



Chief Executive's Department
Civic Centre
HARTLEPOOL

14 February, 2018

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, 22 February 2018 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 22 February 2018

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 14 December, 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;
- (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 2019/20 and Financial Outlook from 2020/21.

- (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) There is a rise in the use of food banks across the country, this is linked to welfare reform and the roll out of Universal Credit. The Trussell Trust report that many people are having to choose between buying food or fuel. We know that welfare reform is affecting many people, including people in work and low paid jobs. Austerity is affecting women more and therefore 'period poverty' is a reality and forces many women to choose between putting food on the table and buying sanitary products. This affects both adult women and girls, in a recent survey by Plan International UK, it was found that 10% of 14-24 year olds surveyed had been unable to buy sanitary products and there are girls missing out on their education because they cannot afford sanitary protection. Women and girls do not have a choice whether to have a period or not. For a family where there is a mother and two daughters who have periods, the average cost per month of buying sanitary products is £20. Where women cannot afford sanitary products they are using socks, toilet roll and even napkins from fast food restaurants.

Scotland are leading the way and piloting a scheme in Aberdeen, where women can have an S-Card, similar to the C-Card scheme for condoms. The S-card enables a woman to go into a pharmacy and exchange for free sanitary products. Some food banks and community hubs may have sanitary products women can access but these are not open seven days a week. There needs to be a system where women in need can easily access free sanitary products to meet a basic need, maintain dignity and hygiene.

Hartlepool Borough Council believes:

- That no woman in the Tees Valley should be forced into poverty due to her periods.
- No girl should miss school because of her period.
- No woman should miss work or college because of her period.

The Council pledges its full support for the Tees Valley Free Period campaign.

This Council will commit to further work and explore how a similar scheme to Scotland would operate and be funded in Hartlepool.

Signed: Councillors Clark, Richardson, James, Harrison and C Akers-Belcher.

- (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 Fire Authority held on 13 October 2017 and the Police and Crime Panel held on the 15 November, 2017.



COUNCIL

MINUTES OF PROCEEDINGS

14 December 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
Belcher	Black	Buchan
Clark	Cook	Cranney
Fleming	Hall	Hamilton
Harrison	Hunter	Lauderdale
Lindridge	Loynes	Martin-Wells
McLaughlin	Moore	Dr Morris
Richardson	Riddle	Sirs
Smith	Tennant	Thomas
Trueman		

Officers: Gill Alexander, Chief Executive
Peter Devlin, Chief Solicitor
Chris Little, Director of Finance and Policy
Tony Hanson, Assistant Director (Environment and Neighbourhood Services)
Julian Heward, Ed Turner, Communications Team
Angela Armstrong, Amanda Whitaker, Democratic Services Team

75. APOLOGIES FOR ABSENT MEMBERS

Councillors Hind, James and Springer

76. DECLARATIONS OF INTEREST FROM MEMBERS

None

The Ceremonial Mayor welcomed Councillors Smith and Trueman following their election at recent by-elections.

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

None

78. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 26 October 2017, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

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

None

80. BUSINESS REQUIRED BY STATUTE

None

81. ANNOUNCEMENTS

The Ceremonial Mayor announced that his carol service would be held on 18th December 2017 at St Hilda's Church. An invitation was extended to all to attend.

82. 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

83. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES

- (1) Further Periodic Review Of The Council's Constitution - Report of Constitution Committee

The Monitoring Officer presented a report, on behalf of the Constitution Committee, which referred Members to an amended Motion which had been considered at Council on 22nd June, 2017. The amended Motion had been referred to the Constitution Committee for further consideration 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."

With regard to the timing of meetings, the Committee had agreed that a 6 week consultation period would be appropriate to canvass the views of the public but the opinions of Elected Members and staff should be taken into account also. The results of that survey were appended to the report for consideration. Members noted 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 had mentioned that detailed financial analysis in relation to any change in the timings of meetings would also be needed. This element had been left in abeyance until both the Committee and Council had fully considered the outcomes of this consultation exercise. The Committee had 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.

It was moved by Councillor C Akers-Belcher:-

That the recommendation of the Committee is agreed and that Policy Chairs look at alternative timings of their Committee meetings at their discretion, in consultation with the Policy Committee.

An elected Member referred to a question which he had raised at the Council meeting held earlier in the year when he had sought clarification regarding the Chair's flexibility to change timings of committee meetings. It had been agreed that a written response be circulated clarifying the number of meetings that had been changed beyond 5 p.m. The Chief Solicitor undertook to respond to the question within the following seven days.

The Motion was seconded by Councillor Cranney.

A vote was taken by show of hands. The Motion was agreed.

In terms of supplementary questions, reference was made to the previous DETR Guidance 'New Council Constitutions – Modular Constitutions for English Local Authorities (December 2000), the previous background to public questions and details of the practices of other Local Authorities in relation to the issues which had been raised. It was highlighted that this Council was 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 could be given to Chairs of the Policy Committees at Council, there had been encouragement for members of the public to attend Policy Committee meetings and to question the chairs at those meetings. Furthermore, in amending its constitutional arrangements, the Council had increased the number of public questions from one to two but without reference to any supplementary questions. Members were reminded that two supplementary questions had been 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 had highlighted the availability of questions to Policy Chairs, through the Community Forums, Ward Surgeries and other existing mechanisms and did not, therefore, see the justification for the re-introduction of supplementary questions at this time.

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the recommendation of the Committee:-.

Those in favour:

Councillors C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Belcher, Clark, Cook, Cranney, Hamilton, Harrison, Hunter, Lindridge, Loynes, Martin-Wells, McLaughlin, Morris, Richardson, Sirs, Thomas and Trueman.

Those against:

Councillors Black, Buchan, Fleming, Hall, Lauderdale, Moore, Riddle, Smith and Tennant.

Those abstaining:

None.

The recommendation of the Committee supplementary questions should not be re-introduced for public questions at this time was agreed.

With regard to questions to the Leader of the Council, the guidance referred to 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 was 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 indicated 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*". The Chief Solicitor advised that Members needed 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. The Committee had considered that questions to the Leader through public and member questions at Council, at Policy Committee level, Leader's surgeries, meetings with the Leader and through Policy Chairs Question Time was sufficient without the necessity for a discrete 'Questions to the Leader' session.

Following a vote, by show of hands, it was:-

RESOLVED - 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.

At its previous meeting the Committee had requested that the Monitoring Officer prepare suggested wording for inclusion in the Constitution, based upon the election of a Chair when either the Chair / Vice Chair were absent from a meeting. Presently, the Constitution under Council Procedure Rules 1.2 (Order of Business of the Annual meeting) and 2.1 (Order of Business at Ordinary meetings) prescribed that the Chair 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."

Following a vote, by show of hands, it was:-

RESOLVED - The Committee considered the present arrangements were acceptable.

Council was reminded that the Council's Finance and Policy Committee on 9th August 2017 had received a report relating to a Senior Leadership Restructure, upon which there were consequential changes which needed to be addressed through the Council's constitution. Mention of this subject had been made in the Chief Executive's Business Report to Council on 28 September, 2017.

The Chief Solicitor summarised that the Council's constitutional arrangements had to recognise that the social services functions particularly those relating to vulnerable adults under the 1970 Act, became the responsibility 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 needed 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 would also have the responsibility (where applicable) for Local Authority Social Services and National Health Service complaints.

Following a vote, by show of hands, it was:-

RESOLVED - 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 the restructure.

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

None

85. REPORT FROM THE POLICY COMMITTEES

- (a) Proposal in relation to the Council's budget and policy framework
- (1) Medium Term Financial Strategy (MTFS) 2018/19 to 2019/2020 and Financial Outlook for 2020/21 – *Report of Finance and Policy Committee*

The Chair of the Finance and Policy Committee presented a report which had been submitted 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. The detailed report considered by Finance and Policy Committee on the 22nd November 2017 was appended to the report. Details of the individual budget reports considered by individual Policy Committees had been included in a separate booklet issued with the agenda. In order to enable Members to consider the recommendations referred by Finance and Policy Committee, the report to Council provided a summary of the key issues impacting on the Council's financial position.

In presenting the report, the Chair of Finance and Policy Committee advised Council that the Council report confirmed the savings previously approved by Council, in February 2017, and included additional proposals to enable a balanced budget to be set for 2018/19. As detailed in the report, two thirds of the additional 2018/19 savings proposals reflected corporate savings which would not impact on services. The remaining third (£278k) would have a limited impact on services and included staffing restructures with Regeneration and Neighbourhoods to achieve efficiencies (£150k), improvements to optimise school transport routes (£40k), Concessionary fares efficiencies (£20k) and increased room hire and conference income at the CIL and CETL (£50k). The report also detailed the gross budget deficit and the contributions made from reserves, housing growth, a core Council tax increase and 3% social care precept to reducing the gross deficit. The Committee's detailed recommendations to Council were set out in Annex 1 of the report as follows:-

- (i) As approved by this Committee on 18th 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 12th 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.

The Chair of the Committee moved an additional proposal to address the impact of the national pay award announcement by the National Employers for Local Government on 5 December 2017. This settlement covered 2 years and for the majority of employees provided a 2% increase from 1 April 2018 and a further 2% provided from 1 April 2019, with higher annual increases for lower paid staff. The MTFs forecast had been based on the 1% pay cap, which was effectively confirmed by the Chancellor in his November 2017 Budget as no additional funding was announced for local government pay awards. Whilst, supporting this settlement, the Chair advised that he was extremely concerned that the Government would not be providing additional funding to help Councils meet this additional cost and ensure staff were paid appropriately.

The following addendum was moved by Councillor C Akers-Belcher and seconded by Councillor Cranney:-

“That for 2018/19 the additional pay costs of approximately £950,000 is funded from the one off resources released from the reserves review of £1.084m.”

The Chair of Finance and Policy Committee advised that the amendment would give time to assess the impact and to lobby the Government for additional recurring funding. However, if additional recurring Government funding isn't provided to meet the recurring costs of the national pay awards this will mean that additional cuts of £2.150m will need to be identified as part of the 2019/20 budget, to offset the recurring impact of the April 2018 and 2019 unfunded pay awards.”

Following presentation of the report, the Chief Solicitor agreed to respond to concerns expressed by a Member in relation to legal documentation surrounding funding generated through the development of Seaton Carew between the Council and Esh through an agreement circa 2013. It was indicated by the Member the understanding that the funding was to be allocated solely to further develop Seaton Carew. Prior to a recorded vote being taken, the Chief Solicitor reassured the Member that the recommendations set out in the report were supported by the Council's Section 151 Officer and the matter raised by the Member related to a recommendation simply to reallocate previously earmarked funding that had been associated with a Compulsory Purchase Order that had not been confirmed by the Secretary of State following a Public Inquiry which budget was now to form an overall regeneration capital budget for the town, but which could conceivably be applied to Seaton Carew and it was appropriate, therefore, to proceed to the vote.

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the Motion, including the addendum set out above:-

Those in favour:

Councillors C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Belcher, Buchan, Clark, Cook, Cranney, Fleming, Hamilton, Harrison, Hunter, Lindridge, Loynes, Martin-Wells, McLaughlin, Moore, Morris, Richardson, Sirs, Tennant, Thomas and Trueman.

Those against:

Councillors Black, Hall, Lauderdale, Riddle and Smith.

Those abstaining:

None.

It was announced that the substantive Motion was carried.

(2) Local Council Tax Support Scheme 2018/19 – *Report of Finance and Policy Committee*

The Chair of Finance and Policy Committee presented a report which set out details of the final proposals for the Local Council Tax Support Scheme for 2018/19 as part of the Budget and Policy Framework. The agenda papers for the meeting included a copy of the report considered by Finance and Policy Committee on 22nd November 2017 to assist familiarisation by Members of the issues and financial risks associated with the operation of the Local Council Tax Support scheme.

The proposal put forward by Finance and Policy Committee was 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 was viable and avoided an additional increase in the Council Tax liability of low income working age households at a time when households were adjusting to the ongoing impacts of the wider national welfare reforms.

The recommendations of the Finance and Policy Committee were moved by Councillor C Akers-Belcher and seconded by Councillor Cranney:-

A vote taken by show of hands was unanimous.

RESOLVED – Council:-

- i) Approved the continuation, for the fifth year, of a 12% LCTS scheme in 2018/19.
- ii) Approved the continuation in 2018/19 of the existing LCTS scheme Principles detailed in paragraph 5.7 of the Finance and Policy Committee report.
- iii) Approved the passporting of about £4,000 of the 2018/19 Core Revenue Grant to Parish Councils in accordance with national regulations.

- iv) Noted that the approved Local Council Tax Support Scheme will be subject to close monitoring and annual review.

(3) Youth Justice Strategic Plan 2017-2019 – *Report of Children's Services Committee*

The Chair of Children's Services Committee presented Council with the Youth Justice Strategic Plan 2017 – 2019 prior to the plan being submitted to the National Youth Justice Board. A copy of the Plan was appended to the report. There was a statutory requirement for all Youth offending Services to annually prepare a local Youth Justice Plan for submission to the national Youth Justice Board. 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.

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

- Re-offending
- Early Intervention and Prevention
- Remand and Custody
- Risk and Safety & Wellbeing (ASSETplus
- Restorative Justice
- Effective Governance
- Voice of the Young People
- Extremism and PREVENT Strategy

On moving the recommendation set out in the report, the Chair of Children's Services Committee expressed his gratitude to those who work in the Youth Offending Team.

A vote taken by show of hands was unanimous.

RESOLVED – That the Youth Justice Strategic Plan 2017 – 2019 be approved.

(4) Community Safety Plan 2017-2020 – *Report of Finance and Policy Committee*

The Chair of Finance and Policy Committee presented the report which advised Council that the Community Safety Plan 2017-20 had 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 Children's 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. The Community Safety Plan outlined the strategic objectives and annual priorities set out in the report.

A vote taken by show of hands was unanimous.

RESOLVED – That the Community Safety Plan 2017-2020 be adopted.

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

None

86. MOTIONS ON NOTICE

Two Motions on notice had been submitted:-

- (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

On moving the Motion Councillor Clark, the Chair of Children’s Services Committee, explained the rationale and background to submission of the Motion. Council was advised that the current funding arrangements were unsustainable and that 29 of 35 schools would be affected at a time when demand for specialist services is high.

The Motion was seconded by Councillor Lindridge.

Whilst supporting the Motion, an addendum was moved by Councillor Moore and seconded by Councillor Tennant as follows:-

“In view of the National Funding Formula not including any funding for special schools, that this should be looked at also with the upmost urgency to protect the education of the children who attend these schools.”

Members spoke in support of the Motion.

A vote on the amendment was taken by a show of hands and was carried unanimously.

It was announced that the substantive Motion was agreed.

- (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: mentalhealth.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

On moving the Motion Councillor Tennant explained the rationale and background to submission of the Motion.

The Chair of the Audit and Governance Committee advised that he shared the sentiments of the Motion. However, it was highlighted that in fulfilling its statutory scrutiny responsibilities for health and crime and disorder, full and frank consideration was given every year to the identification of topics for its

annual Work Programme. Participation in this process was welcomed and encouraged from all Councillors, the public, partner organisations and groups, including the Health and Wellbeing Board, Safer Hartlepool Partnership, Healthwatch, the CCG and FT. A scoring matrix, which considered factors such as public interest, impact, council performance and efficiency and context, was used to assist in the selection of topics. These factors were balanced alongside the need to retain sufficient capacity to be able to respond to reactive issues that could arise during the course of the year.

The challenges facing mental health services had been recognised by the Audit and Governance Committee and in 2017/18 the Committee had considered the inclusion of a topic relating to the Mental Health Crisis Concordat, and improving local mental health services, in to its Work Programme. Whilst the topic had not been selected for the 2017/18 Work Programme, it was recognised that Mental health impacted across most, if not all, services provided by the local authority, and partners, influencing every aspect of our health and wellbeing. In light of this, the Committee had agreed that Mental Health would be brought forward for consideration as a potential topic for 2018/19. Council was assured, however, that Mental Health services were a continuing consideration for the Audit and Governance Committee in all its activities at a local and regional level, pre-empting the intent of the motion.

In recognition of the power outlined in the Constitution for the Audit and Governance Committee to set its statutory work programme at the beginning of each year, it was moved by Councillor Martin-Wells and seconded by Councillor Loynes:-

‘That Council makes a formal referral to the Audit and Governance Committee, requesting that a review of mental health provision in Hartlepool be undertaken, with a view to finding ways of improving access to the availability of mental health services within the Borough for all residents. The referral to be undertaken as part of the 2018/19 Work Programme.’

The Chair of the Adults Services Committee addressed Council. Whilst expressing his pleasure that the mental health issue had been highlighted by the Motion, the Chair took exception to the reference in the Motion that only recently had mental health become a major concern in the provision of services. The Chair advised Council of the work which had been undertaken and reassured Council that the issue of mental health has always been a core area for his Committee. Council was informed of the Dementia Friendly Communities Award which had been achieved and expressed his appreciation to everyone involved in the Dementia Friendly Partnership.

A Member was commended for sharing with Council his own personal experience of mental health services.

The Chair of Children’s Services Committee referred to work undertaken by Healthwatch with young people in collaboration with the University of York when mental health had been identified as the main issue for young people. Subsequently, a report had been submitted to the Clinical Commissioning

Group and the Health and Wellbeing Board. The Chair advised Council that he wanted to ensure that the report was progressed.

A vote on the amendment was taken by a show of hands and was carried unanimously.

It was announced that the substantive Motion was agreed.

CHIEF EXECUTIVE'S REPORT

87. VICTORIA BY-ELECTION

The Chief Executive reminded Members that her 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 had been duly elected to serve in the office of Councillor for that Ward until the local government elections in May, 2019

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

RESOLVED – That the report be noted.

88. COMMITTEE AND OUTSIDE BODY - VACANCIES

Members were reminded of the Chief Executive's reports to the September meeting of Council when it had been 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 had been held, the Committee and Outside Body vacancies were set out in the report for the further consideration.

RESOLVED –

- (i) That the following appointments be made to Committees and Outside Bodies:-

Finance and Policy Committee– Councillor Smith
Regeneration Services Committee – Councillor Smith
Licensing Committee – Councillor Trueman
Planning Committee – Councillor Barclay
Appointments Panel – Councillor S Akers-Belcher
Constitution Committee – Councillor Trueman

Cleveland Police and Crime Panel – Councillor Trueman
Hartlepool and District Sports Council – Councillors Smith and Tennant
Tees Valley Combined Authority Overview and Scrutiny Committee – Councillor Trueman and 1 vacancy remaining

Fostering and Adoption Panel – Councillor Loynes (3 year term 2017-2020)

Teessmouth Field Centre – Councillor Cranney

Heritage Champion – Member of Planning Committee –
Councillor Cook

- (ii) That as no nominations were made by Council, the following vacancies remain vacant:

Collaborative Procurement Sub Group

Teesside Pension Fund

Tees Valley Combined Authority Overview and Scrutiny
Committee (1 vacancy remaining)

89. LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND

Council were reminded that at the last Council meeting, Members had been advised 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 concentrated upon the number of councillors for the Borough, which would also reflect the system of governance of the Local Authority, and the names, number and boundaries of wards.

The Commission started 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 Commissions previous recommendations that were published and accepted by Parliament in 2011 and which led to 'all out' elections in 2012. It was envisaged the Commission would complete this current review in 2019 and if their proposals are accepted, then there would be 'all out' elections in 2020 as the Commission believed there should be a '*fresh mandate*' where a council has undergone an electoral review. In proceeding with a review the Commission sought to ensure 'electoral equality' in that, the ratio of electors to councillors in each ward '*is as nearly as possible the same*'.

Members were advised that an Officer Working Group had been formed and was led by the Council's Electoral Registration Officer, as the Commission would require, amongst other matters, the submission of electoral forecasting information. Although reports would be brought before Council, it was considered 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 proceeded. It was 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.

It was moved by Councillor C Akers-Belcher and seconded by Councillor Martin-Wells:-

“That a politically balanced Electoral Review Member Working Group be convened with 11 Members including all Political Group Leaders

Council agreed the Motion unanimously.

RESOLVED - That a politically balanced Electoral Review Member Working Group be convened with 11 Members including all Political Group Leaders

90. SPECIAL URGENCY QUARTERLY REPORT

Council was informed that that there were no special urgency decisions taken in the period August 2017 – October 2017.

RESOLVED – That the report be noted.

91. MOTION – RESPONSE FROM MINISTER FOR PENSIONS AND FINANCIAL INCLUSION

As agreed at the meeting of Council on 28 September 2017, a letter had been 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."

A copy of the response received from the Minister was appended to the report. The Member who had moved the Motion at the Council meeting expressed concern that the Minister's response had not addressed the issues highlighted by the Motion.

RESOLVED – That the report be noted.

92. UNIVERSAL CREDIT – CHANCELLOR BUDGET 22nd NOVEMBER 2017 ANNOUNCEMENT

The Chief Executive reported that following the Chancellor's budget speech, a letter had been received 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 (UC). A copy of the letter was appended to the report.

Members were reminded that 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 would not benefit from the changes announced by the Chancellor. If the current rate of transfer of claimants to UC is sustained it was anticipated that all working age cases eligible to move to UC would have transferred by Spring 2019.

It was moved by Councillor C Akers-Belcher and seconded by Councillor Clark:-

“That a letter be sent to the Government to express Council's concerns that the Chancellor's changes will have limited benefit for people in areas like Hartlepool where Universal Credit roll out is already being implemented. “

Council agreed the Motion.

RESOLVED - That a letter be sent to the Government to express Council's concerns that the Chancellor's changes will have limited benefit for people in areas like Hartlepool where Universal Credit roll out is already being implemented

93. PUBLIC QUESTION

None

94. 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 and the Police and Crime Panel

The minutes of the meeting held by the Cleveland Police and Crime Panel held on 19th September 2017 were noted.

The meeting concluded at 8.20 p.m.

CEREMONIAL MAYOR

COUNCIL REPORT

22 February 2018



Report of: Finance and Policy Committee

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

1. PURPOSE OF REPORT

1.1 The purposes of the report are to enable Council to consider:

- i) the recommendations from the Finance and Policy Committee in relation to the 2018/19 Council Tax level for Hartlepool Council services; and
- ii) approve the detailed statutory Council Tax calculations for 2018/19, which incorporate Council Tax precepts set by other organisations.

2. BACKGROUND

- 2.1 In accordance with the Constitution the Finance and Policy Committee is required to develop budget and Council Tax proposals for the forthcoming year for consideration by Council. Details of savings proposals were considered and approved by Council on 14th December and this included an indicative Council Tax increase (including the Social Care precept) of 4.9% for 2018/19. Based on the approved savings the detailed budgets for 2018/19 are set out in the attached booklet.
- 2.2 Members noted that the level of Council Tax for 2018/19 would be determined by Council in February 2018, to reflect the Government's actual 2018/19 Council Tax referendum limit. Final 2018/19 Council Tax proposals are summarised in section 4.
- 2.3 This report also details the statutory 2018/19 Council Tax calculations which the Council is required to undertake to incorporate the Council Tax levels approved by 'precepting bodies', i.e. the Police and Crime Commissioner, Cleveland Fire Authority and Parish Councils. Individual 'precepting bodies' are responsible for setting their own Council Tax levels in accordance with the specific Government Council Tax referendum principles applying. Further information is provided in section 5.

3. ISSUES CONSIDERED BY FINANCE AND POLICY COMMITTEE ON 12th FEBRUARY 2018

- 3.1 The detailed report considered by Finance and Policy Committee on the 12th February 2018 is 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 Local Government Finance Settlement 2018/19 and 2019/20**
- 3.4 The Government has confirmed the previously announced Revenue Support Grant (RSG) cuts for 2018/19 and 2019/20. This means the Council will have faced nine consecutive years of cuts in RSG.
- 3.5 The Government has increased the 2018/19 and 2019/20 core Council Tax referendum limit from 2% to 3% to recognise the financial pressures facing councils, including the increased costs of Looked after Children.
- 3.6 For authorities with Adult Social Care responsibilities the previously announced Adult Social Care precept limits remain. These arrangements continue the Adult Social Care precept of an additional 2% for three years up to 2019/20, with flexibility to increase the precept to 3% in 2017/18 and 2018/19, provided the increases do not exceed 6% between 2017/18 and 2019/20.
- 3.7 Figures provided by the Department for Housing, Communities and Local Government (DHCLG) show that these proposals will continue to switch funding for council services from national taxation (i.e. Revenue Support Grant, Top-up grant and Business Rates) to Council Tax as highlighted in the following table:

Changes in Core Spending Power of Councils 2015/16 to 2019/20
(figures are based on 2018/19 DHCLG Provisional Local Government Finance Settlement)

	2015/16	2019/20	Increase/ (decrease) in overall funding
Settlement Funding Assessment (Total of Revenue Support Grant, Top-up grant and Business Rates income)	48.0%	32.4%	(15.6%)
Council Tax	49.3%	61.5%	12.2%
Other Grants	2.7%	6.1%	3.4%
Total Core Spending Power	100.0%	100.0%	0%

3.8 Impact of Settlement on the Council 2018/19

3.9 Confirmation of the RSG cuts for 2018/19 and 2019/20 means that the Council will have to continue reducing expenditure and increasing Council Tax to balance the budget.

3.10 For 2018/19 this confirms the gross budget deficit of **£7.314m**. This is before:

- the impact on the 2018 national pay award, which will increase recurring costs by £950,000 in 2018/19. Council has agreed this amount will be funded from the one off resources released from the reserves review to provide a longer lead time to identify permanent budget savings; and
- the impact of Looked after Children's pressures of £2.5m, which will be funded from reserves in 2018/19.

3.11 Savings approved by Council on 14th December, plus the planned use of the Budget Support Fund and increased Council Tax income from forecast housing growth covers **£5.529m (i.e. 75%)** of the gross 2018/19 deficit of **£7.314m**. As detailed in the December MTFS the remaining 2018/19 deficit of **£1.785m** (i.e. 25%) can be funded by increasing Council Tax by 4.9% (including the Adult Social Care precept).

3.12 The Finance and Policy Committee were advised that the final Local Government Finance settlement was issued on 6th February and this confirmed the previously announced RSG cuts. The final settlement provided additional Adult Social Care Support Grant of £150m for 2018/19. This is one off funding and is being funded from an anticipated underspend in existing Government departmental budgets. Hartlepool's allocation is £313,000. As this is one off funding the Finance and Policy Committee has recommended that this amount is used to reduce the use of Budget Support Fund reserve in 2018/19. This proposal will then enable these resources to be carried forward and earmarked towards reducing the 2019/20 budget deficit, which is currently forecast to be between £5.232m and £6.013m.

3.13 The report to Finance and Policy Committee on 12th February 2018 advised Members that the Government's 2018/19 Council Tax referendum limit is 6%, consisting of a core referendum limit of 3% and an Adult Social Care precept of 3%. The report detailed the impact of increasing Council Tax by a further 1%, i.e. a 5.9% increase.

3.14 The Finance and Policy Committee considered the options in relation to the 2018/19 Council Tax increase and determined to recommend a 4.9% increase, which secures the recurring income required to balance the 2018/19 budget.

3.15 Impact of Settlement on the Council 2019/20

- 3.16 The updated MTFS report advised Members that if the Government does not provide additional funding for Looked after Children pressures and the national pay award the 2019/20 forecast deficit will increase from £1.363m to £6.013m.

3.17 Capital Budget Update

- 3.18 The Finance and Policy Committee report provides an update of the capital budgets as detailed in Appendix A, to reflect Government capital allocations announced since the initial proposals were approved by Council in December 2017.

4. MTFS RECOMMENDATIONS REFERRED BY FINANCE AND POLICY COMMITTEE FOR COUNCIL'S CONSIDERATION AND APPROVAL

- 4.1 In summary the Finance and Policy Committees final recommendations for Council to consider and approve are as follows:
- i) Approve a 2% Adult Social Care precept for 2018/19;
 - ii) Approve a 2.9% base Council Tax increase for 2018/19 and to note that when account is taken of the recommended Adult Social Care precept the total increase for Hartlepool Council services is 4.9%;
 - iii) Approve the detailed 2018/19 budgets set out in section 2 of the attached booklet, which reflect the savings approved by Council on 14th December 2017.
 - iv) Approve the updated capital budgets as set out in Appendix A, which reflect Government capital allocations announced since the initial proposals were approved by Council in December 2017, and note that detailed proposals for using ring fenced capital resources for the Local Transport Plan and Schools Capital Programme will be reported to the relevant Policy Committee for approval.
 - v) Approve the proposals to use the one off 2018/19 Adult Social Care Support Grant of £313,000, announced by the Government on 6th February, to reduce the use of the Budget Support Fund reserve in 2018/19. This proposal will then enable these resources to be carried forward and earmarked towards reducing the 2019/20 budget deficit, which is currently forecast to be between £5.232m and £6.013m.

5. STATUTORY COUNCIL TAX CALCULATIONS, INCORPORATING PRECEPTING AUTHORITIES DECISIONS

- 5.1 In accordance with Local Government Finance Act 1992 and relevant regulations the Council is required to approve the statutory Council Tax

calculation incorporating the Council Tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and individual parish councils.

- 5.2 Individual ‘precepting bodies’ are responsible for setting their own Council Tax levels in accordance with the specific Government Council Tax referendum principles applying and which meet their own budgetary requirements. The Government has set the following Council Tax referendum limits for 2018/19 and 2019/20:

Type of Authority	Government Council Tax Referendum Limits 2018/19 and 2019/20
Police and Crime Commissioners	Increases of up to £12 in Band D Council Tax in 2018/19 and 2019/20
Fire and Rescue Authorities	Increases of up to 3% in 2018/19 and 2019/20
Town and Parish councils	No referendum limits have been set and the Government intends to defer setting limits for three years, subject to town and parish councils exercising Council Tax restraint.

