



Chief Executive's Department  
Civic Centre  
HARTLEPOOL

4 December, 2017

Councillors C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Belcher, Black, Buchan, Clark, Cook, Cranney, Fleming, Hall, Hamilton, Harrison, Hind, Hunter, James, Lauderdale, Lindridge, Loynes, Martin-Wells, McLaughlin, Moore, Dr. Morris, Richardson, Riddle, Robinson, Sirs, Smith, Springer, Tennant, Thomas and Trueman.

Madam or Sir,

You are hereby summoned to attend the COUNCIL meeting to be held on THURSDAY, 14 December 2017 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

G Alexander  
Chief Executive

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# COUNCIL AGENDA



**Thursday 14 December 2017**

**at 7.00 pm**

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

- (1) To receive apologies from absent Members;
- (2) To receive any declarations of interest from Members;
- (3) To deal with any business required by statute to be done before any other business;
- (4) To approve the minutes of the last meeting of the Council, held on 26 October 2017, as the correct record;
- (5) To answer questions from Members of the Council on the minutes of the last meeting of Council;
- (6) To deal with any business required by statute to be done;
- (7) To receive any announcements from the Chair, or the Head of Paid Service;
- (8) To dispose of business (if any) remaining from the last meeting and to receive the report of any Committee to which such business was referred for consideration;
- (9) To consider reports from the Council's Committees and to receive questions and answers on any of those reports;
  - (1) Further Periodic Review Of The Council's Constitution - Report of Constitution Committee
- (10) To consider any other business specified in the summons to the meeting, and to receive questions and answers on any of those items;

- (11) To consider reports from the Policy Committees:
- (a) proposals in relation to the Council's approved budget and policy framework; and
    - (1) Medium Term Financial Strategy (MTFS) 2018/19 to 2019/2020 and Financial Outlook for 2020/21 – *Report of Finance and Policy Committee*
    - (2) Local Council Tax Support Scheme 2018/19 – *Report of Finance and Policy Committee*
    - (3) Youth Justice Strategic Plan 2017-2019 –*Report of Children's Services Committee*
    - (4) Community Safety Plan 2017-2020 – *Report of Finance and Policy Committee*
  - (b) proposals for departures from the approved budget and policy framework;

- (12) To consider motions in the order in which notice has been received;

- (1) "The Council is concerned that the Government's recent announcement to introduce the National Funding Formula for Schools does not provide sufficient funding for Hartlepool schools over the next two years. The Government funding arrangements only provide an increase for 2018/19 of at least 0.5% and a total increase for 2018/19 and 2019/20 of at least 1%. This minimal increase affects 29 out of the 35 mainstream schools. This is at a time when schools face increasing inflationary pressures. Of even greater concern the Government has not indicated what will happen in 2020/21. This makes it impossible for our schools to develop sensible medium term plans for delivering education services to our young people. As it currently stands Hartlepool schools may lose total funding of £1.5m in 2020/21, which would be a reduction in the overall schools budget for the town of 2.3%.

It is therefore proposed that the Council writes to the Secretary of State for Education requesting the Government, as a matter of urgency, confirms that transitional arrangements for implementing the national Schools Funding Formula will continue in 2020/21 and beyond to avoid Hartlepool facing a financial cliff edge and a reduction in the overall schools budget of 2.3%."

Signed: Councillors Clark, Harrison, Lindridge, Thomas and Richardson

- (2) "We urge Council to recognise the plight of those who suffer mental health problems in Hartlepool. Only recently has mental health become a major concern in the provision of services across the NHS and Local Authorities nationally and that we should seek to address this as a matter of urgency.

Mental health and behavioural problems (e.g. depression, anxiety and drug use) are reported to be the primary drivers of disability worldwide, causing over 40 million years of disability in 20 to 29-year olds.

Major depression is thought to be the second leading cause of disability worldwide and a major contributor to the burden of suicide and ischemic heart disease.

It is estimated that 1 in 6 people in the past week experienced a common mental health problem.  
(source: *mental health.org.uk*)

It is the proposal of the UKIP Group to put mental health provision and services at the top of the agenda for the Audit and Governance Committee as well as the Adult Services Committee in 2018. To this end we would ask Council to support the need for the Audit and Governance Committee to seek a review of mental health provision in Hartlepool with a view to finding ways of improving access to and availability of mental health services within the Borough for all residents of Hartlepool.”

Signed: Councillors Tennant, Moore, Fleming, Buchan and Springer

- (13) To receive the Chief Executive’s report and to pass such resolutions thereon as may be deemed necessary;
- (14) To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 11;
- (15) To answer questions of Members of the Council under Rule 12;
  - a) Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 12.1
  - b) Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 12.2
  - c) Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority
  - d) Minutes of the meetings held by the Cleveland Police and Crime Panel held on 19<sup>th</sup> September 2017.



# **COUNCIL**

## **MINUTES OF PROCEEDINGS**

### **26<sup>th</sup> October 2017**

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

#### **PRESENT:-**

The Ceremonial Mayor (Councillor Beck) presiding:

#### **COUNCILLORS:**

C Akers-Belcher	S Akers-Belcher	Barclay
Buchan	Clark	Cook
Cranney	Fleming	Hall
Hamilton	Harrison	James
Lauderdale	Lindridge	Loynes
Martin-Wells	Dr Morris	Richardson
Riddle	Robinson	Sirs
Springer	Tennant	Thomas

Officers: Gill Alexander, Chief Executive  
Peter Devlin, Chief Solicitor  
Ed Turner, Communications and Marketing Manager  
Denise Wimpenny and Amanda Whitaker, Democratic Services Team

#### **55. APOLOGIES FOR ABSENT MEMBERS**

Councillors Belcher, Black Hind, McLaughlin, Moore and Smith

#### **56. DECLARATIONS OF INTEREST FROM MEMBERS**

None

#### **57. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS**

None

## 58. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 28<sup>th</sup> September 2017, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

## 59. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES OF THE PREVIOUS MEETING OF THE COUNCIL

None

## 60. BUSINESS REQUIRED BY STATUTE

None

## 61. ANNOUNCEMENTS

The Ceremonial Mayor announced that he would be supporting the 2017 Christmas Toy Appeal organised by Radio Hartlepool and encouraged all Elected Members to support the appeal also.

The Chief Executive highlighted that a Member Strategic Briefing had been arranged for 31 October 2017 which would include updates on the Regeneration Programme and on the new approach to digitising services to the public.

The Chief Executive updated Members on progress in relation to the recruitment of the Director of Public Health. It was intended that an Appointments Panel would be convened in December, in accordance with the Officer Employment Rules relating to the appointment of a Director of Public Health, as set out in the Constitution. The Panel as a Committee of the Council would include:

- an External Health Professional Assessor
- a Local Authority Chief Executive Officer (or nominee)
- a Senior Local NHS Representative; and
- a Public Health England Regional Director (or nominee)

Council agreed that the Chief Executive convene a meeting of the Appointments Panel, on the basis set out above, in consultation with the Chair of the Finance and Policy Committee.

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

None

63. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES

None

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

1.Address by Armed Forces Champion

Council received a presentation by the Armed Forces Champion, Councillor Barclay, on Hartlepool's Armed Forces Covenant Progress in 2016/17. A report had been tabled which provided comprehensive details of Hartlepool's Armed Forces Covenant Progress in 2016/17

In 2012 Hartlepool Borough Council had signed the North East Armed Forces Community Charter and had established its own Armed Forces Community Covenant, to encourage support from the Armed Forces Community in our town. The Community Covenant required an annual progress report in relation to the implementation of the Covenant and, in accordance with this requirement; details of progress, activity and achievements during 2016/17 were outlined in the report.

Councillor Barclay highlighted that it was his third annual report as Hartlepool Borough Council's Armed Forces Champion and over the last 3 years, great progress had been made towards fulfilling the commitment to the Covenant. Details of this year's armed forces activities and achievements were outlined in the report, which included:-

- The establishment of the Hartlepool Armed Forces Liaison Group;
- A massively successful Armed Forces Day; and
- Progress towards an improved understanding of the shape and needs of the armed forces community in Hartlepool.

It was noted that a considerable amount of work had been done so far, within the financial and staffing resources available and Councillor Barclay thanked all those involved across the Local Authority (and its partners) for their help in delivering the achievements so far. In recognition of the work and building on the Bronze Award, from the Ministry of Defence Employer Recognition Scheme (ERS) in 2015/16, Councillor Barclay advised that he was delighted to be able to inform Council that this year our Silver Award had been awarded which was an achievement to be proud of.

In going forward into 2017/18, there continued to be a commitment to supporting armed forces personnel and their families, and to explore all possible opportunities to achieve this. This work would include:

- How we can better identify our service personnel and their needs, looking at how we can as a local authority work with our partners to deliver services and maximise funding opportunities.
- Continued representation of our armed forces community's needs on a local, regional and national basis;
- Development of our working relationships with Hartlepool's Armed Forces Associations and the town's 883 Postal and Courier Squadron and Rifles detachment;
- Support and participate in Armed Forces Events and Parades across the town and wider region; and
- As a final point, an ambition to obtain our Gold Ministry of Defence Employer Recognition Scheme Award.

The Armed Forces Champion commended his report to Council.

Following presentation of the report, Members expressed sincere thanks for the Armed Forces Champion for the huge amount of work which had been done and to the many successes of which he had been involved.

## 65. REPORT FROM THE POLICY COMMITTEES

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

None

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

None

## 66. MOTIONS ON NOTICE

The following Motion had been submitted:-

"This Council is opposed to the proposals by Northern Rail & other rail companies, which shall remove the guarantee of a Guard on Northern Rail trains.

The loss of guards will mean that Hartlepool passengers shall no longer have the guarantee of a member of staff to protect passenger safety and act in emergencies such as derailments, evacuation, fires and driver incapacity. The guarantee of a Guard also means there is always a member of staff to provide

advice and assistance and to allow disabled passengers to embark and disembark at unstaffed stations.

Therefore this Council:-

- registers its opposition to the Arriva North franchise requirement for driver only trains and the Government's plans to make driver only trains mandatory;
- supports the RMT (National Union of Rail, Maritime and Transport Workers') campaign to protect on-board conductors on the (Arriva North) routes and hundreds of essential rail jobs;
- believes that, if implemented, the plan would result in cuts to funding, fare rises, service and timetable cuts and the loss of hundreds of essential rail jobs;
- also believes that in addition to the loss of skilled jobs, passenger service and passenger safety will be worsened by this plan to remove guards and conductors from services and introduce Driver-Only-Operation;
- notes that these proposals come on top of rail fare hikes and the pre-existing understaffing of many stations and the closure of ticket offices, making guards and on-board conductors even more essential to passenger safety;
- believes that protecting and increasing staffing levels are the most effective way of improving security and passenger safety;
- notes that the driver is responsible for safe operation of the train and the on-board conductor for the protection of passengers;
- notes that currently, guards and on-board conductors are fully trained in operational safety, route knowledge, including safely securing doors, protecting the train and acting in emergencies such as driver incapacity;
- believes that these types of cuts to rail services particularly have an impact on disabled, older and women passengers, and go against the wishes of passengers who value proper staffing of trains and stations; and
- urges the Government and Rail North to protect passengers and the communities who rely on these rail services by withdrawing these proposals and instead hold meaningful consultations to deliver properly funded, properly staffed and affordable railways in the North."

Signed:-

Councillor Clark  
Councillor Thomas  
Councillor Harrison

Councillor Barclay  
Councillor Richardson

The Motion was moved by Councillor Clark who outlined the rationale for the Motion and was seconded by Councillor Cranney.

The Motion was agreed unanimously.

## 67. THE GENERAL DATA PROTECTION REGULATIONS

The Chief Executive reported that the EU General Data Protection Regulations (GDPR) would have application from the 25<sup>th</sup> May, 2018, not least to allow public authorities and other organisations that had as its core activities the control and processing of personal data, the necessary time to prepare for the GDPR coming into force. The Data Protection Bill presently before Parliament would transpose the requirements of these regulations into our domestic legislation. An important feature is that these new requirements will capture 'data controllers' and processes outside the European Union whose processing activities relate to the offering of goods or services (even for free) to, or monitoring the behaviour (within the EU) of, EU data subjects. Consequently, it is recognised by the Information Commissioners Office (ICO) that the UK will need to mirror the GDPR following "Brexit".

Council was advised that the Council's Finance and Policy Committee had received a report on this subject at its meeting on 18 September and had recommended that mention should be made at Council, mainly because the GDPR would impose significant changes in how information governance operated within public authorities. This legislation placed onus on the accountability obligations upon bodies handling personal data to demonstrate compliance. This included, by way of example, the requirement to maintain certain documentation, such as data protection impact assessment where risks (which need to be evaluated) were present in the processing of information. Significantly, where data processing is carried out by public authorities, they must appoint a Data Protection Officer (DPO) as part of this accountability requirement. The Committee had recommended that the Council's Head of Legal Services (Place) should fulfil this role and Council was requested to endorse this appointment.

One of the key features of the GDPR is that data processes will have direct obligations for the very first time. This includes obligations to maintain a written record of processing activities carried out on behalf of each controller. The GDPR actively seeks to promote accountability and governance. In particular, breaches of the GDPR are likely to lead to substantial fines based upon the level of culpability. The Council through the DPO is currently reviewing current processes and procedures, as well as organising training. Further reports upon this topic will be brought before the Committee and Council as required.

**RESOLVED** - That the implementation of the GDPR be noted and the appointment of the Head of Legal Services (Place), as the Council's Data Protection Officer, be endorsed.

## 68. THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND

Council was advised that the Chief Executive had received notification that the Commission intended to include the Council in its electoral review for 2018/19, owing to 'poor levels of electoral equality'. The purpose of an electoral review would be to consider the number of councillors, the names, number and boundaries of the Wards over the 15 years from the outcome of such a review. The Commission previously published a report on an electoral review of the Borough only in September 2011 with 'all out' elections in May, 2012.

It is envisaged that the Commission would publish its final recommendations in early 2019 with new electoral arrangements through 'all out' elections in 2020. Further information would be provided to Members once available. The Commission had requested that they meet informally with an officer group to discuss the detail and process of the review and also engage with group leaders through a briefing and a third meeting to brief all Elected Members. Arrangements are being made for these meetings and a provisional date of 24 November 2017 had been proposed and Members will be informed of the meeting date, once confirmed.

RESOLVED - That Council note the position and the request of the Commission to arrange a series of preliminary meetings with officers and Elected Members.

## 69. VICTORIA BY-ELECTION

Council was reminded that it was reported to Council on 28<sup>th</sup> September 2017 that Trisha Lawton had resigned as a Borough Councillor for the Victoria Ward.

Members were requested to note that a notice of vacancy had been published and a by-election would be held on Thursday 16 November, 2017

RESOLVED – That the publication of a notice of vacancy and the by-election of 16<sup>th</sup> November 2017 be noted.

## 70. RESIGNATION FROM COMMITTEES AND OUTSIDE BODIES

The Chief Executive had been informed that Councillor Cranney had resigned from the Durham Tees Valley Airport Board. The Chief Executive highlighted that following the creation of the Tees Valley Combined Authority, it was important for Members to have separate roles to ensure good governance. Councillor Cranney was this Council's representative on the Combined Authority's Transport Committee and was the Leader's substitute on the Tees Valley Combined Authority Board and had, therefore, resigned from the Airport Board to ensure separate roles were maintained. The instructions of Council were sought in relation to a Member to replace Councillor Cranney on the Outside Body listed above.

The Chief Executive reported at the Council meeting that Councillor Robinson had relinquished her seat on the Children's Services Committee to Councillor James.

RESOLVED –

- (i) That Councillor Clark be appointed to replace Councillor Cranney on the Durham Tees Valley Airport Board.
- (ii) That Councillor James be appointed to replace Councillor Robinson on the Children's Services Committee.

71 TRANSPORT FOR THE NORTH - INCORPORATION AS A SUB NATIONAL TRANSPORT BODY.

Council was requested, as Local Highway Authority, to consent to the making of Regulations by the Secretary of State to establish Transport for the North (TfN) as a Sub –National Transport Body under section 102J of the Local Transport Act 2008. A copy of the draft regulations was appended to the report.

Council was advised that the consent of each Highway Authority within the area of each Combined Authority, which was a Constituent Authority of TfN, was required to the making of Regulations by the Secretary of State as the Regulations contained provisions giving TfN highway powers to be exercised concurrently with the Local Highway Authorities.

The Secretary of State had formally responded to the proposal and had indicated that he was minded to make regulations creating TfN as the first Sub-National Transport Body with the following functions :

- a. The preparation of a Northern Transport Strategy;
- b. The provision of advice on the North's priorities, as a Statutory Partner in the Department's investment processes;
- c. The coordination of regional transport activities, (such as smart ticketing), and the co-management of the TransPennine Express and Northern rail franchises through the acquisition of Rail North Ltd.

Council therefore was requested to provide its consent in conjunction with the appended information and to delegate responsibility to the Chief Executive Officer (in consultation with the Leader of the Council and the Chair of Regeneration Services Committee) to issue notification of that consent and matters related or incidental thereto.

RESOLVED – That Council provide its consent in conjunction with the appended information and delegate authority to the Chief Executive Officer (in consultation with the Leader of the Council and the Chair of Regeneration Services Committee) to issue notification of that consent and matters related or incidental thereto.

## 72. SEATON BY-ELECTION

The Chief Executive referred to her previous report to Council which had noted the resignation of Paul Thompson, as Ward Councillor for the Seaton Ward and that a by-election would be held on Thursday 19 October, 2017.

Council was advised that at that election Leisa Smith had been duly elected to serve in the office of Councillor for that Ward until the local government elections in May, 2019

RESOLVED – That the election of Leisa Smith as Borough Councillor for the Seaton Ward be noted.

## 73. PUBLIC QUESTION

None

## 74. QUESTIONS FROM MEMBERS OF THE COUNCIL

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

None

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

None

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

None

- d) Minutes of the meetings held by the Cleveland Fire Authority held on 28 July 2017.

The minutes were noted.

The meeting concluded at 7.20 p.m.

## CEREMONIAL MAYOR

# COUNCIL

14 December 2017



**Report of:** CONSTITUTION COMMITTEE

**Subject:** FURTHER PERIODIC REVIEW OF THE COUNCIL'S CONSTITUTION

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## 1. BACKGROUND

- 1.1 An amended motion was considered at Council on 22<sup>nd</sup> June, 2017, and thereafter was referred to the Constitution Committee for further consideration. That amended motion is as follows;

*“That supplementary questions be reinstated, that 25% of Committee meetings be held on an evening and a 15 minute segment scheduled at the commencement of Council meetings for the Leader of the Council to respond to questions.”*

- 1.2 As per previous reports, the Council is reminded of Article 15 of the Council's Constitution, (which now incorporates references to recommendations to be made to Council through the Constitution Committee), that in conducting any review or revision of the Constitution the following protocol is relevant;
- An observation of meetings of different parts of the member and officer structure;
  - The potential to undertake an audit trail of a sample of decisions;
  - Record and analyse the issues raised with the Monitoring Officer by Members, Officers and the Public and any other relevant stakeholders;
  - Compare practices within the Council with any other authority and / or national examples of best practice.

## 2. THE TIMING OF MEETINGS

- 2.1 The Committee on this particular item were notified of the Cabinet Office publication - “Consultation Principles: Guidance” (July 2012, updated January 2016) that;
- Consultation should be clear and concise, be informative [and] targeted.
  - Consultation should last for a proportionate amount of time.

- 2.2 The Committee therefore agreed that a 6 week consultation period would be appropriate to canvass the views of the public, but also the opinions of Elected Members and staff should also be taken into account. The results of that survey is appended to this report (**Appendix 1**) for consideration. Members will note that just under half of members of the public (48.77%) who responded (285 responses), preferred meetings on an evening, whereas a majority of responses from Elected Members and staff favoured meetings during the day (12 and 56 responses respectively). At a previous meeting, the Committee also mentioned that detailed financial analysis in relation to any change in the timings of meetings would also be needed. This element has been left in abeyance until both the Committee and Council have fully considered the outcomes of this consultation exercise. The Committee reflected on a variety of issues, particularly impact on staff, available transport, seasonal aspects (vagaries of autumnal weather) and concluded that meetings should remain as presently diaried, but it was open for individual Policy Chairs to look at alternative timings of their Committee meetings at their discretion, if necessary as 'pilots' which could be further explored by the Constitution Committee over the timings of meetings.

### 2.3 **RECOMMENDATION**

That the Council considers the comments of the Committee.

## 3. **SUPPLEMENTARY QUESTIONS**

- 3.1 The DETR Guidance; "New Council Constitutions- Modular Constitutions for English Local Authorities" (December 2000) provided for the following;
- *A questioner who has put a question in person may also put one supplementary question without notice to the Member who has replied to his or her original question.*
  - *A supplementary question must arise directly out of the original question or the reply.*
  - *The Chairman may reject a supplementary question upon any of the grounds [as specified].*
- 3.2 It is to be noted, that the neighbouring Tees Valley authorities do provide for supplementary questions to be given, for most part, based upon the above procedure. It should be noted that some of these near neighbours are presently looking at reviewing their existing Constitutions, in their entirety. However, it was mentioned in the above guidance that "modular constitutions" are about "choice". That guidance was issued in conjunction with the reforms to the governance of Local Authorities under the Local Government Act 2000 with the onset of either executive or alternative arrangements with an acknowledgement that transitional procedures, might need to be put in place. Hartlepool Borough Council is therefore distinct in so far that it is regulated by the Local Government Act 1972 and the Local Authorities (Committee System) (England) Regulations 2012. Accordingly, although questions can be

given to chairs of the policy committees at Council, there has been encouragement for members of the public to attend policy committees and to question the chair's at those meetings. Furthermore, in amending its constitutional arrangements, the Council increased the number of public questions from one to two but without reference to any supplementary questions. As Members will be aware, two supplementary questions were previously contained in the Council Procedure Rules which was an elaboration upon the one supplementary question mentioned within the guidance issued through the then DETR. The Committee, given the availability through questions to Policy Chairs, through the Community Forums, Ward Surgeries and other existing mechanisms did not see the justification for the re-introduction of supplementary questions at this time

### 3.3 RECOMMENDATION

That supplementary questions should not be re-introduced for public questions at this time.

## 4. QUESTIONS TO THE LEADER OF THE COUNCIL

- 4.1 As indicated the modular constitutions were seen as a *“benchmark”* in which to *“review and revise”* a Local Authorities constitutional arrangements but also *“a basis for examining the choices that can be made about their system”*. The guidance does reference a *“State of the Area Debate”*, which was incorporated within the Council's constitutional arrangements when it operated a system based on the Elected Mayor and Cabinet model of governance. This could equally apply where there is a Leader under executive arrangements or through the more traditional system of a Council Leader based upon the operation of a committee structure. It would entail that the Leader would call a debate annually and on a date and in a form to be agreed with the Chairman/Ceremonial Mayor of the Council. The guidance indicates such a forum should have its *“aim of enabling the widest possible public involvement and publicity.”* Such a *“debate”* would be chaired through the Chairman of Council and its results should be *“disseminated widely as possible within the community and to agencies and organisations within the area”* and considered.... *“in proposing the Budget and Policy Framework to the Council for the coming year”*.
- 4.2 Members need to be aware and be conscious of the limitations of time placed upon questions from the public and also the other time constraints upon conducting and despatching the business of Council. Members felt that questions to the Leader through public and member questions at Council and at Policy Committee level was sufficient without the necessity for a discrete ‘Questions to the Leader’ session.

#### 4.3 RECOMMENDATION

That the present arrangements for questions to the Leader of the Council were sufficient and did not require a separate 'Questions to the Leader' session.

### 5. CHAIRING OF MEETINGS

- 5.1 At its previous meeting the Committee invited the Monitoring Officer to prepare drafting based upon the election of a Chair when either the Chair / Vice Chair were absent from a meeting. Presently, the Council's Constitution under Council Procedure Rules 1.2 (Order of Business of the Annual meeting) and 2.1 (Order of Business at Ordinary meetings) prescribes that the Chair will presides at meetings and in his / her absence that the Vice Chair will have that responsibility, but if neither are present then the first matter of business is for the meeting to elect a person to Chair that meeting. The Committee was asked to consider the addition of another Council Procedure Rule (proposed as CPR 2.3) which could state the following;

- *"If neither the Chair nor the Vice Chair are present for a meeting of Council, that meeting will be chaired by the Elected Member who has the distinction of being the longest serving Councillor (whether that be through consecutive terms of office or otherwise), unless Council determines that another Elected Member should chair that meeting."*

#### 5.2 RECOMMENDATION

That Committee considers the present arrangements were acceptable but the views of Council to any amendment to its Council Procedure Rule over the chairing of meetings are invited.

### 6. SENIOR LEADERSHIP RESTRUCTURE

- 6.1 The Council's Finance and Policy Committee on 9<sup>th</sup> August 2017 received a report upon the above aforementioned topic upon which there are consequential changes which need to be addressed through the Council's constitution. Brief mention of this subject was also made in the Chief Executive's Business Report to Council on 28 September, 2017. The Finance and Policy Committee approved a restructure wherein there is the creation of a separate directorship covering Adult and Community Based Services and a directorship covering Children's and Joint Commissioning Services. The Director of Children's and Joint Commissioning Services will also have direct line management responsibilities for Public Health. The Director of Public Health, which is a statutory post (see later) would remain as a Chief Officer post reporting to the Director of Children's and Joint Commissioning Services. This joint commissioning role would have responsibility for establishing and leading a service which will integrate all public health, children's and adult services and commissioning. The Director will retain the statutory responsibility for being the lead officer for Children's Services under the

Children Act, 2004. This post will also have statutory responsibility for the provision of education services under the Education Act, 1996.

- 6.2 The Director of Public Health will also have the role of providing direct commissioning support to the Director of Adults and Community Based Services. Members will be aware that the Director of Public Health is a statutory post created through the Health and Social Care Act, 2012 and this role is further defined within the Department of Health document “Directors of Public Health in Local Government – Roles, Responsibilities and Context” (October 2013). The Director of Children’s and Joint Commissioning Services will be supported by two further Assistant Directors covering;
- Children and Family Services
  - Education and Learning
- 6.3 Those Officers will therefore be ‘Deputy Proper Officers’ to the Director. There is also within the restructure, an Assistant Director (Children’s Social Care) which will report to the Assistant Director (Children and Family Services).
- 6.4 The Director of Adult and Community Based Services, will therefore have the statutory responsibilities mentioned in the Local Authority Social Services Act, 1970. This post will have the responsibility for coordinating community based, public health and preventative services (through community hubs, sport and leisure services). It is also raised with the Committee whether the present title of Adult Services Committee should be more realigned with the title of this new directorship and therefore be accordingly termed the “Adults and Community Services Committee”. This role will also see the direct reporting of two Assistant Director posts covering ‘Adult Social Care’ (encompassing Supported Housing Services presently based within the Regeneration and Neighbourhood Services Department) and a role covering ‘Preventative and Community Based Services’. There will also be commissioning responsibilities covering domestic violence from a community safety perspective (which is a service area that was formerly aligned to the Regeneration and Neighbourhoods Services Department) moving to the Children and Joint Commissioning Department. Again, there needs to be a reflection of these Assistant Director posts in any exercise of any Deputy Proper Officer functions on behalf of the Director.
- 6.5 The report from the 9<sup>th</sup> August, also notes that apart from the changes mentioned above, there are no further changes to the Regeneration and Neighbourhood Services Department. That Department undergoing elements of restructuring only in May, 2016. However, there will be the aligning of services, with the movement of the management of the Borough Hall (to be co-ordinated with the management of the Town Hall) and public protection Services to the Regeneration and Neighbourhood Services Department.
- 6.6 In summary, the Council’s constitutional arrangements, must recognise that the social services functions particularly those relating to vulnerable adults under the 1970 Act, become the preserve of the Director of Adults and

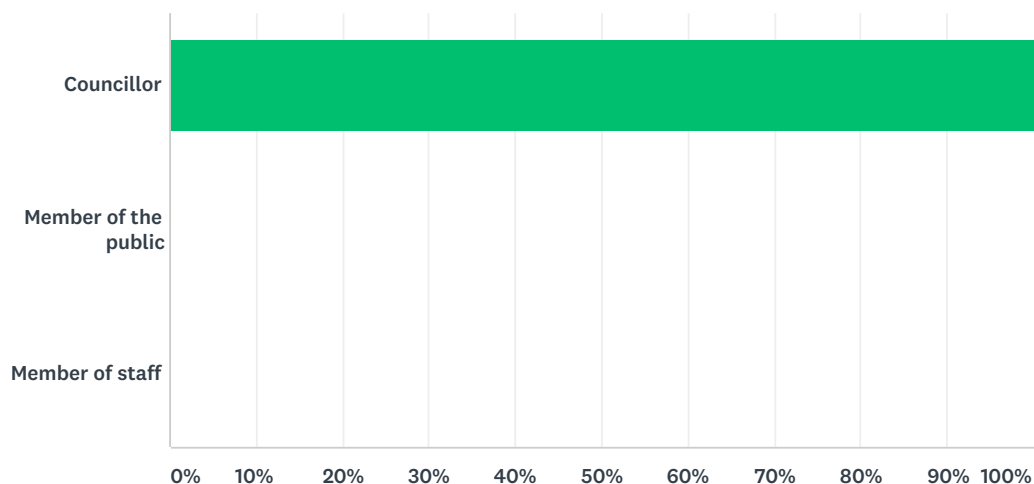
Community Based Services. Whilst those social services relating to children (particularly in the context of protection / safeguarding and therefore those children who are “looked after” by the Authority) being the responsibility under the Children Act, 2004 of the Director of Children’s and Joint Commissioning Services. Consequently it also needs to be recognised that the Director of Public Health is the Proper Officer for the purposes of the Health and Social Care Act 2012 with oversight of Public Health and commissioning to deliver effective public health interactions. Both the Director of Children’s and Joint Commissioning Services and the Director of Adults and Community Based Services will also have the responsibility (where applicable) for Local Authority Social Services and National Health Service complaints.

## 6.7 **RECOMMENDATIONS**

- 6.8 That Council note the changes through this Senior Leadership Restructure as approved by the Finance and Policy Committee on the 9<sup>th</sup> August, 2017.
- 6.9 That Council delegates to the Monitoring Officer the authority to make such amendments and consequential changes to the Council’s Constitution to fully incorporate the changes created by this restructure.

## Q1 Firstly, could you tell us if you are a Councillor, a member of the public or a member of staff?

Answered: 13 Skipped: 0



ANSWER CHOICES	RESPONSES	
Councillor	100.00%	13
Member of the public	0.00%	0
Member of staff	0.00%	0
TOTAL		13

## Q2 Are you aware of the full range of committee meetings that take place?

Answered: 0   Skipped: 13

 No matching responses.

ANSWER CHOICES	RESPONSES	
Yes	0.00%	0
No	0.00%	0
TOTAL		0

### Q3 Are you aware that the public can attend policy committee meetings and give questions at those meetings?

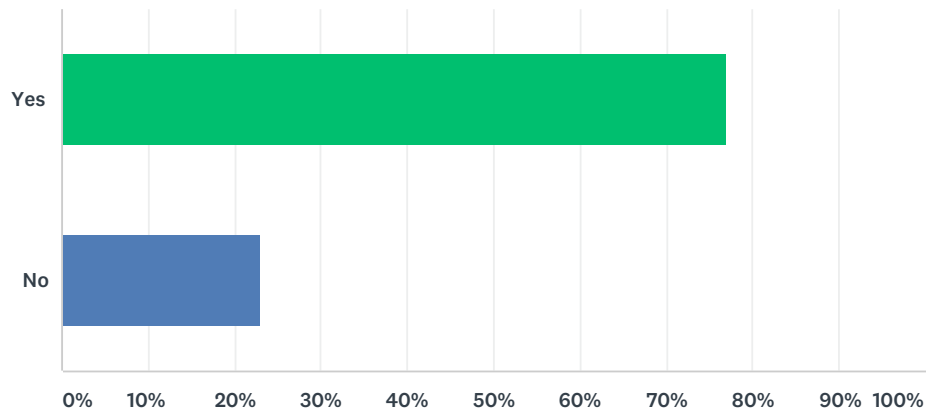
Answered: 0   Skipped: 13

 No matching responses.

ANSWER CHOICES	RESPONSES	
Yes	0.00%	0
No	0.00%	0
TOTAL		0

## Q4 Thinking about the last 6 months, have you attended a policy committee meeting?

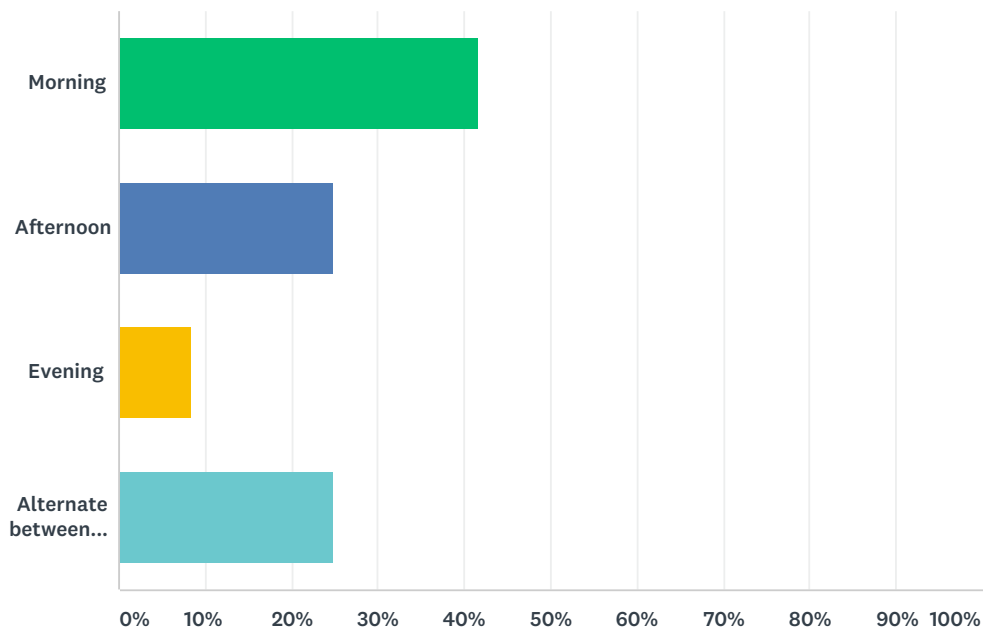
Answered: 13 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	76.92%	10
No	23.08%	3
TOTAL		13

## Q5 What would be your preferred time of day for a policy committee meeting to be held?

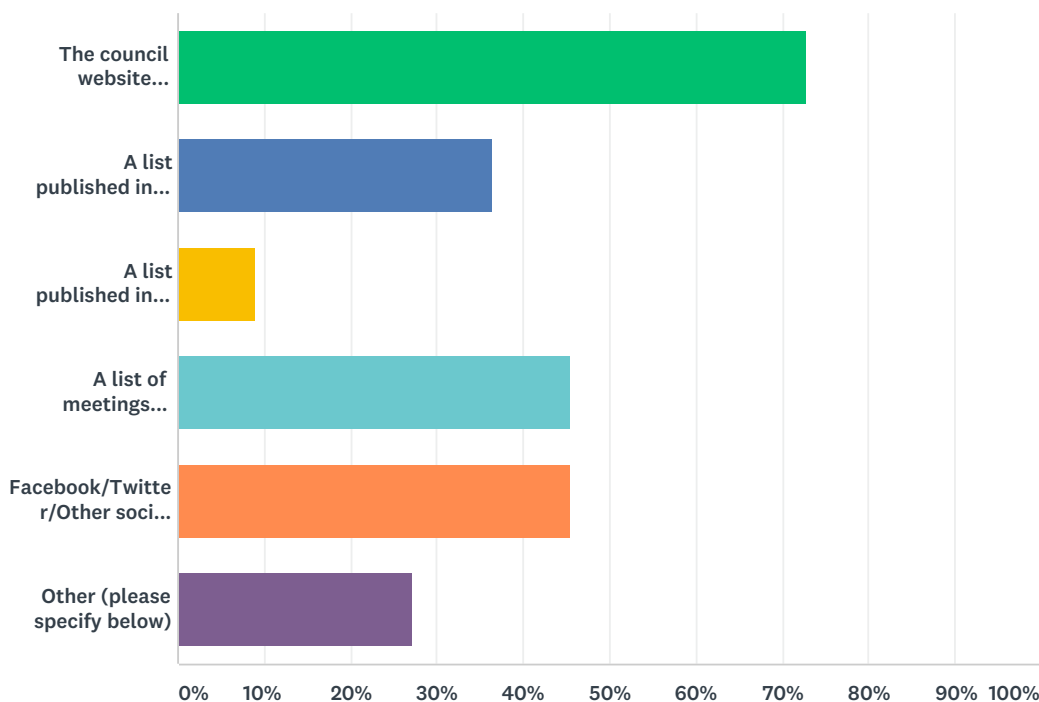
Answered: 12 Skipped: 1



ANSWER CHOICES	RESPONSES	
Morning	41.67%	5
Afternoon	25.00%	3
Evening	8.33%	1
Alternate between morning, afternoon and evening	25.00%	3
TOTAL		12

## Q6 How would you like to find out about these meetings? (Please tick all that apply)

Answered: 11 Skipped: 2

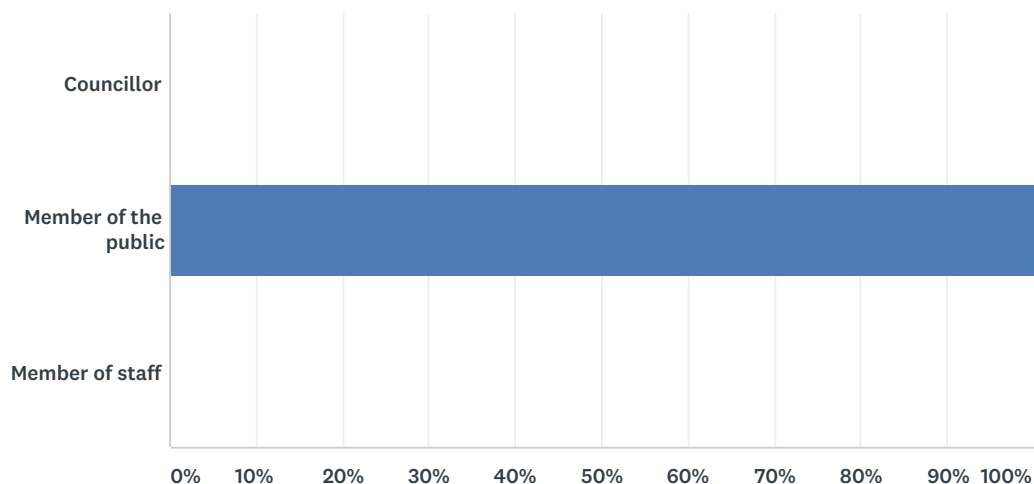


ANSWER CHOICES		RESPONSES	
The council website (www.hartlepool.gov.uk/democraticservices)		72.73%	8
A list published in Hartbeat		36.36%	4
A list published in the Hartlepool Mail		9.09%	1
A list of meetings displayed at the Civic Centre		45.45%	5
Facebook/Twitter/Other social media		45.45%	5
Other (please specify below)		27.27%	3
Total Respondents: 11			

#	OTHER (PLEASE SPECIFY)	DATE
1	I am a Councillor therefore do have advanced notice of meetings etc	7/31/2017 10:32 AM
2	Email	7/30/2017 1:43 PM
3	Council diary	7/29/2017 9:55 PM
4	Not applicable since they are in my diary	7/28/2017 4:25 PM

## Q1 Firstly, could you tell us if you are a Councillor, a member of the public or a member of staff?

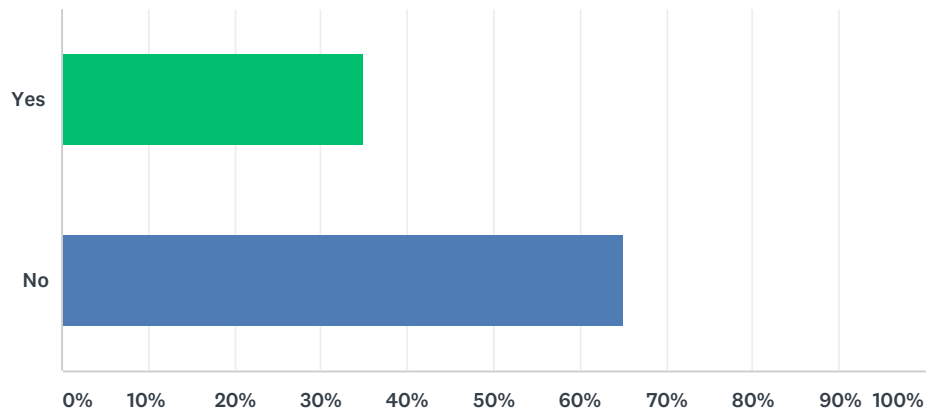
Answered: 303 Skipped: 0



ANSWER CHOICES	RESPONSES	
Councillor	0.00%	0
Member of the public	100.00%	303
Member of staff	0.00%	0
TOTAL		303

## Q2 Are you aware of the full range of committee meetings that take place?

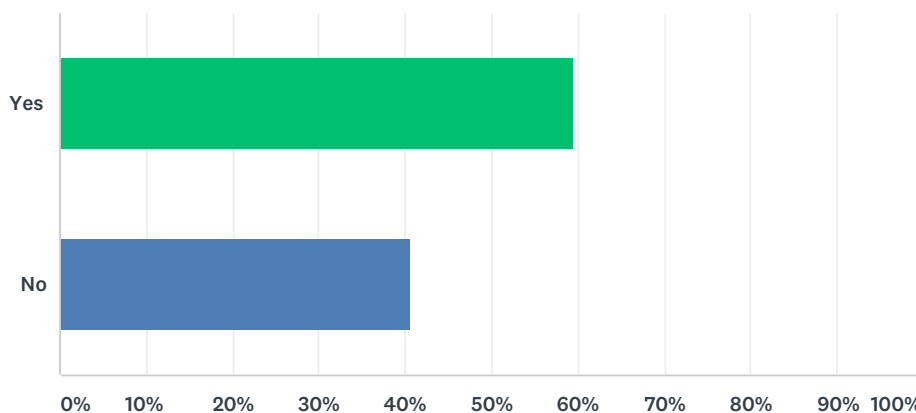
Answered: 295 Skipped: 8



ANSWER CHOICES		RESPONSES
Yes		34.92% 103
No		65.08% 192
TOTAL		295

### Q3 Are you aware that the public can attend policy committee meetings and give questions at those meetings?

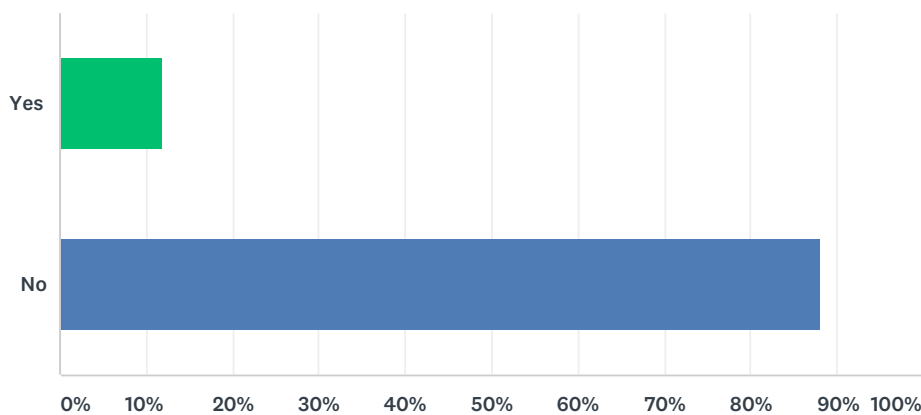
Answered: 296 Skipped: 7



ANSWER CHOICES		RESPONSES	
Yes		59.46%	176
No		40.54%	120
TOTAL			296

## Q4 Thinking about the last 6 months, have you attended a policy committee meeting?

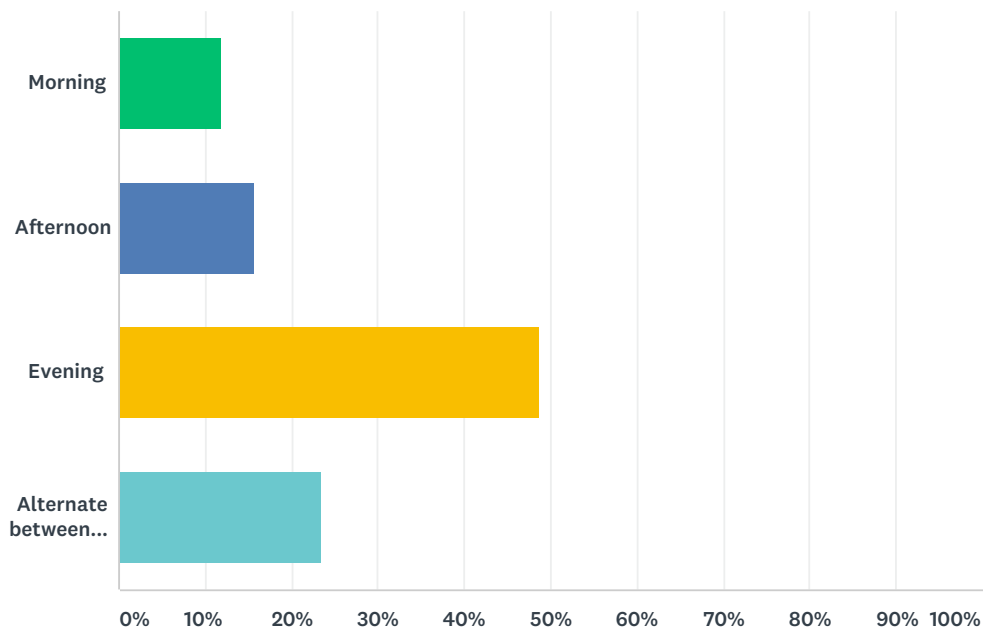
Answered: 294 Skipped: 9



ANSWER CHOICES		RESPONSES	
Yes		11.90%	35
No		88.10%	259
TOTAL			294

## Q5 What would be your preferred time of day for a policy committee meeting to be held?

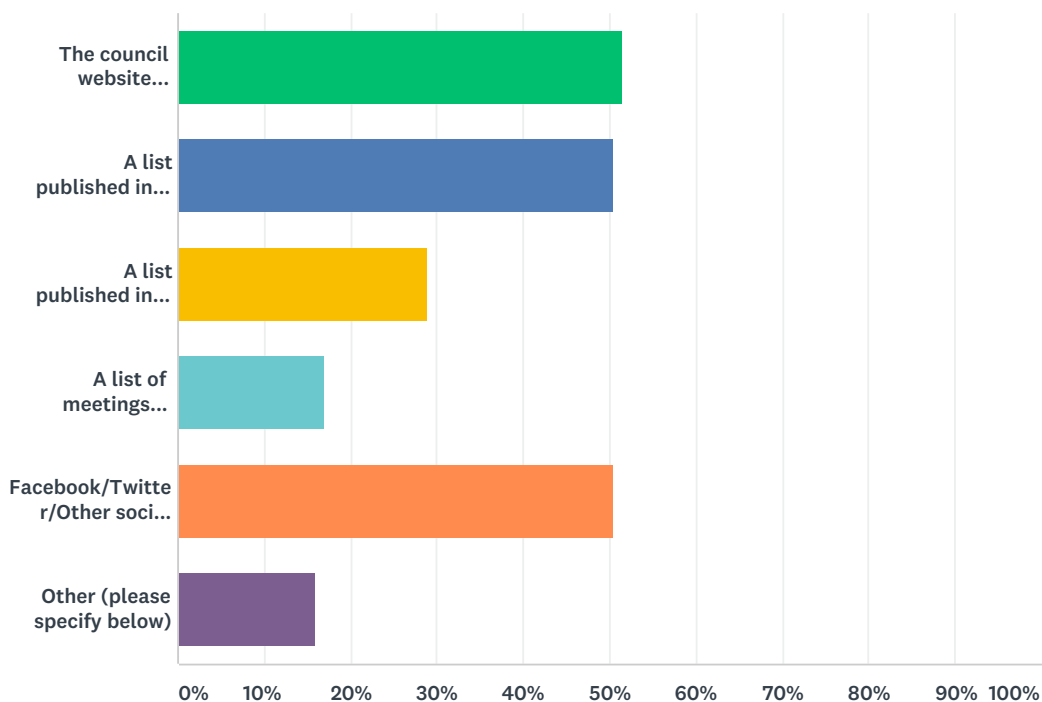
Answered: 285 Skipped: 18



ANSWER CHOICES	RESPONSES	
Morning	11.93%	34
Afternoon	15.79%	45
Evening	48.77%	139
Alternate between morning, afternoon and evening	23.51%	67
TOTAL		285

## Q6 How would you like to find out about these meetings? (Please tick all that apply)

Answered: 290 Skipped: 13



ANSWER CHOICES	RESPONSES	
The council website (www.hartlepool.gov.uk/democraticservices)	51.38%	149
A list published in Hartbeat	50.34%	146
A list published in the Hartlepool Mail	28.97%	84
A list of meetings displayed at the Civic Centre	16.90%	49
Facebook/Twitter/Other social media	50.34%	146
Other (please specify below)	15.86%	46
Total Respondents: 290		

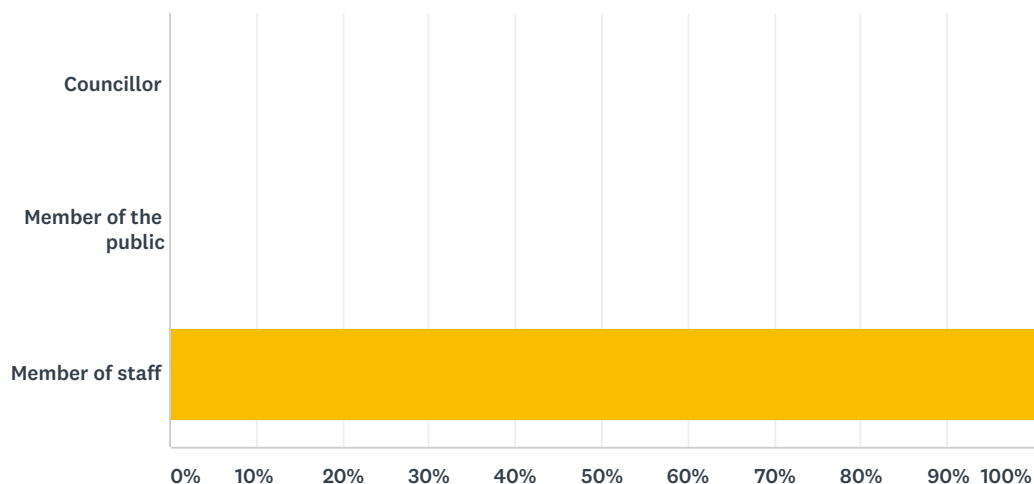
#	OTHER (PLEASE SPECIFY)	DATE
1	HBC Website	9/13/2017 9:27 AM
2	Email	9/12/2017 1:05 PM
3	Free Paper	9/11/2017 3:06 PM
4	Hartlepool Life	9/11/2017 3:04 PM
5	Email	9/11/2017 2:38 PM
6	Hartlepool Life	9/11/2017 2:27 PM
7	Email send out to all residents listed on the contacts list.	8/15/2017 9:22 AM
8	By message or email I do not have access to the other paper notifications	8/13/2017 10:48 AM
9	From this distribution list	8/10/2017 9:13 PM
10	Email or text message	8/9/2017 8:23 PM
11	Direct mailing list "email"	8/7/2017 8:21 AM

## Timing of Committee Meetings

12	Hartlepool Life paper	8/6/2017 7:35 AM
13	Email	8/5/2017 9:01 AM
14	The new free paper	8/4/2017 10:29 AM
15	Email	8/3/2017 9:19 PM
16	Email me	8/3/2017 9:09 PM
17	Email	8/3/2017 7:36 PM
18	E- Mail	8/3/2017 6:27 PM
19	Emailed	8/3/2017 6:25 PM
20	E mail a list at regular intervals	8/3/2017 5:33 PM
21	e-mail	8/3/2017 5:16 PM
22	Email notification	8/3/2017 5:09 PM
23	the new free newspaper	8/3/2017 5:02 PM
24	email	8/3/2017 4:20 PM
25	Email	8/3/2017 4:19 PM
26	Email and text to people who would like to sign up for such messages.	8/3/2017 3:40 PM
27	I would like to register for text (SMS) and email updates. I don't read Hartbeat or the Hartlepool Mail so publicising in those are fairly pointless.	8/3/2017 3:18 PM
28	Mailing list	8/3/2017 3:11 PM
29	Email on a mailing list	8/3/2017 3:10 PM
30	Emailed to people that the council have email addresses for, such as HOP members etc.	8/3/2017 3:04 PM
31	email	8/3/2017 2:44 PM
32	Email to all who register onto a hartlepool site for these type of things	8/3/2017 2:39 PM
33	Dates published and posted out with council tax reminder/ bill	8/3/2017 2:32 PM
34	email	8/3/2017 2:31 PM
35	Via email bulletin	8/3/2017 2:28 PM
36	Email	8/3/2017 2:24 PM
37	email	8/3/2017 2:21 PM
38	A list sent out with council tax letter	8/3/2017 2:21 PM
39	Hartlepool Life (free newspaper)	8/3/2017 2:20 PM
40	Email	8/3/2017 2:19 PM
41	Hartlepool Post	8/3/2017 12:34 PM
42	Hartlepool Life, nobody reads the Mail any more.	8/2/2017 8:36 PM
43	Email	8/2/2017 8:27 PM
44	The hartlepool Post	8/2/2017 8:13 PM
45	Hartlepool Post	8/2/2017 5:50 PM
46	Hartlepool post as more people read that than the mail	8/2/2017 4:53 PM
47	Hartlepool Life - newspaper	8/2/2017 3:20 PM
48	Hartlepoons New Free Paper	8/1/2017 9:30 PM
49	Hartlepool life	8/1/2017 8:55 PM
50	Town Cryer	8/1/2017 8:20 PM
51	Published in Hartlepool Life	8/1/2017 12:49 PM
52	Display a list in the main library.	7/31/2017 10:16 PM
53	Email notification	7/31/2017 7:44 PM

## Q1 Firstly, could you tell us if you are a Councillor, a member of the public or a member of staff?

Answered: 56 Skipped: 0



ANSWER CHOICES	RESPONSES	
Councillor	0.00%	0
Member of the public	0.00%	0
Member of staff	100.00%	56
TOTAL		56

## Q2 Are you aware of the full range of committee meetings that take place?

Answered: 0   Skipped: 56

 No matching responses.

