

PLEASE NOTE VENUE

SCRUTINY CO-ORDINATING COMMITTEE AGENDA



Friday 27th October 2006

at 2.00 pm

**Main Hall, Owton Manor Community Centre,
Wynyard Road, Hartlepool**

MEMBERS: SCRUTINY CO-ORDINATING COMMITTEE:

Councillors S Allison, Barker, Clouth, R W Cook, Fleet, Gibbon, Hall, James, Laffey,
A Marshall, J Marshall, Preece, Shaw, Wallace, Wistow and Wright.

Resident Representatives:

Evelyn Leck and Linda Shields

1. **APOLOGIES FOR ABSENCE**
2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
3. **RESPONSES FROM THE COUNCIL, THE EXECUTIVE OR COMMITTEES OF THE COUNCIL TO REPORTS OF THE SCRUTINY COORDINATING COMMITTEE**

No Items

4. **CONSIDERATION OF REQUEST FOR SCRUTINY REVIEWS FROM COUNCIL, EXECUTIVE MEMBERS AND NON EXECUTIVE MEMBERS**

No Items

PLEASE NOTE VENUE

5. **CONSIDERATION OF PROGRESS REPORTS / BUDGET AND POLICY
FRAMEWORK DOCUMENTS**

- 7.1 Budget and Policy Framework Initial Consultation Proposals 2007/2008 –
Chief Financial Officer

8. **CONSIDERATION OF FINANCIAL MONITORING/CORPORATE REPORTS**

No Items.

9. **ITEMS FOR DISCUSSION**

No Items.

10. **CALL-IN REQUESTS**

11. **ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT**

ITEMS FOR INFORMATION

- i) **Date of Next Meeting Friday 24th November 2006, commencing 2.00 pm
Training Room 3, Municipal Buildings, Church Square, Hartlepool.**

SCRUTINY CO-ORDINATING COMMITTEE

27th October, 2006



Report of: Chief Financial Officer

Subject: BUDGET AND POLICY FRAMEWORK INITIAL
CONSULTATION PROPOSALS 2007/2008

1. PURPOSE OF REPORT

- 1.1 To enable Scrutiny Co-ordinating Committee to consider the Executive's initial Budget and Policy Framework consultation proposals.

2. BACKGROUND

- 2.1 In accordance with the requirements of the Council's Constitution the Executive is required to consult on the draft Budget and Policy Framework for the coming year.
- 2.2 This initial consultation is achieved by submitting this report to your Committee to enable Members to express their initial views on the initial Budget and Policy proposals. These comments will then be taken into account by the Executive before they determined the draft Budget and Policy proposals to be referred for formal Scrutiny, in late December, 2006.
- 2.3 Owing to the timing of Cabinet and Scrutiny Co-ordinating Committee meetings this report has been issued before Cabinet have determined their detailed proposals so that Members of this Committee are aware of the issues being considered by Cabinet. Details of the decisions taken by Cabinet will be reported to your meeting on 27th October, 2006.
- 2.4 To enable this Committee's comments to be considered by Cabinet this stage of the consultation needs to be completed over the next few weeks. This will then enable your Committee to report back to Cabinet on 4th December, 2006. Cabinet will then finalise its draft Budget and Policy proposals on 18th December, 2006 and these will then be referred to this Committee.

3. CONSIDERATION OF ISSUES

- 3.1 At its meeting on 23rd October, 2006, Cabinet considered a detailed report on this issue, copy attached as **Appendix 1**. The report covers the following areas:
- Outturn Strategy 2006/2007;
 - Capital Strategy 2007/2008;
 - General Fund and Council Tax 2007/2008.
- 3.2 As Members will appreciate the development of initial budget proposals at this earlier stage is difficult. One area of significant volatility to budget forecasts for 2007/2008 was addressed by the Government's announcement last year of grant allocations for 2006/2007 and 2007/2008. This makes resource planning for 2007/2008 more certain, although there continues to be some risks relating to expenditure forecasts. However, these early forecasts enable the Council to begin to address the issues that are arising for 2007/2008. The actual 2007/2008 grant allocation will be announced by the Government in mid/late November. At this stage it is not anticipated there will be any significant change to the figures announced last year.
- 3.3 The Cabinet report also provides initial forecasts for 2008/2009 and 2009/2010, based on anticipated future increases of Government grant. At this stage forecasts for these years are based on annual grant increases of 2%. This may be optimistic as it is clear from announcements by the Government that public sector expenditure is set for a period of constraint within the period covered by Comprehensive Spending Review 2007 (CSR07), which cover the three years starting 2008/2009. Details of CSR07 will not be known until November, 2007, at which time the impact on these forecasts will need to be reviewed.

5. RECOMMENDATION

- 5.1 That the views and comments of the Scrutiny Co-ordinating Committee are sought during this meeting, in relation to the issues identified within the appended Initial Budget and Policy Framework Consultation Report

CABINET REPORT

23rd October, 2006



Report of: Corporate Management Team

Subject: BUDGET & POLICY FRAMEWORK 2007/2008 –
INITIAL CONSULTATION PROPOSALS

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide the Executive with a comprehensive report on the issues surrounding the initial Budget and Policy Framework proposals for 2007/2008.

2. SUMMARY OF CONTENTS

- 2.1 The report provides a detailed overview of the financial issues affecting the Council in relation to:
- the development of the 2006/2007 Outturn Strategy;
 - Capital expenditure issues;
 - The development of the 2007/2008 Budget and Policy Framework

3. RELEVANCE TO CABINET

- 3.1 The report enables Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

4. TYPE OF DECISION

- 4.1 Key

5. DECISION MAKING ROUTE

- 5.1 Cabinet, Scrutiny Co-ordinating Committee, Scrutiny Forums, Council.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is required to determine its proposals.

Report of: Corporate Management Team

Subject: BUDGET & POLICY FRAMEWORK 2007/2008 –
INITIAL CONSULTATION PROPOSALS

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

2. BACKGROUND

- 2.1 The Government have recognised that Local Authorities need greater financial certainty to enable authorities to plan services effectively. Therefore, from 2006/2007 the Government began to issue multi-year grant settlements. The first multi-year settlement covered two years, 2006/2007 and 2007/2008. Future settlements will cover three years, although the first three year settlement, which will cover 2008/2009 to 2010/2011, will not be known until the Government have completed the 2007 Comprehensive Spending Review (CSR07). These details will probably not be known until November, 2007.
- 2.2 This position clearly has implications for the development of the Council's own three year budget strategy. Whilst we know the grant allocation for 2007/2008 the position in 2008/2009 and 2009/2010 will depend on the results of CSR07.
- 2.3 It is clear from announcements by the Chancellor that the current period of growth in total public sector expenditure will not be maintained beyond 2007/2008. In addition, the Government continues to be concerned that Council Tax levels cannot continue to increase. Against this background it is anticipated that local authorities will face a difficult financial position over the next few years. These factors are covered in greater detail later in this report, together with the following issues:
- Policy Drivers
 - 2006/2007 Outturn Strategy
 - Capital Programme 2007/2008 to 2009/2010
 - General Fund and Council Tax

3. POLICY DRIVERS

3.1 Previous budget reports have advised Members that the development of the Budget and Policy Framework reflects various national and local service priorities and are underpinned by a range of service expenditure and corporate policy drivers. These issues are detailed in various strategy documents prepared by the Council, which set out the Council's key objectives. The documents include:

- The Corporate (Best Value Performance) Plan;
- The Efficiency Strategy;
- The IT Strategy;
- Departmental Service Plans

3.2 The Budget and Policy Framework details the financial implications of the various strategies and the issues affecting financial sustainability of services. This latter issue is driven by the Council's policy for uplifting base budgets to reflect the impact of inflation, with additional top ups for specific policy driven expenditure priorities. This policy reflects Members' views and feedback during the 2005/2006 budget consultation process that the overall balance of the budget is "about right" and should be maintained if resources were available. Clearly in the current financial climate this will not be possible. Therefore, the Budget and Policy Framework enables Members to determine those areas it wishes to prioritise. This issue is considered in more detail later in the report.

3.3 Following changes to the Local Government Grant System last year 45% of the Council's budget is now funded from Council Tax. Therefore, the level of Council Tax increase is a significant policy driver owing to the impact on the Council's available resources.

4. OUTTURN STRATEGY 2006/2007

4.1 A detailed budget monitoring report for the final six months is being prepared and will be submitted to your meeting on 20th November, 2006. The report will include the first forecast outturn for this year's budget.

4.2 On the basis of the initial work undertaken it is anticipated that there will be underspends against a number of corporate budgets:

- **Centralised Estimates**

Following actions taken during last financial year the majority of the Council's borrowing, including funding for the Capital Programme through to 2008/2009, has been locked into historically low long term fixed interest loans.

This has secured the £1m saving built into the base budget. The Council is, however, benefiting from higher than expected investment income on its reserves and cashflows. As reserves are committed to supporting one-off commitments and supporting future years budgets these trends will not continue. Although they provide a one-off benefit in the current year in the order of £0.75m to £1m. The final amount will depend on cashflows over the remainder of the year. A reduced benefit is expected in 2007/2008 and a temporary saving of £0.65m is reflected in the budget forecasts detailed later in the report.

- **Strategic Contingency and Other Corporate Budgets**

Expenditure on a number of budget headings is expected to be less than expected when the budget was set. The main favourable variance reflects a reduction in the anticipated increased costs of the Older People Care contract, following the conclusion of detailed negotiations with providers. This is an ongoing benefit and the reduced commitment is reflected in the budget forecast for 2007/2008 and future years detailed later in the report. It is also anticipated that there will be a one-off saving against the Planning Delivery Grant budget as the grant will continue to be received in 2006/2007.

4.3 On the downside Members were advised when the 2005/2006 outturn strategy was approved that there is a shortfall in the resources set aside for the Phase 2 Equal Pay settlements of £0.5m. This amount will be payable in the earlier part of 2007/2008. It would therefore be prudent to set aside resources from the 2006/2007 corporate underspend to meet this known liability.

4.4 Assuming Members approve this proposal it is anticipated that the net underspend for the current year will be £1m. A suggested strategy for using this amount is detailed at paragraph 6.15.

