

PLEASE NOTE VENUE AND TIME

SCRUTINY CO-ORDINATING COMMITTEE AGENDA



Tuesday 19th December 2006

at 5.00 pm

**Training Room 3, Municipal Buildings,
Church Square, 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:

Ian Campbell, Iris Ryder and Linda Shields

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To confirm the minutes of the meeting held on 17th November 2006.

4. RESPONSES FROM THE COUNCIL, THE EXECUTIVE OR COMMITTEES OF THE COUNCIL TO REPORTS OF THE SCRUTINY COORDINATING COMMITTEE

No items.

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

5.1 Scrutiny Topic Referral from the Performance Management Portfolio Holder – 'Language Translation and Interpretation Services' – *Scrutiny Manager*

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6. CONSIDERATION OF PROGRESS REPORTS / BUDGET AND POLICY FRAMEWORK DOCUMENTS

- 6.1 2007/2008 Budget and Policy Framework Proposals - *Scrutiny Manager/Chief Financial Officer*

7. CONSIDERATION OF FINANCIAL MONITORING/CORPORATE REPORTS

No items

8. ITEMS FOR DISCUSSION

No items

9. CALL-IN REQUESTS

10. ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT

ITEMS FOR INFORMATION

- i) Date of Next Meeting Friday 5th January 2007 at 1.30pm in the Main Hall, Owton Manor Community Centre, Wynyard Road, Hartlepool

SCRUTINY CO-ORDINATING COMMITTEE

MINUTES

17th November 2006

Present:

Councillor: Marjorie James (In the Chair)

Councillors: Steve Gibbon, Gerard Hall, Pauline Laffey, Ann Marshall, Arthur Preece and Gerald Wistow.

In accordance with Council Procedure Rule 4.2(ii) the following Councillors were in attendance as substitutes: Sheila Griffin for Rob Cook, Carl Richardson for Steve Wallace, Lilian Sutheran for Mary Fleet and Dennis Waller for Jane Shaw.

Resident Representatives:

Ian Campbell, Iris Ryder and Linda Shields

Also Present:

Councillor Peter Jackson, Portfolio Holder for Performance Management

Sarah Diggle, CPA Inspector

Evelyn Leck, Resident Representative

Officers:

Mike Ward, Chief Financial Officer

Charlotte Burnham, Scrutiny Manager

Jonathan Wistow, Scrutiny Support Officer

Angela Hunter, Principal Democratic Services Officer

122. Apologies for Absence

Apologies for absence were received from Councillors Stephen Allison, Caroline Barker, Rob Cook, Mary Fleet, John Marshall, Jane Shaw, Steve Wallace and Edna Wright.

123. Declarations of interest by Members

Councillor Gerald Wistow dedared a prejudicial interest in minute 127 and Councillor Steve Gibbon declared a non-prejudicial interest in minute 127.

124. Responses from the Council, the Executive or Committees of the Council to Reports of the Scrutiny Co-ordinating Committee

None.

125. Consideration of request for scrutiny reviews from Council, Executive Members and Non Executive Members

None.

126. Consideration of progress reports/budget and policy framework documents – Budget and Policy Framework Initial Consultation Proposals 2007/08 – Chief Executive's Department *(Scrutiny Manager)*

The Chair thanked the Portfolio Holder for Performance Management and the individual Scrutiny Forums for their contribution during this consultation process.

At Scrutiny Co-ordinating Committee on 27th October 2006, it was agreed that Executive's Initial Budget and Policy Framework consultation proposals for 2007/08 be considered on a departmental basis by the appropriate Scrutiny Forum. The Chief Financial Officer was in attendance and presented the Chief Executive's departmental pressures and priorities, grant terminations and proposed savings for 2006/07 which were attached by way of appendix. Discussion ensued on the following key issues.

Termination of Grant Regimes

The Chief Financial Officer outlined the SRB grant regime due to terminate which affected the Chief Executive's Department.

Budget Pressures

The Chief Financial Officer informed Members that the pressures identified within Appendix B were unavoidable pressures for the next financial year. Members were concerned that ICT facilities and support for Members had not been incorporated into the contract with Northgate Information Systems. The Chief Financial Officer informed Members that when the contract was initially agreed the infrastructure was not in place to allow secure remote access. This infrastructure was now being progressed and this pressure was identified as the associated cost.

Budget Priorities

The Chief Financial Officer informed Members that top level priorities were identified as services that should be carried out, although not at the same level as a pressure. The implications of the Resourcing of the Scrutiny Function item was discussed and Members acknowledged that checks and balances needed to be in place to ensure this provision was managed correctly, through the Scrutiny Co-ordinating Committee.

Proposed Savings

3%

Members were pleased to note the increased income received due to the annual checks introduced requesting confirmation of eligibility to claim single person discounts for council tax.

4% and 5%

Members sought clarification in relation to the recovery of training costs from employees leaving the Authority and the implementation of the Council-wide policy.

Members were concerned to note that a proportion of the Printing Service was identified within the proposed savings. It was noted that this may not prove cost effective if this service was then required to be outsourced. It was suggested that a reduction in overheads could be achieved by allowing access to the printing service and working in partnership with the voluntary and community sector.

A discussion took place in which Members noted that consideration needed to be given to whether all services should be required to make the same level of cuts. If the higher level of savings was agreed, it was suggested that an opportunity to re-examine this be provided for Members. The Chief Financial Officer informed Members that the timescales involved may not allow for extra consideration to be given to the budget during this consultation process, but this may be looked at for the future.

Members emphasised the importance of retaining core staff and suggested that a mechanism be implemented where current staff levels and redeployment were examined during the recruitment process.

Decision

That the Chief Executive's Departmental Initial Budget and Policy Framework proposals for 2007/08 were supported in principle, alongside the comments and observations outlined below.

a) Termination of Grant Regimes

It was proposed to accept the mainstreaming of the services currently

provided via SRB grant as detailed in Appendix A.

b) Budget Pressures

It was proposed to accept the budget pressures as identified within Appendix B.

c) Budget Priorities

It was proposed to accept the budget priorities as identified within Appendix C. However, whilst it was acknowledged that the Resourcing of the Scrutiny Function was identified by Scrutiny Members at a Joint Cabinet/Scrutiny Event held on 21st September 2006, Members reiterated the importance of a dedicated budgetary provision for the function to assist in the maintaining of its independence and future development.

d) Savings – 3%, 4% and 5%

Members supported the savings as identified within Appendix D, in particular the annual review into the reduction of the number of single persons discounts to increase the Council tax income. Further information was sought in relation to the proposed savings at the 5% level and concern was expressed with regard to the ad hoc approach currently adopted in the recovery of training costs from employees leaving the Authority and supported the proposal to implement the policy council-wide.

