

# PLEASE NOTE VENUE

## CABINET AGENDA



**Monday 5<sup>th</sup> February, 2007**

**at 9:00 a.m**

**in the Red Room, Avondale Centre, Dyke House, Hartlepool  
(Raby Road entrance)**

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hargreaves, Hill, Jackson, Payne, Tumilty and R Waller

**1. APOLOGIES FOR ABSENCE**

**2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

**3. MINUTES**

To receive the Record of Decision in respect of the meeting held on 22 January 2007  
(already circulated)

**4. BUDGET AND POLICY FRAMEWORK**

4.1 Budget and Policy Framework 2007/2008 to 2009/2010 – *Corporate Management Team*

**5. KEY DECISIONS**

5.1 Central Hartlepool Housing Market Renewal Programme 2006/8 – *Director of Regeneration and Planning Services and Director of Neighbourhood Services*

5.2 Fair Access to Care Services (FACS) – *Director of Adult and Community Services*

5.3 Development of a Children's Trust in Hartlepool – *Director of Children's Services*

# PLEASE NOTE VENUE

## 6. OTHER ITEMS REQUIRING DECISION

- 6.1 Strategic Direction of Travel – *Director of Adult and Community Services*
- 6.2 Local Strategic Partnership Governance – *Director of Regeneration and Planning Services*

## 7. ITEMS FOR DISCUSSION / INFORMATION

No items

## 8. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

- 8.1 Formal Response to the Executive's Budget and Policy Framework Proposals for 2007/08 – *Scrutiny Co-ordinating Committee*

## EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985

## 9. EXEMPT ITEMS REQUIRING DECISION

- 9.1 Financial Contribution to the BBC Tees Valley Proms Concert 2007 – *Chief Executive* (para 3)

# CABINET REPORT

5<sup>th</sup> February, 2007



**Report of:** Corporate Management Team

**Subject:** BUDGET & POLICY FRAMEWORK 2007/2008 TO 2009/2010

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## 1. PURPOSE OF REPORT

1.1 To enable Members to finalise details on the proposed 2007/2008 to 2009/2010 Budget and Policy Framework to be referred to Council on 15<sup>th</sup> February, 2007. The report covers:

- Outturn Strategy 2006/2007
- Capital Budget 2007/2008 and Prudential Code
- General Fund Budget Requirement and Council Tax 2007/2008

## 2. SUMMARY OF CONTENTS

2.1 This report brings together the various reports considered by Members over the last few months in relation to the development of the budget strategy for the period 2007/2008 to 2009/2010.

2.2 In relation to the outturn strategy the report advises Members that there will be an underspend on corporate budgets, which is mainly owing to higher interest income on the Council's reserves and cashflows. It is suggested that Cabinet formally seeks Council's approval to use this amount to fund a number of additional commitments.

2.3 With regard to the capital position it is suggested that Cabinet formally seeks Council's approval of the proposed Capital Programme for 2007/2008 as set out in Appendix B.

2.4 With regard to the General Fund and Council Tax level the report proposes a series of measures to balance the 2007/2008 budget, as detailed at paragraph 11. These include:

- Corporate efficiency initiatives of £1.1m detailed in paragraph 7.4;
- The use of permanent corporate savings of £1.529m detailed in Appendix G, Table 1;
- The use of additional temporary corporate savings of £1.156m detailed in Appendix G, Table 2;

- The use of £2.5m of reserves;
- A 4.9% Council Tax increase.

2.5 There is a potential risk that the proposed Council Tax increase may be capped by the Government. On a purely financial basis, reflecting the initial announcements made by the Government in relation to capping and the proposed increases detailed in the report, I would suggest that at worst the Authority may be designated for 2008/2009. However, the Government may wish to take other factors into account and to take a hard line in 2007/2008. At this stage I am unable to advise Members with any degree of certainty.

**3. RELEVANCE TO CABINET**

The report enables Cabinet to finalise the Budget and Policy framework proposals it wishes to put forward to Council.

**4. TYPE OF DECISION**

Key Decision Test (i) applies.

**5. DECISION MAKING ROUTE**

Council on 15<sup>th</sup> February, 2007.

**6. DECISION(S) REQUIRED**

Cabinet is required to determine its proposals.



**Report of:** Corporate Management Team

**Subject:** BUDGET AND POLICY FRAMEWORK  
2007/2008 TO 2009/2010

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**1. PURPOSE OF REPORT**

- 1.1 To enable Cabinet to finalise details of the 2007/2008 Budget and Policy Framework proposals to be referred to Council on 15<sup>th</sup> February, 2007. These details include the proposed Council Tax increase for 2007/2008 and the indicative 2008/2009 and 2009/2010 increases.

**2. BACKGROUND**

- 2.1 Detailed reports were submitted to Cabinet on 23<sup>rd</sup> October, 2006 and 18<sup>th</sup> December, 2006, to advise Members of the key issues affecting the development of the budget strategy. The main issues include:

- the determination of an Outturn Strategy for 2006/2007;
- the development of the Capital Strategy;
- constraint of public expenditure and Council Tax; and
- local budget issues.

- 2.2 This report now enables Cabinet to determine the detailed Budget and Policy Framework proposals it wishes to put forward to Council. This will be achieved by pulling together the various issues considered by Cabinet over the past few months, including the impact of the 2007/2008 Local Government Finance Settlement.

- 2.3 The report considers the following areas:

- Outturn Strategy 2006/2007;
- Capital, Prudential Indicators and Treasury Management;
- General Fund and Council Tax

**3. OUTTURN STRATEGY 2006/2007**

- 3.1 The initial budget report submitted to Cabinet on 23<sup>rd</sup> October, 2006, indicated that on the basis of the first six months trends continuing for the whole year there will be an underspend against a number of corporate budgets;

- **Centralised Estimates**

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

- **Strategic Contingency and Other Corporate Budgets**

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

- 3.2 On the downside Members were advised when the 2005/2006 outturn strategy was approved that there is a shortfall in the resources set aside for the Phase 2 Equal Pay settlements of £0.5m. This amount will be payable in the earlier part of 2007/2008. At your meeting on 23<sup>rd</sup> October, 2006, Members determined to set aside resources from the 2006/2007 corporate underspend to meet this known liability.
- 3.3 Members also determined to earmark the remaining £1m to support the 2009/2010 revenue budget strategy. This proposal will mitigate the previously anticipated reduction in resources available to support the budget in 2009/2010 and will maintain support in that year at £2m. Further details on the strategy for using reserves are set out later in this report.
- 3.4 Since the initial report was submitted further information has become available during the preparation of the quarter three monitoring report. This work is ongoing and therefore final figures are not yet available and details will be reported to your next meeting. However, this work has identified a number of strategic issues which need to be addressed by Members, as follows:

**Forecast**  
**Outturn**  
**Favourable/**  
**(Adverse)**  
**£'000**

**Employers Pension Contributions Holding Account**

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A detailed review of the Employers Pension Contributions Holding Account has recently been completed. This review indicates that the income paid into this account exceeds the payments to be made to the Pension Fund. This position reflects variances between the actual number of employees/the value of the total pay bill and the assumptions made by the Actuary in March, 2005, when determining the Authority's Pension contributions for the period 2005/2006 to 2007/2008.

It is expected that there will be a similar benefit in 2007/2008 and this issue is addressed later in the report. For planning it is assumed that this benefit will continue in 2008/2009 and future years. However, this position will not be clear until the 2007 Actuarial review of the Pension Fund is complete later in 2007. Therefore, it is suggested that this issue is reviewed once the 2007 Actuarial review has been completed and the Council is informed of the Pension rate applying for 2008/2009. If the benefit does not continue the 2008/2009 budget deficit will increase by this amount and will need to be addressed in the Budget Strategy for that year.

**Designated Authority Costs**

0

Details of the estimated Designated Authority costs for 2006/2007, which covers shared ongoing costs from the 1996 Local Government Reorganisation, have recently been provided by Middlesbrough Borough Council (which acts as Designated Authority). These figures indicate that the Council's share of these costs will be approximately £100,000 less than expected.

The Designated Authority have also provided an indication of Custodian property costs, which relate to the residual costs of former County Council buildings. These costs include potential costs in relation to the termination of the Gurney House lease and

associated dilapidation costs. It is anticipated that these costs will need to be paid in 2006/2007 or 2007/2008 depending when and whether detailed negotiations are completed. The final costs are not yet known, although the Council's share could be in the order of £100,000 to £150,000. Therefore, it is suggested that the underspend on the Designated Authority be earmarked to meet this liability. If payment is not made in this year it is suggested a specific reserve be established for this item.

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- 3.5 It is suggested that the above resources be earmarked to meet the following one-off 2007/2008 expenditure commitments as provision has not previously been made for these items:

£'000

**Reduction in 2006/2007 Collection Fund Surplus**

96

The 2006/2007 Collection Fund Surplus has recently been determined in accordance with statutory requirements. The Council's share of the surplus is £254,000, which is £96,000 less than anticipated in the 2007/2008 budget forecasts. The level of surplus was expected to fall but appears to have done so earlier than expected as a result of the slowing of the Housing Market and better progress on clearance. Future budget forecasts are based on a lower Collection Fund Surplus of £200,000 per year.

**CRB Checks**

70

Following changes in CRB regulations the Authority is required to obtain CRB checks for a greater number of employees and in some cases enhanced CRB checks are required. Once the initial checks have been completed they will need to be updated on a phased basis over a three year period. Budget provision does not exist to meet the additional CRB checks which need to be undertaken to comply with statutory requirements. These additional costs have been assessed as £70,000. Further work needs to be completed to determine the financial impact of updating the initial checks and whether these costs can be funded from existing budgets. These details will be included in the 2008/2009 budget report.