5. CAPITAL PROGRAMME 2007/2008 TO 2008/2009

5.1 The availability of resources for the Capital Programme will continue to be affected by the level of supported capital allocations provided by the Government. These allocations take the form of specific capital grants, or supported prudential borrowing allocations, which must be repaid from the Council's revenue budget. These allocations cover key Government priorities, which are closely aligned to the Council's own priorities and objectives. As these areas account for the majority of available capital resources, Members need to reaffirm their commitment to using these allocations as summarised below :

	<u>2007/2008 Allocations</u>	
	<u>Grant</u>	<u>Supported Borrowing</u>
	<u>£'000</u>	<u>£'000</u>
Housing	5,480	0
Local Transport Plan	0	2,042 *
Education	1,660	1,030
Adult Social Services	<u>0</u>	<u>208</u>
	<u>7,140</u>	<u>3,280</u>

* Forecast Allocation

- 5.2 Cabinet has previously determined to use unsupported borrowing to finance a number of small initiatives, detailed in the following table. Members will need to determine if they wish to continue to support these initiatives.

	<u>Budget</u>	<u>Proposed Allocations</u>		
	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Community Safety Initiatives	150	150	150	150
Disabled Adaptations	50	50	50	50
Neighbourhood Forum				
Minor Works	156	156	156	156

- 5.3 The Capital Strategy and Asset Management Plan approved by Cabinet on 31st July, 2006, indicated that Government capital allocations will not fund all capital expenditure priorities, particularly areas with a high local priority which do not fall within the areas which attract Government funding. Therefore, Members need to consider providing funding for local priorities from the following three sources:

i) Release of LPSA Capital Reward Grant

The second instalment of the LPSA Reward Grant will be received before the end of the current year. The capital element of this grant will total £0.703m and £0.135m has already been committed for highways patching. The remaining £0.568m is uncommitted and can either be used to support new capital expenditure or to meet other one-off commitments.

ii) Capital Receipts

It is anticipated that the aggregate value of capital receipts to be received within the next twelve months or so will exceed the amount already committed to supporting the existing Capital Programme. The value of uncommitted capital receipts will not be

known until tenders for a number of land sales are received. However, for planning purposes a figure of £0.5m is suggested. This amount cannot be committed until the sales are completed, although Members could determine how they wish to use the money pending its receipt.

ii) Use of Unsupported Prudential Borrowing

The cost of using unsupported Prudential Borrowing needs to be met from the revenue budget and a revenue provision of £0.1m would support capital expenditure of £1.2m.

- 5.4 At this stage Members need to determine if they wish to allocate the above resources for new capital expenditure projects or other one-off commitments. A strategy for using these resources will then need to be developed and included in the draft Budget and Policy Framework proposals which Cabinet will put forward for formal scrutiny later in the year.

6. GENERAL FUND AND COUNCIL TAX

6.1 Background

- 6.2 As indicated earlier in the report the Government announced grant allocations for 2006/2007 and 2007/2008 in February, 2006. The Council's allocation for 2007/2008 is £43.49m, a 3.7% increase on 2006/2007, compared to a national increase of 3.3%.

- 6.3 The new Government funding regime for Local Authorities required councils to determine an indicative Council Tax increase for 2007/2008. At your meeting on 10th February, 2006, Members determined an indicative Council Tax of 4.9%. The formal setting of next years Council Tax will be completed in February, 2007.

- 6.4 On the basis of the above factors and other known budget changes it was reported to Cabinet on 10th February, 2006, that savings of between £1.6m and £2.7m will be required in 2007/2008. These forecasts are net of the £1.1m savings for the third year of the Council's Efficiency Strategy.

6.5 Budget Issues 2007/2008

- 6.6 An initial examination of the issues facing the Council for 2007/2008 has been completed. These issues fall into the following broad categories, which are considered in more detail in the following paragraphs:

- Terminating Grant Issues
- Budget Pressures
- Budget Priorities

- Permanent Corporate Savings
- Temporary Corporate Savings
- Efficiency Savings
- Use of Reserves
- 2007/2008 Council Tax Increase
- Revised 2007/2008 Budget Gap

6.7 **Terminating Grant Issues - £0.211m**

A number of grant funding streams, which currently amount to £0.7m, will terminate at the end of the current year. A detailed review of these regimes has been completed to identify those items which it is suggested Members need to consider mainstreaming, which total £0.211m. These items are detailed in Appendix A. Details of the items which it is suggested are not mainstreamed are summarised in Appendix B.

6.8 **Budget Pressures - £1.874m**

These items represent the additional costs of continuing to provide existing services and/or address requirements placed on the Authority by Central Government. These pressures cannot be avoided without reducing the current level of service, which would not be without risk. These items are detailed in Appendix C.

6.9 **Budget Priorities - £0.746m**

These items are similar to budget pressures, but relate to areas where the Council has a greater degree of choice, but there may be an associated risk. In many cases these priorities are closely aligned to the continuation of existing services and the achievement of the Council's overall aims. These items are detailed in Appendix D.

6.10 **Permanent Corporate Savings - £1.509m**

Permanent reductions can be made to the following budgets:

	<u>£'000</u>
• <u>Reduction in Strategic Contingency</u>	800

The previous forecasts provided for a phased increase in Older People's Care Home fees over a two year period. Following negotiations with providers this increase is being phased over a longer period and at a lower rate.

- Reduction in Centralised Estimates 250

Following the replacement of the Housing supported borrowing allocation with capital grant there will be a reduction in interest and principal repayment costs.

- Reduction in 2007/2008 Floor Dampening Adjustment 309

Following a meeting with Ministers the level of grant lost through the floor dampening adjustment has been reduced from £1.844m to £1.535m for 2007/2008. This compares to a floor dampening adjustment for 2006/2007 of £1.453m.

- Benefit Subsidy Income 150

Following changes in the Benefit Subsidy Grant Regime the Council will receive additional grant income towards the cost of administering the benefit system. This is dependent on the continuation of current grant levels, which may be at risk owing to pressure on the Department for Work and Pension's (DWP) own budget.

6.11 **Temporary Corporate Savings - £1.156m**

The review of the initial 2007/2008 budget forecasts has also identified a number of temporary corporate budget savings. These items will help the Council manage the budget over more than one year. However, these items are not sustainable and permanent replacement savings will need to be identified as part of the 2008/2009 budget process. The proposed temporary corporate savings relate to the following items:

£'000

- Investment Income 650

It is anticipated that the Council will benefit from increased income on reserves and cashflows during 2007/2008. This income is not sustainable as reserves will reduce during 2006/2007 and 2007/2008, as they are used to support the revenue budget and to meet one-off commitments, such as the settlement of Equal Pay payments. In addition, cashflows will move back to normal levels as the level of funding of future capital expenditure requirements unwinds.

- Prudential Borrowing Mill House 300

This budget provision will support a capital contribution towards the replacement of the Mill House in the order of £3m to £3.6m. The development of the proposed H2O Centre will cost significantly more than this amount and will be dependent upon securing additional funding. This funding will not be secured in the short-term. Therefore, the Council will not need this budget pressure in 2007/2008.

- Economic Development Grants 206

The provision for a reduction in grant funding for the Council's Economic Development activities will not be needed as ongoing grant funding has been secured for 2006/2007 and 2007/2008. Therefore, this budget provision will not be needed in 2007/2008.

6.12 **Efficiency Savings**

2007/2008 is the final year of the Government's current efficiency regime. Under this regime the Council will be required to identify a further £2.2m of efficiency savings. Of this amount at least £1.1m must be cashable efficiencies. This is not without risk as detailed in paragraph 9.2.

6.13 **Use of Reserves**

6.14 Previous forecasts have anticipated using £2.5m of reserves to support the 2007/2008 budget. This amount consists of a "base" level of support of £2m plus £0.5m from the specific contribution made within the 2006/2007 budget to help address the 2007/2008 budget deficit. It is suggested that this use of balances is reconfirmed by Members.

6.15 The forecasts for 2008/2009 and 2009/2010 detailed later in this report now anticipate using reserves of £2m per year to support the budget. This position is more favourable than previously forecast owing to the favourable variance for the current financial year of £1m. It is suggested that this amount be earmarked to support the 2009/2010 budget. This will mitigate the previously anticipated reduction in reserves available to support the budget in 2009/2010.

6.16 This level of support is unlikely to be sustainable beyond 2009/2010. A strategy for addressing this reduction will need to be developed when the budget strategy is rolled forward.

6.17 Assuming Members approve the above proposals the total use of reserves to support the revenue budget over the three years

commencing 2007/2008 will be £6.5m. At the end of the current year it is anticipated that £5.628m will be set aside for these commitments, which includes the proposed £1m contribution from the 2006/2007 corporate underspend. This position is summarised below:

	<u>£'000</u>
Estimated Balance at 31 st March, 2007	5,628
Proposed support for budget	
- 2007/08	(2,500)
- 2008/09	(2,000)
- 2009/10	<u>(2,000)</u>
Forecast Balance/(Shortfall)	(<u>872</u>)

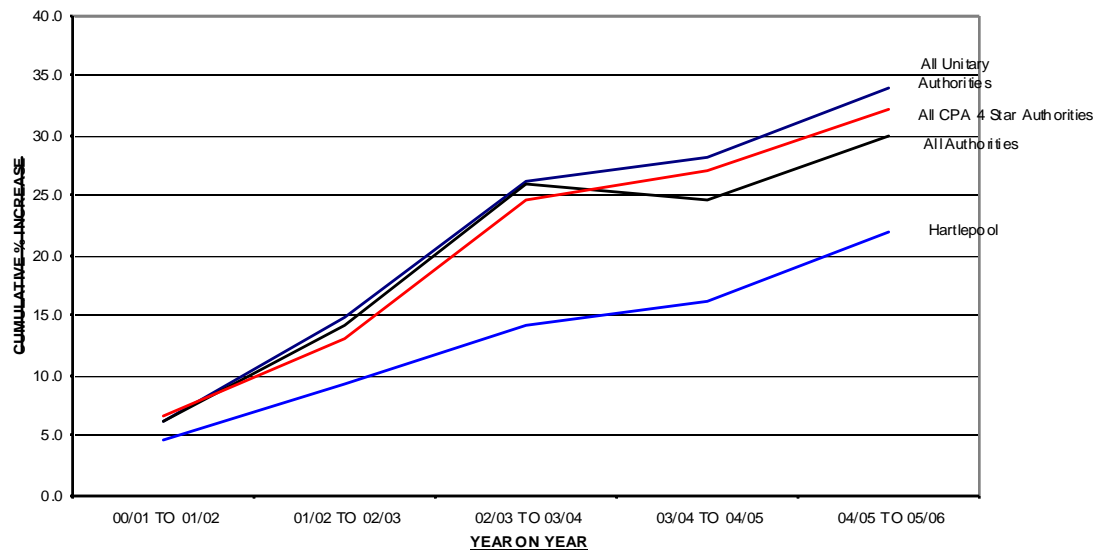
6.18 A comprehensive review of reserves was completed last year, which concluded that a number of specific reserves, amounting to £2.4m, were not needed. This amount has been transferred to the General Fund Reserve, pending the outcome of Equal Pay Tribunals. The review concluded that the remaining reserves are needed for existing commitments, including supporting the revenue budget over the period 2006/2007 to 2009/2010.