127. Consideration of progress reports/budget and policy framework documents – Budget and Policy Framework Initial Consultation Proposals 2007/08 – Feedback from the Authority’s Overview and Scrutiny Committees *(Scrutiny Manager)*

The Scrutiny Manager reported that as part of the Budget and Policy Framework initial consultation proposals for 2007/08, the Scrutiny Co-ordinating Committee and the four Scrutiny Forums were to feedback their comments/observations, with regard to individual departmental pressures and priorities, grant terminations and proposed savings, which were attached by way of appendix. Members were largely supportive of the identified budgetary pressures and priorities, grant terminations and proposed savings, however a number of concerns/comments were outlined within the reports.

Children’s Services Scrutiny Forum

In the absence of the Chair, the Vice-Chair of the Children’s Services Scrutiny Forum presented the issues considered at their meeting on 8th November 2006. Members were supportive of the budget pressures, priorities and savings identified up to the level of 3% which were presented to the Forum by the Director of Children’s Services. However, they felt that the savings identified at 4% and 5% would have a seriously detrimental

effect on the services provided by the Children's Services Department in particular, with regard to the Attendance Team and School Improvement Team. It was noted that the proposed saving in the school improvement service would also result in the loss of match funding. Members highlighted the need for close monitoring of any over/underspend on the Budget and Policy Framework proposals

Regeneration and Planning Services Scrutiny Forum

In the absence of the Chair, a Member of the Scrutiny Forum presented the issues considered at their meeting on 13th November 2006. Members of the Forum were supportive of the proposed package of budget pressures and priorities and budget provision to cover grant terminations which were presented to the Forum by the Director of Regeneration and Planning Services and requested some additional provision. However, Members expressed significant concerns in relation to the proposed savings. Detailed comments were included within the report and a number of general comments were fed into this meeting in relation to:

- (i) Land Registration Officer (LRO) – this priority should not only be met, but should have additional funding identified.
- (ii) Economic Development Marketing Budget – reductions should be avoided due to the importance of this activity, especially in relation to the forthcoming Tall Ships Race.
- (iii) Hartbeat – Members requested further consideration of this budget to examine the potential of additional funding and the reduction in printing costs.

Whilst it was acknowledged that the consultation process was within a very tight timeframe, it was noted that this process would be included within the Overview and Scrutiny Committees work programme in the future.

Adult and Community Services and Health Scrutiny Forum

The Chair of the Adult and Community Services and Health Scrutiny Forum, declared a prejudicial interest in a section of Appendix E on item 5.2, although this particular section was not discussed at the meeting.

Members of the Forum were largely supportive of the identification of budget pressures and priorities, grant terminations and proposed savings which were presented to the Forum by the Director of Adult and Community Services. A number of additional comments were detailed in the report and the following were highlighted at the meeting:

- (i) Eldon Grove Community Sports Centre – that alternative uses for the building be examined to prevent future problems of dereliction and vandalism.
- (ii) Art Gallery and Tourist Information Centre – that alternative opening/closing times be considered as it was felt that Sunday and Bank Holiday closures would have a detrimental impact on tourism.

- (iii) Proposed implementation of Fair Access to Care Services (FACS) – Members reserved comment in relation to this issue as it was currently being considered by the Scrutiny Forum.

Neighbourhood Services Scrutiny Forum

The Chair of the Neighbourhood Services Scrutiny Forum presented the issues considered at their meeting on 15th November 2006. Members of the Forum were largely supportive of the proposed package of budget pressures, priorities, grant terminations and proposed savings which were presented to the Forum by the Director of Neighbourhood Services. A number of comments/concerns were raised and these were outlined within the report and the following were highlighted at the meeting:

- (i) Car Parking, increase in resident permit charges – that alternatives be explored to identify resources from motorists.
- (ii) Closure of all public conveniences – Cabinet were asked to examine the proposals put forward by this Forum, which emphasised the importance of improving provision in tourist areas.
- (iii) Sponsorship be examined in relation to grant terminations

Members were reminded that prior to the amalgamation of Scrutiny Co-ordinating Committee and the Resources Scrutiny Forum, an investigation had been undertaken into parking permits. One of the recommendations from this inquiry was that a Residents and Business Panel be created to form part of the decision-making process in relation to permit charges, with a view to initially reporting back to Scrutiny Co-ordinating Committee. Further information was requested to ascertain what progress had been made with regard to the implementation of this Residents and Business Panel. It was suggested that this concern be raised at the Joint Cabinet/Scrutiny meeting scheduled for 28th November 2006. It was also suggested that parking arrangements needed to be examined generally to ensure fairness for everyone.

The Scrutiny Manager outlined the process for the further consideration by the Overview and Scrutiny Forums of the Executive's finalised budget proposals which included the formal response of this Committee, based on the findings discussed today, would be considered by Cabinet on 4th December 2006. The Executive's finalised budget proposals would then be submitted to this Committee for consideration on 19th December 2006.

The Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums would then repeat the same process followed for the initial budget consultation proposals to enable consideration to be given to the Executive's finalised budget proposals for 2007/08 in early January 2007 with the intention of presenting a formal response to the meeting of the Cabinet on 5 February 2007.

Whilst it was acknowledged that the Scrutiny Co-ordinating Committee received detailed Budget Outturn reports on a quarterly basis Members

suggested that it would also be useful for the four standing Scrutiny Forums to see these reports in the future. It was agreed that the Scrutiny Manager would explore the possibility of such practice and report back to a future meeting of the Scrutiny Chairs.

Decision

- (i) That the written and verbal comments received from the Overview and Scrutiny Committees on the initial consultation of the Initial Budget and Policy Framework proposals for 2006/07 be received and form the basis of the Scrutiny Co-ordinating Committee's formal response to be presented to the Cabinet, at their meeting on 4th December 2006.
- (ii) That the non-establishment of a Residents and Business Panel in relation to the proposal of the Executive to increase the cost of car parking permits be raised at the next Joint Cabinet and Scrutiny meeting to be held on 28th November 2006.
- (iii) That exploratory discussions be held between key officers and the Scrutiny Chairs in relation to quarterly budgetary monitoring reports being considered on a departmental basis by the appropriate Scrutiny Forum.

128. Consideration of financial monitoring/corporate reports

None.

129. Initial Response to Interim Report – Response to Hartlepool PCTs Consultation on its Proposed Management Arrangements *(Chair of Adult and Community Services and Health Scrutiny Forum)*

The Chair of the Adult and Community Services Scrutiny Forum presented a report which updated Members of the initial response of the Scrutiny Forum's interim report in response to Hartlepool PCT's (HCPT) consultation around its proposed management arrangements.

A response was received from the Chairman of the HPCT indicating that they were unable to respond to the Forum's report within the 28 day statutory period due to the fact that 'it was such a lengthy report and was somewhat impenetrable'. The Forum did not accept this criticism and believed that the report was very well laid out and clearly written. It was suggested that an extension to the consultation timetable be negotiated by the Scrutiny Team and the HPCT to reach an agreement to when a response would be received.

Members were disappointed with the response from HPCT and noted that it was imperative to have a good relationship with HPCT to ensure the interests of the people of the Town are at the forefront of any decisions

taken.

