of the service on a permanent basis.
- 5.37 A summary of costs and projected changes in income for each of the options reviewed is shown in Table 2 below.

Table 2

Ref	Proposal	Costs/ Reduced Income £000	Income (£000)
1	Introduce 'free first 2 hour' parking in Middleton Grange Shopping Centre car parks.	650-800	
2	Introduce a flat rate charge of £1 for short stay parking for up to 2 hours.		(60)
3	Introduce a flat rate charge of £1 for short stay parking for up to 2 hours including a 'free first 30 minute stay' made available at designated town centre car park sites.	15	
4	Introduce a 'free after 3pm' scheme in designated Middleton Grange Shopping Centre car parks. This would enhance the 'free after 4pm' scheme currently in operation.	20	
5	Introduce new summer season charges at car parks at Seaton Carew and Headland.	10*	(100)

* Borrowing costs to cover capital expenditure at Seaton Carew and Headland may be reduced if Options 3 and 5 were introduced together as existing town centre ticket machines could be relocated to the new coastal sites.

6. CONTINUATION OF EXISTING PARKING INITIATIVES

- 6.1 Section 3 highlights the initiatives the Council has supported in recent years, namely the free after 4pm scheme, free parking on Sundays and free parking on Saturdays in December. Once the committee has determined its preferred options for the future of town centre parking, it may wish to confirm whether support for these initiatives will continue in 2017/18 and beyond.

7. SEASON TICKETS AND LONG STAY PARKING

- 7.1 Season tickets are presently available for anyone who wishes to pre-pay for parking in the town centre area. The cost of an annual season ticket in a designated bay is £350 and there are currently 161 users. Spaces are allocated in car parks away from those integrally linked to the shopping centre and these are predominantly based at Dover Street, Eden Street and Back of Victoria Road. A further 81 on street commuter permits are issued at £225 per year.
- 7.2 It would be preferable to review season ticket options and pricing structures once the intentions of the committee in relation to the main car parking review are known. It is therefore proposed that season ticket arrangements are considered separately and brought back to the committee as part of a future report.
- 7.3 It is also proposed that long stay car parking is reviewed during 2017 in light of the committee's decisions on short stay parking. Various tariff rates are currently in place in long stay car parks as part of the overall strategy but it may be appropriate to look at simplifying these and adopting a more consistent approach.

8. FINANCIAL CONSIDERATIONS

- 8.1 As already indicated in this report the committee will need to be particularly mindful of the financial implications associated with their decision making. The options provided are estimated to produce financial outcomes ranging from a reduction of income of £650,000-£800,000pa to a new income stream which would generate around £100,000pa. The Council already has the difficult task of identifying savings to address a further cut in Government grant over the next 3 years of 38% (£9.8m) and a reflecting inflation faces a gross budget deficit of £20.8m. Proposals for addressing this deficit were recently considered by Finance and Policy Committee. Any additional budget pressure resulting from changing parking charges will increase the size of budget deficit and savings required.
- 8.2 A combination of options 2 and 5 could result in a net increased income to the Council of around £150,000 per annum. As indicated above, the first call on income from Option 5 would be to fund the continuation of the Lifeguard

service. The remaining balance could reduce/remove the current adverse variance in car parking income referred to in section 3.2.

9. RISK IMPLICATIONS

- 9.1 The financial assessments are based on the best information available to the service and taking into account known trends and past experience. Whilst this report considers how car park charging strategies can help boost town centre trade, it is the view of officers that the vibrancy of a town centre is mostly determined by the quality of the retail offer made to visitors. Any decline in the town centre offer because of the continuing difficult economic climate would therefore increase the risk to the Council of not achieving the parking income levels envisaged in this report.
- 9.2 Section 5.19 highlights the risk of the Council converting all town centre car parks to 'pay on foot' arrangements should it pursue option 3. Although research by the retail sector claims that increased trade of up to 20% can be achieved if motorists are not asked to pre-pay for their stay, it is felt that if this option is supported by the committee, a phased approach to the conversion of the car parks should be adopted in Hartlepool. This would allow for the success of the scheme to be fully assessed prior to the Council committing further resources to any expansion of the arrangements.
- 9.3 There is a risk that, taken in isolation, the introduction of new parking charges at Seaton Carew and Headland may be seen as conflicting with the Council's ambitions for tourism and the development of the town's visitor economy. If however, the Lifeguard service was able to continue as a result of the income generated by these new charges, the committee would also need to take into account the reduced health and safety risks to beach users that would be achieved.

10. CONCLUSIONS

- 10.1 The review focuses on five options for change. The advantages and potential drawbacks of each have been identified in section 5 of the report in detail and the best estimates of the financial impacts of each have been summarised in Table 2 in Section 5.37.
- 10.2 It is concluded that option 1 is unaffordable for the Council given the scale of income loss that would result. The adjustment to tariffs proposed in option 2 would increase town centre car parking income and may have some benefits to traders because the £1 tariff would enable visitors to remain in the town centre for up to two hours. The 'free after 3' scheme described in option 4 would provide an increased incentive for visitors to come to the town centre later in the day but the resulting £20,000 loss of income to the Council is something which the committee would need to carefully consider.

- 10.3 The proposed introduction of new charges at Seaton Carew and Headland set out in option 5 would support the Council's overall financial position and provide funding to continue the Lifeguard service. Despite this considerable health and safety benefit, the review recognises that businesses in the areas where new seasonal charges would be implemented may be opposed to the charges and the end to free parking enjoyed by their customers.
- 10.4 Option 3 proposes new tariff rates which includes a 30 minute 'drop in' parking provision in designated shopping centre car parks as part of the introduction of a 'pay on foot' system. This would benefit short stay visitors and the modernised parking systems would appear to offer advantages to the Council, Shopping Centre management and town centre traders. However the significant capital costs associated with this option would need to be funded.
- 10.5 In summary, it is not possible to provide proposals for new car park tariffs which benefit all stakeholders whilst at the same time having a positive impact on the Council's financial position. The review concludes that the combination of options 2 and 5 would appear to be most beneficial to the Council whilst still offering opportunities for increasing visitor dwelling time to town centre shops and businesses.