6.19 Since that time there have been no major changes in the Council's financial position or the reason for holding reserves. The only exception is in relation to the grant repayment reserve. The risk associated with this reserve has reduced to the extent that £0.5m can be released. It is suggested that this amount is allocated for the costs associated with the Tall Ships visit.

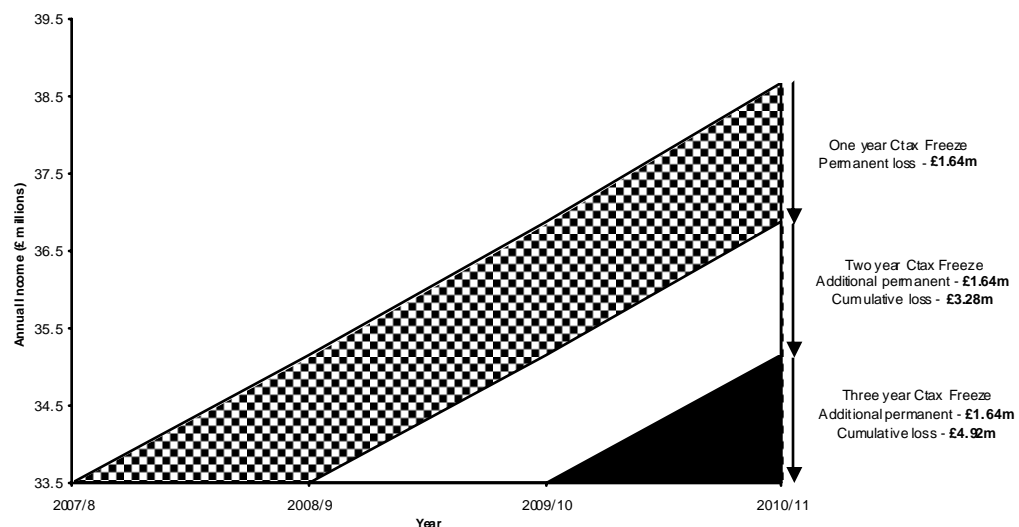
6.20 **2007/2008 COUNCIL TAX INCREASE**

6.21 Previous budget forecasts reflected an indicative Council Tax increase for 2007/2008 of 4.9%, which will generate £1.64m.

6.22 This proposed increase reflected the Local Government's announcement last year which stated that "we expect to see average Council Tax increases in each of the next two years of less than 5%". The indicative increase also reflected the need to ensure a sustainable resource base for future years. The following graph compares Hartlepool's Council Tax increase with other authorities for the five years up to 2005/2006.

CUMULATIVE COUNCIL TAX INCREASES 2000/01 TO 2005/06

- 6.23 The figures included in the remainder of this report are based on a 4.9% Council Tax for 2007/2008, which reflects the strategy determined by Council last year. The following graph illustrates the impact of implementing a Council Tax increase of less than 4.9% on the Council's ongoing resource base. For illustrative purposes the graph shows the impact of implementing a Council Tax freeze for 1, 2 or 3 year and the resulting annual and cumulative reduction in resources. These reductions in income cannot be recovered in future years from higher increases as capping limits are simply based on the year-on-year increase in Council Tax.

Annual and cumulative loss of resources if Council Tax is not increased by 4.9% per year

6.24 Revised 2006/2007 Budget Gap

On the basis of Members approving the issues identified in paragraphs 6.7 to 6.14 the revised 2007/2008 budget gap is £2.38m, as summarised below:

	<u>£'000</u>
Gross Budget Gap	7,454
<u>Add</u>	
• Terminating Grant Issues	211
• Budget Pressures	1,874
• Budget Priorities	746
<u>Less</u>	
• Permanent Corporate Savings	(1,509)
• Temporary Corporate Savings	(1,156)
• Efficiency Savings	(1,100)
• Use of Reserves	<u>(2,000)</u>
	4,520
<u>Less</u>	
• Use of 2006/2007 Budget Support Fund	(500)
• Council Tax Increase	(1,640)
Net Budget Gap	<u>2,380</u>

- 6.25 The revised budget gap equates to a 3.7% budget reduction for all departments. For planning purposes savings of up to 5% have been identified, with breaks at 3%, 4% and 5% in departmental priority order as detailed in Appendix E.

7. 2008/2009 AND 2009/2010 FORECASTS

- 7.1 As indicated earlier in the report the Government are moving towards introducing three-year grant allocations. However, the next three-year settlement, covering 2008/2009 to 2010/2011, will not be known until after the Government complete the current Comprehensive Spending Review (CSR07). This, therefore, makes financial forecasting very difficult.
- 7.2 However, based on general announcements by the Chancellor it is clear that public expenditure is set for a period of constraint from 2008/2009. The Council may benefit from a reduction in the floor damping adjustment, although this will be constrained by the overall

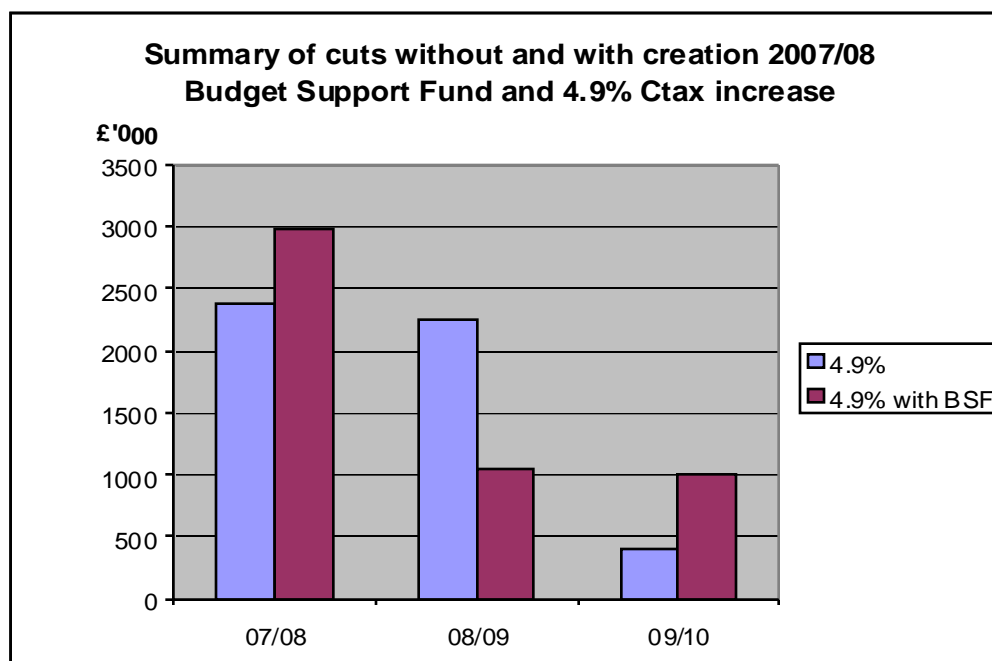
level of Government funding for Council's and the Government's desire to avoid large increases/decreases in grants paid to individual authorities, particularly, in the run up to the next election. Therefore, for planning purposes it would be prudent to anticipate an increase in Government grant of 2%, although even this may be optimistic.

- 7.3 At a local level the forecasts assume that departmental resource allocation will continue to increase by 3%. At this stage no provision has been included in the budget forecasts for new pressures/priorities/terminating grant regimes. The latter issues are anticipated to have a significant impact in 2008/2009 and Members will need to begin to address this issue in the earlier part of the 2007/2008 financial year.
- 7.4 The Council's future financial position will also be effected by the level of Council Tax increases in 2008/2009 and 2009/2011 as 45% of expenditure is now funded from Council Tax.
- 7.5 At this stage it is anticipated that the Government will continue to cap Council Tax increases which exceed 5%. There is a risk that the capping limit maybe reduced. However, for planning purposes the forecasts for 2008/2009 and 2009/2010 assume a local Council Tax increase of 4.9%.
- 7.6 On the basis of the above forecasts it is anticipated that the Council will face the following budget shortfalls:
- 2008/2009 = £2.248m) assumes previous years budget gap is
2009/2010 = £0.4m) bridged on a sustainable basis.
- 7.7 A summary of the factors reflected in these figures is detailed below :

	<u>2008/09</u> <u>£'000</u>	<u>2009/10</u> <u>£'000</u>
3% Uplift	2,063	2,095
Reduction in temporary savings 07/08	1,156	0
Reduction in use of reserve	500	0
Revenue cost previous years Capital Programme	305	311
Increase in Strategic Contingency	664	681
Reduction in Collection Fund Surplus	150	0
Increase in Government Grant	(870)	(887)
4.9% Council Tax Increase	<u>(1,720)</u>	<u>(1,800)</u>
Forecast Budget Shortfall	<u>2,248</u>	<u>400</u>

8. STRATEGIES FOR MANAGING BUDGET POSITION 2007/2008 TO 2009/2010

- 8.1 The previous forecasts assume that each year's budget is balanced independently on a sustainable basis. On this basis the current forecasts indicate that 2007/2008 and 2008/2009 will be particularly challenging. The actual position for 2008/2009 is likely to be worse than currently forecast as no provision has been made for future pressures/priorities/terminating grants.
- 8.2 Therefore, Members may wish to balance the budget over a longer period by increasing the level of reductions in 2007/2008 and carry forward a specific Budget Support fund to help address the position in 2008/2009. This option would produce a more manageable position in 2008/2009, as some savings would be put back to 2009/2010, although the total savings over the three years will be the same. For illustration purposes the following table shows the impact of increasing the 2007/2008 savings by 1%, on the saving required in each of the next three years.



9. BUDGET RISKS

- 9.1 In financial terms the greatest risk facing the Council relates to Equal Pay claims and the implementation of Single Status. The outturn strategies for 2004/2005 and 2005/2006 have set aside resources to meet the costs of agreed local claims. The proposed 2006/2007 outturn strategy suggests earmarking £0.5m for the remaining unfunded cost of agreed local claims. In addition, £2.4m of General Fund reserves are currently “earmarked” for potential costs arising

from Employment Tribunal judgements. The budget forecasts for 2007/2008 now include an increased provision for implementing Single Status based on experience in neighbouring authorities. If this amount is not sufficient the Council will face an additional budget pressure.