Decision

- (i) Members noted the content of the report and verbal update.
- (ii) That an extension to the consultation timetable be negotiated by the Scrutiny Team and HPCT to reach an agreement to when a response would be received.

130. Call-In Requests

None.

MARJORIE JAMES

CHAIR

SCRUTINY CO-ORDINATING COMMITTEE

19 December 2006



Report of: Scrutiny Manager

Subject: SCRUTINY TOPIC REFERRAL FROM
PERFORMANCE MANAGEMENT PORTFOLIO
HOLDER – 'LANGUAGE TRANSLATION AND
INTERPRETATION SERVICES'

1. PURPOSE OF REPORT

- 1.1 To inform Members of the Scrutiny Co-ordinating Committee of the recent scrutiny topic referral from the Performance Management Portfolio Holder to the Overview and Scrutiny Function.

2. BACKGROUND INFORMATION

- 2.1 As outlined within the Authority's Constitution, the Scrutiny Co-ordinating Committee has a mandatory obligation to consider referrals from Council, Cabinet and individual Cabinet Members within the timescale prescribed.
- 2.2 As such at a meeting of Performance Management Portfolio on 18 September 2006, consideration was given to the Authority's progress in providing translation and interpretation services to service users and to request endorsement of the actions that had proposed.
- 2.3 At this meeting it was agreed that 'the issue be referred to Scrutiny Co-ordinating Committee to allow Members the opportunity to help develop the strategy and arrangements' (Minute 50 refers).

3. RECOMMENDATION

- 3.1 In line with Council procedure, it is recommended that the Scrutiny Co-ordinating Committee considers the appropriateness of undertaking a scrutiny investigation into this matter and if felt appropriate, incorporates the issue within its current Work Programme for 2006/07.

Contact Officer:- Charlotte Burnham – Scrutiny Manager
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BACKGROUND PAPERS

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

- (i) Report of the Chief Personnel Services Officer entitled 'Language Translation and Interpretation Services' presented to the Performance Management Portfolio Meeting held on 18 September 2006; and
- (ii) Minutes of the Performance Management Portfolio Holder Meeting held on 18 September 2006.

SCRUTINY CO-ORDINATING COMMITTEE

19 December 2006



Report of: Scrutiny Manager/Chief Financial Officer

Subject: 2007/08 BUDGET AND POLICY FRAMEWORK
PROPOSALS

1. PURPOSE OF REPORT

- 1.1 To receive the Executive's Budget and Policy Framework proposals, which is attached at Appendix 1 and to consider in particular the proposals for the Chief Executive's Department.

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 The initial consultation was successfully achieved through consideration of the initial budget proposals on a departmental basis across each of the Scrutiny Forums. These comments were fed back into Scrutiny Co-ordinating Committee on 17 November 2006. Following detailed discussions of these, Scrutiny Co-ordinating Committee agreed Scrutiny's response to Cabinet, which was fed back to Cabinet on 4 December 2006.
- 2.3 Following consideration of Scrutiny's response to the initial budget proposals the Executive is due to finalise / agree its budget proposals at the meeting of Cabinet on 18 December 2006. The budget proposals are attached as **Appendix 1**. Any alterations / additions (following Cabinet's meeting) to the attached report will be made verbally during this meeting.
- 2.4 Whilst this Committee will receive the entire Budget and Policy Framework proposals the main purpose of today's meeting is for this Committee to consider the budget proposals for the Chief Executive's Department.
- 2.4 In addition, each of the Scrutiny Forums will again have the opportunity to comment on each of the Authority's Departments

budget proposals. The Forums will meet on the following dates to consider these proposals:

- Children's Services Scrutiny Forum - 8 January 2007;
- Neighbourhood Services Scrutiny Forum - 10 January 2007;
- Adult & Community Services & Health Scrutiny Forum - 16 January 2007; and
- Regeneration and Planning Services Scrutiny Forum - 18 January 2007.

- 2.5 Following the Forums' consideration of the Executive's Finalised Budget and Policy Framework proposals for 2007/08, the Scrutiny Co-ordinating Committee at its meeting on 19 January 2007 will determine its formal response (based on the written comments of the Scrutiny Forums considered earlier in that meeting) to presented to the Cabinet on 5 February 2007.

3. RECOMMENDATION

- 3.1 That Scrutiny Co-ordinating Committee receives this report, and focuses particular attention on the Chief Executive Department's Budget and Policy Framework proposals as outlined in **Appendix 1**.

4. BACKGROUND PAPERS

No background papers were used in production of this report.

5. CONTACT OFFICER

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CABINET REPORT

18th December, 2006



Report of: Corporate Management Team

Subject: 2007/2008 BUDGET AND POLICY FRAMEWORK PROPOSALS

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To enable Cabinet to determine the draft 2007/2008 Budget and Policy Framework Proposals to be referred for formal scrutiny.

2. SUMMARY OF CONTENTS

- 2.1 The report provides an update of the issues affecting the development of the 2007/2008 Capital and Revenue budgets. In respect of the capital budget proposals the report suggests how the resources previously identified could be allocated.
- 2.2 The revenue forecasts have been updated to reflect the announcement of the provisional 2007/2008 formula grant allocation and local factors. On this basis and assuming Members continue to support the previously identified expenditure commitments (terminating grants, pressures and priorities) and a 4.9% Council Tax increase the net budget gap has reduced to £2.044m, which equates to 3.2%. On this basis Members need to determine the detailed savings to be implemented to balance the budget.

3. RELEVANCE TO CABINET

- 3.1 The report enables Cabinet to determine the draft Budget and Policy Framework Proposals it wishes to put forward for scrutiny.

4. TYPE OF DECISION

- 4.1 Key.

5. DECISION MAKING ROUTE

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

6. DECISION(S) REQUIRED

- 6.1 Cabinet is required to determine its proposals.

Report of: Corporate Management Team

Subject: 2007/2008 BUDGET AND POLICY
FRAMEWORK PROPOSALS

1. PURPOSE OF REPORT

- 1.1 To enable Cabinet to determine the draft 2007/2008 Budget and Policy Framework Proposals to be referred for formal scrutiny.

2. BACKGROUND

- 2.1 At your meeting on 23rd October, 2006, Members approved details of the initial Budget and Policy Framework Proposals. These proposals were then put forward for consultation with:

- Scrutiny Co-ordinating Committee;
- Hartlepool Trade Unions and Business Sector representatives;
- The Diversity Group; and
- Neighbourhood Forums

- 2.2 Details of Scrutiny Co-ordinating Committee's response to the consultation proposals were reported to your meeting on 4th December, 2006. Details of responses from the other consultees are detailed later in this report to enable Members to consider these issues before determining the draft 2007/2008 Budget and Policy Framework Proposals to be referred for formal scrutiny.

- 2.3 The report also provides details of the provisional formula grant allocation for 2007/2008 and an update of other factors affecting the initial budget forecasts.