ANSWER CHOICES	RESPONSES	
Yes	0.00%	0
No	0.00%	0
TOTAL		0

### Q3 Are you aware that the public can attend policy committee meetings and give questions at those meetings?

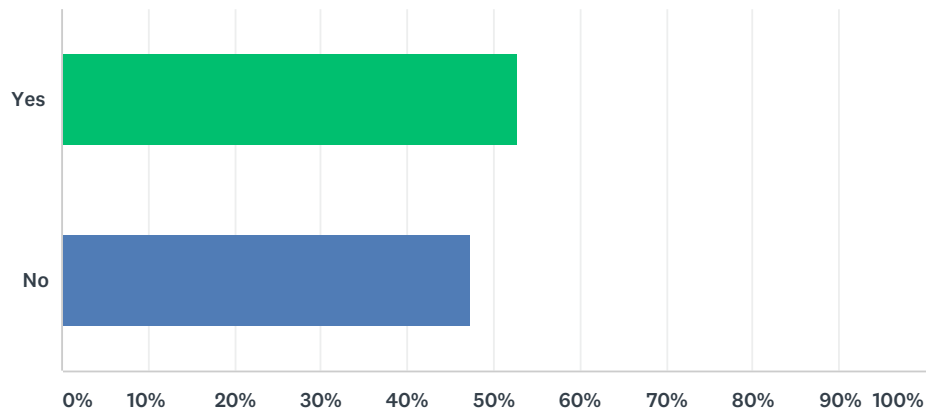
Answered: 0 Skipped: 56

 No matching responses.

ANSWER CHOICES	RESPONSES	
Yes	0.00%	0
No	0.00%	0
TOTAL		0

## Q4 Thinking about the last 6 months, have you attended a policy committee meeting?

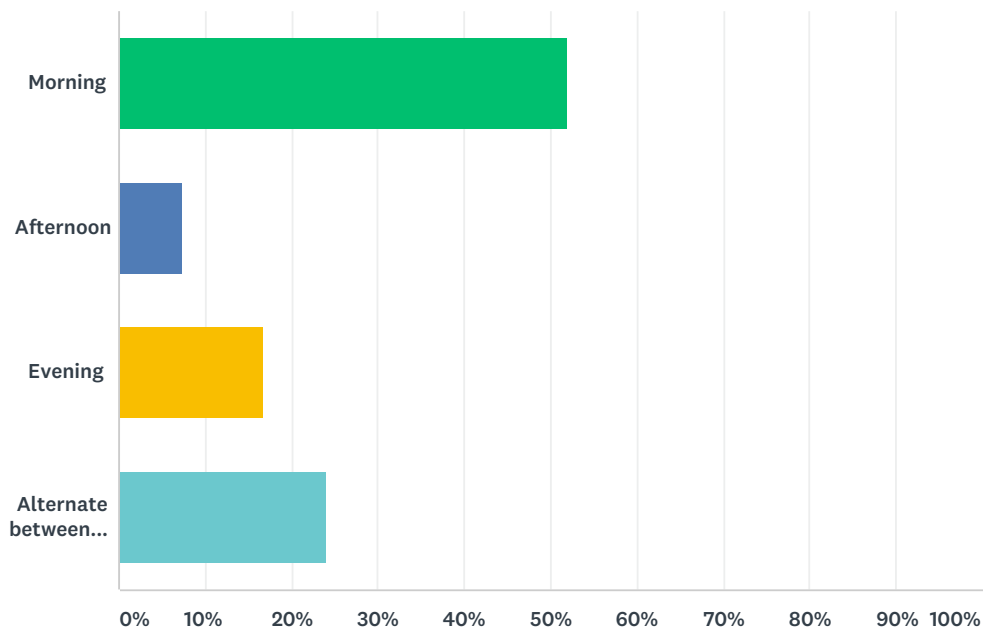
Answered: 55 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	52.73%	29
No	47.27%	26
TOTAL		55

## Q5 What would be your preferred time of day for a policy committee meeting to be held?

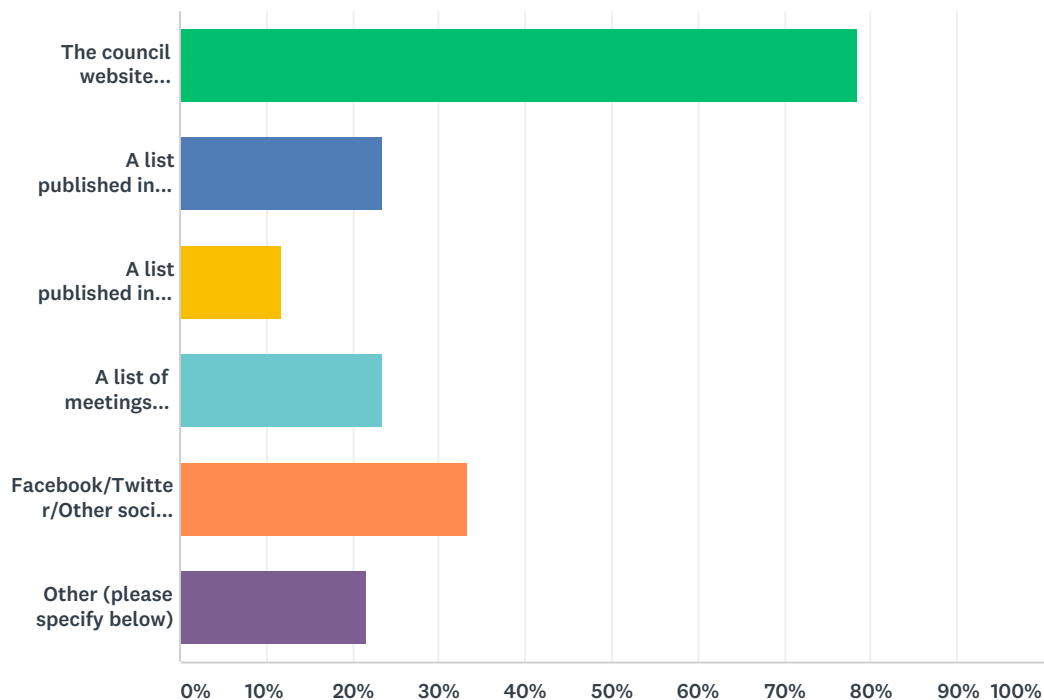
Answered: 54 Skipped: 2



ANSWER CHOICES	RESPONSES	
Morning	51.85%	28
Afternoon	7.41%	4
Evening	16.67%	9
Alternate between morning, afternoon and evening	24.07%	13
TOTAL		54

## Q6 How would you like to find out about these meetings? (Please tick all that apply)

Answered: 51 Skipped: 5



ANSWER CHOICES	RESPONSES	
The council website (www.hartlepool.gov.uk/democraticservices)	78.43%	40
A list published in Hartbeat	23.53%	12
A list published in the Hartlepool Mail	11.76%	6
A list of meetings displayed at the Civic Centre	23.53%	12
Facebook/Twitter/Other social media	33.33%	17
Other (please specify below)	21.57%	11
Total Respondents: 51		

#	OTHER (PLEASE SPECIFY)	DATE
1	Email	9/11/2017 2:43 PM
2	Hartlepool Post	8/2/2017 2:20 PM
3	outlook invitation and email	8/1/2017 10:07 AM
4	Meeting invitations and email	8/1/2017 10:02 AM
5	Internal email to Staff	7/31/2017 4:01 PM
6	Intranet	7/31/2017 12:06 PM
7	Meeting request via Outlook	7/31/2017 9:42 AM
8	As an officer I currently receive the email notifications of committee dates/times. Perhaps this could be rolled out to those persons who wanted to register for an email notification service.	7/31/2017 8:31 AM
9	Notified as officer required to attend.	7/31/2017 8:30 AM
10	Intranet or email	7/28/2017 4:12 PM
11	Calendar invite for the meetings I need to attend.	7/28/2017 4:01 PM

## Timing of Committee Meetings

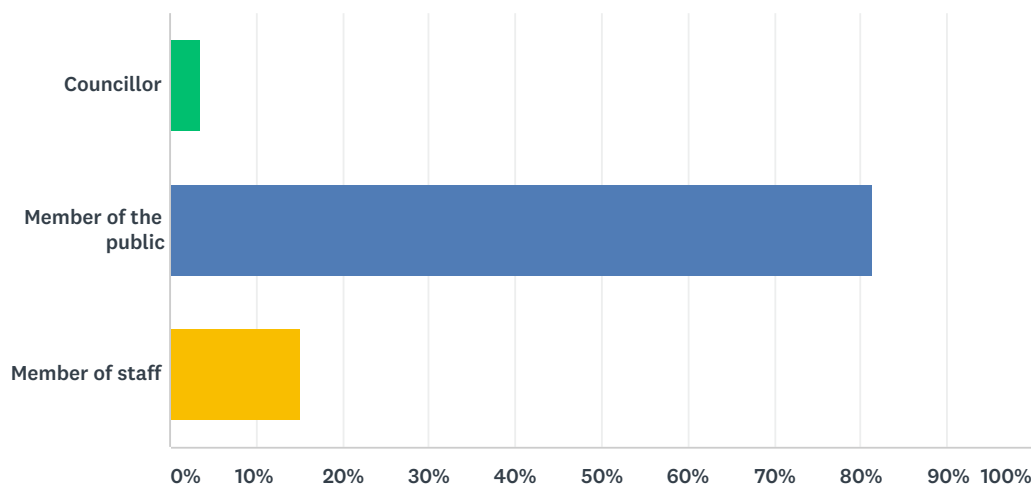
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12	Staff bulletin - what's happening this month / similar	7/28/2017 4:00 PM
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## Q1 Firstly, could you tell us if you are a Councillor, a member of the public or a member of staff?

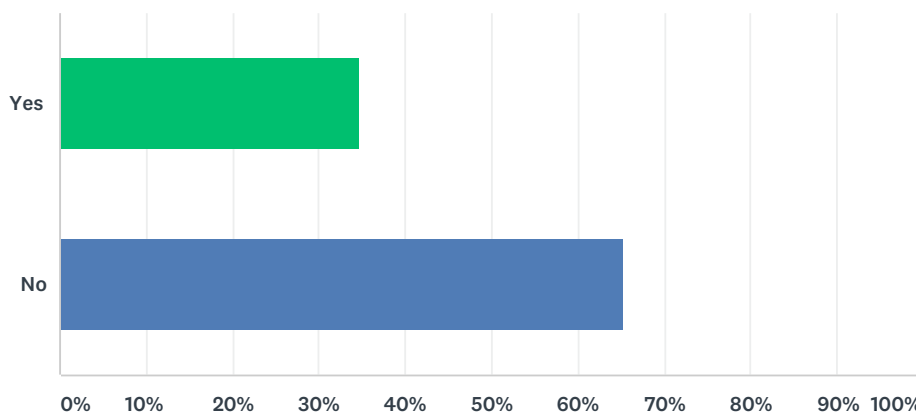
Answered: 372 Skipped: 1



ANSWER CHOICES	RESPONSES	
Councillor	3.49%	13
Member of the public	81.45%	303
Member of staff	15.05%	56
TOTAL		372

## Q2 Are you aware of the full range of committee meetings that take place?

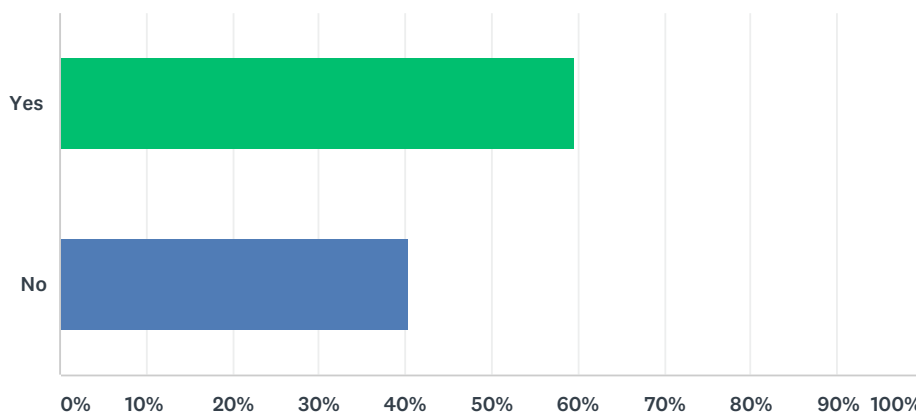
Answered: 296 Skipped: 77



ANSWER CHOICES		RESPONSES	
Yes		34.80%	103
No		65.20%	193
TOTAL			296

### Q3 Are you aware that the public can attend policy committee meetings and give questions at those meetings?

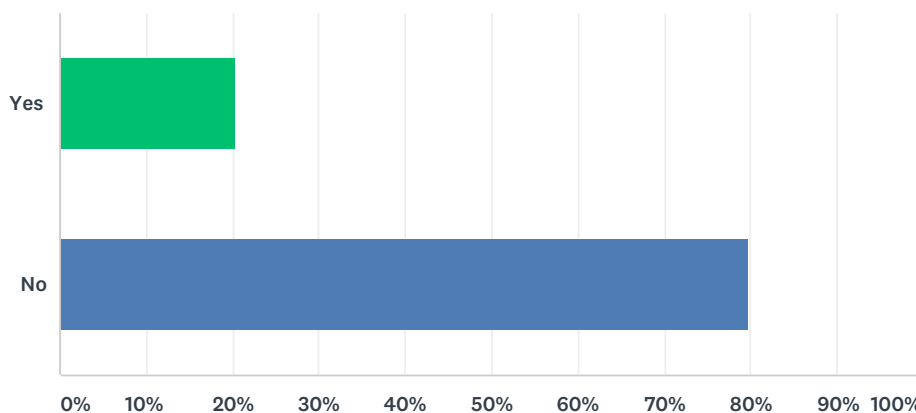
Answered: 297 Skipped: 76



ANSWER CHOICES		RESPONSES
Yes		59.60% 177
No		40.40% 120
TOTAL		297

## Q4 Thinking about the last 6 months, have you attended a policy committee meeting?

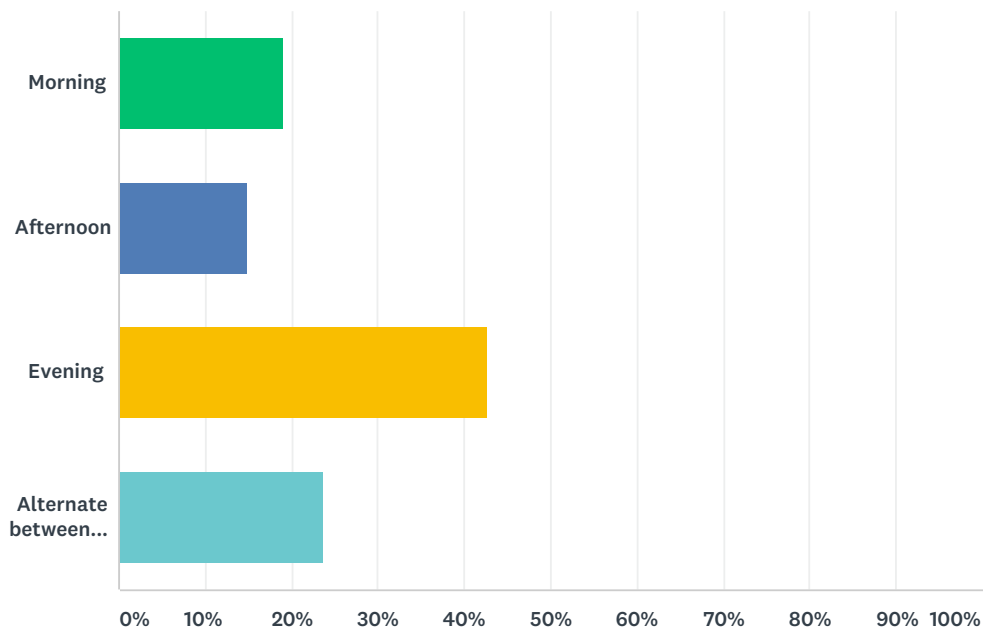
Answered: 363 Skipped: 10



ANSWER CHOICES		RESPONSES	
Yes		20.39%	74
No		79.61%	289
TOTAL			363

## Q5 What would be your preferred time of day for a policy committee meeting to be held?

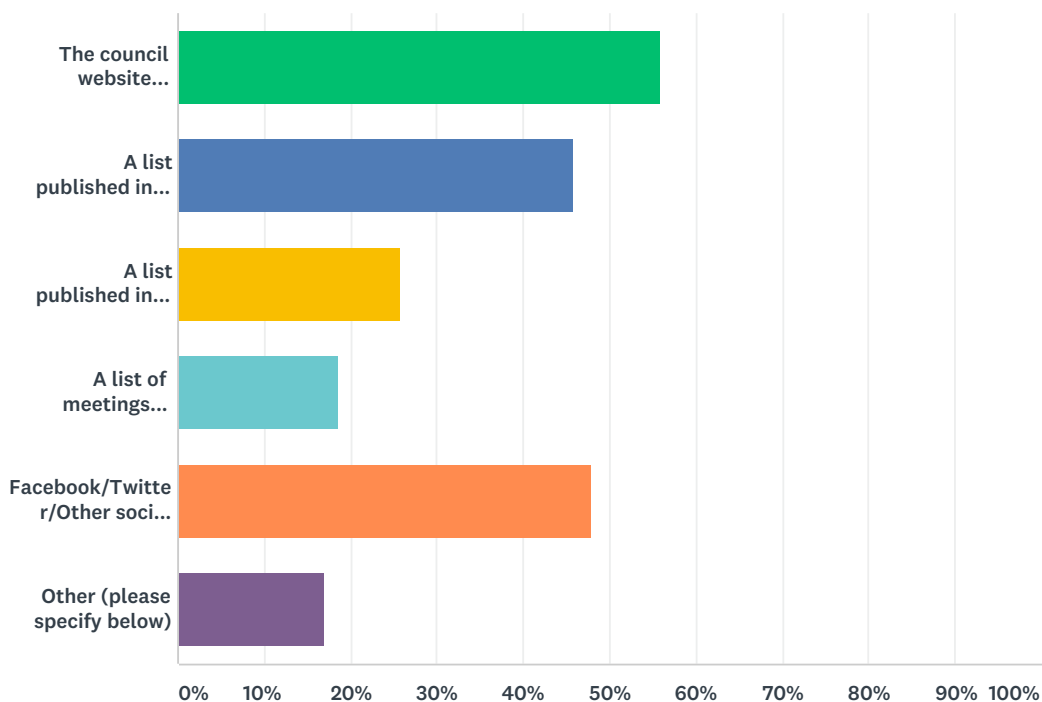
Answered: 352 Skipped: 21



ANSWER CHOICES	RESPONSES	
Morning	19.03%	67
Afternoon	14.77%	52
Evening	42.61%	150
Alternate between morning, afternoon and evening	23.58%	83
TOTAL		352

## Q6 How would you like to find out about these meetings? (Please tick all that apply)

Answered: 353 Skipped: 20



ANSWER CHOICES	RESPONSES	
The council website (www.hartlepool.gov.uk/democraticservices)	55.81%	197
A list published in Hartbeat	45.89%	162
A list published in the Hartlepool Mail	25.78%	91
A list of meetings displayed at the Civic Centre	18.70%	66
Facebook/Twitter/Other social media	47.88%	169
Other (please specify below)	17.00%	60
Total Respondents: 353		

#	OTHER (PLEASE SPECIFY)	DATE
1	HBC Website	9/13/2017 9:27 AM
2	Email	9/12/2017 1:05 PM
3	Free Paper	9/11/2017 3:06 PM
4	Hartlepool Life	9/11/2017 3:04 PM
5	Email	9/11/2017 2:43 PM
6	Email	9/11/2017 2:38 PM
7	Hartlepool Life	9/11/2017 2:27 PM
8	Email send out to all residents listed on the contacts list.	8/15/2017 9:22 AM
9	By message or email I do not have access to the other paper notifications	8/13/2017 10:48 AM
10	From this distribution list	8/10/2017 9:13 PM
11	Email or text message	8/9/2017 8:23 PM

## Timing of Committee Meetings

12	Direct mailing list "email"	8/7/2017 8:21 AM
13	Hartlepool Life paper	8/6/2017 7:35 AM
14	Email	8/5/2017 9:01 AM
15	The new free paper	8/4/2017 10:29 AM
16	Email	8/3/2017 9:19 PM
17	Email me	8/3/2017 9:09 PM
18	Email	8/3/2017 7:36 PM
19	E- Mail	8/3/2017 6:27 PM
20	Emailed	8/3/2017 6:25 PM
21	E mail a list at regular intervals	8/3/2017 5:33 PM
22	e-mail	8/3/2017 5:16 PM
23	Email notification	8/3/2017 5:09 PM
24	the new free newspaper	8/3/2017 5:02 PM
25	email	8/3/2017 4:20 PM
26	Email	8/3/2017 4:19 PM
27	Email and text to people who would like to sign up for such messages.	8/3/2017 3:40 PM
28	I would like to register for text (SMS) and email updates. I don't read Hartbeat or the Hartlepool Mail so publicising in those are fairly pointless.	8/3/2017 3:18 PM
29	Mailing list	8/3/2017 3:11 PM
30	Email on a mailing list	8/3/2017 3:10 PM
31	Emailed to people that the council have email addresses for, such as HOP members etc.	8/3/2017 3:04 PM
32	email	8/3/2017 2:44 PM
33	Email to all who register onto a hartlepool site for these type of things	8/3/2017 2:39 PM
34	Dates published and posted out with council tax reminder/ bill	8/3/2017 2:32 PM
35	email	8/3/2017 2:31 PM
36	Via email bulletin	8/3/2017 2:28 PM
37	Email	8/3/2017 2:24 PM
38	email	8/3/2017 2:21 PM
39	A list sent out with council tax letter	8/3/2017 2:21 PM
40	Hartlepool Life (free newspaper)	8/3/2017 2:20 PM
41	Email	8/3/2017 2:19 PM
42	Hartlepool Post	8/3/2017 12:34 PM
43	Hartlepool Life, nobody reads the Mail any more.	8/2/2017 8:36 PM
44	Email	8/2/2017 8:27 PM
45	The hartlepool Post	8/2/2017 8:13 PM
46	Hartlepool Post	8/2/2017 5:50 PM
47	Hartlepool post as more people read that than the mail	8/2/2017 4:53 PM
48	Hartlepool Life - newspaper	8/2/2017 3:20 PM
49	Hartlepool Post	8/2/2017 2:20 PM
50	Hartlepoons New Free Paper	8/1/2017 9:30 PM
51	Hartlepool life	8/1/2017 8:55 PM
52	Town Cryer	8/1/2017 8:20 PM
53	Published in Hartlepool Life	8/1/2017 12:49 PM
54	outlook invitation and email	8/1/2017 10:07 AM

## Timing of Committee Meetings

55	Meeting invitations and email	8/1/2017 10:02 AM
56	Display a list in the main library.	7/31/2017 10:16 PM
57	Email notification	7/31/2017 7:44 PM
58	Internal email to Staff	7/31/2017 4:01 PM
59	Intranet	7/31/2017 12:06 PM
60	I am a Councillor therefore do have advanced notice of meetings etc	7/31/2017 10:32 AM
61	Meeting request via Outlook	7/31/2017 9:42 AM
62	As an officer I currently receive the email notifications of committee dates/times. Perhaps this could be rolled out to those persons who wanted to register for an email notification service.	7/31/2017 8:31 AM
63	Notified as officer required to attend.	7/31/2017 8:30 AM
64	Email	7/30/2017 1:43 PM
65	Council diary	7/29/2017 9:55 PM
66	Not applicable since they are in my diary	7/28/2017 4:25 PM
67	Intranet or email	7/28/2017 4:12 PM
68	Calendar invite for the meetings I need to attend.	7/28/2017 4:01 PM
69	Staff bulletin - what's happening this month / similar	7/28/2017 4:00 PM

# COUNCIL REPORT

14 December 2017



**Report of:** Finance and Policy Committee

**Subject:** MEDIUM TERM FINANCIAL STRATEGY (MTFS)  
2018/2019 TO 2019/2020 AND FINANCIAL  
OUTLOOK FROM 2020/21

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## 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable Council to consider the recommendations from the Finance and Policy Committee in relation to the 2018/19 Budget and to provide an update on the financial outlook for 2019/20 and 2020/21.

## 2. BACKGROUND

- 2.1 In accordance with the Constitution the Finance and Policy Committee is required to develop budget proposals for the forthcoming year for consideration by Council. These proposals are summarised in sections 3 to 5.

## 3. CONSIDERATION OF 2018/19 BUDGET RECOMMENDATIONS MADE BY THE FINANCE AND POLICY COMMITTEE

- 3.1 The detailed report considered by Finance and Policy Committee on the 22<sup>nd</sup> November 2017 is included as **Annex 2** and details of the individual budget reports considered by individual Policy Committees are included in the separate booklet issued with the agenda.

- 3.2 To enable Members to consider the recommendations referred by Finance and Policy Committee the following paragraphs provide a summary of the key issues impacting on the Council's financial position.

### 3.3 Government Funding

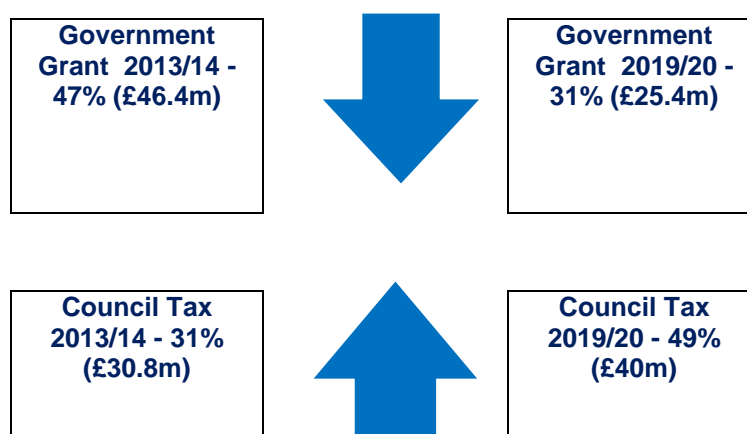
- 3.4 As reported in February 2017 the Government has confirmed that austerity will continue until 2019/20 and this means the Council will have faced nine consecutive years of cuts in Revenue Support Grant.

- 3.5 The cuts in Government funding have had a disproportionate impact on Councils, including Hartlepool, which were more dependent on Government grant in 2010/11. These authorities also had least ability to fund services

locally from Council Tax owing to the make-up of the Council Tax base – i.e. a high proportion of properties in the low Council Tax bands. For example, 56% of Hartlepool's properties are in Band A, compared to 25% nationally.

- 3.6 Since the current funding system was introduced in 2013/14, which included the implementation of 50% Business Rates retention, there has been a fundamental shift in the balance of funding for council services.
- 3.7 This shift will continue until at least 2019/20 and means that a lower proportion of spending is funded from Government Grant and a higher proportion from Council Tax. This shift has been significant for Hartlepool as highlighted in the following table:

Shift in Balance of Funding 2013/14 to 2019/20



- 3.8 **Strategy for managing 2018/19 and 2019/20 budget deficit**
- 3.9 In response to the Government providing a 4 year grant settlement for 2016/17 to 2019/20 the Council approved a multi-year MTFS
- 3.10 As reported on 23<sup>rd</sup> February 2017 Council approved the MTFS 2017/18 to 2019/20. The multi-year MTFS enabled a balanced budget be set for 2017/18. It also approved savings of £1.685m in 2018/19 and £0.785m in 2019/20 to begin to reduce the budget deficits in these years
- 3.11 However, the savings proposals approved for 2018/19 and 2019/20 did not address the full deficits and savings of £2.320m still need to be identified. This deficit is after reflecting forecast increases in Council Tax income and the use of the Budget Support Fund, as summarised below:

Summary of measures to reduce 2018/19 and 2019/20 gross budget deficits

	2018/19	2019/20	Total 2018/19 and 2019/20
	£'m	£'m	£'m
<b>Gross Deficit</b>	<b>7.314</b>	<b>3.758</b>	<b>11.072</b>
Less - Social Care Precept (3% 2018/19, 0% 2019/20)	(1.093)	0	(1.093)
Less - Council Tax increase 1.9%	(0.692)	(0.740)	(1.432)
Less - Growth in Council Tax base (742 Band D equivalent properties over the period 2018/19 and 2019/20)	(0.574)	(0.478)	(1.052)
<b>Sub Total – Deficit after Council Tax increases and forecast housing growth</b>	<b>4.955</b>	<b>2.540</b>	<b>7.495</b>
Less – Use of Budget Support Fund	(2.448)	(0.257)	(2.705)
Less – Savings approved February 2017	(1.685)	(0.785)	(2.470)
<b>Cuts still to be identified</b>	<b>0.822</b>	<b>1.498</b>	<b>2.320</b>

- 3.12 As detailed in the MTFS report to Finance and Policy Committee on 22<sup>nd</sup> November 2017 further savings have been identified for 2018/19 which enables a balanced budget to be set. The report also indicated that there is a slight reduction in the 2019/20 forecast deficit from £1.498m to £1.363m. Proposals for addressing this deficit will be developed during 2018/19.
- 3.13 The forecast deficit for 2018/19 and 2019/20 may increase if the Government removes the 1% pay cap and does not provide additional funding.
- 3.14 There is also a risk that the 2019/20 deficit may increase by a further £2.5m if Looked After Children pressures cannot be reduced, or the Government do not recognise this as a national issue and provide additional funding.
- 3.15 **Financial Outlook 2020/21**
- 3.16 The Government did not include legislation in the Queen's speech to introduce 100% Business Rates Retention, or set out a timetable for completing a Fair Funding Review (FFR) to underpin the implementation of 100% Business Rates Retention. The FFR is critically important to addressing imbalances in service needs and the level of Business Rates and Council Tax income generated by individual councils.
- 3.17 These proposals are the most significant changes in the local government funding system since the introduction of 50% Business Rates Retention and

will be implemented after the sector has faced nine consecutive years of Government funding cuts.

- 3.18 In late October 2017 the Department for Communities and Local Government issued an initial work plan for completing the FFR to enable a new funding formula and 100% Business Rates retention to be introduced. Under the draft plan these changes will be implemented from April 2020, which aligns with the end of the current four-year settlement and a fresh Government spending review.
- 3.19 The FFR work plan implies that individual authorities will not know the detailed impact of the FFR until summer or autumn 2019 at the earliest. The work plan shows that the results from the children's services review will not be completed until October 2019, which is only six weeks before the provisional local government funding settlement announcement for 2020/21. This timetable makes financial planning for 2020/21 extremely challenging as key funding allocations will not be known until about eight weeks before the 2020/21 budget needs to be set. Further updates will be provided when more information becomes available.
- 3.20 In the meantime, the uncertainty regarding the outcome of the FFR underlines the importance of setting balanced budgets for 2018/19 and 2019/20, and of minimising the use one-off resources to support the 2019/20 budget.

#### **4. ROBUSTNESS OF BUDGET FORECASTS – DIRECTOR OF FINANCE AND POLICY OFFICERS PROFESSIONAL ADVICE**

- 4.1 Section 6 of the MTFS report submitted to Finance and Policy Committee provided detailed advice on the robustness of the budget forecasts. This advice is equally applicable when Council is considering the detailed recommendations referred by the Finance and Policy Committee.

#### **5. MTFS RECOMMENDATIONS REFERRED BY FINANCE AND POLICY COMMITTEE FOR COUNCIL'S CONSIDERATION AND APPROVAL**

- 5.1 Details of the Finance and Policy Committees final recommendations are detailed in section 14 of the report included in the separate booklet issued with the Council agenda. For ease of reference these issues are summarised in **Annex 1** to this report and Council is requested to consider and approve the following Finance and Policy Committee recommendations:

#### **6. CONTACT OFFICER**

Chris Little  
 Director of Finance and Policy  
 Email: [chris.little@hartlepool.gov.uk](mailto:chris.little@hartlepool.gov.uk)  
 Tel: 01429 523003

**MTFS RECOMMENDATIONS REFERRED BY FINANCE AND POLICY COMMITTEE**

Finance and Policy Committee approved that the following recommendations be referred to full Council:-

- (i) As approved by this Committee on 18<sup>th</sup> September 2017 to note that the 18 months period stated by the owners to the CPO inspector for completing the works expires in December 2017. As these works have not commenced Members determined to seek Council approval to transfer the £0.600m of funding previously earmarked for this project to the overall Regeneration capital budget for the town;
- (ii) Approve the departmental savings proposals for 2018/19 and 2019/20 detailed in Appendices B and C, including the closure of Inspirations Garden Centre, and to note that these proposals are largely unchanged from the initial savings proposals approved in February 2017;
- (iii) Approve the new 2018/19 and 2019/20 corporate savings detailed in paragraph 4.4;
- (iv) Note that further savings will need to be identified to address the currently forecast residual budget deficit for 2019/20 of £1.363m and to note that this deficit may increase to £3.863m if additional Government funding is not provided for Children's Services pressures, or demand for these services cannot be reduced;
- (v) Note that if the Government ends the public sector pay cap of 1% and does not provide additional funding that each additional 1% increase above the current cap will increase costs by £0.400m per annum, which may increase the current 2018/19 and 2019/20 budget deficits;
- (vi) Note that as 2018/19 is the third year of a four year settlement for Local Government there are unlikely to be any changes to the previously announced Government funding allocations for 2018/19. In the unlikely event that there are any changes when the 2018/19 Local Government Finance Settlement is issued details will be reported to a future meeting;
- (vii) Approve the proposal that the one-off residual balance on the Community Pool reserve (£24,000) and recurring External Audit fee saving (£20,000) are transferred to the Child and Family Poverty Reserve and to seek delegated authority to Finance and Policy Committee to determine use of these resources;
- (viii) Approve the recommendation agreed at the Joint Finance and Policy / Children's Services Committee meeting on 12<sup>th</sup> June 2017 that if the submission to the Tees Valley Combined Authority for funding towards the Centre for Excellence and Creative Arts is successful that all/part of the £136,000 Trading Standards fine income will not be needed for that project and will be transferred to the Child and Family Poverty Reserve;

- (ix) Approve the detailed capital expenditure proposals detailed in Appendix D, which reflects the issues detailed in section 5. To note that any changes to the provisional scheme/programme specific Government allocations will be reported to the relevant Policy Committee once final allocations are known. To also note that a detailed report will be submitted to Neighbourhood Services Committee in relation to the 2018/19 vehicle replacement programme (Appendix D, Table 2) before any new vehicles are acquired.
- (x) Note the advice of the Director of Finance and Policy in relation to budget risks and robustness advice detailed in section 6.

# FINANCE AND POLICY

## 20<sup>th</sup> November 2017



**Report of:** CORPORATE MANAGEMENT TEAM

**Subject:** MEDIUM TERM FINANCIAL STRATEGY (MTFS)  
2018/19 TO 2019/20 AND FINANCIAL OUTLOOK  
FROM 2020/21

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### 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 update the MTFS and to enable Members to finalise the detailed 2018/19 budget proposals to be referred to Council on 14<sup>th</sup> December 2017.

### 3.0 BACKGROUND

3.1 At Finance and Policy Committee on 24<sup>th</sup> July 2017 the detailed budget timetable for 2018/19 was approved. In accordance with this timetable budget proposals are scheduled to be considered by Council in December 2017 and the level of Council Tax will be determined by Council in February 2018.

3.2 MTFS update reports were considered by Finance and Policy Committee on 24<sup>th</sup> July 2017 and 18<sup>th</sup> September 2017. This reports repeats the key issues identified in these earlier reports to ensure all Members have the same information when they consider the budget proposals at Council in December. As stated in previous reports, despite the impact of continuing austerity and cuts in Government funding, the Council needs to remain ambitious for the town to achieve the objectives set out in the approved Council Plan.

3.3 The Council Plan 2017 to 2020 sets out the priorities we are committed to delivering and is 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;

- Building better beginnings and futures for our children and young people;
  - Providing effective leadership based upon innovation and efficiency.
- 3.4 A report to Council on 23<sup>rd</sup> February 2017 approved the MTFS 2017/18 to 2019/20. The multi-year MTFS enabled a balanced budget be set for 2017/18. It also approved savings of £1.685m in 2018/19 and £0.785m in 2019/20 to begin to reduce the budget deficits in these years
- 3.5 However, the savings proposals approved for 2018/19 and 2019/20 did not address the full deficits and savings of £2.320m still need to be identified. This deficit is after reflecting forecast increases in Council Tax income and the use of the Budget Support Fund, as summarised below:

Summary of measures to reduce 2018/19 and 2019/20 gross budget deficits

	2018/19	2019/20	Total 2018/19 and 2019/20
	£'m	£'m	£'m
<b>Gross Deficit</b>	<b>7.314</b>	<b>3.758</b>	<b>11.072</b>
Less - Social Care Precept (3% 2018/19, 0% 2019/20)	(1.093)	0	(1.093)
Less - Council Tax increase 1.9%	(0.692)	(0.740)	(1.432)
Less - Growth in Council Tax base (742 Band D equivalent properties over the period 2018/19 and 2019/20)	(0.574)	(0.478)	(1.052)
<b>Sub Total – Deficit after Council Tax increases and forecast housing growth</b>	<b>4.955</b>	<b>2.540</b>	<b>7.495</b>
Less – Use of Budget Support Fund	(2.448)	(0.257)	(2.705)
Less – Savings approved February 2017	(1.685)	(0.785)	(2.470)
<b>Cuts still to be identified</b>	<b>0.822</b>	<b>1.498</b>	<b>2.320</b>

- 3.6 Updates of the MTFS have confirmed the financial forecasts detailed in the previous paragraph and also highlighted the continuing financial risks facing local authorities over the next few years. This underlines the importance of ensuring the Council sets balanced budgets for 2018/19 and 2019/20. For 2019/20 this needs to be based on minimising the use of one off funding to avoid deferring a budget deficit to 2020/21.
- 3.7 The MTFS forecasts are currently based on the Government's 1% pay cap remaining in place for 2018/19 and 2019/20. If actual pay awards are greater than 1% and the Government does not provide additional funding, the budget deficit will increase. Each additional 1% equates to an increase in the budget deficit of approximately £0.400m.

3.8 The financial position facing the public sector for 2020/21 and future years is extremely uncertain and will depend on the state of the economy, including the impact of Brexit, policies adopted at a national level in relation to the overall size of the public sector and the level of national debt.

3.9 For Local Authorities policies implemented by the Government will have a significant impact and cover the following key issues:

- **100% Business Rates Retention** - the exclusion of a bill to move from 50% to 100% Business Rates Retention creates significant financial uncertainty regarding future funding arrangements for local authorities;
- **Business Rates indexation** - confirmation by the Treasury at the end of July 2017 that Business Rates indexation will switch from RPI (Retail Prices Index) to CPI (Consumer Prices index) from 2020 will be welcomed by the businesses. However, from local government's perspective this change will result in lower annual increases in this income stream, which will not keep pace with increases in the cost of delivering existing services;
- **Reform of the Local Government funding system** - the Government has indicated that work is continuing on a 'Fair Funding' review and they will be consulting on proposals during 2017. However, without 100% Business Rates Retention it is unclear how any changes will be funded. The Department for Communities and Local Government has recently indicated that this may not be implemented until 2020/21;
- **Adult Social Care funding** - the significant financial challenges in this area were recognised by the Government prior to the General Election and short term funding has been provided. The Government has indicated they will be consulting on a number of options regarding the long term funding arrangements in due course;
- **Children's Social Care funding** - many councils, including Hartlepool, are experiencing significant financial pressures in this area. The Local Government Association (LGA) has recently issued a report warning of the significant financial challenges facing children's social care services. The LGA report shows that three quarters of English councils exceeded their budget for children's services last year, totalling a £605m overspend. The LGA forecast a £2 billion funding gap by 2020. This issue has not yet been recognised by the Government providing increased funding;
- **National Council Tax policy** - following a policy of encouraging Council Tax freezes for five years there was a significant shift in Government policy with the introduction of the Adult Social Care precept for the period 2016/17 to 2019/20. Government Council Tax policy for 2020/21 and future years will have a significant impact on the financial sustainability of councils;

- **Public Sector pay levels and funding arrangements** - public sector pay has been subject to a prolonged period of restraint and the Government had previously indicated that a 1% Public Sector pay cap would continue for 2018/19 and 2019/20. However, there have been increasing calls on the Government to remove the pay cap and to fund higher pay increases. If the Government remove the pay cap there will be significant financial pressures if additional Government funding is not provided for public sector organisations, including councils.

### **3.10 Autumn Budget 2017 and Local Government Finance Settlement for 2018/19**

3.11 The Chancellor previously announced that the Government will move to a single major fiscal event each year and from 2017 this will mean the Government's budget will be published in the Autumn. The Chancellor has indicated that the 2017 Autumn statement will be presented to Parliament on 22<sup>nd</sup> November 2017. Details of any announcements which impact on the Council will be reported to a future meeting. It is hoped that the Chancellor will clarify the Government's position in relation to the public sector pay cap, and if this is lifted confirm that additional funding will be provided. If the cap is lifted, but additional funding is not provided this will increase the budget deficits facing the Council.

3.12 The Local Government Finance Settlement for 2018/19 will be issued in December 2017 and is the third year of the Government's four year settlement offer. As 97% of local authorities signed up for a four year settlement it is not anticipated that there will be any significant changes to the funding levels previously announced by the Government. If there are any changes details will be reported to a future meeting.