11. LEGAL CONSIDERATIONS

- 11.1 Any changes to tariffs would be required to be formally advertised by the Chief Solicitor as an amendment to the relevant Traffic Regulation Order and any objections received during this period would need to be referred to members for further consideration.

12. CHILD AND FAMILY POVERTY

- 12.1 There are no child and family poverty implications relating to this report.

13. EQUALITY AND DIVERSITY CONSIDERATIONS

- 13.1 There are no equality and diversity considerations relating to this report.

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

- 14.1 Unlike the current pay and display machines which are emptied regularly, the 'pay on foot' system outlined in this report relies on ticket machines holding a supply of cash to provide motorists with the necessary change. If option 3 is selected, it is proposed that pay stations would be located within the enclosed area of the Middleton Grange Shopping Centre, subject to the management's agreement, to reduce the likelihood of theft and vandalism.

15. STAFF CONSIDERATIONS

- 15.1 There may be staff considerations resulting from the outcome of this review. Members' attention is drawn to the findings set out in section 5.15 and the potential staffing implications arising from introducing the 'pay of foot' system described in option 3. Whilst enforcement checks on vehicles would not be required, it is envisaged a permanent on site car park staff presence to ensure smooth entry and exit arrangements are maintained would be a necessity.
- 15.2 The introduction of car parking charges at Seaton Carew and Headland described in Option 5 would require an enforcement team presence, potentially including Sundays. The level of cover would need to be determined and decisions made on whether recruitment was required.
- 15.3 Any expansion of the car parking service or the introduction of new operational arrangements in the town centre may also require a further review of civil enforcement officer roles and an assessment as to how conflicting demands on the service would be managed.

16. ASSET MANAGEMENT CONSIDERATIONS

- 16.1 As indicated above, options 3 and 5 would require capital investment to develop car parks in line with the proposals. The 'pay on foot' system would require the installation of new ticket machines, entry/exit barriers and other infrastructure works. The introduction of charges at Seaton Carew and Headland would require the installation of ticket machines along with possible works to the highway network in order to prevent or control on street parking and protect residential areas.

17. RECOMMENDATIONS

- 17.1 It is recommended that the committee approves the following:
- (i) Option 2 - to introduce a flat rate charge of £1 for short stay parking for up to two hours.
 - (ii) Option 5 - the introduction of new summer season charges for car parks at Seaton Carew and the Headland.
 - (iii) The first usage of monies raised from Option 5 be the continuation of the Lifeguard Services at both Seaton Carew and the Headland.
- 17.2 In light of the decisions taken in regard to town centre parking, the committee also confirms whether it wishes to continue the existing support

for town centre traders through the 'free after 4pm' scheme, free parking initiative on Saturdays in December and free Sunday parking all year round.

- 17.3 That Members approve the proposal to delay a review of season ticket arrangements until the impact of changes to town centre car parking is known.
- 17.4 That approval is given to a review of long stay car parking during 2017 once the changes arising from this short stay review have been fully implemented.

18. REASONS FOR RECOMMENDATIONS

- 18.1 Option 2 would generate additional income to the Council and is simple to implement. The £1 flat rate tariff would also offer a 30% cost saving to those visitors who currently pay for two hours stay. In addition, removing the one hour tariff rate option could increase the dwelling time of visitors in the town centre. The approval of option 5 would provide a significant new income stream to the Council and generate the necessary funding for the continuation of the Lifeguard service to maintain public safety on the town's beaches. Introducing charges at Seaton Carew and Headland would also bring the authority into line with other north east coastal towns who already charge for seaside parking.
- 18.2 Members are able to consider whether they still wish to maintain the current town centre free parking initiatives in light of other changes that may result from the review.
- 18.3 Delaying a review of season ticket arrangements would enable the impacts of the committee's decisions regarding town centre parking to be fully understood and subsequently reflected in any amended season ticket scheme.
- 18.4 A review of long stay parking would provide the opportunity for the remainder of the car parking service to be reviewed and for the committee to determine whether any further changes would be appropriate.