3. 2007/2008 CAPITAL BUDGET PROPOSALS AND FUNDING FOR ONE-OFF COMMITMENTS

- 3.1 Members previously determined to allocate the following resources to meet one-off commitments and to address capital investment needs:

	<u>£'000</u>
• LPSA Reward Grant	568
• Unsupported Prudential Borrowing	1,200
• Capital Receipts	500

- 3.2 As indicated in the previous budget report the LPSA Reward Grant can be used for both revenue and capital expenditure, whereas the other available funding can only be used for capital expenditure.
- 3.3 During the development of the initial budget proposals a number of one-off revenue expenditure commitments were identified. As funding for these items is not required on a sustainable basis these items were not included as revenue pressures or priorities. Therefore, it is suggested that these commitments, which total £374,000 as detailed in Appendix A be funded from the LPSA Reward Grant.
- 3.4 It is also suggested that the remaining LPSA Reward Grant of £194,000, be earmarked to meet Termination costs. This proposal will provide resources to meet potential temporary redeployment costs, or early retirement costs/redundancy costs which may arise as a result of the savings which need to be implemented in 2007/2008. Further work will need to be undertaken to determine if this provision is adequate once Cabinet has determined the overall 2007/2008 budget package. These details will be reported in February. In the event that the whole of this provision is not needed in 2007/2008 it is suggested that any uncommitted resources be carried forward to meet similar costs which will undoubtedly arise in 2008/2009.
- 3.5 With regard to the allocation of the capital resources further work needs to be undertaken to prioritise specific projects. However, in order to enable this work to be progressed it is suggested that proposed schemes be identified within the following four themes:
- Operation Buildings: Schemes will address backlog maintenance issues;
 - Non-operational Assets;
 - Highways;
 - Amenity Land
- 3.6 It is also suggested that for planning purposes the available 2007/2008 capital resources be allocated equally across the four themes, which equates to £425,000 per theme. These initial allocations will need to be reviewed once detailed priorities for individual themes have been identified to ensure resources are budgeted at the highest priorities.
- 3.7 Details of potential schemes are summarised at Appendix B.
- 3.8 Members have previously been advised that the element of the above resources funded from capital receipts cannot be committed until the position on capital receipts is more certain. This position is dependent upon the sale of the revised Briarfields site and the Barlows site. Following the recent decision to sell the revised Briarfields site the risk of capital receipts not being achieved in

2007/2008 has reduced. Therefore, it is suggested that Members can commit the additional capital receipts of £0.5m. However, as a fallback position it is suggested that the 2007/2008 Prudential Limit include provision for these receipts being temporarily delayed.

- 3.9 The suggested themes do not provide any funding for Housing Market Renewal activity despite the restricted funding available over the next fifteen months against identified needs and community expectation. These works will need to be funded by attracting SHIP/HMR funding from 2008/2009 onwards (subject to Comprehensive Spending Review) and in some cases match funding contributions, for example from the VAT Shelter where this is supported by Housing Hartlepool. It appears however that the Regional Housing Board and other funders, may expect a “modest” contribution from local authority’s main programmes towards capital schemes, if these are to be supported. The absence of such provision may therefore adversely affect the chances of securing funding post 2007/2008.
- 3.10 In order to allow the sensitive management of the existing programme, the Council may wish to consider providing further “bridging finance” to address timing differences between expenditure and the achievement of capital receipts, although the costs of this option would need to be identified and factored into future years revenue budget requirements. A detailed report of future priorities for Housing Market Renewal will be submitted to Cabinet early in the New Year. This will enable Members to consider this issue before committing the available 2007/2008 Capital resources.
- 3.11 Similarly, the proposals do not provide resources for Coast Protection works as the available resources will not enable any meaningful schemes to be implemented. The Council therefore needs to continue to pursue national funding for major Coast Protection works and this funding will only be secured if projects are assessed as a priority by the Government.
- 3.12 The Director of Neighbourhood Services has identified that further drainage works need to be undertaken to additional areas of Stranton Cemetery as detailed at Appendix C. It is estimated that these works will cost £171,000 and it is proposed to fund these costs from Prudential Borrowing. The Director of Neighbourhood Services has indicated that the annual repayment and interest costs of this Prudential Borrowing will need to be funded from an increase in cemetery and crematoria income fees. The proposed increase will be referred to the Adult and Public Health Portfolio Holder.

4. 2007/2008 REVENUE BUDGET UPDATE

- 4.1 Details of the provisional 2007/2008 formula grant allocations were announced on 28th November, 2006 and the Local Government

Minister has confirmed the indicative allocation of £43.49m announced in January, 2006. In cash terms this is an increase of 3.7% on the 2006/2007 grant allocation; 4.4% when account is taken of a technical adjustment to the 2006/2007 allocation.

- 4.2 The Local Government Minister has stated that as the grant formulae have not changed, the Minister will not be meeting with individual authorities. However, the Minister has indicated that authorities can make written representations by 5th January, 2007. It is suggested that the Council responds as detailed at Appendix D, which basically outlines our continued concerns at the floor damping arrangements.
- 4.3 The Department for Work and Pensions (DWP) have also announced details of the Housing Benefit and Council Tax Subsidy grant allocation for 2007/2008. The initial budget forecasts had included a corporate saving of £150,000 in respect of increased grant income towards the cost of administering the benefit system. This saving was dependent on the continuation of current grant levels. The DWP recent announcement is not favourable and grant income will be cut in cash terms by £40,000, an effective reduction of £190,000 from the anticipated level. It is therefore suggested that the loss of DWP grant be funded as a corporate pressure.
- 4.4 On a more positive note we have received confirmation from Middlesbrough Borough Council that there will not be an increase in the Employers Pension contribution rate for 2007/2008. The initial forecasts for 2007/2008 include £0.426m to cover a potential increase in the employer's pension rate from 1st April, 2007 of 1%. This amount will not now be needed for 2007/2008 and can be used to offset the loss of DWP grant and the balance used to reduce the budget gap. A formal valuation of the Pension Fund will be undertaken as at 31st March, 2007 and this will determine the employers rates for 2008/2009, 2009/2010 and 2010/2011. Clearly, if there is an increase in pension rates from 2008/2009 the loss of this provision from the base budget will mean there is a new pressure in 2008/2009.
- 4.5 In addition, the Council Tax base is marginally higher than anticipated and this will increase Council Tax income by £100,000. This amount can also be used to reduce the budget gap.
- 4.6 Assuming the above factors are reflected in the budget forecast the revised 2007/2008 gap is summarised below:

Initial Gap	£2.380m (3.7%)
Add loss DWP Grant	£0.190m
Less Reduction in Pension Costs	(£0.426m)
Less Increase in Council Tax Income	(£0.100m)
Revised Gap	£2.044m (3.2%)

4.7 The revised gap assumes that Members support the previously identified expenditure commitments relating to:

- Grant Regime Terminations – Appendix E
- Pressures – Appendix F
- Priorities – Appendix G

4.8 The revised budget gap will need to be bridged by implementing efficiencies and cuts from the proposals previously identified. These items, which total up to 5%, are detailed at Appendix H. Cabinet needs to determine the detailed measures to be implemented. Once this list has been compiled officers can determine the impact on staffing levels and commence the necessary preparations to achieve these savings from 1st April, 2007. This will include, if necessary, the issue of statutory redundancy notices, although these will not be confirmed until the Budget and Policy Framework Proposals are approved by Council in February, 2007.