### **3.13 Financial Outlook 2020/21**

3.14 As reported previously the Government did not include legislation in the Queen's speech to introduce 100% Business Rates Retention, or set out a timetable for completing a Fair Funding Review (FFR) to underpin the implementation of 100% Business Rates Retention. The FFR is critically important to addressing imbalances in service needs and the level of Business Rates and Council Tax income generated by individual councils.

3.15 These proposals are the most significant changes in the local government funding system since the introduction of 50% Business Rates Retention and will be implemented after the sector has faced nine consecutive years of Government funding cuts.

3.16 In late October 2017 the Department for Communities and Local Government issued an initial work plan for completing the FFR to enable a new funding formula and 100% Business Rates retention to be introduced. Under the draft plan these changes will be implemented from April 2020,

which aligns with the end of the current four-year settlement and a fresh Government spending review.

- 3.17 The FFR work plan table implies that individual authorities will not know the detailed impact of the FFR until summer or autumn at the earliest 2019. The work plan shows that the results from the children's services review will not be completed until October 2019, which is only six weeks before the provisional local government funding settlement announcement for 2020/21. This timetable makes financial planning for 2020/21 extremely challenging as key funding allocations will not be known until about eight weeks before the 2020/21 budget needs to be set. Further updates will be provided when more information becomes available.
- 3.18 In the meantime, the uncertainty regarding the outcome of the FFR underlines the importance of setting balanced budgets for 2018/19 and 2019/20, and of minimising the use one-off resources to support the 2019/20 budget.

#### **4.0 STRATEGY FOR MANAGING RESIDUAL BUDGET DEFICITS 2018/19 AND 2019/20**

- 4.1 As reported in September further work was completed over the summer to identify additional corporate and departmental budget savings for 2018/19 and 2019/20. These issues have also been considered by individual policy committees. In broad terms Members accept that these proposals are necessary to address the impact of continuing cuts in Government funding and the following issue was identified as requiring referral to Council as part of the MTFS proposals:

- **Finance and Policy Committee**

As the 18 month period stated by the owners to the CPO inspector for completing those works expires in December the Committee considered the options in relation to the use of the £0.600m of resources previously allocated for the Longscar redevelopment. Members determined that the final budget proposals to be referred to Council in December should recommend the transfer of this funding to the overall Regeneration capital budget for the town. This proposal is included within the recommendations at the end of this report.

- 4.2 The additional savings considered by individual Policy Committees will enable a balanced budget to be set for 2018/19 and reduce the current forecast 2019/20 deficit to £1.363m, as summarised below:

	2018/19 £'000	2019/20 £'000	Total £'000
Savings still to be identified – detailed in paragraph 3.5	822	1,498	2,320
Less Corporate savings/updated planning assumptions - details paragraph 4.4	(544)	(135)	(679)
Less Additional Departmental savings - details included in Appendix B.	(278)	0	(278)
<b>Revised Savings still to be identified</b>	<b>0</b>	<b>1,363</b>	<b>1,363</b>

4.3 The revised 2019/20 deficit excludes:

- the impact of ongoing Looked after Children's budget pressures. If this issue is not addressed through a combination of managing demand and / or the Government providing additional funding the 2019/20 deficit may increase by **£2.5m** i.e. a total forecast deficit of approximately **£3.9m**;
- the impact of the Government ending the public sector pay cap and not providing Councils with additional funding to meet increased pay costs. Each additional 1% equates to an increase in the budget deficit of approximately £400,000.

4.4 Details of the '**Corporate savings/updated planning assumptions**' are summarised in the following table and further details are provided in Appendix A:

**Corporate savings/updated planning assumptions**

	2018/19 Pressures /(Saving) £'000	2019/20 Pressures /(Saving) £'000	Total Pressures /(Saving) £'000
National Living Wage increases	(400)	(350)	(750)
IT inflation reduction	(100)	0	(100)
General Fund inflation	(77)	0	(77)
Specific Grant regimes inflation	(56)	0	(56)
Council Tax base	(160)	0	(160)
New Home Bonus	245	15	260
Waste Contract	80	0	80
Members Allowances	74	0	74
Income Risk Contingency	(150)	200	50
<b>Total corporate savings/updated planning assumptions</b>	<b>(544)</b>	<b>(135)</b>	<b>(679)</b>

- 4.5 Details of the departmental savings proposals for 2018/19, covering initial proposals approved in February of £1.685m and the additional savings proposals identified for 2018/19 of £278,000, have been considered by individual policy committees and are summarised in Appendix B. Departmental savings proposals for 2019/20 approved in February are summarised in Appendix C.
- 4.6 In addition it is recommended that Inspirations Garden Centre is closed as despite officer's best efforts to address the financial performance of this facility it continues to operate at a loss. It has also not been possible to secure an alternative provider to run the café. Closure of the garden centre will enable the Council to market this site for redevelopment, including the Cemetery Lodge and Car Park. If Members approve this proposal a further report on the development opportunities will be brought to a future meeting.
- 4.7 **Child and Family Poverty Initiatives**
- 4.8 The 2016/17 budget set aside one-off resources to support Child and Family Poverty initiatives and detailed proposals for using these resources have been approved by Finance and Policy Committee. There is a separate report on the agenda detailing proposals for allocating the remaining resources.
- 4.9 As outlined in the Reserves Review report a one-off amount of £24,000 is available to transfer to the Child and Family Poverty Reserve from the residual balance of the Community Grant Pool reserve.
- 4.10 As agreed at the Joint Finance and Policy / Children's Services Committee meeting on 12<sup>th</sup> June 2017 additional funding for Child and Family Poverty initiatives may be available depending on the outcome of the submission to the Tees Valley Combined Authority for funding towards the Centre for Excellence and Creative Arts. If successful, then all, or part of the £136,000 Trading Standards fine income will not be needed for that project and will be transferred to the Child and Family Poverty Reserve.
- 4.11 In addition, a recurring amount of £20,000 is available from a saving in external audit fees arising from the Council's decision to join the national procurement arrangements for external audit services.
- 4.12 The resources identified in the previous paragraphs could either be allocated to support Child and Family Poverty Initiatives, or other priorities identified by Members.

**5.0 FIVE YEAR CAPITAL PLAN**

- 5.1 The February 2017 MTFS report indicated that the Council will continue to play a significant role in the physical regeneration and development of the town over the next five years. The Council Plan set out the key regeneration and development priorities and indicated that many of these issues have a medium to longer term lead time.
- 5.2 To deliver major parts of the five year capital plan the Council will need to attract external grants and private sector investment. To secure this investment the Council needs to provide the confidence to invest in Hartlepool and this has been underpinned by actions taken to progress the Local Plan, master plan major development sites (including sites for housing developments), the acquisition of the Waterfront site, support of the CCAD development by relocating the former depot site and the completion of the Housing Market Renewal programme.
- 5.3 Work to secure future external grants and private sector investment is progressing and details will be reported to future meetings when funding is secured.
- 5.4 The following table details the Council's key regeneration and development priorities and the progress made since the February 2017 MTFS:

<b>Key Priorities</b>	<b>Progress since February 2017 MTFS</b>
Development of the Waterfront	Funding of £0.680m secured for feasibility and detailed business case design.
Development of Church Street	External Funding of £5.782m secured to match fund Council funding of £2.706m. Works commenced October 2017.
Development of Sports and Leisure facilities	Officers continue to explore potential External Funding opportunities.
Development at Seaton Carew	External funding of £0.863m secured towards overall £1.3m improvement scheme which is now underway.
Investment in new roads to enable housing developments to be implemented	Funding bids submitted for Elwick bypass.
Continued investment in social housing	HRA business plan considered by Finance and Policy Committee 30.10.17. External funding bids for £0.355m will be submitted to the HCA to match fund HRA Prudential Borrowing.
Civic and community buildings	<p>Schemes to be funded from the £1m Building Condition budget of £552k have been approved by Finance and Policy Committee.</p> <p>Detailed plans to invest £0.8m in the Borough Hall have been approved by Finance and Policy Committee.</p>

- 5.5 The February 2017 MTFS earmarked one off Council resources of £4.949m towards the achievement of these priorities.
- 5.6 In addition £1.5m was allocated for capital investment to address priorities identified during the 'Your say, our future' consultation in relation a broad range of local quality of life, public realm and infrastructure investment. On 27<sup>th</sup> March 2017 Finance and Policy Committee approved schemes to the value of £0.345m. Proposals for the remaining funding will be submitted to a future meeting.

- 5.7 Capital investment in schemes funded from specific Government grants for Schools, Disabled Facilities Grant and the Local Transport Plan will also continue over the next three years. Indicative Government funding allocations for 2017/18 to 2019/20 are detailed in Appendix D.
- 5.8 The Council will also use Prudential Borrowing to replace operational vehicles as this is the most cost effective way of funding these assets over more than one financial year within existing departmental revenue budgets. Details of the replacement programme for 2018/19 and 2019/20 are also detailed in Appendix D.
- 5.9 The four Tees Valley Authorities have negotiated an extension of the existing waste disposal contract to 2025, which secures the best value for the four authorities. As part of this arrangement the four authorities will make a lump sum payment in March 2018 to pay for works to ensure the facility remains operational until 2025. This arrangement secures a significant financial saving compared to the option of paying for these works through an increase in the annual contract price over the period 2020 to 2025. To facilitate this one off payment the Council will make a funding swap and use revenue resources already set aside for other capital schemes. This will then be replaced with Prudential Borrowing and the resulting repayment costs of £80,000 have been included in the revenue budget, as detailed in section 4.

## **6.0 RISK ISSUES AND ROBUSTNESS OF BUDGET FORECASTS – DIRECTOR OF FINANCE AND POLICY'S PROFESSIONAL ADVICE**

- 6.1 As indicated in previous years the Local Government Act 2003 introduced a statutory requirement on an Authority's Section 151 Chief Finance Officer to advise Members on the robustness of the budget forecasts and the adequacy of the proposed level of reserves. If Members ignore this advice, the Act requires the Authority to record this position. This later provision is designed to recognise the statutory responsibilities of the Section 151 Officer and in practice is not a situation I would expect to arise for this Authority.
- 6.2 In response to the continuing financial challenges facing councils CIPFA (Chartered Institute of Public Finance and Accountancy) issued guidance last year reminding Section 151 Officers and their authorities of the statutory responsibilities when setting budgets. This advice reinforces statutory requirements and provides practical guidance to help Section 151 Officer's discharge their responsibilities.
- 6.3 The Director of Finance and Policy can advise Members that in his professional opinion the budget proposals for 2018/19 are robust and this advice is based on the following factors being in place:
- A risk assessment of the measures identified to address the gross budget deficit of £7.314m has been completed which identifies those measures which can be implemented easily and the proposals requiring closer management and / or further action to ensure they are achieved, as summarised overleaf;

<b>Measure to reduce gross budget deficit</b>	<b>£'m</b>	<b>Risk</b>	<b>RAG rating</b>
Forecast Council Tax increase and housing growth	2.359	Government change referendum limits or housing growth not achieved. This is assessed as low risk as the Government have recently consulted on the proposed referendum limits for 2018/19.	Amber/ Green
Corporate savings	0.544	None	Green
Budget Support Fund	2.448	Funding is not available. This is low risk as funding has been earmarked and does not need to be reallocated to offset the 2017/18 forecast budget overspend	Green
Savings Proposals 2018/19	1.963	Council does not approve savings proposal to be considered in February 2018.	Amber
	<b>7.314</b>		

- The assumption that Members will approve the proposals identified to bridge the 2018/19 budget gap and proposals to reduce the budget gap for 2019/20. If these proposals are not approved the budget forecasts will not be robust as overall expenditure will inevitably exceed available resources;
- The MTFS forecasts are predicated on significant growth in Council Tax income over the next two years, reflecting both housing growth and annual increases in line with the Government's national Council Tax policy, including implementing annual Adult Social Care precepts. If these increases are not achieved there will be an increase in the forecast budget deficits and the budget cuts which will need to be implemented;
- The assessment by the Corporate Management Team of the achievability and sustainability of proposed budget reductions for 2018/19. The assessment of the proposed savings reflects the process adopted for identifying, managing and implementing these measures. This includes action taken in the current year to implement proposals early to ensure a full year saving is achieved in 2018/19. It also reflects a risk assessment of proposed savings based on an assessment of the level of pay, non-pay savings and increased income savings. In relation to the level of pay

savings for 2018/19 this reflects management action taken to hold posts vacant where possible to avoid the need for compulsory redundancies as part of the 2018/19 budget process;

- The detailed work undertaken by individual Directors (and their senior managers) in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;
- Prudent provision for the cost of living pay award impacting over the next three years and the costs of implementing both the Hartlepool Living Wage and the National Living wage. There is a risk that if the Government removes the 1% pay cap and does not provide additional funding for pay awards above 1% that the forecast budget deficit will increase. Each additional 1% pay award not funded by the Government would increase the budget deficit by approximately £0.4m;
- A prudent provision for inflation on non pay budgets and income budgets for the next three years. Following the Brexit referendum the risks in relation to inflation have increased. These factors will need to be reviewed on an annual basis;
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- An assessment of financial risks and the measures to mitigate these risks as detailed in Appendix E;
- An assessment of the key financial assumptions underpinning the 2017/18 budget as detailed in Appendix F;
- An assessment of the impact of using Departmental Reserves to help manage demand risk over the next three years and the arrangements for managing demand. As indicated in section 4 the MTFS for 2018/19 is predicated on using significant one off Departmental Reserves to manage the impact of ongoing Looked after Children's budget pressures. This strategy should, provided there is no further increase in caseload, avoid these issues impacting in 2018/19. However, if this issue is not addressed through a combination of managing demand and / or the Government providing additional funding the 2019/20 deficit may increase by £2.5m i.e. a total forecast deficit of approximately £3.9m. This area will be monitored carefully and updates included in the 2018/19 budget monitoring reports.

6.4 Previous reports identified a number of significant financial risks over the period of the MTFS and indicated that there may need to be flexibility around the timing of funding for individual risks. These risks remain and strategies adopted for managing these issues also underpin the Director of Finance and Policy advice on the robustness of the budget. These issues cover the following:

**i) Redundancy and Early Retirement costs**

This risk reflects the scale of the budget deficits over the MTFS period and the impact these cuts will have on staffing levels. For the 2018/19 these costs will mainly relate to voluntary redundancies as management action is currently anticipated to minimise compulsory redundancies for 2018/19. However, this is not sustainable and given the scale of budget cuts which will be required over the period of the MTFS there will be significant redundancy and early retirement costs in future years. Therefore, the existing provision for redundancy and early retirement costs is still the level recommended by the Director of Finance and Policy and the Corporate Management Team.

**ii) Achievement of remaining Capital Receipts target of £2.753m**

This risk has reduced significantly over the last two years owing to the completion of land sales. As previously reported the capital receipt in relation to the Hart land sale is anticipated to be the largest capital receipt achieved over the next three years but owing to the phased basis on which monies are likely to be received it will not make a significant contribution to the target until 2020/21. In the short-term the position can be managed on a temporary basis using Prudential Borrowing.

**iii) Business Rate Retention Risks**

Financial risks continue in relation to Business Rates income over the period 2018/19 to 2019/20, including appeals against the 2017 rating list and risks arising from NHS Foundation Trusts applying for Mandatory Business Rate Relief. This is a national issue and the Local Government Association has raised concerns regarding this issue with the Department for Communities and Local Government as the NHS funding regime is based on Business Rates being payable by individual Trusts.

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

- 6.5 The robustness advice also reflects an assessment of the reserves being used to support the budget and the reserves earmarked to manage financial risks and to fund one off commitments. These issues are considered in the detailed review of reserves report elsewhere on the agenda for this meeting.

## **7.0 EQUALITY AND DIVERSITY CONSIDERATIONS**

- 7.1 Members are aware from previous MTFS reports that in making financial decisions the Council is required to demonstrate that those decisions are made in a fair, transparent and accountable way, considering the needs and the rights of different members of the community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different equality groups. The Equality & Human Rights Commission has published a guide for decisions-makers which has been used by Officers assessing the impact of individual savings proposals.

- 7.2 Equality Impact Assessments (EIA) have therefore been undertaken where required and have been included as part of the proposal reports to Policy Committee (separate booklet issued with agenda papers) to enable Members to satisfy themselves that they are able to consider fully the potential impact of the proposed changes when making their decisions. Each EIA has identified whether:

- There is no impact or no major change to the service;
- adjustments or changes should be made to the proposal;
- the proposal should continue even though there may be an adverse impact, or;
- the proposal should be stopped or removed.

- 7.3 An overall central assessment has been undertaken to determine the cumulative impact of the savings proposals on each individual “protected characteristic”. This assessment demonstrates that the savings proposals do not have an overall potential impact on any one area and there is no requirement to arrange further corporate consultation in relation the budget proposals.

## **8.0 LEGAL CONSIDERATIONS**

- 8.1 There are no specific legal considerations relating to this report.

## **9.0 CHILD AND FAMILY POVERTY**

- 9.1 The proposals to allocate additional funding to the Child and Family Poverty Reserve will help address Child and Family Poverty issues. There are no other specific child and family poverty considerations relating to this report.

**10.0 STAFF CONSIDERATIONS**

- 10.1 An assessment of the staffing impact of the 2018/19 savings proposals approved in February 2017, revisions to these proposals and the additional 2018/19 proposals has been completed. This has identified that 25 posts are proposed to be deleted from 1<sup>st</sup> April 2018 as part of the recommended savings proposals.
- 10.2 This includes 15 posts which can be managed through a combination of managing vacancies, or approving voluntary redundancies where this can be accommodated within operational requirements. At this stage it is anticipated that the remaining 10 posts may unfortunately result in compulsory redundancies.
- 10.3 However, as was the case in previous years, the Corporate Management Team will seek to maximise staffing reductions which can be achieved by managing vacancies and accepting requests for voluntary redundancies, to reduce the number of compulsory redundancies. This approach will also seek to maximise redeployment opportunities.

**11.0 ASSET MANAGEMENT CONSIDERATIONS**

- 11.1 There are no specific assets management considerations relating to this report.

**12.0 CONSULTATION**

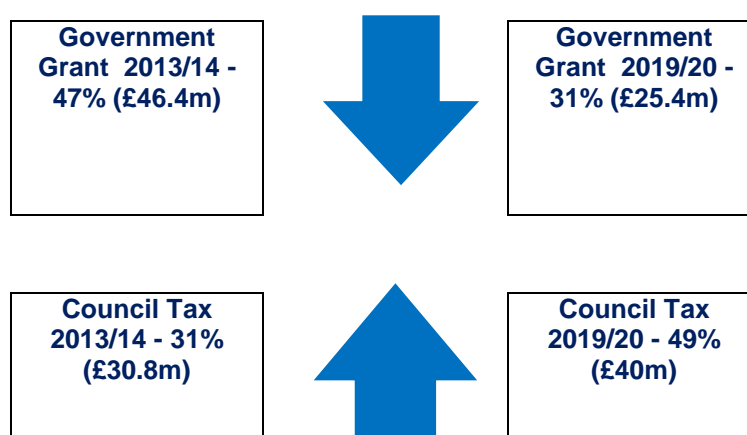
- 12.1 The majority of the approved savings for 2018/19 and 2019/20 were subject to consultation as part of the 2017/18 budget process. The additional savings proposals for 2018/19 and 2019/20 mainly relate to corporate savings or departmental savings which can be implemented without impacting on services. Therefore, consultation with the Trade Unions and Business Sector will focus on providing an update of the position outlined in this report.

**13.0 CONCLUSIONS**

- 13.1 The Government has previously confirmed that Local Government funding cuts will continue until 2019/20. This means the sector will have faced nine consecutive years of funding cuts – which is unprecedented.
- 13.2 The cuts in Government funding have had a disproportionate impact on Councils, including Hartlepool, which were more dependent on Government grant in 2010/11. These authorities also had least ability to fund services locally from Council Tax owing to the make-up of the Council Tax base – i.e. a high proportion of properties in the low Council Tax bands. For example, 56% of Hartlepool's properties are in Band A, compared to 25% nationally.

- 13.3 Since the current funding system was introduced in 2013/14, which included the implementation of 50% Business Rates retention, there has been a fundamental shift in the balance of funding for council services. This shift will continue until at least 2019/20 and means that a lower proportion of spending is funded from Government Grant and a higher proportion from Council Tax. This shift has been significant for Hartlepool as highlighted in the following table:

Shift in Balance of Funding 2013/14 to 2019/20



- 13.4 At the same time as managing significant cuts in funding Councils have also faced increased financial pressures from unfunded legislative changes, for example the National Level Wage. In addition, demand for services, particularly over the last few years in relation to Adult Services and Children's Services has increased.
- 13.5 The Government recognised the Adult Social care pressures through the Adult Social Care Council Tax precept and the provision of additional funding in the March 2017 budget.
- 13.6 The additional March funding for Adult Social Care is front loaded and therefore does not provide a permanent solution to Adult Social Care financial pressures. The Government has indicated they will be consulting on proposals to develop a long term funding model for Adult Social Care. Details will be reported to Members when this information becomes available.
- 13.7 The Government has not provided additional funding for Children's Services and this issue is becoming a priority for Local Government. The Government FFR work plan shows that the results from the children's services review will not be completed until October 2019, which is only six weeks before the provisional local government funding settlement announcement for 2020/21. A recent Local Government Association report indicated that 75% of Councils over spent on Children's Services in 2016/17 and by 2020 a national funding gap of £2 billion is forecast.

- 13.8 As Members are aware Children's Services pressures have previously been identified as the most significant financial risk facing the Council. To address this issue significant one off resources have been allocated to support this area in 2017/18 and 2018/19. Additional one off resources will be required in 2018/19 to provide a longer lead time to either reduce demand, which will be extremely challenging, or for the Government to provide additional funding. If neither of these measures is forthcoming the forecast 2019/20 budget deficit will increase by £2.5m.
- 13.9 To address the significant financial challenges facing the Council in 2018/19 and 2019/20 the Council approved a multi-year financial strategy in February 2017. This strategy is critically dependant on:
- Implementing planned Council Tax increases in line with the Government's policy of continuing to shift the funding of local services from Government grant (i.e. national taxation) to Council Tax. This includes the Social Care precept;
  - Achievement of forecast housing growth;
  - The phased use of reserves to help manage budget reductions over the period 2017/18 to 2019/20 and;
  - Achieving proposed savings;
- 13.10 The proposals in this report detail changes to the approved 2018/19 and 2019/20 savings to reflect changes in circumstances since February. In addition, further savings proposals are outlined to address departmental pressures and to make a contribution towards addressing the remaining 2018/19 budget shortfalls to enable a balanced budget to be set.
- 13.11 The position for 2019/20 is less positive and a significant budget deficit remains. Proposals for addressing the remaining 2019/20 savings of £1.363m will be developed during 2018/19. As indicated early in the report this could increase by a further £2.5m if Looked after Children's pressures cannot be reduced, or the Government do not recognise this as a national issues and provide additional funding.
- 13.12 Achievement of further savings for 2019/20 will be challenging and will require further changes and the prioritisation of services. To put this into context the net General Fund budget in 2019/20 will be approximately £81 million, compared to nearly £91m in 2013/14. This is a cash reduction of £10m. The real terms reduction after reflecting inflation and cost pressures since 2013/14 is nearer £18m.
- 13.13 Clearly, the Council will not be able to provide the same level of service in 2019/20 as it did in 2013/14 with a cash budget reduced from £91m to £81m. Therefore, whilst a balanced budget can be set for 2018/19 on the basis of

proposals detailed in this report, there will be significant challenges in achieving a balanced budget for 2019/20.

- 13.14 Many of the measures implemented over the last seven years cannot be repeated and the Council has already reduced the 2010/11 staffing baseline by 13% - a reduction of 488 posts
- 13.15 The Government's responses to the financial challenges facing Children's Services and Adult Services will be key to determining the scale of cuts required in 2019/20 and the future sustainability of Local Government.
- 13.16 The multi-year strategy being adopted by the Council is designed to manage the impact of continuing cuts in Government funding on a phased basis to minimise, as far as is possible within the reduced resources available to the Council, the impact on services and jobs. The strategy also aims to ensure the Council is in the best possible financial position to manage the challenges and uncertainty facing councils in 2020/21 and future years.
- 13.17 Based on recent Government announcements it is anticipated that 100% Business Rates Retention and the results of the FFR review will be implemented for 2020/21. However, based on the Government's work plan for completing the necessary detailed work to implement and consulting on these fundamental changes to the local government funding system, it is not expected that the impact on individual authorities will be known until summer or autumn 2019 at the earliest. This will make financial planning for 2020/21 extremely challenging and underlines the importance of setting a balanced budget for 2019/20, which minimises the use of reserves.

## **14.0 RECOMMENDATIONS**

- 14.1 It is recommended that Members of the Committee approve the following proposals are referred to full Council on 14<sup>th</sup> December 2017:-
- (i) As approved by this Committee on 18<sup>th</sup> September 2017 to note that the 18 months period stated by the owners to the CPO inspector for completing the works expires in December 2017. As these works have not commenced Members determined to seek Council approval to transfer the £0.600m of funding previously earmarked for this project to the overall Regeneration capital budget for the town;
  - (ii) Approve the departmental savings proposals for 2018/19 and 2019/20 detailed in Appendices B and C, including the closure of Inspirations Garden Centre, and to note that these proposals are largely unchanged from the initial savings proposals approved in February 2017;
  - (iii) Approve the new 2018/19 and 2019/20 corporate savings detailed in paragraph 4.4;

- (iv) Note that further savings will need to be identified to address the currently forecast residual budget deficit for 2019/20 of £1.363m and to note that this deficit may increase to £3.863m if additional Government funding is not provided for Children's Services pressures, or demand for these services cannot be reduced;
- (v) Note that if the Government ends the public sector pay cap of 1% and does not provide additional funding that each additional 1% increase above the current cap will increase costs by £0.400m per annum, which may increase the current 2018/19 and 2019/20 budget deficits;
- (vi) Note that as 2018/19 is the third year of a four year settlement for Local Government there are unlikely to be any changes to the previously announced Government funding allocations for 2018/19. In the unlikely event that there are any changes when the 2018/19 Local Government Finance Settlement is issued details will be reported to a future meeting;
- (vii) Approve the proposal that the one-off residual balance on the Community Pool reserve (£24,000) and recurring External Audit fee saving (£20,000) are transferred to the Child and Family Poverty Reserve and to seek delegated authority to Finance and Policy Committee to determine use of these resources;
- (viii) Approve the recommendation agreed at the Joint Finance and Policy / Children's Services Committee meeting on 12<sup>th</sup> June 2017 that if the submission to the Tees Valley Combined Authority for funding towards the Centre for Excellence and Creative Arts is successful that all/part of the £136,000 Trading Standards fine income will not be needed for that project and will be transferred to the Child and Family Poverty Reserve;
- (ix) Approve the detailed capital expenditure proposals detailed in Appendix D, which reflects the issues detailed in section 5. To note that any changes to the provisional scheme/programme specific Government allocations will be reported to the relevant Policy Committee once final allocations are known;
- (x) Note the advice of the Director of Finance and Policy in relation to budget risks and robustness advice detailed in section 6.

## **15.0 REASON FOR RECOMMENDATIONS**

- 15.1 To enable the Finance and Policy Committee to approve the 2018/19 and 2019/20 budget proposals to be referred to Council for approval.

## **16.0 BACKGROUND PAPERS**

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

Council - Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 - 25th February 2017

Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2018/19 to 2019/20 - 24th July 2017

Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2018/19 to 2019/20 - 18th September 2017

## **17.0 CONTACT OFFICERS**

- 17.1** Chris Little  
Director of Finance and Policy  
Email: [chris.little@hartlepool.gov.uk](mailto:chris.little@hartlepool.gov.uk)  
Telephone: 01429 523003

**APPENDIX A****CORPORATE SAVINGS/ UPDATED PLANNING ASSUMPTIONS**

	2018/19 Pressures /(Saving) £'000	2019/20 Pressures /(Saving) £'000	Total Pressures /(Saving) £'000
<b>National Living Wage (NLW) increases</b>  <p>The Government is not providing additional funding to councils to meet the additional costs on external contracts arising from the introduction of the NLW.</p> <p>Prudent provisions for forecast annual increases in the NLW were included in the MTFS on the basis of information available at the time. This included the anticipation that the full 'target' NLW would be achieved with equal annual increases.</p> <p>These forecasts have been updated to reflect the impact of continued low levels of pay increases across most private and public sector organisation. As a result it is now anticipated that actual NLW increases over the next two years (2018/19 and 2019/20) will be lower than forecast within the current MTFS. Therefore, it is recommended that the budget provision included for these increases can be reduced.</p> <p>Whilst, this proposal will provide a temporary reduction in the costs of funding the NLW, these additional costs have simply been deferred to 2020/21 and future years.</p> <p>The recommendation to reduce the NLW budget for 2018/19 and 2019/20 does not impact of the Council's approved policy in relation to the Hartlepool Living Wage. The Hartlepool Living Wage will continue to be increased in line with the national cost of living pay award for Local Government employees until such time as the NLW has caught up. At that stage Hartlepool Living Wage will be set at the higher of the NLW, or the Hartlepool Living Wage updated by the Local Government annual pay award.</p>	(400)	(350)	(750)

	2018/19 Pressures /(Saving) £'000	2019/20 Pressures /(Saving) £'000	Total Pressures /(Saving) £'000
<b>IT inflation reduction</b>  The existing contract includes an efficiency target based on limiting annual contract increases to RPI less 2%. As this increase is less than the inflation provision included in the MTFS forecasts a budget savings will be achieved for 2018/19. The position for 2019/20 will be reviewed, although a saving is not expected at this stage as inflation is forecast to increase.	(100)	0	(100)
<b>General Fund inflation</b>  The provision for non pay inflation will be reduced from 2.5% to 2.4% for 2018/19.	(77)	0	(77)
<b>Specific Grant regimes inflation</b>  A small number of recurring grant regimes are provided on a cash basis. The MTFS forecast includes an inflation provision to ensure these services can be maintained. The amount required can be reduced.	(56)	0	(56)
<b>Council Tax base</b>  Reflects an additional increase in the forecast growth in the Council Tax base for 2018/19.	(160)	0	(160)
<b>New Home Bonus</b>  Reflects the impact of changes in the New Homes Bonus regime which reduces the national amount allocated and a reduction in the period this funding is paid for from 6 to 4 years.	245	15	260
<b>Waste Contract</b>  Provision to meet increased costs of extending the existing contract to 2025.	80	0	80
<b>Members Allowances</b>  Reflects full year impact of Independent Remuneration Panel recommendations.	74	0	74

	2018/19 Pressures /(Saving) £'000	2019/20 Pressures /(Saving) £'000	Total Pressures /(Saving) £'000
<b>Income Risk Contingency</b>	(150)	200	50
This budget is allocated to manage corporate income risks and can be reduced for 2018/19. However, this is a temporary saving and needs to be replaced and topped-up for 2019/20 to reflect increased risk and uncertainty in that year.			
<b>Total corporate savings/updated planning assumptions</b>	<b>(544)</b>	<b>(135)</b>	<b>(679)</b>

**SUMMARY OF SAVINGS 2018/19**

<b>Finance &amp; Policy Committee - Chief Executives Department</b>	<b>2018/19 Savings Approved February 2017 £'000</b>	<b>Additional Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Removal of vacant posts/changes in operational arrangements	171	0	171
Cash freeze on non pay budgets and review of non pay budgets to reflect historic spend	59	0	59
Re-alignment of income budgets to reflect historic trends	70	0	70
<b>Total for Finance and Policy Committee - Chief Executives</b>	<b>300</b>	<b>0</b>	<b>300</b>

<b>Finance and Policy Committee - Regeneration &amp; Neighbourhoods Department</b>	<b>2018/19 Savings Approved February 2017 £'000</b>	<b>Additional Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Community Safety	0	50	50
<b>Total for Finance and Policy Committee - Public Health Grant</b>	<b>0</b>	<b>50</b>	<b>50</b>

<b>Finance and Policy Committee - Public Health Department</b>	<b>2018/19 Savings Approved February 2017 £'000</b>	<b>Additional Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Community Hubs	83	0	83
<b>Total for Community Hubs</b>	<b>83</b>	<b>0</b>	<b>83</b>

**SUMMARY OF SAVINGS 2018/19**

<b>Adult Services Committee - Child and Adult Department</b>	<b>2018/19 Savings Approved February 2017 £'000</b>	<b>Additional Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Review of Prevention and Housing Related Support (Adult Services)	150	0	150
Child & Adult Services - Increased Departmental Salary Abatement Target	0	8	8
Income Generation - Increase room hire and conference income at the two venues managed across Adult Services and Children's Services - CIL and CETL	0	50	50
<b>Total Adult Services Committee:</b>	<b>150</b>	<b>58</b>	<b>208</b>

<b>Children's Services Committee - Child and Adult Department</b>	<b>2018/19 Savings Approved February 2017 £'000</b>	<b>Additional Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Other - to be identified; this will be achieved by implementing the following savings:-			
- Children's 5-19 Activities	160	0	160
- Children's Early Intervention - deletion of vacant posts; ceasing cafe facility at Rossmere Children's Centre; deleting an admin post; non-pay savings and core costs associated with Rift House and St Helen's children's centre budgets following service provision ceasing at these sites and transferring to the respective schools	248	0	248
Increased Departmental Salary Abatement	92	0	92
Education Services Income Generation	30	0	30
Children Services Income	10	0	10
<b>Total Children's Services Committee:</b>	<b>540</b>	<b>0</b>	<b>540</b>

SUMMARY OF SAVINGS 2018/19

<b>Regeneration Services Committee - Public Health Department</b>	<b>2018/19 Savings Approved February 2017 £'000</b>	<b>Additional Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Service Reviews #	100	0	100
<b>Total Regeneration Services Committee (Regeneration and Neighbourhoods)</b>	<b>100</b>	<b>0</b>	<b>100</b>

# includes savings of £30,000 to be delayed to 2019/20 by using departmental reserves in 2018/19 to provide time to explore alternative funding options.

<b>Neighbourhood Services Committee - Regeneration and Neighbourhoods Department</b>	<b>2018/19 Savings Approved February 2017 £'000</b>	<b>Additional Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Transport and Infrastructure	50	0	50
Environmental Services	360	0	360
Traffic and Transport	0	40	40
Sustainable Transport	0	20	20
Highways Trading	0	20	20
Passenger Transport	0	40	40
<b>Total for Neighbourhood Services Committee</b>	<b>410</b>	<b>120</b>	<b>530</b>

<b>Regeneration Services Committee - Public Health Department</b>	<b>Proposed Savings 2018/19 £'000</b>	<b>Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Public Protection	25	0	25
Sport and Recreation	50	0	50
<b>Total Regeneration Committee (Public Health General Fund Savings)</b>	<b>75</b>	<b>0</b>	<b>75</b>

**SUMMARY OF SAVINGS 2018/19**

<b>Regeneration Services Committee - Regeneration &amp; Neighbourhoods Department</b>	<b>Proposed Savings 2018/19 £'000</b>	<b>Proposed Savings 2018/19 £'000</b>	<b>Total Proposed Savings £'000</b>
Economic Development	0	50	50
Housing	0	80	80
Planning	0	20	20
<b>Total Regeneration Committee (Regeneration &amp; Neighbourhoods Department)</b>	<b>0</b>	<b>150</b>	<b>150</b>

<b>Regeneration &amp; Neighbourhood Services Income Pressure</b>	0	(100)	(100)
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<b>Inflation on 2017/18 savings</b>	27	0	27
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<b>GRAND TOTAL</b>	<b>1,685</b>	<b>278</b>	<b>1,963</b>
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SUMMARY OF SAVINGS 2019/20

<b>Finance &amp; Policy Committee - Chief Executives Department</b>	<b>Total Proposed Savings Approved February 2017 £'000</b>
Further review of management and operational structures	235
<b>Total for Finance and Policy Committee - Chief Executives</b>	<b>235</b>

<b>Finance and Policy Committee - Public Health Department</b>	<b>Total Proposed Savings Approved February 2017 £'000</b>
Community Hubs	(76)
<b>Total for Community Hubs</b>	<b>(76)</b>

<b>Children's Services Committee - Child and Adult Department</b>	<b>Total Proposed Savings Approved February 2017 £'000</b>
Other - previously to be identified - now from cessation of Youth Service provision	296
Education Services Income	10
Service Reconfiguration and Data Management	41
Premature Retirement Commitment	10
Inflation Freeze	34
<b>Total Children's Services Committee:</b>	<b>391</b>

**SUMMARY OF SAVINGS 2019/20**

<b>Neighbourhood Services Committee - Regeneration and Neighbourhoods Department</b>	<b>Total Proposed Savings Approved February 2017 £'000</b>
Environmental Services	160
<b>Total for Neighbourhood Services Committee</b>	<b>160</b>

<b>Regeneration Services Committee - Regeneration and Neighbourhoods Department</b>	<b>Total Proposed Savings Approved February 2017 £'000</b>
Public Protection	25
Sport and Recreation	50
<b>Total Regeneration Committee (Public Health General Fund</b>	<b>75</b>

<b>GRAND TOTAL</b>	<b>785</b>
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TABLE 2 - 2018/19 VEHICLE REPLACEMENT PROGRAMME

Type	Quantity	Service Area	Total £'000
26,000kg RCV	1	Waste Management	185
26,000kg RCV (used replacement - spare)	1	Waste Management	50
26,000kg Trade waste RCV	1	Waste Management	185
Small Panel Van	1	Street Lighting	13
Small Panel Van	2	M&E	25
Medium Panel van	3	M&E	45
6,500kg Box body with bin lifter	3	Cleansing	150
Trailer	1	Highways	5
Medium Panel van - (Refrigerated)	1	Client Services	25
90 HP Tractors (Review HP)	2	Horticulture	110
5 set cylinder ride on mower	2	Horticulture	90
18,000kg tipper with Lorry loader	1	Street Lighting	85
Small Panel Van	2	Car Parking	25
6,500kg Tipper body	1	Horticulture	42
6M3 Demountable gritter body	2	Highways	60
Trailer	5	Cleansing	29
4x4 Buggy	1	Horticulture	15
Medium Panel van	1	Parks & Cems	15
42HP Tractor	2	Horticulture	80
Trailed Gang Mower	1	Horticulture	18
Tractor side mount flail	1	Horticulture	22
Tractor mount rotary mower	1	Horticulture	25
Bus - 30 seater	1	PTS	120
Ride on mower (Rotary)	4	Horticulture	68
Tractor mount flail	1	Horticulture	7
Price contingency*			75
			<b>1,568</b>

TABLE 3 - 2019/20 VEHICLE REPLACEMENT PROGRAMME

Type	Quantity	Service Area	Total £'000
Precinct Sweeper	7	Cleansing	525
Rotary mower c/w grass collector	1	Horticulture	25
Pedestrian Flail brush cutter	1	Horticulture	5
Ride on Mower (Rotary)	4	Horticulture	60
Bus - 68 seater	3	PTS	480
1,250kg agricultural tipping trailer	1	Horticulture	5
Ride on Brushcutter flail	1	Horticulture	6
26,000kg 4x2 Refuse Collection vehicles	3	waste Management	540
Leaf Collector	1	Horticulture	5
Price Contingency*			75
			<b>1,726</b>

TABLE 4 - 2020/21 VEHICLE REPLACEMENT PROGRAMME

Type	Quantity	Service Area	Total £'000
Multilift demount body	4	Highways	28
32,000kg hookloader	1	Waste Management	120
Large Mechanical Sweeper	2	Cleansing	230
120 Hp tractor (beach cleaner)	1	Cleansing	60
JCB 2CX (grave digger)	1	Horticulture	60
Bob cat wheeled loader	1	Highways	60
Dedicated Gritter	2	Highways	160
Bus - 68 seater	3	PTS	480
Tractor mount rotary mower	1	Horticulture	33
2,500kg agricultural tipping trailer	1	Horticulture	10
Small Panel Van	2	M&E	25
Trailer	4	Horticulture	20
Trailer	4	Cleansing	5
4x4 Aboricultural vehicle	1	Horticulture	75
Large Mechanical Sweeper	1	Cleansing	110
Tractor mount overseeder/disc seeder	1	Horticulture	30
Quad Bikes	2	Horticulture	20
Price contingency*			75
			<b>1,601</b>

\* To allow for differences compared to the estimates used in the above tables in relation to the final purchase price of vehicles.

**2018/19 FINANCIAL RISK MANAGEMENT****Risk Rating**

A simplified version of the Risk Assessment criteria used in the Council's Risk Management Strategy has been used to rank budget risks. This assessment rates risk using the convention of green/amber/red, as defined below, although different levels of risk within each category have not been defined. The risk assessment helps inform the Council's budget monitoring process as it identifies areas that need to be monitored more closely than other budgets. These procedures help ensure that departments can manage budgets and services within the overall departmental resource allocation and the Council's overall financial management framework, which enable departments to establish reserves for significant risks and to carry forward under and over spends between financial years.

The value of expenditure/income on individual areas, together with the percentage of the authority's net budget, are shown in the table below to highlight the potential impact on the Council's overall financial position.

**Green** - these are unlikely events which would have a low financial impact.

**Amber** - these are possible events which would have a noticeable financial impact.

**Red** - these are almost certain to occur and would have a very significant impact. Provision would need to be made for such events in the budgets.

**CORPORATE RISKS**

Financial Risk	Risk Rating	2018/19 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Pay	Amber	57,082	77%	The MTFS includes provision for a 1% pay award from 1st April 2018 which is the level of the Government Public Sector pay cap. However, there have been increasing calls on the Government to remove the pay cap and to fund higher pay increases. If the Government remove the pay cap there will be significant financial pressures if additional Government funding is not provided for public. For each additional 1% the budget deficit increases by £0.400m.
Higher costs of borrowing and/ or lower investment returns	Green	2,911	4%	This budget covers annual principal repayments and net interest on the Council's borrowings and investments. Interest payable on Council's borrowings or interest earned on investments could be higher or lower than forecast.  The Treasury Management Strategy details how these risks will be managed and establishes an appropriate framework of controls for managing these risks. This strategy is based upon the CFO's assessment of future interest rates, which is itself supported by the detailed interest rate forecasts and market intelligence provided by the Council's Treasury Management Advisors.  The unprecedented low levels of interest rates have resulted in a significant reduction in investment income this change has not had a significant impact on the MTFS as the MTFS takes a prudent approach and only includes investment income on an annual basis.
Planned Maintenance Budget	Amber	231	0.3%	Much of the Council's building stock is in poor condition and the Corporate Risk Register identifies this as a "red" risk. From 2002/03 the Council provided 2.5% real term growth for this budget to start addressing these issues.
Schools Buy-Back Income	Amber	2,633	3.5%	Buy back income underpins a range of services provided by the Council. This income budget is reliant on the Schools continuing to buy back the services.
Education Services Grant	Red	614	0.8%	The grant is distributed between LA's and Academies pro-rata to the number of pupils for whom each is responsible. As schools in Hartlepool convert to Academy status in the future then the funding for education services received by the LA will reduce which could impact on service delivery.
Failure to comply with relevant local authority financial legislation/regulations, NI and taxation regulations.	Amber	0	N/A	The Council will take appropriate steps to ensure it keeps up to date with changing legislation and regulations. There is nothing to indicate that the Council faces any specific material risk in these areas.

## CHILD &amp; ADULT SERVICES

Financial Risk	Risk Rating	2018/19 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Increased Demand for Looked After Children Placements	Red	6,000	8.1%	There is a national trend of increasing numbers and increased costs for the placement of children looked after. This particular area is highly volatile and potentially subject to unexpected increases in the numbers of children. This area includes in-house foster placements, independent foster placements with an agency, special guardianship, residence order and leaving care allowances as well as residential placements. This area has historically overspent with this overspend being funded from reserves - only the base budget figure is shown. If this issue is not addressed through a combination of managing demand and / or the Government providing additional funding the 2019/20 deficit may increase by £2.5m i.e. a total forecast deficit of approximately £3.9m;
Dedicated Schools Grant - High Needs Block	Amber	8,912	12.0%	This funding has been cash limited at 2012/13 levels. Schools are required to fund the first £6k of costs from their own budget and post-16 funding for all high needs students aged 0-25 years. There is a risk that insufficient funding exists to meet the needs of all high needs pupils.
Dedicated Schools Grant - De-Delegated Services	Amber	595	0.8%	There are a number of services provided by the LA which are funded from retained DSG. The LA delegates this funding into school budgets and then requesting approval from Schools Forum to de-delegate these budgets back to the LA for all non-Academy schools. Academy schools retain this funding although they would have the opportunity to 'buy-back' these services from the LA. As schools in Hartlepool convert to Academy status in the future then there is the potential for funding to be reduced which could impact on service delivery.
Demographic changes in Older People	Red	9,900	13.3%	Increasing number of elderly people, high percentage of chronic health problems and market pressures on price, including the National Living Wage. The individual nature of contribution towards social care provision is such that the financial circumstances of each individual can differ substantially. The level of the value of people's assets and savings can differ significantly and demographic changes can impact on levels of contribution. Increased pressure on intermediate care services and ensuring discharge from hospital is not delayed. Older people needs becoming more complex due to increased life expectancy.
Demographic changes in Working Age Adults	Red	8,300	11.2%	Increasing numbers of people with learning disabilities surviving into adulthood with increasingly complex needs.  The changes reflect the increased demand from those moving from children's services through the transition process.
Better Care Fund	Amber	6,949	9.4%	The Better Care Fund consists of revenue funding and capital funding (not shown). The Pooled Budget Partnership Board and Health and Wellbeing Board approve schemes and monitor BCF expenditure. The risks include BCF grant funding not continuing in future years, funding being reduced and the performance related element not being achieved. The figure shown excludes the Improved Better Care Fund allocation (iBCF).
Non-achievement of income targets - CCG contributions towards Joint Packages.	Amber	4,900	6.6%	CCG (Clinical Commissioning Group) income is received to contribute to cover the costs of packages for individuals with social care needs. Risks exist for joint packages whereby an individuals circumstances can change and the level at which the CCG are liable to contribute can decrease.

REGENERATION & NEIGHBOURHOODS

Financial Risk	Risk Rating	2018/19 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Car Parking	Amber	1,570	2.1%	Budget forecasts are based on revised charges and actual income achieved in previous years. There is a risk that the planned level of income may not be achieved as car parking income is falling nationally.
Fee Income - Planning & Building Control	Amber	715	1.0%	The fee income target must be achieved to fund part of the department's expenditure budget. This income cannot be controlled or easily estimated. Achieving the target depends on sufficient numbers/size of applications being received, national economic conditions such as interest rates being sufficiently favourable to encourage development and, in the case of Building Control, the section being able to successfully compete with the private sector.
Highways Maintenance	Amber	1,430	1.9%	A lack of major investment from Central Government is leading to a deterioration in the network. This is a national position and funding is needed to raise conditions generally. Maintenance budgets are under pressure as a result and the position will be closely monitored each month. Conditions surveys will be used to support the Highways Five Year Maintenance Programme and Capital and Revenue budgets will be applied accordingly.
Non-achievement of income targets - Cultural Services	Amber	320	0.4%	The nature of Cultural Services budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced. This amount of income at risk has reduced as a result of the transfer of the Maritime Experience to National Museum of the Royal Navy.
Home to School Transport Costs	Amber	1,360	1.8%	The Department's home to school transport contracts are regularly reviewed to ensure competitive prices and best value. Provision of transport is determined by the HTS Transport policy but costs are directly influenced by the needs of pupils which vary from term to term. The highest area of spending relates to the requirement to transport special needs pupils which is demand led, invariably requires escorts and is difficult to control other than to ensure all individual arrangements are procured as economically as possible by the Passenger Transport service.
Trading Accounts	Amber	20,000	26.9%	The department has a wide range of trading operations which generate income by charging clients both internal and external to the Council. This includes services such as school catering, highways, building maintenance, garage, passenger transport as well as professional fees which funds the salaries of staff in property and engineering related services. This income is not certain and depends on local and national economic conditions and can be volatile in response to reductions in client budgets and the Councils capital programme.