- 9.2 There is also a risk around the achievement of the £1.1m corporate efficiency target in 2007/2008 following the delayed roll out of new IT systems.
- 9.3 Beyond 2007/2008 the greatest risk is the level of Government grant. At this stage a prudent increase of 2% has been included, although even this may be optimistic. This position will need to be reviewed after the Government conclude CSR07.

10. CONSULTATION AND BUDGET TIMETABLE

- 10.1 In previous years consultation on the draft Budget and Policy Framework proposals has included:
- Scrutiny Co-ordinating Committee
 - Trade Unions
 - Hartlepool Business Sector
 - Neighbourhood Forums
- 10.2 Members are requested to determine if they wish to adopt similar arrangements for 2007/2008.
- 10.3 Members may also wish to consider extending the consultation to cover the six strands Hartlepool has incorporated into the implementing Equality Standard for Local Government Strategy (race, gender, disability, age, sexual orientation and religion and beliefs). This could be achieved by holding a joint consultation event with representatives from these groups.
- 10.4 Details of the budget timetable for the next phase of the budget process are detailed in Appendix F.

11. CONCLUSION

- 11.1 The report outlines the financial issues affecting the 2007/2008 Budget and Policy Framework proposals and Cabinet needs to determine the specific proposals it wishes to refer for Scrutiny in relation to the following items:

2006/2007 Provisional Outturn Strategy

- Do Cabinet wish to support the proposal to earmark £0.5m of the 2006/2007 corporate underspend to meet the shortfall on resources set aside for the Phase 2 Equal Pay settlements?

- Do Cabinet wish to earmark the remaining £1m of the 2006/2007 corporate underspend to support the 2009/2010 revenue budget, thereby maintaining support at £2m for a further year?

2007/2008 Capital Proposals

- Do Cabinet wish to maintain service based capital expenditure at the level of Government allocations?
- Do Cabinet wish to continue to support locally funded Prudential Borrowing projects at current levels? (Paragraph 5.2).
- Do Cabinet wish to provide £0.1m within the revenue budget to support additional unsupported Prudential Borrowing of £1.2m per year from 2007/2008?
- Do Cabinet wish to package the above resources, the LPSA Capital Reward grant and anticipated capital receipts to address capital issues and one-off commitments and to consider proposals for utilising this funding at a future meeting?

2007/2008 General Fund and Council Tax

- Do Cabinet support the proposals to mainstream the Terminating Grant Regimes? (Appendix A).
- Do Cabinet support the identified Budget Pressures: (Appendix C).
- Do Cabinet support the identified Budget Priorities? (Appendix D).
- Do Cabinet wish to confirm the indicative Council Tax increase of 4.9%?
- Do Cabinet want to create a 2007/2008 Budget Support Fund (by implementing a higher level of cuts in 2007/2008) to help address the 2008/2009 budget gap (paragraph 8).
- Assuming Members approve the above proposals, do Cabinet wish to support the identified budget savings? (Appendix E).
- Do Cabinet wish to adopt the suggested consultation arrangements? (Paragraphs 10.2 to 10.3).

12. RECOMMENDATION

- 12.1 It is recommended that Cabinet determines their views on the issues identified in Section 10.

APPENDIX A

SCHEDULE OF GRANT REGIMES TERMINATING DURING 2006/2007**SRB NORTH HARTLEPOOL**

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
SRB Grant – contribution to HBC services - PR Corporate Strategy - Accountancy - Landscaping /DSO	Yes, support services cannot absorb these cost pressure as significant saving are already required to be made to offset loss income from HRA	12 18 10	12 18 10	0.5 FTE 0.5 FTE 0.5 FTE	0 0 0	Not yet known	0 0 0

APPENDIX A**ADULT AND COMMUNITY SERVICES**

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
Preserved Rights Grant	Yes - grant tapers faster than costs taper total grant £376K	40					

APPENDIX A

NEIGHBOURHOOD SERVICE

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
Regional Transport travel advisor	Y – risk of loss of LPT monies	15	15	1	0	5	0
Travel Planning assistant	Y – risk of loss of LPT monies	15	15	1	0	5	0
ERDF Community Environmental action initiative	Y – project unlikely to go ahead without mainstreaming of salaries and additional support for community projects – Pride in Hartlepool	59	59	?	0	0	0

APPENDIX A

REGENERATION AND PLANNING

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
<p>Single Programme Funding (Coastal Arc Co-ordinator).</p> <p><i>Joint post shared with Redcar & Cleveland. HBC is the employing authority.</i></p>	<p>YES – desirable as provides coordination and basis for Coastal Arc – and for sub-regional single programme funding. Subject to 50% contribution from Redcar and Cleveland.</p> <p>100% Single Programme funding is confirmed for 2006/7. In principle support for 2007/8 subject to funding availability. Situation unclear thereafter.</p>	17	<p>34</p> <p>(plus other revenue expenditure, excluding oncost). 50% relates to HBC.</p>	0.5 (within Hartlepool)	0.5 (within Hartlepool)	Presumably minimal as employment length would be less than 2 years	nil

APPENDIX A

REGENERATION AND PLANNING

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
Safer Stronger Communities Fund	Yes –post created is essential to the team. The ASB unit did not function as effectively prior to support officer being appointed. Members complained they were unable to contact staff in the unit.	25.0	17.4	1	1	Nil to date (only 1 years service)	nil
Total		211					

APPENDIX B

SCHEDULE OF GRANT REGIMES TERMINATING DURING 2006/2007 – WHICH IS SUGGEST ARE NOT MAINSTREAMED**SRB NORTH HARTLEPOOL**

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
SRB Grant – Core Team	No – however Council needs to consider how it assists Core Team members gain alternative employment	129	129	4	3 plus 1 HBC secondment	Not yet known	£40K to support reduced Core Team during SRB winding up in early 07/08.
SRB Grant – various revenue projects: - Jobs Build - Targeted Testing - Intermediate Labour Market - Headland Tourism Marketing - CCTV monitoring	No, projects timed to end at 31/3/07	20 26 20 84 5)))) N/A))				

APPENDIX B**ADULT AND COMMUNITY SERVICES**

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
Community Studio Review ends (31/3/2007)	No - used one off	2.5					
Performing Arts Grant - ends (31/3/2007)	Possible permanent staff member	17.7	17.7	1	1		
Community Sports Coach ends (31/3/2007)	Possible permanent staff member	9.2	9.2	1	1		

APPENDIX B

NEIGHBOURHOOD SERVICES

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
ERDF Composting	N	28	0	0	0	0	0
WRAP Recycling communications	N	58	20	1	1	0	0
DEFRA reward grant- AWC Pilot	N	67	0	contractor	0	0	0
Asylum seekers	N	25	25	1	0.	10	0
Grand Total		491.4					

APPENDIX B

REGENERATION AND PLANNING – SCHEDULE OF GRANT REGIMES AWAITING 2007/2008 FUNDING ANNOUNCEMENT

Grant Title	Does Council need to consider mainstreaming the grant? Please state Yes/No and provide brief justification.	Value of Grant in 2006/2007 £'000	Value of 2006/2007 Grant spent of staff costs (include NI and Pension) £'000	Number of staff funded from Grant FTE's	Number of staff on fixed term contract FTE's	Estimated cost of making staff redundant £'000	Funding available to fund redundancy costs £'000
Drug Interventions Programme Main Grant - Including Tough Choices expansion (Required Assessment, Testing on Arrest Restrictions on Bail and Prolific and Other Priority Offenders Scheme).	NO The Drug Interventions Programme including the Tough Choices expansion and Prolific and Other Priority Offenders scheme has confirmed funding until March 31 st 07 with a yet to be confirmed option to extend until 2008. These Programme schemes effectively contribute to the reduction in crime on the community of Hartlepool, whilst facilitating rapid	Estimated as confirmation of grant has not yet been received. DIP 511.3 RoB 113.0 PPO 109.0	Based on 2005/06 spend plus 3% cost of living rise where applicable. £589.8	4 (19 FTEs in total on the programme of which four are directly employed by the Council)	4 (8 FTEs in total of which 4 are directly employed by the Council)	Programme has only been in place since April 04, with most workers starting in late 04, therefore time in post would be limited with regard to redundancy, however all will have had more than 2 years in post.	DIP Main Grant would have to fund redundancies of Council staff if necessary

	access to drug treatment modalities and providing support to those individuals involved in the Criminal Justice system who use the proceeds of crime to fund their class A drug habit.						
Total		733.3					

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Across the Whole Authority (including Street lighting, but excluding schools which are funded from the DSG)	Energy Gas, electric, water (including effect of long term contract price ending and new surface water charges)	Red Inability to pay bills from appropriate budget Service loss	500	
Learning Disability Inspection	Resources to fund recommendations of statutory LD inspection eg Direct Payments (see above costings) Day Services modernisation capital costs of new base and potential double running costs to develop new service – cost yet to be clarified Carers support/Flexible Respite options approx 150 k Appropriate Advocacy service 80k per annum	Red <u>Reputation</u> (will affect star rating and CPA) & Failure to achieve national VP objectives	230-k min per annum. Potential for 100k double running costs for approx 18/24 mnths. (Also one off capital cost)	

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Physical Disability/Sensory Loss	Approx 100 people waiting for statutory assessment re disability needs, demand for assessment and subsequent service have increased dramatically since 2002. Lack of assessment and services fails in Statutory responsibility and could leave council liable to DDA claims and possible litigation if person is hurt whilst waiting for service. Additional OT expertise and purchasing budget to reduce specific waiting lists (currently up to 8 weeks) and meet statutory requirements around completion of assessments/additional resources necessary for outcome of assessments.	Red <u>Life and limb</u> risk to those left without equipment.	148	
Learning Disability Purchasing	Identification of 5 cases of transition from Children's Services.	Red Inability to meet statutory obligations to maintain services to existing service users'?	140	

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure)
			<u>2007/2008</u> <u>£'000</u>	<u>£'000</u>

	Providing Direct Payments is a Statutory Requirement and to enable people to safely use the DP a Direct Payments Support Service is required, if DP users are unsupported will leave Council open to claims of negligence re &S/Employment issues. The take up of DP is a KPi (currently a failing one for Hpool) and was seen as essential in the recent LD inspection .	Red <u>Reputation</u> & Failure to improve	100	
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SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Supporting People Programme	Strengthening team to deliver a more effective Supporting People programme in accordance with the grant conditions and Government's/Audit Commission's expectations, This will enable the housing related support needs of vulnerable people to be more effectively addressed. It responds to the needs identified in the Supporting People Inspection, which was published in February 2006. It will also help to ensure that services are appropriate to meet the expectations of future inspections.	Red – relates to important housing related support for vulnerable people – accommodation and “floating support”	100	