19. BACKGROUND PAPERS

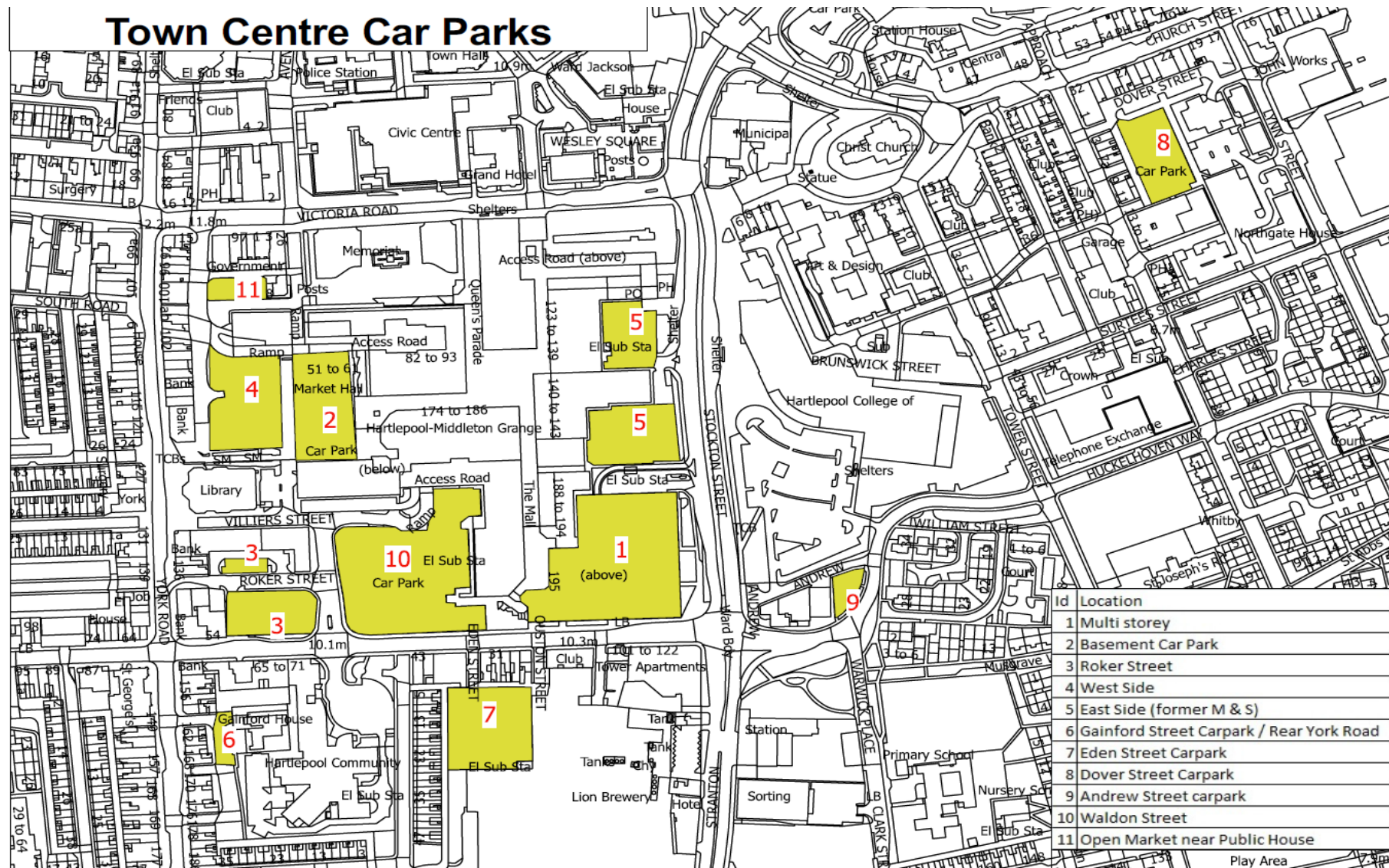
- 19.1 None.

20. CONTACT OFFICER

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NEIGHBOURHOOD SERVICES COMMITTEE REPORT

13th December, 2016



Report of: Director of Regeneration and Neighbourhoods and Chief Finance Officer

Subject: STRATEGIC FINANCIAL MANAGEMENT REPORT – AS AT 30th SEPTEMBER, 2016

1. TYPE OF DECISION/APPLICABLE CATEGORY

For Information.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to inform Members of the 2016/17 forecast General Fund Outturn, 2016/17 Capital Programme Monitoring and provide details for the specific budget areas that this Committee is responsible for.

3. BACKGROUND AND FINANCIAL OUTLOOK

- 3.1 As detailed in the Medium Term Financial Strategy Report (MTFS) submitted to the Finance and Policy Committee on 30th June 2016 the Government will implement further cuts in funding for Councils up to 2019/20. Over the next 3 years (2017/18 to 2019/20) this means a further grant cut of £9.8m. An MTFS update report was submitted to Finance and Policy Committee on 2nd December 2016 which informed Members of changes in the overall budget deficit and which confirms that the Council still faces an extremely challenging financial position over the next 3 years.
- 3.2 In view of the ongoing financial challenges the Corporate Management Team will continue to adopt robust budget management arrangements during 2016/17 and as detailed in section 5 it is becoming increasingly difficult to manage the annual budget. This position will need to be managed carefully over the remainder of the financial year, particularly over the winter period where some services face their highest demand and the cost of providing services is most volatile.

4. REPORTING ARRANGEMENTS 2016/17

- 4.1 The availability and reporting of accurate and up to date financial information is increasingly important as future budget cuts are implemented and one-off resources are used up.
- 4.2 The Finance and Policy Committee will continue to receive regular reports which will provide a comprehensive analysis of departmental and corporate forecast outturns, including an explanation of the significant budget variances.
- 4.3 To enable a wider number of Members to understand the financial position of the Council and their service specific areas each Policy Committee will receive a separate report providing:
- a brief summary of the overall financial position of the Council as reported to the Finance and Policy Committee;
 - the specific budget areas for their Committee; and
 - the total departmental budget where this is split across more than one Committee. This information will ensure Members can see the whole position for the departmental budget.

5. SUMMARY OF OVERALL COUNCIL FINANCIAL POSITION

- 5.1 An assessment of the forecast outturn has been prepared to reflect expenditure incurred to date and forecast to be incurred in the second half of the financial year. As Members will be aware from previous years, significant elements of the Council's budget are demand led and affected by expenditure over the winter months, including care costs in relation to older people and winter maintenance. The outturn forecasts will be closely monitored and regular updates will be reported to Finance and Policy Committee. The forecasts need to be considered in the context of the complexity of managing a gross General Fund budget of £213m and a net budget of £86m.
- 5.2 The latest report submitted to the Finance and Policy Committee on 2nd December 2016 anticipated that the best case forecast outturn for departmental budgets is an over spend of £0.470m and the worst case is an over spend of £1.090m. The range reflects seasonal and demand led factors.
- 5.3 The position in relation to corporate budgets is more positive and a net under spend of £0.540m is forecast. This is after earmarking £1.8m to fund future priorities, including capital investment. Detailed proposals for using this money will be included in the 2017/18 Medium Term Financial Strategy report to be considered at a future meeting of the Finance and Policy Committee, before detailed proposals are referred to full Council.
- 5.4 After reflecting the above factors along with the uncommitted 2015/16 actual Outturn of £51k, the overall forecast position for departmental and corporate budgets is a best case potential net under spend of £0.121m, or a worst case over spend of £0.499m.