PUBLIC HEALTH

Financial Risk	Risk Rating	2018/19 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Non-achievement of income targets - Markets and Licensing	Amber	460	0.6%	Budget forecasts are based on historical charges with inflation applied. There is an expectation that this level of income may not be achieved particularly the income in relation to Markets.
Non-achievement of income targets - Sport, Leisure and Recreation	Amber	1,720	2.3%	The nature of Sport, Leisure and Recreation budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced. Budget Forecasts are based on revised charges and trends from previous years which indicate the budget should be achievable. Position will be monitored closely throughout the year.

**SUMMARY OF KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET**

<b>Budget Assumption</b>	<b>Financial Standing and Management</b>
The treatment of inflation and interest rates	<p>The proposed resource allocations for 2018/19 include 2.5% for anticipated general inflation on non pay expenditure and 1% for pay expenditure as previously indicated by the Public Sector pay cap. However, there have been increasing calls on the Government to remove the pay cap and to fund higher pay increases. If the Government remove the pay cap there will be significant financial pressures if additional Government funding is not provided for public sector organisations, including councils. For each additional 1% the budget deficit would increase by £0.400m.</p> <p>In addition, where it is anticipated that costs will increase by more than inflation these issues have been specifically reflected in the pressures included within the budget requirement.</p> <p>Interest exposure is managed through the Treasury Management Strategy.</p>
The treatment of demand led pressures	<p>Individual Policy Chairs and Directors are responsible for managing services within the limit of resource allocations and departmental Risk and Strategic Change Provisions. If these resources are inadequate the Council's Managed</p> <p>Under/Overspends Policy provides flexibility to manage the change over more than one financial year.</p>
The treatment of planned efficiency savings/productivity gains	<p>Where departmental efficiencies are planned it is the individual Directors responsibility to ensure they are implemented. Any under achievement would be dealt with on a temporary basis through the managed overspend rules until a permanent efficiency is achieved. The main areas of efficiencies in 2018/19 are departmental savings. Work undertaken during 2017/18 to deliver these savings in advance makes the 2018/19 budget position more robust and sustainable.</p>
The availability of other funding to deal with major contingencies and the adequacy of provisions	<p>The Council's approved Managed Underspend and Strategic Risk and Change initiatives are well understood and provide departments with financial flexibility to manage services more effectively. These arrangements help to avoid calls on the Council's corporate reserves.</p> <p>The Council's insurance arrangements are a balance between external insurance premiums and internal self insurance. The value of the Council's insurance fund has been assessed and is adequate to meet known reserves on outstanding claims.</p>
The strength of financial reporting arrangements and the Authority's track record of budget monitoring	<p>The Council's financial reporting arrangements include the identification of forecast outturns for both revenue and capital areas. These arrangements ensure problems are identified and corrective action taken before the year end, either at departmental or corporate level. These arrangements have worked well and have enabled the Council to strengthen the Balance Sheet over the last few years.</p>

# MTFS REPORT

## SUPPORTING INFORMATION – REPORTS CONSIDERED BY INDIVIUAL POLICY COMMITTEES

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# NEIGHBOURHOOD SERVICES COMMITTEE

11th September 2017



**Report of:** DIRECTOR OF REGENERATION AND  
NEIGHBOURHOODS

**Subject:** SAVINGS PROGRAMME 2018/19

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to enable Members to consider proposals to achieve further savings in 2018/19.

## 3. BACKGROUND

3.1 A comprehensive report on the “Council Plan and Medium Term Financial Strategy – Capital and Revenue” was considered at the Finance and Policy Committee on 2<sup>nd</sup> December 2016. The report stated that despite the impact of continuing austerity and cuts in Government funding the Council needs to remain ambitious for the town.

3.2 The Council Plan 2017 to 2020 sets out the priorities we are committed to delivering and is 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;
- Building better beginnings and futures for our children and young people;
- Providing effective leadership based upon innovation and efficiency.

3.3 A report to Council on 23<sup>rd</sup> February 2017 approved the Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20. The multi-year MTFS enabled a balanced budget be set for 2017/18. It also approved savings of

£1.685m in 2018/19 and £0.785m in 2019/20 to begin to reduce the budget deficits in these years

- 3.4 However, the savings proposals approved for 2018/19 and 2019/20 did not address the full deficits and savings of £2.320m still need to be identified. This deficit is after reflecting forecast increases in Council Tax income and the use of the Budget Support Fund, as summarised below:

Summary of measures to reduce 2018/19 and 2019/20 gross budget deficits

	2018/19	2019/20	Total 2018/19 and 2019/20
	£'m	£'m	£'m
<b>Gross Deficit</b>	<b>7.314</b>	<b>3.758</b>	<b>11.072</b>
Less - Social Care Precept (3% 2018/19, 0% 2019/20)	(1.093)	0	(1.093)
Less - Council Tax increase 1.9%	(0.692)	(0.740)	(1.432)
Less - Growth in Council Tax base (742 Band D equivalent properties over the period 2018/19 and 2019/20)	(0.574)	(0.478)	(1.052)
<b>Sub Total – Deficit after Council Tax increases and forecast housing growth</b>	<b>4.955</b>	<b>2.540</b>	<b>7.495</b>
Less – Use of Budget Support Fund	(2.448)	(0.257)	(2.705)
Less – Savings approved February 2017	(1.685)	(0.785)	(2.470)
<b>Cuts still to be identified</b>	<b>0.822</b>	<b>1.498</b>	<b>2.320</b>

- 3.5 An update of the MTFS was considered by Finance and Policy Committee on 24<sup>th</sup> July and this confirmed the financial forecasts detailed in the previous paragraph. The update report also highlighted the continuing financial risks facing local authorities over the next few years. This underlines the importance of ensuring the Council sets balanced budgets for 2018/19 and 2019/20. For 2019/20 this needs to be based on minimising the use of one off funding to avoid deferring a budget deficit to 2020/21.
- 3.6 The MTFS forecasts are currently based on the Government's 1% pay cap remaining in place for 2018/19 and 2019/20. If actual pay awards are greater than 1% and the Government does not provide additional funding, the budget deficit will increase. Each additional 1% equates to an increase in the budget deficit of approximately £400,000.
- 3.7 The financial position facing the public sector for 2020/21 and future years is extremely uncertain and will depend on the state of the economy, including the impact of Brexit, policies adopted at a national level in relation to the overall size of the public sector and the level of national debt.

3.8 For Local Authorities policies implemented by the national Government will have a significant impact and cover the following key issues:

- **100% Business Rates Retention** - the exclusion of a bill to move from 50% to 100% Business Rates Retention creates significant financial uncertainty regarding future funding arrangements for local authorities;
- **Business Rates indexation** - confirmation by the Treasury at the end of July 2017 that Business Rates indexation will switch from RPI (Retail Prices Index) to CPI (Consumer Prices index) from 2020 will be welcomed by the businesses. However, from local government's perspective this change will result in lower annual increases in this income stream, which will not keep pace with increases in the cost of delivering existing services.
- **Reform of the Local Government funding system** - the Government has indicated that work is continuing on a 'Fair Funding' review and they will be consulting on proposals during 2017. However, without 100% Business Rates Retention it is unclear how any changes will be funded. The Department for Communities and Local Government has recently indicated that this may not be implemented until 2020/21. Based on our current understanding of the significant work which needs to be completed before the Government can consult on detailed proposals the suggestion that any changes will be delayed until 2020/21 seems realistic;
- **Adult Social Care funding** - the significant financial challenges in this area were recognised by the Government prior to the General Election and short term funding has been provided. The Government has indicated they will be consulting on a number of options regarding the long term funding arrangements in due course;
- **Children's Social Care funding** - many councils, including Hartlepool, are experiencing significant financial pressures in this area. The Local Government Association (LGA) has recently issued a reporting warning of the significant financial challenges facing children's social care services. The LGA report shows that three quarter of English councils exceeded their budget for children's services last year, totalling a £605m overspend. The LGA forecast a £2 billion funding gap by 2020. This issue has not yet been recognised by the Government providing increased funding;
- **National Council Tax policy** - following a policy of encouraging Council Tax freezes for five years there was a significant shift in Government policy when they introduced the Adult Social Care precept for the period 2016/17 to 2019/20. Government Council Tax policy for 2020/21 and future years will have a significant impact on the financial sustainability of councils.

- **Public Sector pay levels and funding arrangements** - public sector pay has been subject to a prolonged period of restraint and the Government had previously indicated that a 1% Public Sector pay cap would continue for 2018/19 and 2019/20. However, there have been increasing calls on the Government to remove the pay cap and to fund higher pay increases. If, or when, the Government remove the pay cap there will be significant financial pressures if additional Government funding is not provided for public sector organisations, including councils.

- 3.9 A further update report will be considered by Finance and Policy Committee on 18<sup>th</sup> September 2017 and detailed corporate savings which can be achieved in 2018/19 and 2019/20 to reduce the savings still to be identified from £2.320m to £1.641m. As these measures are front loaded this provides a slightly longer lead time to implement additional savings and the revised deficits for these years are as follows:

	2018/19 £'000	2019/20 £'000	Total £'000
Savings still to be identified	822	1,498	2,320
Less Corporate savings/updated planning assumptions	(544)	(135)	(679)
Revised Savings still to be identified	278	1,363	1,641

- 3.10 Additional savings proposals to be considered by individual Policy Committees in September are designed to address the remaining 2018/19 deficit of £278,000. Proposals to address the remaining forecast 2019/20 deficit will be developed during 2017/18 and will be reported to future meetings.

#### 4. SAVINGS PROPOSALS 2018/19 AND 2019/20 – INCLUDING FINANCIAL CONSIDERATIONS

- 4.1 The 2018/19 and 2019/20 savings proposals approved in February 2017 are summarised below:

Neighbourhood Services Committee – Regeneration and Neighbourhoods Department	Approved Savings 2018/19 £'000	Approved Savings 2019/20 £'000	Total Approved Savings £'000
Transport and Infrastructure	50		50
Environmental Services	360	160	520
Heritage and Countryside	10	10	20
<b>Total Neighbourhood's Services Committee:</b>	<b>420</b>	<b>170</b>	<b>590</b>

- 4.2 In relation to the 2018/19 approved savings work is progressing to implement these proposals and Members are advised that the savings will be achieved as planned. With regard to the £410,000 savings to be identified from Transport & Infrastructure and Environmental Services this will be achieved by implementing the following savings:

- **Transport and Infrastructure - £50,000**

The LED Street lighting replacement programme originally included an element energy and maintenance savings which were achieved and identified as part of the overall business case. It was anticipated at the time they may be additional energy savings to be sought however we felt it was prudent to wait for the full scheme to be operational for a period of time and close monitoring of service utility rates before releasing further savings.

- **Environmental Services £360,000**

By reviewing operating practices across street cleansing, grounds maintenance and waste collection we can reduce the need for casual and seasonal staff. 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.

- **Heritage and Countryside £20,000**

Deletion of one third post plus some non-pay budget savings.

- 4.3 Further work will be required to implement the 2019/20 approved savings and details will be reported to Members next year of any proposed changes to these plans.

- 4.4 In addition to the savings proposals outlined above the following additional savings are recommended for implementation over the next two years. Part of these savings needs to be earmarked to fund departmental budget pressures. . Departmental pressures relate to cost associated with domestic waste and recycling collection services and the Household Waste Recycling Centre on Burn Road. In addition the income risk reserves set aside for Building Control, Planning and Economic Development and Car Parking inflation have been fully used in 2016/2017 so there is no reserve funding currently to manage this risk going forward.

- 4.5 As summarised in the following table the net impact of these savings and pressures is a net saving towards the remaining budget deficits for 2018/19.

	Pressure /(saving) 2018/19 £'000
<b>Additional savings</b>	
<b>Regeneration</b>	
Economic Development	(50)
Housing	(80)
Planning	(20)
<b>Neighbourhoods</b>	
Highways Trading account	(20)
Traffic & Transport	(40)
Sustainable transport	(20)
Passenger Transport	(40)
<b>Finance &amp; Policy</b>	
Community Safety	(50)
Sub Total – Recommended additional savings	(320)
Less Departmental pressures	100
Additional savings towards remaining budget deficit	(220)

- 4.6 In relation to the 2018/19 savings referred to in table above they will be achieved by implementing the following :

- **Highways Trading - £20,000**

Income generation – review current service model we either grow to take on larger capital schemes and therefore spread our overheads or we reduce to basic maintenance provision, seeking an alternative delivery model for other works, recognising the overhead will have to be adsorbed elsewhere across the division. Members will receive details regarding this option as part of the detailed trading account review currently taking place.

- **Traffic & Transport - £40,000**

The Assistant Director for Environment & Neighbourhoods is currently undertaking a review of trading accounts which will result in the restructure of this service area, and the deletion of one vacant post and potentially one compulsory redundancy

- **Sustainable Transport £20,000**

Reduce concessionary fares budget

- **Passenger Transport - £40,000**

Review Trading Capacity and Home to School Transport criteria

## 5. RISK IMPLICATIONS

- 5.1 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. The primary risk relates to maintaining capacity to deliver the front line services and support to the Council/departments.
- 5.2 It is considered that the proposed 2018/19 savings can be delivered, although not without difficulty or some degree of risk. This can be managed in the coming year; however achieving these savings becomes more difficult each year.
- 5.3 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.
- 5.4 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.

- 5.5 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.

## **6 LEGAL CONSIDERATIONS**

- 6.1 There are no legal considerations to this report.

## **7 CONSULTATION**

- 7.1 The majority of the approved savings for 2018/19 and 2019/20 were subject to consultation as part of the 2017/18 budget process. Where these proposals have changed significantly they will be subject to separate consultation alongside any additional savings proposed for 2018/19 and 2019/20. This consultation will include Trade Unions and individual staff groups affected by the proposals.

## **8. CHILD AND FAMILY POVERTY**

- 8.1 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.

## **9. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 9.1 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**).
- 9.2 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.

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

- 10.1 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.
- 10.2 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.

## **11. STAFF CONSIDERATIONS**

- 11.1 There will be staffing implications associated with the savings proposals considered by individual Policy Committee and these will be managed at a corporate level by the Finance and Policy Committee. This approach will seek to maximise staffing reductions which can be achieved by managing vacancies and accepting requests for voluntary redundancies, where this can be achieved within the requirements of the service. Where compulsory redundancies cannot be avoided the corporate approach will seek to maximise redeployment opportunities.

## **12. ASSET MANAGEMENT CONSIDERATIONS**

- 12.1 There are no asset management considerations relating to this report.

## **13. CONSULTATION**

- 13.1 The majority of the approved savings for 2018/19 and 2019/20 were subject to consultation as part of the 2017/18 budget process. Where these proposals have changed significantly they will be subject to separate consultation alongside any additional savings proposed for 2018/19 and 2019/20. This consultation will include Trade Unions and individual staff groups affected by the proposals.

## 14. CONCLUSION

- 14.1 The Council approved a multi-year financial strategy in February 2017, which included the phased use of reserves to help manage budget reduction over the period 2017/18 to 2019/20. The strategy also approved savings for implementation in 2018/19 and 2019/20 to begin to address the budget deficits for these years.
- 14.2 The proposals in this report details changes to the approved 2018/19 and 2019/20 savings to reflect changes in circumstances since February. In addition, further savings proposals are outlined to address departmental pressures and to make a contribution towards addressing the remaining 2018/19 and 2019/20 budget shortfalls.
- 14.3 At a corporate level the proposal identified for individual Policy Committees will enable a balanced budget to be set for 2018/19. The position for 2019/20 is less positive and a significant budget deficit remains. Proposals for addressing the remaining 2019/20 of £1.363m will be developed during 2017/18.
- 14.4 Achievement of further savings for 2019/20 will be challenging and will require further changes, whilst ensuring services are maintained as far as practical, or the implications of reducing capacity are reflected in service requirements.
- 14.5 There are a number of risks which may increase the 2019/20 deficit, including the funding arrangements for Children's Services and the actual level of pay awards. These issues will be kept under review and details of any changes will be reported to future meetings.
- 14.6 The multi-year strategy being adopted by the Council is designed to manage the impact of continuing cuts in Government funding on a phased basis to minimise, as far as is possible within the reduced resources available to the Council, the impact on services and jobs. The strategy also aims to ensure the Council is in the best possible financial position to manage the challenges and uncertainty facing councils in 2020/21 and future years.
- 14.7 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.
- 14.8 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 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.

## **15. RECOMMENDATIONS**

- 15.1 It is recommended that Members of the Committee note the content of the report and formulate a response to be presented to Finance and Policy Committee on 20<sup>th</sup> November 2017.

## **16. REASON FOR RECOMMENDATIONS**

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

## **17. BACKGROUND PAPERS**

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

Council - Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 - 25th February 2017

Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2018/19 to 2019/20 - 24th July 2017

## **18. CONTACT OFFICERS**

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## APPENDIX 1

## 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"> <li>• Concessionary Fares</li> <li>• Environmental Services</li> <li>• Transport and Infrastructure</li> <li>• Building Design and Construction</li> <li>• Community Safety and Engagement</li> <li>• Vehicle Fleet</li> <li>• Income Generation</li> </ul>		
Why are you making the change?	<ol style="list-style-type: none"> <li>1. Financial savings required by the Council in response to reduced Government funding.</li> <li>2. Respond to changing service delivery expectations from communities and users.</li> <li>3. To provide services in a more efficient and responsive manner.</li> </ol>		
How might this impact (positively/negatively) on people who share protected characteristics?			
		Please tick	
		POSITIVELY	NEGATIVELY
Age			
<ul style="list-style-type: none"> <li>• <b>Concessionary Fares</b> 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.</li> <li>• <b>Environmental Services</b></li> <li>• <b>Transport and Infrastructure</b></li> <li>• <b>Building Design and Construction</b></li> <li>• <b>Community Safety and Engagement</b></li> <li>• <b>Vehicle Fleet</b></li> <li>• <b>Income Generation</b> At present no significant negative impacts have been identified for users in relation to the above.</li> </ul>			
Disability			
<ul style="list-style-type: none"> <li>• <b>Concessionary Fares</b> 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.</li> <li>• <b>Environmental Services</b></li> <li>• <b>Transport and Infrastructure</b></li> <li>• <b>Building Design and Construction</b></li> <li>• <b>Community Safety and Engagement</b></li> <li>• <b>Vehicle Fleet</b></li> <li>• <b>Income Generation</b> At present no significant negative impacts have been identified for users in relation to the above.</li> </ul>			

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

<ul style="list-style-type: none"> <li>• <b>Concessionary Fares</b></li> <li>• <b>Environmental Services</b></li> <li>• <b>Transport and Infrastructure</b></li> <li>• <b>Building Design and Construction</b></li> <li>• <b>Community Safety and Engagement</b></li> <li>• <b>Vehicle Fleet</b></li> <li>• <b>Income Generation</b></li> </ul> <p>At present no significant negative impacts have been identified for users in relation to the above.</p>		
<b>Pregnancy &amp; Maternity</b>		
<ul style="list-style-type: none"> <li>• <b>Concessionary Fares</b></li> <li>• <b>Environmental Services</b></li> <li>• <b>Transport and Infrastructure</b></li> <li>• <b>Building Design and Construction</b></li> <li>• <b>Community Safety and Engagement</b></li> <li>• <b>Vehicle Fleet</b></li> <li>• <b>Income Generation</b></li> </ul> <p>At present no significant negative impacts have been identified for users in relation to the above.</p>		
<b>Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?</b>	<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"> <li>• Organisational structures.</li> <li>• Job Descriptions.</li> <li>• Single Status and Job Evaluation</li> <li>• Established HR Procedures (Redundancy selection criteria is based on objective matters which are not related to any protected groups).</li> <li>• Service reviews and research.</li> <li>• Information from service users <ul style="list-style-type: none"> <li>- 'Your Say Our Future' consultation</li> <li>- Satisfaction surveys</li> <li>- Regular liaison meetings with users, providers and partners</li> <li>- Neighbourhood forums and resident groups</li> <li>- Transport liaison groups</li> <li>- Ward Councillor feedback</li> </ul> </li> </ul>	
	<p><b>Concessionary Fares</b></p> <p>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><b>Environmental Services</b></p> <p>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 staffing through ER/VR's and some compulsory redundancies may be unavoidable. Any future restructuring</p>	

	<p>will be subject to consultation with staff concerned. The changes are not anticipated to affect the statutory duties placed upon the Authority.</p> <p><b>Transport and Infrastructure</b> 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><b>Building Design and Construction</b> A £20k saving is anticipated from the rationalisation and reduction in the size of the stores facility.</p> <p><b>Community Safety and Engagement</b> 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><b>Vehicle Fleet</b> 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><b>Income Generation</b> 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><b>As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?</b></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"> <li>• 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.</li> <li>• Compulsory Redundancy – any requirements will be addressed in line with Council's HR policies and staff affected will be supported and advised throughout the process. Where appropriate Council</li> </ul>

		<p>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"> <li>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.</li> </ul>	
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"> <li>Public surveys and questionnaires</li> <li>CRM data</li> <li>Complaints (informal and formal)</li> <li>Budget monitoring data</li> <li>Liaison meetings with users and providers</li> <li>Neighbourhood forums</li> <li>Ward Councillor feedback</li> </ul> <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><b>Concessionary Fares</b></p> <p>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><b>2. Adjust/Change Policy</b></p> <p>n/a</p>	
		<p><b>3. Adverse Impact but Continue as is</b></p> <p>n/a</p>	
		<p><b>4. Stop/Remove Policy/Proposal</b></p> <p>n/a</p>	
Initial Assessment	8/11/16	Reviewed	22/11/16
Completed		Published	

# NEIGHBOURHOOD SERVICES COMMITTEE

16<sup>th</sup> October 2017



**Report of:** DIRECTOR OF REGENERATION AND  
NEIGHBOURHOODS

**Subject:** SAVINGS PROGRAMME 2018-19

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to enable Members to consider proposals to achieve further savings for 2018/19 following a report presented to Neighbourhood Services Committee on 11<sup>th</sup> September 2017.

## 3. BACKGROUND

3.1 At the previous meeting of Neighbourhood Services Committee, Members were reminded of the savings proposals approved by Council on 23<sup>rd</sup> February, 2017 for 2018/19 and 2019/20 which begin to reduce the budget deficits in these years. This report set out that the savings approved did not address the full deficit and savings of £2.320m still needed to be identified. As a result additional savings were outlined for implementation over the next two years and part of these savings would be earmarked to fund Departmental pressures in 2018/19.

3.2 Before Members could agree the additional savings proposals identified for 18/19, they requested that an additional report be brought back to Committee that further defined the savings. In addition members requested that this report provide further detail regarding the Environmental Services target of £360,000 previously approved, and this is provided below.

- **Environmental Services – £360,000**  
By reviewing operating practices across street cleansing, grounds maintenance and waste collection we can reduce the need for casual and seasonal staff. 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.  
*This saving is currently being achieved through a move to generic working within the grounds maintenance and cleansing teams, which has seen a reduction in the number of casual staff being required and employed, a reduction in overtime payments, a reduced number of cleansing vehicles in operation and the planting of more wildflower meadows that reduce our grass cutting operations.*

#### 4. PROPOSALS

- 4.1 The additional savings proposals recommended to address the remaining 2018/19 forecast deficit of £278,000, which were put forward in the previous report are detailed below and in line with the Committee's request, more details on each of the proposals have been added:

- **Highways Trading – £20,000**

Income generation – review current service model we either grow to take on larger capital schemes and therefore spread our overheads or we reduce to basic maintenance provision, seeking an alternative delivery model for other works, recognising the overhead will have to be adsorbed elsewhere across the division. Members will receive details regarding this option as part of the detailed trading account review currently taking place.

*The Council currently has an in house highways team that help to deliver the maintenance and upkeep of our highway network by repairing footpaths and roads, in-filling potholes, creating new walkways, etc. At present the Service is funded from the income it generates and therefore the proposal put forward will expect this particular service to bring in additional income of £20k from Capital or external works to help support the Council's general fund position.*

- **Traffic and Transport – £40,000**

The Assistant Director for Environment and Neighbourhood Services is currently undertaking a review of trading accounts which will result

in the restructure of this service area, and the deletion of one vacant post and potentially one compulsory redundancy.

*The deletion of a vacant post in this particular team will enable the Council to achieve this particular savings target with minimal implications on service delivery.*

- **Sustainable Transport – £20,000**

Reduce concessionary fares budget.

*The amount paid 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 and an inflationary uplift is therefore applied to this budget each year. Based on actual costs incurred and projected this budget can be reduced by £20k in 2018/19. 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. This reduction will have no impact in the offering of concessionary fares which and can be delivered from the existing budget remaining.*

- **Passenger Transport – £40,000**

Review Trading Capacity and Home to School Transport criteria.

*The Budget for home to School Transport is needs driven and costs will vary depending on pupil demographics as well as route efficiencies. The budget is set to fund higher levels of need and based on current and recent levels of demand it is possible to reduce this budget in 18/19. With any demand led budget there is always a risk that demand will increase and costs will rise. Trends will be closely monitored and in the event that demand does exceed the budget provision in future years, alternative savings will be identified within the Department. This service also includes a Trading element which will be part of the detailed trading account review that is currently taking place, therefore part of the proposals put forward will involve this particular service generating additional income or seeking efficiencies in service delivery which will have minimal impact on service provision.*

## 5. RISK IMPLICATIONS

- 5.1 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. The primary risk relates to maintaining capacity to deliver the front line services and support to the Council/departments.
- 5.2 It is considered that the proposed 2018/19 savings can be delivered, although not without difficulty or some degree of risk. This can be

managed in the coming year; however achieving these savings becomes more difficult each year.

- 5.3 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.

## **6. FINANCIAL CONSIDERATIONS**

- 6.1 The financial considerations are included within the report as these set out the proposed savings programme for 2018/19 for Environment and Neighbourhood Services.

## **7. LEGAL CONSIDERATIONS**

- 7.1 There are no legal considerations attached to this report.

## **8. CONSULTATION**

- 8.1 The majority of the approved savings for 2018/19 and 2019/20 were subject to consultation as part of the 2017/18 budget process. Where these proposals have changed significantly they will be subject to separate consultation alongside any additional savings proposed for 2018/19 and 2019/20. This consultation will include Trade Unions and individual staff groups affected by the proposals.

## **9. CHILD AND FAMILY POVERTY**

- 9.1 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.

## **10. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 10.1 An Equality Impact Assessment was included as part of the previous to Committee on 11<sup>th</sup> September 2017.

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

- 11.1 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.
- 11.2 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.

**12. STAFF CONSIDERATIONS**

- 12.1 There will be staffing implications associated with the savings proposals considered by individual Policy Committee and these will be managed at a corporate level by the Finance and Policy Committee. This approach will seek to maximise staffing reductions which can be achieved by managing vacancies and accepting requests for voluntary redundancies, where this can be achieved within the requirements of the service. Where compulsory redundancies cannot be avoided the corporate approach will seek to maximise redeployment opportunities

**13. ASSET MANAGEMENT CONSIDERATIONS**

- 13.1 There are no asset management considerations relating to this report.

**14. RECOMMENDATIONS**

- 14.1 It is recommended that Members of the Committee note the content of the report and formulate a response on the additional savings proposed to be presented to Finance and Policy Committee on 20<sup>th</sup> November 2017.

**15. REASONS FOR RECOMMENDATIONS**

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

## **16. BACKGROUND PAPERS**

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

Council – Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 – 25<sup>th</sup> February 2017

Finance and Policy Committee – Medium Term Financial Strategy (MTFS) 2018/19 to 2019/20 – 24<sup>th</sup> July 2017

Neighbourhood Services Committee – Savings Programme 2018/19 – 11<sup>th</sup> September 2017

## **17. CONTACT OFFICER**

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# CHILDREN'S SERVICES COMMITTEE

## 12 September 2017



**Report of:** DIRECTOR OF CHILDREN'S AND JOINT COMMISSIONING SERVICES

**Subject:** SAVINGS PROGRAMME 2018/19 AND 2019/20 – CHILDREN'S SERVICES

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### 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

### 2. PURPOSE OF REPORT

2.1 The purpose of this report is to enable Members to consider proposals to achieve further savings in 2018/19 and 2019/20.

### 3. BACKGROUND

3.1 A comprehensive report on the "Council Plan and Medium Term Financial Strategy – Capital and Revenue" was considered at the Finance and Policy Committee on 2<sup>nd</sup> December 2016. The report stated that despite the impact of continuing austerity and cuts in Government funding the Council needs to remain ambitious for the town.

3.2 The Council Plan 2017 to 2020 sets out the priorities we are committed to delivering and is 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;
- Building better beginnings and futures for our children and young people;
- Providing effective leadership based upon innovation and efficiency.

3.3 A report to Council on 23<sup>rd</sup> February 2017 approved the Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20. The multi-year MTFS enabled a balanced budget be set for 2017/18. It also approved savings of

£1.685m in 2018/19 and £0.785m in 2019/20 to begin to reduce the budget deficits in these years

- 3.4 However, the savings proposals approved for 2018/19 and 2019/20 did not address the full deficits and savings of £2.320m still need to be identified. This deficit is after reflecting forecast increases in Council Tax income and the use of the Budget Support Fund, as summarised below:

Summary of measures to reduce 2018/19 and 2019/20 gross budget deficits

	2018/19	2019/20	Total 2018/19 and 2019/20
	£'m	£'m	£'m
<b>Gross Deficit</b>	<b>7.314</b>	<b>3.758</b>	<b>11.072</b>
Less - Social Care Precept (3% 2018/19, 0% 2019/20)	(1.093)	0	(1.093)
Less - Council Tax increase 1.9%	(0.692)	(0.740)	(1.432)
Less - Growth in Council Tax base (742 Band D equivalent properties over the period 2018/19 and 2019/20)	(0.574)	(0.478)	(1.052)
<b>Sub Total – Deficit after Council Tax increases and forecast housing growth</b>	<b>4.955</b>	<b>2.540</b>	<b>7.495</b>
Less – Use of Budget Support Fund	(2.448)	(0.257)	(2.705)
Less – Savings approved February 2017	(1.685)	(0.785)	(2.470)
<b>Cuts still to be identified</b>	<b>0.822</b>	<b>1.498</b>	<b>2.320</b>

- 3.5 An update of the MTFs was considered by Finance and Policy Committee on 24<sup>th</sup> July and this confirmed the financial forecasts detailed in the previous paragraph. The update report also highlighted the continuing financial risks facing local authorities over the next few years. This underlines the importance of ensuring the Council sets balanced budgets for 2018/19 and 2019/20. For 2019/20 this needs to be based on minimising the use of one off funding to avoid deferring a budget deficit to 2020/21.
- 3.6 The MTFs forecasts are currently based on the Government's 1% pay cap remaining in place for 2018/19 and 2019/20. If actual pay awards are greater than 1% and the Government does not provide additional funding, the budget deficit will increase. Each additional 1% equates to an increase in the budget deficit of approximately £400,000.
- 3.7 The financial position facing the public sector for 2020/21 and future years is extremely uncertain and will depend on the state of the economy, including the impact of Brexit, policies adopted at a national level in relation to the overall size of the public sector and the level of national debt.

3.8 For local authorities, policies implemented by the national Government will have a significant impact and cover the following key issues:

- **100% Business Rates Retention** - the exclusion of a bill to move from 50% to 100% Business Rates Retention creates significant financial uncertainty regarding future funding arrangements for local authorities;
- **Business Rates indexation** - confirmation by the Treasury at the end of July 2017 that Business Rates indexation will switch from RPI (Retail Prices Index) to CPI (Consumer Prices index) from 2020 will be welcomed by the businesses. However, from local government's perspective this change will result in lower annual increases in this income stream, which will not keep pace with increases in the cost of delivering existing services.
- **Reform of the Local Government funding system** - the Government has indicated that work is continuing on a 'Fair Funding' review and they will be consulting on proposals during 2017. However, without 100% Business Rates Retention it is unclear how any changes will be funded. The Department for Communities and Local Government has recently indicated that this may not be implemented until 2020/21. Based on our current understanding of the significant work which needs to be completed before the Government can consult on detailed proposals the suggestion that any changes will be delayed until 2020/21 seems realistic;
- **Adult Social Care funding** - the significant financial challenges in this area were recognised by the Government prior to the General Election and short term funding has been provided. The Government has indicated they will be consulting on a number of options regarding the long term funding arrangements in due course;
- **Children's Social Care funding** - many councils, including Hartlepool, are experiencing significant financial pressures in this area. The Local Government Association (LGA) has recently issued a report warning of the significant financial challenges facing children's social care services. The LGA report shows that three quarter of English councils exceeded their budget for children's services last year, totalling a £605m overspend. The LGA forecast a £2 billion funding gap by 2020. This issue has not yet been recognised by the Government providing increased funding;
- **National Council Tax policy** - following a policy of encouraging Council Tax freezes for five years there was a significant shift in Government policy when they introduced the Adult Social Care precept for the period 2016/17 to 2019/20. Government Council Tax policy for 2020/21 and future years will have a significant impact on the financial sustainability of councils.

- **Public Sector pay levels and funding arrangements** - public sector pay has been subject to a prolonged period of restraint and the Government had previously indicated that a 1% Public Sector pay cap would continue for 2018/19 and 2019/20. However, there have been increasing calls on the Government to remove the pay cap and to fund higher pay increases. If, or when, the Government remove the pay cap there will be significant financial pressures if additional Government funding is not provided for public sector organisations, including councils.

- 3.9 A further update report was considered by Finance and Policy Committee on 18<sup>th</sup> September 2017 and detailed corporate savings which can be achieved in 2018/19 and 2019/20 to reduce the savings still to be identified from £2.320m to £1.641m. As these measures are front loaded this provides a slightly longer lead time to implement additional savings and the revised deficits for these years are as follows:

	2018/19 £'000	2019/20 £'000	Total £'000
Savings still to be identified	822	1,498	2,320
Less Corporate savings/updated planning assumptions	(544)	(135)	(679)
Revised Savings still to be identified	278	1,363	1,641

- 3.10 Additional savings proposals to be considered by individual Policy Committees in September are designed to address the remaining 2018/19 deficit of £278,000. Proposals to address the remaining forecast 2019/20 deficit will be developed during 2017/18 and will be reported to future meetings.

#### 4. SAVINGS PROPOSALS 2018/19 AND 2019/20 – INCLUDING FINANCIAL CONSIDERATIONS

- 4.1 The 2018/19 and 2019/20 savings proposals approved in February 2017 are summarised below:

<b>Children's Services Committee - Child and Adult Department</b>	<b>Approved Savings 2018/19 £'000</b>	<b>Approved Savings 2019/20 £'000</b>	<b>Total Approved Savings £'000</b>
Other - to be identified from Children's Centres, Commissioned Services, Short Breaks and Better Childhood Programme	500	296	796
Education Services Income Generation	30	10	40
Children Services Income	10	0	10
Service Reconfiguration and Data Management	0	41	41
Premature Retirement Commitment	0	10	10
Inflation Freeze	0	34	34
<b>Total Children's Services Committee:</b>	<b>540</b>	<b>391</b>	<b>931</b>

- 4.2 In relation to the 2018/19 approved savings work is progressing to implement these proposals and Member are advised that the savings will be achieved as planned. With regard to the £500,000 savings to be identified from Children's Centres, Commissioned Services, Short Breaks and Better Childhood Programme this will be achieved by implementing the following savings:

- **Children's Early Intervention - £56,000**  
Deletion of vacant posts (2 x Family Support Worker).
- **Children's Early Intervention - £192,000**  
Staffing savings from ceasing the cafe facility at Rossmere Children's Centre and from deleting an admin post within Children's Services.  
Non-Pay savings achieved from reducing budgets that have historically underspent and core costs associated with Rift House and St Helen's children's centre budgets following service provision ceasing at these sites and transferring to the respective schools.
- **Departmental Salary Abatement - £92,000**  
Increase salary abatement target to reflect turnover of staff and incremental progression.
- **Children's 5 to 19 activities - £160,000**  
Following the decision to provide a one year grant for the 5 – 19 activities programme during 2017/18 to support the development of the Young People's Foundation, the balance of the saving will be realised

in 2018/19. The Young People's Foundation is now fully constituted and it is anticipated that activities for children and young people will be supported via external funding through this newly formed Foundation from 2018/19 onwards.

- 4.3 In relation to Education, the continuing success of the Centre for Excellence in Teaching and Learning and services such as educational psychology will enable additional income to be provided. The income generation target for 2018/19 for the Education team is **£30,000**.
- 4.4 Further work will be required to implement the 2019/20 approved savings and details will be reported to Members next year of any proposed changes to these plans.
- 4.5 In addition to the savings proposals outlined in the previous paragraph the following additional savings that will impact on children's services are recommended for implementation over the next two years. A number of these savings are managed across Adult Services and Children's Services and have not been apportioned to individual service areas. Part of these savings needs to be earmarked to fund departmental budget pressures. As summarised in the following table the net impact of these savings and pressures is a net saving towards the remaining budget deficits for 2018/19:

	Pressure /(saving) 2018/19 £'000
<b>Additional savings</b>	
<b>(i) Departmental Salary Abatement target</b> An overall increase of £100,000 can be included in the base budget to reflect turnover of staff and incremental progression. Of this amount £92,000 is allocated towards achieving the approved 2018/19 savings, as detailed in paragraph 4.2.	(8)
<b>(ii) Income Generation</b> Increase room hire and conference income at the two venues managed across Adult Services and Children's Services - CIL and CETL.	(50)
<b>Sub Total – Recommended additional savings</b>	<b>(58)</b>
<b>Less Departmental pressures</b>	<b>0</b>
<b>Additional savings towards remaining budget deficit</b>	<b>(58)</b>

## 5. RISK IMPLICATIONS

- 5.1 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. The primary risk relates to maintaining capacity to deliver the front line services and support to the Council/departments.

- 5.2 It is considered that the proposed 2017/18 savings can be delivered, although not without difficulty or some degree of risk. This can be managed in the coming year; however achieving these savings becomes more difficult each year.
- 5.3 There is a risk that external funding will not be available for the continuation of young people's activities. However the development of a partnership approach through the Young People's Foundation is aimed at mitigating this risk.
- 5.4 There is a risk that a further reduction in early intervention services may lead to an increase in the demand for specialist services as families reach crisis point. This will need to be monitored.

## **6. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 6.1 Children, young people and families will be supported based on need to ensure that support is available to those that need it.

## **7. LEGAL CONSIDERATIONS**

- 7.1 There are no legal considerations at this time.

## **8. CHILD AND FAMILY POVERTY**

- 8.1 Reductions in budgets available to support children and their families will reduce the range and choice of services available. The impact of the savings will be monitored to determine whether these affect the levels of child and family poverty.

## **9. STAFF CONSIDERATIONS**

- 9.1 There will be staffing implications associated with the savings proposals considered by individual Policy Committees and these will be managed at a corporate level by the Finance and Policy Committee. This approach will seek to maximise staffing reductions which can be achieved by managing vacancies and accepting requests for voluntary redundancies, where this can be achieved within the requirements of the service. Where compulsory redundancies cannot be avoided the corporate approach will seek to maximise redeployment opportunities. There are staffing implications associated with savings proposals for Children's Services in 2018/19 as detailed in the proposals at 4.2.

## **10. ASSET MANAGEMENT CONSIDERATIONS**

- 10.1 There are no asset management considerations within this report.

## **11. CONSULTATION**

- 11.1 The majority of the approved savings for 2018/19 and 2019/20 were subject to consultation as part of the 2017/18 budget process. Where these proposals have changed significantly they will be subject to separate consultation alongside any additional savings proposed for 2018/19 and 2019/20. This consultation will include Trade Unions and individual staff groups affected by the proposals.

## **12. CONCLUSION**

- 12.1 The Council approved a multi-year financial strategy in February 2017, which included the phased use of reserves to help manage budget reduction over the period 2017/18 to 2019/20. The strategy also approved savings for implementation in 2018/19 and 2019/20 to begin to address the budget deficits for these years.
- 12.2 The proposals in this report details changes to the approved 2018/19 and 2019/20 savings to reflect changes in circumstances since February. In addition, further savings proposals are outlined to address departmental pressures and to make a contribution towards addressing the remaining 2018/19 and 2019/20 budget shortfalls.
- 12.3 At a corporate level the proposal identified for individual Policy Committees will enable a balanced budget to be set for 2018/19. The position for 2019/20 is less positive and a significant budget deficit remains. Proposals for addressing the remaining 2019/20 of £1.363m will be developed during 2017/18.
- 12.4 Achievement of further savings for 2019/20 will be challenging and will require further changes, whilst ensuring services are maintained as far as practical, or the implications of reducing capacity are reflected in service requirements.
- 12.5 There are a number of risks which may increase the 2019/20 deficit, including the funding arrangements for Children's Services and the actual level of pay awards. These issues will be kept under review and details of any changes will be reported to future meetings.
- 12.6 The multi-year strategy being adopted by the Council is designed to manage the impact of continuing cuts in Government funding on a phased basis to minimise, as far as is possible within the reduced resources available to the Council, the impact on services and jobs. The strategy also aims to ensure

the Council is in the best possible financial position to manage the challenges and uncertainty facing councils in 2020/21 and future years.

- 12.7 The achievement of further savings in children's services has been challenging in the context of increasing demand for social care services and associated budget pressures. The proposals outlined in this report reflect the department's efforts to contribute to reducing the budget deficit whilst maintaining a responsive and needs led service for children, young people and their families.

### **13. RECOMMENDATIONS**

- 13.1 It is recommended that Members of the Committee note the content of the report and formulate a response to be presented to Finance and Policy Committee on 20<sup>th</sup> November 2017.

### **14. REASON FOR RECOMMENDATIONS**

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

### **15. BACKGROUND PAPERS**

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

Council - Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 - 25th February 2017

Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2018/19 to 2019/20 - 24th July 2017

### **16. CONTACT OFFICERS**

Sally Robinson, Director of Children's and Joint Commissioning Services  
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Mark Patton, Assistant Director, Education, Learning and Skills (0-19),  
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Department	Division	Section	Owner/Officer
CHILDREN'S AND JOINT COMMISSIONING SERVICES			SALLY ROBINSON
Service, policy, practice being reviewed/changed or planned	SAVINGS PROGRAMME 2018/19 AND 2019/20–CHILDREN'S SERVICES		
Why are you making the change?	Proposals for budget savings to reduce the budget deficit in accordance with the Council's Medium Term Financial Strategy		
How might this impact (positively/negatively) on people who share protected characteristics?			
		<i>Please tick</i>	
		<b>POSITIVELY</b>	<b>NEGATIVELY</b>
<b>Age</b>			
No impact			
<b>Disability</b>			
No impact			
<b>Gender Re-assignment</b>			
No impact			
<b>Race</b>			
No impact			
<b>Religion</b>			
No impact			
<b>Gender</b>			
No impact			
<b>Sexual Orientation</b>			
No impact			
<b>Marriage &amp; Civil Partnership</b>			
No impact			
<b>Pregnancy &amp; Maternity</b>			
No impact			
Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?	The report will be considered by Children's Services Committee, Finance and Policy Committee and Council before decision is taken. There is no specific impact of the proposals on those with protected characteristics.		
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?	There is no specific impact of the proposals on those with protected characteristics.		

Describe how you will address and monitor the impact		<b>1. No Impact - No Major Change</b> The proposals will not impact positively or negatively on those with protected characteristics	
		<b>2. Adjust/Change Policy</b> <i>Please Detail</i>	
		<b>3. Adverse Impact but Continue as is</b> <i>Please Detail</i>	
		<b>4. Stop/Remove Policy/Proposal</b> <i>Please Detail</i>	
Initial Assessment	00/00/00	Reviewed	00/00/00
Completed	00/00/00	Published	00/00/00

# ADULT SERVICES COMMITTEE

14 September 2017



**Report of:** Director of Adults and Community Based Services

**Subject:** SAVINGS PROGRAMME 2018/19 AND 2019/20

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## 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 proposals to achieve further savings in 2018/19 and 2019/20.

## 3.0 BACKGROUND

3.1 A comprehensive report on the “Council Plan and Medium Term Financial Strategy – Capital and Revenue” was considered at the Finance and Policy Committee on 2 December 2016. The report stated that despite the impact of continuing austerity and cuts in Government funding the Council needs to remain ambitious for the town.

3.2 The Council Plan 2017 to 2020 sets out the priorities we are committed to delivering and is 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;
- Building better beginnings and futures for our children and young people;
- Providing effective leadership based upon innovation and efficiency.

3.3 A report to Council on 23 February 2017 approved the Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20. The multi-year MTFS enabled a balanced budget be set for 2017/18. It also approved savings of £1.685m in 2018/19 and £0.785m in 2019/20 to begin to reduce the budget deficits in these years

- 3.4 However, the savings proposals approved for 2018/19 and 2019/20 did not address the full deficits and savings of £2.320m still need to be identified. This deficit is after reflecting forecast increases in Council Tax income and the use of the Budget Support Fund, as summarised below:

Summary of measures to reduce 2018/19 and 2019/20 gross budget deficits

	2018/19	2019/20	Total 2018/19 and 2019/20
	£'m	£'m	£'m
<b>Gross Deficit</b>	<b>7.314</b>	<b>3.758</b>	<b>11.072</b>
Less - Social Care Precept (3% 2018/19, 0% 2019/20)	(1.093)	0	(1.093)
Less - Council Tax increase 1.9%	(0.692)	(0.740)	(1.432)
Less - Growth in Council Tax base (742 Band D equivalent properties over the period 2018/19 and 2019/20)	(0.574)	(0.478)	(1.052)
<b>Sub Total – Deficit after Council Tax increases and forecast housing growth</b>	<b>4.955</b>	<b>2.540</b>	<b>7.495</b>
Less – Use of Budget Support Fund	(2.448)	(0.257)	(2.705)
Less – Savings approved February 2017	(1.685)	(0.785)	(2.470)
<b>Cuts still to be identified</b>	<b>0.822</b>	<b>1.498</b>	<b>2.320</b>

- 3.5 An update of the MTFS was considered by Finance and Policy Committee on 24 July 2017 and this confirmed the financial forecasts detailed in the previous paragraph. The update report also highlighted the continuing financial risks facing local authorities over the next few years. This underlines the importance of ensuring the Council sets balanced budgets for 2018/19 and 2019/20. For 2019/20 this needs to be based on minimising the use of one off funding to avoid deferring a budget deficit to 2020/21.
- 3.6 The MTFS forecasts are currently based on the Government's 1% pay cap remaining in place for 2018/19 and 2019/20. If actual pay awards are greater than 1% and the Government does not provide additional funding, the budget deficit will increase. Each additional 1% equates to an increase in the budget deficit of approximately £400,000.
- 3.7 The financial position facing the public sector for 2020/21 and future years is extremely uncertain and will depend on the state of the economy, including the impact of Brexit, policies adopted at a national level in relation to the overall size of the public sector and the level of national debt.

3.8 For Local Authorities, policies implemented by the national Government will have a significant impact and cover the following key issues:

- **100% Business Rates Retention** - the exclusion of a bill to move from 50% to 100% Business Rates Retention creates significant financial uncertainty regarding future funding arrangements for local authorities;
- **Business Rates indexation** - confirmation by the Treasury at the end of July 2017 that Business Rates indexation will switch from RPI (Retail Prices Index) to CPI (Consumer Prices index) from 2020 will be welcomed by the businesses. However, from local government's perspective this change will result in lower annual increases in this income stream, which will not keep pace with increases in the cost of delivering existing services.
- **Reform of the Local Government funding system** - the Government has indicated that work is continuing on a 'Fair Funding' review and they will be consulting on proposals during 2017. However, without 100% Business Rates Retention it is unclear how any changes will be funded. The Department for Communities and Local Government has recently indicated that this may not be implemented until 2020/21. Based on our current understanding of the significant work which needs to be completed before the Government can consult on detailed proposals the suggestion that any changes will be delayed until 2020/21 seems realistic;
- **Adult Social Care funding** - the significant financial challenges in this area were recognised by the Government prior to the General Election and short term funding has been provided. The Government has indicated they will be consulting on a number of options regarding the long term funding arrangements in due course;
- **Children's Social Care funding** - many councils, including Hartlepool, are experiencing significant financial pressures in this area. The Local Government Association (LGA) has recently issued a report warning of the significant financial challenges facing children's social care services. The LGA report shows that three quarter of English councils exceeded their budget for children's services last year, totalling a £605m overspend. The LGA forecast a £2 billion funding gap by 2020. This issue has not yet been recognised by the Government providing increased funding;
- **National Council Tax policy** - following a policy of encouraging Council Tax freezes for five years there was a significant shift in Government policy when they introduced the Adult Social Care precept for the period 2016/17 to 2019/20. Government Council Tax policy for 2020/21 and future years will have a significant impact on the financial sustainability of councils.