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Advisory Team	14-19 leadership, management and co-ordination – Full time Partnership Manager / Co-ordinator with associated administrative and support costs	Red Education and Inspection Bill places a statutory duty on Local Authorities to lead 14-19 reform and development in local partnerships, supported by the LSC. This is a new legal responsibility and existing resources are insufficient to meet this statutory duty. Risk of not meeting this pressure is RED with immediate, significant service disruption	60	£0
Environment	The roll out of recycling kerbside collection/alternative weekly collections, was partly funded from temporary grant funding which has now ceased, without this money the new increased recycling project will fail and the authority will not achieve the government targets set.	Red Redundancy of two operatives @ £25k each per annum, however this is not the full saving as the central overhead will continue to require funding	53	

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Children with Disabilities and SEN	Increasing numbers of children with autistic spectrum disorders (Doubled in last 3 years) requiring more extensive support packages. 2 identified costing £100K in 2007/08 (£50k revenue and £50k DSG subject to Schools Forum).	Red Failure to meet statutory duties in relation to children with disabilities. (Still awaiting PCT continuing healthcare eligibility criteria.) High impact and almost certain.	50	£0
Integrated Children's System	Revenue costs of new capital equipment	Red Unable to meet statutory requirements and DfES timetable re information sharing. Extreme impact and almost certain	50	£0

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Planning Policy & Regeneration: Local Development Framework	Increased costs arising in relation to the statutory Local Development Framework within Planning have so far been funded entirely from a reserve. This reserve is residual balance of an amount set aside for the Local Plan Inquiry. This is expected to be exhausted in 2007/08 and a more permanent funding solution is required.	Red Failure to establish funding would prejudice the council's ability to fulfil its statutory duty. An adverse effect on development and improvement of the town may occur. The ability to properly involve local people in accordance with the Statement of Community Involvement would reduce.	50	
Recruitment	Pre and post employment checks on employees to ensure safety of vulnerable groups. Provision for CRB charge and staffing time required.	Red Vulnerable groups at risk. Statutory responsibility to undertake checks. Harm to Council's reputation.	44 (Initial costs higher to ensure all staff are checked).	30 (Rolling programme of 3 yearly checks).

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Housing Advice (Statutory)	Provide statutory homeless advice to vulnerable people in the community. Team relatively under- resourced and 1.5 posts are required.	Red Essential to ensure that targets for preventing homelessness are maintained.	40	
Children and Families	Need for additional post to enable quality audits of childcare reviews to be undertaken.	Red Failure to meet statutory duties in the Children Act 2004 and working together guidance. High impact and almost certain.	40	£0
Special Needs Housing Team	<u>Statutory duty to ensure advice and assistance and provide grants for Disabled.</u> Funding from SP reduces from March 2007. This was funded through SP on stock transfer as insufficient money was identified for the team. However, following the completion of review of all SP contracts, much of the work relating to the statutory functions, such as processing, disabled facilities grants, is now ineligible for SP funding	Red Statutory function of administering Disabled Facilities Grants and other functions of special needs housing will be put at risk. Grants will not be processed in reasonable time, waiting lists for disabled adaptations will increase, hospital discharge times will increase, underspend of grant funding will result in future grants being reduced, and disabled accommodation will not be adequately allocated	40	

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Electoral Registration	Changes arising from the Electoral Administration Bill	Red Inability to complete necessary procedures within relevant timetables for issue of electoral register, and holding of elections	30	
Strategic Housing Officers	Due to inadequate funding of retained housing services following stock transfer and the loss of a housing specialist at Director level, current workloads cannot be sustained. Since stock transfer, workloads have increased e.g. preparation of bidding and monitoring documents for new housing capital regimes, performance management monitoring of partnership, increased social and private housing enabling role (encouragement for new build due to needs highlighted by SP and reduction in social houses numbers), the increasing regional and sub-regional housing agenda	Red Further delays in workload completion, including responses to complaints, completion of returns Inadequate contribution to sub regional issues Missed opportunities for further funding These posts are likely to form part of the report on the future of housing services prepared by the Director of Regeneration and Planning	30	

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
	(regeneration strategy and sub-regional housing strategy), increased role in regeneration of houses in town centre etc. Current Strategic Housing Manager role is divided between substantial strategic duties as indicated above, and daily management of housing team. This has resulted in substantial slippage.			
Choice Based Lettings (Statutory)	New statutory obligation to provide system of choice for lettings	Red New statutory obligation to have in place and operating. This assumes a sub regional system with shared costs	27	

SCHEDULE OF BUDGET PRESSURES 2007/2008

Budget Heading	Description of Budget Pressure	Risk Impact of Not Funding Pressure	Value Budget Pressure <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <u>£'000</u>
Libraries	People's Network' PC's – all libraries – gives public access to internet. Insufficient budget for NIS managed service charges for existing PCs. Would have to withdraw public access.	Red <u>Reputation</u> (forms part of BVPI 220) & failure to maintain current level of service.	25	
Homelessness Strategy Officer	Currently a temporary full time post, funded by various agencies and the Homelessness Grant. Successful in reducing homelessness, particularly young persons, by implementing housing policy, liaising with landlords, probation, rent officer, housing benefits and funding suitable 'settled' accommodation. Funding agencies, particularly Action Team for Jobs unable to fund post after March 2007. Whilst grant funds half the post, funding requested would ensure full time post	Red Increased homelessness, particularly youth homelessness – landlords less likely to house potential homeless tenants, youths will drift into unsuitable accommodation (leading to rent arrears, evictions and homelessness) Reduces the impact of the Council's successful Housing Advice Team (Hartlepool is currently "Regional Champions for Homelessness") Post is likely to form part of the report on the future of housing services being prepared by the Director of Regeneration and Planning	17	
			1874	

APPENDIX D

SCHEDULE OF RED BUDGET PRIORITIES 2007/2008
TOP LEVEL PRIORITIES

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Anti Social Behaviour Unit: Respect Agenda	Additional resources are required to implement and effectively respond to the Government's new Respect Agenda. In particular, the following will need to be addressed particularly in disadvantaged communities: Increase capacity of Anti Social Behaviour case investigators to 1 per North/South/Central neighbourhood areas and admin support in order to co-ordinate increased workload from Neighbourhood policing referrals etc. and provide feedback to residents. A review of aspects of this service is underway.	RED - Unable to meet demands from residents, Members and MPs to tackle anti social behaviour which are increasing with the introduction of Neighbourhood Policing.	65	

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Environment LPSA	The loss of this budget will have a negative impact on street cleansing. The LPSA fund has bolstered the council's revenue budget and been used to fund two operatives per year as the existing budget is insufficient. (£53k).	Red Failure to maintain cleansing standards.	53	
Older People	Two connected care navigators for implementation of Connected Care Pilot. Significant development of neighbourhood-based partnership working, in pursuit of preventative policies, and reducing health inequalities. Very high profile nationally!	Red <u>Reputation</u> & Failure to improve	50	
Children and Families	Ensuring effective operation of the Local Safeguarding Children Board and its associated sub committees by the provision of dedicated training and development officer support to meet National Minimum Standards.	Inability to develop the safeguarding children agenda and failure to discharge statutory responsibilities (it is possible that partner contributions might be received towards this cost). RED – High impact and almost certain. Censure for failing in statutory duties.	40	

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Housing	Tenant referencing scheme, linked to voluntary accreditation scheme and licensing scheme	RED - Risk of continuing to place unsuitable tenants in disadvantaged areas where significant numbers of privately rented accommodation units exist	40	
School Catering	Implement nutritional standards. Restrictions in types of foods being served to children will impact greatly on the cost of ingredients, i.e. all children to be given bread with a meal if they choose to take it, will increase cost and the replacement of squash with milk or fruit juice as a drink with the meal will further increase the food cost.	Red Failure to follow Government guidelines and legislation. Ofsted inspector would adversely report.	35	3 year programme of implementation of new standards will have knock-on effect.

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Environment Marina – Navigation Point Cleaning	The council is in the process of adopting Navigation Point/the Marina because of its high profile to the town, especially in light of the Tall Ships event in 2010 and its strategic link to Victoria Harbour. Income has been generated from stakeholders however this will cease once adopted. The Maintenance of this asset has had a detrimental financial effect on the Cleansing service and other parts of the town have received a reduced service as a consequence.	Red High profile asset in light of Tall ships 2010 and strategic link to Victoria Harbour. Funding will enable the area to receive a cleansing service seven days a week whereas at the moment it operates Monday to Friday.	30	
Maritime Festival 11017	2008 Maritime Festival; increased cost of delivering high quality service as a precursor to tall ships visit, spread over 2 years.	Red <u>Reputation</u> & Failure to maintain standard of festival	10	
		Total of Top Priorities	323	

SCHEDULE OF RED BUDGET PRIORITIES 2007/2008
SECOND LEVEL PRIORITIES

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Unscheduled Highway Maintenance	The UHM budget is currently inappropriate for need. A year on year reduction has seen this budget diminish to a point where the provision of Highways Maintenance and Gulley cleansing is below acceptable standards. The increased requirement for winter maintenance is also placing a severe strain on this budget.	Red Town's infrastructure deteriorating. Failure to meet BVPI	150	
Non operational properties	Cost of maintaining non-operational buildings is increasing Upkeep of untidy and derelict land/buildings in Council ownership has been highlighted as an area to address, particularly as we are addressing land/buildings in private ownership.	Red There is a significant visual impact on the environment together with security and health & safety risks.	60	

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Environment Dog Foul/Litter Bins – Emptying	The demand for additional litter bins and dog foul bins has increased substantially over the last two years. Whilst we are enforcing littering and dog foul incidents resident feedback is the bins are not being emptied enough. Originally there were 47 dog foul bins, it is now approaching 200, we have around 850 litter bins, all of which need emptying a minimum of twice per week.	Red Impact on BVPI199, cleanliness of the highway indicator, customer satisfaction with the frequency of dog foul bin emptying is low	40	

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Environmental Protection Development of Pest Control Service	<p>Funding is required to develop the service (due to increase in number of complaints and increasing inability to reach targets and provide an effective service) and potentially to include control of feral birds.</p> <p>If the service were to be extended this would include offering contracts to businesses in the town which would offset some of the additional costs. Approx 5k income is expected in the first year.</p>	<p>Red</p> <p>Responsive times will increase beyond current two days, which will be unacceptable to the public.</p> <p>Unable to action increasing demand for seagull/pigeon control measures</p> <p>No development of private contract work (fee earning)</p>	20	