**Single Status Implementation Costs**

150

The completion of detailed Job Evaluations, which will underpin the implementation of Single Status, has been more complex and time consuming than initially anticipated. This work is still ongoing and will not be complete for several months. Once this work is complete the Authority will also need to deal with the detailed implementation of Single Status, including individual employees appeals. As existing financial and staffing resources are not available to complete this work it is suggested that a provision of £150,000 be made for these costs. This provision does not include potential temporary support for the Trade Unions providing support to employees with Job Evaluation appeals.

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- 3.6 The above commitments exceeds the forecast corporate underspend identified in paragraph 3.4 by £36,000 and a proposal for funding this shortfall is detailed later in this report.
- 3.7 The Council will also receive a one-off benefit from a partial restructuring of the Authority's debt which has recently been undertaken in accordance with the approved Treasury Management Strategy. This action has generated a discount of £800,000. We are currently investigating the accounting treatment applying to this discount as the position is complex following recent accounting changes. Hopefully, the whole of this discount can be taken to the revenue account in 2006/2007. Members have previously been advised of the need to provide funding for the Tall Ships whilst this has not been quantified it is suggested that this amount be earmarked for costs associated with the Tall Ships.

#### **4. CAPITAL, PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT**

- 4.1 In accordance with the Government's Single Capital Pot initiative individual authorities can determine how they use the total resources allocated to them through the Single Capital Pot. In previous years the Council has determined to ring fence these allocations to individual services in line with the allocations included in the Single Capital Pot. This strategy ensures the Council is able to achieve the outputs specified in the service plans submitted to secure funding. It also ensures capital investment is aligned with the Council's own priorities and objectives. It is suggested that Members need to reaffirm their commitment to this strategy. Detailed allocations have now been issued by the Government as shown below.

<b><u>2007/2008 Allocations</u></b>		
	<b><u>Grant</u></b>	<b><u>Supported Borrowing</u></b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Housing Investment Programme	3,680	
Local Transport Plan	483	1,532
Children's Services	3,322	1,047
Adult Social Services		206

- 4.2 It should be noted that the Government continues to apparently change allocations on a arbitrarily basis from capital grants to supported borrowing allocations and vice versa. For 2007/2008 the Government have replaced £0.483m of Supported Borrowing for the Local Transport Plan with a grant, which is beneficial in revenue terms. On the downside £0.634m of grant for Children's Services Education schemes has been replaced with a Supported Borrowing allocation. This volatility makes it difficult to determine the revenue consequences of Government capital allocations. Fortunately, for 2007/2008 these changes are broadly neutral and the net additional revenue cost of £11,000 can be accommodated within the existing budget.
- 4.3 Detailed allocations for 2008/2009 and future years will not be known until December, 2007. For planning purposes the budget forecasts are based on indicative allocations where these are known, or the continuation of allocations at current levels.
- 4.4 Members also need to reaffirm their commitment to use Unsupported Prudential Borrowing to continue the following initiatives:

<b><u>Proposed Budget</u></b>	
	<b><u>Allocation</u></b>
	<b><u>2007/2008</u></b>
	<b><u>£'000</u></b>
Community Safety Programme	150
Disabled Access Adaptation	50
Neighbourhood Forum Minor Works	156

- 4.5 For planning purposes it is assumed that members will wish to continue to support these commitments in 2008/2009 and 2009/2010 at the same level. This proposal will be reviewed on an annual basis as part of the budget process.
- 4.6 Members have also previously determined to provide £1.7m for local capital priorities, which will partly be funded from Unsupported

Prudential Borrowing (£1.2m) and partly from anticipated capital receipts (£0.5m).

- 4.7 For planning purposes this amount was initially allocated equally across four themes, pending further analysis of the requirements and priorities within each theme. An initial reschedule of potential schemes was submitted to your meeting on 18<sup>th</sup> December, 2006.
- 4.8 These initial proposals have now been reviewed and estimated costs determined for those items which had not previously been costed. The main uncoded items related to the demolition of the Historic Quay Toilets and Eldon Grove.
- 4.9 This review indicates that the cost of the proposed schemes within the non-operational buildings theme total £621,000, which is £196,000 greater than the initial resource allocation. If Members wish to implement all of these proposals this can be achieved by reallocating £5,000 from the Operational Buildings theme and £191,000 from the Amenity Land theme. If Members approve these proposals it will enable all of the previously identified schemes to be implemented as detailed at Appendix A. This proposal will also leave an uncommitted balance of £34,000. It is suggested that this amount be carried forward to 2008/2009 to supplement that year's allocation.
- 4.10 Details of capital budget proposals detailed in paragraphs 4.2 to 4.9 are summarised at Appendix B, which also includes the Public Conveniences proposals approved at your meeting on 8<sup>th</sup> January, 2007.
- 4.11 **Prudential Indicators**
- 4.12 The Council needs to approve a number of Prudential Indicators for the next three years to comply with the relevant Statutory Code of Practice. These indicators are dependent upon the estimated level of capital expenditure for 2007/2008. Therefore, in order to comply with these requirements it is assumed that Members will approve the issues summarised above. In addition, an assessment of capital expenditure wholly funded from grants has been made.
- 4.13 The detailed Prudential Indicators are included at Appendix C and the key indicators are summarised below.

	2007/2008	2008/2009	2009/2010
<u>Estimates of incremental impact Capital Decisions on Council Tax</u>	£9.12	£11.93	£3.20

This shows the additional Council Tax requirement of Prudential Borrowing by the Council.

<u>Estimates of Financing Costs to meet Revenue Stream</u>	4.15%	4.88%	4.92%
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This shows the net cost of capital borrowing as a percentage of the net budget

<u>Estimates of Capital Expenditure Financed By Borrowing (£'000)</u>	£6,552	£7,965	£4,921
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This indicator sets the total value of capital expenditure for the year. Detailed proposals are summarised at Appendix B.

#### 4.14 **Treasury Management**

- 4.15 In accordance with the Council's Constitution responsibility for approving the Treasury Management Strategy is allocated to the Finance Portfolio Holder. However, CIPFA guidance recommends that the Treasury Management Strategy should be considered by full Council. In order to comply with this additional requirement details of the key issues to be included in the 2007/2008 Treasury Management Strategy are set out below. The full strategy will be reported to the Portfolio Holder before the start of 2007/2008.

#### 4.16 **Outlook for Interest Rates**

- 4.17 The original Treasury Management strategy report provided an overview of interest rate forecasts from three major independent forecasters for base rates and longer term Public Works Loan Board (PWL B) rates. Although it was noted that there was an unusual degree of uncertainty, the general consensus was that short term rates were unlikely to change significantly during the financial year, although it was anticipated the base rate would increase during 2007.
- 4.18 Since this report was submitted there have been three increases in base rates. The most recent change was implemented at the start of January and increased the base rate to 5.25%. This latest increase



in base rates has occurred earlier than anticipated and resulted in a base rate marginally higher than anticipated at this stage of the interest rate cycle of 5%.

- 4.19 It is anticipated that there maybe a further 0.25% increase in base rates. It is expected that long term rates will remain relatively stable, particularly for longer maturity periods of twenty five years or more.

- 4.20 We are currently awaiting updated analysis and interest rate forecasts from our Treasury Management Advisors to determine the impact on the Council's 2007/2008 strategy of the Bank of England's recent increase in the Base Rate. This information will be available before we need to finalise the 2007/2008 Treasury Management Strategy.

- 4.21 In broad terms it is not anticipated that there will be any fundamental change to the existing Treasury Management strategy as detailed in the following sections.

4.22 **Borrowing Strategy**

- 4.23 The current position is shown as follows:

Temporary Loans	£8.3m
Market Loans	£15m
PWLB	£48.5m

- 4.24 In accordance with the existing Treasury Management Strategy a proactive approach has been taken to managing the Authority's debt and the following actions have been taken:

- £25m of Public Works Loans Board (PWLB) loans have been repaid and this has generated a one-off benefit of £800,000 as detailed in paragraph 3.7. This restructuring has been financed by a corresponding reduction in the Authority's investments;
- £10m of PWLB loans, with an interest rate of 4.55% has been repaid. This amount has been refinanced with Market Borrowing known as "LOBO loans"; £5m at 3.79% fixed for 3 years and £5m at 3.89% fixed for 5 years. This action has generated annual savings of £38,000 and £33,000 for the initial fixed periods of 3 and 5 years. Provided the lenders do not exercise their option to review the interest rates charged at the end of the initial fixed periods these savings will then be locked in for a further 3 and 5 years respectively. It is unlikely that the lenders will exercise these options at the first, or subsequent review dates. However, if they do the Council has the option to repay the loans without penalties. At that time the Council would need a strategy for funding these repayments, either by reducing its investments or by taking out new borrowing. As there is a risk that the replacement borrowing will be at a higher rate than the LOBO it is suggested that an "Interest Risk Reserve" is established using the savings achieved

from the use of LOBOs. It is suggested for the future that this reserve be capped at 0.5% of the Council's outstanding debt, which equates to a figure of £0.4m. The reserve will provide twelve months protection in the event that the Council needs to refinance the LOBO's at 0.5% higher than the current rates.

- 4.25 Depending on the future position for long term interest rates it may be advisable to undertake new long term borrowing. Previous long term borrowing has been with the Public Works Loan Board (PWLb). It is recommended that future long term borrowing should continue to include the potential for market loans at the discretion of the Chief Financial Officer. This strategy will enable the Council to manage interest rate risks and achieve lower rates of interest on its borrowings.
- 4.26 **Investment Strategy**
- 4.27 The Council's investment strategy is to maximise the amount of interest receivable, while ensuring the availability of liquid funds and the security of amounts invested. A key objective is to maximise the return on this cash, until the time it is required.
- 4.28 As part of a mid year review of Treasury Management the Portfolio Holder agreed an increase in the time periods allowable for the lowest risk investments to three years. This allows the Council to benefit from attractive returns on core cash and lock in certainty for the future. The Council will also continue to maximise the opportunities provided by forward investment deals, whereby the Authority agrees to invest at a fixed date in the future, at a fixed interest rate and maturity period. These investments enable the Authority to secure its investment returns for a longer period and take advantage of current favourable investment returns. This strategy needs to take into account any discounts that can be generated from rescheduling of debt as mentioned in 4.24.