- **Public Sector pay levels and funding arrangements** - public sector pay has been subject to a prolonged period of restraint and the Government had previously indicated that a 1% Public Sector pay cap would continue for 2018/19 and 2019/20. However, there have been increasing calls on the Government to remove the pay cap and to fund higher pay increases. If, or when, the Government remove the pay cap there will be significant financial pressures if additional Government funding is not provided for public sector organisations, including councils.

- 3.9 A further update report was considered by Finance and Policy Committee on 18 September 2017 and detailed corporate savings which can be achieved in 2018/19 and 2019/20 to reduce the savings still to be identified from £2.320m to £1.641m. As these measures are front loaded this provides a slightly longer lead time to implement additional savings and the revised deficits for these years are as follows:

	2018/19 £'000	2019/20 £'000	Total £'000
Savings still to be identified	822	1,498	2,320
Less Corporate savings/updated planning assumptions	(544)	(135)	(679)
Revised Savings still to be identified	278	1,363	1,641

- 3.10 Additional savings proposals to be considered by individual Policy Committees in September 2017 are designed to address the remaining 2018/19 deficit of £278,000. Proposals to address the remaining forecast 2019/20 deficit will be developed during 2017/18 and will be reported to future meetings.

#### 4.0 SAVINGS PROPOSALS 2018/19 AND 2019/20 – INCLUDING FINANCIAL CONSIDERATIONS

- 4.1 The 2018/19 and 2019/20 savings proposals approved in February 2017 are summarised below:

Adult Services Committee	Approved Savings 2018/19 £'000	Approved Savings 2019/20 £'000	Total Approved Savings £'000
Review of Prevention and Housing Related Support (Adult Services)	150	0	150
<b>Total Adult Services Committee:</b>	<b>150</b>	<b>0</b>	<b>150</b>

- 4.2 The 2018/19 approved saving of £150,000 represents the full year effect of a part year saving in 2017/18. This relates to the review of preventative services and housing related support within adult services which realised a part year saving in 2017/18 of £150,000 with the full year effect of £300,000 being achieved in 2018/19.
- 4.3 In 2018/19 and 2019/20 work is also being undertaken within Adult Services to manage pressures through demand management. There are pressures identified in a number of areas including; transition of complex cases from Children's Services to Adult Services; increased demand within adult mental health services and a recurrent financial pressure in relation to Deprivation of Liberty Safeguards.
- 4.4 While managing pressures is very challenging in the context of an ageing population and growing demand in some areas, there are early indications that the approach outlined in the Savings Report to Adult Services Committee in December 2016 is starting to have a positive impact. Initiatives that are contributing to the management of demand include:
- Better Care Fund developments targeted at admission avoidance;
  - Changes to the Resource Allocation System;
  - Implementation of the Adult Resource Panel, and
  - A revised approach to managing contingencies within Direct Payments.
- 4.5 In addition to the proposals outlined above, the following additional savings that will have an impact on Adult Services are recommended for implementation over the next two years. A number of these savings are managed across Adult Services and Children's Services and have not been apportioned to individual service areas. Part of these savings needs to be earmarked to fund departmental budget pressures. As summarised in the following table the impact of these savings and pressures is a net saving towards the remaining budget deficit for 2018/19:

	Pressure /(saving) 2018/19 £'000
<b>Additional savings</b>	
<b>(i) Departmental Salary Abatement target</b> An overall increase of £100,000 can be included in the base budget to reflect turnover of staff and incremental progression. This is a target that is managed across Children's Services and Adult Services with £92,000 contributing to the 2018/19 savings target for Children's Services.	(8)
<b>(ii) Income Generation</b> Increase room hire and conference income at the two venues managed across Adult Services and Children's Services - CIL and CETL.	(50)
<b>Additional savings towards remaining budget deficit</b>	<b>(58)</b>

## **5. RISK IMPLICATIONS**

- 5.1 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. The primary risk relates to maintaining capacity to deliver the front line services and support to the Council/departments.
- 5.2 It is considered that the proposed 2017/18 savings can be delivered, although not without difficulty or some degree of risk. This can be managed in the coming year; however achieving these savings becomes more difficult each year.
- 5.3 There are risks associated with increasing the departmental salary abatement target as vacancies may not arise during the year or may be filled immediately and staff may move through the pay grades and reach the top of pay scale quicker than anticipated i.e. qualifications and experience based progression for Social Workers and Social Care Officers.
- 5.4 There are significant risks associated with achieving savings to manage pressures through demand management. Given the increasing demographic pressures from an ageing population and increasing numbers of adults with complex physical or learning disabilities there is a significant risk that demand will not reduce and may in fact increase. There are also risks that the cost of commissioning services to meet eligible assessed needs increases further linked work that is underway nationally in terms of fair cost of care for residential and domiciliary care. This may result in increased costs for services, even if demand can be constrained or reduced.
- 5.5 Sustainability beyond 2018/19 will require careful management and if the proposed approach does not deliver the savings required on a sustainable basis, alternative savings proposals will need to be identified.

## **6. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 6.1 By definition, all savings proposals within adult services will affect people who access adult services, including some of the most vulnerable groups within the local population. This includes all those who are over eighteen and assessed as having eligible needs (older people, people with learning disabilities, sensory loss or a physical disability, people with mental health

needs, people who have alcohol dependency or substance misuse issues and carers).

- 6.2 An assessment has indicated that none of the current proposals require an Equality Impact Assessment as the proposals will have limited impact on people accessing services and no disproportionate impact on people who share protected characteristics.

## **7. LEGAL CONSIDERATIONS**

- 7.1 There are no legal considerations identified.

## **8. CHILD AND FAMILY POVERTY CONSIDERATIONS**

- 8.1 There are no child and family poverty considerations identified.

## **9. STAFF CONSIDERATIONS**

- 9.1 Staffing implications associated with the savings proposals considered by individual Policy Committees will be managed at a corporate level by the Finance and Policy Committee. This approach will seek to maximise staffing reductions which can be achieved by managing vacancies and accepting requests for voluntary redundancies, where this can be achieved within the requirements of the service. Where compulsory redundancies cannot be avoided the corporate approach will seek to maximise redeployment opportunities.
- 9.2 There are no staffing implications associated with savings proposals for Adult Services in 2018/19.

## **10. ASSET MANAGEMENT CONSIDERATIONS**

- 10.1 There are no asset management considerations identified.

## **11. CONSULTATION**

- 11.1 The majority of the approved savings for 2018/19 and 2019/20 were subject to consultation as part of the 2017/18 budget process. Where these proposals have changed significantly they will be subject to separate consultation alongside any additional savings proposed for 2018/19 and 2019/20. This consultation will include Trade Unions and individual staff groups affected by the proposals.

## 12. CONCLUSION

- 12.1 The Council approved a multi-year financial strategy in February 2017, which included the phased use of reserves to help manage budget reduction over the period 2017/18 to 2019/20. The strategy also approved savings for implementation in 2018/19 and 2019/20 to begin to address the budget deficits for these years.
- 12.2 The proposals in this report details changes to the approved 2018/19 and 2019/20 savings to reflect changes in circumstances since February. In addition, further savings proposals are outlined to address departmental pressures and to make a contribution towards addressing the remaining 2018/19 and 2019/20 budget shortfalls.
- 12.3 At a corporate level the proposal identified for individual Policy Committees will enable a balanced budget to be set for 2018/19. The position for 2019/20 is less positive and a significant budget deficit remains. Proposals for addressing the remaining 2019/20 of £1.363m will be developed during 2017/18.
- 12.4 Achievement of further savings for 2019/20 will be challenging and will require further changes, whilst ensuring services are maintained as far as practical, or the implications of reducing capacity are reflected in service requirements.
- 12.5 There are a number of risks which may increase the 2019/20 deficit, including the funding arrangements for Children's Services and the actual level of pay awards. These issues will be kept under review and details of any changes will be reported to future meetings.
- 12.6 The multi-year strategy being adopted by the Council is designed to manage the impact of continuing cuts in Government funding on a phased basis to minimise, as far as is possible within the reduced resources available to the Council, the impact on services and jobs. The strategy also aims to ensure the Council is in the best possible financial position to manage the challenges and uncertainty facing councils in 2020/21 and future years.
- 12.7 The achievement of further savings in Adult Services is challenging due to known pressures, potential pressures that are not yet quantified and the demand led nature of the service area. The proposals set out in this report to achieve a previously approved saving of £150,000 and further savings towards the remaining budget deficit for 2018/19 are based on further efficiencies and service reviews, with an expectation that service delivery can be transformed in 2018/19 and 2019/20 to manage pressures.

### **13. RECOMMENDATIONS**

- 13.1 It is recommended that Members of the Committee note the content of the report and formulate a response to be presented to Finance and Policy Committee on 20 November 2017.

### **14. REASON FOR RECOMMENDATIONS**

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

### **15. BACKGROUND PAPERS**

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

Council

Medium Term Financial Strategy 2017/18 to 2019/20 - 25 February 2017

Finance and Policy Committee

Medium Term Financial Strategy 2018/19 to 2019/20 - 24 July 2017

### **16. CONTACT OFFICER**

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# REGENERATION SERVICES COMMITTEE

15 September 2017



**Report of:** DIRECTOR OF REGENERATION &  
NEIGHBOURHOODS

**Subject:** SAVINGS PROGRAMME 2018/19

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Part of the Budget and Policy Framework.

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to enable Members to consider proposals to achieve further savings in 2018/19.

## 3. BACKGROUND

3.1 A comprehensive report on the “Council Plan and Medium Term Financial Strategy – Capital and Revenue” was considered at the Finance and Policy Committee on 2<sup>nd</sup> December 2016. The report stated that despite the impact of continuing austerity and cuts in Government funding the Council needs to remain ambitious for the town.

3.2 The Council Plan 2017 to 2020 sets out the priorities we are committed to delivering and is 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;
- Building better beginnings and futures for our children and young people;
- Providing effective leadership based upon innovation and efficiency.

3.3 A report to Council on 23<sup>rd</sup> February 2017 approved the Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20. The multi-year MTFS enabled a balanced budget be set for 2017/18. It also approved savings of £1.685m in 2018/19 and £0.785m in 2019/20 to begin to reduce the budget deficits in these years.

- 3.4 However, the savings proposals approved for 2018/19 and 2019/20 did not address the full deficits and savings of £2.320m still need to be identified. This deficit is after reflecting forecast increases in Council Tax income and the use of the Budget Support Fund, as summarised below:

Summary of measures to reduce 2018/19 and 2019/20 gross budget deficits

	2018/19	2019/20	Total 2018/19 and 2019/20
	£'m	£'m	£'m
<b>Gross Deficit</b>	<b>7.314</b>	<b>3.758</b>	<b>11.072</b>
Less - Social Care Precept (3% 2018/19, 0% 2019/20)	(1.093)	0	(1.093)
Less - Council Tax increase 1.9%	(0.692)	(0.740)	(1.432)
Less - Growth in Council Tax base (742 Band D equivalent properties over the period 2018/19 and 2019/20)	(0.574)	(0.478)	(1.052)
<b>Sub Total – Deficit after Council Tax increases and forecast housing growth</b>	<b>4.955</b>	<b>2.540</b>	<b>7.495</b>
Less – Use of Budget Support Fund	(2.448)	(0.257)	(2.705)
Less – Savings approved February 2017	(1.685)	(0.785)	(2.470)
<b>Cuts still to be identified</b>	<b>0.822</b>	<b>1.498</b>	<b>2.320</b>

- 3.5 An update of the MTFS was considered by Finance and Policy Committee on 24<sup>th</sup> July and this confirmed the financial forecasts detailed in the previous paragraph. The update report also highlighted the continuing financial risks facing local authorities over the next few years. This underlines the importance of ensuring the Council sets balanced budgets for 2018/19 and 2019/20. For 2019/20 this needs to be based on minimising the use of one off funding to avoid deferring a budget deficit to 2020/21.
- 3.6 The MTFS forecasts are currently based on the Government's 1% pay cap remaining in place for 2018/19 and 2019/20. If actual pay awards are greater than 1% and the Government does not provide additional funding, the budget deficit will increase. Each additional 1% equates to an increase in the budget deficit of approximately £400,000.
- 3.7 The financial position facing the public sector for 2020/21 and future years is extremely uncertain and will depend on the state of the economy, including the impact of Brexit, policies adopted at a national level in relation to the overall size of the public sector and the level of national debt.
- 3.8 For Local Authorities policies implemented by the national Government will have a significant impact and cover the following key issues:

- **100% Business Rates Retention** - the exclusion of a bill to move from 50% to 100% Business Rates Retention creates significant financial uncertainty regarding future funding arrangements for local authorities;
- **Business Rates indexation** - confirmation by the Treasury at the end of July 2017 that Business Rates indexation will switch from RPI (Retail Prices Index) to CPI (Consumer Prices index) from 2020 will be welcomed by the businesses. However, from local government's perspective this change will result in lower annual increases in this income stream, which will not keep pace with increases in the cost of delivering existing services.
- **Reform of the Local Government funding system** - the Government has indicated that work is continuing on a 'Fair Funding' review and they will be consulting on proposals during 2017. However, without 100% Business Rates Retention it is unclear how any changes will be funded. The Department for Communities and Local Government has recently indicated that this may not be implemented until 2020/21. Based on our current understanding of the significant work which needs to be completed before the Government can consult on detailed proposals the suggestion that any changes will be delayed until 2020/21 seems realistic;
- **Adult Social Care funding** - the significant financial challenges in this area were recognised by the Government prior to the General Election and short term funding has been provided. The Government has indicated they will be consulting on a number of options regarding the long term funding arrangements in due course;
- **Children's Social Care funding** - many councils, including Hartlepool, are experiencing significant financial pressures in this area. The Local Government Association (LGA) has recently issued a reporting warning of the significant financial challenges facing children's social care services. The LGA report shows that three quarter of English councils exceeded their budget for children's services last year, totalling a £605m overspend. The LGA forecast a £2 billion funding gap by 2020. This issue has not yet been recognised by the Government providing increased funding;
- **National Council Tax policy** - following a policy of encouraging Council Tax freezes for five years there was a significant shift in Government policy when they introduced the Adult Social Care precept for the period 2016/17 to 2019/20. Government Council Tax policy for 2020/21 and future years will have a significant impact on the financial sustainability of councils.
- **Public Sector pay levels and funding arrangements** - public sector pay has been subject to a prolonged period of restraint and the Government had previously indicated that a 1% Public Sector pay cap would continue for 2018/19 and 2019/20. However, there have been increasing calls on the Government to remove the pay cap and to fund

higher pay increases. If, or when, the Government remove the pay cap there will be significant financial pressures if additional Government funding is not provided for public sector organisations, including councils.

- 3.9 A further update report will be considered by Finance and Policy Committee on 18<sup>th</sup> September 2017 and detailed corporate savings which can be achieved in 2018/19 and 2019/20 to reduce the savings still to be identified from £2.320m to £1.641m. As these measures are front loaded this provides a slightly longer lead time to implement additional savings and the revised deficits for these years are as follows:

	2018/19 £'000	2019/20 £'000	Total £'000
Savings still to be identified	822	1,498	2,320
Less Corporate savings/updated planning assumptions	(544)	(135)	(679)
Revised Savings still to be identified	278	1,363	1,641

- 3.10 Additional savings proposals to be considered by individual Policy Committees in September are designed to address the remaining 2018/19 deficit of £278,000. Proposals to address the remaining forecast 2019/20 deficit will be developed during 2017/18 and will be reported to future meetings.

#### 4. SAVINGS PROPOSALS 2018/19 AND 2019/20 – INCLUDING FINANCIAL CONSIDERATIONS

- 4.1 The 2018/19 and 2019/20 savings proposals approved in February 2017 are summarised below:

<b>Regeneration Services Committee</b>	<b>Approved Savings 2018/19 £'000</b>	<b>Approved Savings 2019/20 £'000</b>	<b>Total Approved Savings £'000</b>
Cultural services	30		30
<b>Total regeneration Services Committee:</b>	<b>30</b>		<b>30</b>

- 4.2 In relation to the 2018/19 approved savings work is progressing to implement these proposals and Member are advised that the savings will be achieved as planned. With regard to the savings to be identified from Cultural Services and Heritage and Countryside this will be achieved by implementing the following savings:

- **Cultural Services - £30,000**

Deletion of one post

- 4.3 In addition to the savings proposals outlined above the following additional savings are recommended for implementation over the next two years. Part of these savings needs to be earmarked to fund departmental budget pressures. . Departmental pressures relate to cost associated with domestic waste and recycling collection services and the Household Waste Recycling Centre on Burn Road. In addition the income risk reserves set aside for Building Control, Planning and Economic Development and Car Parking inflation have been fully used in 2016/2017 so there is no reserve funding currently to manage this risk going forward.
- 4.4 As summarised in the following table the net impact of these savings and pressures is a net saving towards the remaining budget deficits for 2018/19.

	Pressure /(saving) 2018/19 £'000
<b>Additional savings</b>	
<b>Regeneration</b>	
Economic Development	(50)
Housing	(80)
Planning	(20)
<b>Neighbourhoods</b>	
Highways Trading account	(20)
Traffic & Transport	(40)
Sustainable transport	(20)
Passenger Transport	(40)
<b>Finance &amp; Policy</b>	
Community Safety	(50)
Sub Total – Recommended additional savings	(320)
Less Departmental pressures	100
Additional savings towards remaining budget deficit	(220)

- 4.5 In addition to the savings proposals outlined above the following additional savings are recommended for implementation over the next two years. Part of these savings needs to be earmarked to fund departmental budget pressures. Departmental pressures relate to cost associated with domestic waste and recycling collection services and the Household Waste Recycling Centre on Burn Road. In addition the income risk reserves set aside for Building Control, Planning and Economic Development and Car Parking inflation have been fully used in 2016/2017 so there is no reserve funding currently to manage this risk going forward.
- 4.6 In relation to the 2018/19 savings referred to in table 4.4 above they will be achieved by implementing the following :

- **Economic Regeneration - £50,000**

Deletion of one vacant post (bumped redundancy)

- **Housing - £80,000**

Proposed restructure will result in the deletion of two posts through accepting voluntary redundancy requests.

- **Planning - £20,000**

Proposed restructure will result in the deletion of one fixed term contract post.

## 5. RISK IMPLICATIONS

- 5.1 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. The primary risk relates to maintaining capacity to deliver the front line services and support to the Council/departments.
- 5.2 It is considered that the proposed 2017/18 savings can be delivered, although not without difficulty or some degree of risk. This can be managed in the coming year; however achieving these savings becomes more difficult each year.
- 5.3 The risks are real and should not be ignored, 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 only 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.
- 5.4 It is considered that these savings can be delivered, although not without difficulty or some degree of risk but that this can be managed in this year, 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 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.

- The Regeneration of the town and the key priorities referred to in the report are dependent upon capital funds, without external grants or loans we will not be able to deliver our ambitions and regenerate our town. The TVCA will be the vehicle for direct investment in the Tees Valley and it is essential the Council plays a full and active role within it.

## 6 EQUALITY AND DIVERSITY CONSIDERATIONS

- 6.1 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**).
- 6.2 More than 90% of the above savings will be made by reducing staffing levels (mainly from vacant posts and ER/VR applications and changes to funding arrangements) with some changes to day to day running costs and significant savings being made from different funding arrangements for the Tees Valley Combined Authority.
- 6.3 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 current proposed savings framework.

## 7 LEGAL CONSIDERATIONS

- 7.1 There are no specific legal considerations relating to this report

## 8 CHILD AND FAMILY POVERTY

- 8.1 There are no specific child and family poverty considerations relating to this report.

## 9 STAFF CONSIDERATIONS

- 9.1 There will be staffing implications associated with the savings proposals considered by individual Policy Committee and these will be managed at a corporate level by the Finance and Policy Committee. This approach will seek to maximise staffing reductions which can be achieved by managing vacancies and accepting requests for voluntary redundancies, where this can be achieved within the requirements of the service. Where compulsory redundancies cannot be avoided the corporate approach will seek to maximise redeployment opportunities.

## 10 **ASSET MANAGEMENT CONSIDERATIONS**

- 10.1 There are no specific asset management considerations relating to this report.

## 11 **CONSULTATION**

- 11.1 The majority of the approved savings for 2018/19 and 2019/20 were subject to consultation as part of the 2017/18 budget process. Where these proposals have changed significantly they will be subject to separate consultation alongside any additional savings proposed for 2018/19 and 2019/20. This consultation will include Trade Unions and individual staff groups affected by the proposals.

## 12 **CONCLUSION**

- 12.1 The Council approved a multi-year financial strategy in February 2017, which included the phased use of reserves to help manage budget reduction over the period 2017/18 to 2019/20. The strategy also approved savings for implementation in 2018/19 and 2019/20 to begin to address the budget deficits for these years.
- 12.2 The proposals in this report details changes to the approved 2018/19 and 2019/20 savings to reflect changes in circumstances since February. In addition, further savings proposals are outlined to address departmental pressures and to make a contribution towards addressing the remaining 2018/19 and 2019/20 budget shortfalls.
- 12.3 At a corporate level the proposal identified for individual Policy Committees will enable a balanced budget to be set for 2018/19. The position for 2019/20 is less positive and a significant budget deficit remains. Proposals for addressing the remaining 2019/20 of £1.363m will be developed during 2017/18.
- 12.4 Achievement of further savings for 2019/20 will be challenging and will require further changes, whilst ensuring services are maintained as far as practical, or the implications of reducing capacity are reflected in service requirements.
- 12.5 There are a number of risks which may increase the 2019/20 deficit, including the funding arrangements for Children's Services and the actual level of pay awards. These issues will be kept under review and details of any changes will be reported to future meetings.
- 12.6 The multi-year strategy being adopted by the Council is designed to manage the impact of continuing cuts in Government funding on a phased basis to minimise, as far as is possible within the reduced resources available to the Council, the impact on services and jobs. The strategy also aims to ensure

the Council is in the best possible financial position to manage the challenges and uncertainty facing councils in 2020/21 and future years.

- 12.7 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 achieving the Council's ambition for Economic Growth and development.
- 12.8 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. Pressures include the income pressures of £100k in relating to the cost associated with domestic waste and recycling collection services and the Household Waste Recycling Centre on Burn Road. In addition the income risk reserves set aside for Building Control, Planning and Economic Development and Car Parking inflation have been fully used in 2016/2017 so there is no reserve funding currently to manage this risk going forward. Inflation adds pressure each year and this should be removed as part of the budget build – which requires savings to be identified in other areas. There is a possibility of a 20% fee increase in Planning which will reduce the risk on planning income but we await full and final guidance. A reserve may be another way to manage this risk if budgets cannot be reduced permanently and would have to be considered as part of this year's reserves review.

## 13 **RECOMMENDATIONS**

- 13.1 It is recommended that Members of the Committee note the content of the report and formulate a response to be presented to Finance and Policy Committee on 20<sup>th</sup> November 2017.

## 14 **REASON FOR RECOMMENDATIONS**

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

## 15 **BACKGROUND PAPERS**

- 15.1 The following background papers were used in the preparation of this report:-
- i. Council - Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 - 25th February 2017
  - ii. Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2018/19 to 2019/20 - 24th July 2017

**16 CONTACT OFFICERS**

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## APPENDIX 1

## EQUALITY AND DIVERSITY IMPACT ASSESSMENT

Department	Division	Section	Owner/Officer
Regeneration and Neighbourhoods	Regeneration	All	Denise Ogden
Function/Service	<ul style="list-style-type: none"><li>• Planning and Housing Services</li><li>• Building Control</li><li>• Economic Regeneration</li><li>• Estates &amp; Regeneration</li><li>• Adult Education-Learning and Skills</li><li>• Culture and Information</li></ul>		
Information Available	A significant range of information is available at both macro and micro levels. Socio economic data is provide by the Office of National Statistics, which can be broken down to local areas. In addition data is collected via employability and training programmes. Housing data is collected at both a national and local level. Cultural Services derive data directly from service users including residents using, libraries and community centres’. The development of the new Local Plan sets out a framework for growth thereby positively impacting on socio economic wellbeing.		
Relevance  Identify which strands are relevant or may be affected by what you are reviewing or changing	Age		X
	Disability		X
	Gender Re-assignment		X
	Race		X
	Religion		
	Gender		X
	Sexual Orientation		X
Marriage & Civil Partnership		X	
Pregnancy & Maternity		X	
Information Gaps	The proposals do not specifically impact on 3 <sup>rd</sup> parties. There are no specific gaps in information relating to the proposals.		
What is the Impact	The impact on Council employees has been minimised and the savings are largely based on ER/VR requests and deletion of vacant and fixed term posts. Impacts on service users has been minimised although in some instances response times maybe affected..		
Addressing the impact	The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.		
	1. No Impact- No Major Change – 2. Adjust/Change Policy - Whilst at this stage the proposals for savings are not likely to have a significant adverse impact as noted in the main report a review should be carried out 6 months		

**APPENDIX 1**

		after any changes are implemented in the areas that may see slower response times and possible reductions in the hours that services are available to the public. In addition progress on income targets should be reviewed at 6 month intervals.	
		<b>3. Adverse Impact but Continue -</b>	
		<b>4. Stop/Remove Policy/Proposal –</b>	
<b>Actions</b>			
<i>It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.</i>			
<b>Action identified</b>	<b>Responsible Officer</b>	<b>By When</b>	<b>How will this be evaluated?</b>

Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	09/08/2016

**EXTRACT FROM MEDIUM TERM FINANCIAL STRATEGY REPORT**  
**CONSIDERED BY FINANCE AND POLICY COMMITTEE 18<sup>TH</sup> SEPTEMBER 2017**

**5.0 FINANCE AND POLICY COMMITTEE - SAVINGS PROPOSALS 2018/19 AND 2019/20 – INCLUDING FINANCIAL CONSIDERATIONS**

5.1 The Committee's remit covers three departments and details of the savings proposals for these areas are provided in the following paragraphs.

**5.2 Chief Executive's Department**

5.3 The 2018/19 and 2019/20 savings proposals approved in February 2017 are summarised below:

<b>Finance &amp; Policy Committee - Chief Executive's Department</b>	<b>Approved Savings 2018/19 £'000</b>	<b>Approved Savings 2019/20 £'000</b>	<b>Total Approved Savings £'000</b>
Further review of management and operational structures	300	235	535
<b>Total for Finance and Policy Committee - Chief Executive's</b>	<b>300</b>	<b>235</b>	<b>535</b>

5.4 In relation to the 2018/19 approved savings work is progressing to implement these proposals and Member are advised that the savings will be achieved by implementing the following proposals:

- **Removal of vacant posts/changes in operational arrangements - £171,000**  
The savings will be achieved by restructuring across the department (£141,000) and the removal of overtime budgets (£30,000).
- **Running costs - £59,000**  
Cash freeze of non pay budgets and review of non pay budgets to reflect historic spend.
- **Income budgets - £70,000**  
Re-alignment of income budgets to reflect historic trends.

5.5 Further work will be required to implement the 2019/20 approved savings and details will be reported to Members next year of how these savings will be achieved.

**5.6 Regeneration and Neighbourhoods**

5.7 The 2018/19 and 2019/20 savings proposals approved in February 2017 are summarised below:

<b>Finance &amp; Policy Committee – Regeneration &amp; Neighbourhoods</b>	<b>Approved Savings 2018/19 £'000</b>	<b>Approved Savings 2019/20 £'000</b>	<b>Total Approved Savings £'000</b>
<b>Service Review - £50,000</b> , The authority previous contributed £311k to the Tees Valley LEP. When the Combined Authority was established this reduced to £50k, although the MTFS had forecast a reduction to nil. The shortfall in finding this saving has been identified in Community safety budget through the collaboration between the authority and police service review. This includes reviewing current working practices, a number of options are being worked upon which will be reported to Members as part of the follow up to the introduction of the new integrated Community safety / policing model.	50	0	0
<b>Total R&amp;Ns Services Committee:</b>	<b>50</b>	<b>0</b>	<b>50</b>

## 5.8 Public Health – General Fund

The 2018/19 and 2019/20 savings proposals approved in February 2017 are summarised below:

<b>Finance &amp; Policy Committee – Public Health Department</b>	<b>Approved Savings 2018/19 £'000</b>	<b>Approved Savings 2019/20 £'000</b>	<b>Total Approved Savings £'000</b>
Community Hubs	83	(76)	7
<b>Total for Finance and Policy Committee – Public Health</b>	<b>83</b>	<b>(76)</b>	<b>7</b>

- 5.9 As reported to Finance and Policy Committee on 2<sup>nd</sup> December 2016 a three year savings strategy for Community Hubs was approved covering the financial years 2017/18 to 2019/20. This achieves a gross saving of £200,000 over this period. After reflecting the costs associated with Owton Manor Community Centre and West View Community Hub there is a net saving of £30,000 (£23,000 in 2017/18 and £7,000 in 2018/19 and 2019/20). The Community Hubs are now operational and work is progressing to achieve the budget savings.

## **5.10 Housing Benefit Administration Grant 2018/19**

- 5.11 The savings detailed in the previous paragraph exclude the additional savings which will be required to address a further forecast cut in the Housing Benefit Administration grant in 2018/19. This will be the eighth year this grant has been cut. The 2017/18 grant is 39% less than the grant received in 2010/11. In line with the approach adopted for the General Fund budget vacant posts and requests for voluntary redundancy will be considered to address the funding reduction, alongside further measures to redesign services. However, it is becoming increasingly difficult to maintain service standards in this area, against a background of continuing cuts in the Housing Benefit Administration grant.
- 5.12 There will be more significant changes in this service area and the level of Government funding in 2019/20 owing to the impact of the roll-out of Universal Credit by the Government. This change will remove responsibility for administering Housing Benefit for working age households, although responsibility will remain with the Council for Housing Benefit for 3,100 pensioners. In addition, the Council will remain responsible for administering Local Council Tax Support for approximately 8,100 working age and 5,500 pensioner households. To address the impact of these changes and ensure the Council continues to support vulnerable households the Council will need review the arrangements for managing residual Housing Benefit responsibilities for pensioners and LCTS for both working age and pensioner households, with a reduced level of funding for administrative responsibilities. This review will also need to include other support services provided to these groups, such as User Property and Finance, to ensure the Council maximises support to vulnerable groups. Further information will be reported when it is provided by the Government.

# COUNCIL

14th December 2017



**Report of:** Finance and Policy Committee

**Subject:** LOCAL COUNCIL TAX SUPPORT SCHEME  
2018/19

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## 1. PURPOSE OF REPORT

- 1.1 To present details of the final proposals for the Local Council Tax Support Scheme for 2018/19 as part of the Budget and Policy Framework.

## 2. BACKGROUND.

- 2.1 The agenda papers for this meeting include a copy of the report considered by Finance and Policy Committee on 22nd November 2017 **(Appendix 1)** to assist familiarisation by Members of the issues and financial risks associated with the operation of the Local Council Tax Support scheme.
- 2.2 The former national Council Tax Benefit scheme was abolished on 31<sup>st</sup> March 2013 and local authorities are required by Government to establish their own Local Council Tax Support Schemes (LCTS). For 2013/14 the Government reduced its funding nationally to operate these new local schemes by 10% and over 13% for Hartlepool.
- 2.3 From 2014/15, the Government ceased making a specific grant for LCTS schemes and mainstreamed the grant paid to support LCTS schemes within the Core Revenue Grant paid to Councils. However, the Government's financial settlement for 2014/15 and successive years have included significant ongoing cuts in Revenue Grant funding.
- 2.4 Sustainability and affordability are key principles that underpin the operation of the LCTS scheme. The report to Finance and Policy Committee of 22nd November 2017 set out financial analysis which confirmed that a 2018/19 LCTS scheme that maintains a level of award cut at 12% (the same as in 2017/18) is viable.
- 2.5 The other Tees Valley councils operated LCTS schemes involving cuts of 20% since April 2013, albeit Redcar and Cleveland moved to a 17.5% scheme for 2017/18 and Middlesbrough has recently consulted on

potentially moving to a LCTS scheme with a level of cut of 15% or 17.5% for 2018/19 instead of 20%.

- 2.6 As highlighted in paragraph 7.1 of the Finance and Policy Committee report (**Appendix 1**) the Council's LCTS schemes have provided significant support for households compared to a 20% scheme. If a 12% cut is maintained for 2018/19, the support over the period 2013/14 – 2018/19 will be:

- Band A £604.00
- Band B £704.00

### **3. PROPOSALS**

- 3.1 The proposal put forward by Finance and Policy Committee is to maintain the 2018/19 LCTS scheme at 12% the same level as in 2017/18. The proposed continued 12% LCTS scheme for 2018/19 is viable and avoids an additional increase in the Council Tax liability of low income working age households at a time when households are adjusting to the ongoing impacts of the wider national welfare reforms.

### **4. RECOMMENDATIONS**

- 4.1 Council are recommended to:

- i) Approve the continuation, for the fifth year, of a 12% LCTS scheme in 2018/19.
- ii) Approve the continuation in 2018/19 of the existing LCTS scheme Principles detailed in paragraph 5.7 of the Finance and Policy Committee report.
- iii) Approve the passporting of about £4,000 of the 2018/19 Core Revenue Grant to Parish Councils in accordance with national regulations.
- iv) Note that the approved Local Council Tax Support Scheme will be subject to close monitoring and annual review.

### **5. BACKGROUND PAPERS**

- 5.1 Local Council Tax Support 2018/19 – Finance and Policy Committee 22<sup>nd</sup> November 2017 as attached Appendix 1.

### **6. CONTACT OFFICER**

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# **Finance & Policy Committee**

**22nd November 2017**



**Report of: Director of Finance and Policy**

**Subject: LOCAL COUNCIL TAX SUPPORT 2018/19**

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

1.1 Budget and Policy Framework Decision.

## **2. PURPOSE OF REPORT**

2.1 The purposes of the report are to:

- i) Update Members on the operation of the Local Council Tax Support (LCTS) scheme and the scheme's future financial risks associated with the Government's national welfare reforms;
- ii) set out a proposed LCTS scheme for 2018/19;

## **3. BACKGROUND**

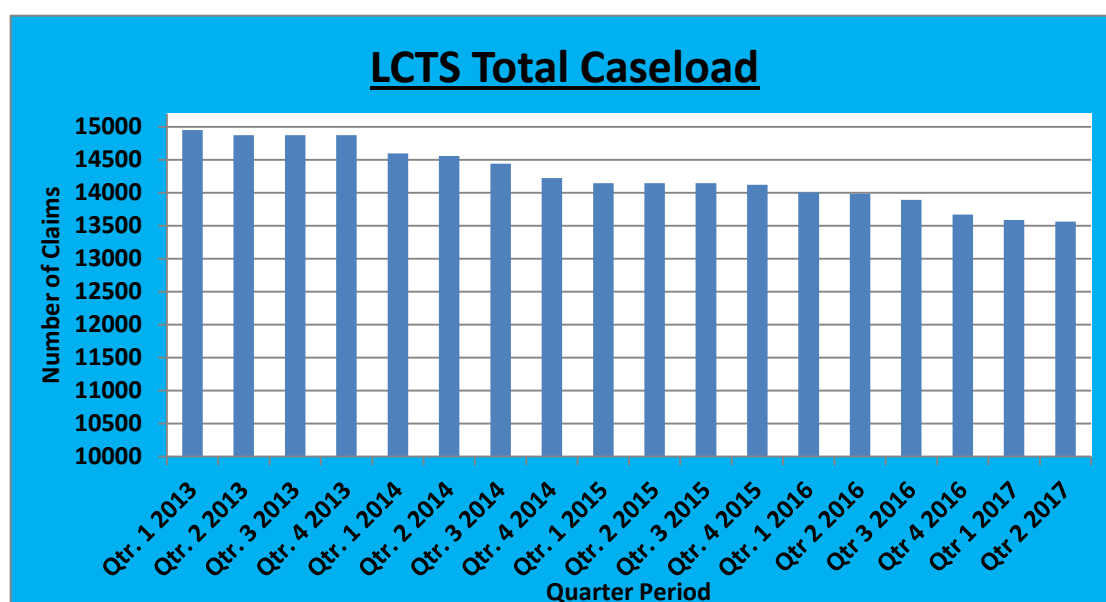
- 3.1 The Coalition Government abolished the former national Council Tax Benefit scheme on 31<sup>st</sup> March 2013 and replaced it with a requirement for Councils to determine and operate their own LCTS schemes from April 2013.
- 3.2 This was a fundamental change to the Welfare State which transferred responsibility for Council Tax support from the national Government to individual Councils. Previous reports to Members have set out three key issues arising from this change:-
  - (i) Funding transferred by the Government for 2013/14 LCTS schemes was cut overall by 10% nationally. However, when account was taken of the value of awards, the initial grant cut for Hartlepool for 2013/14 was 13.4%;
  - (ii) Councils are required to fully protect low income Pensioners eligible for LCTS support, which means the initial funding cut falls on working age households and effectively built a 20% reduction for this group into the system;

- (iii) Since April 2014 Central Government funding for LCTS is no longer provided as a separate grant allocation but has been included in the annual Core Revenue Grant allocation for individual Councils.
- 3.3 It would have been much clearer for Councils and the public, if funding for LCTS schemes had continued to be paid as a specific grant. The new arrangements have a significantly greater impact on Councils which are more dependent on Government Grant and have higher levels of deprivation.
- 3.4 Previous Medium Term Financial Strategy reports have highlighted the implications of this change and the ongoing annual reductions in Revenue Support Grant. Despite these challenges, the Council has been able to avoid implementing LCTS cuts of 20% over the last five years and has limited the reduction in support to:
- 8.5% in 2013/14;
  - 12% in 2014/15;
  - 12% in 2015/16;
  - 12% in 2016/17;
  - 12% in 2017/18.
- 3.5 Details of the number of households and the value of support they have received in Hartlepool, as compared to a 20% LCTS scheme are provided in section 7.1. All other Tees Valley councils operated LCTS schemes involving cuts of 20% since April 2013, albeit Redcar and Cleveland moved to a 17.5% scheme for 2017/18 and Middlesbrough has recently consulted on potentially moving to a LCTS scheme with a level of cut of 15% or 17.5% for 2018/19 instead of 20%.
- 3.6 At a national level Councils are finding it increasingly difficult to balance supporting LCTS schemes and General Fund services as Central Government grant cuts continue. This trend is set out in a report by the New Policy Institute (NPI) April 2017 which identified that for 2017/18, 33 councils increased the level of cut to their LCTS schemes and 5 Council's introduced a minimum payment towards Council Tax from working age households.
- 3.7. The actual cost of the Council's LCTS scheme is determined by a range of external factors including, the total number of households accessing support, the balance of claimants between pensionable age and working age and the particular financial circumstances of individual claimants as Council Tax support continues to be means tested support.
- 3.8. The Council now has five years experience of operating a LCTS scheme covering:
- 2013/14, 2014/15, 2015/16, 2016/17 – both estimated costs and outturn costs;

- 2017/18 – estimated costs

3.9 On the basis of this experience, the LCTS financial model has been updated to reflect changes in the key cost drivers – i.e. claimant numbers and Council Tax collection levels, as detailed in the following paragraphs.

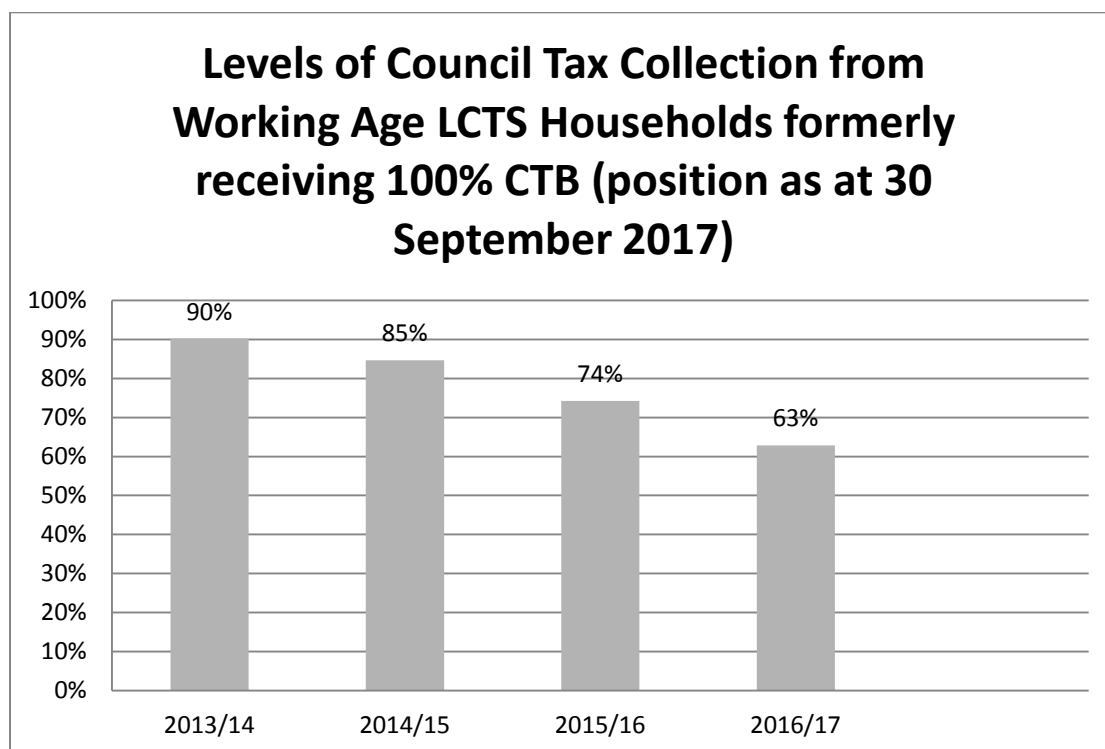
3.10 **Claimant numbers** - Since June 2013, there has been a gradual reduction in the numbers of households receiving LCTS covering both Pensioner Households (a protected group under LCTS) and Working Age Households.



3.11 This trend was reflected in the 2017/18 LCTS scheme modelling. An updated assessment of caseload trends has been completed and further reductions in claimant numbers are anticipated for future years and these have been factored into scheme forecasts. However, as well as global economic volatilities, there are economic and employment uncertainties following the decision to leave the European Union, which may impact in the medium term. In addition, the LCTS scheme will in future years continue to be impacted by further national welfare reforms.

3.12 **Collection Levels** – in Hartlepool, the operation of the LCTS scheme means that in 2017/18 about 5,900 working age households have received a Council Tax Bill who would have been exempt under Council Tax Benefit; and a further 2,200 working age households have received a higher Council Tax Bill. Robust and proportionate arrangements for collecting Council Tax from LCTS households are embedded within the Council's recovery arrangements to reflect the financial circumstances of households, whilst balancing the needs of the Council to collect this income to pay for services.

- 3.13 Collecting Council Tax from LCTS households is more difficult and resource intensive, as these households are significantly less likely to pay by Direct Debt and make payments in different ways i.e. Attachment of Benefit Order and a greater proportion who pay by cash, either at the Civic Centre or via the Post Office and Paypoint network at local shops.
- 3.14 The Council monitors particularly closely levels of collection from those households, who prior to April 2013, received full Council Tax Benefit. The graph below shows that collection of Council Tax from these households is positive, albeit there is the anticipated time lags in securing collection. This positive position has been reflected in the revised scheme forecasts for 2018/19 onwards.



- 3.15 Modelling the LCTS scheme costs beyond the forthcoming financial year is complex and challenging owing to the many variables affecting scheme costs, including the total number of claimants, both pensioner households and working age households, individual claimants' financial circumstances and eligibility for support.

#### **4. PROPOSALS**

- 4.1. Members need to determine a LCTS scheme for 2018/19 that is financially viable and balanced providing for sustainability in future year's schemes.

- 4.2. Updated financial modelling indicates that the 2018/19 LCTS scheme reduction should be able to be maintained at 12%, the same level as 2014/15, 2015/16, 2016/17 and 2017/18. This is predicated on the actual central government grant cut for 2018/19 being consistent with the indicative data provided in the DCLG multi-year settlement offer and a range of forecast scheme cost pressures and savings linked to welfare reforms, economic factors and fraud / error initiatives. If the future settlement funding profile and the Council's Tax Base projections remain stable a 12% scheme should be sustainable in 2019/20. However, if there are any significant adverse changes to current forecasts, the ability of the Council to sustain a scheme involving a 12% LCTS cut beyond 2019/20 will need to be re-evaluated.
- 4.3 The sustainability of the position for 2020/21 and future years will be critically dependant on the impact of the Government's Fair Funding Review and arrangements for implementing 100% Business Rates Retention. There are increasing calls on the Government that funding for LCTS needs to be removed from these arrangements and a separate specific grant reinstated. Further updates will be provided when more information is provided by the Government.
- 4.4 As previously reported to Members, a LCTS Risk Reserve had been established to support the LCTS scheme and to provide one-off funding to manage the risk of an unexpected in-year increase LCTS costs arising from increased caseloads. It is proposed to maintain this reserve at £0.3m to manage in-year financial risks.
- 4.5 LCTS entitlements are determined using a complex means tested calculation. Many councils are applying within their LCTS schemes those changes being applied by the DWP to the national Housing Benefit scheme. This approach has historically been followed in the Hartlepool LCTS scheme and it is proposed that this continues for 2018/19 to "mirror" the national changes to promote consistency and simplify administrative processes
- 4.6 A number of core principles as set out in section 5.7 underpin the Council's LCTS scheme and have been in place since 2013/14. As these principles are embedded and robust it is recommended that these principles are retained for the 2018/19 scheme.

## **5 FINANCIAL CONSIDERATIONS**

- 5.1. The LCTS scheme forecasts for 2018/19 and future years have been updated to reflect experience of operating the LCTS scheme to date and the latest caseload forecasts. These scheme cost forecasts are based on annual Council Tax increases of 1.9% plus the Adult Social Care precept for 2018/19 of 3%.

- 5.2. In summary, the updated financial forecasts for the LCTS scheme for the period 2017/18 to 2019/20 are based on the following planning assumptions:

Key Planning assumptions underpinning LCTS forecasts for 2017/18 to 2019/20

- i) The actual future grant cuts for 2018/19 and 2019/20 being in line with the existing planning assumptions and the multi-year settlement offer from DCLG;
  - ii) The existing Working Age caseload continuing to incrementally reduce;
  - iii) The retention of an un-committed LCTS Risk Reserve of £0.3m to manage LCTS financial risks to provide a slightly longer lead time for the Council to respond to changes in forecasts ;
  - iv) Council Tax increases of 1.9% (plus the 3% social care precept) in the years 2017/18 and 2018/19;
  - v) LCTS entitlements continue to reduce linked to the impacts of DWP counter fraud and error initiatives ;
- 5.3. Regular reviews of these factors will continue to be undertaken to assess the implications of any changes in these planning assumptions which are inevitable and unavoidable, as the majority of factors are outside the Council's direct control.
- 5.4. There is a direct inter- relationship between the LCTS scheme, the level of cut in LCTS awards, adjustments for forecast non collection of Council Tax from LCTS households and the Council Tax Base calculation. The Council Tax Base calculation is also significantly impacted by future housing growth within the Borough.
- 5.5. The following table summarises how the value of LCTS awards is forecast to increase over the period of the MTFS (based on sustaining a 12% LCTS cut). This has been factored into the MTFS Tax Base forecasts reported separately to Members.

Forecast Cost of LCTS Awards  
2017/18 to 2019/20

	17/18	18/19	19/20
	£m	£m	£m
Cost of LCTS Support	12.62	12.96	13.12
Working Age Contribution 12%	0.92	0.95	0.97
Net Cost of LCTS Awards	<u>11.70</u>	<u>12.01</u>	<u>12.15</u>

5.6. Continuing with a 12% LCTS cut for 2018/19 would avoid an increase in the Council Tax liability of low income working age households at a time when households continue to be impacted by the Government's ongoing welfare savings programme. This level of LCTS support will also increase the likelihood of the Council maintaining high levels of Council Tax collection in 2018/19. A report by the New Policy Institute in August 2017 concluded that local authorities with the highest levels of cut in LCTS had the largest increases in uncollected Council Tax.