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Landlord Registration Officer (LRO)	This is a successful scheme currently being funded until March 2007 by VAT Shelter money (HH) (previously funded via NRF and NDC). The Landlord Registration Officer works in partnership with Housing Enforcement Team, Tenancy Relations Officer and Anti-Social Behaviour Team. Seen as 'good practice' and is included in Audit Commissions Key Lines of Enquiry for Excellent Authorities. The success of this post resulted in Hartlepool being selected to run the pilot scheme for low demand private sector housing, which contributed to the Governments approach to Licensing. Should a licensing scheme for landlords be introduced (which is area specific), the accreditation scheme would compliment the licensing scheme and also be the only town-wide scheme for landlords.	Red Increased tenancy problems e.g. anti-social behaviour in private housing section. Reduced housing standards in private rented accommodation. Increased homelessness – potentially homeless people are currently signposted to suitable accredited landlords Seen as backward step by GONE	28	

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Dial-a-Ride – Transport controller	<p>The Dial-a-Ride service will be brought in-house during the summer of 2006 and will be operated alongside the Local Authority's Community Transport Service. This will assist in enhancing the Dial-a-Ride service at specific times of the day. The Community Lynx bus will be funded through the Rural Bus Challenge scheme until April 2007.</p> <p>The service will be operated alongside the Dial-a-Ride service after that date and offer support to the Dial-a-Ride service in its quiet periods. The post of Transport Controller is funded through the Rural Bus Challenge Scheme until April 2007. The post is integral to the provision of the in-house Dial-a-Ride service.</p>	<p>Red</p> <p>Dial-a-Ride service may not be able to be enhanced. The Community Lynx bus will have to cease. The Transport Controller post would be lost – this would have a major impact on the in-house provision of the Dial-a-Ride service.</p>	25	

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Supported Bus Service	The reintroduction of the Number 5 supported bus service was recently approved by the Mayor and subsequently tendered. The service is required to allow patients from the new doctors surgery on the Headland who live in the West View part of the town to gain access to this health facility. The Mayor had allocated an additional £75,000 to this budget for the service but the lowest tender was £87,000 leaving a shortfall of £12,000. As the service was restarted part way through the year the £75,000 will be sufficient this financial year but there will be a shortfall next year. The number 5 supported bus, or one or more of the other supported services, may have to be withdrawn next year if the budget shortfall is not met.	Red	12	

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
County Sports Partnership	25% match funding to obtain grant for funding of important new post. ie Opportunity to gain additional strategic grant. Will develop a local sports network and facilitate greater access to healthy physical activity.	Red <u>Failure to improve</u> and loss of external funding	8	
		Total of Second Priorities	343	

SCHEDULE OF RED BUDGET PRIORITIES 2007/2008
THIRD LEVEL PRIORITIES

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Members ICT	ICT facilities and support for Members <ul style="list-style-type: none"> - hardware - software - internet connections - support infrastructure Note: Initial capital investment needed. Business case assessment to assess whether revenue costs can be offset by savings.	Corporate ICT strategy not inclusive of Members' needs. Efficiencies not achievable. Local democracy not enhanced.	30	
		Total of Third Priorities	30	

SCHEDULE OF BUDGET PRIORITIES 2007/2008
ITEMS IDENTIFIED AT JOINT CABINET SCRUTINY EVENT 21/9/06

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities <u>2007/2008</u> <u>£'000</u>	Value of additional Budget Priorities in 2008/2009 <u>£'000</u>
Resourcing of the Scrutiny Function	At the request of the Scrutiny Chairs, Cabinet is requested to consider the establishment of dedicated budget for the Authority's Overview and Scrutiny Function. The budget would enable the Overview and Scrutiny Function to further develop and reach its potential by allowing Scrutiny Forums' where necessary to 'buy in' external advice, to cover the costs of enabling visits to Local Authorities' demonstrating good practice and to assist in the provision of holding dedicated scrutiny training events for Elected Members. This provision would be addition to the full time support officer post agreed for the 2006/07 financial year.		50	
		Total of All Priorities	746	

2007/08 BUDGET AND POLICY FRAMEWORK TIMETABLE

- | | | |
|--|--------------------------|--|
| 23/10/06 | Cabinet | <ul style="list-style-type: none">• formal consideration and determination of draft 2007/08 Budget and Policy Framework proposals to be put forward for consultation. |
| Late Oct
To early Dec | Main consultation period | <ul style="list-style-type: none">• this will include referral of draft Budget and Policy Framework proposals to Scrutiny Coordinating Committee, consultation with political groups, trade unions, and business sector and neighbourhood forums. Detailed meetings to be scheduled. |
| 18/12/06
(provisional date, may change depending on date government confirm 2006/07 grant allocation) | Cabinet | <ul style="list-style-type: none">• consideration of consultation feedback and finalisation of draft Budget and Policy Framework to be put forward for formal scrutiny. |
| Mid Dec
To mid
Jan 07 | Formal Scrutiny period | <ul style="list-style-type: none">• second round of consultation with Scrutiny Coordinating Committee, political groups trade unions, business sector and neighbourhood forms. Detailed meetings to be scheduled. |
| 05/02/07 | Cabinet | <ul style="list-style-type: none">• consideration of feedback from formal scrutiny and finalisation of Budget and Policy Framework to be referred to Council. |
| 15/02/07 | Council | <ul style="list-style-type: none">• consideration of Cabinet's Budget and Policy Framework proposals. |

PROPOSED SAVING AT 3%, 4% AND 5%**APPENDIX E****CHIEF EXECUTIVES DIVISION**

Budget Heading	Description of Efficiency/Saving	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/saving £'000	Description of One off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000
Revenues	E - increase in Council Tax income by reducing number of single person discounts.	Amber - Phase 1 initiative is being implemented during 2006/07. Actual increase in income is lower than anticipated and this experience is reflected in the 2007/08 estimate.	No reduction in staffing levels, although initiative will increase sections workload.	100	Costs of using data enquires will be covered from savings.	0
Internal Audit	E - restructuring of Internal Audit senior management has combined the roles of the Chief Internal Auditor and Group Auditor into a single post - Head Audit and Governance. At this stage full saving has been released as it is hoped workload can be managed within remaining resources and increased use IT. However, part of saving may need to be allocated to provide an additional Auditor post to support this change and a reduction in the hours worked by one of the Principal Auditors following their return from maternity leave. This would require identification of alternative savings.	Amber - Insufficient senior management capacity to deal with increasing regulatory requirements (i.e. SIC/Corporate Governance, CPA and International Auditing Standards).	Former Chief Internal Audit has taken voluntary early retirement.	13	Cost early retirement funded in 2006/07 from departmental reserves	0
Corporate strategy General Running Expenses	Reduction in budgets across corporate strategy	Amber - the budgets include a range of provisions for professional fess and other related operating expense, although they can be reduced they reduce the ability of the services to support core functions with external expertise if required or to deal with variable workload pressures	No impact	15		
TOTAL 3%				128		
23712 - Dem services	Reduction in budget for 3061 - Printing costs	Green - whilst the reductions in core budgets will mean difficult decision on elements of purchasing it will not affect front line services		1		
23641 - Registrars	Reduction of budget	Amber - the registrars budget is a balance between the expenditure and income - current year income targets are not being achieved (by a small amount) however this should be potentially balanced through reductions in operating costs		3		
23579 - BVPP	Reduction of budget	Green		1		
Corporate strategy	Restructure saving	Red - whilst the restructure will release resources it will potentially result in higher graded staff being required to cover elements of administrative work. The restructure will impact upon dem services and Admin teams within corporate strategy and may be affected by increasing workloads through further additional committee meetings etc being scheduled.	Restructure and reduction in overall establishment of 1 post	17		
Legal - Contracts & Development	Leave vacant Legal Assistant's Post - contracts & statutory orders - post currently filled on trial basis from Democratic Services	Amber - reduced ability to progress Legal procedures resulting in delay in completion of contracts, land transactions, and statutory orders impacting on implementation of service / strategic objectives	Lose one post - staff member on trial posting would return to Democratic Services	13		

Budget Heading	Description of Efficiency/Saving	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/saving/£'000	Description of One off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving/£'000
Legal - Books & Publications	Budget Reduction	Amber - Reduction in the sources of legal reference would diminish the ability of the Division to research and respond to legal issues in a timely and accurate manner.	None	3		
Legal - Consultants	Budget Reduction	Amber - Reduces the availability of external advisory assistance (Counsel's Opinion etc) not rechargeable to a service department diminishing the ability of the division to provide timely and accurate advice	None	3		
TOTAL 4%				169		
Personnel, Health & Safety and Training and Equality	Savings will be achieved by a small increase in 3rd party income, recovery of training costs from all leavers of local government and reductions in printing/postage costs. E- the improved use of information systems will enable a minor restructuring of the section to be undertaken. This will result in the loss of one HR officer post and one Admin Assistant post.	Green - other alternative information sources Amber	2 FTE	40.9		
Printing	Civic support – planned hours post	Amber - risk that Civic functions cannot be supported	None	0.5		
	Photography – reduced costs through 'call-off' contract for departments to use	Green - photography services obtainable in other ways	None	0.5		
	Reduced Courier hours as EDRMS is rolled out	Amber - risk that courier service loses ability to respond to urgent / peaks in workload	Reduced hours of one post	3.1		
TOTAL 5%				214		