6. 2016/17 FORECAST GENERAL FUND OUTTURN – Neighbourhood Services Committee

- 6.1 The Neighbourhood Services Committee has responsibility for services managed by the Director of Regeneration and Neighbourhoods. Budgets are managed at a Departmental level and therefore a summary of the Departmental position is provided below. The table set out the overall budget position for the Department broken down by Committee, together with a brief comment on the reasons for the forecast outturn.

Budgets Managed by the Director of Regeneration and Neighbourhoods

Budget £'000	Description of Expenditure	September Projected Outturn Adverse/ (Favourable) Worst Case £'000	September Projected Outturn Adverse/ (Favourable) Best Case £'000	Comments
1,477	Finance & Policy Committee	305	150	This area relates to projected income shortfalls.
3,504	Regeneration Services Committee	(745)	(745)	This variance relates mainly to a surplus generated on the European funded Adult Education schemes which ended last year.
15,246	Neighbourhood Services Committee	210	170	Favourable variances on the Vehicle Fleet, Passenger Transport and Concessionary Fares budgets are offset by an adverse variance on Waste and Environmental Services, Car Parking and Parks and Countryside.
20,227	Total Regeneration & Neighbourhoods	(230)	(425)	
Creation of Reserves				
0	Selective Licensing Phase 2	15	15	Reserve created to earmark income received in advance to fund staffing costs over the life of the scheme.
0	Maintenance Fund Crematorium	20	20	Reserve created to fund future maintenance costs associated with the Cremators.
0	Creation of Reserves Total	35	35	
20,227	Total Regeneration & Neighbourhood - Net of Reserves	(195)	(390)	

- 6.2 Further details of the specific budget areas this Committee is responsible for are provided in **Appendix A**.

7. CREATION OF DEPARTMENTAL RESERVES

- 7.1 The outturn projections detailed in the previous section reflects the ongoing assessment of financial risks and/or one-off expenditure commitments and the recommendation that specific reserves are created to manage these issues. This approach will protect the Council's medium term financial position and avoid having to make higher in-year budget cuts when these issues need to be funded.

- 7.2 Appendix A provides details of the reserves which it is recommended are created for this Committee, and in broad terms these cover the following issues:

- Reserves to fund the phasing of income and expenditure between financial years; or

- Reserves to meet unavoidable one-off financial commitments

8. CAPITAL MONITORING 2016/17

- 8.1 The 2016/17 MTFS set out planned capital expenditure for the period 2016/17 to 2017/18.
- 8.2 Expenditure against budget to the 30th September, 2016 for this Committee can be summarised in the following table and further details are provided in **Appendix B**.

Department	2016/17 Budget Including Future Years £'000	2016/17 Budget £'000	2016/17 Actual to 30/09/16 £'000	2016/17 Remaining Expenditure £'000	2016/17 Re-phased Expenditure £'000	2016/17 Variance from Budget Adverse/ (Favourable) £'000
Regeneration and Neighbourhoods	7,593	6,817	2,871	2,622	1,324	0

- 8.3 The following schemes include proposed direct revenue funding, to be met from the relevant service revenue budgets and are included within the forecast revenue outturn.

Wheelie Bins

The amount of expenditure on new bins has increased as a result of growth of the town. It is therefore proposed to increase the existing capital budget of £60,000 by £20,000 to be met from the Waste Management revenue budget. This amount is included in the latest forecast revenue outturn for Waste Management.

Burn Road Recycling Centre Redevelopment

As a result of additional works needed to meet Health and Safety requirements, it is proposed to increase the capital budget for improvement works to the Household Recycling Centre by £16,000, funded from the Waste Management revenue budget.

Chapel Refurbishment

The budget includes an amount of £175,000 has been set aside from the current years revenue budget to meet the cost of essential renovation works and a new heating system.

Garden of Remembrance

The budget includes an additional £12,000 required to meet to the additional costs arising from complications caused by adverse weather conditions.

9. RISK IMPLICATIONS

- 9.1 The outturn is not within the forecast ranges. This position will be managed closely for the remainder of the year.

10. FINANCIAL CONSIDERATIONS

- 10.1 These are covered in detail in Sections 3 to 8.

11. LEGAL CONSIDERATIONS

- 11.1 None.

12. CHILD AND FAMILY POVERTY CONSIDERATIONS

- 12.1 None.

13. EQUALITY AND DIVERSITY CONSIDERATIONS

- 13.1 None.

14. STAFF CONSIDERATIONS

- 14.1 None.

15. ASSET MANAGEMENT CONSIDERATIONS

- 15.1 None.

16. RECOMMENDATIONS

- 16.1 It is recommended that Members:-

- (i) note the report.

17. REASONS FOR RECOMMENDATIONS

- 17.1 To update the Members on the Committees forecast 2016/17 General Fund Revenue budget outturn and provide an update on the Capital Programme for 2016/17.