5.7. In common with LCTS schemes established by many other Councils, the Hartlepool LCTS scheme has been centred on a number of core principles for the period 2013/14 to 2017/18. These core principles are clear, fair and are now embedded. In summary these principles are that:

**A - Every working age household should pay something towards Council Tax**

All Working age claimants will have their LCTS entitlements recalculated and reduced to ensure an affordable and sustainable scheme.

**B - Everyone in the Household should contribute appropriately**

Hartlepool will implement Central Government changes to the value of non dependant adult deductions from Council Tax Support entitlements.

**C - The LCTS scheme should encourage work**

Claimants will be allowed to keep more of their earnings before they are taken into account in the LCTS award calculation. The Hartlepool LCTS scheme increases earnings disregards by £5 per week; to £10, £15 and £30 for single person, couple and single parent households respectively.

**D - Streamline / Simplify the LCTS Scheme**

The Hartlepool LCTS scheme will continue to remove 2<sup>nd</sup> Adult Rebate, and restrict backdating of LCTS to a maximum of 4 weeks.

**E - Retain War Widows / War Pensions Local disregards framework**

Under the national CTB regulations Local Authorities are required to disregard the first £10 per week of War Pension Scheme and Armed Forces Compensation Scheme payments. In addition Local Authorities have the discretion to top up the disregard to the full amount. Hartlepool have historically applied the discretionary top up and this continues to apply in the Council's LCTS scheme.

- 5.8. In relation to Parish Councils, the national regulations require Billing Authorities (i.e. Hartlepool Borough Council) to pass on an element of the Council Tax Support Grant received to individual Parish Councils. For some Local Authorities with a large number of Parish Councils levying relatively high Parish Council Tax precepts this may be a significant issue. This is not the case for Hartlepool as the total share of the grant for all Parish Councils is estimated at around £4,000 for 2018/19.
- 5.9. In summary the continuation of a 12% LCTS scheme for 2018/19 is financially sustainable and reflected in the MTFS forecasts.

**6 LEGAL CONSIDERATIONS**

- 6.1. Councils are required to determine and operate their own LCTS scheme for each financial year. Once a LCTS scheme has been set for a financial year it cannot be altered for that year.

**7 CHILD / FAMILY POVERTY CONSIDERATIONS**

- 7.1. Households in receipt of welfare benefits continue to be impacted by the breadth of the national welfare reforms. If the Council were to approve a 12% LCTS cut for 2018/19, the Council's locally approved LCTS scheme will have provided the following financial support to low income working age households compared to annual LCTS cuts of 20% over the 6 years up to March 2019. Most other Tees Valley councils have operated LCTS schemes involving cuts of 20% since April 2013. This position is summarised below:

Impact of Hartlepool's actual 2013/14 to 2017/18 LCTS scheme and proposed 2018/19 LCTS cut compared to annual cuts of 20%.

	Band A	Band B
Council Tax Liability with a 20% LCTS cut in 2013/14, to 2018/19.	£ 1,410	£ 1,645
Council Tax Liability with <u>HBC phased LCTS cuts</u> of 8.5 % in 13/14 and 12% in 14/15, 15/16, 16/17,17/18 and 18/19.	£ 806	£ 941
<b>Cumulative Support to Households 2013/14 to 2018/19</b>	<b>£ 604</b>	<b>£ 704</b>
Number of Households Supported (i.e. who previously received 100% Council Tax Benefit)	5,279	441
Percentage of LCTS Households (i.e. who previously received 100% Council Tax Benefit)	90%	7%

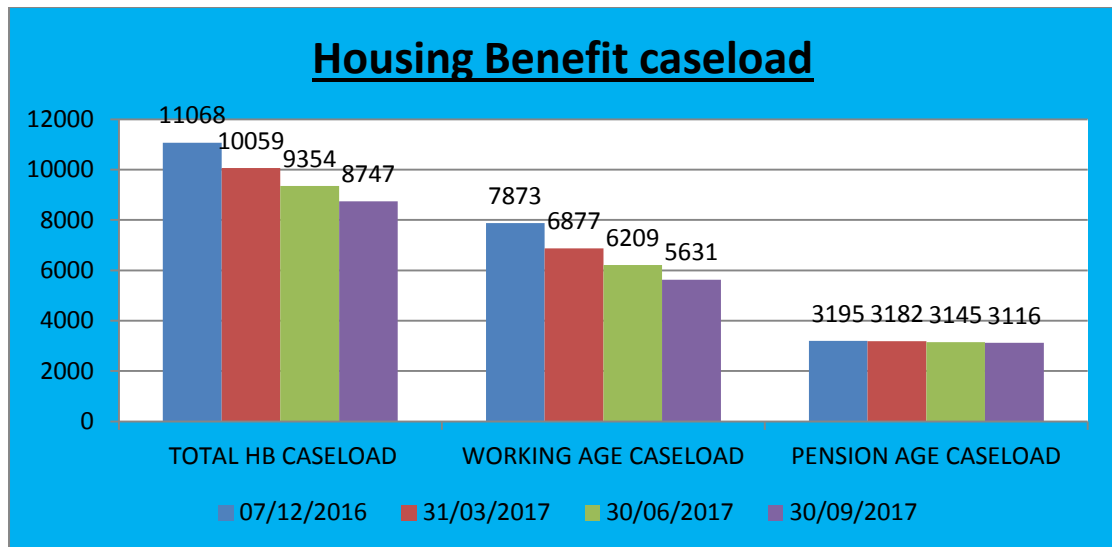
- 7.2. Furthermore, the Hartlepool LTCS scheme complements the recently approved local policy of exempting Hartlepool Care Leavers from Council Tax until the age of 25. The Care Leaver policy removes a key financial challenge and provides an additional foundation as Care Leavers move to independence and adult life.

## 8. EQUALITY AND DIVERSITY CONSIDERATIONS

- 8.1. An Impact Assessment covering LCTS has been reviewed and is included as **Appendix A**.

## 9 STAFF CONSIDERATIONS

- 9.1. The scope of the DWP's Universal Credit (UC) initiative continues to expand as councils move to "full service UC" whereby benefit claimants of all types are moved onto UC when their personal circumstances change. Nationally, as at September 2017 there are about 610,000 working age people receiving UC and the DWP forecast that numbers will grow significantly over the next 2 years.
- 9.2 Hartlepool went live with Full Service UC in the early phases of the national roll out in December 2016 and by the end of September 2017 about 2,200 working age cases (28% of those claiming housing benefit) have moved to UC. This caseload transfer is closely monitored as shown in the graph below:



- 9.3 If the current rate of transfer of claimants to UC were to be sustained, then all working age cases eligible to move to UC will have transferred by Spring 2019.
- 9.4 Under UC where a household has a housing support entitlement i.e. housing benefit, in most scenario's this support will be paid monthly by the DWP within UC and will no longer be paid by councils. These households will continue to have a LCTS entitlement but the administration of LCTS will become more challenging covering the claim process and validating financial information to support the income based means tested calculations.
- 9.5 There are current economies and efficiencies in administering LCTS as many of the underlying principles mirror the national Housing Benefit scheme and funding is provided annually by the DWP to councils to administer Housing Benefit. Many claims for support are dual, covering both Housing Benefit and LCTS and the process and calculations of entitlement are undertaken together.
- 9.6 However, it is predicted that at a future date the DWP will reduce the Housing Benefit administration grant it pays to Councils, as working age cases move to UC. It should be noted that there are no national plans at this stage to move pension age housing benefit away from Councils and some working age claimants in specific types of accommodation are also likely to continue to receive Housing Benefit from councils.
- 9.7 In future, all Councils will face the challenge of administering LCTS against a background of reduced central government administration funding. The Council will need to develop a plan to address this issue by devising a new LCTS scheme that will potentially apply from April 2019 based on more streamlined processes for claiming, assessing and awarding support. Development of this new scheme will require comprehensive consultation and engagement with a range of

stakeholders. The development of revised LCTS administrative arrangements will also consider the alternative operational models for providing this service, alongside other support services to vulnerable households. Further details will be reported to this Committee when more information is available, including the level of Government funding to administer LCTS.

9.8 To avoid a future General Fund budget pressure, administration of the 2019/20 Hartlepool LCTS scheme and ongoing housing benefit for pensioners will need to be delivered within a reduced central government funding envelope. However, the Council will probably not receive confirmation of the administration allocations to apply from April 2019 until December 2018.

9.9 The future delivery arrangements for LCTS will need to be developed during 2018/19 and detailed options and recommendations will be submitted to a future Finance and Policy Committee. Details of the approved option will then be subject to consultation with staff and relevant stakeholders. In accordance with established protocols, every effort will be made to maximise staffing reductions by managing vacancies and accepting requests for voluntary redundancies. Furthermore, formal clarification is expected shortly from the DWP regarding the level of funding to be provided to meet the one off costs associated with reconfiguring the Benefits service.

## **10. ASSET MANAGEMENT CONSIDERATIONS**

10.1 There are no asset management considerations.

## **11 APPENDICES**

11.1 Appendix A – Equality and Diversity Impact Assessment.

## **12. RECOMMENDATIONS**

12.1 It is recommended that Members:

- i. Note the future financial and administrative risks associated with the LCTS scheme;
- ii. Approve a 2018/19 LCTS scheme involving a cut of 12% to be referred to full Council in December 2017;

### **13. REASONS FOR RECOMMENDATIONS**

- 13.1 To update Finance and Policy Committee on latest available data on the LCTS scheme costs and the future risks associated with the Government's national welfare reforms.
- 13.2 To enable Members to agree a LCTS scheme for 2018/19 to refer to full Council.

### **14. BACKGROUND PAPERS**

- 14.1 Medium Term Financial Strategy Update and Savings Programme 2018/19 to 2019/20 for Finance and Policy Committee 18<sup>th</sup> September 2017.

### **15. CONTACT OFFICER**

John Morton  
Assistant Director Finance and Customer Services  
01429 523093  
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## Appendix A

Department	Division	Section	Owner/Officer
Chief Executives	Finance	Revenues & Benefits	John Morton
Function/Service	Local Council Tax Support Scheme 2018/19, Universal 12% reduction in LCTS Awards (excl. low income pensioners).		
Information Available	HBC data on caseload / awards, financial modelling of local scheme, CLG full EIA, Family Resources Survey data, Census 2011, ONS population statistics, DWP data.		
<b>Relevance</b>  <i>Identify which strands are relevant to the area you are reviewing or changing</i>	<b>Age</b>		
	<p>The Government considered the position of low income pensioners associated with the abolition of Council Tax Benefit and the introduction of LCTS. The Government determined that unlike most other groups, pensioners cannot reasonably be expected to seek paid employment to increase their income. Therefore the Government determined that as a specific vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform. The Government has not changed its position on this core principle for 2018/19.</p> <p><b>In Hartlepool 5,427 low income pensioners account for 40% of all LCTS claimants and the Council is required by Government to continue to protect this group.</b></p>		
	<b>Disability</b>		
	<p>It is difficult to quantify accurately either the number of disabled people living in Hartlepool or the number of households in receipt of LCTS and where an individual in that household is receiving a disability related benefit.</p> <p><b>Fundamentally, the 2018/19 Hartlepool LCTS scheme continues with the core equity Principle that every working age household should pay something to towards Council Tax and that the level of cut should be equal. The Council endeavours to minimise the impact of LCTS but the LCTS scheme does not provide for protection / detriment for any specific working age group.</b></p>		
	<b>Race / Gender / Gender Re-assignment</b>		
	<p>The Government does not believe 'that this nationally driven policy change will disproportionately affect any particular gender or ethnicity'. The Government has not changed its position on this core principle for 2018/19. However both nationally and locally, there are almost twice as many female as male council tax support claimants, reflecting the number of single female claimants with child dependants.</p> <p>Only about 2.3% of Hartlepool's population are non-white. It is not known how many of this group claim LCTS, as data within the LCTS system is incomplete for this group (claimants often do not complete this section of the</p>		

	application form).		
	The 2018 / 19 Hartlepool LCTS scheme does not provide for protection / detriment for any specific working age group		
	Religion		
	No effect		
	Sexual Orientation		
	No effect		
	Marriage & Civil Partnership		
	No effect		
	Pregnancy & Maternity		
	No effect		
Information Gaps	Nil.		
What is the Impact	<ul style="list-style-type: none"><li>• Every working age household will pay some Council Tax</li><li>• Other non dependant adults in the household will be expected to contribute to council tax</li><li>• The scheme will encourage work</li><li>• The 2018/19 LCTS scheme will continue to be based on the key features of the former CTB scheme and will “mirror” national Housing Benefit regulation changes</li><li>• A universal 12% reduction in the value of the award will be made for all working age low income households.</li><li>• Low income pensioner households are protected in line with Central Government Policy.</li><li>• The 2018/19 LCTS scheme will continue to comply with the Armed Forces Covenant.</li><li>• The 2018/19 LCTS scheme will continue to fully disregard child maintenance when assessing LCTS awards. This is consistent with national Housing Benefit regulations.</li></ul>		
Addressing the impact	1. No Major Change - The proposal is robust there is no potential for discrimination across working age claimants. (The council has no choice on the protection of low income pensioners).		
	The maintenance in the level of cuts to LCTS awards for 2018/19 at 12% sustains financial support as households adjust to the impacts of the wider national benefit reforms. The 2018/19 Hartlepool scheme continues to provide no protection/ detriment for any specific working age group and is centred on equality of impact.		
Actions			
The 2018/19 LCTS scheme has been developed with the aim of removing any potential for discrimination.			
Action identified	Responsible Officer	By When	How will this be evaluated?
Scheme Principles review	Liz Cook Principal Benefits Officer	Oct 18	Peer review by Chief Executive’s Department Diversity Lead officer.

# COUNCIL

14<sup>th</sup> December 2017



**Report of:** Children's Services Committee

**Subject:** YOUTH JUSTICE STRATEGIC PLAN 2017 - 2019

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## 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the Council with the Youth Justice Strategic Plan 2017 – 2019 (**Appendix A**) prior to the plan being submitted to the National Youth Justice Board.

## 2. BACKGROUND

- 2.1 The National Youth Justice System primarily exists to ensure that children and young people between the age of 10 and 17 do not engage in offending or reoffending behaviour. It also ensures that where a young person is arrested and charged with a criminal offence, they are dealt with differently to adult offenders to reflect their particular welfare needs as children.
- 2.2 Local Youth Offending Services were established under the Crime and Disorder Act 1998 to develop, deliver, commission and co-ordinate the provision of youth justice services within each Local Authority.
- 2.3 Hartlepool Youth Justice Service was established in April 2000 and is responsible for youth justice services locally. It is a multi agency service and is made up of representatives from the Councils' children's services, police, probation, health nurse, police, probation, education, community safety.
- 2.4 There is a statutory requirement for all Youth offending Services to annually prepare a local Youth Justice Plan for submission to the national Youth Justice Board.
- 2.5 The Youth Justice Strategic Plan provides an overview of how the Youth Justice Service, the Youth Justice Strategic Management Board and wider partnership ensure that the service has sufficient resources and infrastructure to deliver youth justice services in its area in line with the requirements of the national Standards for Youth Justice Services to:

- Promote performance improvement;
- Shape youth justice system improvement;
- Improve outcomes for young people, victims and the broader community.

### 3. PROPOSALS

3.1 It is proposed that the Youth Justice Service and broader Youth Justice Partnership focus on the following key strategic objectives during 2017-2019:

- **Re-offending** - reduce further offending by young people who have committed crime with a particular emphasis in the development of Service interventions that are structured, responsive, tailored to meet identified individual need and evaluated. (Both within Youth Justice Service and provided by external agencies).
- **Early Intervention and Prevention** – sustain the reduction of first time entrants to the youth justice system by ensuring that strategies and services remain in place locally to prevent children and young people from becoming involved in crime and anti-social behaviour.
- **Remand and Custody** – demonstrate that there are robust and comprehensive alternatives in place to support reductions in the use of remands and custody.
- **Risk and Safety & Wellbeing (ASSETplus)** – ensure all children and young people entering or at risk of entering the youth justice system benefit from a structured needs assessment to identify risk of harm and safety and well being concerns, to inform effective intervention and risk management.
- **Restorative Justice** – ensure all victims of youth crime have the opportunity to participate in restorative justice approaches and restorative justice is central to work undertaken with young people who offend.
- **Effective Governance** – ensure that the Youth Justice Strategic Management Board is a well constituted, committed and knowledgeable Board which scrutinises Youth Justice Service performance.
- **Voice of the Young People** – ensure that all young people are actively involved in developing their own plans and interventions and have the opportunity to develop and inform current and future service delivery
- **Extremism and PREVENT Strategy** – *To ensure that the Youth Justice Service is compliant with legislative and practice requirements and adhere to the specific objectives of the 2011 Prevent Strategy*

**4. RISK IMPLICATIONS**

4.1 The strategic plan identifies key risks to future delivery in Section 8 of the plan. These are:

- Secure Remand Costs – The unpredictability associated with secure remand episodes and secure remand length has the potential to place significant financial pressure on the local authority
- Managing the potential for reduction in YJB grant and partnership financial and 'in-kind' contributions for post-2017/18
- Implementation of Assetplus has been a significant change in practice and the workforce continues to need support to ensure the highest possible standards in assessment and planning

**5. FINANCIAL CONSIDERATIONS**

5.1 The Youth Justice Board (YJB) Grant has been reduced for the last couple of years and this continues to be a risk as the current service would not be sustainable with further cuts. This will be reviewed as notifications from YJB are received re: budgets.

**6. CONSULTATION**

6.1 The plan has been presented to Youth Justice Management Board, Safer Hartlepool Partnership and Children's Services Committee. The plan was well received at all these meetings and endorsed.

6.2 The plan has been shared with the Youth Justice Board who have a role to quality assure all Youth Justice Strategic Plans. The Youth Justice Board gave positive feedback for the plan and felt it met all requirements.

**7. LEGAL CONSIDERATIONS**

7.1 There are no legal issues within this report.

**8. CHILD AND FAMILY POVERTY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)**

8.1 There are no specific child and family poverty implications for this plan. All young people who are at risk of offending or have offended are supported by the service

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

- 9.1 There are no specific equality and diversity implications for this plan. All young people who are at risk of offending or have offended are supported by the service.

**10. STAFF CONSIDERATIONS**

- 10.1 There are no staffing considerations within this plan.

**11. ASSET MANAGEMENT CONSIDERATIONS**

- 11.1 There are no asset management considerations.

**12. RECOMMENDATIONS**

- 12.1 The Council is asked to ratify the Youth Justice Strategic Plan 2017 – 2019.

**13. REASONS FOR RECOMMENDATIONS**

- 13.1 The development of the Youth Justice Strategic Plan for 2017 -2019 will provide the Youth Justice Service with a clear steer to enable further reductions in youth offending and contribute to improving outcomes for children, young people and their families alongside the broader community.

**14. BACKGROUND PAPERS**

The following background papers were used in the preparation of this report: The Youth Justice Boards; Youth Justice Performance Improvement Framework (Guidance for Youth Justice Board English Regions available at: <https://www.gov.uk/government/organisations/youth-justice-board-for-england-and-wales>)

**15. CONTACT OFFICER**

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# **HARTLEPOOL**

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## **YOUTH JUSTICE SERVICE**

**STRATEGIC PLAN 2017 - 2019**

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## 1. FOREWORD

Welcome to the 2017 - 2019 Hartlepool Youth Justice Strategic Plan. This plan sets out our ambitions and priorities for Hartlepool Youth Justice Service and the broader local Youth Justice Partnership for the next 2 years.

Hartlepool's Community Strategy 2008-20 establishes a vision for the town:

*“Hartlepool will be an ambitious, healthy, respectful, inclusive, thriving and outward looking community, in an attractive and safe environment, where everyone is able to realise their potential”.*

The Youth Justice Service and broader partnership has a key role in contributing to this vision, by building upon our historical delivery of high quality, effective and safe youth justice services that prevent crime and the fear of crime, whilst ensuring that young people who do offend are identified, managed and supported appropriately and without delay.

In recent years Hartlepool has witnessed a significant reduction in youth crime. The local youth justice partnership has been particularly effective in reducing the numbers of young people entering the youth justice system for the first time; but there remains a need to drive down incidents of re-offending by young people who have previously offended through a combination of robust interventions designed to manage and reduce risk of harm, support safety & wellbeing issues, restore relationships, promote whole family engagement and achieve positive outcomes.

This plan builds upon our progress to date whilst acknowledging that the enduring economic climate, welfare reform and the introduction of new legislation and reforms relating to how we respond to children, young people, families and communities will inevitably present new challenges in the coming year and beyond.

Despite these challenges I am confident that Hartlepool Youth Justice Service and the broader Youth Justice Partnership will continue to help make Hartlepool a safer place to live, work, learn and play.

As always, the Strategic Management Board is extremely grateful for the skill and dedication of our employees in supporting young people who offend, or are at risk of becoming involved in offending, in Hartlepool.

On behalf of the Youth Justice Service Strategic Management Board I am pleased to endorse the Youth Justice Strategic Plan for 2017 -2019.

Signature

A handwritten signature in black ink, appearing to read 'L Beeston', written in a cursive style.

Lynn Beeston Youth Justice Service Strategic Management Board Chair

## 2. INTRODUCTION

The National Youth Justice System primarily exists to ensure that children and young people between the age of 10 and 17 (who are arrested and charged with a criminal offence) are dealt with differently to adult offenders, to reflect their particular welfare needs.

In summary, children and young people who offend are:

- Dealt with by youth courts
- Given different sentences in comparison to adults
- And when necessary, detained in special secure centres for young people as opposed to adult prisons.

It is the responsibility of the Local Authority and statutory partners to secure and coordinate local youth justice services for all of those young people in the Local Authority area who come into contact with the Youth Justice System as a result of their offending behaviour through the establishment and funding of **Youth Justice Services**.

The primary functions of Youth Justice Services are to prevent offending and re-offending by children and young people and reduce the use of custody.

Hartlepool Youth Justice Service was established in April 2000 and is responsible for the delivery of youth justice services locally. It is a multi-agency service and is made up of representatives from the Council's Children's Services, Police, Probation, Public Health, Education, Community Safety and the local voluntary/community sector and seeks to ensure that:

- All children and young people entering the youth justice system benefit from a structured needs assessment, to identify risk and protective factors associated with offending behaviour to inform effective intervention.
- Courts and youth offender panels are provided with high quality reports that enable sentencers to make informed decisions regarding sentencing.

- Court orders are managed in such a way that they support the primary aim of the youth justice system, which is to prevent offending, but also that risk of harm is managed and that they have regard to the welfare of the child or young person.
- Services provided to courts are of a high quality and that magistrates and the judiciary have confidence in the supervision of children and young people who are subject to orders.
- Comprehensive bail and remand management services are in place locally for children and young people remanded or committed to custody, or on bail while awaiting trial or sentence.
- The needs and risks of young people sentenced to custodial sentences (including long-term custodial sentences) are addressed effectively, to enable effective resettlement and management of risk.
- Those receiving youth justice services are treated fairly regardless of race, language, gender, religion, sexual orientation, disability or any other factor, and actions are put in place to address unfairness where it is identified

In addition to the above, the remit of the service has widened significantly in recent years due to both national and local developments relating to prevention, diversion and restorative justice and there is a now requirement to ensure that:

- Strategies and services are in place locally to prevent children and young people from becoming involved in crime or anti-social behaviour.
- Assistance is provided to the Police when determining whether Cautions should be given.
- Out-of-court disposals deliver targeted and bespoke interventions for those at risk of offending or entering the Youth Justice System.
- Restorative justice approaches are used, where appropriate, with victims of crime and that restorative justice is central to work undertaken with young people who offend.

The Hartlepool Youth Justice Plan for 2017-2019 sets out how youth justice services will be delivered, funded and governed in response to both local need and national policy changes. It also highlights how Hartlepool Youth Justice Service will work in partnership to prevent offending and re-offending by Children & Young People and reduce the use of custody.

### 3. WHAT WE HAVE ACHIEVED IN 2016/2017

A review of progress made against last year's plan highlights that the service has made progress across the majority of the year's priorities; but there remains key areas for improvement that will need to be driven forward in the coming year:

	Comments
<p><b>Early Intervention and Prevention</b> – sustain the reduction of first time entrants to the youth justice system by ensuring that their remain strategies and services in place locally to prevent children and young people from becoming involved in crime and anti-social behaviour</p>	<p>In 2016/17, Hartlepool YJS saw an increase in FTEs, from 35 young people in 2015/16 to a year-end of 40, which followed a levelling out in the 2 years preceding. This rise is reflective of a Tees-wide trend, with neighbouring Tees Valley YOTS also reporting increased FTEs for 2016/17.</p> <p>Despite this, partnership arrangements with Cleveland Police remain established and effective in relation to the diversion of young people from the Youth Justice System. This remains primarily through the delivery of Out Of Court Disposals, with longer term data trend evidencing significant success in this area</p>
<p><b>Re-offending</b> - reduce further offending by young people who have committed crime</p>	<p>The way this performance indicator is measured has been changed nationally which has made direct comparisons with historical performance difficult.</p> <p>Taking all this into account, Hartlepool is still above the national and regional average The YJMIS reoffending data provides an encouraging picture. Up until the last quarter of 2016/17, Hartlepool YJS' reoffending rate had been below the Teesside average. The current rate is 46.1%, which represents a reduction of 2.4% since 2013. The number of re-offenders has reduced from 54 in 2015/16 to 41 in 2016/17. However, given the reduction of cohort size and increase in re-offences, Hartlepool's rate of re-offences per re-offender had increased by 2.53 to a rate of 5.41.</p>

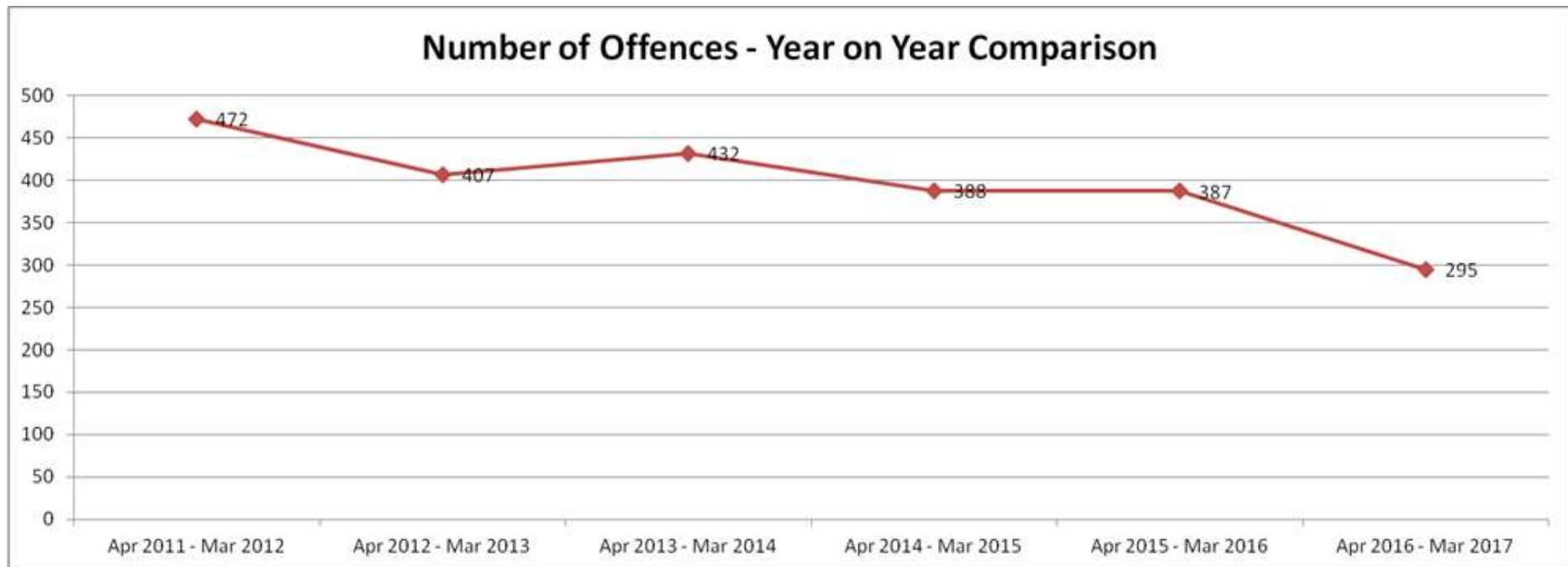
	<p>The number of offences committed by the YJS cohort has reduced from 387 (2015/16) to a current level of 295 in 2016/17. This represents a reduction of 24%.</p>
<p><b>Remand and Custody</b> – demonstrate that there are robust and comprehensive alternatives in place to support reductions in the use of remands and custody.</p>	<p>The number of remand episodes decreased from 2 in 2014-2015 to none in 2016/17. This was the lowest of all YOTs in England and Wales.</p> <p>Bail Supervision and Support/ISS packages are available and both offered and utilised (where necessary or appropriate) as an alternative to custody.</p> <p>The number of custodial sentences decreased in 2016-2017 to just 3 young people, from the 2015/16 figure of 4 young people.</p> <p>The number of breaches of community based court orders has decreased from 36 in 2015-2016 to 25 in 2016/17. Longer term trend data reveals a 44% reduction in breaches of community court orders since 2014.</p> <p>Compliance panels are now established within YJS practice, as a means by which barriers to engagement and reasons for lack of engagement are discussed and addressed between the case manager, the young person and their family and chaired by a member of YJS management.</p>
<p><b>Restorative Justice</b> – ensure all victims of youth crime have the opportunity to participate in restorative justice approaches and restorative justice is central to work undertaken with young people who offend.</p>	<p>All victims of youth crime continue to be provided with the opportunity to participate in restorative justice approaches and restorative justice remains central to work undertaken with young people who offend.</p>

	<p>The Restorative Justice and Victim provision was in-sourced from April 2017, after a review of the previous provision. These statutory duties have been re-aligned within the existing staffing of Hartlepool YJS – all of whom have undertaken service-wide Restorative Justice training, many to level 3. This has enabled Hartlepool YJS to have direct control and influence in shaping the direction and quality of RJ work.</p> <p>Young people, under the supervision of Hartlepool YJS, delivered approximately 387 hours of direct and indirect unpaid reparative activity within the Hartlepool area in 2016/17. This was across a varied scope of projects and collaborative working with local voluntary groups in locations across the town.</p>
<p><b>Risk and Safety &amp; Wellbeing</b> – ensure all children and young people entering or at risk of entering the youth justice system benefit from a structured needs assessment to identify risk and vulnerability to inform effective intervention and risk management.</p>	<p>Risk and Safety &amp; Wellbeing arrangements continue to benefit from regular audit activity to ensure that all young people entering (or at risk of entering) the youth justice system benefit from a structured needs assessment (via ASSETplus) to identify Risk and Safety &amp; Wellbeing and to inform improved planning and interventions, as we know the individual circumstances and situation better.</p>
<p><b>Voice of the Young People</b> – ensure that all young people are actively involved in developing their own plans and interventions and have the opportunity to develop and inform current and future service delivery</p>	<p>Hartlepool YJS has ensured and evidenced young people's involvement in relation to their assessment and plans – primarily through completion of the ASSETplus self assessment.</p> <p>The service has ensured young people have been provided with opportunities to influence and shape service delivery – through utilising HMIP Viewpoint e-survey feedback. This showed that Young People's perceptions of the service they were provided and their likelihood of offending were improved on 2015/16. In addition, 100% of respondents within the HMIP e-survey felt they had been treated fairly by the YJS staff working with them</p> <p>Specialist Speech, Language and Communication Need (SLCN)</p>

	<p>training was commissioned from Durham YOS and whole-service training delivered - with the aim of raising awareness and supporting more effective completion of Assessments. In turn, this has enabled more effective signposting of young people to specialist Speech &amp; Language Therapeutic services.</p>
<p><b>Extremism and PREVENT Strategy</b> – To ensure that the Youth Justice Service is compliant with legislative and practice requirements and adhere to the specific objectives of the 2011 Prevent Strategy</p>	<p>All members of Hartlepool Youth Justice Service (across all staff grades) have completed the mandated training around the prevent strategy and the Government's overall counter-terrorism strategy (CONTEST)</p> <p>Hartlepool YJS has a designated staff member as specialist Prevent lead and WRAP3 Train the Trainer, accredited via the Office for Counter Terrorism &amp; Security.</p> <p>Assessments and planned interventions adequately consider issues such as extremism and radicalisation and where necessary or appropriate, refer young people for further guidance and support</p> <p>Scoping has commenced to establish the viability of developing an intervention package to deliver to young people subject to YJS supervision. This has included delivery of service-wide training on Islam Awareness in May 2017, by the regional Islamic Diversity Centre.</p>
<p><b>Effective Governance</b> – ensure that the Youth Justice Strategic Management Board remains a well constituted, committed and knowledgeable Board which scrutinises Youth Offending Service performance.</p>	<p>The Youth Justice Strategic Management Board continues to be a well constituted, committed and knowledgeable Board which scrutinises Youth Justice Service performance.</p> <p>A review will take place over the next six months to ensure that the governance of YJS activity is fit for purpose with changing national policy.</p>

## Young People who offend

In spite of the challenges that young people, families and communities contend with in Hartlepool, the local Youth Justice Partnership has had significant success in recent years in terms of preventing and reducing youth offending behaviour.



The number of offences committed by the YJS cohort has reduced from 387 (2015/16) to a current level of 295 in 2016/17 – which represents a significant reduction of 24%. Alongside this, the longer term rising trend in Restorative Interventions (for which responsibility lies with the Police) has also helped to reduce the number of Young People entering the Criminal justice system and the Court system.

## Prevention and Diversion

In recent years, Hartlepool Youth Justice Service and the broader youth justice partnership have placed a significant emphasis on the prevention of young people's involvement in crime and anti-social behaviour and this has had a positive impact upon the numbers of young people entering the Youth Justice System.

Youth crime prevention and diversion is based on the premise that it is possible to change the life-course trajectories of young people by reducing risk factors that may lead to offending behaviour and building on protective factors that might help prevent offending.

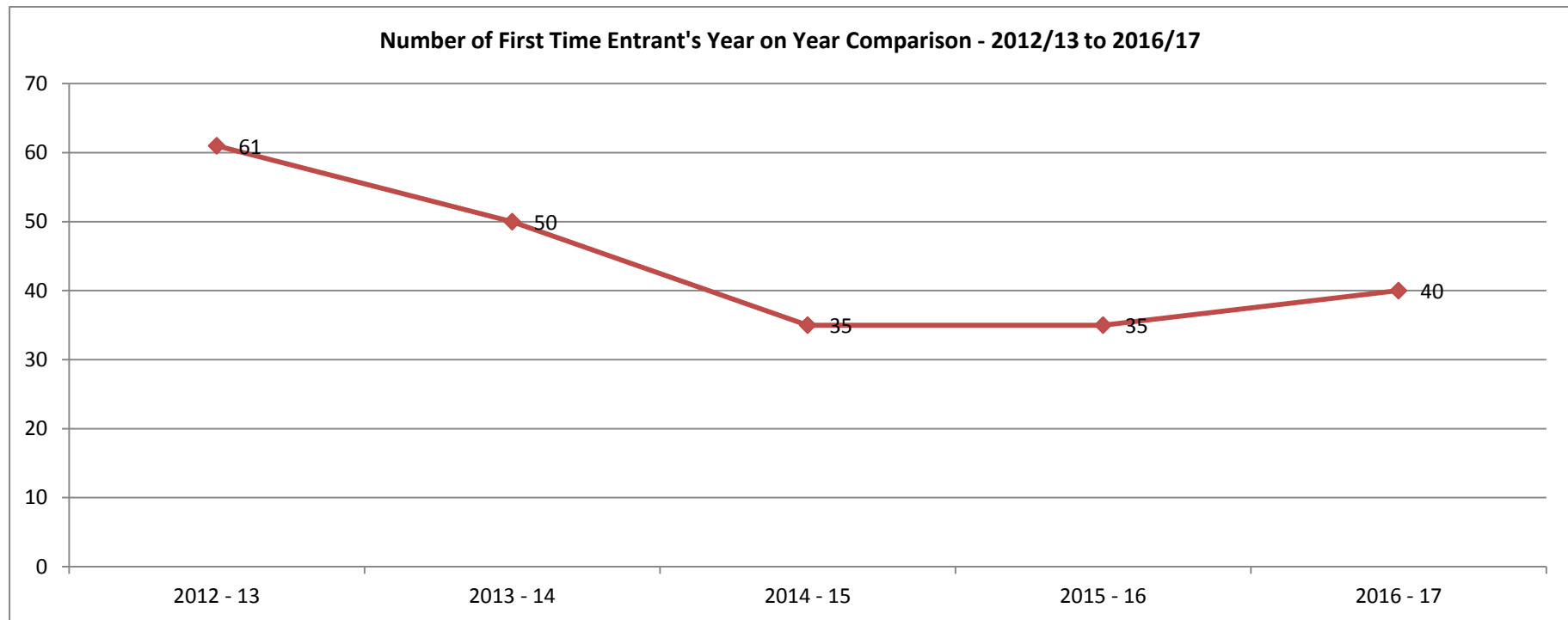
It marks a concerted shift away from reactive spending towards early action and intervention through a range of programmes for young people who are deemed to be at risk of offending, which can result in better outcomes and greater value for money.

For young people whose behaviour has become more problematic robust out of court interventions have proven to be highly successful in diverting young people away from further involvement in crime and anti-social behaviour. The use of out of court interventions are able to impress upon the young people the seriousness and potentially damaging effect of their actions however they do not criminalise the young people in the way that statutory court orders inevitably do.

For the first time since the introduction of Triage in 2009/10, Hartlepool YJS has seen an increase in First Time Entrants (FTEs) which follows a levelling out in the 2 years preceding 2016/17. However, this is reflective of a Tees-wide trend, with neighbouring Tees Valley YOTs also reporting increased FTEs for 2016/17. Despite this, partnership arrangements with Cleveland Police remain established and effective in relation to the diversion of young people from the Youth Justice System. This remains primarily through the delivery of Out Of Court Disposals (O OCD), with longer term data trend evidencing significant success in this area. Indeed, Hartlepool YJS will continue to monitor the number of FTEs and for those young people subject to an O OCD, ensuring interventions are robust and sufficient to address the offence committed and prevent any further offending.

Furthermore, HMIP's corporate plan for 2017-2020 acknowledges that diversion and prevention are a significant area of activity and it is the stated intention to inspect the broader range of YOT work with children, which encompasses Out of Court Disposals. The pending 2017-18 Thematic on Out of Court Disposals marks a starting point for this approach and as such, this will continue to be a priority for Hartlepool YJS and the broader Youth Justice Partnership, throughout 2017-19.

## First Time Entrants (FTEs)



## Re-Offending

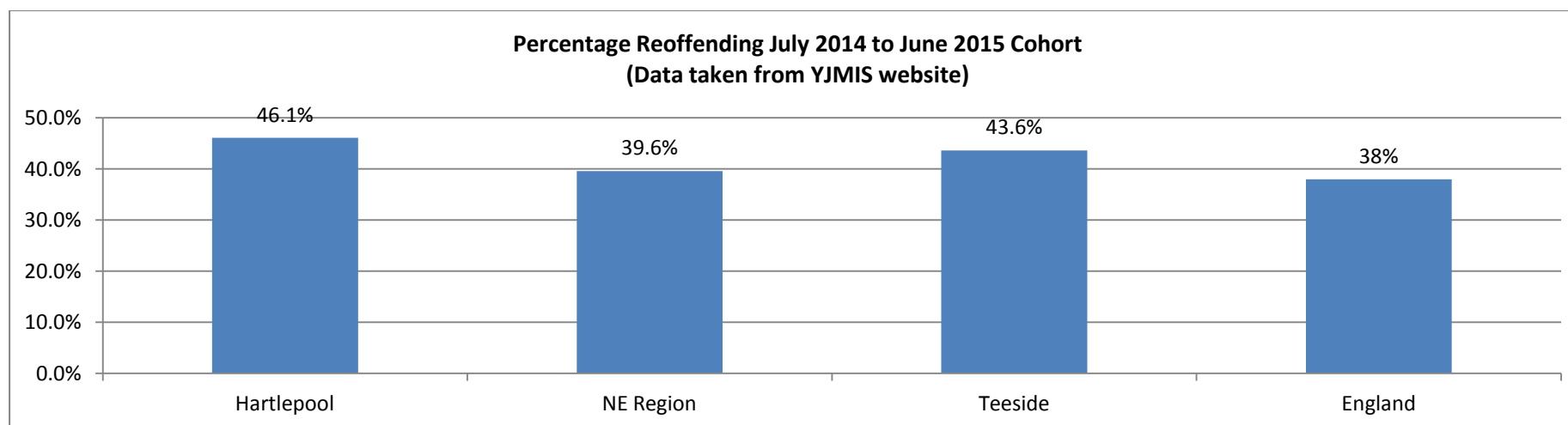
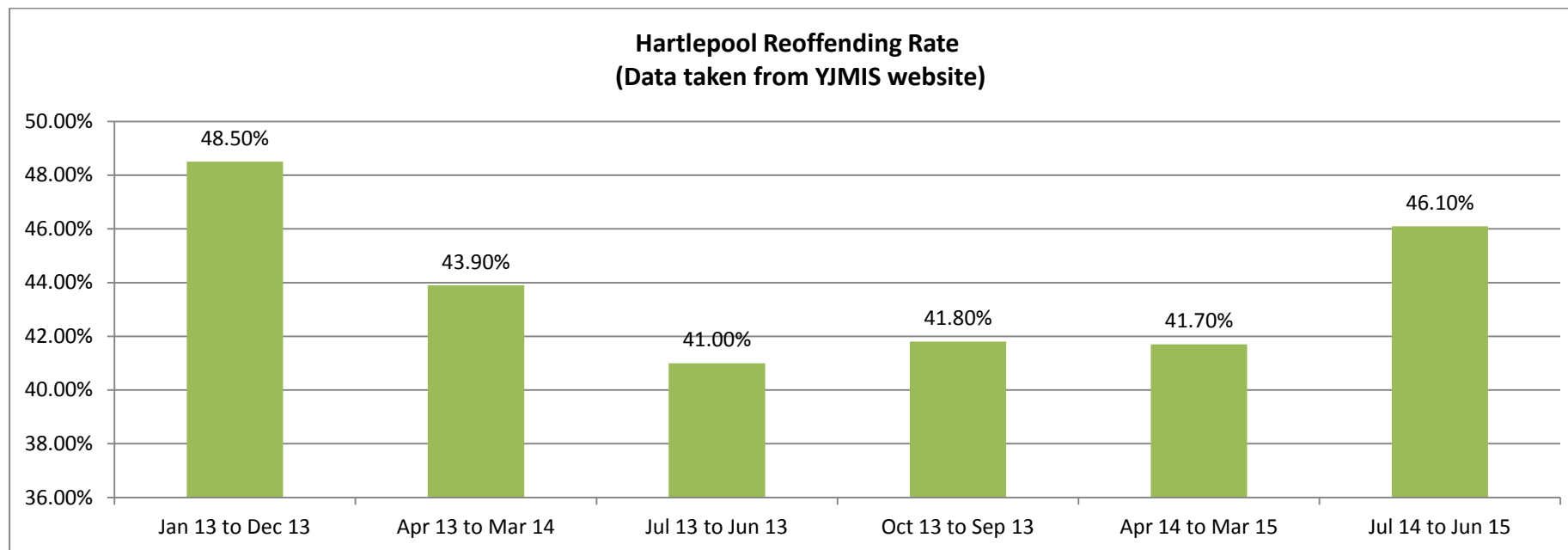
The re-offending indicator has been changed nationally which makes direct comparisons with historical performance difficult. Although Hartlepool is still above the national and regional average, the YJMIS reoffending data provides an encouraging picture. Up until the last quarter of 2016/17, Hartlepool YJS' reoffending rate had been below the Teesside average. At a current level of 46.1% this still represents a reduction of 2.4% since 2013. Each of the cohorts are tracked for a period of 12 months, plus a further waiting period of 6 months to allow for any offences which may be in the system – therefore the most recent reoffending data always has an 18 month time lag – as detailed in the table below. This said, it is of note that 3 of the 4 tracked cohorts have indicated reductions in the binary percentage rate of reoffending.

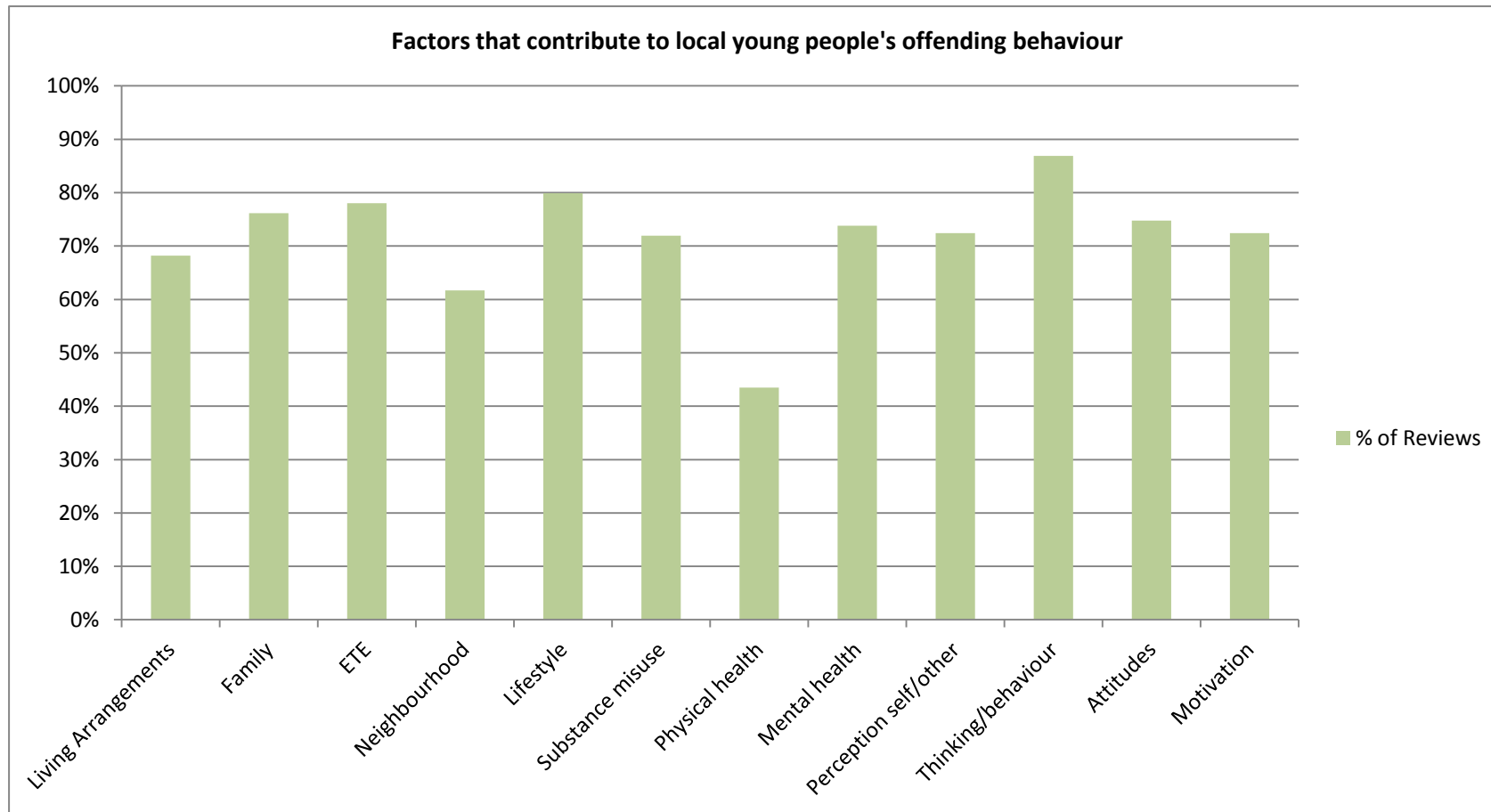
Alongside this, the number of re-offenders has reduced from 54 in 2015/16 to 41 in 2016/17. However, given the reduction of cohort size and increase in re-offences, Hartlepool's rate of re-offences per re-offender had increased by 2.53 to a rate of 5.41.