4.9 Corporate Efficiency Strategy

4.10 The previous report indicated that corporate efficiencies of £1.1m had been included in the overall budget forecast. Further work has been completed to identify specific measures to achieve this target as follows:

	<u>£'000</u>
• Older People Residential Procurement	400
• Insurance Procurement	200
• General Procurement	200
• ICT – Financial Management System and Contact Centre	200 (net)
• Transport Procurement	<u>100</u>
	<u>1,100</u>

4.11 Review of Salary Turnover Allowance

4.12 The corporate Salary Turnover Allowance for 2006/2007 is £0.781m and reflects the increases applied in previous budget rounds as follows:

- 2004/2005 budget package included an increase of £300,000 to reflect the establishment of the Vacancies Panel;
- 2005/2006 budget package included an increase in target of £150,000.

4.13 The annual target is increased by inflation for pay and pension costs. In 2005/2006 Departments also made additional increases in department's targets as part of their detailed budget savings.

- 4.14 Details of actual performance for 2004/2005 and 2005/2006 are summarised below, together with details of the forecast outturn for the current year.

	Target	Variance from Target Adverse/ (Favourable)
	£'000	£'000
2004/2005	517	71
2005/2006	741	119
2006/2007	781	(2)

- 4.15 The above table indicates that the turnover targets were not achieved in 2004/2005 and 2005/2006. In overall terms it is expected that the 2006/2007 target will be achieved in total, although Neighbourhood Services will not achieve its target. There would therefore be a significant risk of not achieving a higher target. In addition, any increase in the target will adversely affect workloads, performance, stress and absence levels.

- 4.16 It is therefore suggested that the existing target of approximately £800,000 is the maximum achievable, particularly given the anticipated budget position over the next few years which will require reductions in establishment levels, hopefully through natural wastage/redeployment.

4.17 Consultation Feedback

- 4.18 Scrutiny Co-ordinating Committee submitted a report to your last meeting detailing its response to the draft Budget and Policy Framework Proposals put forward for consultation. This report indicates that Scrutiny Co-ordinating Committee support, with the exception of four items, the proposed 3% efficiencies and cuts. If Cabinet determine not to implement these four items the available 3% cuts reduce to £1.719m, as summarised below:

	Efficiency £'000	Cut £'000	Total £'000
Value of 3% items referred to Scrutiny	1,153	773	1,926
<u>Less</u> Items not supported by Scrutiny			
• Resident Car Parking Increases	(90)		(90)
• Reduction in Economic Development Marketing Budget		(10)	(10)
• Reduction in Home Care Service		(95)	(95)
• Freeze Community Pool		(12)	(12)
	1,063	656	1,719

- 4.19 If Cabinet determine not to implement the above four savings the available 3% savings will cover 84% of the reductions required to balance the budget. The relevant Directors will comment verbally on the implications of not implementing these items. The resulting shortfall of £325,000 will need to be achieved by implementing some of the measures identified at the 4% or 5% level.
- 4.20 Scrutiny Co-ordinating Committee also indicated that they did not support a number of specific proposals at the 4% and 5% level. These items, together with the 3% items detailed above, are highlighted by shading in the column headed “value of efficiency/saving” shown at Appendix H.
- 4.21 Details of the consultation feedback from the other consultation meetings are detailed in Appendix I to K, as follows:
- Appendix I – Consultation with Business Sector Representative
Appendix J – Consultation with Neighbourhood Forums
Appendix K – Consultation with Minority Groups
- 4.22 It is suggested that Cabinet determines its response to the various issues raised by the various consultees.
- 4.23 The consultation meeting with the Trade Unions did not take place owing to the unions withdrawing from the process.
- 4.24 The decisions reached by Members at your meeting on 18th December, 2006, will be referred for formal scrutiny. It is also suggested that the Trade Unions, Business Sector and minority representatives be invited to a further consultation meeting.

5. DIVERSITY IMPACT ASSESSMENT

- 5.1 As part of the Council's commitment to achieving Level 3 of the Equality Standard in March, 2008, a Diversity Impact Assessment of proposed changes to the budget needs to be undertaken. The aim of this assessment is to predict the impact of the change from an equality/diversity perspective (which could be positive or negative) and whether this has a differential effect on one or more minority groups. It is also necessary to identify measures which might mitigate against any differential impact or alternative policies that might better promote equal opportunities. This will be a developing process and has commenced for 2007/2008 with a consultation meeting with representatives from the diversity group. The minutes from this meeting are detailed at Appendix K.
- 5.2 It is proposed that further work will be undertaken to assess the diversity impact of the budget pressures, priorities and efficiencies/cuts which Cabinet determines they wish to submit for

formal Scrutiny. These details will then be included in the final budget report submitted to Cabinet in February, 2007.

6. BUDGET TIMETABLE

6.1 Following your meeting today the key milestones for finalising the budget proposals for 2007/2008 are summarised below:

- 19th December, 2006 – Scrutiny Co-ordinating Committee commences formal consultation period.
- 9th February, 2007 – Cabinet finalises Budget and Policy Framework proposals to be referred to Council.
- 15th February, 2007 – Council considers Cabinet's Budget and Policy Framework proposals.

7. CONCLUSION

7.1 The Department for Communities and Local Government has confirmed the indicative grant allocation for 2007/2008 of £43.49m announced in January, 2006. In cash terms this is an increase of 3.7% on the 2006/2007 grant allocation; 4.4% when account is taken of a technical adjustment to the 2006/2007 allocation.

7.2 When account is taken of a reduction in the DWP Benefit Subsidy Grant and favourable local factors in relation to the Employer's Pension contribution rate and the Council Tax base the revised budget gap is £2.044m, which equates to a reduction of 3.2%. This assumes a 4.9% Council Tax increase and is marginally lower than the estimated gap of £2.380m, a reduction of 3.7%.

7.3 Members need to confirm the proposed 2007/2008 Council Tax increases and determine the detailed efficiencies and cuts they propose to implement. These proposals will then be put forward for formal scrutiny.

7.4 It is assumed that Cabinet supports the previously identified terminating grants, pressures and priorities. These items will also be referred for formal scrutiny.

7.5 Assuming Members approve the revised proposals for bridging the 2007/2008 budget gap the initial forecasts for 2008/2009 and 2009/2010 will remain unchanged, as the 2007/2008 budget will be balanced with a difference combination of sustainable savings. The 2008/2009 and 2009/2010 initial budget shortfalls are summarised below. These forecasts are based on indicative annual Council Tax increases of 4.9%. These forecasts are also based on a prudent assumption of Government grants, a pessimistic outlook of the continuation of the floor damping arrangements and without reflecting new efficiencies. On the downside the forecasts do not include any provision for local pressures, such as increased funding for

terminating grants, pressures, priorities, an increase in the employers pension rate or higher than anticipated costs of implementing Single Status.