18. BACKGROUND PAPERS

Strategic Financial Management Report – as at 31st July, 2016 - Finance and Policy Committee 5th September, 2016
Medium Term Financial Strategy 2016/17 to 2018/19 Report – Finance and Policy Committee 23rd November 2015.
Medium Term Financial Strategy 2016/17 to 2018/19 Report – Finance and Policy Committee 11th January 2016

19. CONTACT OFFICERS

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REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2016/17 as at 30th September, 2016

Approved 2016/2017 Budget	Description of Service Area	September		Director's Explanation of Variance
		Projected Outturn Variance - Adverse/ (Favourable) Worst Case	Projected Outturn Variance - Adverse/ (Favourable) Best Case	
£'000		£'000	£'000	
(136)	Cemetery and Crematoria	0	0	The variance reported is after reflecting a contribution to Capital in year of £175k to fund the essential works required to the Chapel. The one-off investment is funded from income generated from fees and charges and the income budget has been increased next year as part of the 17/18 savings proposals.
281	Parks & Countryside	55	55	Adverse variance reflects an increase in vandalism and responsive repairs.
30	Allotments	0	0	
(453)	Car Parking & Enforcement	110	100	The variance mainly relates to a shortfall in income, however there continues to be a budget pressure on business rates of approx £30k.
419	Engineering Services (incl Coastal Protection and Contaminated Land)	0	0	This projection assumes that any underspend will be transferred to Capital to support the Major Capital scheme on the Headland.
1,728	Grounds Maintenance	0	0	
1,948	Highway Maintenance & Insurance	0	0	
(224)	Highways Trading	0	0	Very early to predict on Trading Accounts however it is anticipated that Highways will be within budget at year end.
502	Highways Traffic & Transp Management	0	0	
1,365	Passenger Transport	(40)	(60)	Favourable variance relates to an underspend on the demand led services within this service area.
128	Road Safety	0	0	
(53)	ITU - Strategic Management	50	50	The adverse variance relates to income targets set as part of the 14/15 savings programme that have not been achieved. Projects involve collaboration work around transport.
(124)	Vehicle Fleet	(90)	(90)	Variance relates to a temporary saving on vehicle borrowing costs as vehicles are being kept for longer. The review of vehicles may result in some vehicles being withdrawn and others financed over a longer period.
(1)	NDORS (National Driver Offender Rehabilitation) Scheme	0	0	
1,164	Network Infrastructure	0	0	This position assumes that any favourable variance at Outturn will be transferred to Capital to fund the LED project (as per the approved business case).
0	Section 38's	0	0	
(0)	Traffic Management	0	0	
2,423	Sustainable Transport	(65)	(65)	Favourable variance reflects the negotiated position which is less than the agreed budget.
1,646	Street Cleansing	(10)	(10)	Favourable variance relates to savings on fuel.
4,605	Waste & Environmental Services	200	190	There are many pressures on this Service Area however it is assumed at this stage that these can be managed within the overall budget this year.
15,246	Neighbourhood Services Committee Total (before Reserves)	210	170	
Creation of Reserves				
0	Maintenance Fund Crematorium	20	20	Reserve created to fund future maintenance costs associated with the Cremators.
0	Regeneration and Neighbourhoods Total - Net of Reserves	230	190	

The above outturn position includes the following Direct Revenue Funding contributions:

- £20,000 for Wheelie Bins.
- £175,000 for major structural repairs, renovation and a new heating system at the Chapel.
- £12,000 for the Garden of Remembrance.
- £16,000 for the Burn Road Recycling Centre Development.

PLANNED USE OF RESERVES

The above figures include the 2016/2017 approved budget along with the planned use of Departmental Reserves created in previous years.
The details below provide a breakdown of these reserves

Approved 2016/2017 Budget £'000	Description of Service Area	Planned Usage 2016/2017 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
35	Environmental Apprentices	35	0	
50	Winter maintenance	50	0	This reserve may be required to fund the costs associated with a severe Winter.
80	Catering equipment	80	0	
9	Building cleaning	9	0	
15	Bikeability	15	0	
16	Speed Cameras	16	0	
196	Environmental Enhancements	150	(46)	This variance relates to the profile of expenditure over years.
401	Total	355	(46)	

CAPITAL MONITORING REPORT PERIOD ENDING 30TH SEPTEMBER 2016

APPENDIX B

BUDGETS MANAGED BY THE DIRECTOR OF REGENERATION & NEIGHBOURHOODS

Project Code	Scheme Title	BUDGET		EXPENDITURE IN CURRENT YEAR					Type of Financing	2016/17 COMMENTS
		A 2016/17 and Future Years Budget £'000	B 2016/17 Budget £'000	C 2016/17 Actual as at 30/09/16 £'000	D 2016/17 Expenditure Remaining £'000	E Expenditure Rephased into 2017/18 £'000	F (C+D+E) 2016/17 Total Expenditure £'000	G (F-B) 2016/17 Variance from Budget £'000		
7272	Wheelie Bin Purchases	80	80	64	16	0	80	0	MIX	The annual budget for new wheelie bins includes proposed RCCO of £20,000 to meet the shortfall of expected demand led costs in year.
7466	DSO Vehicle Purchases	2,094	2,094	949	100	1,045	2,094	0	UDPB	Replacement of vehicles has been kept to the minimum possible while services are reviewed.
7508	Anhydrite Mine	231	231	168	0	63	231	0	MIX	This is the final year of the scheme.
7878	Community Safety CCTV Upgrade/Relocation	399	399	4	295	100	399	0	MIX	The relocation of the monitoring centre is now expected to be complete by April 2017.
8828	Chapel refurbishment	300	70	0	70	0	70	0	RCCO	Essential works are required to the chapel. Includes funding set aside from the current years revenue budget.
8829	Garden of Remembrance	12	12	12	0	0	12	0	RCCO	Completion of the scheme which started in 15/16. Budget includes a proposed RCCO of £12k
Allot	Allotments Improvements	338	0	0	0	0	0	0	UDPB	The Neighbourhoods Committee at its meeting on 27th July 2016 approved for £100k to be repaid to fund relocation costs as a result of the future expansion of Stranton Cemetery. A second phase of the Allotments review is underway and is expected to report in 2017 on a proposed programme of works.
LTP	Local Transport Plan (LTP)- Schemes	3,024	2,816	1,108	1,708	0	2,816	0	GRANT	Consists of various highways schemes.
7005	Waverley Terrace Road Safety Improvements	230	230	17	133	80	230	0	CAP REC	Funded from the 2016/17 Corporate Priorities funding. Note that there is no requirement for additional funding.
8905	Clavering Footpath	16	16	1	15	0	16		GRANT	Funded by Hartlepool Heritage & Green Spaces Group
PLAY	Parks & Playgrounds	105	105	19	50	36	105	0	GRANT	This budget is for major works to ensure the safety of parks and playgrounds.
SL	Street Lighting Replacement	339	339	338	1	0	339	0	MIX	The scheme is ongoing and expected to be completed in the current year within budget.
TVBNI	Tees Valley Bus Network Improvement Schemes	175	175	175	0	0	175	0	GRANT	Although 2015/16 was intended to be the final year of the TVBNI programme, additional funding has been made available which has been used on Catcote/Oxford Road junction.
Waste	Burn Road Recycling Centre Redevelopment	250	250	16	234	0	250	0	MIX	Improvements as detailed in the 16/17 MTFS. The budget also includes a contribution from revenue of £16,000 to meet the actual cost of works.
Neighbourhoods Committee Sub Total		7,593	6,817	2,871	2,622	1,324	6,817	0		