- 5.3 The statutory Council Tax calculations are an administrative responsibility that the Council as the statutory ‘billing authority’ is required to undertake once the Council has set its own Council Tax level (as detailed in section 4) and the individual precepting authorities have set their own Council Tax levels.

- 5.4 For Members information, for areas without a parish council, which is 90% of Hartlepool households, the overall Council Tax increase for 2018/19 is 4.9%, which reflects the following increases approved by the Council, the Police and Crime Commissioner and Cleveland Fire Authority. The table also includes the Government’s 2018/19 Council Tax referendum limits for the different types of authority.

	Council Tax increase	Government Council Tax referendum limit
Hartlepool Council (includes 2% Social Care Precept)	4.9%	6%
Police and Crime Commissioner #	5.6%	£12
Cleveland Fire Authority (CFA) ##	2.9%	3%
Total increase	4.9%	

Police and Crime Commissioner percentage increase is based on a £12 increase for a Band D property.

This is the increase recommended by the CFA Executive Committee and the final decision will be made by the CFA at the full Authority meeting on 16th February 2018.

- 5.5 Based on the increases detailed above the following table summarises the Council Tax for 2018/19, for areas without a parish. The Adult Social Care precept is the cumulative amount and includes the 2% increase for 2018/19.

	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Hartlepool Borough Council Basic Amount without parishes or special items	1,012.34	1,181.05	1,349.78	1,518.50	1,855.95	2,193.39	2,530.84	3,037.00
Hartlepool Borough Council Adult Social Care Precept	69.01	80.52	92.02	103.52	126.52	149.53	172.53	207.04
Office of Police and Crime Commissioner	151.03	176.20	201.37	226.54	276.88	327.22	377.57	453.08
Fire Authority	50.12	58.47	66.83	75.18	91.89	108.59	125.30	150.36
Areas without a Parish Council	1,282.50	1,496.24	1,710.00	1,923.74	2,351.24	2,778.73	3,206.24	3,847.48

- 5.6 Council is requested to approve the statutory Council Tax calculations detailed in Appendix B, which includes the Council Tax increases approved by the individual precepting authorities.

6. CONTACT OFFICER

Chris Little
 Director of Finance and Policy
 Email: chris.little@hartlepool.gov.uk
 Tel: 01429 523003

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2018/19 TO 2020/21

TABLE 1 - FORECAST CAPITAL RESOURCES

	Forecast Resources 2018/2019				Forecast Resources 2019/2020 (Provisional)				Forecast Resources 2020/2021 (Provisional)			
	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Service Specific Capital Grants</u>												
Devolved Formula Capital (Schools) *	0	0	128	128	0	0	128	128	0	0	128	128
Disabled Facilities Grant (Better Care Fund) **	0	0	931	931	0	0	931	931	0	0	931	931
Local Transport Plan	0	0	0	0	0	0	0	0	0	0	0	0
Highway Maintenance	0	0	1,054	1,054	0	0	1,054	1,054	0	0	1,054	1,054
Pot Holes	0	0	98	98	0	0	98	98	0	0	98	98
Incentive Funding	0	0	99	99	0	0	99	99	0	0	99	99
Integrated Transport Block	0	0	719	719	0	0	719	719	0	0	719	719
Schools Capital Programme #	0	0	4,828	4,828	0	0	1,098	1,098	0	0	655	655
	0	0	7,857	7,857	0	0	4,127	4,127	0	0	3,684	3,684
<u>Departmental Prudential Borrowing - Funded from</u>												
<u>Specific Business Cases</u>												
Replacement Wheelie Bins	90	0	0	90	90	0	0	90	90	0	0	90
Waste Disposal Contract Extension	1,872	0	0	1,872	0	0	0	0	0	0	0	0
Vehicle Procurement (Tables 2 - 4)	1,643	75	0	1,718	1,726	0	0	1,726	1,601	0	0	1,601
	3,605	75	0	3,680	1,816	0	0	1,816	1,691	0	0	1,691
<u>Housing Revenue Account Schemes</u>												
Empty Property Purchasing Scheme approved 30-10-17 ##	550	495	335	1,380	0	0	0	0	0	0	0	0
	550	495	335	1,380	0	0	0	0	0	0	0	0
Total Forecast Resources	4,155	570	8,192	12,917	1,816	0	4,127	5,943	1,691	0	3,684	5,375

* Devolved Formula Capital allocation for Schools is an estimate based on the 2017/18 allocation. The Government has stated that the 2017/18 allocation could be used as an indication of future allocations.

** Better Care Fund is continuing in 2018/19, however detailed DFG allocations have yet to be announced by the Government. Estimates are based on 2017/18 allocations and an assumption that the Better Care Fund will continue in 2019/20 and 2020/21.

Schools Capital Programme includes an estimate of £0.655m Schools Condition Grant for 2018/19 and future years as actual allocations have yet to be announced by the Government. This is based on the 2017/18 allocation which the Government has stated is indicative of future allocations. In addition the Council has received a Basic Need funding allocation for 2018/19 and 2019/2020, this is reflected in the above figures.

An external funding bid for £0.335m will be submitted to the HCA and is an indicative estimate based on current per property funding levels.

SUPPORTING STATUTORY RESOLUTIONS - COUNCIL TAX INCREASE

- 1 Full Council needs to approve the following supporting statutory amounts which must be calculated by the Council for 2018/2019 in accordance with the Local Government Finance Act 1992 and relevant regulations:
- i) To note that on 8th January 2018 the Finance and Policy Committee approved the 2018/19 Council Tax Base for:
- The whole Council area as 24,021.0 Band D equivalents in accordance with Section 31B of the Local Government Finance Act 1992, as amended; and
 - For dwellings in those parts of its area to which a Parish precept relates as follows:

Parish Council Tax bases (Band D Equivalents)

Dalton Piercy	104.0	Greatham	575.5
Elwick	583.1	Hart	317.0
Headland	721.5	Newton Bewley	33.4

- 2 That the Council Tax requirement for the Council's own purposes (excluding Parish precepts) is £38,962,542.
- 3 That the following amounts be calculated by the Council for in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and relevant regulations:-
- (a) £75,062,840 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Local Government Finance Act 1992 and relevant regulations.
- (b) £36,067,700 Being the aggregate of the sums which the Council estimate will be payable to it in respect of Revenue Support Grant £10,799,776, Non Domestic Rating Income of £14,877,880, Top up Funding of £10,124,609 and the estimate to be received from the Collection Fund of £265,435 as at 31st March 2018, in accordance with Section 97 (3) of the Local Government Finance Act 1988 and the Local Government Charges for England (Collection Fund Surpluses and Deficits) Regulations 1995 amended.
- (c) £38,995,140 Being the amount by which the aggregate at 3 (a) above exceeds the aggregate at 3 (b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year (including Parish precepts).

- | | | |
|-----|-----------------------------------|--|
| (d) | £1,623.38 | Being the amount calculated by the Council in accordance with Section 31B of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year (including Parish precepts). |
| (e) | £32,598
Parish
Precepts | Being the aggregate amount of all special items referred to in Section 34 (1) of the Local Government Finance Act 1992. |
| | £14,637
Concurrent
Services | Concurrent Services - as detailed in Table 1. |
| (f) | £1,622.02 | Being the amount calculated by the Council in accordance with Section 34 (2) of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year 2018/19 (excluding Parish precepts), which has the effect of increasing the Council's element of Council Tax by 4.9%. |
-
- 4 The Basic Council Tax for 2018/19 calculated in accordance with Section 34 (3) for dwellings in those areas that have a Parish precept as set out in Table 2.
 - 5 Approve in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, the aggregate amounts shown in Table 3 the amounts of Council Tax for 2018/19 for each part of the Council's area and each of the categories of dwellings.
 - 6 Approve that the Council's basic amount of Council Tax for 2018/19 of £1,622.02, detailed in 3 (f) above is not excessive in accordance with the principles approved under section 52ZB of the Local Government Finance Act 1992 and that no local referendum will be carried out in relation to Chapter 4ZA of the Local Government Finance Act 1992.
 - 7 Approve the amount of Council Tax including the Cleveland Fire Authority and the Office of the Police and Crime Commissioner precepts, in accordance with Section 40 of the Local Government Finance Act 1992 and the relevant inclusion of amounts of Council Tax for each category of dwelling in accordance with Sections 43 to 47 of the Act as set out in Table 3.

TABLE 1 - Council Tax For Parish Councils 2018/2019

	Precept (1)	Parish Tax Base (2)	Parish Council Tax (3) [=(1)/(2)]	Basic Council Tax (4)	Billing Authority/s Council Tax (5) [=(3)+(4)]	Precept met from Council Tax Support Scheme	Concurrent Services	Total Payment to Parish
Parishes	£ p		£ p	£ p	£ p	£ p	£ p	£ p
Dalton Piercy	6,554	104.0	63.02	1,622.02	1,685.04	446	2,510	9,510
Elwick	11,595	583.1	19.89	1,622.02	1,641.91	405	7,160	19,160
Greatham	2,749	575.5	4.78	1,622.02	1,626.80	451	1,385	4,585
Hart	6,060	317.0	19.12	1,622.02	1,641.14	255	3,582	9,897
Headland	5,526	721.5	7.66	1,622.02	1,629.68	2,474	0	8,000
Newton Bewley	114	33.4	3.41	1,622.02	1,625.43	6	0	120
	32,598					4,037	14,637	51,272

TABLE 2 - Council Taxes For Each Property Band 2018/2019**(Including Parish Precepts but excluding Office of Police and Crime Commissioner & Fire Authority)**

Parishes	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Dalton Piercy	1,123.36	1,310.58	1,497.82	1,685.04	2,059.49	2,433.95	2,808.40	3,370.08
Elwick	1,094.61	1,277.04	1,459.48	1,641.91	2,006.77	2,371.64	2,736.51	3,283.82
Greatham	1,084.53	1,265.29	1,446.05	1,626.80	1,988.31	2,349.82	2,711.33	3,253.60
Hart	1,094.09	1,276.44	1,458.79	1,641.14	2,005.83	2,370.53	2,735.23	3,282.28
Headland	1,086.46	1,267.53	1,448.61	1,629.68	1,991.83	2,353.98	2,716.14	3,259.36
Newton Bewley	1,083.63	1,264.22	1,444.83	1,625.43	1,986.64	2,347.85	2,709.06	3,250.86
Areas without a Parish Council	1,081.35	1,261.57	1,441.80	1,622.02	1,982.47	2,342.92	2,703.37	3,244.04

TABLE 3 - Council Taxes For Each Property Band 2018/2019**(Including Parish Precepts, Office of Police and Crime Commissioner & Fire Authority)**

Parishes	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Dalton Piercy	1,324.51	1,545.25	1,766.02	1,986.76	2,428.26	2,869.76	3,311.27	3,973.52
Elwick	1,295.76	1,511.71	1,727.68	1,943.63	2,375.54	2,807.45	3,239.38	3,887.26
Greatham	1,285.68	1,499.96	1,714.25	1,928.52	2,357.08	2,785.63	3,214.20	3,857.04
Hart	1,295.24	1,511.11	1,726.99	1,942.86	2,374.60	2,806.34	3,238.10	3,885.72
Headland	1,287.61	1,502.20	1,716.81	1,931.40	2,360.60	2,789.79	3,219.01	3,862.80
Newton Bewley	1,284.78	1,498.89	1,713.03	1,927.15	2,355.41	2,783.66	3,211.93	3,854.30
Areas without a Parish Council	1,282.50	1,496.24	1,710.00	1,923.74	2,351.24	2,778.73	3,206.24	3,847.48

MEDIUM TERM FINANCIAL STRATEGY
SUPPORTING DOCUMENTATION BOOKLET

February 2018

PART 1

Finance & Policy Committee 12th February 2018 - Medium Term
Financial Strategy (MTFS) 2018/19 to 2019/20 and Financial
Outlook from 2020/21 Report

February 2018

FINANCE AND POLICY

12th February 2018



Report of: CORPORATE MANAGEMENT TEAM

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

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 to reflect the Local Government Finance settlement announcement and to enable Members to finalise the detailed 2018/19 Council Tax proposals to be referred to Council on 22nd February 2018.

3.0 BACKGROUND

- 3.1 At the Council meeting on 14th December 2017 the budget proposals referred from the Finance and Policy Committee were approved and this included an indicative Council Tax increase (including the 3% Social Care precept) of 4.9% for 2018/19. Members noted that the level of Council Tax for 2018/19 would be determined by Council in February 2018, to reflect the Government actual 2018/19 Council Tax referendum limit.
- 3.2 In summary the approved 2018/19 budget proposals, including an indicative Council Tax increases in line with the Government's previously announced referendum limit enable a balanced budget to be set for 2018/19. The indicative 2018/19 Council Tax increase generates recurring income of **£1.785m** and this addresses approximately **25%** of the 2018/19 gross deficit. The remaining 75% of the 2018/19 deficit has been addressed from a combination of forecast housing growth, budget savings and use of reserves.
- 3.3 The budget strategy also reduces the core budget deficit for 2019/20 to £1.363m, 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
Gross Deficit	7.314	3.758	11.072
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)
Sub Total – Deficit after Council Tax increases and forecast housing growth	4.955	2.540	7.495
Less – Use of Budget Support Fund	(2.448)	(0.257)	(2.705)
Less – Savings approved February 2017	(1.685)	(0.785)	(2.470)
Less – Savings approved December 2017	(0.822)	(0.135)	(0.957)
Cuts still to be identified	0	1.363	1.363

3.4 The core budget deficits summarised in the above table excluded the impact of:

- **Looked After Children budget pressures** – as reported previously these pressures currently total approximately £2.5m and in 2018/19 will be funded from one off resources. This strategy is designed to provide a longer lead time to either reduce these pressures, or for the Government to recognise this is a national issue and provide additional funding. However, as reported previously there is a significant risk that neither of these measures will be achieved and this could therefore increase the budget deficit for 2019/20 by **£2.5m**;
- **National Local Government Pay awards April 2018 and April 2019** – as reported verbally by the Leader to Council on 14th December 2017 the Employers organisation made a pay offer for April 2018 and April 2019 on 5th December 2017. This pay offer reflects pay restraint which has applied for the last five years and for the majority of staff provides annual cost of living pay increases for the next two years of 2%. For lower paid staff higher annual pay increases will apply.

Over the next two years the national pay offer will increase the Council's total recurring pay costs by 5.8%, which is broadly in line with the national increase of 5.7%. The budget forecast had provided for annual pay increases of 1% in line with the Government's previously announced pay cap.

For 2018/19 the additional pay cost will be approximately £0.950m and as approved by full Council will be funded from the one off resources released from the reserves review. The recurring additional cost from 2019/20 will be £2.150m and unless the Government provide additional funding as part of the 2019/20 Local Government Finance settlement will have to be funded by identifying additional budget reductions in 2019/20.

- 3.5 In summary the Looked after Children's budget pressure and impact of the national pay award could increase the 2019/20 budget deficit from **£1.363m** to **£6.013m**.

4.0 LOCAL GOVERNMENT FINANCE SETTLEMENT ANNOUNCEMENT 2018/19

- 4.1 The Government presented the settlement to Parliament on 19th December 2017 and this covered the following key issues:

- **Revenue Support Grant (RSG) 2018/19 and 2019/20** - the Government confirmed the previously announced RSG cuts, which means that local authorities will have faced nine years of RSG cuts by 2019/20. As reported previously these cuts have had a disproportionate impact on authorities, including Hartlepool, which are more dependent on RSG and have less ability to fund services from Council Tax and Business Rates income. Confirmation of these cuts means that the Council will have to implement the planned 2018/19 and 2019/20 budget cuts;
- **Council Tax referendum limit 2018/19 and 2019/20** – the Government has increased the core Council Tax referendum limit from 2% to 3% to recognise the financial pressures facing councils, including the increased costs of Looked after Children.

For authorities with Adult Social Care responsibilities the previously announced Adult Social Care precept limits remain. These arrangements continue the Adult Social Care precept of an additional 2% for three years up to 2019/20, with flexibility to increase the precept to 3% in 2017/18 and 2018/19, provided the increases do not exceed 6% between 2017/18 and 2019/20.

Whilst, the increase in the core Council Tax referendum limit and Social Care precept increases financial flexibility and secures recurring Council Tax income, this change is more beneficial to more affluent areas where the additional Council Tax increases will raise more recurring resources. For example, Department of Communities and Local Government figures show that:

- Wokingham Council could raise Council Tax income of £34 per resident if they implement a Council Tax increase up to the 2018/19 referendum limit; whereas
- Hartlepool could only raise £24 per resident; and
- This means Wokingham can potentially raise approximately £1m of recurring income more than Hartlepool.

The budget pressures in relation to Adult Social Care and Looked after Children are affecting the majority of authorities, and are particularly affecting authorities serving more deprived communities. Therefore, it would have been better for Hartlepool if the Government had recognised these issues by providing additional grant funding, rather than relying upon a further increase in Council Tax.

Council Tax income forecasts issued by the Government as part of the 2018 settlement indicate that the Government expects that authorities will make full use of the increase in Council Tax referendum limits. The Government's forecasts expect that by 2019/20 the national amount raised from Council Tax will be **£28.047 billion**, compared to **£22.036 billion** in 2015/16, an increase of **27.3%**. In cash terms the increase is **£6.011 billion**, which includes an additional **£1.824 billion** if all authorities implement the Adult Social Care precept.

- **Core Spending Power**

The Government's Core Spending Power forecasts highlight a number of key issues:

- Gross Core Spending Power for England in 2019/20 will be only **2.1%** higher than in 2015/16. Over this period councils have faced significant demographic pressures in relation to Adult Social Care, increasing costs in relation to Looked after Children, inflation pressures and unfunded increases in the National Living Wage.
- Net Core Spending Power for England excluding the Adult Social Care Precept in 2019/20 will be **1.9%** less than in 2015/16. When account is taken of inflation over this period the real term reduction is nearer **10%**.

- A continued switch in the funding of council services from national taxation to Council Tax as highlighted in the following table:

Changes in Core Spending Power of Councils 2015/16 to 2019/20
(figures are based on 2018/19 DCLG Provisional Local Government Finance Settlement)

	2015/16	2019/20	Increase/ (decrease) in overall funding
Settlement Funding Assessment (Total of Revenue Support Grant, Top-up grant and Business Rates income)	48.0%	32.4%	(15.6%)
Council Tax	49.3%	61.5%	12.2%
Other Grants (Total of Improved Better Care Fund, New Homes Bonus and Rural Services Delivery Grant)	2.7%	6.1%	3.4%
Total Core Spending Power	100.0%	100.0%	0%

- **Business Rates Retention** – as reported previously the Government indicated their intention to move from the current 50% Business Rates Retention to 100%, although it was unclear whether this would apply from 2019/20 or 2020/21.

The Government has now indicated that they intend to move to 75% Business Rates Retention from 2020/21. This change will not require primary legislation, which would be required for 100% retention.

As part of the implementation of 75% Business Rates Retention the Government has stated that Revenue Support Grant and Public Health Grant will be replaced by the additional Business Rates income retained by local authorities.

- **Fair Funding Review (FFR)** – the Government issued a detailed consultation document on the FFR on the same day as the settlement announcement. The Government has indicated that the FFR will be implemented from 2020/21, alongside the move from 50% to 75% Business Rates Retention. Responses to the FFR consultation need to be submitted by 12th March 2018 and a detailed report will be submitted to a future meeting to enable Members to consider the Council's response.

5.0 IMPACT OF SETTLEMENT ON THE COUNCIL

- 5.1 Government figures show that over the five year period of 2015/16 to 2019/20 the Council's core spending power will only increase by **£1.089m**, an increase of only **1.3%**, which is significantly less than the national core spending increase of **2.1%**. When account is taken of inflation and budget pressures in relation to Adult Social Care and Looked after Children there is a real terms reduction in funding for councils of **10%** over this period.
- 5.2 Government core spending power figures also show that Hartlepool continues to fund a lower proportion of spending from Council Tax and a higher proportion from the Settlement Funding Assessment and Other grants, as summarised in the table below. This position exposes the Council to a higher level of financial risk than other councils when the Government implements 75% Business Rates Retention and completes the Fair Funding Review as a greater proportion of the Council's recurring resources will be affected by these changes.

National and Hartlepool Core Spending Power funding sources 2019/20

	National	Hartlepool
Settlement Funding Assessment #	32.4%	43.4%
Council Tax	61.5%	49.1%
Other Grants ##	6.1%	7.5%
Total Core Spending Power	100.0%	100.0%

Revenue Support Grant, Top-up grant and Business Rates income.

Improved Better Care Fund, New Homes Bonus and Rural Services Delivery Grant.

- 5.3 The Settlement announcement details a range of Government policy announcements which will impact on the Council in both the short and medium term as detailed in the following paragraphs.
- 5.4 **Short Tem Impact - 2018/19**
- 5.5 In February 2017 Council approved an indicative Council Tax increase for 2018/19 of 4.9%, which reflected the Government's previous core Council Tax referendum limit of 2% and Social Care precept of 3%.
- 5.6 The Government's decision in December 2017 to increase the core Council Tax referendum limit for 2018/19 and 2019/20 from 2% to 3% recognises the financial pressures facing councils, including Looked after Children pressures.
- 5.7 The main advantage of the Government's decision to increase the core referendum limit is that it secures recurring income. This would not necessarily be the case if the Government had provided additional grant funding. The downsides of the Government's Council Tax policy are that it :

- continues to shift the burden of funding local services from national taxation to Council Tax; and
- does not recognise that individual authorities benefit differently from increasing Council Tax by an additional 1%.

5.8 In view of the Government's increased Council Tax referendum limits it is recommended that Members consider a revised Council Tax increase up to the Government's new referendum limits of 5.9% for 2018/19 and 2.9% for 2019/20. The advantages of implementing these increases are that they will:

- i) Secure additional Council Tax income of £365k in 2018/19, which can be used to support Looked after Children budget pressures;
- ii) Secure recurring additional Council Tax income of £781k in 2019/20, which would contribute towards the recurring Looked after Children pressure of £2.5m;
- iii) Reduces the budget cuts required in 2019/20 by £781k;
- iv) Secure a higher level of **recurring** Council Tax income to underpin the medium term financial sustainability of the Council in light of the Government's proposed changes in the funding system for local authorities planned for 2020/21.

5.9 Alternatively Members may wish to retain an overall 4.9% Council Tax increase for 2018/19, based on a 2.9% core increase, plus a 2% Adult Social Care precept. This option would then potentially enable a 3.9% increase to be implemented in 2019/20, based on a 2.9% core increase, plus a 1% Adult Social Care precept. This option would not secure additional income of £365k in 2018/19, although it would secure recurring income of £788k in 2019/20.

5.10 Either of the above Council Tax options would be sufficient to secure the 2018/19 Council Tax income required to achieve the MTFS proposals approved by Council in December.

- 5.11 The following table compares the above options with the indicative Council Tax increases approved in February:

Comparison of alternative Council Tax options

	Council Tax increase		Additional recurring Council Tax income compared to current MTFS forecast	
	2018/19	2019/20	2018/19	2019/20
<u>Current MTFS forecasts</u>				
Core Council Tax increase	1.9%	1.9%		
Adult Social Care precept	3.0%	0.0%		
Total	4.9%	1.9%	0	0
<u>December 2018 Government Referendum limits (paragraph 5.8)</u>				
Core Council Tax increase	2.9%	2.9%		
Adult Social Care precept	3.0%	0.0%		
Total	5.9%	2.9%	£365k	£781k
<u>Alternative phasing up to Government Referendum Limits (paragraph 5.9)</u>				
Core Council Tax increase	2.9%	2.9%		
Adult Social Care precept	2.0%	1.0%		
Total	4.9%	3.9%	0	£788k

- 5.12 The following table summarises the impact of the potential additional 1% Council Tax increase for 2018/19 on households:

Comparison of weekly Council Tax with a 4.9% or 5.9% increase for 2018/19

Percentage of properties	Property Band	Weekly increase in Council Tax for non LCTS households		
		with 4.9% increase £.p	with 5.9% increase £.p	Additional increase pence
55.0%	A	0.97	1.17	0.20
16.9%	B	1.13	1.36	0.23
14.2%	C	1.30	1.56	0.26
7.4%	D	1.46	1.75	0.29
3.8%	E	1.78	2.14	0.36
1.6%	F	2.10	2.53	0.43
1.0%	G	2.43	2.92	0.49
0.1%	H	2.92	3.50	0.58

5.13 Medium Term impact – 2020/21

- 5.14 For Hartlepool, and many other authorities, the additional retained Business Rates income of moving from a 50% scheme to a 75% scheme will not be sufficient to replace the lost grant income. Therefore, the Government will need to address this shortfall by either increasing the 'Top Up' grant allocated to authorities with a low business rates base, or address this position through the FFR.
- 5.15 As summarised in the following table this is a significant financial risk for Hartlepool as the forecast funding shortfall is £8.413m, which equates to 11.4% of the 2019/20 net General Fund budget:

	£'m
2019/20 Revenue Support Grant	7.780
2019/20 Public Health Grant	8.533
Sub Total	16.313
Less - 2019/20 increase in retained Business Rates income moving from 50% to 75%	(7.900)
Forecast funding shortfall arising from implementation of 75% Business Rates Retention	8.413

- 5.16 In view of the above position the FFR review will be critical to the financial sustainability of the Council in 2020/21 and future years. As this stage there is insufficient information available to assess the impact of the FFR and changes to the Business Rates system on the Council. Further reports will be submitted when more information is available.
- 5.17 This uncertainty underlines the importance of securing the highest level of recurring Council Tax income by increasing Council Tax in line with Government Council Tax referendum limits, which reflects the Government's continued policy of shifting the funding burden for local services from national taxation to Council Tax payers.

6.0 FIVE YEAR CAPITAL PLAN

- 6.1 An update of the capital budgets is detailed in Appendix A, to reflect Government capital allocations announced since the initial proposals were approved by Council in December 2017.

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 were reported in the previous MTFS report. Each EIA 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 had also been undertaken to determine the cumulative impact of the savings proposals on each individual “protected characteristic”. This assessment demonstrated 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 to the budget proposals. There have been no changes arising from the issues detailed in this report.

8.0 LEGAL CONSIDERATIONS

8.1 In accordance with the Local Government Finance Act 1992 local authorities have a statutory responsibility to set their council tax at a level which will balance their budget. The budget decisions approved by Council in December 2017 and the council tax recommendations detailed in this report will enable the Council to comply with this requirement.

9.0 CHILD AND FAMILY POVERTY

9.1 There are no specific child and family poverty considerations relating to this report. Previous decisions made by the Council to retain a 12% Local Council Tax Support Scheme for 2018/19, maintained the real term value of Local Welfare Support funding and earmark additional one off funding for the Child and Family Poverty Reserve will have a positive impact on child and family poverty issues.

10.0 STAFF CONSIDERATIONS

10.1 An assessment of the staffing impact of the approved 2018/19 savings proposals was included in the previous MTFS report. There are no changes arising from the issues detailed in this report.

11.0 ASSET MANAGEMENT CONSIDERATIONS

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

12.0 CONSULTATION

- 12.1 Details of consultation on the budget reductions were reported in the previous MTFS report. There are no changes arising from the issues detailed in this report.

13. CONCLUSIONS

- 13.1 The Government issued the 2018/19 Local Government Finance Settlement on 19th December 2017 and this 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 As reported previously the current funding system, which was introduced in 2013/14, commenced a fundamental shift in the balance of funding for council services. Government figures published in December 2017 confirm 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. Over the period 2015/16 to 2019/20 this shift is significant as highlighted in the following table:

Shift in Balance of Funding 2015/16 to 2019/20
(based on Government Core Spending Power figures
published December 2017)

National figures				Hartlepool figures		
2015/16	2019/20	Increase/ (decrease) in overall funding		2015/16	2019/20	Increase/ (decrease) in overall funding
48.0%	32.4%	(15.6%)	Settlement Funding	59.9%	43.4%	(16.5%)
49.3%	61.5%	12.2%	Assessment #	38.1%	49.1%	11.0%
2.7%	6.1%	3.4%	Council Tax	2.0%	7.5%	5.5%
100.0%	100.0%		Other Grant ##	100.0%	100.0%	
			Total Core Spending Power			

Revenue Support Grant, up-up grant and Business Rates income

Improved Better Care Fund, New Homes Bonus & Rural Services Delivery Grant.

- 13.4 As part of the December 2017 Settlement announcement the Government increased the core Council Tax referendum limit from 2% to 3% for 2018/19 and 2019/20. The Government's decision recognises the financial pressures facing councils, including Looked after Children pressures.
- 13.5 For Hartlepool the increase in the core Council Tax referendum limit from 2% to 3% would enable additional **recurring** Council Tax income of approximately £0.8m to be generated by 2019/20. This additional income would contribute towards the recurring Looked after Children pressure of £2.5m.
- 13.6 Based on the referendum limits announced by the Government in December 2017 it is now recommended that Members consider a Council Tax increase for 2018/19 of 5.9%, consisting of a core Council Tax increase of 2.9% and Social Care precept of 3%. It is also recommended that Members consider a core Council Tax increase for 2019/20 of 2.9%. There would be no additional Social Care precept in 2019/20 as the Government limit is 6% over the period 2017/18 to 2019/20. These proposals would secure a higher level of **recurring** 2019/20 Council Tax income which is critical for medium term financial sustainability of the Council and managing financial risks, including:
- Continuing Looked after Children pressures;
 - The impact of the recent pay offer covering 2018/19 and 2019/20;
 - Government policy of shifting the cost of funding council services from national taxation to Council Tax. Authorities which do not increase Council Tax in line with Government Council Tax referendum limits will find it difficult to argue for increased Government funding; and
 - Significant uncertainty regarding the implementation of a 75% Business Rates retention scheme and completion of the Fair Funding Review.
- 13.7 Alternatively Members may wish to maintain the previously approved 2018/18 Council Tax increase of 4.9%, but change the mix so that this increase is made up of a core increase of 2.9%, plus a Social Care precept of 2%. This option would secure the 2018/19 income of **£1.785m** already built into the budget proposals approved by Council in December 2017.