	<u>2008/09</u> <u>£'000</u>	<u>2009/10</u> <u>£'000</u>
3% Base Budget 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
2% 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. RECOMMENDATIONS

8.1 It is recommended that Members:

- i) approve the proposal to earmark the uncommitted LPSA Reward Grant to fund one-off commitments (£374,000) and termination costs (£194,000);
- ii) approve the allocation of the capital resources to the four themes identified in paragraph 3.4, subject to a further report once detailed schemes have been identified;
- iii) note the position with regard to Housing Market Renewal activity (paragraph 3.9 and 3.10);
- iv) approve the use of Prudential Borrowing to fund further drainage works at the cemetery which will be repaid from an increase in cemeteries and crematorium income, subject to approval by the Adult & Public Health Portfolio Holder (paragraph 3.10);
- v) confirm the indicative 2007/2008 Council Tax increase of 4.9%;
- vi) approve the revised strategy for bridging the budget gap as detailed at paragraph 4.6 and determine the detailed savings package to achieve the required 3.2% reduction (£2.044m), taking account of Scrutiny Co-ordinating Committee's comments on the initial efficiencies and costs;
- vii) authorise CMT to take action to enable savings to be implemented from 1st April, 2007, subject to these proposals being approved by Council in February, 2007, including the identification of early retirement/redundancy costs;
- viii) approve indicative Council Tax increases for 2008/2009 and 2009/2010 of 4.9%.

APPENDIX A

SCHEDULE OF ONE-OFF REVENUE COMMITMENTS

	One-off Revenue Commitments
	£'000
<u>Funding</u>	
LPSA Reward Grant (capital element)	568
Total Resources	568
<u>Expenditure Commitments</u>	
<u>One-off pressures</u>	
Tree works after tree survey	40
Verge maintenance Tree works	60
Allotment maintenance backlog	20
Headland Paddling Pool and adventure play area maintenance	8
Burn Valley drainage repairs	
Carefirst Upgrade to v6 web-based system	56
Outdoor Play area maintenance backlog	20
Community Strategy/LAA	40
Housing Needs survey	30
Housing Condition survey	50
Repair costs of Incinerator	50
<u>Other</u>	
Termination costs provision	194
Total Commitments	568
Uncommitted resources	0

SCHEDULE OF POTENTIAL CAPITAL SCHEMES

	Capital Programme				
	Operational Buildings	Non -Operational Buildings	Highways	Amenity Land	Total Capital Schemes £'000
<u>Funding</u>					
Prudential Borrowing and Capital Receipts	425	425	425	425	1700
Total Resources	425	425	425	425	1700
<u>Expenditure Commitments</u>					
Refurbishments of Burbank Community Centre (£120K) and demolition of Bridge Community Centre (£130k)	120	130			250
Seaton Bus Station				150	150
Multi-storey car park		300			300 (1)
Demolition of Historic Quay Toilets		?			? (2)
Demolition Eldon Grove Sports Centre		?			? (2)
Owton Manor Lane shops				50	50
Highways issues			?		? (2)
Address backlog of Priority 1 repairs to Council buildings	300				300
Uncommitted /(overcommitted) resources	5	(5)	425	225	650

Notes

1) Cabinet have previously been advised that further works to the multi-storey car park will be required. Officers are investigating the options for funding these works, including the potential disposal of the multi-story car park to the shopping centre owners. Initial indications suggest that these alternatives will not be viable and the Council will be required to undertake these works. It would therefore be prudent to make provision for this potential liability, which is estimated to be £950,000. Cabinet has previously earmarked the uncommitted 2006/07 capital contingency of £288,000 towards the cost of these works. It is suggested that the remaining cost be spread over 2007/08 (£300,000) and 2008/09 (£362,000).

2) Estimated costs have not yet been determined.

DRAINAGE AT STRANTON GRANGE AND WEST VIEW CEMETERIES

1. BACKGROUND

1.1 Stranton Grange Cemetery

On 11th July 2003, the Environmental Stewardship and Regeneration Scrutiny Forum initiated a series of meetings to consider the issue of flooding in Hartlepool which included Stranton Grange Cemetery.

A drainage survey which identified the necessary works to the existing site and the Western extension of Stranton Cemetery was undertaken following approval by the Town Management Portfolio Holder on 1st August 2003.

The Environmental Stewardship and Regeneration Scrutiny Forum focused on the issue of Stranton Cemetery at their meeting of 30th March 2004 following which, a report was submitted to Cabinet on 4th May 2004 and the necessity for the works identified was agreed.

Funding for the first phase of works was secured through prudential borrowing and the works are now completed.

The numbers of complaints which are received concerning the drainage at the cemetery has reduced considerably. However, there are still problems at the site which will only be remedied by instigating the second phase of works.

A substantial amount of the funding secured previously was to prepare the Western Extension for burials. This work was a priority to enable the drainage to be in place prior to interments being undertaken.

The majority of complaints now being received are concerning the existing burial sites where the bereaved are visiting graves of loved ones.

A report has been prepared by the Engineering Consultancy and identifies the need to undertake works to provide land drains to the existing burial site, drainage to existing access ways and necessary gully works.

1.2 West View Cemetery

Following reports of flooding at the South Eastern corner of the cemetery, initial investigations were undertaken and proved the existing system to be substantially blocked and manholes surcharging following periods of heavy

rainfall. Extensive ponding (200mm deep) was also observed both on the roadway and adjacent burial plots.

Some works have been undertaken to alleviate the situation but it is estimated that a further £12,500 is required to complete remedial works which include cleaning blocked gullies and installing a new manhole.

Over the last few years, 180 internments have been undertaken on the cemetery extension, an area which has not been provided with access or drainage. In order for future burials to take place further works are needed to provide a Topographical Survey, drainage system and access roadways.

2. FINANCIAL IMPLICATIONS

The estimated total cost for a second phase of works at Stranton Grange Cemetery is £71,000 (including prelims, contingencies and fees).

The estimated total cost for the works at West View Cemetery is £100,000 (including prelims, contingencies and fees).

It is therefore proposed that the works to the cemetery be funded from "prudential borrowing" and the resulting annual loan repayments funded from increased cemetery and crematoria fee income.

APPENDIX D

DRAFT RESPONSE TO LOCAL AUTHORITY FINANCE SETTLEMENT FOR 2007/08

The Council welcomes the stability provided by the Department for Communities and Local Government and confirmation that the Council's formula grant allocation has not changed from the figure announced in January 2006.

However, we continue to be extremely concerned that the Council will lose £1.535 million through the floor damping arrangements, which equates to a grant loss of 3.5%. The floor damping reductions for our neighbouring authorities are much lower, Middlesbrough (1.3%), Redcar and Cleveland (2.9%) and Stockton-on-Tees (2.3%). Whilst, we recognise the need for some damping arrangements these should be on a clear basis and reduce over time. It is perplexing that Hartlepool's floor damping adjustment has actually increased from that applied in 2006/07 of £1.453 million notwithstanding the representations the Council made with you in January. We would therefore request that the Minister reviews this position and develops a strategy for phasing out the floor damping adjustment over the life of the next 3 year Local Authority Finance Settlement.