Key

RCCO Revenue Contribution towards Capital
MIX Combination of Funding Types
UCPB Unsupported Corporate Prudential Borrowing

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

NEIGHBOURHOOD SERVICES COMMITTEE

13th December 2016



Report of: Director of Regeneration and Neighbourhoods

Subject: COUNCIL PLAN 2016/17 – QUARTER 2
PERFORMANCE REPORT

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For Information.

2. PURPOSE OF REPORT

2.1 To inform the Neighbourhood Services Committee of the progress made against the relevant areas of the 2016/17 Council Plan at the end of quarter 2. The report also provides the Committee with an update on the waste and recycling services performance.

3. BACKGROUND

3.1 The Council Plan includes a number of key actions, performance indicators and risks which set out how the Council intends to deliver on its priority outcomes. The Council Plan 2016/17 was agreed by Council on the 16th March 2016.

3.2 At the end of each quarter officers provide an assessment of progress against the actions, performance indicators and risks in the Plan. These assessments are collected together and form the basis of the quarterly performance reports to Committee. 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	

- 3.3 At the beginning of the municipal year each Policy Committee identified 4 key areas of activity that they would like to receive updates on through the quarterly performance reports (i.e. 1 for each quarterly report). For Neighbourhood Services Committee they were agreed as:

Quarter 1 – Enforcement
Quarter 2 – Waste & Recycling
Quarter 3 – Highways & Transportation
Quarter 4 – Allotments

4. QUARTER 2 PERFORMANCE REPORT

- 4.1 Overall progress against those actions, performance indicators and risks that are relevant to the Neighbourhood Services Committee are identified in the performance report (**Appendix 1**).
- 4.2 The Regeneration & Neighbourhoods Department has also provided an update on recent activities in relation to waste & recycling in the performance report (**Appendix 1**).

5. RISK IMPLICATIONS

- 5.1 There are no risk implications

6. FINANCIAL CONSIDERATIONS

- 6.1 There are no financial considerations

7. LEGAL CONSIDERATIONS

- 7.1 There are no legal considerations.

8. CHILD AND FAMILY POVERTY

- 8.1 There are no child and family poverty considerations.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

- 9.1 There are no equality and diversity considerations.

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

10.1 There are no Section 17 considerations attached to this report.

11. STAFF CONSIDERATIONS

11.1 There are no staff considerations attached to this report.

12. ASSET MANAGEMENT CONSIDERATIONS

12.1 There are no asset management considerations attached to this report.

13. RECOMMENDATIONS

13.1 Neighbourhood Services Committee is requested to:

- note the progress made on the specific areas of the Council Plan relevant to the Committee at the end of quarter 2 set out in **Appendix 1**;
- note the update in relation to waste & recycling, as set out in **Appendix 1**.

14. REASONS FOR RECOMMENDATIONS

14.1 The Neighbourhood Services Committee has responsibility for a number of services that are included within the Council Plan.

15. BACKGROUND PAPERS

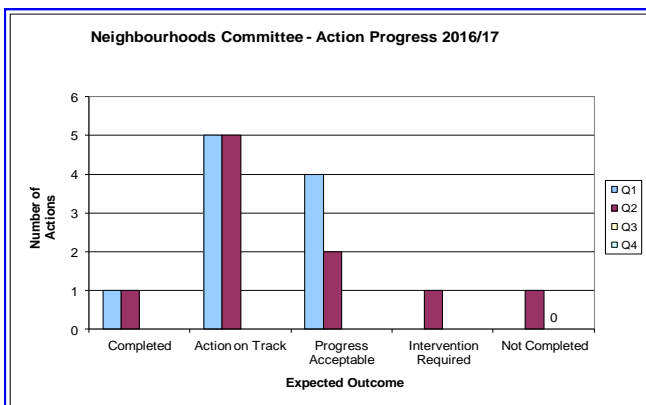
15.1 There were no background papers used in the preparation of the report.