- 13.8 In terms of the risks which can be quantified the Council now faces a budget deficit of between approximately £5.2m and £6m in 2019/20, as follows:

	Worst Case £'m	Best Case £'m
Existing forecast deficit (as detailed paragraph 3.2)	1.363	1.363
Add Forecast Recurring Looked after Children pressures	2.500	2.500
Add Recurring additional pay costs arising from national pay offer of 2% per annum, plus higher annual increases for lower paid	2.150	2.150
Less Recurring Council Tax income from implementing 2018/19 and 2019/20 increases in line with Government referendum limits	0	(0.781)
Forecast 2019/20 budget deficit	6.013	5.232

- 13.9 To put the above deficits into context an initial analysis of the overall budget of £84m in 2019/20 has been completed. This indicates that between £66m and £70m of the overall budget relates to existing recurring commitments, including Adult Social Care, Looked after Children, refuse collection and disposal, loan repayment etc., which cannot be reduced. Therefore, the forecast budget deficit in 2019/20 will have to be identified by cutting the remaining £14m to £18m of the budget – this would equate to cuts in these areas of between approximately 40% and 30%.
- 13.10 A further report on developing a strategy to address the increased 2019/20 deficit will be reported to a future meeting.

14. RECOMMENDATIONS

14.1 It is recommended that Members

- i) Note the increase in the core Council Tax referendum limit from 2% to 3% for 2018/19 and 2019/20 announced by the Government in December 2017;
- ii) Note that the provisional 2018/19 Local Government Finance Settlement states that “in recognition of higher than expected inflation and the pressures on services such as social care and policing, the Government has decided to make changes to the Council Tax referendum principles”;
- iii) Note there is no change in the Adult Social Care precept arrangements for 2018/19 and 2019/20;

- 14.2 Determine which of the following 2018/19 Council Tax options is referred to Council:
- i) A 2018/19 Council Tax increase in line with the Government's December 2017 Council Tax referendum limit of 5.9% (consisting for core increase of 2.9%, plus Adult Social Care precept of 3%); OR
 - ii) A 2018/19 Council Tax increase in line with the indicative increase approved as part of the December 2017 MTFS proposals approved by Council of 4.9% (consisting for core increase of 2.9%, plus Adult Social Care precept of 2%).
- 14.3 To note that recommendations 14.2 (i) will secure £365k of additional Council Tax income in 2018/19 towards Looked after Children pressures;
- 14.4 To note that recommendations 14.2 (ii) will not secure £365k of additional Council Tax income in 2018/19;
- 14.5 To seek Council approval of the updated capital budgets detailed in Appendix A, which reflect Government capital allocations announced since the initial proposals were approved by Council in December 2017.

15. REASON FOR RECOMMENDATIONS

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

16.0 BACKGROUND PAPERS

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
Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2018/19 to 2019/20 - 22nd November 2017.

17.0 CONTACT OFFICERS

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FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2018/19 TO 2020/21

TABLE 1 - FORECAST CAPITAL RESOURCES

	Forecast Resources 2018/2019				Forecast Resources 2019/2020 (Provisional)				Forecast Resources 2020/2021 (Provisional)			
	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Service Specific Capital Grants</u>												
Devolved Formula Capital (Schools) *	0	0	128	128	0	0	128	128	0	0	128	128
Disabled Facilities Grant (Better Care Fund) **	0	0	931	931	0	0	931	931	0	0	931	931
Local Transport Plan	0	0	1,805	1,805	0	0	1,805	1,805	0	0	1,805	1,805
Schools Capital Programme #	0	0	4,828	4,828	0	0	1,098	1,098	0	0	655	655
	0	0	7,692	7,692	0	0	3,962	3,962	0	0	3,519	3,519
<u>Departmental Prudential Borrowing - Funded from Specific Business Cases</u>												
Replacement Wheelie Bins	90	0	0	90	90	0	0	90	90	0	0	90
Waste Disposal Contract Extension	1,872	0	0	1,872	0	0	0	0	0	0	0	0
Vehicle Procurement (Tables 2 - 4)	1,643	75	0	1,718	1,726	0	0	1,726	1,601	0	0	1,601
	3,605	75	0	3,680	1,816	0	0	1,816	1,691	0	0	1,691
<u>Housing Revenue Account Schemes</u>												
Empty Property Purchasing Scheme approved 30-10-17 ##	550	495	335	1,380	0	0	0	0	0	0	0	0
	550	495	335	1,380	0	0	0	0	0	0	0	0
Total Forecast Resources	4,155	570	8,027	12,752	1,816	0	3,962	5,778	1,691	0	3,519	5,210

* Devolved Formula Capital allocation for Schools is an estimate based on the 2017/18 allocation. The Government has stated that the 2017/18 allocation could be used as an indication of future allocations.

** Better Care Fund is continuing in 2018/19, however detailed DFG allocations have yet to be announced by the Government. Estimates are based on 2017/18 allocations and an assumption that the Better Care Fund will continue in 2019/20 and 2020/21.

Schools Capital Programme includes an estimate of £0.655m Schools Condition Grant for 2018/19 and future years as actual allocations have yet to be announced by the Government. This is based on the 2017/18 allocation which the Government has stated is indicative of future allocations. In addition the Council has received a Basic Need funding allocation for 2018/19 and 2019/2020, this is reflected in the above figures.

An external funding bid for £0.335m will be submitted to the HCA and is an indicative estimate based on current per property funding levels.

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
Provision of Vehicle Wash Facility	1	Fleet	75
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
			1,643

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
			1,726

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
			1,601

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

PART 2

Detailed Revenue Budgets by Department

February 2018

OVERVIEW

This document provides details of a summary of the overall General Fund budget and detailed departmental budgets for 2018/19, which reflect the budget decisions approved by Finance and Policy Committee on 22nd November 2017 and proposals to be referred to Council on 22nd February 2018.

ADULT & COMMUNITY BASED SERVICES

DETAILED REVENUE BUDGETS 2018/2019

2018/2019 BUDGET - ADULT AND COMMUNITY BASED SERVICES SUMMARY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2018/2019 (2+3+4+5+6 +7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Adult and Community Based Services</u>							
0	Carers Support	0	0	0	0	0	0	0
2,520	Commissioning - Adults	2,768	(150)	0	0	0	0	2,618
1,471	Commissioning - Mental Health	1,694	0	0	0	0	0	1,694
9,880	Commissioning - Older People	10,912	0	0	0	0	0	10,912
8,049	Commissioning - Working Age Adults	8,408	0	0	0	0	0	8,408
(3)	Community Centres	(1)	0	0	0	0	0	(1)
0	Community Hubs	0	0	0	0	110	(110)	0
225	Complaints, Investigations & Public Information	240	0	0	0	31	(31)	240
179	Departmental Running Costs	187	0	0	0	75	(75)	187
674	Direct Care & Support Team	730	0	0	0	0	0	730
446	Learning Disability & Transition Social Work Teams	457	0	0	0	0	0	457
917	Libraries	950	(83)	0	0	0	0	867
3,040	Locality & Safeguarding Social Work Teams	3,143	0	0	0	0	0	3,143
(9)	Locality & Safeguarding R&N	(11)	0	0	0	0	0	(11)
739	Mental Health Services	756	0	0	0	0	0	756
439	Occupational Therapy Services & Disability Equipment	450	0	0	0	0	0	450
0	Public Health - Obesity	0	0	0	0	0	0	0
0	Public Health - Substance Misuse Operational	0	0	0	0	100	(100)	0
562	Sports, Leisure & Rec Facilities	590	(50)	140	(140)	77	(77)	540
266	Workforce Planning & Development	272	0	0	0	0	0	272
1,184	Working Age Adults Day Services	1,219	(25)	0	0	0	0	1,194
(150)	Departmental Salary Abatement Target	(150)	(50)	0	0	0	0	(200)
(125)	Contribution from Adult's Reserves towards Pressures (Funded from 'one-off' iBCF grant in 2018/19)	0	0	0	0	0	0	0
30,304	Net Budget Requirement	32,614	(358)	140	(140)	393	(393)	32,256

2018/2019 BUDGET - SERVICE UNIT: CARERS SUPPORT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Carers Support</u>						
0	Direct costs - Employees	0	0	0	0	0	0
198	- Other	212	0	0	0	0	212
198	Total Direct Cost	212	0	0	0	0	212
0	Support Recharges	0	0	0	0	0	0
(198)	Income	(212)	0	0	0	0	(212)
0	Gross Budget Requirement	0	0	0	0	0	0
	Use Of Departmental Reserves						0
0	Net Budget Requirement	0	0	0	0	0	0

2018/2019 BUDGET - SERVICE UNIT: COMMISSIONING - ADULTS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Adults</u>						
735	Direct costs - Employees	924	0	0	0	0	924
5,229	- Other	3,535	(150)	0	0	0	3,385
5,964	Total Direct Cost	4,459	(150)	0	0	0	4,309
196	Support Recharges	201	0	0	0	0	201
(3,640)	Income	(1,892)	0	0	0	0	(1,892)
2,520	Gross Budget Requirement	2,768	(150)	0	0	0	2,618
	Use Of Departmental Reserves						0
2,520	Net Budget Requirement	2,768	(150)	0	0	0	2,618

Corporate Budget Reductions

These relate to the full-year effect of the 2017/18 review of housing related support budgets.

2018/2019 BUDGET - SERVICE UNIT: COMMISSIONING - MENTAL HEALTH

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Mental Health</u>						
0	Direct costs - Employees	0	0	0	0	0	0
2,727	- Other	3,114	0	0	0	0	3,114
2,727	Total Direct Cost	3,114	0	0	0	0	3,114
0	Support Recharges	0	0	0	0	0	0
(1,256)	Income	(1,420)	0	0	0	0	(1,420)
1,471	Gross Budget Requirement	1,694	0	0	0	0	1,694
	Use Of Departmental Reserves						0
1,471	Net Budget Requirement	1,694	0	0	0	0	1,694

2018/2019 BUDGET - SERVICE UNIT: COMMISSIONING - OLDER PEOPLE

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Older People</u>						
0	Direct costs - Employees	0	0	0	0	0	0
23,151	- Other	24,204	0	0	0	0	24,204
23,151	Total Direct Cost	24,204	0	0	0	0	24,204
0	Support Recharges	0	0	0	0	0	0
(13,270)	Income	(13,292)	0	0	0	0	(13,292)
9,881	Gross Budget Requirement	10,912	0	0	0	0	10,912
	Use Of Departmental Reserves						0
9,881	Net Budget Requirement	10,912	0	0	0	0	10,912

2018/2019 BUDGET - SERVICE UNIT: COMMISSIONING - WORKING AGE ADULTS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Commissioning - Working Age Adults</u>						
0	Direct costs - Employees	0	0	0	0	0	0
12,592	- Other	13,072	0	0	0	0	13,072
12,592	Total Direct Cost	13,072	0	0	0	0	13,072
0	Support Recharges	0	0	0	0	0	0
(4,543)	Income	(4,664)	0	0	0	0	(4,664)
8,049	Gross Budget Requirement	8,408	0	0	0	0	8,408
	Use Of Departmental Reserves						0
8,049	Net Budget Requirement	8,408	0	0	0	0	8,408

2018/2019 BUDGET - SERVICE UNIT: COMMUNITY CENTRES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Community Centres</u>						
62	Direct costs - Employees	65	0	0	0	0	65
4	- Other	4	0	0	0	0	4
66	Total Direct Cost	69	0	0	0	0	69
0	Support Recharges	0	0	0	0	0	0
(69)	Income	(70)	0	0	0	0	(70)
(3)	Gross Budget Requirement	(1)	0	0	0	0	(1)
	Use Of Departmental Reserves						0
(3)	Net Budget Requirement	(1)	0	0	0	0	(1)

2018/2019 BUDGET - SERVICE UNIT: COMMUNITY HUBS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Community Hubs</u>						
0	Direct costs - Employees	0	0	0	0	0	0
0	- Other	0	0	0	0	110	110
0	Total Direct Cost	0	0	0	0	110	110
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
0	Gross Budget Requirement	0	0	0	0	110	110
0	Use Of Departmental Reserves					(110)	(110)
0	Net Budget Requirement	0	0	0	0	0	0

One off costs Funded from Department Reserves

One-off funding supports the costs associated with the West View Community Hub.

2018/2019 BUDGET - SERVICE UNIT: COMPLAINTS, INVESTIGATIONS & PUBLIC INFORMATION

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Complaints, Investigations & Public Information</u>						
193	Direct costs - Employees	209	0	0	0	31	240
166	- Other	167	0	0	0	0	167
359	Total Direct Cost	376	0	0	0	31	407
0	Support Recharges	0	0	0	0	0	0
(134)	Income	(136)	0	0	0	0	(136)
225	Gross Budget Requirement	240	0	0	0	31	271
	Use Of Departmental Reserves					(31)	(31)
225	Net Budget Requirement	240	0	0	0	0	240

One off costs Funded from Department Reserves

This relates to a temporary post funded from Adult Reserves (former Care Act grant).

2018/2019 BUDGET - SERVICE UNIT: DEPARTMENTAL RUNNING COSTS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Departmental Running Costs</u>						
85	Direct costs - Employees	115	0	0	0	75	190
94	- Other	72	0	0	0	0	72
179	Total Direct Cost	187	0	0	0	75	262
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
179	Gross Budget Requirement	187	0	0	0	75	262
	Use Of Departmental Reserves					(75)	(75)
179	Net Budget Requirement	187	0	0	0	0	187

One off costs Funded from Department Reserves

This relates to the funding of departmental modern apprenticeships.

2018/2019 BUDGET - SERVICE UNIT: DIRECT CARE & SUPPORT TEAM

Approved Budget 2017/2018 (1) £'000	Service Unit	Budget Projection 2018/2019 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2018/2019 (2+3+4+5 +6) (7) £'000
	<u>Direct Care & Support Team</u>						
1,400	Direct costs - Employees	1,460	0	0	0	0	1,460
156	- Other	162	0	0	0	0	162
1,556	Total Direct Cost	1,622	0	0	0	0	1,622
0	Support Recharges	0	0	0	0	0	0
(882)	Income	(892)	0	0	0	0	(892)
674	Gross Budget Requirement	730	0	0	0	0	730
	Use Of Departmental Reserves						0
674	Net Budget Requirement	730	0	0	0	0	730

2018/2019 BUDGET - SERVICE UNIT: LEARNING DISABILITY & TRANSITIONS SOCIAL WORK TEAMS

Approved Budget 2017/2018 (1) £'000	Service Unit	Budget Projection 2018/2019 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2018/2019 (2+3+4+5 +6) (7) £'000
	<u>Learning Disability & Transitions Social Work Teams</u>						
487	Direct costs - Employees	498	0	0	0	0	498
7	- Other	8	0	0	0	0	8
494	Total Direct Cost	506	0	0	0	0	506
0	Support Recharges	0	0	0	0	0	0
(48)	Income	(49)	0	0	0	0	(49)
446	Gross Budget Requirement	457	0	0	0	0	457
	Use Of Departmental Reserves						0
446	Net Budget Requirement	457	0	0	0	0	457

2018/2019 BUDGET - SERVICE UNIT: LIBRARIES

Approved Budget 2017/2018 (1) £'000	Service Unit	Budget Projection 2018/2019 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2018/2019 (2+3+4+5 +6) (7) £'000
	<u>Libraries</u>						
755	Direct costs - Employees	782	(1)	0	0	0	781
223	- Other	229	(75)	0	0	0	154
978	Total Direct Cost	1,011	(76)	0	0	0	935
26	Support Recharges	27	(4)	0	0	0	23
(87)	Income	(88)	(3)	0	0	0	(91)
917	Gross Budget Requirement	950	(83)	0	0	0	867
	Use Of Departmental Reserves						0
917	Net Budget Requirement	950	(83)	0	0	0	867

Corporate Budget Reductions

Savings reflect the implementation of the Community Hub and Library Service review.

2018/2019 BUDGET - SERVICE UNIT: LOCALITY & SAFEGUARDING SOCIAL WORK TEAMS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Locality & Safeguarding Social Work Teams</u>						
4,247	Direct costs - Employees	4,255	0	0	0	0	4,255
181	- Other	300	0	0	0	0	300
4,428	Total Direct Cost	4,555	0	0	0	0	4,555
0	Support Recharges	0	0	0	0	0	0
(1,388)	Income	(1,412)	0	0	0	0	(1,412)
3,040	Gross Budget Requirement	3,143	0	0	0	0	3,143
	Use Of Departmental Reserves						0
3,040	Net Budget Requirement	3,143	0	0	0	0	3,143

2018/2019 BUDGET - SERVICE UNIT: LOCALITY & SAFEGUARDING - R&N

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Strategic Management</u>						
149	Direct costs - Employees	151	0	0	0	0	151
74	- Other	76	0	0	0	0	76
223	Total Direct Cost	227	0	0	0	0	227
49	Support Recharges	50	0	0	0	0	50
(281)	Income	(288)	0	0	0	0	(288)
(9)	Gross Budget Requirement	(11)	0	0	0	0	(11)
	Use Of Departmental Reserves						0
(9)	Net Budget Requirement	(11)	0	0	0	0	(11)

2018/2019 BUDGET - SERVICE UNIT: MENTAL HEALTH SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Mental Health Services</u>						
661	Direct costs - Employees	676	0	0	0	0	676
99	- Other	101	0	0	0	0	101
760	Total Direct Cost	777	0	0	0	0	777
0	Support Recharges	0	0	0	0	0	0
(21)	Income	(21)	0	0	0	0	(21)
739	Gross Budget Requirement	756	0	0	0	0	756
	Use Of Departmental Reserves						0
739	Net Budget Requirement	756	0	0	0	0	756

2018/2019 BUDGET - SERVICE UNIT: OCCUPATIONAL THERAPY EQUIPMENT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Occupational Therapy Equipment</u>						
0	Direct costs - Employees	0	0	0	0	0	0
497	- Other	507	0	0	0	0	507
497	Total Direct Cost	507	0	0	0	0	507
61	Support Recharges	63	0	0	0	0	63
(119)	Income	(120)	0	0	0	0	(120)
439	Gross Budget Requirement	450	0	0	0	0	450
	Use Of Departmental Reserves						0
439	Net Budget Requirement	450	0	0	0	0	450

Corporate Budget Reductions

These relate to inflationary savings on all non-pay budgets.

2018/2019 BUDGET - SERVICE UNIT:PUBLIC HEALTH - OBESITY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Obesity</u>						
83	Direct costs - Employees	83	0	1	0	0	84
16	- Other	16	0	0	(6)	0	10
99	Total Direct Cost	99	0	1	(6)	0	94
0	Support Recharges	0	0	0	0	0	0
(99)	Grant Income Recharge	(99)	0	(1)	6	0	(94)
0	Gross Budget Requirement	0	0	0	0	0	0
0	Use Of Departmental Reserves						0
0	Net Budget Requirement	0	0	0	0	0	0

Departmental Budget Pressures

Pressures relate to the cost of the pay award in 2018/19.

Departmental Budget Reductions to Fund Pressures

Savings relate to budget reductions across various supplies and services budgets.

2018/2019 BUDGET - SERVICE UNIT:PUBLIC HEALTH - SUBSTANCE MISUSE OPERATIONAL

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Substance Misuse Operational</u>						
752	Direct costs - Employees	752	0	16	(67)	0	701
238	- Other	238	0	11	(113)	100	236
990	Total Direct Cost	990	0	27	(180)	100	937
0	Support Recharges	0	0	0	0	0	0
(990)	Grant Income Recharge	(990)	0	(27)	180	0	(837)
0	Gross Budget Requirement	0	0	0	0	100	100
0	Use Of Departmental Reserves					(100)	(100)
0	Net Budget Requirement	0	0	0	0	0	0

Departmental Budget Pressures

Pressures relate to inflation including the cost of the pay award in 2018/19.

Departmental Budget Reductions to Fund Pressures

Savings relate to the efficiencies achieved as part of the proposals to transform and integrate drug and alcohol support services. These budget reductions were required to meet the 2.5% cut to the ringenced Public Health Grant of £231,000 in 2018/19.

One off costs Funded from Department Reserves

Funding supports the budget for tier 4 treatment services.

2018/2019 BUDGET - SERVICE UNIT: SPORTS LEISURE & REC FACILITIES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Sports & Leisure						
1,867	Direct costs - Employees	1,893	0	0	0	77	1,970
471	- Other	481	0	0	0	11	492
2,338	Total Direct Cost	2,374	0	0	0	88	2,462
8	Support Recharges	8	0	0	0	0	8
(1,654)	Income	(1,662)	(50)	10	(140)	(11)	(1,853)
692	Gross Budget Requirement	720	(50)	10	(140)	77	617
(130)	Use Of Departmental Reserves	(130)		130		(77)	(77)
562	Net Budget Requirement	590	(50)	140	(140)	0	540

Corporate Budget Reductions

Savings relate to support from the Public Health ringfenced grant to support initiatives that deliver the public health outcomes.

Departmental Budget Pressures and Departmental Budget Reductions to Fund Pressures

Additional Public Health Funding has been provided to support eligible expenditure in Sport and Recreation in 2018/19. This will ensure access to services for all residents particularly those in poor health.

One off costs Funded from Department Reserves

Public Health Funding has been provided on a recurring basis to support eligible expenditure in Sport and Recreation in 2018/19. This has replaced reserves and will ensure access to services for all residents particularly those in poor health.

In addition to this, reserves are earmarked to fund specific projects in 2018/19 which are designed to achieve public health outcomes.

2018/2019 BUDGET - SERVICE UNIT: WORKFORCE PLANNING & DEVELOPMENT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Workforce Planning & Development						
191	Direct costs - Employees	195	0	0	0	0	195
135	- Other	137	0	0	0	0	137
326	Total Direct Cost	332	0	0	0	0	332
0	Support Recharges	0	0	0	0	0	0
(60)	Income	(60)	0	0	0	0	(60)
266	Gross Budget Requirement	272	0	0	0	0	272
	Use Of Departmental Reserves						0
266	Net Budget Requirement	272	0	0	0	0	272

2018/2019 BUDGET - SERVICE UNIT: WORKING AGE ADULTS DAY SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Working Age Adults Day Services						
708	Direct costs - Employees	737	0	0	0	0	737
548	- Other	558	0	0	0	0	558
1,256	Total Direct Cost	1,295	0	0	0	0	1,295
6	Support Recharges	6	0	0	0	0	6
(78)	Income	(82)	(25)	0	0	0	(107)
1,184	Gross Budget Requirement	1,219	(25)	0	0	0	1,194
	Use Of Departmental Reserves						0
1,184	Net Budget Requirement	1,219	(25)	0	0	0	1,194

Corporate Budget Reductions

These relate to an increased income target from room hire and conference income at the Centre for Independent Living.

CHIEF EXECUTIVES DEPARTMENT

DETAILED REVENUE BUDGETS 2018/2019

2018/2019 BUDGET - CHIEF EXECUTIVES DEPARTMENT SUMMARY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2018/2019 (2+3+4+5+6 +7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
(128)	Benefits	(134)	0	82	(82)	100	(100)	(134)
(902)	Central Administration Recharges	(925)	0	0	0	0	0	(925)
35	Civic Attendants	36	0	0	0	0	0	36
86	Communications and Marketing	86	(33)	0	0	0	0	53
992	Corporate Finance	1,029	(54)	0	0	0	0	975
629	Corporate Strategy & Public Consultation	649	(3)	7	0	0	0	653
(143)	Council Tax & Housing Benefits	(143)	0	0	0	0	0	(143)
911	Customer and Support Services	937	(21)	0	0	41	(41)	916
195	Democratic Services	199	0	0	0	0	0	199
40	Fraud	41	(41)	0	0	0	0	0
443	Human Resources & Health and Safety	456	(14)	20	(27)	98	(98)	435
230	Internal Audit	234	0	0	0	0	0	234
420	Legal Services	436	0	0	0	0	0	436
199	Municipal Elections and Registration of Electors	204	(37)	0	0	15	(15)	167
(80)	Other Office Services	(7)	0	0	0	0	0	(7)
92	Procurement	94	0	0	0	0	0	94
(110)	Registration Services	(113)	0	0	0	0	0	(113)
(44)	Reprographics	(45)	0	0	0	0	0	(45)
927	Revenues	933	(5)	0	0	0	0	928
(446)	Revenue & Benefits Central	(447)	(79)	0	0	0	0	(526)
71	Scrutiny Function	73	(7)	0	0	22	(22)	66
605	Shared Services	616	0	0	0	32	(32)	616
124	Support to Members	130	0	0	0	0	0	130
16	Training & Equality	16	(6)	0	0	0	0	10
401	Corporate Management Running Expenses	408	0	0	0	0	0	408
4,563	Net Budget Requirement	4,763	(300)	109	(109)	308	(308)	4,463

2018/2019 BUDGET - SERVICE UNIT: BENEFITS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Benefits</u>						
742	Direct costs - Employees	758	0	0	(82)	0	676
37	- Other	37	0	0	0	0	37
779	Total Direct Cost	795	0	0	(82)	0	713
0	Support Recharges	0	0	0	0	0	0
(907)	Income	(929)	0	82	0	100	(747)
(128)	Gross Budget Requirement	(134)	0	82	(82)	100	(34)
0	Use Of Departmental Reserves					(100)	(100)
(128)	Net Budget Requirement	(134)	0	82	(82)	0	(134)

Departmental Budget Pressures

Budget pressures relate to a reduction in the DWP Housing Benefit Administration Grant.

Departmental Budget Reductions to Fund Pressures

Relates to 4 vacant posts within the Housing Benefit Section.

One off costs Funded from Department Reserves

Funding earmarked to address reduction in DWP Hosing Benefit Administration Grant.

2018/2019 BUDGET - SERVICE UNIT: CENTRAL ADMINISTRATION RECHARGES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Central Administration Recharges</u>						
0	Direct costs - Employees	0	0	0	0	0	0
0	- Other	0	0	0	0	0	0
0	Total Direct Cost	0	0	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
(902)	Income	(925)	0	0	0	0	(925)
(902)	Gross Budget Requirement	(925)	0	0	0	0	(925)
	Use Of Departmental Reserves						0
(902)	Net Budget Requirement	(925)	0	0	0	0	(925)

2018/2019 BUDGET - SERVICE UNIT: CIVIC ATTENDANTS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Civic Attendants</u>						
46	Direct costs - Employees	47	0	0	0	0	47
0	- Other	0	0	0	0	0	0
46	Total Direct Cost	47	0	0	0	0	47
0	Support Recharges	0	0	0	0	0	0
(11)	Income	(11)	0	0	0	0	(11)
35	Gross Budget Requirement	36	0	0	0	0	36
	Use Of Departmental Reserves						0
35	Net Budget Requirement	36	0	0	0	0	36

2018/2019 BUDGET - SERVICE UNIT: COMMUNICATIONS AND MARKETING

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Communications and Marketing</u>						
167	Direct costs - Employees	171	(32)	0	0	0	139
72	- Other	72	(1)	0	0	0	71
239	Total Direct Cost	243	(33)	0	0	0	210
0	Support Recharges	0	0	0	0	0	0
(153)	Income	(157)	0	0	0	0	(157)
86	Gross Budget Requirement	86	(33)	0	0	0	53
	Use Of Departmental Reserves						0
86	Net Budget Requirement	86	(33)	0	0	0	53

Corporate Budget Reductions

The reduction relates to the deletion of a post within the Communications and Marketing Section and some savings on non pay budgets.

2018/2019 BUDGET - SERVICE UNIT: CORPORATE FINANCE

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Corporate Finance</u>						
1,507	Direct costs - Employees	1,555	(54)	0	0	0	1,501
110	- Other	113	0	0	0	0	113
1,617	Total Direct Cost	1,668	(54)	0	0	0	1,614
0	Support Recharges	0	0	0	0	0	0
(625)	Income	(639)	0	0	0	0	(639)
992	Gross Budget Requirement	1,029	(54)	0	0	0	975
	Use Of Departmental Reserves						0
992	Net Budget Requirement	1,029	(54)	0	0	0	975

Corporate Budget Reductions

The reduction relates to the deletion of reduced hours and overtime within the Corporate Finance Section.

2018/2019 BUDGET - SERVICE UNIT: CORPORATE STRATEGY & PUBLIC CONSULTATION

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Corporate Strategy & Public Consultation</u>						
651	Direct costs - Employees	671	0	0	0	0	671
21	- Other	21	(3)	0	0	0	18
672	Total Direct Cost	692	(3)	0	0	0	689
0	Support Recharges	0	0	0	0	0	0
(43)	Income	(43)	0	7	0	0	(36)
629	Gross Budget Requirement	649	(3)	7	0	0	653
	Use Of Departmental Reserves						0
629	Net Budget Requirement	649	(3)	7	0	0	653

Corporate Budget Reductions

The reduction relates to savings made on non pay budgets across the Corporate Strategy and Corporate ICT Section.