## 5. GENERAL FUND AND COUNCIL TAX

5.1 This section covers the following areas:

- Background;
- Policy Drivers;
- 2007/2008 Local Government Finance Settlement;
- Local Budget Issues 2007/2008;
- Revised Budget Requirement and Budget Gap 2007/2008;
- Strategy for Bridging Budget Gap;
- Robustness of Budget Forecast, Risk Assessment and Reserves;
- Review of Reserve;
- Budget Scrutiny and Consultation Feedback;
- 2008/2009 and 2009/2010 Budget and Council Tax Forecasts.

## 6. BACKGROUND

- 6.1 In previous years the Council has prepared rolling three year budget forecasts. These forecasts were prepared against an uncertain financial position as the Government previously only issued funding allocations to individual authorities on an annual basis.
- 6.2 From 2006/2007 the Government began to issue multi-year grant settlements. The first three-year settlement only covered two years starting 2006/2007, because of the timing of the Government's own three-year planning cycle. This change is welcomed, as it provides a firmer foundation for planning services in future years. On the basis of this change the Council prepared a budget strategy covering 2006/2007 and 2007/2008.
- 6.3 This strategy has now been revised to cover the three years 2007/2008, 2008/2009 and 2009/2010. The forecasts for years two and three are based on prudent annual increases in Government grant of 2%. This position reflects statements by the Chancellor that increases in total public expenditure will be constrained over the three years covered by the 2007 Comprehensive Spending Review. In addition, the Government have indicated that Education and Health will continue to receive above inflation increases, albeit not at the same levels as in recent years. Against this background it is not anticipated that funding for Council services will increase significantly over the period 2008/2009 to 2010/2011. At this stage the grant forecasts do not anticipate any reduction in the floor dampening adjustment, it is hoped that the Government will address this issue within the next three year settlement. However, any benefit may be offset by a lower increase in the main part of the grant allocation or lower capping limits. These forecasts will need to be reviewed when details of the 2007 Comprehensive Spending Review and 2008/2009 detailed Local Government grant allocations are known.

## 7. POLICY DRIVERS

- 7.1 The development of the Budget and Policy Framework reflects various national and local service priorities and is underpinned by a range of service specific and corporate policy drivers. These issues are detailed in various strategy documents, which the Council prepares, which set out the Council's key objectives. These documents include:
- the Best Value Performance Plan;
  - the Efficiency Strategy;
  - the IT Strategy;
  - departmental service plans.

- 7.2 The Budget and Policy Framework details the financial implications of these various strategies and enables Members to prioritise services within the constraints of the Council's available resources.
- 7.3 The Efficiency and IT Strategies will have a key impact on the development of the budget over the next few years. These strategies specify how the Council will achieve the Gershon Efficiency targets set by the Government.
- 7.4 The Efficiency Strategy details how the Council will achieve the annual efficiency targets of £2.184m, which equates to an efficiency target of 2.5%. At least half of these savings must be cashable. These cashable savings can either be reinvested in front line services or used to reduce the overall budget and/or Council Tax level. In view of the Council's overall financial position these cashable efficiency savings have been earmarked to reduce the budget gap and cover the following initiatives:

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

- 7.5 Non-cashable savings are becoming increasingly difficult to achieve and evidence. Therefore, as part of the budget process departments have identified proposals which can be used to both reduce the budget gap and count towards the overall efficiency target to avoid the problems of identifying non-cashable savings. These items, detailed in Appendix H, total £1.158m, which exceeds the non-cashable target. A number of these items need to be reviewed to ensure they can be counted as Gershon efficiency savings, but it is expected that the overall Gershon target can be achieved.
- 7.6 Another key policy driver is the Council's strategy for uplifting base budgets to reflect the impact of inflation and other cost pressures. For 2006/2007 and future years it was determined that the initial budget allocations for all areas be calculated by applying a 3% inflation uplift, with additional top ups for specific policy driven expenditure priorities.
- 7.7 This proposal also reflects public feedback during last years budget consultation process which indicated that the majority of people consulted believed that the overall balance of the budget is "about right".

- 7.8 Clearly it is unlikely that this balance can be maintained in the current financial climate and Cabinet will need to determine those areas where it wishes to minimise service cuts. This issue is considered in more detail later in the report.

## 8. 2007/2008 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 8.1 The Government introduced significant changes to the Local Government funding system from 1<sup>st</sup> April, 2006. Key details of the changes were reported in last year's budget report.

- 8.2 In broad terms the new funding arrangements and grant allocations for 2006/2007 and 2007/2008 are better for Hartlepool than expected. However, there are a number of specific issues, which have an adverse impact on Hartlepool and these issues were raised in a meeting with the Local Government Minister, Phil Woolas, Hartlepool's MP and Senior Civil Servants last year.

- 8.3 The main concern relates to the Grant Floor Damping arrangements. As expected the Minister indicated that it was extremely unlikely that this issue could be addressed in the 2006/2007 and 2007/2008 settlement. Hopefully, these concerns will be addressed in the three-year settlement for 2008/2009 to 2010/2011.

- 8.4 However, the final Grant Floor reductions for 2006/2007 and 2007/2008 were less than initially announced by the Government. Therefore, for 2007/2008 the Council will receive £0.309m more grant than initially anticipated. This amount is reflected in the budget forecasts detailed later in the report.

- 8.5 Details of the 2007/2008 final grant allocation were announced on 18<sup>th</sup> January, 2007. The Local Government Minister has confirmed that the Council will receive £43.49m. In cash terms this is an increase of 3.7% on the 2006/2007 grant allocation. This is the same as the final National increase in formula grant announced by the Local Government Minister.

### 8.6 Council Tax Capping

- 8.7 The Government has not issued detailed capping criteria. However, in a statement to Parliament the Local Government Minister stated:

"This settlement represents continued real terms increase in investment in Local Government which will allow authorities to continue to deliver improving services at an affordable cost. We have provided Formula Grant over and above previous plans of £508m. As a result, total formula grant for 2007/2008 will be 3.7% higher than in 2006/2007.

Specific grants, such as the Dedicated Schools Grant, are on top of these figures and bring the total increase in funding for Local Authorities to 4.9% in 2007/2008. This brings the total increase in money from Government to Local Councils including schools to 39% in real terms from 1997 to 2007/2008.

Given this substantial investment in Local Government, there is no excuse for excessive Council Tax increases. As in previous years, we are prepared to take capping action to deal with excessive increases. No Authority should be complacent about the Government's resolve in this matter – this includes requiring Authorities to rebill if that proves necessary".

- 8.8 In an accompanying press release the Local Government Minister emphasised the need for Authorities to limit Council Tax increases and stated:

"This is a good settlement for Local Government. With multi-year settlements, Government is providing Local Authorities in England with stable and predictable funding. There should be no more hikes in Council Tax levels or talks of cuts in services. Councils should be able to better plan over the longer term, using the increased investment in Local Government funding to address local service priorities.

By the end of this spending review we will have delivered an above inflation grant increase to Local Government for the tenth successive year. Given this substantial investment, we expect to see the average Council Tax increase in England to be below 5%.

Local Government should be under no illusions; if there are excessive increases, we will take capping action – as we have done over the last three years. Councils know that we are prepared to take even tougher action if that proves necessary".

## 9. LOCAL BUDGET ISSUES 2007/2008

- 9.1 The report to Cabinet on 18<sup>th</sup> December, 2006, provided a detailed assessment of the new budget issues facing the Council for 2007/2008. These issues fall into three broad categories:

- **Grant Regimes Terminating during 2006/2007**

These items represent those schemes where the grant funding terminates at 31<sup>st</sup> March, 2007, which Members have determined they wish to mainstream.

- **Budget Pressures**

These items represent budget pressures in relation to the continued provision of existing services. In many cases these pressures cannot be avoided. In other cases the pressure can only be avoided by reducing the current level of service, which in some areas would not be without risk.

- **Budget Priorities**

These items are similar to budget pressures, but relate to areas where the Council has a greater choice. However, in some instances these priorities are closely aligned to the continuation of existing services and/or the achievement of the Council's overall aims.

- 9.2 Over the last few months Cabinet has completed a detailed review of the above issues. On the basis of this review Cabinet has determined which issues it wishes to include in the 2007/2008 budget proposals. This package reflects the Council's overall policy aims and in particular provides additional resources for services which protect vulnerable people, both older people and those with physical/learning disabilities. Additional resources are also provided to meet increased energy costs, for improving Housing Support and advice services and for Highways maintenance.
- 9.3 Details of the terminating grants, pressures and priorities, which it is suggested need to be funded, are summarised below and further details are provided in the appendices as indicated.

	<b><u>£'000</u></b>	<b><u>Details</u></b>
Terminated Grants	211	Appendix D
Pressures	1,674	Appendix E
Priorities	746	Appendix F

- 9.4 The proposed pressures have been reduced by £0.2m to reflect a reduction in energy costs following the stabilisation of market prices, following new gas supplies coming on line and the relatively mild weather over the early part of the winter season. It is not certain if the reduced budget provision will be sufficient to meet energy costs in 2007/2008. If this proves to be the case it is suggested that this risk be underwritten from General Fund Balances in 2007/2008, pending the development of a permanent strategy for 2008/2009 and future years.
- 9.5 A number of additional factors need to be addressed to reflect the ongoing work on the budget, as detailed in the following paragraphs.

- 9.6 On the upside the budget position will benefit from the following factors:

**£'000**

**Employer's Pension Contribution Holding Account**

290

Continuation of position outlined in paragraph 3.4.

**Final Council Tax Base**

17

The previous report indicated that the 2007/2008 tax base was higher than anticipated. It was estimated that this equated to a benefit of £100,000, which was earmarked to reduce the previously identified budget gap. The actual benefit is £117,000, therefore £17,000 of this amount has not yet been committed.