16. CONTACT OFFICER

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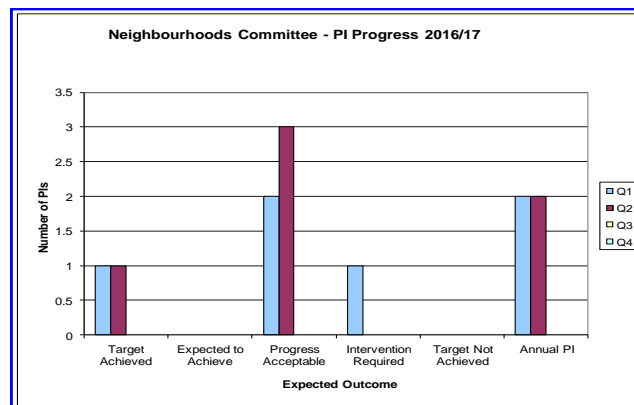
Quarter 2 Performance Update 2016/17 Neighbourhood Services Committee



Action Update:

Of the actions within the Council Plan and within the remit of Neighbourhood Services Committee:

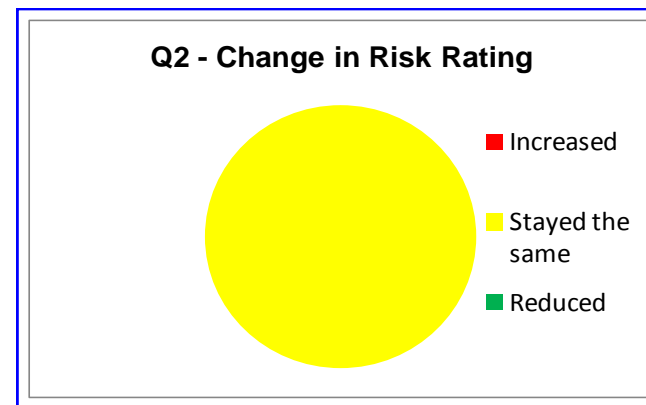
- 1 has been completed
- 5 are on track to be completed by due date
- 2 are identified as making acceptable progress
- 1 requires intervention (see overleaf)
- 1 has not been completed



Targeted Performance Indicator Update:

Of the targeted PIs within the Council Plan and within the remit of the Adult Services Committee:

- 1 has achieved target
- 3 have made acceptable progress
- 2 are reported on an annual basis



Change in Risk:

There has been no change in risk rating to the four risks within the Council Plan under the remit of the Neighbourhood Services Committee.

APPENDIX 1

Action Highlighted as Intervention required

Action	Due Date	Note
RND 16/17 EN06 - Explore opportunities for the development of recreation facilities at Rift House recreation ground	30 September 2016	Masterplan considered by HBC stakeholders. Awaiting identification of project resourcing to enable development of the second phase of work: taking the master plan through planning, detailed design and costing, project component competitive tendering etc., to a stage where it can be used to apply for external funding bids.

Action	Due Date	Note
RND 16/17 SC01 - Review the Voluntary and Community Sector Strategy and implement recommendations	31 March 2017	Following a discussion at CMT in relation to rationalising strategies there are currently no plans to review this strategy

Background to household recycling service

In November 2015 a recycling report was taken to Neighbourhood Services Committee; it discussed the then:

- **Declining market value of recyclable material.**
- **Changes to the Environmental Permitting Regulations** that required the industry to improve the 'end-quality' of processed materials; and,
- **The underlying challenge of continuing high levels of contamination in dry recyclate collected from residential properties.**

In response the Committee agreed to take forward:

1. **The provision and resourcing of the in-house team to carry out the 'household collection' element of the dry recyclate service,** with Palm Recycling undertaking the subsequent processing of this material at its Materials Recovery Facility (MRF) on Teesside.
2. **Improvements to the Burn Road Transfer Station to facilitate:**
 - *The initial mechanical segregation of any grossly contaminated loads and thus allow redirection of such to residual waste stream.*
 - *The bulking up of the resultant graded recyclate for more cost effective transport by bulk haulier to MRF in Teesside.*

Transitioning a borough-wide service to accommodate recycling

- **Household recyclate collection service.** The Environmental Services team have successfully restructured to undertake the collection of designated recyclable materials with a fleet of purpose built vehicles.
- **Burn Road Transfer station remodelling works are progressing but still to be fully implemented.** In the main, this is due to pre-build site investigation works revealing problems with drains and weaknesses in the existing concrete floor slab.

These findings present a significant risk to business continuity as regards the sites operating permits if they were left unaddressed. As a consequence this will necessitate some moderate additional capital scheme outlay however this is significantly less than the financial and service delivery consequences of losing the sites operating permits.

- **Education campaign to assist in reducing contamination at source need to be developed and resourced.** An integral part of taking the recycling programme in-house is an acknowledgement that corporate resources will need to be allocated to support a sustained demand management/ education programme.

Why is demand management important?

- Residual and contaminated recyclate waste disposal costs the Council much more than clean recyclate.
- A massive positive financial impact can result from increasing and sustaining the flow of quality recyclate free from contamination.

Recycling - Making a demand management/ education programme work

Leaflet drops and targeted publicity campaigns can have a general impact on levels of contamination at the kerbside. Unfortunately in some areas bad practises still prevail or can quickly re-establish themselves without sustained efforts and more innovative approaches.

With the help of individual citizens and communities a Council resourced recycling demand management/ education programme would look to:

- **Foster partnership and a sense of shared responsibility**, a keystone to achieving the ambitions for more cost effective and environmentally sustainable waste disposal whilst recognising the increasing resource constraints on services.
- **Facilitating change within the context of finite resources**; the Council would champion its role supporting the combined efforts of partners and communities in which it operates.
- **Support citizens as active participants in caring for their environment**, helping us address the increasing financial challenge and environmental impact of household waste disposal.