We are also disappointed that the Department for Work and Pensions has not felt itself able to match your departments' commitment to stability, as they have reduced the Housing Benefit and Council Tax Benefit Subsidy grant by £123,515, a reduction of 8.5%. As you know this funding contributes to the cost of administering Council and Housing Tax benefit. We would therefore welcome your support in encouraging other Government departments to provide the same stability as your Department.

Finally, we would welcome an earlier indication of individual authorities formula grant allocations for 2008/09 and future years. We are concerned that the announcement of these figures will be delayed as a result of the current Comprehensive Spending review and may not be made until November 2007.

Clearly, this will adversely affect our ability to plan for 2008/09 and beyond and unwind some of the benefits achieved from having a two-year settlement, although we should gain a period of stability for the following two years once we receive the three-year settlement covering 2008/09 to 2010/11.

APPENDIX E

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	Yes, support services cannot absorb these cost pressure as significant saving are already required to be made to offset loss income from HRA						
- PR Corporate Strategy		12	12	0.5 FTE	0	Not yet known	0
- Accountancy		18	18	0.5 FTE	0		0
- Landscaping /DSO		10	10	0.5 FTE	0		0

APPENDIX E

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 E

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 E

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	34 (plus other revenue expenditure, excluding oncost). 50% relates to HBC.	0.5 (within Hartlepool)	0.5 (within Hartlepool)	Presumably minimal as employment length would be less than 2 years	nil

APPENDIX E

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					

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 <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>
Direct Payments	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	

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>
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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	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>
	increasing regional and sub-regional housing agenda (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	

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>
			1874	

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 & Failure to improve</u>	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 Government's approach to Licensing. Should a licensing scheme for landlords be introduced (which is area specific), the accreditation scheme would complement 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	<p>ICT facilities and support for Members</p> <ul style="list-style-type: none"> - hardware - software - internet connections - support infrastructure <p>Note: Initial capital investment needed. Business case assessment to assess whether revenue costs can be offset by savings.</p>	<p>Corporate ICT strategy not inclusive of Members' needs. Efficiencies not achievable. Local democracy not enhanced.</p>	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	

PROPOSED SAVING AT 3%, 4% AND 5%**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

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		

MINUTES OF
BUSINESS SECTOR BUDGET CONSULTATION MEETING
15TH NOVEMBER, 2006

PRESENT: Business Sector:

J Atkin, B Beaumont, P Oulson, A Liddell

Hartlepool Borough Council:

Mayor, Councillors Waller, Payne, Tumilty
P Scott (Director of Planning & Regeneration)
M Ward (Chief Financial Officer)
C Little (Assistant Chief Financial Officer)

APOLOGIES: D Stubbs (Director of Neighbourhood Services)

1. **Presentation**

Mike Ward provided a brief presentation on the issues affecting the budget and the Council's financial position for 2007/2008 to 2009/2010, covering:

- Budget Overview
- 2007/2008 Update
- 2008/2009 and 2009/2010 Financial Outlook
- Budget Risks
- Options for Balancing Budget

2. **Questions and Answers**

Issues Raised

PO asked about terminating grants

JA commented that Authority has difficult problem in dealing with terminating grants. Also asked about impact of "double devolution" agenda.

BB commented that over last 20 years Council has managed position from one off benefits, is this coming to an end.

Response

MW commented that in many cases initiative terminates at end of grant, but in another case Council chooses to mainstream.

RW commented that "double devolution" will affect how voluntary sector is funded and impact on Local Area Agreement.

MW stated that Authority has benefited from number of issues, most recently these benefits related to the Housing transfer, including RTB sharing

arrangements and debt rescheduling opportunities, which has reduced average long term interest rates to 4.37% from 6.5%.

PO commented on current trend of temporary support and whether it would be appropriate to take action now to avoid hitting buffers hard.

MW stated position sustainable for next 3 years.

RW commented that A&CS have managed to reduce expenditure by making efficiency savings in current year. Also Council will have to begin to look at which services it wishes to provide within available resources.

JA commented on additional pressures imposed by Government and should be arguing against these unfunded burdens.

BB commented on sustainability of Council Tax income, the impact of house building over last few years and Council Tax revaluation.

MW advised that number of properties is increasing slightly, which increases Council Tax income but some of this increase is lost through a reduction in Government Grant, although there is a net gain.

If implemented Council Tax revaluation is likely to be budget neutral at a national level.

BB commented that Economic Development activity must be protected at all costs. JA added that previous investment has benefits. Also commented upon Tall Ships.

MW responded that £0.5m will be provided within budget for Tall Ships and additional funding sought from Government Office for North East and Regional Development Corporation.

SD commented that Council does pursue Government and this has benefits, for example, £309,000 reduction in 2007/08 “floor dampening” which should be sustainable.

MW added that it is unlikely there will be any further reduction in “floor dampening” owing to the political difficulties of changes across the country.

Also outlined LABGI scheme and commented that this has not benefited Hartlepool owing to impact of one or two larger changes which have reduced overall rateable value of Hartlepool.

JA asked about departmental tolerance to manage budget.

MW outlined Council's "Managed Underspend Initiative" which enables department to retain underspends of up to 10% to reinvest in services or to meet one off commitments.

RW added that A&CS using this flexibility to provide funding to manage changes in services over two years.

PS added that similar initiative followed in other departments and this avoids year end spending culture.

JA asked about surplus European funding at regional level.

PS commented that we have an expert who is well placed to take advantage of these benefits.

BB asked when we will commence 2008/09 consultation.

MW commented that we will begin work on budget early in 2007 once details of Comprehensive Spending Review are available.

Timing of consultation will depend on level of certainty of Government grant, which based on previous experience may not be known until November, 2007.

JA asked about transfer of Connexions Service.

MW advised that a number of issues still to be resolved. However, transfer is unlikely to have an adverse impact on Authority's financial position.

APPENDIX J

SUMMARY OF FEEDBACK/ISSUES RAISED AT NEIGHBOURHOOD FORUMS ON BUDGET CONSULTATION PROPOSALS

North Neighbourhood Forum on 29th November 2006

Question - What will happen when the reserves are gone?

Response - Council's current budget strategy covers a 3 years period commencing 2007/08 and Council has set aside reserves to support budget over this period. Beyond this period the position is less certain and when the Council rolls forward the budget strategy it will need to develop strategy for managing the reduction in available reserves.

Question – Do any cuts relate to administrative tasks rather than frontline services?

Response - The Assistant Chief Financial Officer advised that Cabinet had considered savings across the board and had established a corporate efficiency target, which includes savings in administrative functions to protect frontline services as much as possible.

Question – What is level of proposed Council Tax increase for 2007/08?