Departmental Budget Pressures

Budget pressures relate to reduced income generation in relation to the corporate website.

2018/2019 BUDGET - SERVICE UNIT: COUNCIL TAX & HOUSING BENEFITS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Council Tax & Housing Benefits</u>						
0	Direct costs - Employees	0	0	0	0	0	0
38,500	- Other	38,500	0	0	0	0	38,500
38,500	Total Direct Cost	38,500	0	0	0	0	38,500
0	Support Recharges	0	0	0	0	0	0
(38,643)	Income	(38,643)	0	0	0	0	(38,643)
(143)	Gross Budget Requirement	(143)	0	0	0	0	(143)
	Use Of Departmental Reserves						0
(143)	Net Budget Requirement	(143)	0	0	0	0	(143)

2018/2019 BUDGET - SERVICE UNIT: CUSTOMER/SUPPORT SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Customer/Support Services</u>						
870	Direct costs - Employees	895	(21)	0	0	0	874
41	- Other	42	0	0	0	41	83
911	Total Direct Cost	937	(21)	0	0	41	957
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
911	Gross Budget Requirement	937	(21)	0	0	41	957
	Use Of Departmental Reserves					(41)	(41)
911	Net Budget Requirement	937	(21)	0	0	0	916

Corporate Budget Reductions

The reduction relates to the deletion of a post within the Customer Support Section.

One off costs Funded from Department Reserves

Funding earmarked for development of the Firmstep System.

2018/2019 BUDGET - SERVICE UNIT: DEMOCRATIC SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Democratic Services</u>						
175	Direct costs - Employees	179	0	0	0	0	179
21	- Other	21	0	0	0	0	21
196	Total Direct Cost	200	0	0	0	0	200
0	Support Recharges	0	0	0	0	0	0
(1)	Income	(1)	0	0	0	0	(1)
195	Gross Budget Requirement	199	0	0	0	0	199
	Use Of Departmental Reserves						0
195	Net Budget Requirement	199	0	0	0	0	199

2018/2019 BUDGET - SERVICE UNIT: FRAUD

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Fraud						
31	Direct costs - Employees	32	(32)	0	0	0	0
9	- Other	9	(9)	0	0	0	0
40	Total Direct Cost	41	(41)	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
40	Gross Budget Requirement	41	(41)	0	0	0	0
	Use Of Departmental Reserves						0
40	Net Budget Requirement	41	(41)	0	0	0	0

Corporate Budget Reductions

The reduction relates to the deletion of a post within the Fraud Section and some savings on non pay budgets.

2018/2019 BUDGET - SERVICE UNIT: HUMAN RESOURCES & HEALTH AND SAFETY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Human Resources & Health and Safety						
665	Direct costs - Employees	679	(8)	0	(18)	48	701
19	- Other	23	(6)	0	(9)	0	8
684	Total Direct Cost	702	(14)	0	(27)	48	709
0	Support Recharges	0	0	0	0	0	0
(241)	Income	(246)	0	20	0	50	(176)
443	Gross Budget Requirement	456	(14)	20	(27)	98	533
	Use Of Departmental Reserves					(98)	(98)
443	Net Budget Requirement	456	(14)	20	(27)	0	435

Corporate Budget Reductions

This relates to the reduction of a post within the HR Section and some savings on non pay budgets.

Departmental Budget Pressures

Budget pressures relate to a reduction in School and Academy Buyback income within the HR Section.

Departmental Budget Reductions to Fund Pressures

This relates to the reduction of a post within the HR Section and some savings on non pay budgets.

One off costs Funded from Department Reserves

Funding earmarked for the extension of a fixed term contract until 31st August, 2018.

Funding for a fixed term contract in relation to one-off work required to develop the Human Resources modules on Resourcelink.

Funding earmarked to address the loss of income from Schools and Academies.

2018/2019 BUDGET - SERVICE UNIT: INTERNAL AUDIT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Internal Audit						
253	Direct costs - Employees	258	0	0	0	0	258
6	- Other	6	0	0	0	0	6
259	Total Direct Cost	264	0	0	0	0	264
0	Support Recharges	0	0	0	0	0	0
(29)	Income	(30)	0	0	0	0	(30)
230	Gross Budget Requirement	234	0	0	0	0	234
	Use Of Departmental Reserves						0
230	Net Budget Requirement	234	0	0	0	0	234

2018/2019 BUDGET - SERVICE UNIT: LEGAL SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Legal Services</u>						
562	Direct costs - Employees	581	0	0	0	0	581
38	- Other	38	0	0	0	0	38
600	Total Direct Cost	619	0	0	0	0	619
0	Support Recharges	0	0	0	0	0	0
(180)	Income	(183)	0	0	0	0	(183)
420	Gross Budget Requirement	436	0	0	0	0	436
	Use Of Departmental Reserves						0
420	Net Budget Requirement	436	0	0	0	0	436

2018/2019 BUDGET - SERVICE UNIT: MUNICIPAL ELECTIONS AND REGISTRATION OF ELECTORS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Municipal Elections and Registration of Electors</u>						
135	Direct costs - Employees	138	(37)	0	0	0	101
66	- Other	68	0	0	0	15	83
201	Total Direct Cost	206	(37)	0	0	15	184
0	Support Recharges	0	0	0	0	0	0
(2)	Income	(2)	0	0	0	0	(2)
199	Gross Budget Requirement	204	(37)	0	0	15	182
	Use Of Departmental Reserves					(15)	(15)
199	Net Budget Requirement	204	(37)	0	0	0	167

Corporate Budget Reductions

The reduction relates to the Municipal Elections budget, but there has been a reserve created to manage the budget in future years.

One off costs Funded from Department Reserves

Funding earmarked to undertake further data cleansing on the Electoral Register.

2018/2019 BUDGET - SERVICE UNIT: OTHER OFFICE SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Other Office Services</u>						
61	Direct costs - Employees	62	0	0	0	0	62
0	- Other	0	0	0	0	0	0
61	Total Direct Cost	62	0	0	0	0	62
8	Support Recharges	8	0	0	0	0	8
(149)	Income	(77)	0	0	0	0	(77)
(80)	Gross Budget Requirement	(7)	0	0	0	0	(7)
	Use Of Departmental Reserves						0
(80)	Net Budget Requirement	(7)	0	0	0	0	(7)

2018/2019 BUDGET - SERVICE UNIT: PROCUREMENT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Procurement						
179	Direct costs - Employees	183	0	0	0	0	183
1	- Other	1	0	0	0	0	1
180	Total Direct Cost	184	0	0	0	0	184
0	Support Recharges	0	0	0	0	0	0
(88)	Income	(90)	0	0	0	0	(90)
92	Gross Budget Requirement	94	0	0	0	0	94
	Use Of Departmental Reserves						0
92	Net Budget Requirement	94	0	0	0	0	94

2018/2019 BUDGET - SERVICE UNIT: REGISTRATION SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Registration Services						
16	Direct costs - Employees	16	0	0	0	0	16
9	- Other	9	0	0	0	0	9
25	Total Direct Cost	25	0	0	0	0	25
0	Support Recharges	0	0	0	0	0	0
(135)	Income	(138)	0	0	0	0	(138)
(110)	Gross Budget Requirement	(113)	0	0	0	0	(113)
	Use Of Departmental Reserves						0
(110)	Net Budget Requirement	(113)	0	0	0	0	(113)

2018/2019 BUDGET - SERVICE UNIT: REPROGRAPHICS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Reprographics						
82	Direct costs - Employees	85	0	0	0	0	85
250	- Other	255	0	0	0	0	255
332	Total Direct Cost	340	0	0	0	0	340
0	Support Recharges	0	0	0	0	0	0
(376)	Income	(385)	0	0	0	0	(385)
(44)	Gross Budget Requirement	(45)	0	0	0	0	(45)
	Use Of Departmental Reserves						0
(44)	Net Budget Requirement	(45)	0	0	0	0	(45)

2018/2019 BUDGET - SERVICE UNIT: REVENUES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Revenues</u>						
749	Direct costs - Employees	766	0	0	0	0	766
198	- Other	188	0	0	0	0	188
947	Total Direct Cost	954	0	0	0	0	954
14	Support Recharges	14	(5)	0	0	0	9
(34)	Income	(35)	0	0	0	0	(35)
927	Gross Budget Requirement	933	(5)	0	0	0	928
0	Use Of Departmental Reserves						0
927	Net Budget Requirement	933	(5)	0	0	0	928

Corporate Budget Reductions

A reduction from 3 vans to 2 vans for the Bailiff Team.

2018/2019 BUDGET - SERVICE UNIT: REVENUE & BENEFITS CENTRAL

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Revenue & Benefits Central</u>						
262	Direct costs - Employees	271	0	0	0	0	271
114	- Other	124	(9)	0	0	0	115
376	Total Direct Cost	395	(9)	0	0	0	386
0	Support Recharges	0	0	0	0	0	0
(822)	Income	(842)	(70)	0	0	0	(912)
(446)	Gross Budget Requirement	(447)	(79)	0	0	0	(526)
	Use Of Departmental Reserves						0
(446)	Net Budget Requirement	(447)	(79)	0	0	0	(526)

Corporate Budget Reductions

The reduction relates to non pay budgets and an increase in Court Costs fees.

2018/2019 BUDGET - SERVICE UNIT: SCRUTINY FUNCTION

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Scrutiny Function</u>						
70	Direct costs - Employees	72	(7)	0	0	22	87
1	- Other	1	0	0	0	0	1
71	Total Direct Cost	73	(7)	0	0	22	88
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
71	Gross Budget Requirement	73	(7)	0	0	22	88
0	Use Of Departmental Reserves					(22)	(22)
71	Net Budget Requirement	73	(7)	0	0	0	66

Corporate Budget Reductions

This relates to a reduction in staff hours within the Scrutiny Section.

2018/2019 BUDGET - SERVICE UNIT: SHARED SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Shared Services</u>						
885	Direct costs - Employees	905	0	0	0	23	928
170	- Other	172	0	0	0	9	181
1,055	Total Direct Cost	1,077	0	0	0	32	1,109
0	Support Recharges	0	0	0	0	0	0
(450)	Income	(461)	0	0	0	0	(461)
605	Gross Budget Requirement	616	0	0	0	32	648
0	Use Of Departmental Reserves					(32)	(32)
605	Net Budget Requirement	616	0	0	0	0	616

One off costs Funded from Department Reserves

Funding earmarked for a fixed term two year contract in relation to one-off work on system development projects.

Funding earmarked for development of e-Forms.

2018/2019 BUDGET - SERVICE UNIT: SUPPORT TO MEMBERS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Support to Members</u>						
71	Direct costs - Employees	75	0	0	0	0	75
53	- Other	55	0	0	0	0	55
124	Total Direct Cost	130	0	0	0	0	130
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
124	Gross Budget Requirement	130	0	0	0	0	130
	Use Of Departmental Reserves						0
124	Net Budget Requirement	130	0	0	0	0	130

2018/2019 BUDGET - SERVICE UNIT: TRAINING & EQUALITY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Training & Equality</u>						
3	Direct costs - Employees	3	(3)	0	0	0	0
13	- Other	13	(3)	0	0	0	10
16	Total Direct Cost	16	(6)	0	0	0	10
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
16	Gross Budget Requirement	16	(6)	0	0	0	10
	Use Of Departmental Reserves						0
16	Net Budget Requirement	16	(6)	0	0	0	10

Corporate Budget Reductions

The reduction relates to some savings on non pay budgets.

2018/2019 BUDGET - SERVICE UNIT: CORPORATE MANAGEMENT RUNNING EXPENSES

These are 4 budgets, lettered from (A) to (D), which either do not fall within a specific Service unit.

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Victoria Park</u>						
0	Direct costs - Employees	0	0	0	0	0	0
0	- Other	0	0	0	0	0	0
0	Total Direct Cost	0	0	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
(18)	Income	(18)	0	0	0	0	(18)
(18)	Gross Budget Requirement A	(18)	0	0	0	0	(18)
	<u>Corporate Management Running Expenses</u>						
272	Direct costs - Employees	275	0	0	0	0	275
6	- Other	7	0	0	0	0	7
278	Total Direct Cost	282	0	0	0	0	282
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
278	Gross Budget Requirement B	282	0	0	0	0	282
	<u>Trade Union Representative</u>						
38	Direct costs - Employees	39	0	0	0	0	39
0	- Other	0	0	0	0	0	0
38	Total Direct Cost	39	0	0	0	0	39
24	Support Recharges	24	0	0	0	0	24
0	Income	0	0	0	0	0	0
62	Gross Budget Requirement C	63	0	0	0	0	63
	<u>Central Council Expenses</u>						
79	Direct costs - Employees	81	0	0	0	0	81
0	- Other	0	0	0	0	0	0
79	Total Direct Cost	81	0	0	0	0	81
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
79	Gross Budget Requirement D	81	0	0	0	0	81
401	Gross Budget Requirement of (A) to (E)	408	0	0	0	0	408
	Use Of Departmental Reserves						
401	Net Budget Requirement	408	0	0	0	0	408

CHILDREN'S AND JOINT COMMISSIONING SERVICES

DETAILED REVENUE BUDGETS 2018/2019

2018/2019 BUDGET - CHILDREN'S AND JOINT COMMISSIONING SERVICES SUMMARY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2018/2019 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Children's and Joint Commissioning Services</u>							
120	Central Support Services	167	0	0	0	0	0	167
12,403	Children & Families	13,135	(23)	2,500	0	0	0	15,612
2,672	Early Intervention Services	2,728	(390)	0	0	18	(18)	2,338
512	Other School Related Expenditure	512	0	0	0	0	0	512
6	Play & Care	9	(5)	0	0	0	0	4
0	Public Health - 0-19	0	0	0	0	0	0	0
472	Raising Educational Achievement	527	(35)	0	0	88	(88)	492
247	Special Educational Needs	257	(10)	0	0	186	(186)	247
744	Strategic Commissioning	827	0	0	0	0	0	827
250	Strategic Management	283	(10)	0	0	55	(55)	273
297	Youth Justice Service	301	0	0	0	0	0	301
0	Dedicated Schools Grant - Early Years Block	0	0	0	0	0	0	0
(1,359)	Dedicated Schools Grant - Schools Block	(594)	0	0	0	0	0	(594)
0	Dedicated Schools Grant - High Needs Block	0	0	0	0	85	(85)	0
1,411	Dedicated Schools Grant - Central School Services Bl	653	0	0	0	0	0	653
(150)	Departmental Salary Abatement Target	(150)	(50)	0	0	0	0	(200)
17,625	Net Budget Requirement	18,655	(523)	2,500	0	432	(432)	20,632

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2018/2019 (2+3+4+5+6+7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
	<u>Children's and Joint Commissioning - Public Health</u>							
761	Public Health - Statutory & Support Services	761	0	15	(39)	5	(5)	737
2,652	Public Health - Commissioning	2,652	0	7	(107)	13	(13)	2,552
990	Public Health - Substance Misuse	990	0	27	(180)	0	0	837
3,566	Public Health - Children's	3,566	0	0	0	0	0	3,566
740	Public Health - Adults	740	0	1	(61)	0	0	680
163	Public Health - Chief Execs	163	0	1	0	0	0	164
173	Public Health - Physical Activity	173	0	190	(85)	0	0	278
(8,995)	Public Health - Grant	(8,995)	0	231	0	0	0	(8,764)
50	Net Budget Requirement	50	0	472	(472)	18	(18)	50
17,675	Total Net Budget Requirement	18,705	(523)	2,972	(472)	450	(450)	20,682

2018/2019 BUDGET - SERVICE UNIT: CENTRAL SUPPORT SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Central Support Services</u>						
0	Direct costs - Employees	0	0	0	0	0	0
0	- Other	0	0	0	0	0	0
0	Total Direct Cost	0	0	0	0	0	0
473	Support Recharges	490	0	0	0	0	490
(353)	Income	(323)	0	0	0	0	(323)
120	Gross Budget Requirement	167	0	0	0	0	167
	Use Of Departmental Reserves						0
120	Net Budget Requirement	167	0	0	0	0	167

2018/2019 BUDGET - SERVICE UNIT: CHILDREN & FAMILIES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Children & Families</u>						
6,124	Direct costs - Employees	6,318	0	200	0	0	6,518
8,027	- Other	8,702	(18)	2,356	0	0	11,040
14,151	Total Direct Cost	15,020	(18)	2,556	0	0	17,558
119	Support Recharges	119	(5)	0	0	0	114
(1,867)	Income	(2,004)	0	(56)	0	0	(2,060)
12,403	Gross Budget Requirement	13,135	(23)	2,500	0	0	15,612
	Use Of Departmental Reserves						0
12,403	Net Budget Requirement	13,135	(23)	2,500	0	0	15,612

Corporate Budget Reductions

Inflationary savings across certain supplies and services budgets.

Department Budget Pressures

As identified in the February 2018 MTFS Report to Finance & Policy Committee, there is a current budget pressure of £2.5m arising from an increase in the number of looked after children and associated costs. This pressure is being funded in 2018/19 as part of the MTFS from a range of non-recurring resources.

The MTFS highlights the risk that if this pressure continues, the budget deficit will increase in 2019/20.

2018/2019 BUDGET - SERVICE UNIT: EARLY INTERVENTION SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5+6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Early Intervention Services</u>						
3,908	Direct costs - Employees	4,218	(103)	0	0	18	4,133
2,199	- Other	2,359	(294)	0	0	0	2,065
6,107	Total Direct Cost	6,577	(397)	0	0	18	6,198
60	Support Recharges	62	0	0	0	0	62
(3,495)	Income	(3,911)	7	0	0	0	(3,904)
2,672	Gross Budget Requirement	2,728	(390)	0	0	18	2,356
	Use Of Departmental Reserves					(18)	(18)
2,672	Net Budget Requirement	2,728	(390)	0	0	0	2,338

Corporate Budget Reductions

The savings relate to cessation of the '5-19' contract which it is anticipated will be supported via external funding through the Young People's Foundation, deletion of vacant posts, closure of the cafe facility at Rossmere Children's Centre, non-pay savings from budgets that have historically underspent, realignment of Children's Centre budgets and inflationary savings across supplies and services budgets.

One off costs Funded from Department Reserves

Reserve used to support the cost of operating the Selective Licensing scheme over years.

2018/2019 BUDGET - SERVICE UNIT: OTHER SCHOOL RELATED EXPENDITURE

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Other School Related Expenditure</u>						
191	Direct costs - Employees	191	0	0	0	0	191
321	- Other	321	0	0	0	0	321
512	Total Direct Cost	512	0	0	0	0	512
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
512	Gross Budget Requirement	512	0	0	0	0	512
	Use Of Departmental Reserves						0
512	Net Budget Requirement	512	0	0	0	0	512

2018/2019 BUDGET - SERVICE UNIT: PLAY & CARE

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Play & Care</u>						
108	Direct costs - Employees	111	0	0	0	0	111
25	- Other	25	0	0	0	0	25
133	Total Direct Cost	136	0	0	0	0	136
0	Support Recharges	0	0	0	0	0	0
(127)	Income	(127)	(5)	0	0	0	(132)
6	Gross Budget Requirement	9	(5)	0	0	0	4
	Use Of Departmental Reserves						0
6	Net Budget Requirement	9	(5)	0	0	0	4

2018/2019 BUDGET - SERVICE UNIT: PUBLIC HEALTH 0-19

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health 0-19</u>						
1,741	Direct costs - Employees	1,748	0	0	0	0	1,748
243	- Other	243	0	0	0	0	243
1,984	Total Direct Cost	1,991	0	0	0	0	1,991
0	Support Recharges	0	0	0	0	0	0
(1,566)	Grant Income Recharge	(1,566)	0	0	0	0	(1,566)
418	Gross Budget Requirement	425	0	0	0	0	425
(418)	Use Of Departmental Reserves	(425)		0			(425)
0	Net Budget Requirement	0	0	0	0	0	0

One off costs Funded from Department Reserves

One-off funding earmarked to support the transition of services in 2018/19.

2018/2019 BUDGET - SERVICE UNIT: RAISING EDUCATIONAL ACHIEVEMENT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Raising Educational Achievement</u>						
1,078	Direct costs - Employees	1,239		0	0	0	1,239
471	- Other	400	(11)	0	0	88	477
1,549	Total Direct Cost	1,639	(11)	0	0	88	1,716
42	Support Recharges	37	0	0	0	0	37
(1,000)	Income	(1,149)	(24)	0	0	0	(1,173)
591	Gross Budget Requirement	527	(35)	0	0	88	580
591	Total Gross Budget Requirement	527	(35)	0	0	88	580
(119)	Use Of Departmental Reserves					(88)	(88)
472	Net Budget Requirement	527	(35)	0	0	0	492

Corporate Budget Reductions

The reductions relate to efficiency savings at the CETL and increased income targets for training and room hire.

One off costs Funded from Department Reserves

This relates to Transforming Tees and Education Commission Projects.

2018/2019 BUDGET - SERVICE UNIT: SPECIAL EDUCATIONAL NEEDS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Special Educational Needs</u>						
1,140	Direct costs - Employees	1,130	0	0	0	86	1,216
393	- Other	255	0	0	0	100	355
1,533	Total Direct Cost	1,385	0	0	0	186	1,571
18	Support Recharges	18	0	0	0	0	18
(1,202)	Income	(1,146)	(10)	0	0	0	(1,156)
349	Gross Budget Requirement	257	(10)	0	0	186	433
(102)	Use Of Departmental Reserves					(186)	(186)
247	Net Budget Requirement	257	(10)	0	0	0	247

Corporate Budget Reductions

Education Psychology income budget has increased to reflect additional external income generation.

One off costs Funded from Department Reserves

This relates to specific grant funding for the implementation of SEND reform.

2018/2019 BUDGET - SERVICE UNIT: STRATEGIC COMMISSIONING

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Strategic Commissioning</u>						
749	Direct costs - Employees	825	0	0	0	0	825
130	- Other	138	0	0	0	0	138
879	Total Direct Cost	963	0	0	0	0	963
14	Support Recharges	14	0	0	0	0	14
(149)	Income	(150)	0	0	0	0	(150)
744	Gross Budget Requirement	827	0	0	0	0	827
0	Use Of Departmental Reserves						0
744	Net Budget Requirement	827	0	0	0	0	827

2018/2019 BUDGET - SERVICE UNIT: STRATEGIC MANAGEMENT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Strategic Management</u>						
435	Direct costs - Employees	398	0	0	0	38	436
290	- Other	141	0	0	0	17	158
725	Total Direct Cost	539	0	0	0	55	594
0	Support Recharges	2	0	0	0	0	2
(227)	Income	(258)	(10)	0	0	0	(268)
498	Gross Budget Requirement	283	(10)	0	0	55	328
(248)	Use Of Departmental Reserves					(55)	(55)
250	Net Budget Requirement	283	(10)	0	0	0	273

Corporate Budget Reductions

The reduction relates to the increase in fee earning services.

2018/2019 BUDGET - SERVICE UNIT: YOUTH JUSTICE SERVICE

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Youth Justice Service</u>						
504	Direct costs - Employees	515	0	0	0	0	515
203	- Other	207	0	0	0	0	207
707	Total Direct Cost	722	0	0	0	0	722
0	Support Recharges	0	0	0	0	0	0
(410)	Income	(421)	0	0	0	0	(421)
297	Gross Budget Requirement	301	0	0	0	0	301
	Use Of Departmental Reserves						0
297	Net Budget Requirement	301	0	0	0	0	301

2018/19 BUDGET - SERVICE UNIT: DEDICATED SCHOOLS GRANT - EARLY YEARS BLOCK

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Dedicated Schools Grant - Early Years Block</u>						
60	Direct costs - Employees	62	0	0	0	0	62
2,851	- Other	6,059	0	0	0	0	6,059
2,911	Total Direct Cost	6,121	0	0	0	0	6,121
2,321	Support Recharges	25	0	0	0	0	25
(5,232)	Income	(6,146)	0	0	0	0	(6,146)
0	Gross Budget Requirement	0	0	0	0	0	0
	Use Of Departmental Reserves						0
0	Net Budget Requirement	0	0	0	0	0	0

This is an indicative budget which is subject to change owing to participation levels.

2018/2019 BUDGET - SERVICE UNIT: DEDICATED SCHOOLS GRANT - SCHOOLS BLOCK

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Dedicated Schools Grant - Schools Block						
33	Direct costs - Employees	35		0	0	0	35
33,293	- Other	35,679		0	0	0	35,679
33,326	Total Direct Cost	35,714	0	0	0	0	35,714
0	Support Recharges			0	0	0	0
(34,685)	Income	(36,308)		0	0	0	(36,308)
(1,359)	Gross Budget Requirement	(594)	0	0	0	0	(594)
	Use Of Departmental Reserves						0
(1,359)	Net Budget Requirement	(594)	0	0	0	0	(594)

2018/2019 BUDGET - SERVICE UNIT: DEDICATED SCHOOLS GRANT - HIGH NEEDS BLOCK

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Dedicated Schools Grant - High Needs Block						
0	Direct costs - Employees	0	0	0	0	0	0
6,336	- Other	6,893	0	0	0	85	6,978
6,336	Total Direct Cost	6,893	0	0	0	85	6,978
1,984	Support Recharges	2,483	0	0	0	0	2,483
(8,320)	Income	(9,376)	0	0	0	0	(9,376)
0	Gross Budget Requirement	0	0	0	0	85	85
	Use Of Departmental Reserves					(85)	(85)
0	Net Budget Requirement	0	0	0	0	0	0

One off costs Funded from Department Reserves

This relates to dedicated schools grant carried forward from previous years which will fund the projected shortfall in funding.

2018/2019 BUDGET - SERVICE UNIT: DEDICATED SCHOOLS GRANT - CENTRAL SCHOOL SERVICES BLOCK

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Dedicated Schools Grant - Central School Services						
250	Direct costs - Employees	210	0	0	0	0	210
1,012	- Other	426	0	0	0	0	426
1,262	Total Direct Cost	636	0	0	0	0	636
38	Support Recharges	32	0	0	0	0	32
111	Income	(15)	0	0	0	0	(15)
1,411	Gross Budget Requirement	653	0	0	0	0	653
	Use Of Departmental Reserves						0
1,411	Net Budget Requirement	653	0	0	0	0	653

This is a new block for 2018/19 to fund central services.

2018/2019 BUDGET - SERVICE UNIT: STATUTORY & SUPPORT SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health - Statutory & Support Services</u>						
691	Direct costs - Employees	691	0	13	0	0	704
70	- Other	70	0	2	(39)	5	38
761	Total Direct Cost	761	0	15	(39)	5	742
0	Support Recharges	0	0	0	0	0	0
	Income	0	0	0	0	0	0
761	Gross Budget Requirement	761	0	15	(39)	5	742
0	Use Of Departmental Reserves					(5)	(5)
761	Net Budget Requirement	761	0	15	(39)	0	737

Departmental Budget Pressures

Pressures relate to the cost of the pay award in 2018/19.

Departmental Budget Reductions to Fund Pressures

Savings relate to reductions across various supplies and services budgets in 2018/19.

One off costs Funded from Department Reserves

Reserves are earmarked to support specific projects in 2018/19.

2018/2019 BUDGET - SERVICE UNIT: PUBLIC HEALTH - COMMISSIONING

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health - Commissioning</u>						
0	Direct costs - Employees	0	0	0	0	0	0
2,659	- Other	2,659	0	0	(98)	13	2,574
2,659	Total Direct Cost	2,659	0	0	(98)	13	2,574
0	Support Recharges	0	0	0	0	0	0
	Income	0	0	0	0	0	0
2,659	Gross Budget Requirement	2,659	0	0	(98)	13	2,574
(7)	Use Of Departmental Reserves	(7)		7	(9)	(13)	(22)
2,652	Net Budget Requirement	2,652	0	7	(107)	0	2,552

Departmental Budget Reductions to Fund Pressures

Savings relate to a reduction in contract values following negotiations with providers. These budget reductions were required to meet the 2.5% cut to the ringfenced Public Health Grant of £231,000 in 2018/19.

One off costs Funded from Department Reserves

Reserves are earmarked to support specific projects in 2018/19.

2018/2019 BUDGET - SERVICE UNIT: PUBLIC HEALTH - SUBSTANCE MISUSE

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health - Substance Misuse</u>						
0	Direct costs - Employees	0	0	0	0	0	0
990	- Other	990	0	27	(180)	0	837
990	Total Direct Cost	990	0	27	(180)	0	837
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
990	Gross Budget Requirement	990	0	27	(180)	0	837
0	Use Of Departmental Reserves						0
990	Net Budget Requirement	990	0	27	(180)	0	837

Departmental Budget Pressures

Pressures relate to the cost of inflation in 2018/19.

Departmental Budget Reductions to Fund Pressures

Savings relate to the efficiencies achieved as part of the proposals to transform and integrate drug and alcohol support services. These budget reductions were required to meet the 2.5% cut to the ringfenced Public Health Grant of £231,000 in 2018/19.

2018/2019 BUDGET - SERVICE UNIT: PUBLIC HEALTH - CHILDREN'S

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health - Children's</u>						
0	Direct costs - Employees	0	0	0	0	0	0
3,566	- Other	3,566	0	0	0	0	3,566
3,566	Total Direct Cost	3,566	0	0	0	0	3,566
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
3,566	Gross Budget Requirement	3,566	0	0	0	0	3,566
0	Use Of Departmental Reserves						0
3,566	Net Budget Requirement	3,566	0	0	0	0	3,566

2018/2019 BUDGET - SERVICE UNIT: PUBLIC HEALTH ADULTS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health - Adults</u>						
0	Direct costs - Employees	0	0	0	0	0	0
740	- Other	740	0	1	(61)	0	680
740	Total Direct Cost	740	0	1	(61)	0	680
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
740	Gross Budget Requirement	740	0	1	(61)	0	680
	Use Of Departmental Reserves						0
740	Net Budget Requirement	740	0	1	(61)	0	680

Departmental Budget Reductions to Fund Pressures

Savings relate to a reduction in the Public Health grant funding provided to support Older People Services in 2018/19. This reduction was required to meet the £231,000 cut to the ringfenced Public Health Grant in 2018/19.