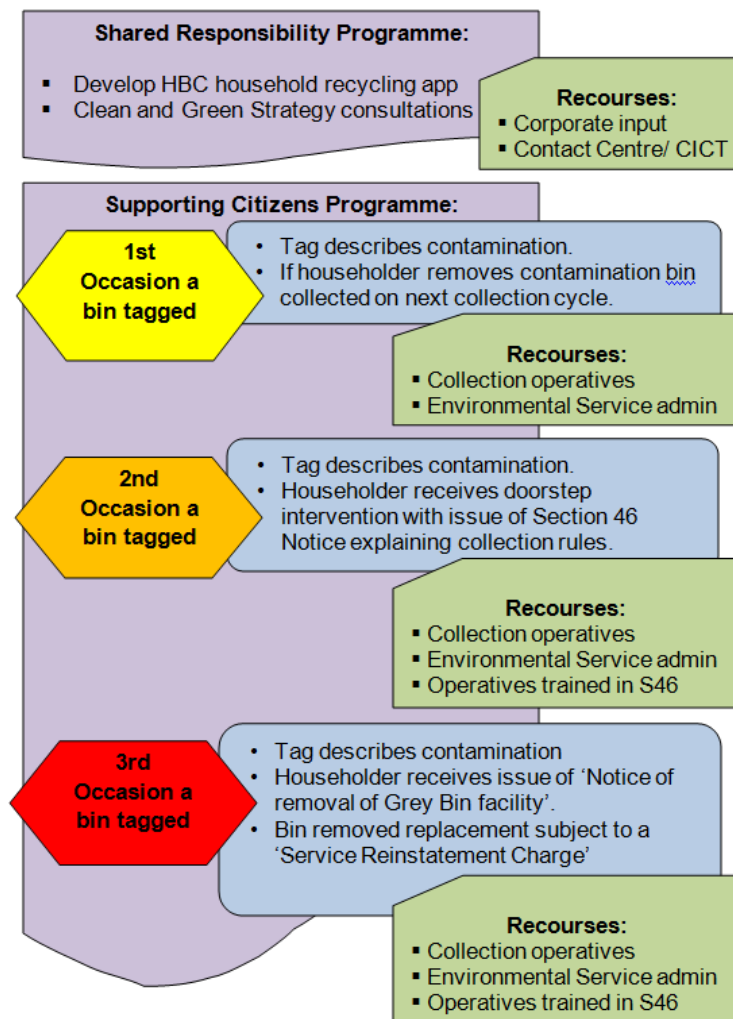
How will we know when intervention is required?

- Visual observations by operatives at the point of collection go some way to helping identify obvious contaminants and households.
- In the future the more regular use of the transfer station by HBC's refuse freighters, facilitated by shorter journey times not having to go to the MRF directly, will allow for lower initial compaction rates to be used by collection vehicles. This facilitates initial pre-sorting at the waste transfer station before bulking up and transport to the MRF.

Both techniques help make possible the potential identification of streets/ households that would benefit from targeted educational input.

Shaping recycling demand management programme:

Graphic showing a potential transition from education to enforcement:



Data on waste and recyclable materials collection

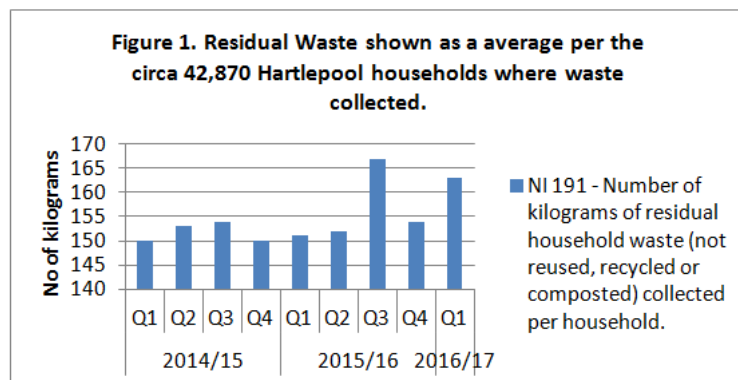


Figure 1. Points to note:

- Figures include all residual waste collected at doorstep, contracted trade waste, HBC services own disposal requirements (street cleaning, grounds maintenance etc.), and waste brought by the public to the Household Waste Recycling Centre (HWRC).
- Q4 2014/15 Implemented tighter controls on illicit use of the HWRC.
- Q3 2015/16 Partially a consequence of contractor transitioning from a MRF with a high level of hand sorting to a more automated facility which enables more efficient and cost effective processing. This transition has required greater efforts to be made to ensure recyclate is not contaminated upon entry to the MRF and a result is increased rejection levels necessitating diversion of contaminated recyclate to residual waste stream.
- Q1 2016/17 Brought recycling collections in house, implemented further efforts to prevent heavily contaminated recyclate loads arriving at MRF by diverting to energy from waste plant.

Figure 2. Recycling, reuse, and composting as a percentage of the total household waste collected.

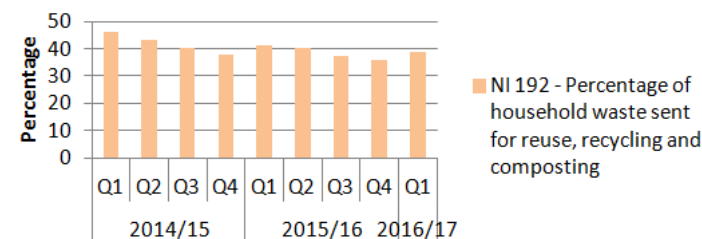


Figure 2. Points to note:

- The year on year figures show a seasonal component e.g. April through June Q1 is the time of year when high levels of green waste are collected for composting and this level transitions downward as the growing season tapers off.
- The 2015 changes to the MRF facility (see Figure 1 notes) have highlighted the importance of sustained efforts to get contamination of the grey bin recyclate down and keep it down. This action will help improve the percentage of total household waste recycled.

Grey bin tagging data

Month	Approx no's of tags issued	Average per day
August	3080	171
September	2156	119
October	1870	117