**Planning Delivery Grant (PDG)**

50

The budget forecast includes a provision of £150,000 to cover the withdrawal of the Planning Delivery Grant. The Government have recently announced that the Council will receive a PDG allocation of £50,000 for 2007/2008. A higher grant may be awarded later in the year, although this cannot be guaranteed at this stage.

**357**

- 9.7 On the downside the budget forecasts do not include provision for the following items, which it is suggested be funded from the above resources:

**£'000**

**Shortfall in 2006/2007 One-Off Commitments**

36

This item is detailed in paragraph 3.6.

**Landfill Tax Increase**

79

Landfill Tax increase is greater than previously anticipated.



**Windsor Restaurant Running Costs and Cleaning Budget**

45

It was anticipated that these costs could be funded from existing budgets and in the case of energy costs from the £0.3m energy costs provision. This will now not be possible, as additional premises costs are unavoidable.

**Human Resources and Contact Centre**

100

Detailed budget monitoring for 2006/2007 has identified a number of pressures on the HR budget. In the current year these pressures can be funded from managed revenue underspends within the Chief Executives Department.

However, this position is not sustainable. It is therefore suggested that additional resources be provided within the 2007/2008 budget for the following pressures:

- Reduction in income received from internal customers following changes in service levels - £80,000.
- Contact Centre staffing costs - £20,000.

A review of the HR cost base will be undertaken during 2007/2008 to identify if this commitment can be reduced on an ongoing basis.

260

- 9.8 There is also a considerable risk that the income budgets for car bars and land charges will continue to be unachievable in 2007/2008. The shortfalls in 2006/2007 have been funded from underspends on other budgets, but this position will not be sustainable. Action has recently been approved by the Finance Portfolio to make the Car Loan Scheme more attractive. However, other providers continue to provide extremely competitive deals. The position in relation to land charges income is also uncertain owing to changing legislation, competition from search companies and changes in the housing market. At this stage it is difficult to assess these issues and it would be prudent to review the position in twelve months time before addressing this issue on a permanent basis. However, Members need to note that there is a significant risk that these areas will not achieve the income targets included the 2007/2008 budget. Based on the current year this shortfall could be between £100,000 and £130,000.

- 9.9 After reflecting the unavoidable commitments identified in paragraph 9.7 the net uncommitted resources amount to £97,000. It is suggested that this amount be earmarked to help address the additional risks to the achievement of the Car Loan Scheme and Land Charges income budgets.

#### 10. REVISED BUDGET REQUIREMENT AND BUDGET GAP 2007/2008

- 10.1 After reflecting the review of the local budget pressures and priorities the gross budget gap, before increasing Council Tax and/or reducing services is £9.927m as set out below .

**£'000**

Initial Budget Gap 7,096

Add

- Terminating Grant Issues 211
- Budget Pressures 1,674
- Budget Priorities 746
- Provision for Cabinet Priorities 50

Gross Budget Gap 9,777

#### 11. STRATEGY FOR BRIDGING BUDGET GAP

- 11.1 Cabinet has previously considered the options for bridging this gap and determined to bridge it through a combination of:

- permanent corporate saving;
- temporary corporate savings;
- corporate efficiencies;
- increased Council Tax.
- efficiency savings and/or service cuts;

- 11.2 Details of the proposed and temporary corporate savings were included in the initial budget report. These items are detailed at Appendix G and are summarised below :

**£'000**

Permanent Corporate Saving 1,359  
Temporary Corporate Saving 1,156

- 11.3 Details of the corporate efficiencies, which amount to £1.1m, are detailed in paragraph 7.4.

11.4 Members have previously indicated their intention to propose a 4.9% Council Tax increase. The forecasts in the following paragraphs assume this level of increase.

11.5 On the basis of Members approving the issues identified in paragraphs 9.1 to 9.9 the 2007/2008 net budget gap is £1.904m, as summarised below:

	£' 000
Gross Budget Gap	9,777
<u>Less</u>	
• Permanent Corporate Savings	(1,359)
• Temporary Corporate Savings	(1,156)
• Efficiency Savings	(1,100)
• Use of Reserves	(2,000)
• Use of 2006/2007 Budget Support Fund	( 500)
• Council Tax Increase (net of reduction in Single Person Discount)	<u>(1,758)</u>
Net Budget Gap	<u>1,904</u>

11.6 The above gap broadly equates to 3%. Detailed proposals for achieving a 3% saving were submitted to Scrutiny Co-ordinating Committee in November. Scrutiny Co-ordinating Committee responded to this consultation by asking Cabinet to reconsider four of the proposed 3% savings. These issues have been reconsidered and Cabinet has determined not to implement two of these savings as follows:

- Reduction in Economic Development Marketing Budget £10,000
- Freeze Community Pool £12,000

11.7 In respect of the other two items Cabinet has reconsidered these items and determined to retain these items within the proposed 3% package of reductions on the following amended basis:

- Home Care Service Saving £95,000

Cabinet have reconsidered the Homecare saving and are proposing that this measure should be implemented because the direction of travel for Adult Services includes more use of direct payments, Telecare assistive technology and self directed care through individual budgets.

The effective use of intermediate care has also meant the level of demand for home care is currently being managed and it is anticipated that the level of savings proposed will have minimal

impact and can be achieved without redundancies. The situation, however, will be actively monitored.

- Increase in Car Park Income £90,000

Cabinet is now considering alternative strategies for achieving these savings from car parking. The Director of Neighbourhood Services has provided a preliminary package of:

- an increase in resident parking charge to £5;
- introduce Monday to Friday contract charging and pay and display car parking charge at Maritime Experience Car Park with exemptions for visitors to Maritime Experience;
- increase staff car park charges;
- introduce car parking charges to Church Street;
- introduce pay and display/permit parking on Whitby/Tower/Surtees Streets;
- introduce permit parking in Scarborough Street.

The specific details of how this is to be achieved will need a further detailed report to Cabinet.

- 11.8 Details of the final savings proposals are provided in Appendix H.

## **12. ROBUSTNESS OF BUDGET FORECAST, RISK ASSESSMENT AND RESERVES**

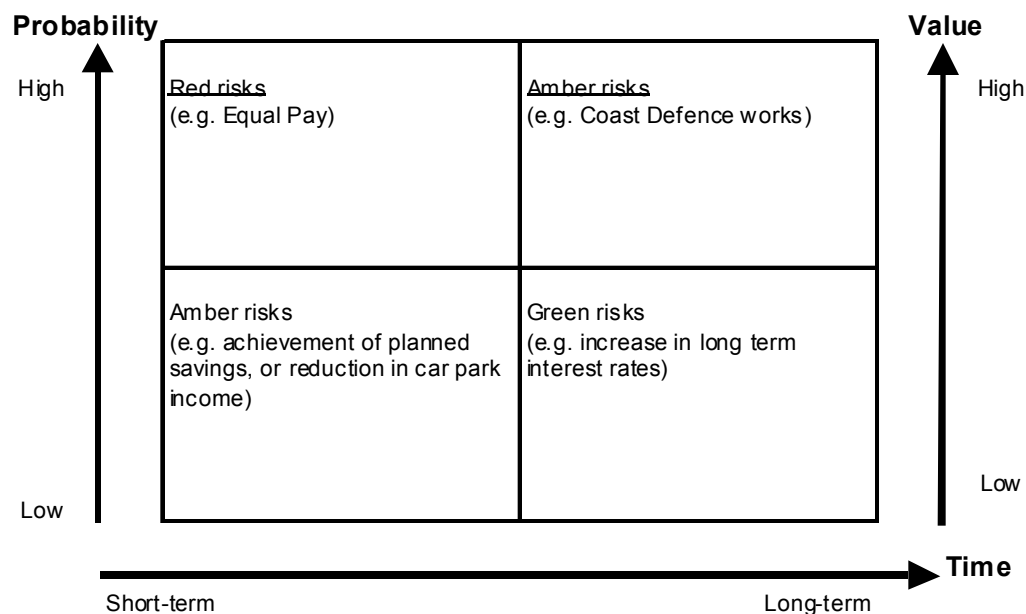
- 12.1 As indicated in previous years the Local Government Act 2003 introduced a statutory requirement on an Authority's Chief Financial Officer (CFO) to advise Members on the robustness of the budget forecasts and the proposed level of reserves. If Members ignore this advice the Act requires the Authority to record this position. This later provision is designed to recognise the statutory responsibilities of the CFO and in practise is a situation that I would not expect to arise for this Authority.

- 12.2 I would advise Members that in my opinion the budget forecasts suggested in this report for 2007/2008 are robust. This opinion is based on consideration of the following factors:

- The detailed work undertaken by individual Directors in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;
- Prudent provisions for cost of living pay awards and inflation during 2007/2008;
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- The assumption that Members will approve the budget pressures, priorities and savings detailed in the report. If Members do not approve the pressures and priorities the budget forecasts will not

be robust as expenditure in these areas will inevitably exceed the available budget. If the proposed savings are not approved, alternative savings will need to be identified before the start of the new financial year to balance the budget.

- 12.3 Further details of the key financial assumptions underpinning the budget are detailed at Appendix J.
- 12.4 The robustness of the budget forecast also takes account of the main areas of risk affecting the budget for 2007/2008 as detailed in Appendix K. In line with the Council's overall Risk Management Strategy the Authority takes an active and pragmatic approach to the management of risk. This approach acknowledges that the purpose is not to remove all risks, rather it is to ensure that potential "losses" are prevented or minimised. The attached schedule and the corporate Risk Register ensures the Authority has identified areas of risk and developed arrangements for managing these areas. These documents provide assurance that there are no significant financial risks to the proposed 2007/2008 budget.
- 12.5 The risk analysis categorises risks on the basis of an assessment of these factors - probability of risk, time scale of risk and value of risk as summarised below.