2018/2019 BUDGET - SERVICE UNIT: PUBLIC HEALTH - CHIEF EXECS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health - Chief Execs</u>						
0	Direct costs - Employees	0	0	0	0	0	0
163	- Other	163	0	1	0	0	164
163	Total Direct Cost	163	0	1	0	0	164
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
163	Gross Budget Requirement	163	0	1	0	0	164
0	Use Of Departmental Reserves						0
163	Net Budget Requirement	163	0	1	0	0	164

Departmental Budget Pressures

Pressures relate to the cost of the pay award in 2018/19.

2018/2019 BUDGET - SERVICE UNIT: PUBLIC HEALTH - PHYSICAL ACTIVITY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health -Physical Activity</u>						
0	Direct costs - Employees	0	0	0	0	0	0
173	- Other	173	0	190	(85)	0	278
173	Total Direct Cost	173	0	190	(85)	0	278
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
173	Gross Budget Requirement	173	0	190	(85)	0	278
0	Use Of Departmental Reserves						0
173	Net Budget Requirement	173	0	190	(85)	0	278

Departmental Budget Pressures

Additional Public Health Funding has been provided to support eligible expenditure in Sport and Recreation in 2018/19. This will ensure access to services for all residents particularly those in poor health.

Departmental Budget Reductions to Fund Pressures

One-off support for Sports Development has been withdrawn in 2018/19 and additional funding has been allocated to fund other eligible expenditure within Sport and Recreation.

2018/2019 BUDGET - SERVICE UNIT: PUBLIC HEALTH - GRANT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Public Health - Grant</u>						
0	Direct costs - Employees	0	0	0	0	0	0
0	- Other	0	0	0	0	0	0
0	Total Direct Cost	0	0	0	0	0	0
0	Support Recharges	0	0	0	0	0	0
(8,995)	Income	(8,995)	0	231	0	0	(8,764)
(8,995)	Gross Budget Requirement	(8,995)	0	231	0	0	(8,764)
0	Use Of Departmental Reserves						0
(8,995)	Net Budget Requirement	(8,995)	0	231	0	0	(8,764)

Departmental Budget Pressures

As part of the Spending Review in 2016/17 the Government announced that the Public Health Grant would reduce by 9.6% over a 4 year period. The reduction in 2018/19 was £231,000 which represents a 2.5% cut, and savings have been identified as part of the budget setting process to reduce the spend in relation to Public Health grant funded services.

REGENERATION & NEIGHBOURHOODS

DETAILED REVENUE BUDGETS 2018/2019

2018/2019 BUDGET - REGENERATION AND NEIGHBOURHOODS SUMMARY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	One Off Costs Funded From Depts Reserves	Total Budget 2018/2019 (2+3+4+5+6 +7)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
(50)	Adult Education	(50)	0	0	0	0	0	(50)
20	Archaeology	21	0	0	0	0	0	21
(216)	Building Design Team	(225)	0	0	0	0	0	(225)
(783)	Car Parking	(801)	0	0	0	0	0	(801)
848	Community Safety & Engagement	873	(50)	0	0	17	(17)	823
(84)	Construction Team	(62)	0	0	0	0	0	(62)
(13)	Coast, Countryside & Heritage	(12)	(20)	0	0	0	0	(32)
811	Consumer Services	852	(25)	0	0	0	0	827
(142)	Construction Support Service	(140)	0	0	0	0	0	(140)
616	Cultural & Visitor Services	622	(30)	0	0	0	0	592
508	Economic Regeneration	520	(50)	0	0	0	0	470
(4)	Employment & Skills	(4)	0	100	0	0	0	96
265	Enforcement Officers	272	0	0	0	0	0	272
396	Engineering & Design	402	0	0	0	0	0	402
(3)	Environmental Protection	(3)	0	0	0	0	0	(3)
(34)	Environmental Standards	(35)	0	0	0	0	0	(35)
738	Facilities Management	948	0	0	0	0	0	948
95	General Allotments	74	(50)	0	0	0	0	24
1,550	Grounds Maintenance	1,639	(177)	0	0	0	0	1,462
2,589	Highways & Transportation	2,652	(40)	0	0	0	0	2,612
(328)	Highways Trading	(318)	(20)	0	0	0	0	(338)
1,363	Passenger Transport	1,400	(40)	0	0	0	0	1,360
271	Planning & Development	285	0	0	(20)	0	0	265
129	Road Safety	129	0	0	0	0	0	129
(6)	Strategic Asset Management	2	0	0	(80)	0	0	(78)
537	Strategic Management & Admin	604	0	0	0	0	0	604
1,378	Street Cleansing	1,386	(127)	0	0	0	0	1,259
1,020	Street Lighting	1,044	(50)	0	0	0	0	994
2,427	Sustainable Transport (Inc Con Fares)	2,485	(20)	0	0	0	0	2,465
(57)	Vehicle Fleet	(36)	0	0	0	0	0	(36)
4,857	Waste & Environmental Services	4,988	(56)	0	0	0	0	4,932
18,698	Net Budget Requirement	19,512	(755)	100	(100)	17	(17)	18,757

2018/2019 BUDGET - SERVICE UNIT: ADULT EDUCATION

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Adult Education</u>						
697	Direct costs - Employees	714	0	0	0	0	714
362	- Other	358	0	0	0	0	358
1,059	Total Direct Cost	1,072	0	0	0	0	1,072
81	Support Recharges	80	0	0	0	0	80
(1,190)	Income	(1,202)	0	0	0	0	(1,202)
(50)	Gross Budget Requirement	(50)	0	0	0	0	(50)
0	Use Of Departmental Reserves						0
(50)	Net Budget Requirement	(50)	0	0	0	0	(50)

2018/2019 BUDGET - SERVICE UNIT: ARCHAEOLOGY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Archaeology</u>						
85	Direct costs - Employees	86	0	0	0	0	86
7	- Other	8	0	0	0	0	8
92	Total Direct Cost	94	0	0	0	0	94
12	Support Recharges	12	0	0	0	0	12
(84)	Income	(85)	0	0	0	0	(85)
20	Gross Budget Requirement	21	0	0	0	0	21
0	Use Of Departmental Reserves						0
20	Net Budget Requirement	21	0	0	0	0	21

2018/2019 BUDGET - SERVICE UNIT: BUILDING DESIGN TEAM

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Building Design Team</u>						
1,028	Direct costs - Employees	930	0	0	0	0	930
234	- Other	240	0	0	0	0	240
1,262	Total Direct Cost	1,170	0	0	0	0	1,170
467	Support Recharges	478	0	0	0	0	478
(1,945)	Income	(1,873)	0	0	0	0	(1,873)
(216)	Gross Budget Requirement	(225)	0	0	0	0	(225)
0	Use Of Departmental Reserves						0
(216)	Net Budget Requirement	(225)	0	0	0	0	(225)

2018/2019 BUDGET - SERVICE UNIT: CAR PARKING

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Car Parking</u>						
158	Direct costs - Employees	166	0	0	0	0	166
630	- Other	645	0	0	0	0	645
788	Total Direct Cost	811	0	0	0	0	811
8	Support Recharges	7	0	0	0	0	7
(1,579)	Income	(1,619)	0	0	0	0	(1,619)
(783)	Gross Budget Requirement	(801)	0	0	0	0	(801)
0	Use Of Departmental Reserves						0
(783)	Net Budget Requirement	(801)	0	0	0	0	(801)

2018/2019 BUDGET - SERVICE UNIT: COMMUNITY SAFETY & ENGAGEMENT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Community Safety & Engagement</u>						
616	Direct costs - Employees	635	(26)	0	0	0	609
365	- Other	342	(24)	0	0	17	335
981	Total Direct Cost	977	(50)	0	0	17	944
0	Support Recharges	0	0	0	0	0	0
(104)	Income	(75)	0	0	0	0	(75)
877	Gross Budget Requirement	902	(50)	0	0	17	869
(29)	Use Of Departmental Reserves	(29)				(17)	(46)
848	Net Budget Requirement	873	(50)	0	0	0	823

Corporate Budget Reductions

The savings reflect the new model of integrated working between the Police, Fire, and Councils Community Safety and Engagement Service, as approved by Finance and Policy Committee 30th October, 2017. These savings include a reconfiguration of the management and supervisory arrangements within the service to support the operational delivery of the new model.

One Off Costs Funded from Department Reserves

One off funding represents grant funding received in previous years which is earmarked to support specific projects in 2018/19 and funding carried forward in relation to Ward Member Budgets.

2018/2019 BUDGET - SERVICE UNIT: CONSTRUCTION TEAM

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Construction Team</u>						
1,450	Direct costs - Employees	1,472	0	0	0	0	1,472
2,677	- Other	2,677	0	0	0	0	2,677
4,127	Total Direct Cost	4,149	0	0	0	0	4,149
485	Support Recharges	485	0	0	0	0	485
(4,696)	Income	(4,696)	0	0	0	0	(4,696)
(84)	Gross Budget Requirement	(62)	0	0	0	0	(62)
	Use Of Departmental Reserves						0
(84)	Net Budget Requirement	(62)	0	0	0	0	(62)

2018/2019 BUDGET - SERVICE UNIT: CONSTRUCTION SUPPORT SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Construction Support Services						
128	Direct costs - Employees	130	0	0	0	0	130
579	- Other	579	0	0	0	0	579
707	Total Direct Cost	709	0	0	0	0	709
120	Support Recharges	120	0	0	0	0	120
(969)	Income	(969)	0	0	0	0	(969)
(142)	Gross Budget Requirement	(140)	0	0	0	0	(140)
0	Use Of Departmental Reserves						0
(142)	Net Budget Requirement	(140)	0	0	0	0	(140)

2018/2019 BUDGET - SERVICE UNIT: CONSUMER SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Consumer Services						
1,097	Direct costs - Employees	1,144	(25)	0	0	0	1,119
102	- Other	105	0	0	0	0	105
1,199	Total Direct Cost	1,249	(25)	0	0	0	1,224
27	Support Recharges	28	0	0	0	0	28
(415)	Income	(425)	0	0	0	0	(425)
811	Gross Budget Requirement	852	(25)	0	0	0	827
0	Use Of Departmental Reserves						0
811	Net Budget Requirement	852	(25)	0	0	0	827

Corporate Budget Reductions

Savings relate to staff costs which have reduced following a restructure.

2018/2019 BUDGET - SERVICE UNIT: CULTURAL & VISITOR SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Cultural & Visitor Services						
460	Direct costs - Employees	472	0	0	0	0	472
600	- Other	531	0	0	0	0	531
1,060	Total Direct Cost	1,003	0	0	0	0	1,003
0	Support Recharges	0	0	0	0	0	0
(444)	Income	(381)	0	0	0	0	(381)
616	Gross Budget Requirement	622	0	0	0	0	622
0	Use Of Departmental Reserves	0	(30)	0	0	0	(30)
616	Net Budget Requirement	622	(30)	0	0	0	592

One Off Costs Funded from Department Reserves

Reserves have been used temporarily to support the overall running costs of the service, pending a service review that will seek to identify savings on a permanent basis.

2018/2019 BUDGET - SERVICE UNIT: ECONOMIC REGENERATION

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Economic Regeneration</u>						
472	Direct costs - Employees	523	(50)	0	0	0	473
320	- Other	326	0	0	0	0	326
792	Total Direct Cost	849	(50)	0	0	0	799
0	Support Recharges	1	0	0	0	0	1
(284)	Income	(330)	0	0	0	0	(330)
508	Gross Budget Requirement	520	(50)	0	0	0	470
	Use Of Departmental Reserves						0
508	Net Budget Requirement	520	(50)	0	0	0	470

Corporate Budget Reductions

Savings relate to staff costs which have reduced following a restructure.

2018/2019 BUDGET - SERVICE UNIT: EMPLOYMENT & SKILLS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Employment & Skills</u>						
54	Direct costs - Employees	513	0	0	0	0	513
0	- Other	0	0	0	0	0	0
54	Total Direct Cost	513	0	0	0	0	513
48	Support Recharges	49	0	0	0	0	49
(106)	Income	(566)	0	100	0	0	(466)
(4)	Gross Budget Requirement	(4)	0	100	0	0	96
	Use Of Departmental Reserves						0
(4)	Net Budget Requirement	(4)	0	100	0	0	96

Departmental Budget Pressures

The pressure relates to a saving made in 2017/18 which aimed to generate general fund savings from Grant income. This has not been possible owing to changes in the Grant Regimes now available the this income budget has therefore been reduced in 2018/19.

2018/2019 BUDGET - SERVICE UNIT: ENVIRONMENTAL PROTECTION

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Environmental Protection</u>						
0	Direct costs - Employees	0	0	0	0	0	0
16	- Other	18	0	0	0	0	18
16	Total Direct Cost	18	0	0	0	0	18
10	Support Recharges	9	0	0	0	0	9
(29)	Income	(30)	0	0	0	0	(30)
(3)	Gross Budget Requirement	(3)	0	0	0	0	(3)
0	Use Of Departmental Reserves						0
(3)	Net Budget Requirement	(3)	0	0	0	0	(3)

2018/2019 BUDGET - SERVICE UNIT: ENVIRONMENTAL STANDARDS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Environmental Standards</u>						
0	Direct costs - Employees	0	0	0	0	0	0
7	- Other	7	0	0	0	0	7
7	Total Direct Cost	7	0	0	0	0	7
0	Support Recharges	0	0	0	0	0	0
(41)	Income	(42)	0	0	0	0	(42)
(34)	Gross Budget Requirement	(35)	0	0	0	0	(35)
0	Use Of Departmental Reserves						0
(34)	Net Budget Requirement	(35)	0	0	0	0	(35)

2018/2019 BUDGET - SERVICE UNIT: ENGINEERING & DESIGN

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Engineering & Design</u>						
358	Direct costs - Employees	407	0	0	0	0	407
562	- Other	573	0	0	0	0	573
920	Total Direct Cost	980	0	0	0	0	980
14	Support Recharges	14	0	0	0	0	14
(538)	Income	(592)	0	0	0	0	(592)
396	Gross Budget Requirement	402	0	0	0	0	402
0	Use Of Departmental Reserves						0
396	Net Budget Requirement	402	0	0	0	0	402

2018/2019 BUDGET - SERVICE UNIT: ENFORCEMENT OFFICERS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Enforcement Officers</u>						
265	Direct costs - Employees	272	0	0	0	0	272
0	- Other	0	0	0	0	0	0
265	Total Direct Cost	272	0	0	0	0	272
	Support Recharges	0	0	0	0	0	0
	Income	0	0	0	0	0	0
265	Gross Budget Requirement	272	0	0	0	0	272
0	Use Of Departmental Reserves						0
265	Net Budget Requirement	272	0	0	0	0	272

2018/2019 BUDGET - SERVICE UNIT: FACILITIES MANAGEMENT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Facilities Management</u>						
3,789	Direct costs - Employees	4,052	0	0	0	0	4,052
2,840	- Other	2,701	0	0	0	0	2,701
6,629	Total Direct Cost	6,753	0	0	0	0	6,753
319	Support Recharges	319	0	0	0	0	319
(6,210)	Income	(6,124)	0	0	0	0	(6,124)
738	Gross Budget Requirement	948	0	0	0	0	948
0	Use Of Departmental Reserves						0
738	Net Budget Requirement	948	0	0	0	0	948

2018/2019 BUDGET - SERVICE UNIT: GENERAL ALLOTMENTS

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>General Allotments</u>						
66	Direct costs - Employees	67	0	0	0	0	67
105	- Other	85	0	0	0	0	85
171	Total Direct Cost	152	0	0	0	0	152
0	Support Recharges	0	0	0	0	0	0
(76)	Income	(78)	(50)	0	0	0	(128)
95	Gross Budget Requirement	74	(50)	0	0	0	24
0	Use Of Departmental Reserves						0
95	Net Budget Requirement	74	(50)	0	0	0	24

Corporate Budget Reductions

Savings relate to funding provided by Public Health to support the overall running costs of the service.

2018/2019 BUDGET - SERVICE UNIT: GROUNDS MAINTENANCE

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Grounds Maintenance</u>						
1,138	Direct costs - Employees	1,152	(86)	0	0	0	1,066
443	- Other	454	0	0	0	0	454
1,581	Total Direct Cost	1,606	(86)	0	0	0	1,520
477	Support Recharges	489	(91)	0	0	0	398
(508)	Income	(456)	0	0	0	0	(456)
1,550	Gross Budget Requirement	1,639	(177)	0	0	0	1,462
0	Use Of Departmental Reserves						0
1,550	Net Budget Requirement	1,639	(177)	0	0	0	1,462

Corporate Budget Reductions

The savings relate to a review of operating practices carried out as part of the Clean and Green Strategy/Service Review. The review has involved a change in working practices that has reduced the need for seasonal and casual staff. Vehicles have been reduced to reflect the initiatives put in place to reduce the level of grass cutting e.g. low maintenance alternatives.

2018/2019 BUDGET - SERVICE UNIT: COAST, COUNTRYSIDE & HERITAGE

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Coast, Countryside & Heritage</u>						
421	Direct costs - Employees	432	(7)	0	0	0	425
781	- Other	803	(13)	0	0	0	790
1,202	Total Direct Cost	1,235	(20)	0	0	0	1,215
14	Support Recharges	14	0	0	0	0	14
(1,229)	Income	(1,261)	0	0	0	0	(1,261)
(13)	Gross Budget Requirement	(12)	(20)	0	0	0	(32)
0	Use Of Departmental Reserves						0
(13)	Net Budget Requirement	(12)	(20)	0	0	0	(32)

Corporate Budget Reductions

Savings relate to a reduction in staff costs following a restructure in this area as well as savings across various supplies and services budgets.

2018/2019 BUDGET - SERVICE UNIT: HIGHWAYS & TRANSPORTATION

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Highways & Transportation</u>						
435	Direct costs - Employees	445	(40)	0	0	0	405
2,214	- Other	2,292	0	0	0	0	2,292
2,649	Total Direct Cost	2,737	(40)	0	0	0	2,697
18	Support Recharges	19	0	0	0	0	19
(78)	Income	(104)	0	0	0	0	(104)
2,589	Gross Budget Requirement	2,652	(40)	0	0	0	2,612
0	Use Of Departmental Reserves						0
2,589	Net Budget Requirement	2,652	(40)	0	0	0	2,612

Corporate Budget Reductions

Savings relate to staff costs which have reduced following a restructure.

2018/2019 BUDGET - SERVICE UNIT: HIGHWAYS TRADING

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Highways Trading</u>						
728	Direct costs - Employees	740	0	0	0	0	740
510	- Other	509	0	0	0	0	509
1,238	Total Direct Cost	1,249	0	0	0	0	1,249
624	Support Recharges	624	0	0	0	0	624
(2,190)	Income	(2,191)	(20)	0	0	0	(2,211)
(328)	Gross Budget Requirement	(318)	(20)	0	0	0	(338)
0	Use Of Departmental Reserves						0
(328)	Net Budget Requirement	(318)	(20)	0	0	0	(338)

Corporate Budget Reductions

Savings relate to additional income generated from Trading Activities.

2018/2019 BUDGET - SERVICE UNIT: PASSENGER TRANSPORT

Approved Budget 2017/2018	Service Unit	Budget Projection 2017/2018	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2017/2018 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Passenger Transport</u>						
939	Direct costs - Employees	985	0	0	0	0	985
1,096	- Other	1,087	(20)	0	0	0	1,067
2,035	Total Direct Cost	2,072	(20)	0	0	0	2,052
394	Support Recharges	395	0	0	0	0	395
(1,066)	Income	(1,067)	(20)	0	0	0	(1,087)
1,363	Gross Budget Requirement	1,400	(40)	0	0	0	1,360
0	Use Of Departmental Reserves						0
1,363	Net Budget Requirement	1,400	(40)	0	0	0	1,360

Corporate Budget Reductions

Savings relate to additional income generated from Trading Activities and a reduction in the budget provision for Home to School Transport costs. Home to School Transport is a demand led service and costs are currently below budgeted levels.

2018/2019 BUDGET - SERVICE UNIT: PLANNING & DEVELOPMENT

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Planning Services</u>						
918	Direct costs - Employees	948	0	0	(20)	0	928
70	- Other	72	0	0	0	0	72
988	Total Direct Cost	1,020	0	0	(20)	0	1,000
12	Support Recharges	12	0	0	0	0	12
(729)	Income	(747)	0	0	0	0	(747)
271	Gross Budget Requirement	285	0	0	(20)	0	265
	Use Of Departmental Reserves						0
271	Net Budget Requirement	285	0	0	(20)	0	265

Departmental Budget Reductions to Fund Pressures

Savings relate to staff costs which have reduced following a restructure.

2018/2019 BUDGET - SERVICE UNIT: ROAD SAFETY

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Road Safety</u>						
404	Direct costs - Employees	402	0	0	0	0	402
277	- Other	277	0	0	0	0	277
681	Total Direct Cost	679	0	0	0	0	679
0	Support Recharges	0	0	0	0	0	0
(552)	Income	(550)	0	0	0	0	(550)
129	Gross Budget Requirement	129	0	0	0	0	129
0	Use Of Departmental Reserves						0
129	Net Budget Requirement	129	0	0	0	0	129

2018/2019 BUDGET - SERVICE UNIT: STRATEGIC MANAGEMENT & ADMIN

Approved Budget 2017/2018 (1) £'000	Service Unit	Budget Projection 2018/2019 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2018/2019 (2+3+4+5+6) (7) £'000
	<u>Strategic Management & Admin</u>						
571	Direct costs - Employees	594	0	0	0	0	594
68	- Other	121	0	0	0	0	121
639	Total Direct Cost	715	0	0	0	0	715
846	Support Recharges	866	0	0	0	0	866
(948)	Income	(977)	0	0	0	0	(977)
537	Gross Budget Requirement	604	0	0	0	0	604
0	Use Of Departmental Reserves						0
537	Net Budget Requirement	604	0	0	0	0	604

2018/2019 BUDGET - SERVICE UNIT: STREET LIGHTING

Approved Budget 2017/2018 (1) £'000	Service Unit	Budget Projection 2018/2019 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2018/2019 (2+3+4+5+6) (7) £'000
	<u>Street Lighting</u>						
0	Direct costs - Employees	0	0	0	0	0	0
1,020	- Other	1,044	(50)	0	0	0	994
1,020	Total Direct Cost	1,044	(50)	0	0	0	994
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
1,020	Gross Budget Requirement	1,044	(50)	0	0	0	994
0	Use Of Departmental Reserves						0
1,020	Net Budget Requirement	1,044	(50)	0	0	0	994

Corporate Budget Reductions

Budget reduction relates to additional savings on energy costs achieved following the completion of the Street Lighting LED replacement programme.

2018/2019 BUDGET - SERVICE UNIT: STRATEGIC ASSET MANAGEMENT

Approved Budget 2017/2018 (1) £'000	Service Unit	Budget Projection 2018/2019 (2) £'000	Corporate Budget Reductions (3) £'000	Dept Budget Pressures (4) £'000	Dept Budget Reductions to Fund Pressures (5) £'000	One Off Costs (6) £'000	Total Budget 2018/2019 (2+3+4+5+6) (7) £'000
	<u>Strategic Asset Management</u>						
480	Direct costs - Employees	501	0	0	(39)	0	462
91	- Other	208	0	0	(41)	0	167
571	Total Direct Cost	709	0	0	(80)	0	629
32	Support Recharges	33	0	0	0	0	33
(609)	Income	(740)	0	0	0	0	(740)
(6)	Gross Budget Requirement	2	0	0	(80)	0	(78)
0	Use Of Departmental Reserves						0
(6)	Net Budget Requirement	2	0	0	(80)	0	(78)

Departmental Budget Reductions to Fund Pressures

Savings relate to staff costs which have reduced following a restructure of Housing Services and reduced running costs.

2018/2019 BUDGET - SERVICE UNIT: STREET CLEANSING

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Street Cleansing						
754	Direct costs - Employees	747	(114)	0	0	0	633
138	- Other	142	0	0	0	0	142
892	Total Direct Cost	889	(114)	0	0	0	775
588	Support Recharges	602	(13)	0	0	0	589
(102)	Income	(105)	0	0	0	0	(105)
1,378	Gross Budget Requirement	1,386	(127)	0	0	0	1,259
0	Use Of Departmental Reserves						0
1,378	Net Budget Requirement	1,386	(127)	0	0	0	1,259

Corporate Budget Reductions

Savings relate to staff costs which have reduced following a restructure. A review of work programmes has also led to a reduction in the number of vehicles used by the service.

2018/2019 BUDGET - SERVICE UNIT: SUSTAINABLE TRANSPORT (Inc Concessionary Fares)

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Sustainable Transport (Inc Concessionary Fares)						
0	Direct costs - Employees	0	0	0	0	0	0
2,427	- Other	2,485	(20)	0	0	0	2,465
2,427	Total Direct Cost	2,485	(20)	0	0	0	2,465
0	Support Recharges	0	0	0	0	0	0
0	Income	0	0	0	0	0	0
2,427	Gross Budget Requirement	2,485	(20)	0	0	0	2,465
0	Use Of Departmental Reserves						0
2,427	Net Budget Requirement	2,485	(20)	0	0	0	2,465

Corporate Budget Reductions

Savings relate to a reduction in the budget provision for Concessionary Fares. The budget reflects the negotiated position for the cost of Concessionary Fares which is currently below budgeted levels.

2018/2019 BUDGET - SERVICE UNIT: VEHICLE FLEET

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	Vehicle Fleet						
475	Direct costs - Employees	495	0	0	0	0	495
2,852	- Other	2,852	0	0	0	0	2,852
3,327	Total Direct Cost	3,347	0	0	0	0	3,347
321	Support Recharges	321	0	0	0	0	321
(3,705)	Income	(3,704)	0	0	0	0	(3,704)
(57)	Gross Budget Requirement	(36)	0	0	0	0	(36)
0	Use Of Departmental Reserves						0
(57)	Net Budget Requirement	(36)	0	0	0	0	(36)

2018/2019 BUDGET - SERVICE UNIT: WASTE & ENVIRONMENTAL SERVICES

Approved Budget 2017/2018	Service Unit	Budget Projection 2018/2019	Corporate Budget Reductions	Dept Budget Pressures	Dept Budget Reductions to Fund Pressures	One Off Costs	Total Budget 2018/2019 (2+3+4+5 +6)
(1) £'000		(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000
	<u>Waste & Environmental Services</u>						
1,796	Direct costs - Employees	1,784	(56)	0	0	0	1,728
2,898	- Other	3,047	0	0	0	0	3,047
4,694	Total Direct Cost	4,831	(56)	0	0	0	4,775
873	Support Recharges	886	0	0	0	0	886
(710)	Income	(729)	0	0	0	0	(729)
4,857	Gross Budget Requirement	4,988	(56)	0	0	0	4,932
0	Use Of Departmental Reserves						0
4,857	Net Budget Requirement	4,988	(56)	0	0	0	4,932

Corporate Budget Reductions

Savings relate to staff costs which have reduced following a restructure.

HOUSING REVENUE ACCOUNT

DETAILED REVENUE BUDGETS 2018/2019

HOUSING REVENUE ACCOUNT (HRA) 2018/19

This is a ringfenced account relating to the Council's rented housing. It was reopened on 1st April, 2016 as a result of the number of houses exceeding the Governments new limit of 200, which was announced in a Ministerial Statement on 20 March, 2015. Prior to this it was included within the Regeneration & Neighbourhoods Department budgets as 'Council Housing'.

	2018/2019 BUDGET
	£000
INCOME	
Dwelling Rents (Note 1)	(1,068)
Charges for services and facilities	(2)
Other Income	(26)
Income sub total	(1,096)
EXPENDITURE	
Major Repairs Allowance (Note 2)	281
Supervision and management (Note 3)	282
Repairs and maintenance	189
Rents, rates, taxes and other charges	13
Increase in provision for doubtful debts	35
Debt Management	9
Expenditure sub total	809
NET COST OF SERVICES	(287)
Interest payable	340
HRA investment income	(24)
DEFICIT/(SURPLUS) FOR THE YEAR	29
HRA BALANCE B/F	(538)
HRA BALANCE C/F	(509)

Note 1 - Rent setting is determined by the Government's policy to reduce rents by 1%.

Note 2 - This relates to amounts set aside to fund capital expenditure on major repairs.

Note 3 - Includes staffing costs, insurance, IT and central support services.

COUNCIL

22 FEBRUARY 2018



Report of: Chief Executive

Subject: BUSINESS REPORT

1. TREASURY MANAGEMENT STRATEGY

This item enables the Council to approve the recommended Treasury Management Strategy for 2018/2019. The Local Government Act 2003 requires the Council to 'have regard to' the CIPFA Prudential Code and to set prudential indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable. The Act therefore requires the Council to determine a Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy, which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. The Secretary of State has issued Guidance on Local Government Investments which came into force on 1st April, 2004. This guidance recommends that all Local Authorities produce an Annual Investment Strategy that is approved by full Council, which is also included in this report.