Response – Cabinet has at this stage proposed a 4.9% increase. Cabinet will finalise the proposed increase for 2007/08 in early February 2007 and this proposal will then be referred to Council for consideration.

Question - Could a future Forum be arranged to deal exclusively with the budget in order to give the public a real view of all the issues?

Response – The Assistant Chief Financial Officer advised that Government Grant Allocations for the three years commencing 2007/08 will be issued next year, so a dedicated budget consultation would be more meaningful at that time.

Questions from Central Neighbourhood Forum on 30th November 2006.

Question - Note that the Council's forecasts anticipate grant may only increase by grant 2% from 2008/09. The current CPI rating is 2.4% - If that is maintained it means a cut of Government grant year on year. Has that been pointed out / complained about?

Response - Yes, this issue was raised with the Minister in January this year and we did get improved figure. However, Hartlepool is continuing to lose out through the floor damping grant adjustment.

Question - Recycling – I thought it saved money?

Response - no, but it does avoid higher penalties and reduces Landfill Tax liabilities by reducing the amount on waste which is not recycled.

Questions - Can the Council charge private firms for landfill?

Response – Private firms pay landfill tax to Central Government.

Question - what will be impact if housing market crashes?

Response – Impact can't be identified at the moment. Councillor Hall added that politicians of all political parties in Hartlepool believe that the system of local taxation should be looked at a national level.

Questions from South Neighbourhood Forum on 30th November 2006.

Question - We pay 13th highest Council Tax in UK, one of highest spends in UK. In the Care presentation (Ewen Weir and Ray Waller) indicated there was to be greater emphasis on voluntary organisation. Will their funding increase?

Response – The ranking of 13th highest is based on the Band D Council Tax. Only a small proportion of houses in Hartlepool are in Band D. Therefore, it is more appropriate to base comparison on the average Council Tax per household and on this basis Hartlepool ranks 259th out of 354 authorities. In respect of care funding Ewen Weir had indicated that funding will be moved within the existing budget to increase services provided by voluntary section. The budget proposals currently subject to consultation also include a potential reduction in the Community Pool. Councillors will if this reduction is implemented when they consider budget proposals in February 2007.

Comment - Excessive use of gas and electricity in public buildings. All staff should economise.

Responses – Council is pursuing various initiatives to reduce energy costs, including installing more efficient lighting.

Comment – Appreciate that Council tax has to increase, but this a lot for people on fixed incomes.

Response – Council appreciates this is a problem, particularly for people who are just outside benefit system. However, this is the system we have to work with.

Question – Council Tax for Police always increases. Cleveland Police refused Government grant as did not need it. Better for them to accept it and lower CT.

Response – Cleveland Police Authority is responsibility for determining their own Council Tax, which is subject to Government capping regime. Councillor Johnson commented that the 3 North East forces were compensated by the Government for the cost incurred in relation to the failed merger

MINUTES OF
DIVERSITY GROUPS BUDGET CONSULTATION MEETING

28TH NOVEMBER, 2006

PRESENT: Diversity Groups represented:

All Ability Forum (3), HVDA (1), Hartlepool Deaf Centre (1), Hartlepool Access Group (3), Youth Forum (6), 50+ Forum (5), BME (4), Hartlepool Carers (1), Integrated Adult Mental Health Day Services (1).

Hartlepool Borough Council:

Mayor, Councillor R Waller
M Ward (Chief Financial Officer)
C Little (Assistant Chief Financial Officer)
L Crookston (Principal Strategy and Research Officer)
V Kotur (Principal Diversity Officer)

Presentation

Chris Little provided a brief presentation on the issues affecting the budget and the Council's financial position for 2007/2008 to 2009/2010, covering:

- Budget Overview
- 2007/2008 Budget Issues
- 2008/2009 and 2009/2010 Financial Outlook
- Options for Balancing Budget

Liz Crookston and Vijaya Kotur then facilitated a Group Discussion on two questions. These questions and responses are summarised in following sections.

1. What 5 services should be the Council's top priorities for spending over the next 3 years?

Group 1

All disabilities require support services including the voluntary sector and funding needs ring fencing. (carers/Shopmobility, mental physical and sensory deprivation and elderly frail, learning difficulties)

Transport – protect Dial a Ride and enhance the service

Support for children & senior citizens who are frail and need support

All Ability Forum is the only means of communication for all disabilities and carers and is a vehicle to communicate with authorities. Needs a secure future.

Group 2

Support for all disability i.e. sensory loss, physical, learning, mental health, old and frail and carers.

Group 3

Youth Services/Children's Services – out of school services, e.g. youth clubs

Older people i.e. low level support, e.g. gardening, shopping, decorating.

Community Support/Voluntary community – using existing organisations

Group 4

Education for all (libraries)

Environmental Services

Highways

Community Services (Care)

Performance Management

Group 5

Improving Access – signage, all sectors, interpreters, physical access (compliance with DDA)

Translation Services – Interpreting service for deaf people, BME Groups, Blind, Hard of Hearing

Information and Advice (on Council services) – Review and change

Consultation Processes – formal structures to enable change

Support – Peer support, befriending, advocacy

Group 6

Youth Services - especially voluntary sector, i.e. Barnardo's B76

Losing money in April – Young people worried that's a service which will be taken away from Hartlepool young people.

Children and Families – fostering and adoption

It's important for young people to have safe homes. They will lead better and more positive lives.

Older people
Important we look after them and they have better care and more facilities

Sport and Recreation
Owton Manor – no facilities or leisure centres. Lack of things to do
Burbank also
More to do for people with physical and learning disabilities

Youth Centres
Keeps young people off the streets and out of trouble
Stuff to do – organised events/provision

Group 7

Road repairs

More free car parking areas – remove yellow lines where they are not needed

Environmental service – refuse collection, dirty roads, need road repair

Rehabilitation Centre for people who misuse drugs

Provide child care and children service

Mill House sport centre – needs renovation

2. Can you suggest any ways that the Council could save money?

Group 1

Use the voluntary sector more to supply support services.

Group 2

Providing support services for disabled and carers would prevent increase spending in older people's residential homes.

Group 3

By funding local organisations/voluntary organisations to run certain activities (a lot cheaper)

Information, advice and guidance.

Group 4

Reduce personnel (selection of Personnel)

Reduce the number of councillors (2/ward max)

Pay rises limited to cost of inflation.

Group 5

Modernising Day Services (majority of funding for physically disabled people goes to these centres. Support others to deliver services/support).

Recycling improvements – learning from other countries.

Currently services are fragmented and overlap – multiple assessments are costly. The way forward is to pool funding streams and offer seamless services.

Push from LA to partnership work with other sectors to make improvements eg improved access.

Council commitment to apply for funding when opportunities present

- government funding
- grants etc.

Effective consultation

Employment and training

Group 6

Less weekend work – Sunday double time.

Sufficient use of paper material eg conference, meeting. Use double sided.

Group 7

Loan repayments – why should our public money be used?

Knocking housing down – why not upgrade what's already there?

Knocking old buildings down which look nice