- 12.6 In financial terms the greatest risk facing the Council relates to Equal Pay claims and the implementation of Single Status. Uncommitted specific reserves of £2.197m were transferred into the General Fund Balances to address the Equal Pay risk. It is not yet known if these resources will be sufficient and Members will be updated when the position becomes clearer.

- 12.7 The position on Single Status is also uncertain as detailed Job Evaluations and the design of a new pay and grading structure will not be completed until later in the year. The revenue forecasts for 2007/2008 include an increased provision to meet these costs, which is based on experience in other authorities. The forecast for 2008/2009 and 2009/2010 include increased provisions to meet additional year 2 and 3 increment costs.
- 12.8 The risk assessment also takes account of the Government's warning that they will use Council Tax capping powers. The ODPM will not issue details of the capping criteria they will use for 2007/2008 until after all authorities have set their 2007/2008 Council Tax levels. However, they have indicated that they "expect to see average increases in each of the next two years of less than 5%".
- 12.9 The proposed increase detailed earlier in the report should not be capped, although this cannot be guaranteed.
- 12.10 As Members are aware the Connexions Service is scheduled to transfer to the five Tees Valley Authorities on 1<sup>st</sup> April, 2007. A detailed report on this issue will be submitted to Cabinet shortly. From a financial perspective the position is more certain than previously anticipated as the Government have confirmed the revenue grant funding for 2007/2008 and agreed the level of transitional funding payable to Connexions. It is therefore currently anticipated that the transfer will be financially neutral, although this position cannot be guaranteed until transitional funding is actually paid by the government. The funding arrangements for the Connexions service are also scheduled to change from April, 2008. This issue will need to be addressed as part of the 2008/2009 budget strategy, although it is hoped this change will be neutral.
- 12.11 It is appropriate to remind Members that significant temporary resources will be used to support the revenue budget over the next three years. These resources are not sustainable and will need to be replaced with permanent savings in 2010/2011. Details of this temporary support are summarised below: -

	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Contribution from FBR Reserve and Budget Support Fund	2,000	2,000	2,000
Contribution from 2006/2007 Corporate Underspend	500	0	0
Temporary Corporate Savings	<u>1,156</u>	<u>0</u>	<u>0</u>
Total Temporary Budget Support	<u>3,656</u>	<u>2,000</u>	<u>2,000</u>
Council Tax "Subsidy" from using temporary resources	10.3%	5.4%	5.1%

### 13. REVIEW OF RESERVES

- 13.1 The Council's reserves have been established over a number of years. Members have approved contributions to reserves as part of each year's revenue budget process and/or within each year's outturn strategy. A detailed report was submitted to Cabinet on 24<sup>th</sup> January, 2004, to enable Members to develop a strategy for using reserves to support the budget over a number of years and the achievement of the Council's policy aims.
- 13.2 In accordance with the Local Government Act 2003 this review followed CIPFA's guidance note on Local Authority reserves and balances, which requires local authorities to adopt clear protocols setting out:
- the reason for/purpose of reserve;
  - how and when the reserve can be used;
  - procedures for the reserves management and control;
  - a process and timescale for review of the reserves to ensure continuing relevance and adequacy.
- 13.3 These issues are covered in detail in Appendix L the key details are considered in the following paragraphs.
- 13.4 In overall terms the Council's reserves at 31<sup>st</sup> March, 2007, are anticipated to be £25,016,000, this is higher than forecast at this time last year. This increase is owing to:
- the forecast of balances at 31<sup>st</sup> March, 2007, prepared in February, 2006, did not include the proposed contributions to be made to reserves as part of the 2005/2006 outturn strategy, as these proposals had not been approved by Members at that stage. The outturn strategy earmarked resources for Equal Pay costs, supporting future years budgets and contributions to departmental reserves;
  - a number of general and specific reserves expected to be used in 2006/2007 are being used later than previously anticipated;
  - the additional £1m contributions to the Budget Support Fund from the 2006/2007 corporate underspend;
  - contributions to departmental reserves in 2006/2007.
- 13.5 This increase provides two temporary benefits to the Council:
- additional temporary investment income will be earned and this amount has been reflected in the 2007/2008 budget proposals; and
  - support for the revenue budget can be maintained at £2m through to 2009/2010. This will assist the Council to develop a Medium

Term Financial Strategy once details of grant allocations for the three years commencing 2008/2009 are known.

- 13.6 As indicated earlier in the report significant reserves are earmarked to support the revenue budget over the next three years. In addition, Appendix L details departmental plans for using Managed Revenue Underspends and Strategic Change Reserves. These items are summarised below:

	<b>2007/2008</b>	<b>2008/2009</b>	<b>2009/2010</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Specific Reserves	932	817	400
<u>General Fund Balances</u>			
- FBR and Budget Support Fund	2,500	2,000	2,000
- Managed Revenue Underspends and Strategic Change Reserves	<u>1,104</u>	<u>749</u>	<u>429</u>
	<u>4,536</u>	<u>3,566</u>	<u>2,829</u>

### 13.7 **Specific Reserves**

- 13.8 These are amounts that have been set aside to meet specific commitments. The main items are summarised below:

#### i) Capital Reserves:

These are earmarked to finance capital expenditure rephased from the previous financial year, or to meet future capital expenditure liabilities.

#### ii) Collection Fund Surplus:

Earmarked to support the revenue budget in 2006/2007.

#### ii) Schools Reserves:

These reserves have arisen from the local management of school budgets and enable schools to manage their activities over more than one year.

#### iv) Insurance Fund:

This provides for all payments that fall within policy excesses or relate to self-insured risks. The fund currently covers the estimated value of unpaid outstanding claims. However, the value and number of claims is increasing as people increasingly seek compensation from public bodies. It is thereafter anticipated that



additional contributions may be required from 2008/2009. These commitments have not yet been determined or reflected in the forecast budget deficits for future years.

v) Strategic Change Reserves:

These reserves have been established from previous years departmental underspends and are earmarked to meet one-off costs of strategic changes to improve services, or reduce costs.

### 13.9 General Fund Balances

13.10 These reserves have also generally been set aside for specific purposes to enable the Council to manage its financial position over more than one financial year. However, whilst these reserves are needed for future commitments, these items do not meet the strict statutory definition of a Specific Reserve and are therefore carried as General Fund Balances. Details of these reserves are set out at Appendix L. The main reserves and proposals for using these reserves, where applicable, are detailed below :-

i) Unearmarked General Fund Balances:

Previous reports have recommended that this reserve should be maintained at a minimum of 2% of the net Revenue Budget. The Council is able to operate with reserves at this level owing to the availability of departmental reserves and the Council's Managed Under/Overspends policy. However, given the increasing nature of volatility. Particularly proposals for using other reserves, an increase to the 3% level may be required in the Medium Term. The reserve is available to meet unbudgeted emergency expenditure. However, any use of these reserves would need to be repaid in the following year.

The Council's net General Fund Balances provide the minimum 3%. However, when account is taken of the uncommitted specific resources of £2.197m which were transferred last year the gross percentage is 6%. However, the £2.197m is earmarked to meet potential Equal Pay costs. In the unlikely event the whole of this amount is not needed for Equal Pay costs a strategy will need to be developed for using any unallocated monies. Given the risks of implementing Single Status referred to earlier in this report it is suggested that this issue be considered as part of the 2008/2009 Budget Strategy as the position should be clearer by then.

ii) Revenue Managed Underspends and Strategic Change Reserves:

These reserves have been established from previous years departmental underspends and are earmarked to meet one-off costs, or strategic change costs, which will improve services, or reduce costs.

ii) Budget Support Fund and Fundamental Budget Review Reserves:

These reserves are committed to support the revenue budget over the period 2007/2008 and 2009/2010 at the rate of £2m per year.

#### **14. BUDGET SCRUTINY AND CONSULTATION FEEDBACK**

14.1 There is a detailed report elsewhere on your agenda from the Scrutiny Co-ordinating Committee detailing their comments on the initial Budget and Policy Framework proposals.

14.2 Detailed consultation meetings have also been held with the Trade Unions and Business Sector. Minutes of these meetings are detailed at Appendix M. The key comments/issues, which they wish Cabinet to consider are:

i) Business Sector

- Thanked Mayor and Cabinet for Consultation Meetings;
- Pleased that Economic Development Marketing budget is being protected;

ii) Trade Unions

- Supportive of 4.9% Council increase, but concerned that Council is now being penalised for limiting previous years increases;
- Supportive of proposed efficiencies and savings provided these can be achieved without redundancies;
- Concerned at financial position in 2008/2009 and beyond. Therefore, request that Council consider achieving savings by managing whole workforce to achieve reductions through natural/voluntary wastage and associated redeployment
- Increases in staff car parking be consulted through the appropriate working group.

## **15. 2008/2009 AND 2009/2010 BUDGET AND COUNCIL TAX FORECAST**

- 15.1 Following the introduction of multi-year grant settlements the Council aligned its Budget Strategy with the period covered by the Government's own spending plans. This initial strategy covered 2006/2007 and 2007/2008.
- 15.2 Details of the next three years Government Grant settlement, setting out national allocation for all Councils, will not be known until later in the year. Detailed allocations for individual authorities for 2008/2009 and beyond will probably not be known until December, 2007. This therefore makes longer term financial planning extremely difficult, although it is appropriate for the Council to roll its strategy forward to cover the three years commencing 2007/2008. This strategy can then be rolled forward to cover the three years commencing 2008/2009 when details of future grant allocations are known.
- 15.3 For planning purposes the forecasts detailed in Appendix I include the following key issues:
- Government Grant will increase by 2% per annum from 2008/2009;
  - Floor damping arrangements will continue. (Hopefully, this is a pessimistic assumption and the Government will phase these arrangements out);
  - Base budgets will be uplifted by 3% for inflation;
  - The withdrawal of 2007/2008 temporary savings;
  - Assumed annual Council Tax increases of 4.9% (actual increases to be determined on annual basis);
  - No provision has been made for additional pressures, priorities or terminating grants in 2008/2009 or 2009/2010.
- 15.4 On the basis of the above forecasts it is currently anticipated that there will be a budget deficit for 2008/2009 of £2.248m, which equates to 3.3% of departmental expenditure.
- 15.5 Assuming the 2008/2009 deficit is bridged with sustainable savings it is anticipated that there will be a deficit in 2009/2010 of £0.4m.