The Council is required to nominate a body to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies, before making recommendations to Council. This responsibility has been allocated to the Audit and Governance Committee. The recommended Treasury Management Strategy was considered by the Audit and Governance Committee on the 24th January 2018 and this report is attached as Appendix 1. The Audit and Governance Committee scrutinised the proposed Treasury Management strategy and approved that the recommended strategy be referred to full Council.

RECOMMENDATIONS

It is recommended that Members note the report and the recommendation from the Audit and Governance Committee to approve the following detailed recommendations for the 2018/19 Treasury Management Strategy and related issues;

Borrowing Strategy 2018/19

- i) **Core borrowing requirement** – following the securing of exceptionally low interest rates approve that the remainder of the under borrowing is netted down against investments.

- ii) To note that in the event of a change in economic circumstances that the Director of Finance and Policy may take out additional borrowing if this secures the lowest long term interest cost.
- iii) **Borrowing required for business cases** – Approve the strategy of internally borrowing for business cases to mitigate counterparty risk, reduce borrowing costs and generate an internal investment return. Note that if this strategy is adopted that action may be taken by Director of Finance and Policy to externally borrow for these schemes if an interest rates rise is expected.

Investment Strategy 2018/19

- iv) Approve that Svenska Handelsbanken be brought into line with other category A counterparties and no longer identified separately
- v) Approve the Counterparty limits as set out in paragraph 8.8 of Appendix 1.

Minimum Revenue Provision (MRP) Statement

- vi) Approve the MRP statement outlined in paragraph 9.3 of Appendix 1.

Prudential Indicators 2018/19

- xi) Approve the prudential indicators outlined in Appendix B of Appendix 1.

2. NEW POLITICAL GROUP

Council is informed that in accordance with the Council's Constitution, the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 (specifically regulation 7 (i)) the following Members have formed a new political group 'Hartlepool Independent Group': -

Councillors Tennant (Group Leader), Moore (Deputy Leader), Buchan, Springer and Fleming.

The formation of this new Political Group replaces the UKIP Group.

3. EU PROCUREMENT THRESHOLDS

Council is asked to note that from the 1st January 2018 the EU Procurement thresholds under the European Public Contracts Directive (2014/24/EU) relating to works, goods and supplies were revised which will require consequent amendment to the Council's Contract Procedure Rules. The thresholds will now be engaged for works contracts which exceed the amount of £4,551,413 for works contracts and the sum of £181,302 for goods and services. The Monitoring Officer has delegated authority under Article 15 of the Councils Constitution to make such changes to the Constitution '.... that comply with legislation or statutory guidance'.

Council is therefore asked to note the position.

4. THE TEES VALLEY COMBINED AUTHORITY (BORROWING) REGULATIONS 2018

The Tees Valley Combined Authority was established through an Order made on 1 April 2016. Subsequent Orders were made (which required the consent of the constituent councils) which have been the subject of earlier Council reports.

Information has been received via the Combined Authority that a draft statutory instrument 'The Tees Valley Combined Authority (Borrowing) Regulations 2018' (**Appendix 2**) had been received together with an explanatory note as to its effect. In essence the regulations provide for the Combined Authority *'to borrow money for a purpose relevant to its statutory functions.'*

Section 23(5) of the Local Government Act, 2003, specifies that a combined authority has a power to borrow money for a purpose relevant to its transport functions only, unless otherwise provided for by the Secretary of State through regulations. Consequently, these draft regulations extend the ability to borrow *for a purpose relevant to all of its statutory functions'*. Those functions cover;

- Regeneration and economic development;
- Powers from the Local Government Act 1972 to encourage visitors and provide conference and other facilities;
- Duty under the Housing Act 1985 to review housing needs;
- Functions under the Education Act 1996 in relation to education and training for persons over compulsory school age;
- Power under the Local Government Act 2003 to pay grants to local authorities;
- Duty under the Local Democracy, Economic Development and Construction Act, 2009 Act to prepare an assessment of economic conditions in the area; and
- Functions under the Localism Act 2011 including the power to designate mayoral development areas and the functional power of competence.

The Constitution of the Combined Authority has application to the decision making process concerning the budget and borrowing of the Combined Authority, which reflects statutory requirements. The Investment Plan of the Combined Authority which deals with the allocation of resources, includes borrowing and requires the agreement of the Combined Authority as part of the annual budget setting process and also for any 'in year' changes.

Reports have either been taken or are pending to seek approval from the other constituent councils but which are also contingent on a formal request from the

Secretary of State to confirm each council's consent to the making of these regulations.

Recommendations:

1. That Council gives its consent to the making of the Tees Valley Combined Authority (Borrowing) Regulations 2018.
2. That authority is delegated to the Chief Executive, in consultation with the Leader of the Council, to provide the Council's consent to the making of these Regulations following a request by the Secretary of State.

5. RESPONSE TO COUNCIL MOTION

Members will recall that at the Council meeting held on the 26th October 2017, it was agreed that letters should be sent to the Government, Northern Rail and Rail North regarding proposals to remove the guarantee of a guard on Northern Rail trains.

I attach, as **Appendix 3** a copy of the response which has been received from the Minister responsible for rail, **Appendix 4** the response from Northern Rail and **Appendix 5** the response from Rail North.

AUDIT AND GOVERNANCE COMMITTEE

24th January 2018



Report of: Director of Finance and Policy

Subject: TREASURY MANAGEMENT STRATEGY

1. PURPOSE OF REPORT

1.1 The purposes of the report are to:

- i. Provide a review of Treasury Management activity for 2016/17 including the 2016/17 outturn Prudential Indicators;
- ii. Provide a mid-year update of the 2017/18 Treasury Management activity; and
- iii. Enable the Audit and Governance Committee to scrutinise the recommended 2018/19 Treasury Management Strategy before it is referred to the full Council for approval.

2. BACKGROUND

2.1 The Treasury Management Strategy covers:

- the borrowing strategy relating to the Council's core borrowing requirement arising from historic capital expenditure funded from Prudential Borrowing;
- the borrowing strategy for the use of Prudential Borrowing for approved capital investment business cases where loan repayment costs are funded from budget savings and / or increased income, previous examples have included LED streetlight replacement, housing schemes and the development of a new 'Centre for Independent Living'; and
- the annual investment strategy relating to the Council's cash flow.

2.2 The Treasury Management Strategy needs to ensure that the loan repayment costs of historic capital expenditure do not exceed the available General Fund revenue budget, which has been reduced as part of the Medium Term Financial Strategy. Similarly, for specific business cases the Treasury Management Strategy needs to ensure loan repayment costs do not exceed the costs built into the business cases. As detailed later in the report these issues are being managed successfully.

2.3 The Local Government Act 2003 requires the Council to 'have regard to' the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential

Code and to set prudential indicators for the next three years to ensure capital investment plans are affordable, prudent and sustainable.

- 2.4 The Act requires the Council to set out a Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy, which sets out the policies for managing investments and for giving priority to the security and liquidity of those investments. The Secretary of State has issued Guidance on Local Government Investments which came into force on 1st April, 2004, and has subsequently been updated.
- 2.5 The Council is required to nominate a body to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies, before making recommendations to full Council. This responsibility has been allocated to the Audit and Governance Committee.
- 2.6 This report covers the following areas:
 - Economic background and outlook for interest rates
 - Treasury management outturn position for 2016/17
 - Treasury Management Strategy 2017/18 mid-year review
 - Treasury Management Strategy 2018/19
 - Minimum Revenue Provision and Interest Cost and Other Regulatory Information 2018/19

3. ECONOMIC ENVIRONMENT AND OUTLOOK FOR INTEREST RATES

- 3.1 **Global Outlook** – World growth is currently on a trend of stronger performance with subdued but rising earnings and falling levels of unemployment. In October the International Monetary Fund (IMF) upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.
- 3.2 In addition, the expectation of inflation increasing is generally low and in particular wage inflation has been subdued despite unemployment falling to historically very low levels in the UK and US. The likely reason for this is a combination of a shift towards flexible working, self employment, falling union membership and increasing globalisation and specialism of individual countries. This has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. Technology is exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to repetitive tasks being taken over by machines or computers.
- 3.3 **UK** – The UK surprised markets with strong economic growth in 2016 however growth in 2017 has proven weak with the forecast being revised down from 2% in March to 1.5% in the Autumn Budget Statement. The Office for Budget Responsibility's revised growth forecast up to 2022 is set out in the following table:

Year	March 2017 Growth Forecast	Autumn Budget 2017 Growth Forecast
2017	2.0%	1.5%
2018	1.6%	1.4%
2019	1.7%	1.3%
2020	1.9%	1.3%
2021	2.0%	1.5%
2022	-	1.6%

- 3.4 The Bank of England's (BoE) Monetary Policy Committee (MPC) surprised markets and forecasters at its meeting on 14 September 2017 by indicating that the Bank Rate may soon need to rise in response to their view that the amount of spare capacity in the economy was significantly diminishing. The Bank was also concerned that the withdrawal of the UK from the EU would cause additional inflationary pressures over the next few years.
- 3.5 At its 2 November 2017 meeting the MPC followed through with its earlier warning and delivered a 0.25% increase in Bank Rate raising it back to 0.5%. It also gave forward guidance that they only expect to raise Bank Rate twice more in the next three years to reach 1.0% by 2020. This is in line with the Bank's previous statements that Bank Rate would only go up very gradually and to a limited extent.
- 3.6 However, there is much uncertainty around Brexit negotiations, consumer confidence and business confidence on spending to invest that it is possible that the Bank will vary from its forward guidance in response to emerging economic issues.
- 3.7 **EU** – Economic growth in the EU had been poor for several years following the financial crisis despite the European Central Bank (ECB) eventually cutting its main rate of interest to -0.4% and undertaking a massive programme of Quantitative Easing (QE). However growth picked up in 2016 and has now gathered strength and momentum as a result of this stimulus:
- 2017 Quarter 1 – +0.5% (+2.0% year on year)
 - 2017 Quarter 2 – +0.6% (+2.3% year on year)
 - 2017 Quarter 3 – +0.6% (+2.5% year on year)
- 3.8 However, despite providing massive monetary stimulus the ECB is still struggling to increase inflation to its 2% target (inflation in October was 1.4%). Forecasters therefore do not believe it will increase rates until possibly 2019, though the ECB has announced it will slow down its QE purchases from January 2018.
- 3.9 **USA** – Growth in the USA has proven volatile in 2015 and 2016, and 2017 has continued this trend with quarter 1 growth of 1.2%, rising to 3% in quarter 3. Unemployment has fallen to 4.2%, the lowest level for many

years and inflation pressures have been building. The Federal Reserve has started a gradual increase in interest rates with four increases in total (three since December 2016). Forecasters expect it to increase interest rates one more time in 2017 which would increase its central interest rate to 1.5%. There is an expectation that there will be a further four interest rate rises in 2018.

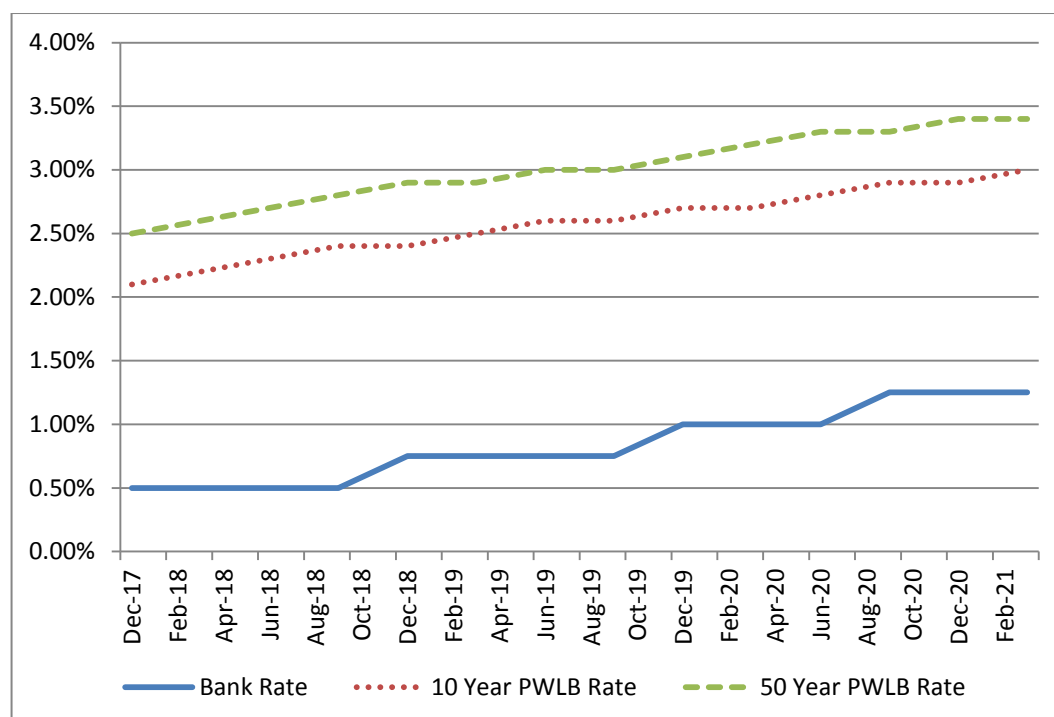
- 3.10 **Other Economies** – In China economic growth has continued to weaken despite repeated rounds of central bank stimulus with many commentators believing that risks to economic growth are increasing. Japan has been struggling to stimulate growth and meet its inflation target of 2% despite huge monetary and fiscal stimulus.

3.11 **Interest Rate Forecasts**

- 3.12 It has been almost ten years since the financial crash of 2008, when liquidity suddenly dried up in the financial markets. Many commentators assert that the monetary policy measures taken by central banks to counter a sharp worldwide recession were successful. The key measures being a combination of lowering central interest rates and using QE to flood the financial markets with liquidity.

- 3.13 The key issue now is that the period of stimulating economic recovery and warding off the threat of inflation is coming to an end and a new period has already started particularly in the US, of reversing those measures i.e. by raising central interest rates and reducing QE \$4.5tn.

- 3.14 As outlined above the BoE have given forward guidance that the Bank Rate will only go up very gradually and to a limited extent. However owing to many external factors influencing the UK economy and uncertainty surrounding Brexit, forecasting future interest rates remains extremely challenging. Link Asset Services (formerly known as Capita Asset Services, the Council's Treasury Management advisors) continue to update their forecasts to reflect statements made by the Governor of the Bank of England and changes in the economy. Their latest forecast anticipates a further increase in the Bank Rate to 0.75% in December 2018 and a further increase to 1% in December 2019 in line with the forward guidance recently issued by the BoE.

Interest Rate Forecast up to Mar 2021

- 3.15 Since the late 1990s Bank Rate averaged 5% until 2009 when the Bank of England reduced it to the historically low 0.5% in response to the financial crisis and again to 0.25% in 2016 following the EU referendum. Over the same period PWLB rates have been significantly higher than they are at present. The rates for 10 year loans were on average 5% prior to the financial crisis but subsequently fell to between 3% and 4%. The rates for 50 year loans were also on average 5% although this trend continued throughout the financial crisis. PWLB interest rates fell to historically low levels in early 2015 predominantly as a consequence of falling oil prices. They fell further following the EU referendum to the current levels. In the context of previous interest rates, current rates are at an unprecedented low level though have increased since the low levels seen 2016.

4. TREASURY MANAGEMENT OUTTURN POSITION 2016/17

4.1 Capital Expenditure and Financing 2016/17

- 4.2 The Council's approved capital programme is funded from a combination of capital receipts, capital grants, revenue contributions and prudential borrowing.

- 4.3 Part of the Council's treasury management activities is to address the prudential borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activity also includes managing the Council's day to day cash flows, previous

borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then to optimise performance.

- 4.4 Actual capital expenditure forms one of the required prudential indicators. As shown at Appendix A, the total amount of capital expenditure for the year was £21.858m, of which £9.379m was funded by Prudential Borrowing.
- 4.5 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is the accumulated value of capital expenditure which has been financed from Prudential Borrowing. Each year the Council is required to apply revenue resources to reduce this outstanding balance.
- 4.6 Whilst the Council's CFR sets a limit on underlying need to borrow, the Council can manage the actual borrowing position by either;
- borrowing externally to the level of the CFR; or
 - choosing to use temporary internal cash flow funds instead of borrowing; or
 - a combination of the two.
- 4.7 The Council's CFR for the year was £101.456m as shown at Appendix A comprising £71.902m relating to the core CFR and £20.482m relating to business cases and £9.072m relating to the Housing Revenue Account (HRA). This is lower than the approved estimate of £108.920m owing to rephasing of capital expenditure in 2017/18.
- 4.8 The Council's total long term external borrowing as at 31st March, 2016 was £87.7m and reduced to £85.7m at 31st March 2017. This decrease was in line with the approved strategy and reflected the partial repayment of annuity loans taken out in previous financial years.
- 4.9 The total borrowing remains below the CFR and there continues to be an element of netting down investments and borrowing to a level that is expected to be sustainable.
- 4.10 **Prudential Indicators and Compliance Issues 2016/17**
- 4.11 Details of each Prudential Indicator are shown at Appendix A. Some of the prudential indicators provide either an overview or specific limits on treasury activity. The key Prudential Indicators to report at outturn are described below.
- 4.12 The **Authorised Limit** is the "Affordable Borrowing Limit" required by Section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. Appendix A demonstrates that during 2016/17 the Council has maintained gross borrowing within its Authorised Limit.
- 4.13 **Net Borrowing and the CFR** - In order to ensure that borrowing levels are prudent, over the medium term the Council's external borrowing, net of

investments, must only be for a capital purpose. Net borrowing should not exceed the CFR for 2016/17 plus the expected changes to the CFR over 2017/18 and 2018/19. The Council has complied with this Prudential Indicator.

4.14 The treasury position 31st March 2017

4.15 The table below shows the treasury position for the Council as at the 31st March, 2017 compared with the previous year:

Treasury position	31st March 2016		31st March 2017	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Rate Debt				
- Tees Valley Unlimited Loan	£1.6m	0.00%	£2.2m	0.00%
- PWLB	£41.1m	2.97%	£38.5m	3.04%
- Market Loans (Maturities)	£0.0m	0.00%	£25.0m	3.92%
- Market Loans (LOBOs)	£45.0m	4.00%	£20.0m	4.12%
Total Long Term Debt	£87.7m	3.45%	£85.7m	3.47%
Total Investments	£61.1m	0.54%	£46.5m	0.40%
Net borrowing Position	£26.6m		£39.2m	

4.16 At the time the LOBOs were taken out the prevailing PWLB rates were between 4.25% and 4.55%. The LOBOs have therefore allowed the Council to achieve annual interest savings between 0.13% and 0.43% compared to prevailing PWLB loans.

4.17 A key performance indicator shown in the above table is the very low average rate of external debt of 3.47% for debt held as at 31st March, 2017. This is a historically low rate for long term debt and the resulting interest savings have already been built into the Medium Term Financial Strategy.

4.18 The Council's investment policy is governed by Department of Communities and Local Government (DCLG) guidance, which has been implemented in the annual investment strategy approved by Council.

4.19 The Council does not rely solely on credit ratings and takes a more pragmatic and broad based view of the factors that impact on counterparty risk. As part of the approach to maximising investment security the Council has also kept investment periods short (i.e. in most cases between three and six months but a maximum of one year). The downside of this prudent approach is that the Council achieved slightly lower investment returns than would have been possible if investments were placed with organisations with a lesser financial standing and for longer investment periods. However, during 2016/17 the risk associated with these higher returns would not have been prudent.

4.20 A prudent approach will continue to be adopted in order to safeguard the Council's resources.

4.21 **Regulatory Framework, Risk and Performance 2016/17**

4.22 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions have been made since this power was introduced);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act, and requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the DCLG has issued Investment Guidance to structure and regulate the Council's investment activities;
- Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November, 2007.

4.23 The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its Treasury Management activities

5. **TREASURY MANAGEMENT STRATEGY 2017/18 MID YEAR REVIEW**

5.1 The Treasury Management Strategy for 2017/18 was approved by Council on 23rd February 2017. The Council's borrowing and investment position as at 30th September 2017 is summarised as follows:

	£m	Average Rate
Tees Valley Unlimited Loan	2.2	0.00%
PWLB Loans	37.2	3.07%
Market Loans (Maturities)	25.0	3.92%
Market Loans (LOBOs)	20.0	4.12%
Gross Debt	84.4	3.49%
Investments	47.1	0.37%
Net Debt as at 30-09-17	37.3	

5.2 In November 2017 additional borrowing of £1.3m (not reflected in the above table) was undertaken to secure business cases in line with the approved Strategy, for the following schemes:

- Street Lighting

- Allotments
- Wheelie Bins
- Depot

5.3 Net Debt has decreased since 31st March 2017 owing to positive cash flows. It is anticipated that the net debt will increase towards the end of the year in line with previous years as a result of reducing cash flows.

5.4 As part of the Treasury Strategy for 2017/18 the Council set a number of prudential indicators. Compliance against these indicators is monitored on a regular basis and there are no breaches to report.

6. TREASURY MANAGEMENT STRATEGY 2018/19

6.1 Prudential Indicators and other regulatory information in relation to the 2018/19 Treasury Management Strategy is set out in Appendix B.

6.2 The key elements of the Treasury Management Strategy which Members need to consider are the Borrowing and Investment Strategies, detailed in section 7 and 8.

7. BORROWING STRATEGY 2018/19

7.1 Borrowing strategies are needed for the core borrowing requirement and the borrowing requirement related to specific business cases, as outlined in the following paragraphs.

7.2 Core Borrowing Requirement

7.3 The continuing objective of the Council's Treasury Management Strategy is to fund the core annual borrowing requirement at the lowest possible long term interest rate.

7.4 Since the unprecedented reduction in Base Rate to 0.5% in March 2009 the Treasury Management Strategy has been to net down investments and borrowings resulting in annual savings reflected in the outturn strategy. The existing Treasury Management Strategy has always recognised that this approach was not sustainable in the longer term as the one-off resources which have been used to temporarily avoid long term borrowing would be used up. The MTFS for 2018/19 to 2020/21 recommends proposals for using significant one-off resources and therefore a large proportion of reserves will be used up over the next three years and will not be available to net down the borrowing requirement. Therefore, in advance of this a decision was taken to partially fund the core borrowing requirement when long term PWLB interest rates fell to unprecedentedly low levels in January 2015.

7.5 This decision has secured low long term interest rates, meeting the objective of funding the borrowing requirement at historically low long term interest rates. This action secured the Treasury Management savings built into the

budget since 2015/16 of £1.270m, which reduced the recurring budget by 21%.

- 7.6 Total borrowing remains below the CFR and the strategy continues an element of netting down investments and borrowing. This is at a level that is forecast to be sustainable. However owing to the unprecedented financial environment it may be appropriate to take out further borrowing and the position will be kept under constant review. A decision to borrow up to the CFR may be taken by the Director of Finance and Policy if it is in the best interests of the Council to do so.

7.7 **Borrowing Requirement Business Cases**

- 7.8 The financial viability of each business case is assessed on an individual basis reflecting the specific risk factors for individual business cases. This includes the repayment period for loans and fixed interest rates for the duration of the loan. This assessment is designed to ensure the business case can be delivered without resulting in a General Fund budget pressures and corresponding increase in the overall budget deficit.

- 7.9 In order to ensure that the above objectives are achieved a strategy of fully funding the borrowing for business cases has been adopted in recent years. However, given the reduction in interest rates and current interest rate forecasts it is recommended that a strategy of temporarily internally funding business cases maybe appropriate in order to mitigate counterparty risk. The timing of long term borrowing decisions will then be managed carefully to ensure that interest rates are fixed at an affordable level.

7.10 **Borrowing in Advance of Need**

- 7.11 The Council has some flexibility to borrow funds for use in future years. The Director of Finance and Policy may do this under delegated power where, for instance, an increase in interest rates is expected. In these circumstances borrowing early at fixed interest rates may be undertaken where this will secure lower fixed interest rates for specific business cases, or to fund future debt maturities (i.e. if the remaining LOBOs were called). Any borrowing in advance of need will be reported to the Council in the next Treasury Management report.

8. **INVESTMENT STRATEGY 2018/19**

- 8.1 The Department for Communities and Local Government (CLG) issued investment guidance in 2010 and this forms the structure of the Council's policy. The key intention of the Guidance is to maintain the current requirement for authorities to invest prudently and that priority is given to security and liquidity before interest return. This Council has adopted the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes and applies its principles to all investment activity. In accordance with the Code, the Director of Finance and Policy has produced Treasury Management Practices covering investment counterparty policy which requires approval each year.

8.2 The primary objectives of the Council's investment strategy in order of importance are:

- safeguarding the re-payment of the principal and interest of its investments on time;
- ensuring adequate liquidity; and
- investment return.

8.3 Counterparty Selection Criteria

8.4 The Council's criteria for providing a pool of high quality investment counterparties uses the credit rating information produced by the three major ratings agencies (Fitch, Moody's and Standard & Poor's) and is supplied by our treasury consultants. All active counterparties are checked against criteria outlined below to ensure that they comply with the criteria. Any counterparty failing to meet the criteria would be omitted from the counterparty list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered on a daily basis before investments are made. For instance a negative rating watch applying to a counterparty at the minimum criteria will be suspended from use, with all others being reviewed in light of market conditions.

8.5 The **lowest common denominator** method of selecting counterparties and applying limits is used. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria

8.6 The Director of Finance and Policy will continue to adopt a vigilant approach resulting in what is effectively a 'named' list. This consists of a select number of counterparties that are considered to be the lowest risk.

8.7 In 2014/15 as markets began to return to more "normal" conditions a review of the current counterparty list was completed and for the 2015/16 Treasury Management Strategy Members approved the addition of Svenska Handelsbanken (a high credit quality Swedish bank) to the counterparty list. Their credit ratings remained strong throughout the financial crisis and have continued to remain strong never falling below the category A rating in the table of investment criteria outlined below. The counterparty limit was initially set at £1m with an investment time limit of 3 months. For the 2016/17 Treasury Management Strategy Members approved an increase in the counterparty limit to £3m and then again to £5m for the 2017/18 strategy. It is now recommended that Svenska Handelsbanken is brought into line with other category A counterparties and no longer identified separately i.e. counterparty limit raised to £15m and the duration of investments increased to a maximum of one year.

8.8 The table below shows the proposed limits in 2018/19 for the Council:

Category	Fitch	Moody's	Standard & Poor's	Proposed Counterparty Limit	Proposed Time Limit
A*	F1+/AA-	P-1/Aa3	A-1+/AA-	£15m	1 Year
B	F1/A-	P-1/A3	A-1/A-	£10m	1 Year
C	Debt Management Office/Treasury Bills/Gilts			£40m	1 Year
D	Part Nationalised Banks and Banks covered by UK Government Guarantee			£15m	1 Year
E	Other Local Authorities Individual Limits per Authority: - £8m County, Metropolitan or Unitary Councils - £3m District Councils, Police or Fire Authorities			£40m	1 Year
F	Three Money Market Funds (AAA) with maximum investment of £3m per fund			£9m	Liquid (instant access)

*including Svenska Handelsbanken

8.9 Specified and Non-Specified Investments

8.10 CLG regulations classify investments as either Specified or Non-Specified. Specified Investment is any investment not meeting the Specified definition.

8.11 The investment criteria outlined above is different to that used to define Specified and Non-Specified investments. This is because it is intended to create a pool of high quality counterparties for the Council to use rather than defining what its investments are.

8.12 Specified Investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within twelve months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is small. These would include investments with:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity).
- Other Councils
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating (AAA) by a credit rating agency.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society). This covers bodies with a minimum rating of A- (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies. Within these bodies, and in

accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies.

8.13 Non-specified Investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any investments with:

- Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings.
- Any bank or building society that has a minimum long term credit rating of A- for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).

9. **MINIMUM REVENUE PROVISION AND INTEREST COSTS AND OTHER REGULATORY INFORMATION 2018/19**

9.1 There are two elements to the Council's annual loan repayment costs – the statutory Minimum Revenue Provision (MRP) and interest costs. The Council is required to pay off an element of the Capital Financing Requirement (CFR) each year through a revenue charge called the Minimum Revenue Provision (MRP).

9.2 CLG Regulations require the Council to approve **an MRP Statement** in advance of each year. This will determine the annual loan repayment charge to the revenue account.

9.3 The budget strategy is based on the following MRP statement and Council is recommended to formally approve this statement:

- For capital expenditure incurred before 1st April, 2008 the Council's MRP policy is to calculate MRP based on a 50 year annuity repayment.
 - i. Where MRP has been overcharged in previous years, the recovery of the overcharge will be affected by reducing the MRP in relation to this capital expenditure by reducing MRP charges that would otherwise have been made. It should be noted that this will ensure the debt will be paid off by 2056/57 whereas the previous 4% reducing balance MRP charge would have left debt of £9.4m at this date.
 - ii. The total MRP after applying the adjustment will not be less than zero in relation to this capital expenditure.
 - iii. The cumulative amount adjusted for will never exceed the amount overpayment.
- From 1st April, 2008 the Council calculates MRP based on asset life for all assets or where prudential borrowing is financed by a specific annuity

loan, MRP will be calculated according to the actual annuity loan repayments.

9.4 **CIPFA Treasury Management Code of Practice**

9.5 The Council has adopted CIPFA Treasury Management Code of Practice. Confirmation of this is the first prudential indicator.

9.6 **Treasury Management Advisors**

9.7 The Council uses Link Asset Services – Treasury Solutions (formerly known as Capita Asset Services) as its external treasury management advisors.