Cohort	Number in cohort	No of Reoffenders	No of Reoffences	Re-offences / Re-offenders	% Reoffending
Jan 13 to Dec 13	134	65	182	2.80	48.5%
Apr 13 to Mar 14	123	54	136	2.52	43.9%
Jul 13 to Jun 13	122	50	144	2.88	41.0%
Oct 13 to Sep 13	110	46	155	3.37	41.8%
Apr 14 to Mar 15	96	40	179	4.48	41.7%
Jul 14 to Jun 15	89	41	222	5.41	46.1%

**Note:** The cohort is tracked for a period of 12 months plus another further waiting period of six months. April 2013 to March 2014 tracked, and reporting for the quarter ending-December 2015.

The rate of youth reoffending within Hartlepool remains above the national and regional average and this needs to be addressed in the coming year. This will be primarily through improvements in assessments and in the structure of the interventions 'offer' to young people under YJS supervision and using feedback from young people to inform service delivery. In addition, the proportionate use of a suite of rehabilitative interventions, and where necessary, restrictive interventions will serve to ensure effective management and support to address risk and welfare-related need.





Analysis highlights that the service is dealing with smaller caseloads which consist of much more complex individuals with multiple risks and vulnerabilities. Within the overall caseload, an analysis of the 'Top Ten' repeat offenders during 2016/17, reveals a cohort which display broader lifestyle choices relating to substance misuse and the need to generate income to maintain substance misuse levels. This also reflects the national and regional picture in terms of caseload composition.

Furthermore, this cohort of repeat offenders are predominantly young males aged between 14 and 16, many of whom reside within Hartlepool's most deprived neighbourhoods. Although not mutually exclusive, the common criminogenic and welfare issues prevalent amongst this cohort are identified as:

- higher than average mental health needs
- higher levels of drug and alcohol use than for the general population and in particular 'heavy cannabis use'
- low educational attachment, attendance and attainment
- having family members or friends who offend
- higher than average levels of loss, bereavement, abuse and violence experienced within the family
- a history of family disruption
- chaotic and unstructured lifestyles

Alongside this cohort of young males, there is another cohort of young females aged 16-17, whom although perhaps not as prolific in terms of reoffending, are of significant concern due to multiple complex issues which are more welfare-orientated. These include: Substance misuse, chaotic lifestyles, sexual exploitation, missing from home and family breakdown. Again, as with the male cohort, young females who are offending are noted to have a higher prevalence of poor emotional well-being. Analysis shows that this arises from loss, bereavement and domestic or sexual abuse.

Working in partnership is key to supporting a greater understanding of these underlying issues and addressing them in a holistic and co-ordinated way to provide "pathways out of offending", reduce crime and break the cycle of offending behaviour across generations. This partnership, collaborative work is achieved through:

- A Better Childhood In Hartlepool,
- Think Families, Think Communities,
- Education Commission and;
- Emotional Health and Wellbeing Transformation

It is also important to adopt an 'intelligence-led' targeted approach (particularly in relation to prevention) and build on service-wide staff training to improve assessment and responses to Speech, Language, & Communication, Emotional Health and Wellbeing. An important element to the reduction of reoffending and reduction in entering the youth justice system is the development of the YJS 'offer'. This is structured and bespoke quality interventions (both by the YJS staff and partner agencies and organisations) based on high quality, integrated assessments and plans. Some progress has been made in this area, however further work is needed in the forthcoming year. Some innovative interventions have been developed and a more evident 'Think Family' approach is being further developed within the service, which will continue to be monitored through established quality assurance and performance measures, such as the monthly collaborative 'Top Ten' meetings between Police, Social Care, ASB and YJS.

## Victims of Youth Crime

Whilst crime rates in Hartlepool have fallen, the likelihood of being a victim of crime still remains a reality, especially in our most vulnerable and disadvantaged communities. The Youth Justice Service and broader Youth Justice Partnership are working hard to reduce the numbers of victims of crime, including the successful use of restorative justice to achieve this objective. Restorative justice provides opportunities for those directly affected by an offence (victim, offender and members of the community) to communicate and agree how to deal with the offence and its consequences.

Restorative justice is an important underlying principle of all disposals for young people on YJS caseload, from Triage to Detention & Training Orders. Whilst restorative processes typically result in practical reparation, for example participating in a task that benefits the community, the communication between victim and offender as part of this process can also produce powerful emotional responses leading to mutual satisfaction and socially inclusive outcomes.

In addition victims of crime are helped to access appropriate support pathways that enable them to move on from the impact of crime. A personalised approach is taken to ensure that victims of crime in Hartlepool are placed at the centre. This includes ensuring that individual needs and wishes are fully taken into account. As a result we aim to visit all victims of crime so they are able to access pathways to support, including the option to participate in restorative justice.

During 2016/17, the Restorative Justice Service (RJ) and victim contacts continued to be delivered by the Children's Society under a commissioned arrangement. However, following a contract review by HBC's Commissioning team and YJS management, the decision was made to in-source the RJ and Victim provision as of 1/4/17. These statutory duties have been re-aligned within the existing staffing of Hartlepool YJS – all of whom have undertaken service-wide Restorative Justice training, many to level 3. This decision has enabled Hartlepool YJS to have a more direct control and influence in shaping the direction and quality of RJ work, including the establishment of updated working policies, practices and procedures. In turn, this has already begun to result in better outcomes for both victims and young people and is much more responsive to local need.

Although statutory RJ functions continue to be delivered, Hartlepool YJS is in a period of consolidation and service development in relation to this strand of work. There is already considerable evidence that RJ practice is much more integrated across all areas of the service. In particular, there is a closer link between RJ workers and case managers in relation to the needs and wishes of victims, as well as complementing and better linking with the variety of reparation projects and activities that are taking place.

In summary, young people under the supervision of Hartlepool YJS delivered approximately 387 hours of direct and indirect unpaid reparative activity within the Hartlepool area in 2016/17. This was across a varied scope of projects and collaborative working with

local voluntary groups in locations across the town, including The Headland, Burn Valley Park, Ward Jackson Park and Seal Sands beach. In addition, more individual bespoke projects have taken place involving Furniture restoration, bird boxes for distribution to local groups or individuals, Christmas hampers for those in need and an Art project.

## Quality of Services

The National Standards for Youth Justice Services are set by the Secretary of State for Justice on advice from the Youth Justice Board for England and Wales (YJB). The standards apply to those organisations providing statutory youth justice services.

Self audit activity (based on the YJB Thematic of 'Reducing Custody' and verified by the national Youth Justice Board) in 2016-2017 indicates that Hartlepool YJS is meeting national standards relating to:

- NS3 – Bail and Remand Management
- NS5 – Reports for Courts, youth offender panels and civil courts in Anti-Social Behaviour Order proceedings and gang injunctions
- NS6 – Work in Courts
- NS7 – Work with Victims of Crime
- NS10 – Long-term custodial sentences (sections 90/91 of the Powers of criminal Court (Sentencing) Act 2000 and Sections 226/228 of the Criminal Justice Act 2003)

The YJB confirmed that no validation visit was required in relation to the successful performance of Hartlepool YJS against these standards.

Throughout 2016/17, the YJS Head of Service has overseen an appropriate and ongoing focus on the quality of assessments and subsequent managerial oversight and quality assurance. This has been sustained by the current management team, through regular supervision, audit, and staff training. Policy development has been a priority in 2016/17, in particular updating and devising explicit staff guidance in relation to the management of Risk of Harm, Safety & Wellbeing and also in relation to Case Recording.

Performance management and data analysis has been another priority within 2016/17, with significant work undertaken in conjunction with the Local Authority's Data information and IT teams. This has enabled various processes and documents (including the YJS Board Report) to be aligned with cleansed data, which not only makes performance management data more accessible and understandable, but also allows such data to inform service improvement activity, comparative analysis or the directing of resource to areas of organisational need.

Over the last 12 months, the Youth Justice Service has successfully managed the challenge of the transition from ASSET to ASSETplus. This national implementation of a new assessment tool was required by all YOTs' across England and Wales, and represented a significant business, practice and technological change. Hartlepool Youth Justice Service maintained close working

relationships with the YJB Business Change Lead, the YJB Regional Advisor and regional YOT colleagues to successfully achieve the implementation and establishing of ASSETplus.

The quality of ASSETplus practice will continue to be a focus throughout 2017/18, with audit oversight via robust and transparent internal quality assurance, staff supervision and ongoing training. The development of Quality Assurance tools and prompt sheets for YJS staff, which are aligned with updated YJS policies and existing HMIP Case Assessment Guidance, to achieve a consistency and transparency of QA practice. This has led to better quality integrated assessments and plans across all YJS cases (Pre and Post Court). This will continue to remain a key priority for workforce development to continue to embed and develop ASSETplus, particularly for newer staff.

From April 2016, Hartlepool YJS have commenced an annual commissioned arrangement with South Tees YOS, which ensures the coverage of Youth Court work in Teesside. Whilst allowing the service to maintain excellent working relationships within the Court arena, this has also served to create some necessary and critical capacity within the team to manage the volume of post-court work and utilise staffing time more effectively. Given the success of this arrangement (strategically, operationally and financially) this will be ongoing until March 2019 and reviewed thereafter.

A key strength of Hartlepool YJS is the ability of staff to engage complex and challenging young people, through quality assessments and response to individual need. This builds positive relationships and leads to better outcomes – both for the young person as an individual and families and the community as a whole. Throughout 2016/17 there has been considerable service-wide training, which complements staff members' professional development on an individual level via training from the Local Authority and other statutory and voluntary partners. Alongside internal training around Risk of Harm, Safety & Wellbeing, and ASSETplus, Hartlepool YJS has commissioned and received specialist Speech Language and Communication Need (SLCN) training, Restorative Justice training, Islam Awareness training and attended specific training around children Running & Missing from Home. Staff development will continue throughout 2017-19 and remains a key activity in ongoing work towards a quality service. This will be supported by regular supervision and appraisal, alongside reflective supervision sessions which encourage staff to analyse their practice within a supportive learning environment.

In relation to inspection, the HMIP Corporate plan 2017-2020 highlights an intention to develop and test a new Youth Offending Team (YOT) methodology and approach. This will be underpinned by agreed quality standards, which will cover a broader range of the work of YOTs and which will be developed in consultation with key organisations and ministers. From 2018, HMIP will grade the quality of work delivered by each YOT using a four point scale, with the following categories: Outstanding, Good, Requires Improvement, Inadequate. Clearly, the challenge for Hartlepool Youth Justice Service throughout 2017-19 is to contribute to the consultation process and to ensure Inspection Readiness.

## Service User Feedback

During 2016-2017, a sample of young people who were subject to statutory post court orders participated in a 'Viewpoint' e-survey questionnaire (overseen and administered by HMIP – Her Majesty's Inspectorate of Probation; and YJS). This was to determine what they thought about the services they had received from Hartlepool Youth Justice Service and whether these services had been effective in terms of reducing their likelihood of re-offending and securing the help that they needed.

The e-survey return data is based on 13 returns gathered at various points during 2016/17. Additional e-survey returns had been completed, but due to technological issues had not been fully captured or recognised as completed returns. HMIP do not count pre-court disposals (given they presently inspect on only post-court cases) hence there is a much reduced sample size to draw from.

Overwhelmingly, those sampled young people were positive about the services they had received from Hartlepool Youth Justice Service:

- 62% of respondents reported that they thought the service provided was very good, with a further 31% reporting that it was good most of the time. The combined total of 93% was up on the 2015/16 figure of 89%.
- 100% of respondents reported that they are less likely to offend as a result of the work they have undertaken with the Youth Justice Service. This represents an increase on the 2015/16 figure of 84%.
- 100% of respondents felt they had been treated fairly by the YJS staff who worked with them (as compared to the 2015/16 figure of 90%). This is all the more relevant when factoring that YJS staff often have to make difficult decisions relating to the management of risk of harm or safety and well-being. Young people may not always agree with such decisions, but that they are able to feel fairly treated regardless, is very significant.

Although the sample is small, and predominantly consists of YPs subject to Referral Orders, it does evidence that young people view Hartlepool YJS as a good/very good service, which treats them fairly and has made them less likely to offend. Importantly, the majority of young people state their work with the YJS has made them realise that change is possible, which was indicated by 85% of respondents. When considering the multiple risks and needs associated with an often complex and vulnerable client group, such feedback and statistics bear credence to the skill, resilience and dedication of YJS staff.

The voice of the young person is identified as a key strategic objective for 2017/18 and completion of ASSETplus self-assessments will remain critical in capturing the voice and perceived needs of those young people with whom the YJS work. Internally, given that (as of April 2017) HMIP are no longer gathering and monitoring Viewpoint e-survey returns, Hartlepool YJS has already commenced some internal work to develop an evaluative Survey Monkey (based on the original Viewpoint questions) which hopes to measure Young People's perceptions of: Quality of Service, Likelihood of Offending, Fairness of treatment by YJS staff and

Quality of interventions. In line with the proposed work outlined above, Hartlepool Youth Justice Service will build on the service-wide specialist training commissioned during 2016/17. Indeed, additional SLCN working resources have been purchased and available for staff to use to support their assessments, planning and intervention delivery with young people, whilst scoping is proposed in relation to a specialist Speech Language Therapist presence within the YOT – initially as a 12m pilot.

## **4. STRATEGIC VISION AND PRIORITIES - A BETTER CHILDHOOD IN HARTLEPOOL**

Hartlepool's Children Strategic Partnership has set out its vision for children and young people within the town as follows:

### **Vision:**

Our ambition as a children's partnership is to enable all children and families in Hartlepool to have opportunities to make the most of their life chances and be supported to be safe in their homes and communities.

### **Obsessions:**

- Life Chances (Health, Wellbeing, Education)
- Being and Feeling Safe
- Relationships and Resilience

The Youth Justice Service, as part of the wider services for children, seeks to deliver on the vision and obsessions through a number of identified Youth Justice Service Strategic Priorities for 2017 - 2019.

In addition, these priorities align and overlap with the strategic objectives set by the Safer Hartlepool Partnership for 2017-2020:

- Reduce Crime and repeat Victimisation
- Reduce the harm caused by drug and alcohol misuse
- Create confident, cohesive and safe communities
- Reduce offending and reoffending.

To enable Hartlepool Youth Justice Service to contribute to the vision above, it will focus on the following strategic objectives and priorities:

## PROPOSED STRATEGIC OBJECTIVES AND PRIORITIES

It is proposed that the Youth Justice Service (and the broader Youth Justice Partnership) will spend the YJB grant in seeking to achieve the following key strategic objectives during 2017-19:

### Youth Justice Strategic Priorities

**Re-offending** - *reduce further offending by young people who have committed crime with a particular emphasis in the development of Service interventions that are structured, responsive, tailored to meet identified individual need and evaluated. (Both within Youth Justice Service and provided by external agencies).*

#### **Key Actions-**

- Undertake quality assessments of young people at risk of re-offending, ensuring risks and needs are identified which inform effective intervention planning
- Improve Interventions delivered, through innovation and collaboration where appropriate
- Improve intelligence relating to those young people who are at risk of offending behaviour to inform service-wide improvement activity or targeted pieces of work
- Acknowledge findings from the HMIP Transitions thematic (Jan 2016) - ensuring that all relevant information is shared with both the NPS and CRC to support the Transition of young people into adult services and to embed the Transitions seconded Probation Officer role
- Acknowledge findings from the HMIP Accommodation Thematic (Sept 2016) to ensure issues are highlighted at strategic level and ensure YJS contribute to local collaborative work to monitor Homelessness amongst YP subject to YJS involvement.

**Early Intervention and Prevention** – *sustain the reduction of first time entrants to the youth justice system by ensuring that strategies and services remain in place locally to prevent children and young people from becoming involved in crime and anti-social behaviour.*

• **Key Actions**

- Embedding of A Better Childhood in Hartlepool and fulfilling the YJS role within the wider Local Authority approach and vision
- Operate a targeted approach to supporting individuals and groups of young people at risk of offending - based on intelligence and collaborative working with key partners (Police, ASB, Early Help Troubled Families)
- Ongoing trend analysis of past and current FTEs to identify key themes and responses
- Ongoing briefings to key partners (such as Police and Social Care) to emphasise and promote the Prevention and Diversion agenda

**Remand and Custody** – *demonstrate that there are robust and comprehensive alternatives in place to support reductions in the use of remands and custody.*

• **Key Actions**

- Monitor and the use of Compliance Panels to ensure continued effectiveness
- Ensure the Service provides intensive packages of Supervision and support to high intensity orders and bail arrangements
- Ensure that the needs of young people in custody and the factors relating to their offending behaviour are addressed in the secure estate to prevent further offending upon release.
- Ensure that robust and timely Resettlement Planning is in place for young people upon release to reduce the risk of further reoffending
- Ensure that timely and comprehensive assessments are in place for young people entering custody
- Review capacity to deliver ISS and resource appropriately through a multi-agency approach

**Risk and Safety & Wellbeing (ASSETplus)** – *ensure all children and young people entering or at risk of entering the youth justice system benefit from a structured needs assessment to identify risk of harm and safety and well being concerns, to inform effective intervention and risk management.*

**Key Actions**

- Embed Assetplus, so ensuring robust assessment of a young person's needs

- Work in partnership with other agencies to ensure there is a coordinated assessment and plan relating to a young person's risk and safety & wellbeing
- Implement an audit cycle to ensure assessment and plans are meeting the appropriate quality standards, though robust and transparent quality assurance and feedback.
- Acknowledge findings from HMIP's Desistance thematic (May 2016) and ensure that desistance Factors are evident and analysed in all assessments of every young person subject to YJS supervision, through quality assurance and staff supervision.
- Attendance and contribution to YJB Regional Effective Practice groups and peer collaboration with Tees Valley and North East YOT colleagues
- Ongoing internal staff training and workshops to benchmark quality standards in the management of risk and safety & wellbeing

**Restorative Justice** – *ensure all victims of youth crime have the opportunity to participate in restorative justice approaches and restorative justice is central to work undertaken with young people who offend.*

#### **Key Actions**

- Ensure that victims of youth crime have the opportunity to participate in restorative justice approaches leading to satisfying outcomes for Victims
- Continue to use restorative practice across all aspects of the Youth Justice Service.
- Acknowledge findings from HMIP Referral Orders Thematic (July 2016) and re-visit, review and develop practice and process around Referral Order panels to ensure increased involvement from victims, panel members, young people and their families.
- Develop the in-house RJ 'offer' and consolidate and embed newer and more integrated working practices – including victim's evaluation of RJ work.

**Effective Governance** – *ensure that the Youth Justice Strategic Management Board is a well constituted, committed and knowledgeable Board which scrutinises Youth Justice Service performance.*

#### **Key Actions**

- The Youth Justice Management Board will provide oversight and scrutiny of the service action plan and performance.

- Review the Terms of Reference for the YJS board to ensure it is fit for purpose and includes appropriate representation and contribution of all statutory partners.
- Attendance and representation at YJB Regional executive meetings with colleague YOT Managers from the North East – to share learning and Governance issues to improve wider regional service delivery

**Voice of the Young People** – *ensure that all young people are actively involved in developing their own plans and interventions and have the opportunity to develop and inform current and future service delivery*

**Key Actions**

- The team will ensure young people's involvement in relation to their assessment and plans will be clearly evidenced within the records
- The service will ensure young people are provided with opportunities to influence and shape service delivery – through access to (and completion of) Survey Monkey feedback.
- Build on specialist Speech, Language and Communication Need (SLCN) training from Durham YOS and utilise SLCN resources to support effective assessment and intervention with young people, alongside subsequent signpost to specialist services.
- Scoping activity to be undertaken in relation to commissioning a Speech Language Therapist presence within the YJS on a pilot basis.

**Extremism and PREVENT Strategy** – *To ensure that the Youth Justice Service is compliant with legislative and practice requirements and adhere to the specific objectives of the 2011 Prevent Strategy*

**Key Actions**

- All members of Hartlepool Youth Justice Service (across all staff grades) have completed the mandated training around the prevent strategy and the Government's overall counter-terrorism strategy (CONTEST)
- Assessments and planned interventions adequately consider issues such as extremism and radicalisation and where necessary or appropriate, refer young people for further guidance and support
- Undertake further staff training to build on Islam Awareness, through inputs on Far Right extremism and Islamophobia – to be used to deliver interventions with those young people where racist attitudes or offences are evident.

## **5. RESOURCES AND VALUE FOR MONEY**

The Youth Justice Service budget is mainly funded by a combination of Local Authority funding and Youth Justice Board grant, although historically there have been financial contributions from the Police, Probation and Health (CCG and Public Health). The Local Authority's contribution to the service has remained protected, however there have been significant reductions in the other areas of funding.

The Youth Justice Board grant was reduced ahead of the 2015/16 budget by 5.7%. During 2015/16, the YJB announced an in-year Grant cut of an additional 10%. In 2016/17, the YJB announced a further reduction of 11.75% and the cessation/amalgamation of the separate Unpaid Work Order and Restorative Justice Maintenance Grants. The combined impact of these cuts over the last two years is a reduction in total YJB funding of £140k (27%) when comparing 2016/17 to 2014/15. This said, the anticipated cut in YJB grant for 2017/18 did not occur as expected. Indeed, the YJB allocated a grant increase of 0.4% for 2017/18

In addition, the health contribution (£25k) previously funded by the PCT (now CCG) was funded by Public Health in 2014/15 but then ceased ahead of 2015/16. The National Probation Service announced a reduction in their funding for 2016/17 onwards of 58% (£7k) in cash terms as well as reducing their staffing secondment from 1 FTE to 0.5 FTE.

Cleveland Police ceased their cash contribution in 2013/14. However, in 2015-17 additional funding was secured from the Police and Crime Commissioner towards the delivery of Triage. This was part of a two year joint-funding application between Stockton, Hartlepool and South Tees and a further one year's funding was awarded for 2017-18.

## 2017/2018 Youth Justice Service Budget

Organisation	Financial contribution £'000	'In-Kind' staffing contribution £'000	Total contribution £'000
Hartlepool Borough Council	351	16	367
Youth Justice Board	373	0	373
National Probation Service	5	18	23
Police & Crime Commissioner	40	0	40
Cleveland Police	0	45	45
Health Service (Public Health)	0	42	42
Clinical Commissioning Group	0	0	0
<b>TOTAL</b>	<b>769</b>	<b>121</b>	<b>890</b>

## **6. STRUCTURE AND GOVERNANCE**

### **Service Structure**

Hartlepool Youth Justice Service employs a staff team of twenty five people, which includes three seconded staff, and eight sessional workers (**see Appendix 1**). The service also benefits from a team of eight active volunteers who are Referral Order Panel members. All staff and volunteers are subject to Disclosure and Barring Service (DBS) checks which are renewed every three years.

Hartlepool YJS has experienced a very challenging year (operationally and strategically) during 2016/17. Internal challenges have included staffing changes and restructure, policy development, service-wide training, technological and practice changes in relation to the implementation of ASSETplus and, in addition, external issues in terms of ongoing reductions in finance and resource.

Although the previous service delivery model had been successful in the past, it originated from a time where resources were much greater (both in terms of staffing and finance). Unfortunately, the climate has changed significantly and the model is no longer fit for purpose. In essence, a change was needed to allow Hartlepool YJS to be more responsive to emerging issues (an increasingly complex caseload of multiple need) and the significant reduction in staffing and financial resource.

The YJS delivery model has been reconfigured and restructured to ensure the service remains sufficiently flexible to address future challenges. This will be achieved through the introduction of a generic case management and intervention delivery model, across pre and post court functions. This will ensure maximum resilience, capacity and flexibility to meet the needs of children and young people and the service as a whole.

The new YJS structure aims to consolidate areas of strong performance and effective practice, whilst also providing a dynamic framework to respond to emerging priorities, recognised both by the Local Authority and key partners. This model (alongside the YJS strategic plan) allows the organisation and the wider YJS partnership to action the priorities for service delivery and to achieve best outcomes for children and young people across the range of statutory and preventative service.

The data analysis undertaken in relation to the Service Review within 2016/17 evidenced a higher concentration and demand for YJS work around the provision and delivery of post-court services, such as court reports, panel reports, supervision of statutory court orders and multi-agency work around the management of harm and safeguarding. Although preventative and pre-court work are critical in the achievement of successful operational and strategic outcomes, this has to be balanced against the resources required to fulfil the statutory functions of the YJS, and critically, the allocation of the right resources to the right areas of organisational need.

## Governance

The Youth Justice Service is located within the Children's Services Division of Child and Adult Services. The Management Board is chaired by the local Police Area Commander and is made up of representatives from Child and Adult Services, Police, Probation, Public Health, Courts, Housing, Youth Support Services, Community Safety and the local Voluntary and Community Sector. Effective integrated strategic partnership working and clear oversight by the Management Board are critical to the success and effective delivery of youth justice services in Hartlepool. The board is directly responsible for:

- Determining how appropriate youth justice services are to be provided and funded;
- Overseeing the formulation each year of the youth justice plan;
- Agreeing measurable objectives linked to key performance indicators as part of the youth justice plan;
- Ensuring delivery of the statutory aim to prevent offending by children and young people;
- Giving strategic direction to Youth Justice Service Manager and Youth Justice Service Team;
- Providing performance management of the prevention of youth crime and periodically report this to the Safer Hartlepool Executive Group;
- Promoting the key role played by the Youth Justice Service within local integrated offender management arrangements.

The Management Board is clear about the priority areas for improvement, and monitors the delivery of the Youth Justice Strategic Plan, performance and prevention work. It is well attended and receives comprehensive reports relating to performance, finance and specific areas of service delivery.

Members of the Board are knowledgeable, participate well in discussions and are members of other related boards, such as the Local Safeguarding Children's Board and the Safer Hartlepool Partnership, which contribute to effective partnership working at a strategic level. Board meetings are well structured and members are held accountable. The current membership of the Board is as follows:

Lynn Beeston Chair	Local Police Area Commander
Mike Lane Jane Young	YJS Team Manager HBC YJS Head of Service
Danielle Swainston	Assistant Director - Children's Services HBC
Emma Rutherford	Head of Virtual School HBC
Julie Allan	Head of Cleveland NPS – National Probation Service (NE)
Claire Clark	Neighbourhood Manager Community Safety HBC
Dave Wise	Chair of the West View Project (Voluntary/Community Sector representative).
Deborah Clark	Health Improvement Practitioner HBC
Lynda Igoe	Principal Housing Officer HBC
Neil Dawson	Her Majesty's Courts and Tribunals Service (HMCTS)

## **7. PARTNERSHIP ARRANGEMENTS**

Hartlepool Youth Justice Service is a statutory partnership which includes, but also extends beyond, the direct delivery of youth justice services. In order to deliver youth justice outcomes it must be able to function effectively in both of the two key sectors within which it operates, namely:

- Criminal justice services.
- Services for children and young people and their families.

The Youth Justice Service contributes both to improving community safety and to safeguarding and promoting the welfare of children and in particular protecting them from significant harm. Working Together to Safeguard Children (2015) highlights the need for Youth Justice Services to work jointly with other agencies and professionals to ensure that young people are protected from harm and to ensure that outcomes for local children, young people and their families are improved.

Many of the young people involved with the Youth Justice Service are amongst the most vulnerable children in the borough and are at greatest risk of social exclusion. The Youth Justice Service's multi-agency approach ensures that it plays a significant role in meeting the safeguarding needs of these young people. This is achieved through the effective assessment and management of safety & wellbeing and risk, through working in partnership with other services, for example Children's Services, Health and Education, to ensure young people's wellbeing is promoted and they are protected from harm.

## **8. RISKS TO FUTURE DELIVERY**

The key risks that have the capacity to have an adverse impact on the Youth Justice Service in the coming twelve months and potentially beyond are detailed below:

<b>Risks</b>	<b>Potential Impact</b>	<b>Control Measures</b>
<b>Secure Remand Costs</b>	The unpredictability associated with remand episodes and remand length has the potential to place significant financial pressure on the YJS and broader Local Authority.	It remains essential that the service can demonstrate to magistrates that there are robust and comprehensive alternatives in place to support reductions in the use of remands and custody.  Coordinated multi-agency responses to young people at risk of remand where safe and secure accommodation is the precipitating factor to be further developed. Remand budget is incorporated within Wider Children's Services placement costs.
<b>Managing the potential for reduction in YJB grant and partnership financial and 'in-kind' contributions for post-2017/18</b>	Consequential negative impact on performance. Reduced capacity to meet strategic and operational obligations and statutory requirements. Reduced capacity to continue to focus on early intervention and identification	Targeted resources to address need. Administer and embed the changes in structure and practice arising from the Service Review. Regional collaboration with neighbouring YOS' such as coverage of TYC. Robust financial management and oversight from strategic board.
<b>Post – Implementation of ASSETPlus – (National Youth Justice Assessment tool)</b>	There is the potential for significant ongoing service disruption as the staff team and management embed ASSETplus.  Impact on performance (timeliness) capacity and staff confidence whilst they adjust to this different assessment and	<u>Post implementation:</u>  Undertake initial full ASSETplus training with all new staff.  Implement AssetPlus ongoing Practice updates or changes, where required  Hold refresher AssetPlus staff briefings and

	<p>acquire the familiarity to complete, interrogate and locate the information in the assessment.</p> <p>Lack of understanding amongst partner professionals as to the increased complexity and demand place on Youth Justice Service staff. Impact on information sharing given the difference between a full ASSETplus and previous ASSET and ROSH documentation.</p>	<p>development days on a quarterly basis.</p> <p>Standing agenda on Board Meetings, Team Meetings and staff individual supervisions.</p> <p>Collaborative and reciprocal work/problem solving with neighbouring YOS' in the region. (Eg. YJB Regional EP Group).</p> <p>Ongoing dialogue between HBC I.T. and Careworks to address and remedy any identified issues.</p> <p>Ongoing application of ASSETplus prompt documentation and QA tool to keep standards.</p>
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## **9. STRATEGIC SUMMARY**

In spite of the adversities that families and communities contend with in Hartlepool, the local Youth Justice Partnership has had significant success in recent years in preventing and reducing youth offending behaviour.

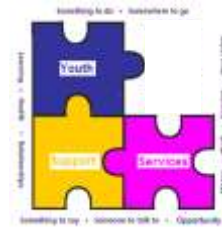
An emphasis on prevention and diversion needs to be maintained, however this presents significant challenge in light of continued cuts in staffing and resources. In spite of recent reductions in re-offending, the rate of re-offending in Hartlepool continues to be an area of concern. The Youth Justice Service will work with partner agencies particularly Locality Teams, Schools and CAMHS to identify and support children and young people at risk of offending as part of the wider programme “A Better Childhood in Hartlepool”, the Education Commission and Emotional Health and Wellbeing Transformation Programme

Evidence highlights that it is often the complex interplay of multiple deprivation factors and difficulties that makes problems in some households insurmountable and places the children at significant risk of involvement in anti-social and offending behaviour. As a result there is a need to place an even greater emphasis on whole family interventions to create “pathways out of offending”, reduce crime and break the cycle of offending behaviour across generations.

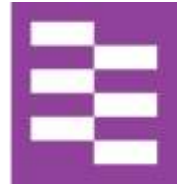
Whilst youth crime rates in Hartlepool have fallen, the likelihood of being a victim of crime still remains a reality, especially in our most disadvantaged communities and there remains a need to continue to invest in the delivery of restorative approaches to give victims of crime a voice, choice, control and satisfaction in the criminal justice system.

At a national level, Youth Justice policy is under review and the Youth Justice Board’s (YJB) oversight role for youth offending services may also change. However, despite this, Hartlepool Youth Justice Service and broader Youth Justice Partnership will be proactive in addressing the above challenges to secure further reductions in offending and re-offending by young people.

## Hartlepool Youth Justice Partnership



National  
Probation  
Service



Protecting local  
communities

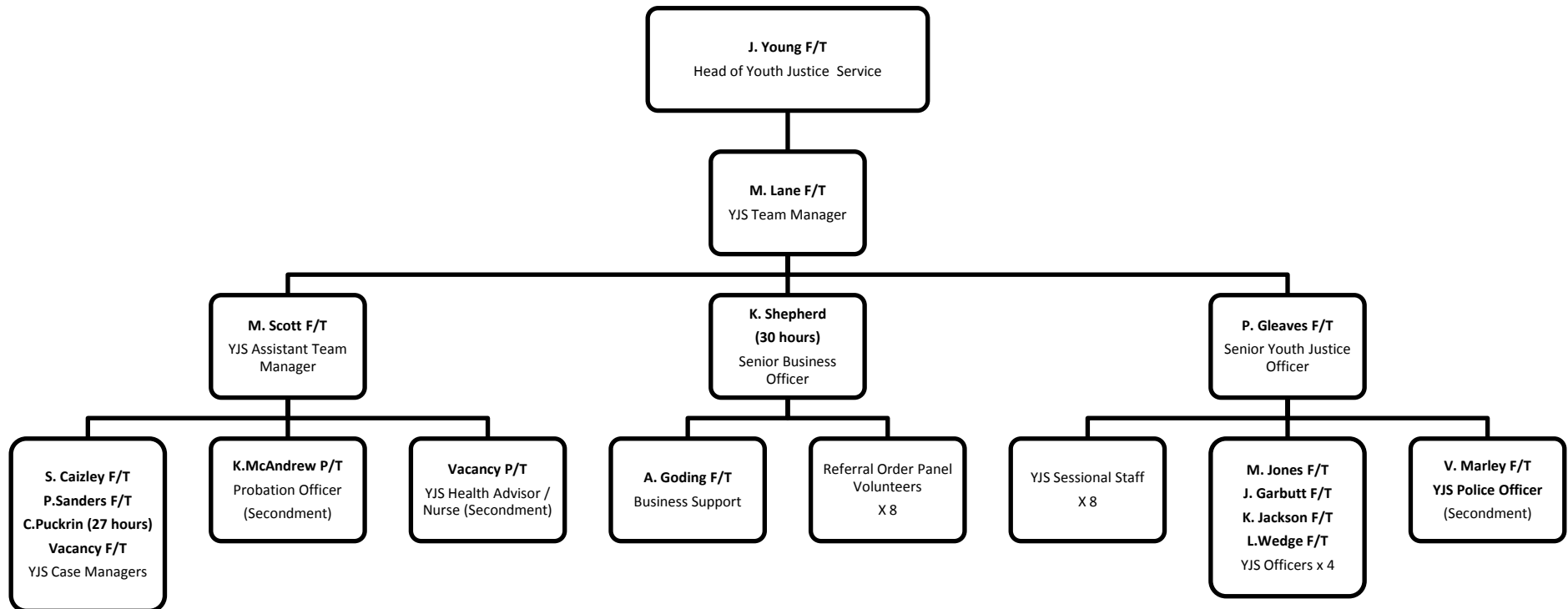
**NHS**  
Hartlepool and Stockton-on-Tees  
Clinical Commissioning Group



housingHartlepool  
Part of the Vela Group

## Appendix 1

### Youth Justice Service Structure





**Report of:** Finance and Policy Committee

**Subject:** COMMUNITY SAFETY PLAN (2017 – 2020)

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

1.1 Part of the Budget and Policy Framework.

**2. PURPOSE OF REPORT**

2.1 To consider the Community Safety Plan 2017-2020(also referred to as the Community Safety Strategy).

**3. BACKGROUND**

- 3.1 Introduced by the Crime and Disorder Act 1998, Community Safety Partnerships (CSP's) have a statutory responsibility to develop and implement a three year Community Safety Plan setting out how it intends to address crime and disorder, substance misuse and re-offending issues in Hartlepool.
- 3.2 CSP's are made up of representatives from the six 'responsible authorities'. These include the Local Authority, Police, Fire Brigade, National Probation Service, Community Rehabilitation Company and Clinical Commissioning Group. CSP's have a number of statutory duties which include:
- Producing a **Community Safety Strategy** that details how the CSP will tackle the crime, disorder, anti-social behaviour, substance misuse and re-offending priorities in its local area;
  - Producing an annual partnership **strategic assessment** to help identify and better understand local community safety priorities;
  - **Consulting** with local residents and organisations on community safety priorities.

**4. DEVELOPMENT OF THE COMMUNITY SAFETY PLAN**

4.1 The Community Safety Plan 2017-20, **attached at Appendix 1** has been developed based upon the findings of the Safer Hartlepool Partnership Strategic Assessment; public consultation including on-line surveys undertaken in

December and June; the Face the Public Event; and through the Council's Community Forums. Consultation has also taken place with key strategic Partnerships such as the Adult and Childrens Safeguarding Boards and the Health and Well Being Board at the Safer Hartlepool Partnership Development Day held in May. In July 2017 the Council's Audit and Governance Committee and Finance and Policy Committee were also consulted on the Plan, with the final draft of the Plan being considered and agreed by the Safer Hartlepool Partnership in September 2017.

## 5. COMMUNITY SAFETY PLAN 2017-20

- 5.1 The Community Safety Plan outlines the strategic objectives and annual priorities as follows:

<b>Strategic Objectives 2017 - 2020</b>	
Reduce crime and repeat victimisation	Reduce the harm caused by drug and alcohol misuse
Create confident, cohesive and safe communities	Reduce offending and re-offending

<b>Annual Priorities 2017 - 2018</b>	
<b>Re-offending</b> – reduce re-offending through a combination of prevention, diversion and enforcement activity	<b>Acquisitive Crime</b> – reduce acquisitive crime through raising awareness and encouraging preventative activity with a particular focus on domestic burglary
<b>Domestic Violence and Abuse</b> – safeguard individuals and their families from violence and abuse and implement programmes to tackle those identified as 'high risk'	<b>Anti-social Behaviour</b> – reduce anti-social behaviour through a combination of diversionary and educational, and enforcement action and increase restorative interventions
<b>Substance Misuse</b> – reduce the harm caused to individuals, their family and the community, by drug and alcohol misuse and alcohol related violence	<b>Vulnerable Victims</b> – work together to identify and support vulnerable victims and communities experiencing crime and anti-social behaviour

## 6. RISK IMPLICATIONS

- 6.1 There are no risks associated with this report

## 7. FINANCIAL CONSIDERATIONS

- 7.1 There are no financial considerations associated with this report.

## 8. STAFF CONSIDERATIONS

- 8.1 There are no staff considerations associated with this report.

## **9. LEGAL CONSIDERATIONS**

- 9.1 In accordance with the Crime and Disorder Act 1998 and the Crime and Disorder Regulations 2007, the Safer Hartlepool is required to produce a three year Community Safety Plan to set out how it intends to address crime and disorder, substance misuse and re-offending issues.

## **10. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 10.1 The strategic assessment and consultation process with an annual refresh will ensure that the needs of all sections of the community are considered in formulating and implementing the Community Safety Plan.

## **11. CHILD POVERTY CONSIDERATIONS**

- 11.1 There are no child poverty implications associated with this report.

## **12. RECOMMENDATION**

- 12.1 It is recommended that Council adopts the Safer Hartlepool Partnership Community Safety Plan 2017 – 2020.

## **13. REASONS FOR RECOMMENDATIONS**

- 13.1 As a responsible Authority, the Local Authority has a statutory duty to develop and implement strategies aimed at reducing crime and disorder, substance misuse, and re-offending behaviour.

## **14. BACKGROUND PAPERS**

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

Safer Hartlepool Partnership – Community Safety Plan 2017-2020 (September 2017)

## **15. CONTACT OFFICER**

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# Safer Hartlepool Partnership

## Community Safety Plan 2017 - 2020



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## Foreword

I am delighted to introduce Hartlepool's Community Safety Strategy for the next three years. It sets out our bold vision for maintaining and improving community safety in Hartlepool and identifies our priorities to help us achieve this which are to:

- Reduce crime and repeat victimisation
- Reduce the harm caused by drug and alcohol misuse
- Create confident, cohesive and safe communities
- Reduce offending and re-offending



Councillor Christopher Akers-Belcher  
Chair of the Safer Hartlepool  
Partnership

During the lifetime of the last Community Safety Strategy which was introduced in 2014 there have been a number of changes to the community safety landscape, and a number of contextual factors that have presented significant challenges to making Hartlepool safer. These include a challenging economic climate, the impact of Welfare Reform, and changes to the way offenders are managed in the community following the introduction of the National Probation Service, and Community Rehabilitation Companies.

Despite these challenges incidents of anti-social behaviour are lower than they were when the previous strategy was introduced in 2014. The rate of repeat victimisation in relation to our high risk domestic abuse cases has also reduced and the number of first time entrants into the youth justice system has decreased. But the number of crimes reported to the Police increased by 7% during 2016, and although we know this is likely to be due to national changes in recording standards the Partnership will continue to work hard to ensure Hartlepool remains a safe, welcoming and attractive place to live work and visit.

We know we continue to be faced with significant budgetary challenges whilst demand for services is rising. We are fully committed to collaborative working both locally and at a Cleveland wide level with the Police and Crime Commissioner. We recognise both fighting crime and tackling the underlying causes of it is key to our success, and in true Hartlepool spirit, we will do it together in Partnership.

## Introduction

The Safer Hartlepool Partnership is Hartlepool's statutory Community Safety Partnership as defined by the Crime and Disorder Act 1998. The Partnership comprises of a core group of statutory partners, Elected Members and a range of other stakeholders from the public and voluntary sectors. Their main aim and purpose is to reduce crime and disorder, substance misuse and re-offending in Hartlepool. The full current membership is detailed in **Appendix A**.

It is a statutory requirement of all Community Safety Partnerships that they regularly prepare and publish a Plan that shows how they will work together to address community safety issues in the local area. The aim of this Plan is to inform people about the work of the Partnership, its priorities for the next three years and how these will be achieved.

Our priorities continue to be informed through analysis of crime and community safety data, and by listening to the views of those living and working in Hartlepool through surveys and events such as our annual Face the Public event, the Safer Hartlepool Partnership annual on-line survey, and Cleveland Police Public Confidence Survey.



The Partnerships vision is that 'Hartlepool will be a safe place to live, work and visit'. Our approach for achieving this vision will be to focus on 'prevention'. We want to stop problems from happening in the first place by tackling root causes, and where problems do exist we want to stop them from escalating by intervening early and focusing our resources where they are most needed. We also remain committed to safeguarding and protecting vulnerable people from harm, and exploitation in the community. To do this we will work collaboratively and flexibly to deliver integrated models of service delivery, in conjunction with other Boards and Partnerships such as the Safeguarding Children's Board, Tees-wide Safeguarding Adults Board, Health and Wellbeing Board and Local Criminal Justice Board.

## Local Context

Hartlepool is the smallest unitary authority in the North East region and the third smallest in the country comprising of some of the most disadvantaged areas in England. Issues around community safety can be understood by a number of contextual factors:

### Population

At 92,500 the Hartlepool population has remained relatively unchanged over the last decade.

### Health & Wellbeing

There is a higher prevalence of long term health problems, including mental health, in Hartlepool.

### Deprivation

Hartlepool is the 18<sup>th</sup> most deprived local authority area out of 326 local authorities.

### Housing

The percentage of long term empty properties in Hartlepool is higher than the Tees Valley average.

### Geography

Community Safety issues are concentrated in geographic hotspots, particularly in the most deprived wards in Hartlepool.

### Unemployment

Unemployment rates in Hartlepool are above the regional average and double the national average.

## Partnership Activity 2016/17

Over the last year, the Partnership has delivered a number of activities against its strategic priorities to make Hartlepool safer some of which are outlined below:

### Strategic Objective 1: Reduce crime and repeat victimisation

Continued to offer crime prevention advice and awareness raising campaigns.

Provided support to more than 500 victims of crime and anti-social behaviour and improved security to 450 homes.

Developed a new strategy for tackling domestic abuse and commissioned a new domestic abuse service to support families and children affected by domestic abuse.

Delivered a healthy relationships programme to over 3,000 children.



### Strategic Objective 2: Reduce the harm caused by drugs and alcohol

Launched a new Substance Misuse Strategy .

Continued to work with national organisations such as Balance and delivered a series of awareness raising campaigns linked to topics such as FSD at a variety of locations, including schools and colleges.

Improved access to early and preventative treatment.

Provided training to license holders and staff to encourage responsible trading and reduce instances of underage sales.



### Strategic Objective 3: Create confident, cohesive and safe communities

Delivered our annual Anti-Social Behaviour Awareness Day to 1,500 pupils.

Introduced a new case management system (E-CINS) to improve information sharing and responses to vulnerable victims.

Introduced a community resolution service using restorative approaches to anti-social behaviour and low level crime.

Made more than 2,500 contacts with young people through assertive outreach activity .



### Strategic Objective 4: Reduce re-offending

We have continued to implement the Troubled Families programme supporting more than 170 to successfully turn their lives around.

The multi-agency Integrated Offender Management team has successfully worked with repeat offenders to address their accommodation and employment needs and reduce their offending behaviour.

The youth offending triage programme has continued to reduced the number of young people entering the justice system.



## Strategic Assessment 2016 – Key Findings (January – December 2016)

The Safer Hartlepool Partnership Strategic Assessment was completed in January 2017 and contains information to aid the Partnership's understanding of the priority community safety issues in Hartlepool. The Assessment forms part of an intelligence-led approach to community safety which enables a more focused, resource-effective and partnership-oriented delivery of options.

### Strategic Objective 1: Reduce crime & repeat victimisation

- 7% increase in crime, 527 more offences.
- 3% reduction in domestic burglary, 10 less offences.
- 15% increase in violent crime, 270 more offences
- Domestic related violent crime increased by 20.3% however, the number of high risk repeat cases of domestic violence referred to the Hartlepool Multi-agency Risk Assessment Conference (MARAC) reduced by 7%
- 24% of crimes in Hartlepool detected (2295 offences) – the highest rate in the Cleveland Police Force area

### Strategic Objective 2: Reduce the harm caused by drugs & alcohol

- 58% of people in Hartlepool drink alcohol at risky levels
- The cost of alcohol misuse is in excess of £31m and equates to £343 per head of population
- Number of people dependant on drugs is more than double the national average
- Two thirds of the estimated drug dependant population in Hartlepool are receiving treatment
- Heroin is the main drug used by adults who are receiving treatment
- Young people in drug treatment primarily use alcohol and cannabis

### Strategic Objective 3: Create confident, cohesive & safe communities

- 3% increase in anti-social behaviour, 202 more incidents
- Perceptions of crime and anti-social behaviour are higher in disadvantaged communities
- Correlation between anti-social behaviour and criminal damage hotspots
- 13.5% increase in hate crime, 13 more offences

### Strategic Objective 4: Reduce offending and re-offending

- Almost 800 offenders charged with offences
- More than 350 offenders committed two or more offences
- 10% of detected crime was committed by less than 10 individuals (206 offences)
- The number of young people entering the criminal justice system is following a decreasing trend

## Public Consultation

To ensure that the Partnership is focusing on the issues that residents consider to be a priority, findings from local community consultations have been taken into consideration when setting strategic objectives and priorities.

In the autumn of 2016, members of the public were invited to complete the Partnership's on-line survey. Accessed via the Safer Hartlepool website, more than 250 people responded with more than 40% stating that reducing crime and repeat victimisation should be the first priority.

From a community cohesion perspective almost two thirds of respondents said that they feel part of the local community, with almost one quarter feeling able to Influence local decisions. Whilst more than three quarters of respondents said they feel safe or fairly safe while out in their local area during the day, this reduces to 51% when outside after dark.

Respondents continue to identify litter, speeding traffic, groups of young people hanging around the streets, alcohol related anti-social behaviour and drug misuse as problems. When asked how the Partnership could improve safety in Hartlepool responses overwhelmingly included more police/police presence on the streets, more council enforcement officers, the need for the Police and Council to work together and the need to take a proactive rather than a responsive approach.