## **16. CONCLUSION**

- 16.1 The budget proposal provides additional capital resources through the use of Unsupported Prudential Borrowing and the use of capital receipts. These resources enable the Council to implement a number of projects which would otherwise not have gone ahead.
- 16.2 The preparation of the 2007/2008 revenue budget has been challenging. The budget has been balanced through a combination

of efficiencies, corporate savings (some of which are only temporary) and a reduction in departmental budgets.

16.3 In overall terms the net revenue budget has increased by £3.4m, which equates to a 4.7% increase. 55% of this increase has been funded from an increase in Council Tax and the remaining 45% from an increase in Government Grant. As a result of these changes the proportion of the Council's budget funded from Council Tax has increased from 44.4% in 2006/2007 to 44.8% in 2007/2008. This change broadly equates to a 1% increase in Council Tax. Therefore, if Government Grant had matched the increase in Council spending the Council Tax increase could have been limited to 3.9%. This illustrates how critical Government Grant allocations are on local Council Tax levels.

16.4 The increase in the net revenue budget provides additional resources for expenditure commitments across the Council's activities and in particular, provides resources for:

- increased energy costs;
- improvements to services to people with Learning Disabilities, Physical Disabilities/Sensory Loss and the extension of Direct Payments;
- improvements to strengthen statutory housing services, better meet the need of the community, including vulnerable residents and improve regulation in the private rented sector;
- resources to begin to address Highways Maintenance issue.

16.5 The report also advises Members that 2008/2009 and 2009/2010 will be financially challenging years. Therefore, Cabinet will need to begin to develop a strategy to address these issues in the early part of 2007/2008.

#### 16.6 **Outturn Strategy**

16.7 It is suggested that Cabinet:-

- i) Approve the proposed outturn strategy detailed in paragraphs 3.1 to 3.5.
- ii) Approve the proposal to earmark the one-off benefit from restructuring of the Authority's debt portfolio for costs associated with the Tall Ships, (paragraph 3.7).

#### 16.8 **Capital and Treasury Management**

16.9 It is suggested that Cabinet:-

- i) Approve the capital allocations identified at Appendix B, which incorporates the detailed proposals in paragraphs 4.1 to 4.10.

- ii) Authorise the relevant Portfolio Holder to approve the detailed Capital Programmes for using the Government's Supported Allocations detailed in paragraph 4.1.
- ii) Approve the allocation of a £0.369m from the 2008/2009 Corporate Prudential Borrowing allocation for the Multi-Storey Car Park to enable the appropriate contractual arrangements to be made and to note this amount will not be spent until 2008/2009.
- iv) Approve the Prudential Indicators detailed at Appendix C.
- v) Approve the proposed Treasury Management Strategy, as detailed in paragraphs 4.21 to 4.28, including the establishment of an "Interest Risk Reserve" of up to 0.5% of long term debt.

#### 16.10 **2007/2008 Revenue Budget and Council Tax**

16.11 It is suggested that Cabinet:

- i) Confirm their agreement to increase all resource allocations by 3%, with specific top-up for specific pressures and/or priorities.
- ii) Confirm that they wish to mainstream the terminating grant regimes identified in Appendix D.
- iii) Confirm that they wish to fund the budget pressures identified in Appendix E.
- iv) Confirm that they wish to fund the budget pressures identified in Appendix F.
- v) Approve the corporate efficiency initiatives of £1.1m detailed in paragraph 7.4.
- vi) Approve the use of permanent corporate savings of £1.359m to reduce the budget gap, detailed in Appendix G, Table 1.
- vii) Approve the use of additional temporary corporate savings of £1.156m to reduce the 2007/2008 budget gap, detailed in Appendix G, Table 2.
- viii) Confirm the use of £2.5m of reserves (inclusive of £0.5m from the 2006/2007 Budget Support Fund) to support the 2007/2008 budget.
- ix) Confirm a Council Tax increase of 4.9% for 2007/2008.
- x) Confirm the implementation of detailed service efficiencies and savings of £1.904m as detailed in Appendix H.

**16.12 2008/2009 Revenue Budget and Council Tax**

16.13 It is suggested that Cabinet approves: -

- i) Indicative annual Council Tax increase for 2008/2009 and 2009/2010 of 4.9%.
- ii) Prepares options for bridging the 2008/2009 budget gap and submits these to Scrutiny Co-ordinating Committee by the end of September, 2007.

## APPENDIX A

SCHEDULE OF POTENTIAL CAPITAL SCHEMES TO BE FUNDED FROM ADDITIONAL  
PRUDENTIAL BORROWING AND CAPITAL RECEIPTS

	Capital Programme				
	Operational Buildings	Non -Operational Buildings	Highways	Amenity Land	Total Capital Schemes £'000
<u>Funding</u>					
Prudential Borrowing and Capital Receipts	420	621	425	234	1700
Total Resources	420	621	425	234	1700
<u>Expenditure Commitments</u>					
Refurbishments of Burbank Community Centre (£120K) and demolition of Bridge Community Centre (£150k)	120	150			270
Seaton Bus Station				150	150
Multi-storey car park		300			300 (1)
Demolition of Historic Quay Toilets		51			51
Demolition Eldon Grove Sports Centre		120			120
Owton Manor Lane shops				50	50
Highways issues			425		425 (2)
<u>Projects to address backlog of Priority 1 repairs to Council buildings</u>					
- Replace boilers within Municipal Buildings	151				151 (3)
- Replace Roof and Pool plant at Brinkburn Centre	83				83
- Replace Roof and boiler at Borough Hall	32				32
- Replace roof at Stranton Crematoria	34				34
Uncommitted /(overcommitted) resources	0	0	0	34	34

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) Programme of resurfacing schemes based on highway condition surveys at following locations:  
 Albion Terrace, Bilsdale Road (part), Catherine Street, Hartville Road, Kelvin Grove, Kildale Road (part), Kipling Road, Kinbrace Road, Kinross Grove, Kinta Road, Kirriermuir, Kylsythe, Swainby Road, The Green/Greenside, The Grove, Verner Road, Westwood Way, Whitby Walk, West Park, Benmore Road, Grassmere Street, Keswick Street, Oakley Gardens, Rosedale Avenue, Duncan Road, Dallas Road, Fordyce Road, Forfar Road, Fife Grove, Falkirk Road, Greenock Road, Wynyard Road, Owton Manor Lane, West Park, South Drive, Tanfield Road, Berwick Street, Carlise Street.

3) This scheme will replace 10 existing boilers with a single system with lower revenue costs. Therefore, scheme will produce a revenue saving in 2008/09, which will need to be quantified and included in the 2008/09 budget proposals.

## APPENDIX B

## FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2007/08 to 2009/10

TABLE 1 - FORECAST CAPITAL RESOURCES 2007/08 to 2009/10

	Forecast Resources 2007/2008					Forecast Resources 2008/2009 (Provisional)					Forecast Resources 2009/2010 (Provisional)				
	Prudential Borrowing	Supported Capital Expenditure (Capital Grant) SCE(C)	Other Capital Funding	Scheme Specific	Total	Prudential Borrowing	Supported Capital Expenditure (Capital Grant) SCE(C)	Other Capital Funding	Scheme Specific	Total	Prudential Borrowing	Supported Capital Expenditure (Capital Grant) SCE(C)	Other Capital Funding	Scheme Specific	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Supported Service Specific Allocations</b>															
- Local Transport Plan	1,532	483			2,015	1,511	445			1,956	1,467	440			1,907
- Children's Services	1,047	3,322			4,369	1,047	3,322			4,369	1,047	3,322			4,369
- Adult Social Services	206				206	206				206	206				206
Total Supported Service Specific Allocations	2,785	3,805	0	0	6,590	2,764	3,767	0	0	6,531	2,720	3,762	0	0	6,482
<b>Unsupported Corporate Prudential Borrowing</b>															
Community Safety Strategy	150				150	150				150	150				150
Neighbourhood Forum Minor Works Allocation	156				156	156				156	156				156
Civic Centre	1,000				1,000	0				0	0				0
Disabled Access Adaptations	50				50	50				50	50				50
Replacement of Mill House	0				0	3,000				3,000	0				0
Capital Priorities	1,200				1,200	1,200				1,200	1,200				1,200
	2,556	0	0	0	2,556	4,556	0	0	0	4,556	1,556	0	0	0	1,556
<b>Unsupported Departmental Prudential Borrowing</b>															
Replacement Wheelie Bins	45				45	45				45	45				45
Cemetery Drainage	171				171					0					0
Public Conveniences	395				395					0					0
Vehicle procurement	600				600	600				600	600				600
	1,211	0	0	0	1,211	645	0	0	0	645	645	0	0	0	645
<b>Usable Capital Receipts and RCCO</b>															
Education Planned Maintenance				597	597				615	615				633	633
Capital Priorities			500		500					0					0
	0	0	500	597	1,097	0	0	0	615	615	0	0	0	633	633
<b>Specifically Funded Schemes</b>															
NDC				2,161	2,161				779	779				591	591
Integrated Children's Services				43	43				0	0				0	0
Youth Capital Fund				65	65				0	0					
Housing Market Renewal				1,959	1,959				4,375	4,375					
Housing SHIP				1,721	1,721				1,105	1,105				1,105	1,105
General Sure Start Grant				1,041	1,041					0					
Disabled Facilities Grant (DFG)				250	250				250	250				250	250
	0	0	0	7,240	7,240	0	0	0	6,509	6,509	0	0	0	1,946	1,946
Total Forecast Resources	6,552	3,805	500	7,837	18,694	7,965	3,767	0	7,124	18,856	4,921	3,762	0	2,579	11,262

## Notes

1) 2010/11 is outside of Governments current Spending Review period. Therefore, forecasts for this year are more uncertain and for planning purposes it is assumed that Government supported capital expenditure allocations will be in line with the 2008/09 allocations.