9.8 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

9.9 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9.10 **Markets in Financial Instruments Directive (MIFID II)**

9.11 On 3rd January 2018 an updated version of the European Union's Markets in Financial Instruments Directive (known as MIFID II) comes into effect. It is designed to offer greater protection for investors and inject more transparency into financial markets. Under MIFID II all local authorities will be classified as "retail" counterparties and will have to consider whether to opt up to "professional" status and for which type of investments

9.12 Local authorities that choose not to opt up or do not meet the minimum criteria for opting up (i.e. minimum investment balances of £10m) will face a reduction in the financial products available to them, a reduction in number of brokers and asset managers that will be able to engage with and may face increased fees.

9.13 Local authorities that choose to opt up must be able to satisfy some quantitative tests, and each Financial Institution will independently determine whether the Authority meet the qualitative test of being appropriately knowledgeable, expert and experienced. Financial Institutions also need to satisfy themselves that the Authority can make its own investment decisions and understands the risks involved.

9.14 It is the view of the Director of Finance and Policy that the Council meets the minimum requirements to opt up and therefore will choose to opt up to professional status in order to maintain the Council's ability to operate effectively under the new regime.

- 9.15 The process of opting up will be onerous and in response the Chartered Institute of Public Finance and Accountancy (CIPFA) have launched an online platform to assist local authorities who wish to opt up to professional status. This platform is dependent on Financial Institutions subscribing to the platform and many are either already live on the system or are in the process of signing up. However there are some institutions that have not subscribed to the platform and the Council will have to complete a separate opting up process with these institutions.

10. FINANCIAL CONSIDERATIONS

- 10.1 As detailed in preceding paragraphs.

11. RISK IMPLICATIONS

- 11.1 None.

12. LEGAL CONSIDERATIONS

- 12.1 None.

13. CHILD AND FAMILY POVERTY

- 13.1 None.

14. EQUALITY AND DIVERSITY CONSIDERATIONS

- 14.1 None.

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

- 15.1 None

16. STAFF CONSIDERATIONS

- 16.1 None

17. ASSET MANAGEMENT CONSIDERATIONS

- 17.1 None

18. CONCLUSION

- 18.1 The report sets out how the Council will comply with the regulatory framework to ensure the Council achieves the lowest borrowing costs and security for any temporary cash investments made by the Council.
- 18.2 The report sets out the borrowing strategy for the core CFR of netting down the remaining under borrowing against investments but highlights the continued economic uncertainty and the possibility that if circumstances

change further borrowing may be required. The report also outlines a strategy of temporarily internally funding business cases in order to mitigate counterparty risk. The timing of long term borrowing decisions will then be managed carefully to ensure that interest rates are fixed at an affordable level.

- 18.3 In relation to the investment strategy the Council has adopted an extremely prudent approach over the last few years and continues to do so. It is recommended that the Council approves the revised counterparty criteria as set out in paragraphs 8.7 to 8.8.

19. RECOMMENDATIONS

- 19.1 It is recommended that Members approve the following proposals:

19.2 **Treasury Management Outturn Position 2016/17**

- i) Note the 2016/17 Treasury Management Outturn detailed in section 4 and Appendix A.

19.3 **Treasury Management Strategy 2017/18 Mid-Year Review**

- ii) Note the 2017/18 Treasury Management Mid-year Position detailed in section 5.

19.4 **Treasury Management Strategy 2018/19 (Prudential Indicators)**

- iii) Approve the prudential indicators outlined in Appendix B.

19.5 **Borrowing Strategy 2018/19**

- iv) **Core borrowing requirement** – following the securing of exceptionally low interest rates approve that the remainder of the under borrowing is netted down against investments.
- v) To note that in the event of a change in economic circumstances that the Director of Finance and Policy may take out additional borrowing if this secures the lowest long term interest cost.
- vi) **Borrowing required for business cases** – Approve the strategy of internally borrowing for business cases to mitigate counterparty risk, reduce borrowing costs and generate an internal investment return. Note that if this strategy is adopted that action may be taken by Director of Finance and Policy to externally borrow for these schemes if an interest rates rise is expected.

19.6 **Investment Strategy 2018/19**

- vii) Approve that Svenska Handelsbanken be brought into line with other category A counterparties and no longer identified separately.

viii) Approve the Counterparty limits as set out in paragraph 8.8.

19.7 Minimum Revenue Provision (MRP) Statement

ix) Approve the MRP statement outlined in paragraph 9.3 above.

20. REASON FOR RECOMMENDATIONS

20.1 To allow Members to fulfil their responsibility for scrutinising the Treasury Management Strategy

21. CONTACT OFFICER

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Prudential Indicators 2016/17 Outturn**1. Ratio of Financing Costs to Net Revenue Stream**

This indicator shows the proportion of the total annual revenue budget that is funded by the local tax payer and Central Government, which is spent on servicing debt.

2016/17 Estimate		2016/17 Outturn
6.40%	Ratio of Financing costs to net revenue stream	6.80%

2. Capital Expenditure

This indicator shows the total capital expenditure for the year.

2016/17 Estimate £'000		2016/17 Outturn £'000
29,341	Capital Expenditure	21,858

The actual is lower than estimated owing to the phasing of capital expenditure between years.

3. Capital Expenditure Financed from Borrowing

This shows the borrowing required to finance the capital expenditure programme, split between core expenditure and expenditure in relation to business cases.

2016/17 Estimate £'000		2016/17 Outturn £'000
326	Core Capital Expenditure Financed by Borrowing	609
8,101	Business Case Capital Expenditure Financed by Borrowing	7,849
2,400	HRA Capital Expenditure Financed by Borrowing	921
10,827	Total Capital Expenditure Financed by Borrowing	9,379

The actual is lower than estimated owing to the phasing of overall expenditure between years.

4. Capital Financing Requirement

CFR is used to determine the minimum annual revenue charge for capital expenditure repayments (net of interest). It is calculated from the Council's Balance Sheet and is shown below. Forecasts for future years are directly influenced by the capital expenditure decisions taken and the actual amount of revenue that is set aside to repay debt.

2016/17 Estimate £'000		2016/17 Outturn £'000
71,346	Core Capital Financing Requirement	71,902
27,023	Business Case Capital Financing Requirement	20,482
10,551	HRA Capital Financing Requirement	9,072
108,920	Total Capital Financing Requirement	101,456

The capital financing requirement is lower than estimated owing to the the phasing of capital expenditure.

5. Authorised Limit for External Debt

The authorised limit determines the maximum amount the Council may borrow at any one time. The authorised limit covers both long term borrowing for capital purposes and borrowing for short term cash flow requirements. The authorised limit is set above the operational boundary to provide sufficient headroom for operational management and unusual cash movements. In line with the Prudential Code, the level has been set to give the Council flexibility to borrow up to three years in advance of need if more favourable interest rates can be obtained.

2016/17 Limit £'000		2016/17 Peak £'000
131,000	Authorised limit for external debt	87,649

The above Authorised Limit was not exceeded during the year. The level of debt as at 31st March 2017, excluding accrued interest was £85.660m. The peak level during the year was £87.649m.

6. Operational Boundary for External Debt

The operational boundary is the most likely prudent, but not worst case scenario, level of borrowing without the additional headroom included within the authorised limit. The level is set so that any sustained breaches serve as an early warning that the Council is in danger of overspending or failing to achieve income targets and gives sufficient time to take appropriate corrective action.

2016/17 Limit £'000		2016/17 Peak £'000
121,000	Operational boundary for external debt	87,649

The operational limit was not exceeded in the year. The peak level of debt was £87.649m.

7. Interest Rate Exposures

This indicator is designed to reflect the risk associated with both fixed and variable rates of interest, but must be flexible enough to allow the Council to make best use of any borrowing opportunities.

2016/17 Limit £'000	Upper limits on fixed and variable interest rate exposure	2016/17 Peak £'000
121,000	Fixed Rates	42,649
91,000	Variable Rates	45,000

The figures represent the peak values during the period.

8. Maturity Structure of Borrowing

This indicator is designed to reflect and minimise the situation whereby the Council has a large repayment of debt needing to be replaced at a time of uncertainty over interest rates, but as with the indicator above, it must also be flexible enough to allow the Council to take advantage of any borrowing opportunities.

	Upper Limit £000	Lower Limit £000	Actual by Maturity Date £000	Actual by soonest call date £000
Less than one year	111,000	0	3,944	8,944
Between one and five years	121,000	0	12,052	27,052
Between five and ten years	121,000	0	3,341	3,341
Between ten and fifteen years	121,000	0	3,555	3,555
Between fifteen and twenty years	121,000	0	3,101	3,101
Between twenty and twenty-five years	121,000	0	1,935	1,935
Between twenty-five and thirty years	121,000	0	2,129	2,129
Between thirty and thirty-five years	121,000	0	2,548	2,548
Between thirty-five and forty years	121,000	0	6,005	6,005
Between forty and forty-five years	121,000	0	1,955	1,955
More than forty-five years	121,000	0	45,095	25,095

9. Investments over Maturing over One Year

This sets an upper limit for amounts invested for periods longer than 364 days. The limit was not exceeded as a prudent approach to investment has been taken owing to uncertainties in the economy this is in line with the Treasury Management Strategy. Consequently all investments made during the year were limited to less than one year.

	1 year £000	2 year £000	3 year £000
Maximum Limit	30,000	0	0
Actual	14,000	0	0

TREASURY MANAGEMENT STRATEGY 2018/19 REGULATORY INFORMATION AND PRUDENTIAL INDICATORS

1. INTRODUCTION

- 1.1 The regulatory information and prudential indicators for the 2018/19 Treasury Management Strategy are set out below.

2. PRUDENTIAL INDICATORS

- 2.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and set prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity.
- 2.2 The first prudential indicator is confirmation that the Council has adopted the CIPFA Treasury Management Code of Practice, which the Treasury Management Strategy report confirms.
- 2.3 Details of the proposed prudential limits are set out in the following sections.

3. CAPITAL EXPENDITURE AND FINANCING REQUIREMENT

- 3.1 The Council's Borrowing Strategy is driven by the Capital Financing Requirement (CFR) and the Council's view of interest rates. The CFR is the amount the Council needs to borrow to fund capital expenditure incurred in previous financial years and forecast capital expenditure in the next three years which is funded from borrowing. Historically the majority of the Council's CFR related to capital expenditure supported by Government borrowing approvals.
- 3.2 Government borrowing approvals are authority to fund capital expenditure from loans. Prior to the introduction of the prudential borrowing system in the Local Government Act 2003 Councils could only borrow for capital expenditure authorised by a Government borrowing approval.
- 3.3 Following the introduction of the prudential borrowing systems Councils can determine their own borrowing levels, subject to revenue affordability. The Council has managed the new flexibility carefully owing to the ongoing revenue commitment of taking on new additional borrowing. The Council has only approved specific self funding business cases, for example affordable housing schemes and a limited amount of General Fund capital expenditure where the resulting loan repayment and interest costs have been funded as a revenue budget pressure.

- 3.4 Councils ultimately need to fund the CFR by borrowing money from the Public Works Loan Board (PWLB) or banks. The CFR is then repaid over a number of years reflecting the long term benefits of capital expenditure. In simple terms the CFR represents the Council's outstanding mortgage, although the legislation and accounting requirements are significantly more complex.
- 3.5 The estimated Capital Finance & Borrowing Requirement is shown in the following table:

Capital Financing & Borrowing Requirement	2017/18 Revised £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
CFR at 1st April	101,455	101,528	107,369	106,700
Capital Expenditure Financed by New Borrowing	620	4,080	1,816	1,691
Approved Borrowing Rephased from 2016/17 and Borrowing Profiled for Future Years	5,746	0	0	0
Less Borrowing to be Rephased to 2018/19 and Borrowing Profiled for Future Years	(4,053)	4,053	0	0
Less Repayment of CFR	(2,240)	(2,292)	(2,485)	(2,398)
CFR at 31st March	101,528	107,369	106,700	105,992
Less assets held under Finance Lease	(396)	(380)	(364)	(348)
Borrowing Requirement	101,132	106,989	106,336	105,644

Corporate Borrowing Requirement	73,091	72,467	71,269	70,191
Business Case Borrowing Requirement	18,510	24,344	24,889	25,275
Housing Revenue Account Borrowing Requirement	9,531	10,178	10,178	10,178
Borrowing Requirement	101,132	106,989	106,336	105,644

- 3.6 As part of the Medium Term Financial Strategy the Council is required to approve the 2018/19 capital programme summarised as follows:

Capital Expenditure	2017/18 Revised £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
New Approved Capital Expenditure	6,171	12,602	5,778	5,210
Rephased Capital Expenditure from 2016/17 and Expenditure Profiled for Future Years	17,288	0	0	0
Approved Capital Expenditure Profiled for Future Years	(2,452)	2,452	0	0
2017/18 Capital Expenditure to be Rephased	(7,799)	7,799	0	0
Capital Expenditure for the Year	13,208	22,853	5,778	5,210
Financed by:				
Capital grants and contributions	5,551	8,027	3,962	3,519
Other Capital Funding	0	495	0	0
Capital Expenditure to be funded from New Prudential Borrowing	620	4,080	1,816	1,691
Capital Resources Rephased from 2016/17 and Capital Resources Profiled for Future Years	17,288	0	0	0
Rephased Capital Resources from 2016/17 and Capital Resources Profiled for Future Years	(10,251)	10,251	0	0
Total Funding	13,208	22,853	5,778	5,210

Non-HRA Capital Expenditure	12,360	21,651	5,778	5,210
HRA Capital Expenditure	848	1,202	0	0
Total Capital Expenditure	13,208	22,853	5,778	5,210

4. AFFORDABILITY PRUDENTIAL INDICATORS

- 4.1 The affordability of the approved Capital Investment Programme was assessed when the capital programme was approved and revenue costs are built into the Medium Term Financial Strategy or individual business cases. The 'Affordability Prudential Indicators' are detailed below and are intended to give an indication of the affordability of the planned capital expenditure financed by borrowing in terms of the impact on Council Tax and the Net Revenue Stream.
- 4.2 Incremental Impact of Capital Expenditure on Council Tax
- 4.3 This indicator identifies the revenue costs associated with new schemes included in the three year Capital Programme recommended in the budget strategy report compared to the Council's existing approved commitments and current plans.

	Forward Projection	Forward Projection	Forward Projection	Forward Projection
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
CouncilTax - Band D	£2.26	£6.58	£2.93	£2.73

4.4 Incremental Impact of Capital Expenditure on Housing Rent Levels

- 4.5 This indicator shows the revenue impact on any newly proposed changes to HRA capital expenditure. At present there will be no impact on housing rent levels as these have been set taking into account the existing HRA capital programme.

	Forward Projection	Forward Projection	Forward Projection	Forward Projection
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Weekly Housing Rent Levels	£0.00	£0.00	£0.00	£0.00

4.6 Ratio of Financing Costs to Net Revenue Stream

- 4.7 This shows the net cost of capital borrowing as a percentage of the net budget. The decrease reflects significant savings from locking into historically low interest rates and re-profiling of MRP as outlined in the report.

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Non-HRA financing cost to General Fund Net Revenue Stream	6.40%	4.07%	4.14%	4.07%

4.8 Ratio of Finance Costs to HRA Net Revenue Stream

- 4.9 This shows the net cost of capital borrowing as a percentage of the net HRA budget arising from the phased implementation of the business case.

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
HRA financing cost to HRA Net Revenue Stream	34.24%	34.36%	33.70%	33.40%

5. BORROWING PRUDENTIAL INDICATORS

5.1 Debt Projections 2017/18 – 2020/21

5.2 The following table sets out the Council's projected Capital Financing Requirement (CFR) and level of debt:

Debt and Investment Projections	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Long Term Borrowing 1 April	85,660	85,660	85,660	89,777
Expected change in Long Term Debt	0	0	4,117	0
Debt at 31 March	85,660	85,660	89,777	89,777
Borrowing Requirement	101,132	106,989	106,336	105,644
Under Borrowing	(15,472)	(21,329)	(16,559)	(15,867)

Non-HRA Debt	76,129	75,482	79,599	79,599
HRA Debt	9,531	10,178	10,178	10,178
Total Debt	85,660	85,660	89,777	89,777

5.3 Although the Council has reduced its under borrowing in recent years the table shows that an element of core borrowing can continue to be temporarily deferred by netting down investments and borrowing.

5.4 Limits to Borrowing Activity

5.5 Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits.

5.6 The Council needs to ensure that total borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/2019 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. The following table demonstrates that borrowing will not exceed the CFR.

External Debt	2017/18 Revised £'000	2018/19 Estimated £'000	2019/20 Estimated £'000	2020/21 Estimated £'000
Gross Borrowing	85,660	85,660	89,777	89,777
Other Long Term Liabilities	396	380	364	348
Total Gross Borrowing	86,056	86,040	90,141	90,125
Borrowing Requirement	101,132	106,989	106,336	105,644

5.7 The following table shows two key limits for the monitoring of debt. The Operational Limit is the likely limit the Council will require and is aligned closely with the actual CFR on the assumption that cash flow is broadly

neutral. The Authorised Limit for External Debt is a further key prudential indicator to control the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Council. In practice it needs to take account of the range of cash flows that might occur for the Council in addition to the CFR. This also includes the flexibility to enable advance refinancing of existing loans.

Borrowing Limits	2017/18	2018/19	2019/20	2020/21
	£'000	Estimated £'000	Estimated £'000	Estimated £'000
Operational Limit	122,000*	127,000*	126,000	126,000
Authorised limit	132,000*	137,000*	136,000	136,000

*These Limits include provision for potential temporary borrowing related to the phasing of capital receipts over the period of the MTFS.

- 5.8 The Council is also limited to a maximum HRA CFR through the HRA self-financing regime. The following table shows the HRA debt cap, the HRA CFR and the actual level of HRA debt (i.e. borrowing).

HRA Debt Limits	2017/18	2018/19	2019/20	2020/21
	Revised £'000	Estimated £'000	Estimated £'000	Estimated £'000
HRA Debt Cap	10,890	10,890	10,890	10,890
HRA CFR	9,531	10,178	10,178	10,178
HRA Headroom	1,359	712	712	712
HRA Debt	9,531	10,178	10,178	10,178
HRA Under/Over Borrowing	0	0	0	0

6. INVESTMENT PRUDENTIAL INDICATORS AND OTHER LIMITS ON TREASURY ACTIVITY

6.1 Investment Projections 2017/18 – 2020/21

- 6.2 The following table sets out the estimates for the expected level of resource for investment or use to defer long term borrowing.

2016/17 Outturn £'000	Year End Resources	2017/18 Revised £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
52,892	Balances and Reserves	35,392	21,225	17,905	14,668
(1,396)	Collection Fund Adjustment Account*	0	0	0	0
3,078	Provisions	3,078	3,078	3,078	3,078
54,574	Total Core Funds	38,470	24,303	20,983	17,746
6,246	Working Capital**	8,500	8,500	8,500	8,500
60,820	Resources Available for Investment	46,970	32,803	29,483	26,246
(15,795)	(Under)/over borrowing	(15,472)	(21,329)	(16,559)	(15,867)
45,025	Expected Investments	31,498	11,475	12,925	10,379

* It is not possible to estimate the Collection Fund Adjustment Account balance owing to the uncertainty in relation to business rates.

** The working capital balance is an estimate of debtors and creditors at year end based on the average working capital over the last three years.

6.3 Sensitivity to Interest Rate Movements

6.4 Sensitivity to Interest Rate Movements is a prudential indicator that the Authority is required to disclose. The following table highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. These forecasts are based on a prudent view of a +/- 1% change in interest rates for the borrowing requirement that has not yet been fixed (i.e. under borrowing). Equally for investments they are based on a prudent view of the total amount invested. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by short interest rate changes. The "Treasury Management Risk Reserve" was established to manage this risk.

Impact on Revenue Budgets	2018/19 Estimated 1% £'000	2018/19 Estimated -1% £'000
Interest on Borrowing	196	(196)
Investment income	(132)	132
Net General Fund Borrowing Cost	65	(65)

6.5 There are four further treasury activity limits and the purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates.

6.6 The limits are:

- i) Upper limits on variable interest rate exposure – This identifies a maximum limit for the percentage of the Council's borrowing and investments that are held with variable interest rates. The proposed limits are detailed in the following table.

Limits on Variable Interest Rates	2018/19 Upper £'000	2019/20 Upper £'000	2020/21 Upper £'000
Borrowing	75%	75%	75%
Investments	100%	100%	100%

- ii) Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit for the percentage of the Council's borrowing and investments that are held with fixed interest rates.

Limits on Fixed Interest Rates	2018/19 Upper £'000	2019/20 Upper £'000	2020/21 Upper £'000
Borrowing	100%	100%	100%
Investments	100%	100%	100%

- iii) Maturity structure of borrowing – Limits for the 'Maturity Structure of Borrowing' are intended to reduce exposure to large fixed rate sums falling due for refinancing. In the opinion of the Chief Finance Officer limits on fixed and variable rates for **borrowing** are unhelpful and could lead to higher costs of borrowing. Previous experience has shown that it is possible to move from a position of predominantly fixed rate borrowing to variable rate borrowing and then back to fixed rate borrowing over a period of two years. In the Chief Finance Officer's professional opinion this proactive management of investments and borrowing continues to provide the most cost effective strategy for the Council, whilst not exposing the Council to unnecessary risk. The Council should ensure maximum flexibility to minimise costs to the revenue budget in the medium term. These limits are detailed in the following table:

Maturity Structure of fixed interest rate borrowing 2018/19				
	2017/18 £000 Lower Limit	2017/18 £000 Upper Limit	2018/19 £000 Lower Limit	2018/19 £000 Upper Limit
Under 12 months	0	90%	0	90%
12 months to 2 years	0	100%	0	100%
2 years to 5 years	0	100%	0	100%
5 years to 10 years	0	100%	0	100%
10 years to 20 years	0	100%	0	100%
20 years to 30 years	0	100%	0	100%
30 years to 40 years	0	100%	0	100%
40 years to 50 years	0	100%	0	100%
50 years to 60 years	0	100%	0	100%
60 years to 70 years	0	100%	0	100%

- iv) Maximum principal sums invested – Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and reflect the current recommended advice that investments are limited to short term investments i.e. up to one year.

Limit for Maximum Principal Sums Invested > 364 days			
	1 year £000	2 years £000	3 years £000
Maximum	20,000	0	0

6.7 Performance Indicators

- 6.8 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. The Council will produce the following performance indicators for information and explanation of previous treasury activity:

- Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year

Draft Regulations laid before Parliament under section 23(10) of the Local Government Act 2003 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2018 No.

LOCAL GOVERNMENT, ENGLAND

**The Tees Valley Combined Authority (Borrowing) Regulations
2018**

Made - - - -

Coming into force in accordance with article 1

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 23(5) of the Local Government Act 2003(a) ("the 2003 Act").

In accordance with section 23(6) of the 2003 Act the councils whose local government areas are comprised in the area of the Tees Valley Combined Authority and the Tees Valley Combined Authority Combined Authority have consented to the making of these Regulations(b).

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to 23(10) of the 2003 Act.

Citation and commencement

1.—(1) These Regulations may be cited as the Tees Valley Combined Authority (Borrowing) Regulations 2018.

(2) These Regulations come into force on the day after the day on which they are made.

Borrowing

2. All functions of the Tees Valley Combined Authority are specified for the purposes of section 23(5) of the Local Government Act 2003 (power to borrow money for a purpose relevant to a function specified in regulations).

Signed by authority of the Secretary of State for Communities and Local Government

Date

Name
Parliamentary Under Secretary of State
Department for Communities and Local Government

-
- (a) 2003 c. 26. Subsection (5) was inserted by the Local Democracy, Economic Development and Construction Act 2009 (c. 20), section 99 and paragraph 117 of Schedule 6; subsection (5) was amended and subsections (6) to (10) were inserted by the Cities and Local Government Devolution Act 2016 (c. 1), section 9.
- (b) These Regulations relate to the Tees Valley Combined Authority which was established by article 3 of S.I. 2016/449.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for the Tees Valley Combined Authority to borrow money for a purpose relevant to all of its statutory functions.

Regulation 2 specifies the functions of the Tees Valley Combined Authority to which the power under section 1 of the Local Government Act 2003 (power to borrow) is to apply.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business and the voluntary sector.



Department for Transport

Councillor Paul Beck
Ceremonial Mayor
Hartlepool Borough Council
Civic Centre
Hartlepool
TS24 8AY

From the Minister of State
and Minister for London
Jo Johnson MP

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail: jo.johnson@dft.gsi.gov.uk

Web site: www.gov.uk/dft

Our Ref: MC/214641
Your Ref: PB

24 JAN 2018

Dear Mr Beck

Thank you for your letter of 4 December 2017 to Paul Maynard, about guards on trains with doors operated by the driver. I am replying as Minister responsible for rail.

I appreciate the concerns you have raised on behalf of Hartlepool Borough Council in respect to guards on trains with doors controlled by the driver and the future role of Northern Rail guards. Please be assured that I have taken note of your comments and concerns. It might be helpful if I set out some context to the issues which you have raised in your letter.

It is incorrect to say that hundreds of essential jobs will be lost. As part of their modernisation plans, Northern want to make changes to the on-board second member of staff role to make it fit for the future, better supporting customers on trains and at stations. Northern is prepared to guarantee jobs and current pay for all their conductors for the next eight years, until the end of the franchise.

I must also advise that modern trains are equipped with the latest technology that allows drivers to safely operate the train and doors from the driving cab. The practice, which started under British Rail, has been operating safely and successfully on parts of the GB rail network for over 30 years. It has been approved by the safety regulator, the Office of Rail and Road, and in areas where it is operating it is improving efficiency and allowing operators to deliver more services for passengers. The Rail Safety and Standards Board has also concluded that whether the doors are driver or guard operated, risk to passengers remains low.

A core aim of rail privatisation was to improve the efficiency of train services. This was to be achieved by harnessing via competitive tender the value of private sector investment and innovation. Over the past 20 years this has been achieved. Operators now regularly invest in new trains and other measures to improve customer service, including the gradual and considered introduction of modern technologies and practices.

The result is that Great Britain now has one of the safest, most efficient and fastest growing rail networks in Europe, with some of the highest levels of passenger satisfaction. Privatisation has also removed the need for taxpayers to subsidise the cost of train operations. Indeed, train companies currently return around £1.7bn in premiums to the Government each year.

The biggest challenges currently facing the rail industry are reliability and serving the unprecedented growth in demand for travel since privatisation. Over the past 20 years passenger numbers have doubled on a network which has remained substantially unchanged, so these challenges will only be met if we take advantage of the new technologies available to us. For this reason the Government has embarked on the largest rail infrastructure investment programme since Victorian times, which is delivering more room for more trains and will improve services for passengers.

As operators invest in new, modern train fleets for passengers, the opportunity arises for them to extend the practice to other parts of the GB network. This can only happen after stringent safety approvals and, where it will involve changes in roles, full consultation with staff. For the rail unions or others to suggest that train companies would pursue such a practice in a manner that would put at risk the safety of staff and passengers is uninformed and ignores the undisputed and exceptional safety record of the GB rail industry.

With regard to your comments on passenger safety, I would like to assure you that the Department is committed to reducing crime, anti-social behavior and the fear of crime whether it occurs in the transport system. The transport industry, local authorities, the police and others are investing in, and undertaking initiatives, to improve the security of public transport passengers and staff and to keep our public transport systems and low-crime environments.

For rail in particular, we continue to work closely with the British Transport Police (BTP) to achieve higher levels of personal security for people using the network. We also recognise the importance of staff in giving reassurance and assistance to passengers. Indeed, the Secretary of State has been clear that we want to see more people working on the railways, not fewer. If passengers are uncomfortable, they can contact staff using help points on the train, or contact the police/BTP directly if they have concerns.

I appreciate your concerns over accessibility and assistance for disabled passengers. The Department is very serious about making rail services more accessible, not less. The Department places a high priority on those with a disability or who have access requirements as it believes those individuals should be able to use the rail system with ease and confidence.

As part of their licence to operate, each Train Operating Company is required to have a Disabled Persons' Protection Policy (DPPP) in place. This sets out of services and facilities available to disabled passengers and those with reduced mobility, how to arrange staff assistance, and how to get help if things do go wrong. Within this policy the operator must commit to participating in the Passenger Assist system.

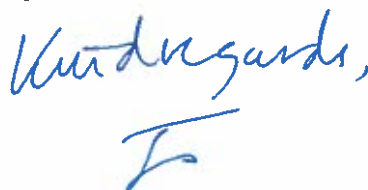
Finally, in regard to your point about rail fare increases, it may reassure you to know that the Government has committed to capping regulated rail fares at RPI+0% through to 2020. This extends the cap on rail fare increases put in place for 2014 and 2015. Regulated Fare increases are based on the July Retail Price Index (RPI) figures that are released in August each year.

The Government has ensured that regulated rail fares could rise no more quickly than inflation since 2014. We, of course, continue to monitor our rail fares policies closely and keep them under review, however, we have no intention of allowing fares to increase more than inflation.

Fares that passengers pay support the biggest modernisation programme on Britain's railways. Franchised passenger revenue was £9.5 billion in 2016/17¹. The benefits of this investment will be enormous and far-reaching, including relief from crowding on some of the nation's busiest routes, improved capacity and an improved network. It is important that the cost doesn't simply fall on the taxpayer. One of the major benefits will be a more efficient railway, reducing underlying costs so we can limit future fare rises.

It is important to note that revenue from rail fares will continue to play a role in this modernisation programme and help deliver massive benefits for passengers. On average, 97p of every £1 of passengers' fares goes back into the railway, to both run and improve the network.

Thank you once again for contacting me with the Council's concerns. I hope this reply is helpful.