NEIGHBOURHOOD SERVICES

Budget Heading	Description of Efficiency/Saving	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/saving £'000	Description of One off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000
Car Parking	E - Increase resident only parking charge from £1 to £20 per annum	Amber Risk: Political and public dissatisfaction with some residents leaving the scheme.	Increased enforcement	90		
Car Parking	E - Introduce Monday-Friday contract parking at the Maritime Experience (100 bays), together with the introduction of charging for staff in Church Street.	Green Risk: Some public and political resistance.	Increased enforcement	100		
Trading Account Administration	E - Reduce by two posts	Amber Risk: Potential impact on services delivery. Efficiencies expected to come from introduction of new costing system. Unable to identify which two posts will be redundant until costing system fully installed and operating.	2 redundancies	40	redundancy payment	??
Financial Support	S - Reduce by half post	Green Risk: Low impact on services delivery. New system should enable remaining team to pick up this element of financial control.	.5 redeployment	22	Redeployment	??
Consumer Services Contractor Payments	S - Non renewal of existing contract with the Citizens Advice Bureau to provide consumer advice service	Green Risk: Government have recently introduced a regional 'Consumer Direct' telephone service to advise public on consumer matters. This overlaps significantly with the service provided by CAB. Non renewal of existing contract may result in reduction of service provided by CAB. Government may impose charge for the 'Consumer Direct' service at some future date	Some increase in number of enquiries to the Trading Standards section may result , but not expected to be significant	14		Nil
Buildings Management and Maintenance	E - Cut one post from a group of 6 posts involved to differing degrees in this service to the Civic Centre, in particular, but also other Council Buildings and Schools	Amber Risk: Potential impact on Service delivery to occupiers/building managers. Impact on remainder of team to provide services.	1 redundancy	35	Redundancy payment	
Emergency Call Out	S - Revision of call-out arrangement	Amber Risk: Potential impact on delivery of service and reduction in employees willing to undertake call-out.		10		
Section 38 Income - developers contribute to the inspection regime necessary	S - A one-off payment of £100,000 can be justified on the basis that the annual requirement for TOS and material testing is in the order of £90,000. The current balance is £256,572, which will leave approximately one and a half years funding for Technical Officer salaries and testing	Amber Risk: The current budget for Section 38s has increased over the past few years due, in the main, to the development at Middle Warren. This has generated a disproportionate surplus which may not be sustained in future years, particularly when Middle Warren is complete. TOS for two members of the Asset Management Team is paid for from this budget, supporting the overall Transportation and Traffic Management account. The future ability to cover this TOS will be dependant upon new developments which cannot be guaranteed with the possibility of budget pressures in subsequent years.	Staffing levels will be dependent upon income generated by new developments in future years. If the income is not sufficient it is possible that one or two members of staff cannot be sustained by existing staffing budgets.	100	N/A	N/A
TOTAL 3%				411		

Budget Heading	Description of Efficiency/Saving	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/saving £'000	Description of One off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000
Cemeteries & Crematorium	S - Raise charges for burials and cremations by 10% above existing levels, and that required for inflation, drainage improvements, etc.	Amber Risk: Liable to create public criticism. Hartlepool fees would probably become highest in the region. May result in need to abandon further drainage improvements to both Stranton and West View Cemeteries (otherwise yet further increases would be required). May impact on our future ability to repay loan charges for new cremator needed in 2011 (capital cost approx £750k).	Nil	49	Nil - see risk assessment	Nil - see risk assessment
Asset Team Leader Post	S - Vacant Post in Transportation and Traffic Section, Asset Management Team	Green Risk: The Council have a requirement to prepare an Asset Management Plan to direct future spending on all highway assets. This plan is currently under development in conjunction with the other Tees Valley Highway Authorities. An Asset Team Leader would be required to co-ordinate the development of this plan and its evolution into a Hartlepool document rather than a generic Tees Valley document. At present the Asset Management Team do not have a senior officer and report directly to the Transportation and Traffic Manager. Failure to complete and implement the Asset Management Plan could have a detrimental effect on future LTP allocations.	Asset Management Team would not have a direct line of management putting more pressure on the Transportation and Traffic Manager.	40	N/A	N/A
Waste Management	E - Household Waste Recycling Centre and Waste Transfer Station - servicing of both sites using two vehicles and two staff	Amber: outsourcing of this provision may result in two redundancies, but can probably redeploy.	Redeployment of two staff/redundancies	35		
Service Development	E - Reduce by two posts	Green risk on service impact, however highly likely to lead to IT claim. Low impact on service delivery. Post currently being utilised in support of fleet function. History of problems in previous posts and now undertaking ad-hoc work where and when required.	1 redundancy	26	Redundancy payment - potential IT claim	??
TOTAL 4%				561		
Service Development	S - Reduce by half post	Green Risk: Potential impact on service delivery/workforce development. Postholder currently on long-term sick. Reduced service being provided to managers.	Postholder may be leaving on early retirement due to ill health	15	Early retirement settlement - will be paid in any event	
Service Development	S - Reduce by half post	Green Risk: Minor impact on service - postholder currently acting up in role mentioned above.	Postholder may be leaving on early retirement due to ill health	10		
Grounds Maintenance	S - Increase in Income from Unscheduled Works	Red Risk: At present approximately £300k is realised from works carried out for one-off landscape and other unscheduled works to clients. This subsidises the core funding for maintenance to areas in the borough. An increase of 10% in this unscheduled income would allow a £30k reduction in the maintenance budgets received.	Only achievable using existing staffing and resources so therefore a drop in the maintenance standards would inevitably occur. Also assumes that extra work can be identified and won in an even more competitive environment.	30		
Waste Management	S - Closure of all public conveniences	Red Risk: The Cabinet and Scrutiny Forum are currently considering a report recommending some closures but also investment. Considerable public concern at total closure.	Redundancy of two staff	110		
TOTAL 5%				726		

5% Target £687,000

CHILDREN'S SERVICES

Budget Heading	Description of Efficiency/Saving	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/saving £'000	Description of One off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000
Transport	E	Risk is GREEN – little service disruption and savings likely to be made within the next year. Efficiency due to ongoing review of bus routes, taxi services and school escort recruitment.		140		None
Education Psychology Service	E	Reduction of staffing arising from restructuring of the Education Psychology Service. Risk is GREEN – little service disruption, low impact and likely to occur in the next 12 months as the staffing element is currently vacant.	Reduction of approximately 0.5 wte member of staff.	12	None	None
Student Support Team	E/S	Removal of student grant function/posts arising from DfES centralisation of grants and awards. Risk is GREEN – minor service disruption, low impact and likely to occur within the next 12 months. Possible redundancy costs because posts are part of substantive structure.	-2	40		Redundancy
Adoption and special guardianship orders	E	Reduction in payments to independent agencies because half the number of eligible independent agency foster carers obtain a Special Guardianship Order. Risk is GREEN/AMBER – low impact and likely to occur within 12 months dependent upon some negotiations with the Independent Agencies.		90	None	None
Pupil & Student Support Manager	E	Non-recruitment to the vacant manager post. Restructuring required and supervision of staff delivering school meals, transport, school swimming, allocation of places at Carlton. Risk is AMBER – Some service disruption possible over the next 12 months.		30		None
Adoption and special guardianship orders	E	Reduction in payments to independent agencies because all the eligible independent agency foster carers obtain a Special Guardianship Order. Risk is AMBER/RED – high impact and likely to occur within 12 months as all placements will need to be reviewed and consents obtained by all parties.		90	None	None
Reduction in external placements	S	Savings on external placement budget but risk is RED – extreme and almost certain to occur in the		81	None	None
TOTAL 3%				483		
Reduction in external placements	S	Further savings on external placement budget but risk is RED – extreme and almost certain to occur in the next 12 months due to unexpected and unprecedented new demand. Position will clarify later in this financial year when it is clearer as to which young people will be fully or part funded in 2007/08.	No staffing implication but potential non-cashable efficiency saving re: social worker and Independent Reviewing Officer time/activity	119	None	None
Attendance Team	E	Reduction in the number of attendance officers by 1. Risk is RED – significant service disruption. Almost certain to occur in the next 12 months. Direct impact on services to children and families. Risk of increasing unauthorised absences from schools, failing to meet agreed targets which could then lead to external intervention from DfES.	-1	42		Redundancy
TOTAL 4%				644		
Budget Heading	Description of Efficiency/Saving	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/saving £'000	Description of One off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000

School Improvement Team	S	Earlier than planned reduction in advisory team from 3 to 2 because of introduction of School Improvement Partners. Risk is RED , high and likely to occur in the next year. Direct impact on services to schools - removal of LA co-ordination of Excellence in Cities and strategic leadership of the secondary school and social inclusion strategies. Redundancy Implications.	-1	75		Redundancy
School Improvement	S	Withdrawal of a third of the LAs match-funding for DfES grants to support school improvement through national literacy, numeracy, science, ICT etc. Risk is RED , significant service disruption within the next 12 months. Because this is match-funding, real service loss is £172k. Impact on children's achievement.	-2.5	86		Redundancy
TOTAL 5%				805		

REGENERATION AND PLANNING SERVICES

Budget Heading	Description of Efficiency/Saving	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/saving £'000	Description of One off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000
Youth Offending Service	E - Reduce operational support budgets for Youth Offending is proposed	GREEN RISK - It is suggested that this could be achieved with little risk and only minimal impact to the service	None	4		
Management and Administration	E - Reduce costs against some departmental management and administrative related budget headings.	GREEN RISK - It is anticipated that this saving could be achieved at low risk by ensuring a number of small expenses - currently absorbed within this heading but which could be legitimately charged to externally funded projects - are passed on. Increased effort would be required to record, calculate and transfer these costs	None	10		
Community Strategy	S - Reduce a variety of budget lines across the Division relating to printing, room hire, staff training and exhibitions	GREEN RISK - A reduction in opportunities to promote the work of the Hartlepool Partnership would occur. Direct impact on quality of services and impact on community engagement and awareness.	None	4		
Planning & Economic Development	S - Reduce running cost budgets for Building Control, Development Control, Economic Development and Landscape Planning and Conservation is suggested	GREEN RISK - Various small scale savings in materials, equipment, printing etc would be made which may result in service level reduction	None	8		
Economic Development	E - Seek to increase income from managed workspace (ie Brougham Enterprise Centre, Newburn Bridge)	GREEN RISK - Increasing licence fee income as a result of improvements to premises, increasing occupancy and reviewed fees should be achievable	None	20		
Community Safety	S - Reduce several administration and maintenance headings in the Community Safety budget	AMBER/GREEN RISK - Small reductions to Safer Hartlepool Partnership support budgets would lead to less printing (eg leaflets) and less awareness raising campaigns. The assurance to communities would be reduced affecting perceptions and fear of crime. Less budget for maintenance of 8 Church St and local police offices would also occur	None	9		
Planning Policy & Regeneration	S - Reduce a variety of budget lines across the Regeneration, Planning Policy and Housing Market Renewal Teams (approx £2k per team)	AMBER/GREEN RISK - Reducing printing, copying, staff training, administration and other running costs would occur. The amount shown is considered to be the maximum achievable without incurring serious service level reductions	None	6		