## APPENDIX B

## FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2007/08 TO 2009/10

TABLE 2 - FORECAST CAPITAL EXPENDITURE COMMITMENTS 2006/07 TO 2008/09

	Forecast Expenditure Commitments 2007/2008				Forecast Expenditure Commitments 2008/2009				Forecast Expenditure Commitments 2009/2010			
	Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000	Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000	Non-Specific £'000	Scheme Specific £'000	Match Funding £'000	Total £'000
<b><u>Specifically Funded Schemes</u></b>												
NDC		2,161		2,161		779		779		591		591
Integrated Children's Services		43		43		0		0		0		0
Youth Capital Fund		65		65		0		0		0		0
Housing Market Renewal		1,959		1,959		4,375		4,375				0
Housing - SHIP		1,721		1,721		1,105		1,105		1105		1,105
General Sure Start Grant		1,041		1,041								
Disabled Facilities Grant (DFG)		250		250		250		250		250		250
	0	7,240	0	7,240	0	6,509	0	6,509	0	1,946	0	1,946
<b><u>Misc Schemes</u></b>												
Education Planned Maintenance	597			597	615			615	633			633
	597	0	0	597	615	0	0	615	633	0	0	633
<b><u>Unsupported Corporate Prudential Borrowing</u></b>												
Community Safety Strategy	150			150	150			150	150			150
Neighbourhood Forum Minor Works Allocation	156			156	156			156	156			156
Civic Centre	0	1,000		1,000	0			0	0			0
Disabled Access Adaptations	50			50	50			50	50			50
Replacement of Mill House	0			0	3,000			3,000	0			0
Capital Priorities - Operational Buildings - See Appendix A		420		420				0				0
Capital Priorities - Non - Operational Buildings - See Appendix A		621		621				0				0
Capital Priorities - Highways Issues - See Appendix A		425		425				0				0
Capital Priorities - Amenity Land - See Appendix A		200		200				0				0
Capital Priorities - Uncommitted 2007/08 - See Appendix A	34			34				0				0
Capital Priorities - See Note 2		0		0	1,200			1,200	1,200			1,200
	390	2,666	0	3,056	4,556	0	0	4,556	1,556	0	0	1,556
<b><u>Unsupported Departmental Prudential Borrowing</u></b>												
Replacement Wheelie Bins		45		45		45		45		45		45
Public Conveniences ( See Note 1 for detail)		395		395				0				0
Cemetery Drainage		171		171				0				0
Vehicle Procurement		600		600		600		600		600		600
	0	1,211	0	1,211	0	645	0	645	0	645	0	645
<b><u>Supported Service Specific Priorities</u></b>												
Local Transport Plan	2,015			2,015	1,956			1,956	1,907			1,907
Children Services	1,047			1,047	1,047	3,322		4,369	1,047	3,322		4,369
Adult Social Services	206	3,322		3,528	206			206	206			206
	3,268	3,322	0	6,590	3,209	3,322	0	6,531	3,160	3,322	0	6,482
Total Forecast Commitments	4,255	14,439	0	18,694	8,380	10,476	0	18,856	5,349	5,913	0	11,262

1 )Public Conveniences - Detailed Schedule of Schemes

	£
Closure of Thorpe Street, Pilot Pier and Rocket House Facilities and make safe site	4,500
New Facility adjacent to Rocket House Site and Closure of Clock Tower Site	228,500
Essential Maintenance to Clock Tower Facilities ( until new facilities open )	1,500
Refurbishment and upgrade to Lighthouse ( Heugh Battery) Facilities	6,000
Maintenance to Albert Street Facility	1,000
Essential maintenance at Seaton Park Facilities	5,000
Demolition and making safe site at Ward Jackson Park Toilets	6,000
Maintenance and Improvements to facilities at Rossmere Park	50,000
Demolition and make safe site in Upper Burn Valley Facilities	6,000
Maintenance of Lower Burn Valley Facilities	10,000
Installation of heating and maintenance to Stanton Cemetery Facility	5,000
Maintenance of facilities at West View Cemetery	1,500
Improvements to Seaton Baths Site facilities including access for disabled.	70,000
	395,000

2) Detailed proposals for 2008/09 and 2009/10 allocations will be submitted on an annual basis as part of each years budget proposals. It should be noted that it is proposed that £369,000 of the 2008/09 resources be allocated for the Multi Storey Car Park.

**Prudential Indicators 2006/07 to 2009/10****Appendix C****1 Estimates of the Incremental Impact of Capital Decisions on Council Tax**

This indicator is expressed in terms of the additional Council tax at Band D tax, of the proposed capital program financed by borrowing.

	2007/08 Estimate	2008/2009 Estimate	2009/10 Estimate
	£	£	£
Ratio of Financing costs to net revenue decisions on Council Tax	9.12	11.93	3.20

**2 Estimates of Ratio of Financing Costs to Net Revenue Stream**

This indicator shows the proportion of the total annual revenue budget that is funded by the local tax payer and Central Government, which is spent on servicing debt. The upwards trend reflects the increasing costs associated with each years capital expenditure, and the expected reduction in investment income.

2006/07 Revised Estimate £'000		2007/08 Estimate £'000	2008/2009 Estimate £'000	2009/10 Estimate £'000
3.60%		4.15%	4.88%	4.92%

**3 Estimates of Capital Expenditure**

These estimates show the proposed capital expenditure program for the forthcoming three years in addition to the current years capital program.

2006/07 Revised Estimate £'000		2007/08 Estimate £'000	2008/2009 Estimate £'000	2009/10 Estimate £'000
44,867	Capital Expenditure	18,694	18,856	11,262

#### 4 Estimates of Capital Expenditure Financed from Borrowing

These estimates show the borrowing required to finance the capital expenditure program for the forthcoming three years, the current years capital program, and the actual capital expenditure for the previous year.

2006/07 Revised Estimate £'000		2007/08 Estimate £'000	2008/2009 Estimate £'000	2009/10 Estimate £'000
8,403	Capital Expenditure Financed from Borrowing	6,552	7,965	4,921

#### 5 Estimates of Capital Financing Requirement

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

2006/07 Revised Estimate £'000		2007/08 Estimate £'000	2008/2009 Estimate £'000	2009/10 Estimate £'000
85,420	Capital Financing Requirement	82,413	86,596	87,499

#### 6 Authorised Limit for External Debt

The authorised limit determines the maximum amount the authority may borrow at any one time, and the levels for each forthcoming year are detailed below. The authorised limit covers both long term borrowing for capital purposes and borrowing for short term cash flow requirements. The authorised limit is set above the operational boundary to provide sufficient headroom for operational management and unusual cash movements. In line with the Prudential Code, the level has been set to the flexibility to borrowing to finance capital expenditure occurring for up to 3 years in advance if more favourable interest rates can be obtained.

2006/07 Revised Estimate £'000		2007/08 Estimate £'000	2008/2009 Estimate £'000	2009/10 Estimate £'000
105,000	Authorised limit for external debt	125,000	130,000	135,000

## 7 Operational Boundary for External Debt

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

2006/07 Revised Estimate £'000		2007/08 Estimate £'000	2008/2009 Estimate £'000	2009/10 Estimate £'000
95,000	Operational limit for external debt	100,000	105,000	110,000

## 8 Actual External Debt

This level of debt is taken from the Council's balance sheet and for the financial year 2006/2007 it was £83,902,000 (2005/06 £54,086,000). The increase reflects the pre-funding of future years capital expenditure and the externalising the borrowing requirement temporarily funded internally.

## 9 Treasury Management Code of Practice

The Council has adopted the Cipfa Code of Practice for Treasury Management. The detailed 2007/08 Treasury Management Strategy will be reported to the Finance Portfolioholder on 14th, March 2007. An overview of the proposed strategy is detailed in the main body of this report.

## 10 Interest Rate Exposures

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

The upper limits for exposure to both fixed and variable interest rates are expressed in percentage terms and are set for the forthcoming three years at

2006/07 Revised Estimate £'000	Upper limits on fixed and variable interest rate exposure	2007/08 Estimate £'000	2008/2009 Estimate £'000	2009/10 Estimate £'000
100% 35%	Fixed Rates Variable Rates	100% 35%	100% 20%	100% 20%

The 2006/2007 indicators has been revised from the original limit of 20% to allow for temporary treasury management activities involving a reduction in gross debt and the level of investments.

11 Maturity Structure of Borrowing

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

The limits on the amount of projected fixed rate borrowing maturing in each of the following period is expressed as a percentage of the total projected fixed rate borrowing.

	Upper Limit	Lower Limit
under 12 months	35%	0%
12 months and within 24 months	35%	0%
24 months and within 5 years	35%	0%
5 years and within 10 years	35%	0%
10 years and above	100%	65%

12 Estimated Net Borrowing

This shows the net of long and short term borrowing and investments.

2006/07 Revised Estimate £'000		2007/08 Estimate £'000	2008/2009 Estimate £'000	2009/10 Estimate £'000
51,400	Estimated Net Borrowing	51,932	57,793	60,430

The increase reflects the use of borrowing to fund capital expenditure.