Priority	% of respondents
Reduce crime and victimisation	42%
Create confident, strong and safe communities	32%
Reduce the harm caused by drug and alcohol misuse	16%
Reduce offending and re-offending	10%

## Partnership Strategic Objectives 2017 - 2020

Based on the findings in the annual Strategic Assessment and consultation with the local community, the Partnership will retain the following four strategic objectives during the lifetime of the three year plan:

Strategic Objectives 2017 - 2020	
Reduce crime and repeat victimisation	Reduce the harm caused by drug and alcohol misuse
Create confident, cohesive and safe communities	Reduce offending and re-offending

## Partnership Priorities 2017-2018

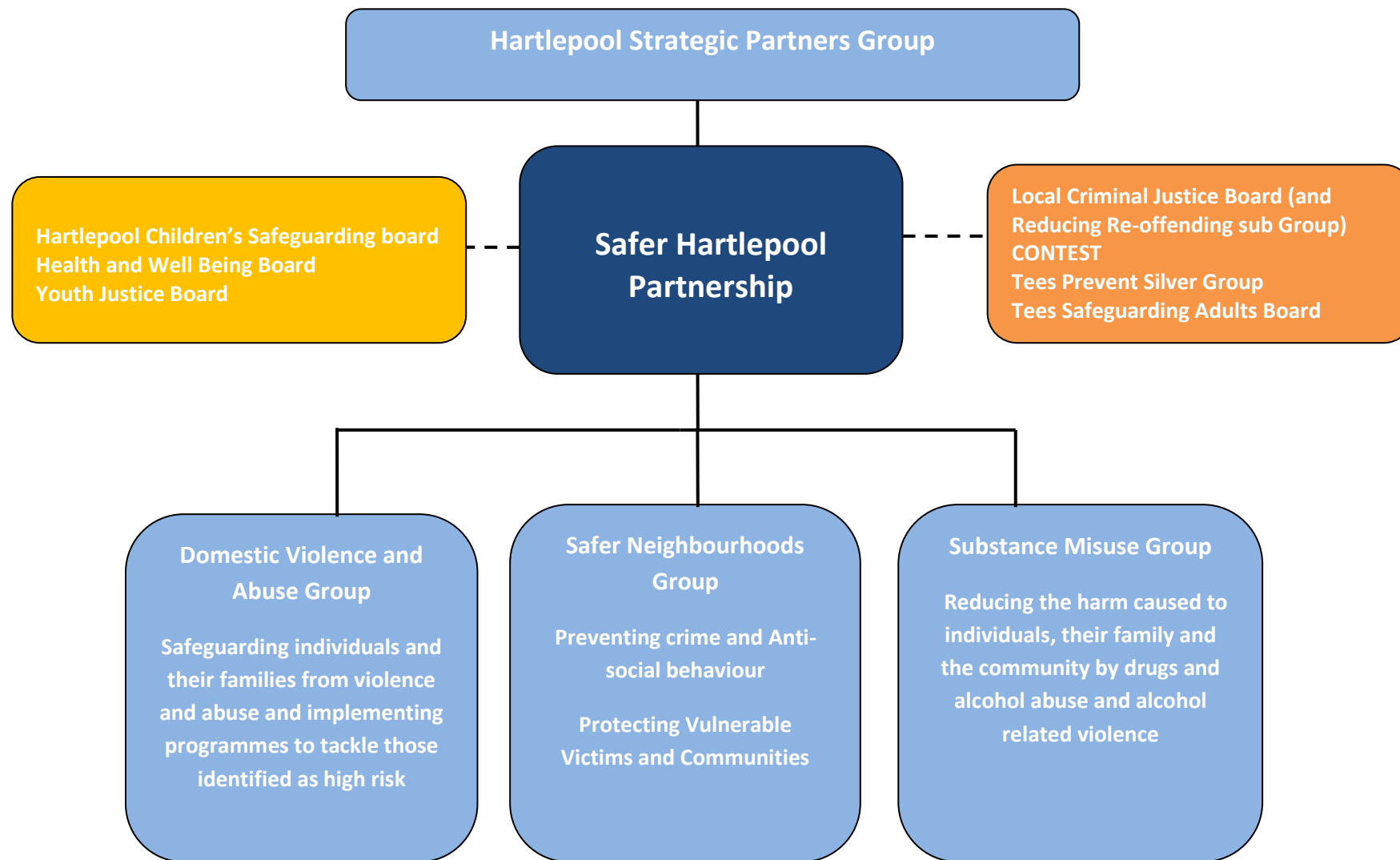
Annual Priorities 2017 - 2018	
<b>Re-offending</b> - reduce re-offending through a combination of prevention, diversion and enforcement activity.	<b>Acquisitive Crime</b> – reduce acquisitive crime through raising awareness and encouraging preventative activity with a particular focus on domestic burglary.
<b>Domestic Violence and Abuse</b> – safeguard individuals and their families from violence and abuse and implement programmes to tackle those identified as 'high risk'.	<b>Anti-social behaviour</b> – reduce anti-social behaviour through a combination of diversionary, educational, and enforcement action and restorative interventions.
<b>Substance misuse</b> – reduce the harm caused to individuals, their family and the community, by drug and alcohol misuse and alcohol related violence.	<b>Vulnerable Victims</b> - work together to identify and support vulnerable victims and communities experiencing crime and anti-social behavior.

## Key Activities 2017 - 2018

Partnerships	Crime Prevention	Anti-Social Behaviour	Vulnerable Victims
Improving partnership working through the creation of an integrated Community Protection Team that will bring together Council Community Safety and Enforcement officers with Neighbourhood Police to tackle local issues with a focus on our most vulnerable neighbourhoods	We will increase the use of social media to promote crime prevention advice and key community safety messages, and continue to deliver our home and personal security service to reduce the opportunity of crime.	Alongside education and diversionary activity we will also make effective use of enforcement tools and powers to protect the community and environment, including Injunctions, Dispersal, and Public Space Protection Orders.	We will introduce a multi-agency “Team around the Individual” approach for adults living in our community identified as having complex needs and vulnerable to exploitation.
Domestic Violence & Abuse	Substance Misuse	Offenders	Community Engagement
Implement our Domestic Abuse Plan and develop training for practitioners to ensure risk is adequately assessed with timely interventions put in place to reduce risk of serious harm to domestic abuse victims and their families.	We will continue to provide range of specialist drug and alcohol treatment services and interventions for children, young people, and adults affected by substance misuse, and implement a new ‘psychosocial and recovery support service’ based on behaviour change to give substance misusers the best chance of recovery	Working with the Tees Reducing Re-offending group we will continue the work of the multi-agency Integrated Offender Management Team to target and support persistent offenders, with a focus on those committing acquisitive crime, and domestic abuse	We will help strengthen the neighbourhoods and communities of Hartlepool by involving and supporting residents, listening to what action they think will help their area, and improving their confidence to take action themselves.

## Delivering and Monitoring Performance

This chart outlines the Partnership delivery structure. Performance monitoring will be undertaken on a quarterly basis to assess progress against key priorities drawn from the strategic assessment and identify any emerging issues. Partnership performance will be monitored over the next 12 months using the indicators outlined in **Appendix B**



## Safer Hartlepool Partnership Plan 2017-2018

SHP Vision	"Hartlepool is a safe place to live, work and visit"			
Landscape	Increased crime in Hartlepool	Fewer resources	Organisational Change	Rise in complex cases impacting on demand
Statutory Functions	Crime and Disorder	Anti Social Behaviour	Substance Misuse	Reducing re-offending
Strategic Objectives	Reduce crime and repeat victimisation	Create confident, cohesive and safe communities	Reduce the harm caused by drug and alcohol misuse	Reduce re-offending
Priorities	Reduce Acquisitive Crime with a focus on domestic burglary Safeguard individuals and their families from domestic abuse	Reduce Anti Social Behaviour and support Vulnerable Victims and Communities	Reduce the harm to individuals, and the community by drug and alcohol misuse and alcohol related violence	Reducing offending and re-offending by a combination of education, diversion and enforcement
Cross Cutting Themes	Early intervention & prevention	Vulnerable individuals with complex needs	Substance misuse	Domestic abuse Child sexual Exploitation
Supporting Partnerships	Health & Wellbeing Board	Hartlepool Safeguarding Childrens Board	Tees Adult Safeguarding Board	Local Criminal Justice Board Youth Justice Board
Performance Measures	Reduce crime and repeat victimisation	Create confident, cohesive And safe communities	Reduce the harm caused by drugs and alcohol misuse	Reduce re-offending
	Total recorded crime rate per 1,000 population  % of violent crime that is domestic related  % of repeat cases of domestic abuse (MARAC)  Domestic Burglary Rate per 1,000 households	Anti-social behaviour rate per 1,000 population  Number of reported hate crimes and incidents  % of people who think the Police & Local Authority are dealing with crime & ASB issues that matter locally  % of people who feel that they belong to their local area	% of opiate users successfully completing treatment  % of non opiate users that have successfully completed treatment  Rate of alcohol related hospital admissions per 10,000 population  Number of young people known to substance misuse services	Number of first time entrants into the criminal justice system  Re-offending rate of prolific and priority offenders  % of offenders that re-offend  Average number of re-offences per offender

## Appendix A

## Membership of the Safer Hartlepool Partnership

Membership of the Partnership reflects the statutory requirements and consists of senior representatives from the five responsible authorities<sup>1</sup> plus additional stakeholders as follows:

Responsible Authorities	Other Members
<p>Hartlepool Borough Council – Two Elected Members including Leader of the Council</p> <p>Hartlepool Borough Council – Chief Executive</p> <p>Hartlepool Borough Council - Director of Regeneration and Neighbourhoods</p> <p>Hartlepool Borough Council – Head of Community Safety and Engagement</p> <p>Cleveland Police – Chief Superintendent – Neighbourhoods and Partnerships</p> <p>Cleveland Fire and Rescue Authority – District Manager</p> <p>Durham Tees Valley Community Rehabilitation Company - Director of Operations</p> <p>Cleveland National Probation Service – Head of Area</p> <p>Representative of Hartlepool and Stockton on Tees Clinical Commissioning Group</p> <p>Youth Justice Board - Chair</p>	<p>Hartlepool Borough Council – Director of Public Health</p> <p>Office of Police and Crime Commissioner for Cleveland</p> <p>Hartlepool Borough Council – Director of Children’s Services</p> <p>Hartlepool Borough Council – Director of Adult Services</p> <p>Representative of Voluntary &amp; Community Sector – Chief Executive, Safe in Tees Valley</p> <p>Thirteen – Director of Customer Support Services</p> <p>Hartlepool Magistrates Board – Chair of the Bench</p>

This group is the ‘strategy group’ for the purposes of the statutory Regulations. New members may be added to the Partnership by agreement of existing members. There is also the potential for co-opting members onto the Partnership to undertake specific pieces of work or for specialist knowledge and skills as and when required.

<sup>1</sup> Responsible Authorities – Police, Local Authority, Fire and Rescue Authority, Clinical Commissioning Group, National Probation Service, Durham Tees Valley Community Rehabilitation Company

## Appendix B

Strategic Objective	Performance Indicators
Reduce crime and repeat victimisation	Total recorded crime rate per 1,000 population
	Domestic burglary rate per 1,000 household
	Vehicle crime rate per 1,000 population
	Robbery rate per 1,000 population
	Shoplifting rate per 1,000 population
	Violent crime (including sexual violence) rate per 1,000 population*
	% of violent crime (including sexual violence) that is domestic related
	% of repeat cases of domestic violence (MARAC)
	Violent crime (including sexual violence) hospital admissions for violence per 100,000 population*
Reduce the harm caused by drug and alcohol misuse	Drug offences per 1,000 population
	% of people who think drug use or dealing is a problem
	% of opiate drug users that have successfully completed drug treatment*
	% of non-opiate drug users that have successfully completed drug treatment*
	% of alcohol users that have successfully completed alcohol treatment
	Alcohol related hospital admissions rate per 100,000 population*
	Number of young people known to substance misuse services

\*Indicators link to the Public Health Outcome Framework

Strategic Objective	Performance Indicators
Create confident, cohesive & safe communities	Anti-social behaviour incidents per 1,000 population
	Public order offences per 1,000 population
	Criminal damage rate per 1,000 population
	Deliberate fires rate per 1,000 population
	Number of reported hate crimes & incidents
	% of the population affected by noise - number of complaints about noise
	% of people who feel safe during the day
	% of people who feel safe after dark
	% of people who think rubbish or litter lying around is a problem
	% of people who think groups hanging around the streets is a problem
	% of people who think people being drunk or rowdy in a public place is a problem
	% of people who think vandalism, graffiti and other deliberate damage to property is a problem
	% of people who think noisy neighbours or loud parties is a problem
	% of people who think abandoned or burnt out cars are a problem
	% of people who think that they belong to their local area
	% of people who feel that they can influence decisions that affect their local area
	% of people who believe that people from different back grounds get on well together
	% of people who think that people in the area pull together to improve the local area
Reduce offending & re-offending	Rate of first-time entrants to the Youth Justice System per 100,000 population*
	Re-offending levels - percentage of offenders who re-offend*
	Re-offending levels - average number of re-offences per offender*
	Re-offending rate of Prolific & Priority Offenders
	Re-offending rate of High Crime Causers
	% of Troubled Families who have reduced their offending behaviour

\*Indicators link to the Public Health Outcome Framework

**COUNCIL**  
14 December 2017



**Report of:** Chief Executive

**Subject:** BUSINESS REPORT

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**1. VICTORIA BY-ELECTION**

My previous report to Council noted the resignation of Trisha Lawton, as Ward Councillor for the Victoria Ward and that a by-election would be held on Thursday 16 November, 2017.

At that election Katie Trueman was duly elected to serve in the office of Councillor for that Ward until the local government elections in May, 2019

Members are requested to note the election of Katie Trueman as Borough Councillor for the Victoria Ward.

**2. COMMITTEE AND OUTSIDE BODY - VACANCIES**

Members will recall my reports to the September meeting of Council when it was agreed that the vacancies arising from the resignations of Trisha Lawton and Paul Thompson be reconsidered by Council after the by-elections. As both by-elections have been held, the Committee and Outside Body vacancies are set out below for the further consideration of Council:-

Finance and Policy Committee– 1 vacancy  
Regeneration Services Committee – 1 vacancy  
Licensing Committee – 1 vacancy  
Planning Committee – 1 vacancy  
Appointments Panel – 1 vacancy  
Constitution Committee – 1 vacancy

Outside body vacancies:-

Cleveland Police and Crime Panel – 1 Labour vacancy  
Collaborative Procurement Sub Group – 1 vacancy  
Hartlepool and District Sports Council – 2 vacancies

Tees Valley Combined Authority Overview and Scrutiny Committee – 1 vacancy  
 Fostering and Adoption Panel – 1 vacancy (3 year term 2017-2020)  
 Teesmouth Field Centre – 1 vacancy  
 Heritage Champion – Member of Planning Committee – 1 vacancy  
 Teesside Pension Fund – 1 vacancy

In addition to the vacancies set out above, there is a further vacancy on the TVCA Overview and Scrutiny Committee arising from the resignation of Councillor Cook from that Committee.

### 3. LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND

Council were made aware at their last meeting that the Commission had decided to include an electoral review of Hartlepool Borough Council within their work programme for 2018/19. As explained in the Commission's presentation on 24 November, such reviews will concentrate upon the number of councillors for the Borough, which will also reflect the system of governance of the Local Authority, and the names, number and boundaries of wards. The Commission do not have power to create or abolish an existing parish council, but can create new parish wards and change the boundaries of existing parishes.

The Commission start from the presumption that local authorities who elect by thirds (as is the case for Hartlepool Borough Council) should have a uniform pattern of three member wards and this was established with the introduction of eleven three member wards, following the Commission's previous recommendations that were published and accepted by Parliament in 2011 and which led to 'all out' elections in 2012. It is envisaged the Commission will complete this current review in 2019 and if their proposals are accepted, then there would be 'all out' elections in 2020 as the Commission believes there should be a '*fresh mandate*' where a council has undergone an electoral review.

In proceeding with a review the Commission seek to ensure 'electoral equality' in that, the ratio of electors to councillors in each ward '*is as nearly as possible the same*'. Statutorily, the Commission must take into consideration the need to reflect local community identities and interests, and provide for effective and convenient local government.

The 'preliminary' stage of a review will conclude with the submission of the Council's own proposals on 'council size'. This will take into account the following aspects;

- The governance arrangements (a committee based system in the Council's case) operating within the Council,
- The Council's scrutiny arrangements (statute based in the areas of health, crime and disorder for the Council),
- The representational role of councillors in the local community.

An Officer Working Group has been formed and is led by the Council's Electoral Registration Officer, as the Commission will require, amongst other matters, the submission of electoral forecasting information. Although, reports will be brought

before Council, it is imperative that the views of members can be expressed in a timely manner and can shape proposals that can be further considered by Council, particularly the initial emphasis on what should be the 'Council Size' as this electoral review proceeds. It is therefore recommended that either a Member Working Group be convened with representation across the political spectrum of the Council but comparable in number to the existing Council Committee structure in the main (as was the case in the previous review) or alternatively a Working Group that would comprise all elected members. The views of Council is therefore sought.

### **Recommended**

That Council convenes an Electoral Review Member Working Group, the composition of which is to be determined by Council.

## **4. SPECIAL URGENCY QUARTERLY REPORT**

Council is informed that that there were no special urgency decisions taken in the period August 2017 – October 2017.

## **5. MOTION – RESPONSE FROM MINISTER FOR PENSIONS AND FINANCIAL INCLUSION**

As agreed at the meeting of Council on 28 September 2017, a letter was sent to the Minister for Pensions and Financial Inclusion regarding the following Motion:-

*"This Council requests that the Government, without delay recognises the need for a non-means tested bridging pension for women born on or after 6/4/1950 who are affected by the 1995 and 2011 Pension Acts and compensate those at risk of losing up to £45,000, to also give proper notification of any future changes.*

*The 1995 Conservative Government's Pension Act included plans to increase women's SPA to 65, the same as men's. Women Against State Pension Inequality (WASPI), agree with equalisation, but don't agree with the unfair way the changes were implemented – with little/no personal notice (1995/2011 Acts), faster than promised (2011 Pension Act), and no time to make alternative plans. Retirement plans have been shattered with devastating consequences."*

I attach, as Appendix 1, a copy of the response received from the Minister.

## **6. UNIVERSAL CREDIT – CHANCELLOR BUDGET 22<sup>nd</sup> NOVEMBER 2017 ANNOUNCEMENT**

Following the Chancellor's budget speech I received the letter attach as Appendix 2 from the Director General, Universal Credit Programme detailing the measures announced by the Chancellor and the implications for the roll out plan for Universal Credit.

The Department for Work and Pensions included Hartlepool in the early phases of Universal Credit (UC) national roll out. As a result Hartlepool went live with full service UC) in December 2016 and by the end of September 2017 about 2,200 working age cases (28% of those claiming housing benefit) had moved to UC. Therefore, these people will not benefit from the changes announced by the Chancellor.

If the current rate of transfer of claimants to UC is sustained it is anticipated that all working age cases eligible to move to UC will have transferred by Spring 2019.

Members may wish to write to the Government to express their concerns that the Chancellor's changes will have limited benefit for people in areas like Hartlepool where UC roll out is already being implemented.



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Pensions

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Councillor Paul Beck  
Ceremonial Mayor  
Hartlepool Borough Council  
Civic Centre  
Hartlepool  
TS24 8AY

Our ref: POS(3)4066/1093

8 November 2017

Dear Cllr Beck

Thank you for your letter of 13 October on behalf of Hartlepool Borough Council about increases in women's State Pension age.

From the 1940s until April 2010, the State Pension age was 60 for women and 65 for men. State Pension reform has focused on maintaining the right balance between sustainability of State Pension and fairness between generations in the face of demographic change. The decision to equalise the State Pension age for men and women dates back to 1995 and addresses a longstanding inequality between men and women's State Pension age. If State Pension ages had not been equalised, women would be spending over 40 per cent of their adult life in retirement and this proportion would be continuing to increase.

Further changes were recommended by the Pensions Commission in 2005 as it became clear that a State Pension age fixed at age 65 was not affordable or sustainable. It recommended that in the future State Pension age should increase in line with life expectancy and also recommended the introduction of a State Pension age timetable that reflected this.

The 2010 to 2015 Government made the decision to bring in changes to the State Pension age, following extensive debates in both Houses of Parliament. These changes were introduced in order to protect public finances and maintain the sustainability of the State Pension over the long term. Life expectancy at age 65 increased by five years for men and almost four years for women in the 20 years to 2009. The 2011 Pensions Act accelerated the equalisation of women's State Pension age by 18 months and brought forward the increase in men and women's State Pension age to 66 by five and a half years, relative to the previous timetables. Failing to act in light of compelling demographic evidence would have been irresponsible and would have placed an unfair fiscal burden on the working population. I attach to this letter a chart that demonstrates the impact of the Pensions Act 2011.

The most current average age of exit from the labour market for women is 63.6 – well above the previous women's State Pension age of 60. Reversing the 1995 Act would create an anomaly where women are expected to work for less time than they actually work now.

It is important to point out that women who have had their State Pension age increased have the same eligibility to working-age in work, out of work and disability benefits as a man with the same date of birth. Those who are not in work can make initial enquiries about what support may be available to them by calling the Department's claim line on 0800 055 6688, or by checking the information on claiming benefits on the Government website at [www.gov.uk](http://www.gov.uk).

I hope this helps to explain the position.

*Yours Sincerely, Guy Opperman*

**GUY OPPERMAN MP**  
**MINISTER FOR PENSIONS AND FINANCIAL INCLUSION**

## Changes to State Pension age of women born between 6 April 1953 and 5 April 1960 as a result of legislation since 1995

Women's date of birth		Pensions Act 1995 (amended by Pensions Act 2007) schedule		Pensions Act 2011 schedule (current schedule for these date-of-birth cohorts)				Max additional time to wait until receipt of State Pension (compared to 1995 Act)
		Age when pension age attained		Day pensionable age attained		Age when pension age attained		
Between	And	Between	And	Between	And	Between	And	
06 Apr 1953	05 May 1953	63 y 1 d	63 y 1 m	06 Jul 2016	06 Jul 2016	63 y 2 m 1 d	63 y 3 m	2 months
06 May 1953	05 Jun 1953	63 y 1 m 1 d	63 y 2 m	06 Nov 2016	06 Nov 2016	63 y 5 m 1 d	63 y 6 m	4 months
06 Jun 1953	05 Jul 1953	63 y 2 m 1 d	63 y 3 m	06 Mar 2017	06 Mar 2017	63 y 8 m 1 d	63 y 9 m	6 months
06 Jul 1953	05 Aug 1953	63 y 3 m 1 d	63 y 4 m	06 Jul 2017	06 Jul 2017	63 y 11 m 1 d	64 y	8 months
06 Aug 1953	05 Sep 1953	63 y 4 m 1 d	63 y 5 m	06 Nov 2017	06 Nov 2017	64 y 2 m 1 d	64 y 3 m	10 months
06 Sep 1953	05 Oct 1953	63 y 5 m 1 d	63 y 6 m	06 Mar 2018	06 Mar 2018	64 y 5 m 1 d	64 y 6 m	12 months
06 Oct 1953	05 Nov 1953	63 y 6 m 1 d	63 y 7 m	06 Jul 2018	06 Jul 2018	64 y 8 m 1 d	64 y 9 m	14 months
06 Nov 1953	05 Dec 1953	63 y 7 m 1 d	63 y 8 m	06 Nov 2018	06 Nov 2018	64 y 11 m 1 d	65 y	16 months
06 Dec 1953	05 Jan 1954	63 y 8 m 1 d	63 y 9 m	06 Mar 2019	06 Mar 2019	65 y 2 m 1 d	65 y 3 m	18 months
06 Jan 1954	05 Feb 1954	63 y 9 m 1 d	63 y 10 m	06 May 2019	06 May 2019	65 y 3 m 1 d	65 y 4 m	18 months
06 Feb 1954	05 Mar 1954	63 y 10 m 1 d	63 y 11 m	06 Jul 2019	06 Jul 2019	65 y 4 m 1 d	65 y 5 m	18 months
06 Mar 1954	05 Apr 1954	63 y 11 m 1 d	64 y	06 Sep 2019	06 Sep 2019	65 y 5 m 1 d	65 y 6 m	18 months
06 Apr 1954	05 May 1954	64 y 1 d	64 y 1 m	06 Nov 2019	06 Nov 2019	65 y 6 m 1 d	65 y 7 m	18 months
06 May 1954	05 Jun 1954	64 y 1 m 1 d	64 y 2 m	06 Jan 2020	06 Jan 2020	65 y 7 m 1 d	65 y 8 m	18 months
06 Jun 1954	05 Jul 1954	64 y 2 m 1 d	64 y 3 m	06 Mar 2020	06 Mar 2020	65 y 8 m 1 d	65 y 9 m	18 months
06 Jul 1954	05 Aug 1954	64 y 3 m 1 d	64 y 4 m	06 May 2020	06 May 2020	65 y 9 m 1 d	65 y 10 m	18 months
06 Aug 1954	05 Sep 1954	64 y 4 m 1 d	64 y 5 m	06 Jul 2020	06 Jul 2020	65 y 10 m 1 d	65 y 11 m	18 months
06 Sep 1954	05 Oct 1954	64 y 5 m 1 d	64 y 6 m	06 Sep 2020	06 Sep 2020	65 y 11 m 1 d	66 y	18 months
06 Oct 1954	05 Nov 1954	64 y 6 m 1 d	64 y 7 m	06 Oct 2020	05 Nov 2020	66 y	66 y	17-18 months
06 Nov 1954	05 Dec 1954	64 y 7 m 1 d	64 y 8 m	06 Nov 2020	05 Dec 2020	66 y	66 y	16-17 months
06 Dec 1954	05 Jan 1955	64 y 8 m 1 d	64 y 9 m	06 Dec 2020	05 Jan 2021	66 y	66 y	15-16 months
06 Jan 1955	05 Feb 1955	64 y 9 m 1 d	64 y 10 m	06 Jan 2021	05 Feb 2021	66 y	66 y	14-15 months
06 Feb 1955	05 Mar 1955	64 y 10 m 1 d	64 y 11 m	06 Feb 2021	05 Mar 2021	66 y	66 y	13-14 months
06 Mar 1955	05 Apr 1955	64 y 11 m 1 d	65 y	06 Mar 2021	05 Apr 2021	66 y	66 y	12-13 months
06 Apr 1955	05 Apr 1959	65 y	65 y	06 Apr 2021	05 Apr 2025	66 y	66 y	12 months

Simplified version of House of Commons research briefing, which can be found here: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7405>



Department  
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For the attention of:  
Chief Executives,  
Revenue and Benefits Managers  
GB Local Authorities

23 November 2017

*Dear Colleague*

#### **UNIVERSAL CREDIT**

Yesterday in his Budget speech the Chancellor set out a series of changes designed to address the issues raised recently about Universal Credit. Today the Secretary of State has made a statement to Parliament on these measures and a number of other changes we will be making to the system. This letter summarises the changes for councils/stakeholders and the implications for the roll out plan for Universal Credit.

Four main changes were announced. The first involves tackling the fact that short stays in Temporary Accommodation cannot be reflected in Universal Credit monthly assessments. This issue was raised by councils first onto Universal Credit Full Service, like Croydon and I am grateful to those councils for working with us, over the last few months, on the solution. What Ministers have decided to do is to legislate for stays in Temporary Accommodation to be paid through Housing Benefit. This change requires secondary legislation to be passed by Parliament and we hope to have the regulations in place by April 2018. This change ought to address the financial concerns raised by councils,

The other changes concern the first assessment period and the issues faced by claimants at the start of their claim. First, the 7 waiting days will be abolished. Subject to the passage of legislation we will introduce this change in February 2018. Second, we will, again subject to the passage of the necessary legislation, introduce from April 2018 a transition to Universal Credit housing payment of two weeks for anyone transferring across from Housing Benefit. That will provide additional help claimants and landlords in the first Assessment Period. Third, we will extend the period of repayment for new advances to 12 months and allow claimants to receive up to 100% of their notional entitlement. This change does not need enabling legislation and we will implement it from January 2018.

All these changes, taken together provide additional help in the first assessment period as claimants move onto Universal Credit and address the budgeting issues affecting a minority of claimants. As many councils have been lobbying for change I hope they will be welcomed.

As people who run projects and programmes yourself, you will recognise that these changes involve a change of scope. In order to accommodate those the Secretary of State today has announced two changes to the published roll out plan.

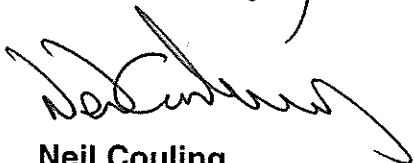
First, in order to make the necessary system changes for the Universal Credit Full Service I have had to defer for three months the development of some features designed to support the expansion at 60 jobcentres a month from February. Accordingly for three months from February we will expand the UCFS at a revised rate of 10 jobcentres a month, then 41 in May and then to around 60 a month thereafter, with a break for August, as normal, before completing national coverage by the end of December 2018. For many councils this will mean a slight change to the date you will join UCFS, full details are attached at Annex 1.

Second, the Universal Credit Live Service, which is being steadily replaced by the roll out of the Full Service, has a very limited shelf-life ending in December 2018. It would not represent value for money for taxpayers to invest in the system changes, required by these policy announcements, for such a short duration. Accordingly I have agreed with Ministers that in Live Service areas we will curtail the flow of new Universal Credit cases from the end of December. Whilst this will not affect any existing claimants already on Universal Credit it will mean that any new claims will, until UCFS is commenced locally, be made to legacy benefits and tax credits.

We shall of course, for those councils affected, follow up with local discussions about how to implement this change smoothly and amend the necessary guidance on gov.uk. And making extra funding available for the additional costs of administering these changes under new burdens principles.

I hope this is helpful and you can see how we have responded to feedback and the learning derived from those councils first onto Universal Credit. I look forward to working with you all on completing the roll out of Universal Credit to this revised timetable. If you have any queries please do not hesitate to get in touch.

*Yours Sincerely*



**Neil Couling**  
Director General  
Universal Credit Programme

**Annex 1 - Revised Universal Credit Rollout Schedule****February 2018**

Ayr	Blackburn	Brixton
Girvan	Gloucester	Clapham Common
Coalville	Cardiff Alex House	
Accrington	Cardiff Charles Street	

**March 2018**

Ashton-under-Lyne	Falkirk	Ealing
Hyde	Grangemouth	Palmers Green
Lincoln	Barking	
Maesteg	Acton	

**April 2018**

Airdrie	Rhyl	Ashton in Makerfield
Bellshill	Slough	Ipswich
Cumbernauld	Wigan	
Motherwell	Leigh	

**May 2018**

Bathgate	Rochdale	Maidenhead
Livingston	Middleton	Folkestone
Dumfries	Heywood	Chatham
Stranraer	Huyton	Gravesend
Annan	Kirkby	Scarborough
Stowmarket	Walthamstow	Whitby
Diss	Barnet	Selby
Rushden	Hendon	Killingworth
Newark	Edmonton	North Shields
Bridgnorth	Basingstoke	Wallsend
Market Drayton	Bodmin	Jarrow
Oswestry	Newquay	South Shields
Shrewsbury	Truro	Bracknell
Whitchurch	St Austell	

**June 2018**

Helston	Leicester New Walk	Ashford
Penryn	Leicester Wellington St	Kingston
Penzance	Skegness	Twickenham
Redruth	Alfreton	Redbridge
Haywards Heath	Belper	Marylebone
Crawley	Heanor	Abergavenny
Horsham	Hanley	Caldicott
Bristol Temple St	Longton	Chepstow
Bishopsworth	Hereford	Merthyr Tydfil
Bedminster	Leominster	Holyhead
Bridgend	Ross on Wye	Llangefni
Porthcawl	Darlington	Amlwch
Colwyn Bay	Durham	Ammanford
Llandudno	Chester le Street	Carmarthen
Banff	Newton Aycliffe	Llanelli
Fraserburgh	Spennymoor	Buckie
Peterhead	Keighley	Elgin
Eyemouth	Bradford Westfield House	Forres
Hawick	Bradford Eastbrook Court	Blairgowrie
Galashiels	Finsbury Park	Perth
Dereham	Barnsbury	
Leicester Charles St	Romford	

**July 2018**

Winchester	Hessle	Ebbw Vale
Andover	Rotherham	Cheetham Hill
Worthing	Maltby	Wythenshaw
Littlehampton	Dinnington	Prestwich
Bognor	Loughborough	Bury
Chichester	Coventry Cofa Court	Penrith
Barnstaple	Derby City	Carlisle
Bideford	Staveley	Clacton
Honiton	Spalding	Canvey
Tiverton	Barrow	Rayleigh
Colchester	Chorley	Stratford
Harwich	St Helens	Canning Town
Harrow	Leyland	Bromley
Canterbury	Preston	Dartford
Forest Hill	Congleton	Middlesbrough East
Thornaby	Macclesfield	Middlesbrough
Billingham	Bangor	Houghton le Spring
Stockton	Dolgellau	Washington
Goole	Porthmadog	Southwick

Bridlington	Pwllheli	Sunderland
Beverley	Abertillery	

**September 2018**

Caerphilly	Louth	Renfrew
Bargoed	Gainsborough	Govan
Blackwood	Bromsgrove	Laurieston
Aberystwyth	Malvern	Newlands
Cardigan	Atherstone	Barrhead
Haverfordwest	Matlock	Garston
Milford Haven	Buxton	Belle Vale
Pembroke Dock	Glossop	Eccles
Newton Abbot	Mansfield	Irlam
Torquay	Thetford	Worsley
Totnes	Boston	Salford
Brixham	Kirkwall	Kendal
High Wycombe	Lerwick	Cosham
Portsmouth	Stornoway	Exeter
Horefield	Campbeltown	Aylesbury
Shirehampton	Dunoon	Chesham
Newport	Helensburgh	Lewes
Hythe	Oban	Newhaven
Wandsworth	Rothesay	Ringwood
Wisbech	Paisley	Lymington
Ely	Johnstone	

**October 2018**

Wester Hailes	Machynlleth	Walsall Bridle Court
Leith	Guisley	Brownhills
High Riggs	Morley	Willenhall
Clydebank	Pudsey	Kingswood
Dumbarton	Seacroft	Yate
Aberdeen	Leeds Southern House	Ryde
Partick	Leeds Park Place	Aldershot
Springburn	Cambridge	Alton
Hackney	Huntingdon	Bordon
Hoxton	Cromer	Farnborough
Letchworth	Norwich	Redhill
Stevenage	Felixstowe	Epsom
Hertford	Leiston	Guildford
Woolwich	Woodbridge	Woking
Brecon	Kettering	Wood Green

Llandrindod Wells	Nottingham Loxley House	Tottenham
Newtown	Bulwell	Luton
Welshpool	Nottingham Central	Hayes
Ystradgynlais	Leamington Spa	Uxbridge
Barry	Worcester	Bexleyheath
Penarth	Walsall Bayard House	

**November 2018**

Cramlington	Tipton	Stafford
Ashington	West Bromwich	Leighton Buzzard
Morpeth	Kings Lynn	Biggleswade
Berwick	Northampton	Tonbridge
Sheffield Bailey	Beeston	Maidstone
Sheffield Cavendish court	Arnold	Harlesden
Chapelton	Sleaford	Fareham
Toxteth	Evesham	Gosport
Williamson Square	Kidderminster	Havant
Bolton Great Moor St	Telford	Weybridge
Bolton Blackhorse St	Nelson	Staines
Aberdare	Clitheroe	Camberley
Llantrisant	Rawtenstall	Loftus
Pontypridd	Stockport	Guisborough
Porth	Wellingborough	Redcar
Tonypandy	Ashfield	Eston
Treorchy	Shirebrook	Hemsworth
Caernarfon	Burton	Pontefract
Oldbury	Swadlincote	Castleford
Smethwick	Cannock	Wakefield

**December 2018**

Castlemilk	Blackpool	Newcastle Under Lyme
Drumchapel	St Annes	Hull Britannia House
Shettleston	Fleetwood	Blyth
Chelmsford	Everton	Bedlington
Loughton	West Derby	Hexham
Hemel Hempstead	Mildenhall	Alnwick
Borehamwood	Newmarket	Sheffield Hillsborough
Wembley	Fakenham	Sheffield Woodhouse
Kentish Town	North Walsham	North Kensington
Milton Keynes	Kidsgrove	

# **Cleveland Police and Crime Panel**

A meeting of Cleveland Police and Crime Panel was held on Tuesday, 19th September, 2017.

**Present:** Cllr Norma Stephenson O.B.E (Chair), Cllr Charles Rooney (Vice-Chairman), Cllr Alec Brown, Cllr David Coupe, Mr Andrew Dyne, Cllr Ian Jeffrey, Cllr Jim Lindridge, Cllr Tom Mawston, Paul McGrath, Cllr Matthew Vickers and Cllr David Wilburn.

**Officers:** Judy Trainer, Julie Butcher, Peter Bell (Stockton-on-Tees Borough Council).

**Also in attendance:** Barry Coppinger (Commissioner), Simon Dennis, Joanne Hodgkinson, Elise Pout (Commissioner's Office), Deputy Chief Constable Simon Nickless (Cleveland Police).

**Apologies:** Cllr Trisha Lawton, Cllr Ken Dixon and Cllr Chris Jones.

## **1 Declarations of Interest**

There were no declarations of interest.

## **2 Minutes of the meeting held on 4 July 2017**

The minutes of the meeting held on 4 July 2017 were confirmed and signed by the Chair as a correct record.

## **3 Presentation on the new Community Safety Hub**

Prior to the meeting Members visited the site of the new Community Safety Hub. Members then received a presentation that gave further details of the internal and external design of the building and the working conditions it would provide for police and OPCC personnel, along with the opportunity for wider partnership working.

RESOLVED that the presentation be received.

## **4 Members' Questions to the Police and Crime Commissioner**

Members were given the opportunity to participate in a question and answer session with the PCC. This session can be summarised as follows:

A Member reported that he had recently had to contact the Police non-emergency number 101 number but had been put in a waiting queue for 35 minutes. The Member then abandoned the call.

The PCC responded that he was sorry to hear the Member's experience with the 101 service. A number of measures were being put in place including a substantial review of the control room taking place. It was also a subject that would be scrutinised in the near future. An update on the 101 service would be given at a future meeting of the Panel.

A Member requested that the Budget Task and Finish Group 2018/19 should receive supporting information and documentation demonstrating the way in which the PCC (and his colleagues across the country) had brought pressure to bear upon central government to fully fund the 1% pay increase for Police

Officers.

The PCC indicated that he had written to the Prime Minister directly to challenge the Government's approach to the pay award and reminded Members that there was work on-going about the challenge that the 1% bonus creates for Cleveland Police. There would now be a much earlier start to the budget process. The Budget Task and Finish Group would receive an update on the forward planning process.

A Member asked if there had been any productive dialogue with the newly elected Tees Valley Mayor.

The PCC responded that he had met with the Tees Valley Mayor (Ben Houchen) shortly after he was elected and there were a number of issues of a common interest. Further meetings were planned for the future to discuss progressing an effective working relationship for the benefit of the communities of the Cleveland area.

With regard to performance reporting to the Panel, a Member asked a question around the level of the detail that the Panel was receiving and whether the Panel could be receive more detail as this information was already provided to Community Safety Partnerships (CSPs).

The PCC responded that the issue concerned the level of detail that the CSPs received and the timing of the release of the information. The CSPs received the restricted information that is not publically available. The information was therefore classed as restricted at the meetings of the CSPs and that therefore there was a potential issue of information law in relation to the remit of the CSPs and the Police & Crime Panel, which may limit the Panel's entitlement to that detailed information. Members felt that they would like officers to look at what information was provided to CSPs and the Panel. It was agreed that officers would prepare a report for the next meeting of the Panel.

RESOLVED that:-

1. The Members' questions and the responses from the Police and Crime Commissioner be noted.
2. Further information be provided as detailed above.

## **5 Performance Report**

Consideration was given to a report on the performance of the Police and Crime Commissioner and the Police and Crime Plan.

The Commissioner's Police and Crime Plan objectives were as follows:

- Investing in our Police;
- A Better Deal for Victims and Witnesses;
- Tackling Re-offending;
- Working Together to Make Cleveland Safer; and
- Securing the Future of our Communities.

The report updated Panel members on performance associated with the delivery of the Commissioner's objectives, the wider aspects of the Police and Crime Plan and statutory responsibilities.

The report provided an overview of the current performance of the PCC and his Police and Crime Plan. The information provided was accurate at the time of production. Information focused on an agreed suite of performance indicators and support key diagnostic indicators. Additional information was also provided to establish the context of information presented and assist the reader in their understanding of the report.

Holding the Chief Constable to account was the key duty of the Police & Crime Commissioner and must encompass all of the functions of the Chief Constable and functions of those who were under the Chief Constable's direction.

The scrutiny of the Force was one of the main responsibilities of the Commissioner as set out in the Police and Social Responsibility Act 2011. This is delivered through the Commissioner's standards and scrutiny programme during which effective checks and balances were undertaken through a schedule of regular meetings.

The overview of the performance information from the Police and Crime Plan was attached to the report. Members noted the infographic at page 2 that provided some highlights of the details contained within the performance report. Of particular note within the performance report were details regarding work being undertaken with victims, details on tackling re-offending and the Youth Triage Scheme, details of the community engagement meetings and an update on commissioned services. Information focused on an agreed suite of performance indicators and supported key diagnostic indicators. Additional information was also provided to establish the context of information presented.

Discussion on the information provided could be summarised as follows:

- Would the recent announcement by Government that Police Officers would receive a pay increase that would come out of existing budgets result in a cut in numbers of Police Officers?
- The PCC responded that it was a 2% increase for Police Officers. 1% was budgeted for and a 1% bonus that the government expected Forces to fund themselves. Both the Chief Constable, the Chief Finance Officers and the PCC Office were looking to how they could rise to the challenge of the announcement. They were looking for ways in which it would be possible to fund the pay increase without any reductions in service in the future. The bonus would be spread over 2 financial years. The PCC had received emails from Police Officers outlining that they would not be happy to receive the additional bonus money if that meant the jobs of colleagues were put at risk.  
The Chair outlined that the Police shouldn't be asked to find that money and that she would support the PCC in trying to convince the Government that they should fund the 1% pay award.
- How will the thematic examination of HR be carried out?
- The PCC responded that it would be a scrutiny meeting and that his office had submitted a number of questions on various aspects of HR operations. The minutes of the meeting would be presented to the Panel

at a future meeting.

RESOLVED that the report and discussion be noted / actioned as appropriate.

## **6 Decisions of the Police and Crime Commissioner**

Consideration was given to a report that provided an update on decisions made by the Police and Crime Commissioner (PCC) and the Forward Plan.

The Police and Crime Commissioner made all decisions unless specifically delegated within the Scheme of Consent / Delegation. All decisions demonstrated that they were soundly based on relevant information and that the decision making process was open and transparent.

In addition, a forward plan was included and published on the PCC website which included items requiring a decision in the future. This was attached to the report.

Each decision of significant public interest made by the PCC was recorded on a Decision Record Form with supporting background information. Once approved it was published on the PCC website.

Decisions relating to private / confidential matters would be recorded; although, it may be appropriate that for legal reasons for certain information, such as operationally sensitive details, not to be published in full.

Decisions made since the last meeting of the Police and Crime Panel were also attached to the report.

RESOLVED that the decisions of the Police and Crime Commissioner be noted.

## **7 Commissioner's Update**

Consideration was given to a report that gave an update in relation to key matters including;

- Seven Force North East and Yorkshire Collaboration
- Transforming Professional Standards
- Everyone Matters
- Sexual Assault Services
- E CINS

Members were updated with regard to the Head of Professional Standards. There had been a very high level of interest in the post and the completion of the recruitment of the post would take place over the next 4 – 6 weeks. A specialist recruitment agency had been engaged by Cleveland Police with the full support of the OPCC, in order to ensure that the recruitment campaign attracts and appoints the highest calibre of professional to the role.

Discussion on the information provided could be summarised as follows:

- Following Brexit there had been a worrying increase in Hate Crime. There had also been an increase in the abuse of MPs and local

Councillors. Can the PCC give some assurances that this was an area that he would have some focus on as people that serve the public do need protection?

- The PCC responded that there was a Strategic Hate Crime Working Group that he chaired. It was looking at ensuring a more joined up approach to tackling Hate Crime. There was a lot of work taking place with additional staff to strengthen Neighbourhood Policing arrangements. The PCC reported that he would bring an item to the next meeting that would give an overview of the work of the Strategic Hate Crime Working Group.
- With regard to the attacks on democratically elected representatives the Police Force was giving support where ever needed and this was continually under review. If any Member had any concerns they should contact the Police as soon as possible.

RESOLVED that the report be noted.

## **8 Programme of Engagement for Police and Crime Commissioner**

Consideration was given to a report that provided Members with a brief update in relation to meetings attended by the PCC from July 2017 to August 2017. Future meetings of the PCC were also be summarised within the report.

The PCCs consultation and engagement activities focused on improving the understanding of the needs and perspectives of the diverse communities of Cleveland, ensuring clear and consistent communication with the public and ensuring effective consultation and community engagement.

The PCC attended a number of meetings on a regular basis with key partners, stakeholders and residents from across the Cleveland area.

In addition to this the PCC had attended various regional and national meetings representing Cleveland.

Contained within the report was a summary of key other meetings attended by the PCC. The full diary was published on the PCC website.

Future meetings of the PCC included:

- Strategic Independent Advisory Group – 16th October
- APCC/NPCC Joint Summit – 1st/2nd November
- Community Safety Awards – 22nd November

RESOLVED that the Programme of Engagement for Police and Crime Commissioner be noted.

## **9 Task and Finish Group – Shared Services**

Consideration was given to a report that outlined the findings of the Task and Finish Group set up by the Cleveland Police and Crime Panel (PCP) to examine the PCC commitment to continue to deliver the Evolve Programme - collaboration with Durham and North Yorkshire (including dog section, major crime and legal services) and an appreciation of what was needed to enable

further collaborative opportunities as part of the Evolve programme with other forces, and with other non-police partners.

The Task and Finish Group was established in January to explore the key lines of enquiry:

- What is the relationship between the development of shared services and financial planning / achievement of savings targets?
- What is the scope for further joint services and what form could these take?
- Which police and/or external organisations may be involved?
- What examples of shared services / joint working exist in other force areas? What learning from these can be used locally?

Shared services covered a multitude of actual and potential collaborations and it was proposed that the Group's work focused on the Evolve Programme in particular, in addition to gaining an appreciation of the wider context.

The report set out the findings and conclusions and was intended to assist the Panel by providing assurance on the progress of the Evolve Programme and the commitment of the PCC in pursuing further opportunities to collaborate.

With regard to the overall conclusions the Group found that:

- A strong commitment to collaborative working had been demonstrated by the Police and Crime Commissioner and the Cleveland Force
- The Evolve Programme was progressing well and was already achieving increased capability and capacity as well as realising savings
- Areas for future collaborative working were part of on-going strategic planning and debate and the Task and Finish Group asked that opportunities for collaboration on Professional Standards should be actively considered as part of these discussions
- The seven North East Forces had given a commitment to working together as part of the NETIC Programme
- That opportunities for collaboration would need to be considered in conjunction with the development of the 2020 workforce strategy and any review of the structure of the Cleveland Police.

RESOLVED that:-

1. The Force and the PCC provide updates to the Police and Crime Panel on a six monthly basis on the progress of the Evolve Programme and opportunities for further collaboration including the North East Transformation, Innovation and Collaboration Programme (NETIC).
2. In light of the huge successes and benefits which have been realised through the forces existing collaborative work, the force should look to actively and expeditiously expand upon these in other areas and, in particular, the Group felt active consideration should be given to

collaboration on Professional Standards and although the meeting noted that this was outside the scope of Evolve at present, the Chief Executive drew Members' attention to early proposals for joint training and development for legal and professional standards across the region.

## **10 Forward Plan**

Members were presented with the Forward Plan for the Cleveland Police and Crime Panel.

RESOLVED that the Forward Plan for the Cleveland Police and Crime Panel be noted.

## **11 Public Questions**

Members were informed that there were no public questions.