Economic Development	S - Reduce the Sub-Regional Tourism promotion budget	AMBER RISK - Reducing the contribution to Tees Valley-wide tourism marketing and promotion may limit the new Area Tourism Partnership's marketing activity	None	5		
Economic Development	S - Reduce the Marketing budget	RED RISK - This move would impact on marketing/ promotion aimed at businesses/developers/ other investors, at a time where there is an improving "product" to sell. Adverse impact on economic investment and employment opportunities	None	10		
Community Safety	S - Reduce the Safer Hartlepool Partnership publicity budget	RED RISK - Only two editions of current quarterly newspaper (Hartbeat) could be produced per annum instead of 4 editions. Factual information and advice are important to provide reassurance to communities. Less funding would be available to publicise good news stories. Direct impact on services and fear of crime	None	13		
Development Control	E - Seek to increase fee income from volume of applications processed, with no increase in staff	RED RISK - The proposal would be to revise the planning application fee target based on high end projections from current levels. This is however a budget that could be subject to a fall in income, eg. as a result of unfavourable economic conditions. Given the economic and property cycle, a significant risk would apply to the achievement of this savings target. If there were to be a shortfall it has been agreed that this would be met corporately.	None	18		
3% LEVEL				107		
Development Control	E - Seek to increase fee income from volume of applications processed, with no increase in staff (Continued)	RED RISK - As above - higher risks as higher target		12		
Economic Development	S - Reduce the Business Grants budget	RED RISK - This reduction would impact on support available to new businesses and inward investments. An element of match funding would also potentially be lost. This would be unpopular with Partners and contrary to DCLG/NRU and Hartlepool Partnership policy priorities and could adversely affect future funding bids, eg LEGI	None	20		
Departmental Staffing - yet to be identified	S - Reduce Staffing budgets	See below		4		
4% LEVEL				143		
Departmental Staffing - yet to be identified	S - Reduce Staffing budgets (Continued)	RED RISK - The removal of up to 2 posts would be required to achieve a 5% saving target. This would involve either redundancy or removing newly vacated post(s) from the establishment. No specific posts are identified as yet. Redundancy Implications.	-2 depending on grade	36	Redundancy or other costs may arise depending on the post(s) identified- which are not quantified or allowed for in the savings	0
5% LEVEL				179		

PROPOSED SAVING AT 3%, 4% AND 5%**ADULT AND COMMUNITY SERVICES**

Budget Heading	Description of Efficiency/Saving	Efficiency/Saving Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/ saving £'000's	Description of one off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000
Older Peoples Agency - Respite Services	Implementation of FACS and removal of moderate - reduce Substantial/ Critical level to 6 weeks	S	R Politically sensitive. Sound project planning necessary for implementation. Likely significant increase in emergency assessments and placements or use of in-house homecare	None	135	None	
Management	Planning function - reduction in current capacity	S	R Medium - reduces capacity in the longer term. Inability to achieve national objectives.	2 Fte	88	Potential Redundancy costs	Tbd
Homecare	Reduction from three geographical areas to two reconfiguring management/supervision of service	E	R Manageable impact. Reduces management capacity for 7 day service. Future developments around Telecare may be impacted	3 Fte	72	Potential Redundancy costs	Tbd
Havelock	Deletion of Day Opportunity Clerk post	S	R High ER/VR or redeployment	1 Fte (continue to invest in Modern Apprentice and administrative role	20	Potential Redundancy costs	Tbd
Homecare	Reduction in home care service - 200 hours	S	R Loss of flexibility in supporting discharge arrangements, placement management. Research on In Control & Direct Payments confirms LA' still have necessity to require flexible, responsive services as support and to be used as emergency support. Impact on	10 - 20hr Contracts	95	Potential Redundancy costs (natural wastage/vacancies)	Tbd
Community Centres	Planned closure of former Bridge Youth Centre and upgrading of neighbouring Burbank Community House to accommodate users	E	R This proposal reduces the risk of considerable expenditure on a Victorian property - risk of new building being used to capacity in future years. Politically sensitive.	None	36	Capital improvement estimated £110K reqd to improve Burbank Community House.Demolition of Bridge costs TBD	Tbd
Warren Road	Deletion of Day Opportunity Clerk post	S	R High ER/VR or redeployment	1 Fte (continue to invest in Modern Apprentice and administrative role	20	Potential Redundancy costs	Tbd
Transport	Reprovision of service to achieve quality and flexibility (savings between 3-15%)	E	A High - Tender and/or potential impact on staff in HBC fleet	Impact on fleet staff Responsibility on Service staff to co-ordinate transport	75		
Sport & Recreation	Closure of Eldon Grove Community Sports Centre	S	A Services relocated into Brierton Community Sports College and other Community Service property. The risk relates to the successful devt of the management SLA with Brierton Sports College to enable 1st April 07 commencement. Potentially politically sensit	Potential for staff redundancies however these are expected to be absorbed into recurring vacancies within other Sports Centre premises.	30	May include change requirements to Eldon Grove should other Service depts seek to relocate office based activity into vacated premises - ultimately leading to alternative premises savings elsewhere. Also potential for staff retention in short term unt	None

PROPOSED SAVING AT 3%, 4% AND 5%**ADULT AND COMMUNITY SERVICES**

Budget Heading	Description of Efficiency/Saving	Efficiency/Saving Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/ saving £'000's	Description of one off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000
Sport & Recreation	Change of Vending service provision from internal to contracted out within Sports Centres	E A	Savings targets may not be realised dependent upon turnover and contract.	None expected - may involve hours reduction or p/t redundancy if cannot be absorbed within service	17	Potential redundancy if cannot be absorbed	tbd
Culture , Heritage & Grants	Freeze Community Pool	S A	No specific risk, however Community Sector are currently undergoing a funding crisis in certain areas leading to increased pressure on the Fund. Politically sensitive.	None within HBC	12	None	None
Community Centres	Reduction of service cost by reduction of maintenance and premises costs	S A	Risk of service premises rapidly deteriorating - particularly as this cost saving excludes Bridge and Burbank which are affected elsewhere	None	20	None	None
Culture , Heritage & Grants	Close Art Gallery and TIC on Sundays and Bank Holidays	S A	Negative impact on visitor perception and the Tourism regeneration economy. Reduced visitor figures re BV PI targets. Potential sensitivity owing to Tall Ships bid.	None directly - however salary enhancements affected and contract hours recycled elsewhere in service. Loss of enhancements protected for 18 months	8	None	None
Staff Development	Reduce course fees and training expenditure	S G	Front line staff will not be able to maintain skills and knowledge, and risk failure to meet minimum statutory standards.	None	12	None	
Sport & Recreation	Increased income potential over service as a whole, over inflation	S G	Risk of non achievement through lower than anticipated user levels	None	10	None	None
Parks & Countryside	Closure of Ward Jackson and Burn Valley toilets	S G	Reduces the contract sum payable to Neighbourhood Services but meets the recent WC Strategy recommendations as proposed by Neighbourhood Services. Ward J Park will have café Toilets during café opening hours and Burn Valley toilets are currently close	No impact in Adult & Community Services - potential impact on Neighbourhood Services Strategy (WC)	8	None	None
Library Services	Review of Delivered services leading to greater efficiency in the provision of Mobile Library / Bookbus / Home Delivery Service	E G	The review is expected to deliver a more efficient routing and delivery of service and will reduce the number of vehicles required due to the changing nature of the service	1 Fte Reduction in one driver - however current cover is restricted to short term contracts in anticipation of the changes.	50	None	None
Library Services	In service reductions of budget across various headings to increase efficiency - out with the Vehicle delivered services	E G	Less flexibility in ability to respond to service changes and developments.	None	15	None	None
Lansdowne Road	Sale of Existing property (not used for service)	S G	Low	None	5	None	
Culture, Heritage & Grants	Revised opening / staffing hours at the Hartlepool maritime Experience - lower hours in winter	S G	Partnership with HMS Trincomalee requires joint agreement, aim is to reduce winter hours when quiet periods identified , potential for some longer hours in summer.	None - move staff to annualised hours and less reliance on the casual / temp staff pool	7	None	None

APPENDIX E

PROPOSED SAVING AT 3%, 4% AND 5%

ADULT AND COMMUNITY SERVICES

Budget Heading	Description of Efficiency/Saving	Efficiency/Saving Risk - Red, Amber, Green	Risk Assessment of implementing efficiency/saving	Impact of efficiency/saving on staffing levels	Value of efficiency/ saving £'000's	Description of one off cost of achieving efficiency/saving	One off cost of achieving efficiency/saving £'000
Culture , Heritage & Grants	Increase level of Hire fees for Commercial hire of Theatre & Halls	S G	Possible loss of bookings due to charge increases	Increases the differential between current community / subsidised hire rates and that of the Commercial hire.	5	None	None
Culture , Heritage & Grants	Reduction in projects fund	S G	Current demand on this support fund and changes to service provision in related premises is achievable with limited impact	None	8	None	None
Day Services	Reconfiguration of Mental Health day opportunities	E G	Low - review underway	Tbd	51	Tbd	Tbd
TOTAL 3%					797		
Support Services	Reduce support for complaints, adult protection, public information, and monitoring of services	S R	Additional pressure on front line staff, fall in quality of provision to vulnerable adults; and loss of reputation/performance ratings	2 Ftes	60	Potential Redundancy costs	Tbd
Multi Link Team	Non filling of current vacancies	E R	Reduces managerial/supervisory capacity in challenging operational area. Impact on delayed discharges may incur reimbursement fines.	2 Fte	45	Potential Redundancy costs	Tbd
Older Peoples Agency - Day Services	Closure of St Cuthbert's Day Centre	S R	Politically sensitive. Possibility of increased home care need for some users and would still need to find alternative service if meeting eligibility criteria.	None	62		
Assessment & Care Management	Reduction from three geographical areas to two reconfiguring management/supervision of service	E R	Reduces managerial/supervisory capacity in challenging operational area. Doesn't fit with locality working but reduces accommodation problems! Potential increase in stress related issues.	3 Fte	104	Potential Redundancy costs	Tbd
TOTAL 4%					1,068		
Community Pool	Further reduction in value of Community Pool	S R	Greater direct impact on Community Groups in receipt of funding. Some voluntary organisations may cease to exist.	Redundancies inevitable in Voluntary Sector	65	None	None
Havelock/ Warren Road	Removal of kitchen facility from day services & replacement of food with cook/chill provision	E R	High - political impact, staffing and potential redundancies ER/VR or redeployment	4.5 Fte	86	Potential Redundancy costs	Tbd
Havelock	Reprovision of existing service to independent sector - set up as voluntary or service user led service	E R	High - political impact, staffing and potential redundancies ER/VR or redeployment	Potential redundancies on TUPE issues.	113	Tupe, ER/VR. Start up costs for new service	Tbd
TOTAL 5%					1,332		