JO JOHNSON

¹ http://orr.gov.uk/_data/assets/pdf_file/0019/24832/passenger-rail-usage-2016-17-q4.pdf (Page 12)



**Councillor Paul Beck
Hartlepool Borough Council
Civic Centre
HARTLEPOOL
TS24 8AY**

2 January 2018

Dear Paul,

Firstly a very Happy New Year and best wishes for 2018 to you and all at Hartlepool Borough Council. Thank you for your letter regarding the introduction of Driver Controlled Operation (DCO) and passenger safety. I am happy to clarify our position for you.

After years of under investment, our modernisation plans are set to provide rail passengers with the services they both want and deserve. These plans will maintain our safety standards, deliver easier journeys for commuters and leisure passengers, and make staff more visible and available than ever before – trying to improve the Northern economy, helping businesses invest in the region and creating jobs to make the North an even better place to live and work.

By 2020, customers travelling on the Northern network will benefit from a £580m investment in 98 new trains, as well as the refurbishment and updating of 243 existing trains. Our plans will mean more services, an increase in peak time capacity and faster key town and city connections through our new Northern Connect network. More than 60 updated trains are already in service and 111 stations have already been upgraded, including Hartlepool.

Driver Controlled Operation (DCO) already exists on more than a third of the UK's mainline railway network and has been in daily use for the last 30 years. Britain's most senior railway inspector, Her Majesty's Chief Inspector of Railways, and the Rail Safety and Standards Board, say this way of operating trains is safe. It is worth noting that within the North East, the Tyne and Wear Metro, which shares heavy rail tracks between Pelaw and Sunderland, has operated in driver-only mode since 1980.

What's important to keep in mind is that whoever operates the doors, the subject of how Northern might choose to staff trains is entirely separate. That is why we want to talk in more detail with RMT to discuss the future roles and responsibilities of our employees, many of whom are members of the union.

RMT's National Executive Committee is aware that Northern is prepared to guarantee jobs and pay for conductors for the rest of our franchise to 2025, if we can reach agreement on how our colleagues deliver better customer service in the future. Recently, the Government also went one step further and guaranteed employment for conductors beyond 2025 if the RMT ends its dispute – providing long-term job security rarely seen in today's economic environment.

www.northernrailway.co.uk



At many of our previous meetings with the RMT, we have proposed setting up talks between ourselves and the union to go through every aspect of the future role of a conductor – including new trains, services, pay, conditions, future responsibilities, and safety and customer service training. RMT have continually rejected this proposal, as they want a guarantee of a second person on-board every train.

We want to guarantee a second person on many trains, just not all, as we might decide that we are able to provide a better level of customer service, revenue protection and accessibility by staffing stations rather than trains on some routes and at some locations. We also want to update the on-board role to make it fit for the future, looking at new ways of working to support customers across our diverse network. In terms of your concern over job cuts, Northern have actually increased staff by over 600 (11.8%) since the franchise start in April 2016, the vast majority being deployed in frontline roles. The North East has seen a net increase of 50 roles overall.

You may also have noticed that we have introduced 55 Travel Safe Officers, to support our customer service teams on trains and stations, who are available across the Northern network day and night. 14 are based in the North East.

In relation to the Durham Coast and specific concerns about how passengers might seek help and assistance on-board trains without a second person in future, we are in the early stages of our planning. As part of our plans, we will make sure that a clear, straightforward process is in place in line with rail industry standards. To reassure you, drivers can already speak to passengers from the driver's cab if required and this will continue to be the case.

We very much want to reach an agreement with RMT that keeps the railway safe and accessible for our customers and employees.

I hope this helps to clarify our position. I would welcome the opportunity to update you and to discuss our plans. In the meantime, I'm with Denise Ogden at Hartlepool Council this week to discuss how we can work together to improve the customer offering at the station.

Very Best wishes

Mike Paterson
Regional Director



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31st January 2018

Councillor Paul Beck
Chair of Council
Hartlepool Borough Council
Civic Centre
Hartlepool
TS24 8AY

Dear Councillor Beck

Thank you for your letter to us in December 2017 in which you asked us to formally acknowledge Hartlepool Borough Council's position on the current dispute between the RMT and a number of Train Operating Companies with regard to the potential removal of guards from some trains. By way of this reply I am happy to confirm we acknowledge your letter and we note the points made.

From Rail North's point of view we remain steadfast in our support for Northern's plans to transform and modernise rail travel and services across the North of England and of their commitment to passenger safety. These commitments will deliver substantial passenger benefits and support economic growth and jobs in the north at a time when we are working to grow and develop rail services in the North of England. Staffing proposals remain a matter for the operator to agree with employees and the unions.

In relation to recent strikes, it is deeply disappointing and damaging to have to contend with yet further disruption that could be avoided through constructive dialogue between both parties. For this to happen, talks need to be approached with an open mind and with the focus on a sensible resolution. Our view remains that it is vital that both parties work together to resolve matters of difference and agree a way forward without causing further impact on the travelling public and further damage to economy.

Our focus remains on overseeing the efficient operation of the Northern franchise in partnership with the Department of Transport to ensure the best possible levels of service are offered to rail users.

I know you have recently been in contact with Mike Patterson, Regional Director for Northern, with regard to the current dispute between the RMT and Northern. I do hope that this has proved both useful and informative and I am sure that Mike will have explained how Northern's plans address and mitigate the concerns raised whilst facilitating the much-needed transformation.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D Hoggarth', written over a blue circular stamp.

David Hoggarth
Rail North Director

cc Steve Payne, Tees Valley Combined Authority

CLEVELAND FIRE AUTHORITY

MINUTES OF ORDINARY MEETING

13 OCTOBER 2017



PRESENT: **CHAIR**
Cllr Jan Brunton-Dobson – Middlesbrough Council
HARTLEPOOL BOROUGH COUNCIL
Cllrs Rob Cook, Marjorie James, Ray Martin-Wells
MIDDLESBROUGH COUNCIL
Cllrs Teresa Higgins, Naweed Hussain
REDCAR & CLEVELAND BOROUGH COUNCIL
Cllrs Neil Bendelow, Norah Cooney, Ray Goddard, Mary Ovens
STOCKTON ON TEES BOROUGH COUNCIL
Cllrs Gillian Corr, Paul Kirton, Jean O'Donnell, Mick Stoker
AUTHORISED OFFICERS
Chief Fire Officer, Director of Corporate Services, Legal Adviser and
Monitoring Officer, Treasurer

APOLOGIES FOR ABSENCE: Councillor Tom Mawston – Middlesbrough Council
Councillor William Woodhead – Stockton Borough Council

50. CHIEF FIRE OFFICER'S AWARD & COMMENDATION

50.1 Firefighter Andy Shea

The Chief Fire Officer (CFO) welcomed Firefighter (FF) Andy Shea and Thornaby White Watch to the meeting. He informed Members that FF Shea had been nominated for a Chief Fire Officer's Commendation by Group Manager Mick Picknett, Head of Emergency Response for his act of bravery on 23 April 2017 as a single rescue swimmer. The CFO reported that wearing full water personal protection equipment, FF Shea swam out to an unpredictable, non-compliant suicidal male at night in the River Tees near Stockton Town Centre and brought him to safety and ultimately saved his life. The CFO presented FF Shea with a certificate of commendation for displaying drive and determination and disregard for his own personal safety.

50.2 Thornaby Green Watch

The CFO reported that Crew Manager (CM) Adam Robinson, FF Andrew Whorlton, FF Steven Carter and FF Craig Cass of Thornaby Green Watch had been nominated for a Chief Fire Officer Appreciation of Effort Award by Group Manager Dave Turton, Head of Community Safety in recognition of their unfazed professionalism. He reported that on 19 April, 2017 the crew was deployed to a serious high rise flat fire at Anson House, Thornaby and then immediately reassigned to a water rescue in the River Tees, both involving fatalities with no time to recover or reflect between incidents. Certificates of Appreciation for all of Green Watch were presented to CM Adam Robinson by the CFO in recognition of their outstanding efforts and professionalism.

51. DECLARATIONS OF MEMBERS INTEREST

It was noted no Declarations of Interests were submitted to the meeting.

52. MINUTES

RESOLVED – that the minutes of the meeting of 28 July 2017 be confirmed.

53. MINUTES OF MEETINGS

Councillor James queried Min. No.42 of the Audit & Governance Committee minutes from the meeting on 25 August 2017. The Legal Adviser and Monitoring Officer reported that the minutes could only be approved by the Authority if deemed accurate and suggested they be re-reconsidered by the Audit & Governance Committee on 10 November 2017 and any amendments thereto could then be referred back to the Authority for approval.

Councillor Cook referred to Minute No. 45.1 of the Executive Committee meeting from 22 September 2017 and reported that he had attended a Tees Valley Combined Authority meeting that week where NEAS had stated that the calls attended by the Fire Brigade accounted for just 0.05% of their overall calls. The CFO confirmed that subsequent to the Tees Valley Combined Authority's meeting he had met with NEAS senior management to discuss the way forward. He confirmed that although the percentage of overall calls was small the Brigade had still attended over 3,000 calls in support of NEAS and for those families for whom the Brigade was a first responder it had made a difference.

The CFO reported that the Authority had expended money as part of the trial and NEAS would need to fund any future work if they wanted the Authority to continue to deliver this non-statutory duty.

Councillor Ovens reported that she had attended a Better Health meeting where she felt the Brigade's role in the EMR trial had been greatly played down by NEAS.

Councillor Martin-Wells confirmed he was Chair of the North East Joint Health Scrutiny Committee and was of the view that for the 60 people per week who had the Brigade respond to their medical emergency call during the EMR trial, a massive difference had been made to them and their families.

RESOLVED:-

- (i) that the Minutes of the Local Pensions Board Meeting on 12 September 2017 and Executive Committee on 22 September 2017 be confirmed.**
- (ii) that the minutes of the Audit & Governance Committee 25 August 2017 be considered by the Audit & Governance Committee on 2 November 2017 and be referred back to the next Authority meeting.**

54. COMMUNICATIONS RECEIVED BY THE CHAIR

54.1 The following communications were received by the Chair and circulated to

Members:-

Gill Gittins - FBU Circulars, EMP/10/17 Pay Claim 2017, EMP/09/17 Pay Claim 2017

Shehla Husain - Service and Maintenance Grant to Fire and Rescue Services, 2017/18 Fire Revenue New Dimensions Grant.

Rachel Stevens - Pay Award 2017 (Brigade Managers)

Helen Quinn - Independent Assessment Process

Nick Hurd MP - Policing & Crime Act 2017: Police & Fire Collaboration

Home Office - Review of Building Regulations and Fire Safety

RESOLVED - that the communications be noted.

54.2 The following events were attended by the Chair:-

Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Introductory Event (London) - 10 October 2017

The Chair attended this event with the CFO and the Director of Corporate Services and reported that speeches were given by Nick Hurd MP, Sir Thomas Winsor HM Chief Inspector of Constabulary and Fire and Rescue Services and Zoe Billingham lead for Fire and Rescue Services (FRS) Inspection.

She reported that the 3 key themes of inspection were likely to be:

- Effectiveness of delivering Services (operations, prevention Protection, National Resilience)
- Efficiency of Delivering Services
- People (Leadership, Training, Culture, Values and Ethics)

Three pilots were expected to take place in January and February 2018 and all FRSs would be inspected by September 2019.

The Chair reported that Durham Police, supported by Durham and Darlington Fire and Rescue Services, was to host a seminar to provide an insight into the HMICFRS inspection programme on 24 and 28 November 2017 and Executive Members and the Chair of Audit & Governance were to be invited to attend.

Combined Fire Authorities Conference (Wyboston, Beds) – 11/12 October 2017

The Chair confirmed that she had attended the Combined Fire Authorities Conference – Wyboston, Bedfordshire with the CFO and Director of Corporate Services. She reported that this conference was held annually between Combined Fire Authorities' Elected Members and its purpose was to take a collective political view to lobby and influence government particularly on Home Office Inspection, Finance, PCCs and Collaboration. She confirmed that she had been appointed Vice Chair of the Combined Fire Authorities.

RESOLVED - that Members of the Executive Committee and the Chair of Audit & Governance Committee be invited to attend the HMICFRS inspection programme event on 24 and 28 November 2017.

54.3 The following event was attended by Councillors Stoker and Corr:-

LGA Inclusion & Diversity Masterclass (London) – 26 September 2017

Councillors Stoker and Corr reported that they had attended the LGA Inclusion and Diversity Masterclass in London which covered: tackling unconscious bias in the FRS, Inclusive Leadership and Introducing an Inclusiveness Workforce Strategy.

They reported that the second part of the event gave an overview of the new FRS inspection framework.

RESOLVED – that the feedback be noted.

55. REPORTS OF THE CHIEF FIRE OFFICER

55.1 Trades Union Congress (TUC) Dying to Work Campaign

The CFO reported that the Fire Brigades Union (FBU) had requested that the Authority consider signing up to the TUC Dying To Work Charter and in doing so make a commitment to its employees that they will be supported, protected and guided through their employment should they become terminally ill.

The CFO reported that the Authority had a history of providing excellent care to staff who had been diagnosed with a terminal illness or life changing injury. He referred Members to the Charter at Appendix 1 which asks employers to make a commitment to:

- Review Sick Pay and Sickness Absence Procedures
- Ensure that they have an Employee Assistance Programme
- Provide training to line managers and all HR staff
- Adopt the Dying to Work Charter

The CFO reported that the Brigade already works within the spirit of the TUC Charter and will be signing the Charter which provided peace of mind to staff and their families and fostered a supportive organisational culture.

Councillor Bendelow congratulated the CFO for embracing the Charter and said he considered using 'discretion' in relation to terminally ill employees would gain the Brigade a lot of respect.

RESOLVED – Members overwhelmingly supported the TUC Dying to Work Charter and approved the Authority's signing.

55.2 Grangetown Fire Station – Presentation

The CFO reported that the new Grangetown Fire Station, built on the same site between the old station and LDC, had become operational on 28 September 2017.

He reported that it incorporated the state of the art facilities needed to deliver a modern 21st Century emergency service to the community and which values the welfare of the Brigade's firefighters. These include:

- Four bay station
- Community hub room
- Modern gym

55.2 Grangetown Fire Station – Presentation continued

The CFO reported that a partnership agreement with NEAS was in place to ensure better efficiencies and service outcomes. The arrangement enables NEAS ambulance staff to 'touch down' and utilise the welfare facilities for ambulances standing by in the area. He reported that an external power charger had been funded by NEAS to allow ambulances to be charged up whilst on their welfare touch down.

The CFO outlined the next phase involved the demolition of the old Grangetown Fire Station to complete this project and reported that the rebuild project had been delivered on schedule and on budget - £2.723m financed within the Asset Management Plan.

The CFO invited all Members to visit the new station and to consider holding future Authority meetings at one of the new resources. Councillor Cook congratulated those involved for delivering this 'absolutely fantastic' project on time and on budget.

RESOLVED – that the presentation be noted.

55.3 Information Pack

55.3.1 Employers Circulars

55.3.2 National Joint Council Circulars

55.3.3 Campaigns

RESOLVED – that the information pack be noted

56. REPORTS OF THE TREASURER

56.1 Local Government Financial Settlement – Technical Consultation Paper

The Treasurer reported that the 2018/19 Local Government Financial Settlement technical consultation was issued on 14 September 2017 with a closing date of 26 October 2017. He directed Members to his response to the 13 questions as detailed in Appendix A and specifically:-

Question 1: Do you agree that the government should continue to maintain the certainty provided by the 4-year offer as set out in 2016-17 and accepted by more than 97% of local authorities?

Question 9: Do you have views on council tax referendum principles for 2018-19 for principal local authorities?

Question 10: Do you have views on whether additional flexibilities are required for particular categories of authority? What evidence is available to support this specific flexibility?

In relation to Q10, Councillor Cook challenged the part of the response that stated '*The Authority believes that increased Council Tax flexibility would help address the impact of continuing cuts in funding and inflationary pressures over the next two years*' and requested that it be removed. He reported that his own ward was the 4th most deprived ward in the country and people genuinely could not afford to pay any extra.

The Chair suggested this statement be left in the response as it gave the Authority the flexibility should it need it in the future.

56.1 Local Government Financial Settlement – Technical Consultation Paper continued

Councillor James said she understood the pressure but was concerned about the impact on Local Authorities and their staff who were capped at 1% yet would have to increase council tax support for those struggling to pay.

Councillor Ovens reminded Members that the Authority had a long history of going to Government to question unfair funding and felt the Authority needed to demonstrate that it had explored all possibilities to ensure they remain operationally viable.

Councillor Higgins reiterated Councillor Cook's concerns that many people in the Brigade area cannot afford an increase to their Council Tax and need to be made aware it is the government forcing police and fire to go down these routes.

The Treasurer reported that at this stage it was about the Authority asking for the tool and flexibility for the future and that over the last few years the balance has shifted towards increasing Council Tax which puts the Authority in a very difficult position. He reported that the CFO would recommend a service level that will come at a cost and require the Authority to make some very difficult decisions over the next 2-3 years.

Referring to Councillor Cook's request to remove part of paragraph 5.4 from the report the Legal Adviser and Monitoring Officer (LAMO) reported that this had already been published on the Brigade website and could not be redacted.

The CFO noted that other authorities had been keen to avoid the issue of referenda and gave examples of some that had gone ahead and held a referendum at the cost of circa £600k only to achieve a resounding 'no'. He said that if the Authority had the tool to be flexible and the limit is lifted in the future at least it would have the choice.

The Treasurer reported that not having the tool would restrict the Authority. Councillor Kirton stated that once the Authority had the tool to increase Council Tax the Government would expect it to be used.

RESOLVED – that the Authority's final response to the Government's 2018/19 Local Government Financial Settlement – Technical Consultation Paper, as detailed in Section 5, be agreed with the Chair prior to sending.

56.2 Members Allowance Scheme

The Treasurer reported that the Authority approved the current Members Allowance Scheme on 4 June 2010 and the allowances paid by the Authority had been frozen since 2009/10. They currently stand at £2,194 basic allowance with Special Responsibilities Allowances (SRAs) for the Chair and Vice Chair of the Authority and the Chair of Audit & Governance Committee.

The Treasurer outlined the arrangements for establishing an Independent Remuneration Panel (IRP) as detailed on Page 2 of the report and noted that the recommendations of IRP may have financial implications for the Authority and these could either be accepted, or rejected and a lower level than recommended be set.

56.2 Members Allowance Scheme continued

Councillor Martin-Wells asked whether it was necessary for the Authority to go through the extensive and costly process of holding an IRP given that he envisaged no change to the current allowances. The LAMO confirmed an IRP was long overdue and was considered good governance and asked Members to be receptive to future reports.

RESOLVED – that the following arrangements in relation to establishing an Independent Remuneration Panel (IRP) be approved:-

- i) one member of each of the four authorities' IRPs will be invited to become a member of the Authority's IRP and the quorum shall be 3 persons;**
- ii) individual Members will be invited to submit their views on the Authority's Members Allowance Scheme to the IRP;**
- iii) the Treasurer will support the work of the IRP; and**
- iv) recommendations made by the IRP will be submitted to a future meeting of the Authority for consideration and if approved will be implemented with effect from 1st April 2018 (i.e. financial year 2018/19).**

57. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006

RESOLVED - "That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3, 4 and 7 below of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006", namely information relating to any financial or business affairs of any particular person (including the authority) holding that information and namely information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority and namely information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

58. CONFIDENTIAL MINUTES

Councillor James highlighted an error at Minute No. 32.1 at bullet point 1 of the Confidential Minutes of the CFA meeting of 28 July 2017.

RESOLVED – that the Confidential Minutes of the proceedings of 28 July 2017 be confirmed, subject to the above amendment.

59. CONFIDENTIAL MINUTES OF MEETINGS

RESOLVED – that the Confidential Minutes of the Executive Committee on 22 September 2017 be confirmed.

59.1 Matters Arising

The CFO gave Members a verbal update on the latest correspondence in relation to the Pay Claim 2017.

**COUNCILLOR JAN BRUNTON-DOBSON
CHAIR**

Cleveland Police and Crime Panel

A meeting of Cleveland Police and Crime Panel was held on Wednesday, 15th November, 2017.

Present: Cllr Norma Stephenson O.B.E (Chair), Cllr Charles Rooney (Vice-Chairman), Cllr Alec Brown, Cllr David Coupe, Mr Andrew Dyne, Cllr David Harrington, Councillor Chris Jones, Cllr Jim Lindridge, Mr Paul McGrath 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 Tom Mawston and Cllr Matthew Vickers.

1 Declarations of Interest

There were no interests declared.

2 Minutes of the meeting held on 19 September 2017

The minutes of the meeting held on 19 September 2017 were confirmed and signed by the Chair as a correct record.

3 101 Service - Presentation

Superintendent Allison Jackson was in attendance at the meeting and gave Members a presentation on the Force Control Room. The presentation covered the following key areas:

- Cleveland Police Force Control Room Overview
- Incoming Demand – 999 and 101
- Call Handling
- Turning Calls into Events
- Demand Management
- Financial Pressures
- Challenges in Modern Day Policing
- Force Control Room Review

Members were given the opportunity to ask questions and make comment on the presentation. It was agreed that regular updates be given to the Panel on the Force Control Room. An offer was also made to the Panel for Members to visit the Force Control Room.

AGREED that the presentation be receive

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 could be summarised as follows:

The Chair referred to recent criticism of Cleveland Police by some local

politicians. In response the Chair backed calls for the force to be given a fairer funding settlement by the Government and asked if the Commissioner had any views on the matter.

The Commissioner responded that he had sent a letter to the six local MPs calling on politicians of all parties to join his campaign for fairer funding.

The Chair commented that some of the recent criticism of Cleveland Police felt like a criticism of the Panel, given that their role was to scrutinise the work of the Commissioner. The Chair felt that this was unfair and that it was time to set politics aside and focus on the facts.

It was noted that Government funding to the force had been cut by more than a third in the last seven years. This had inevitably impacted on police numbers, resulting in the loss of 450 police officers and 50 PCSOs.

Members agreed that what the force needed was a fairer funding settlement but the indications pointed to a standstill settlement, which would leave the Force having to find up to £3million of new savings each year due to inflation and other rising costs. That equated to the loss of 60 police officers a year.

There was unanimous support for a press release outlining the views of the Panel.

RESOLVED that a press release be made outlining the views of the Panel.

5 Commissioner's Update

Consideration was given to a report that gave an update in relation to key matters including;

- Budget and Pay Awards
- Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Reports and Home Office Visit
- Chief Constables Retirement
- Transforming Professional Standards – Head of Standards and Ethics Appointment
- Chief Constables Retirement
- Violence Against Women and Girls Strategy
- Operation Endurance – Motorcycle initiative launched
- Hate Crime

Discussion on the information provided could be summarised as follows:

- There was disappointment from the Panel that Chief Constable was retiring after only 18 months in the role.
- With regard to the appointment of Transforming Professional Standards – Head of Standards and Ethics Appointment, it was felt that the appointee should come to a future meeting of the Panel.
- Resources and funding should continue to be focused on tackling on-line crime.
- It was felt that education was key with regard to tackling Hate Crime.

- The Middlesbrough FC Show Racism the Red Card Event had been a great success.

RESOLVED that the report and the discussion be noted.

6 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 September 2017 to October 2017.

The PCCs consultation and engagement activities focused on increasing understanding of the 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 many regional and national meetings representing Cleveland.

Future meetings of the PCC were also be summarised within the report.

RESOLVED that the Programme of Engagement for Police and Crime Commissioner be noted.

7 Decisions of the Police and Crime Commissioner for the period September to October 2017 and Forward Plan

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.

8 Cleveland Police and Crime Panel - Information Requirements

Consideration was given to a report on the role of the various crime and disorder bodies, their relationship to each other and, within this context, reviewed the information that the Police and Crime Panel (PCP) received to enable it to fulfil its role.

Discussion had taken place at recent Police and Crime Panel meetings about the level of detail routinely presented to Members in the quarterly performance report.

Unlike other scrutiny bodies (which were also referred to in the report), the Police and Crime Panel had very distinct functions.

The PCP existed to scrutinise the PCC, to promote openness in the transaction of police business and to support the PCC in the exercise of their functions. Functions included:

- Contributing to the development of the PCCs Police and Crime Plan (on which it is a statutory consultee)
- Scrutinising the PCC
- Reviewing the PCCs proposed precept
- Reviewing the PCCs proposed appointments
- Making reports and recommendations on matters relating to the PCC
- Carrying out investigations into decisions made by the PCC
- Making comments on the PCCs annual report

The performance report that was presented was intended to provide Members with an appropriate level of information and evidence to enable the Panel to scrutinise the PCC.

At each Police and Crime Panel meeting, Members received a report which provided an update on performance associated with the delivery of the Commissioner's objectives, the wider aspects of the Police and Crime Plan and the Commissioner's statutory responsibilities:

- Investing in our Police
- A Better Deal for Victims and Witnesses
- Tackling Re-offending
- Working Together to Make Cleveland Safer
- Securing the Future of our Communities

The information focused on an agreed suite of performance indicators and key diagnostic indicators. Additional information was also provided to establish the context of the information presented.

The report also set out how the PCC had scrutinised the Force through the Commissioner's standards and scrutiny programme and set out the issues covered at Scrutiny, Performance and Delivery meetings, Working Together meetings and other groups and meetings which complement his scrutiny programme.

The Panel had the right to any information which it may reasonably require to carry out its functions, with some minor exceptions. However, it was important that, for the Panel to be effective in discharging its role, the information that it requested should enable it to focus on scrutinizing the PCC rather than scrutinizing the Police which was the responsibility of the PCC himself.

The statutory role of the Panel was complementary and distinct from other statutory crime and disorder bodies that were set out in more detail within the report.

It was agreed that the Panel receive a presentation from the Head of Police Performance on the workings of the Police Performance Framework, The Home Office use of comparative information and the use of iQuanta information.

RESOLVED that:-

1. The report be noted.
2. The panel receive a presentation from the Head of Police Performance

9 PCC's Scrutiny Programme and Performance Report

Consideration was given to a report that provided an update on the PCC's scrutiny programme and presented the performance report 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.

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 and control.

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 was delivered through the Commissioner's standards and scrutiny programme during which effective checks and balances were undertaken through a schedule of regular meetings.

Delivered through the Commissioner's standards and scrutiny programme

effective checks and balances were undertaken through a schedule of regular meetings as follows:

- Scrutiny, Performance and Delivery meetings
- Working together Meetings
- Internal and External Audit Committees
- Her Majesty's Inspectorate of Constabulary (HMIC)

The details of the meetings was included within the report and a report on a thematic examination of Cleveland Police's HR Practices and Policies including recruitment, wellbeing and HR issues was attached to the report. The minutes of the meetings were also attached to the report.

In addition to the meetings above, the Commissioner continued to attend the following to complement his scrutiny programme:

- Daily review of the Control Room and Serious Incident Logs;
- Weekly accountability meetings with the Chief Constable;
- Monthly crime performance monitoring;
- Attendance at the Force's monthly Tactical Performance Group (TPG) and quarterly Strategic Performance Group (SPG) meetings; and
- Attend at least one local area meeting in each of Cleveland's neighbourhood police team areas.

Also attached to the report was the overview of the performance information from the Police and Crime Plan. An infographic 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, details of the community engagement meetings and an update on commissioned services.

Discussion on the information provided could be summarised as follows:

- With regard to the number of Police Officers (FTE) by gender it was noted that it would take time for the gender to be more evenly split and the Force was going in the right direction.
- There was a discussion on academic qualifications for Police Officers and it was noted that the professionalisation agenda demonstrated the proposed education qualification framework for policing. Including the three routes of entry for a police constable: a degree apprenticeship; Graduate entry programme; and pre-join professional policing degree. The Force had worked in partnership with Higher Education Institutes to develop delivery models and there was a potential to set up a Centre of Excellence. It was anticipated that one of the benefits of the police constable degree course would be that it might attract different candidates as there wouldn't be any up-front costs to be paid as they would be paid with the Apprenticeship Levy. The Force wanted to be ahead of the game in this area and were working with providers to do so.

RESOLVED that the report and discussion be noted / actioned as appropriate.

10 Forward Plan

Members were presented with the Forward Plan for the Cleveland Police and Crime Panel.

The Chair distributed a note from the Sixth Annual Conference for Chairs, Members and Support Officers of PCPs. It was noted that Cleveland had facilitated a workshop on budget scrutiny.

With regard to a national voice for PCPs, a consultation paper had been circulated to all Police and Crime Panels that sought views on the creation of a national representative association. Responses had been received with all but 2 PCPs in favour of the formation of a representative national body.

Arguments in support for a national association included the ability to influence change at a national level and a view that what is in place for PCCs should be mirrored for PCPs. The majority expressed a preference for a Special Interest Group within the LGA. The Chair of the Panel had volunteered to sit on the Steering Group taking the proposal forward.

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

12 Take Action on Hate

Members viewed a film on Take Action on Hate.

Take Action on Hate was a film for Refugee-led Community Organisations (RCOs) working across the Tees Valley area. Made by the Regional Refugee Forum North East and launched as part of National Hate Crime Awareness week 2017, the film mapped the actions an RCO could take if a member of their community became a victim of hate. It took into account the distinct reasons which deter many asylum seekers and refugees from involving the police. Through interviews with Victim Care & Advice Service, Cleveland Police, Middlesbrough Council Community Safety Team, and the Police & Crime Commissioner for Cleveland, the film explored routes to securing emotional and practical support to help someone recover from the impact of hate, whilst also highlighting the value anonymous reporting could have for promoting safety for the whole community. The message was, if every RCO took action on hate, they could make a difference for all.

RESOLVED that the content of the film be noted.