## APPENDIX D

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

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

**APPENDIX D****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 D

**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 D

**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 &amp; Cleveland. HBC is the employing authority.</i></p>	<p>YES – desirable as provides coordination and basis for Coastal Arc – and for sub-regional single programme funding. Subject to 50% contribution from Redcar and Cleveland.</p> <p>100% Single Programme funding is confirmed for 2006/7. In principle support for 2007/8 subject to funding availability. Situation unclear thereafter.</p>	17	<p>34</p> <p>(plus other revenue expenditure, excluding oncost). 50% relates to HBC.</p>	0.5 (within Hartlepool)	0.5 (within Hartlepool)	Presumably minimal as employment length would be less than 2 years	nil

## APPENDIX D

**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
<b>Total</b>		<b>211</b>					

### **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) Initial pressure assessed as £500k, reduced to reflect more stable market prices.	Red Inability to pay bills from appropriate budget Service loss	300	
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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
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 <b>RED</b> 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.	<b>Red</b> 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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
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	<b>Red</b> 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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
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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	<b>Red</b> 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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
	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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Pressure in 2008/2009 (only complete this column if value shown in 2007/2008 column is part year pressure) <b><u>£'000</u></b>
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>
			1674	

## APPENDIX F

**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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Priorities in 2008/2009  <b><u>£'000</u></b>
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	



## 4.1

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

## 4.1

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Priorities in 2008/2009  <b><u>£'000</u></b>
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.	<b>Red</b> 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.

## 4.1

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Priorities in 2008/2009  <b><u>£'000</u></b>
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.	<b>Red</b> 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  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Priorities in 2008/2009  <b><u>£'000</u></b>
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.	<b>Red</b> 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.	<b>Red</b> There is a significant visual impact on the environment together with security and health & safety risks.	60	

## 4.1

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.	<b>Red</b> Impact on BVPI199, cleanliness of the highway indicator, customer satisfaction with the frequency of dog foul bin emptying is low	40	

## 4.1

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Priorities in 2008/2009  <b><u>£'000</u></b>
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><b>Red</b></p> <p>Responsive times will increase beyond current two days, which will be unacceptable to the public.</p> <p>Unable to action increasing demand for seagull/pigeon control measures</p> <p>No development of private contract work (fee earning)</p>	20	

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



## 4.1

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	

## 4.1

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities  <b><u>2007/2008</u></b> <b><u>£'000</u></b>	Value of additional Budget Priorities in 2008/2009  <b><u>£'000</u></b>
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	

## APPENDIX F

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

# 4.1

Budget Heading	Description of Budget Priorities	Risk Impact of Not Funding Priorities	Priorities Value Budget Priorities	Value of additional Budget Priorities in 2008/2009
			<b><u>2007/2008</u></b> <b><u>£'000</u></b>	<b><u>£'000</u></b>
		<b>Total of All Priorities</b>	746	

**PERMANENT AND TEMPORARY CORPORATE SAVINGS**

<b><u>Table 1 – Permanent Corporate Savings</u></b>	<b><u>£'000</u></b>
<ul style="list-style-type: none"> <li>• <u>Reduction in Strategic Contingency</u></li> </ul> <p>The previous forecasts provided for a phased increase in Older People's Care Home fees over a two year period. Following negotiations with providers this increase is being phased over a longer period and at a lower rate.</p>	800
<ul style="list-style-type: none"> <li>• <u>Reduction in Centralised Estimates</u></li> </ul> <p>Following the replacement of the Housing supported borrowing allocation with capital grant there will be a reduction in interest and principal repayment costs.</p>	250
<ul style="list-style-type: none"> <li>• <u>Reduction in 2007/2008 Floor Dampening Adjustment</u></li> </ul> <p>Following a meeting with Ministers the level of grant lost through the floor dampening adjustment has been reduced from £1.844m to £1.535m for 2007/2008. This compares to a floor dampening adjustment for 2006/2007 of £1.453m.</p>	309 *
	<hr/> 1,359

\* This item is reflected in the actual grant allocation for 2007/08.

<b><u>Table 2 – Temporary Corporate Savings</u></b>	<b><u>£'000</u></b>
<ul style="list-style-type: none"> <li>• <u>Investment Income</u></li> </ul> <p>It is anticipated that the Council will benefit from increased income on reserves and cashflows during 2007/2008. This income is not sustainable as reserves will reduce during 2006/2007 and 2007/2008, as they are used to support the revenue budget and to meet one-off commitments, such as the settlement of Equal Pay payments. In addition, cashflows will move back to normal levels as the level of funding of future capital expenditure requirements unwinds.</p>	650
<ul style="list-style-type: none"> <li>• <u>Prudential Borrowing Mill House</u></li> </ul> <p>This budget provision will support a capital contribution towards the replacement of the Mill House in the order of £3m to £3.6m.</p>	300

The development of the proposed H2O Centre will cost significantly more than this amount and will be dependent upon securing additional funding. This funding will not be secured in the short-term. Therefore, the Council will not need this budget pressure in 2007/2008.

- Economic Development Grants

206

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

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1,156

## APPENDIX H

**PROPOSED SAVINGS****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	<b>E</b> - increase in Council Tax income by reducing number of single person discounts.	<b>Amber</b> - 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	<b>E</b> - 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.	<b>Amber</b> - 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	<b>Amber</b> - the budgets include a range of provisions for professional fees 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		
<b>TOTAL</b>				128		



## APPENDIX H

PROPOSED SAVINGSNEIGHBOURHOOD 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 - Package of measures as detailed in main body of report	Amber Risk: Political and public dissatisfaction.	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
<b>TOTAL</b>				411		

## APPENDIX H

PROPOSED SAVINGSCHILDREN'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 <b>GREEN</b> – 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 <b>GREEN</b> – 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 DIES centralisation of grants and awards. Risk is <b>GREEN</b> – 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 <b>half</b> the number of eligible independent agency foster carers obtain a Special Guardianship Order. Risk is <b>GREEN/AMBER</b> - 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 <b>AMBER</b> – Some service disruption possible over the next 12 months.		30		None
Adoption and special guardianship orders	E	Reduction in payments to independent agencies because <b>all</b> the eligible independent agency foster carers obtain a Special Guardianship Order. Risk is <b>AMBER/RED</b> - 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 <b>RED</b> – extreme and almost certain to occur in the		81	None	None
<b>TOTAL</b>				<b>483</b>		

## APPENDIX H

PROPOSED SAVINGSREGENERATION 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	<b>GREEN RISK</b> - 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.	<b>GREEN RISK</b> - 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	<b>GREEN RISK</b> - 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	<b>GREEN RISK</b> - 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)	<b>GREEN RISK</b> - 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	<b>AMBER/GREEN RISK</b> - 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)	<b>AMBER/GREEN RISK</b> - 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	<b>AMBER RISK</b> - Reducing the contribution to Tees Valley-wide tourism marketing and promotion may limit the new Area Tourism Partnership's marketing activity	None	5		
Community Safety	S - Reduce the Safer Hartlepool Partnership publicity budget	<b>RED RISK</b> - 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	<b>RED RISK</b> - 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	
<b>TOTAL</b>				97	

**PROPOSED SAVINGS****APPENDIX H****ADULT AND COMMUNITY SERVICES**

Budget Heading	Description of Efficiency/Saving	Efficiency/Saving Risk - Red, Ambar, 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 SAVINGS****APPENDIX H****ADULT AND COMMUNITY SERVICES**

Budget Heading	Description of Efficiency/Saving	Efficiency/Saving Risk - Red, Ambar, 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
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
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

**PROPOSED SAVINGS****APPENDIX H****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	Reduction in projects fund	<b>S</b>	<b>G</b> 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	<b>E</b>	<b>G</b> Low - review underway	Tbd	51	Tbd	Tbd
<b>TOTAL</b>					<b>785</b>		

	2006/2007 APPROVED BUDGET £m.	2007/2008 PROPOSED BUDGET £m.	2008/2009 PROJECTED BUDGET £m.	2009/2010 PROJECTED BUDGET £m.
<b>DEPARTMENTAL REQUIREMENTS</b>				
Children's Services- DSG	54.463	57.300	60.165	63.173
Children's Services	16.123	16.750	17.253	17.771
Neighbourhood Services	13.792	14.225	14.649	15.086
Regeneration & Planning	3.588	3.743	3.855	3.971
Resources	4.163	4.324	4.454	4.588
Resources: Rent Allowances/C.Tax benefit not subsidised	1.216	1.252	1.290	1.329
External Finance - Rent Allowances Grant	(1.061)	(1.093)	(1.126)	(1.160)
Adult and Community Services	26.622	27.432	28.255	29.103
<b>TOTAL BOARD REQUIREMENTS</b>	<b>118.906</b>	<b>123.933</b>	<b>128.795</b>	<b>133.861</b>
<b>EXTERNAL REQUIREMENTS</b>				
Magistrates, Probation and Coroners Court	0.168	0.178	0.183	0.188
North Eastern Sea Fisheries Levy	0.019	0.019	0.020	0.021
Flood Defence Levy	0.043	0.044	0.045	0.046
Discretionary NDR Relief	0.031	0.032	0.033	0.034
<b>CORPORATE COMMITMENTS</b>				
I.T.	2.426	2.499	2.574	2.651
Audit Fees	0.319	0.329	0.339	0.349
Centralised Estimates	6.000	6.237	6.446	6.679
Centralised Estimates saving 2006/07	(0.250)	0.000	0.000	0.000
Centralised Estimates saving SCE (R) replaced SCE (C)	0.000	(0.250)	(0.250)	(0.250)
Temporary Investment income	0.000	(0.650)	0.000	0.000
Insurances	0.353	0.360	0.371	0.382
Insurance Credit	(0.150)	0.000	0.000	0.000
Designated Authority Costs	0.171	0.182	0.188	0.194
Pensions	0.437	0.450	0.464	0.478
Members Allowances	0.328	0.338	0.348	0.358
Mayoral Allowance	0.071	0.073	0.075	0.077
Archive Service	0.007	0.007	0.008	0.008
Emergency Planning	0.086	0.088	0.091	0.094
<b>NEW PRESSURES</b>				
Employers Pension Contributions	(0.150)	(0.290)	(0.300)	(0.309)
Prudential Borrowing Costs - H20	0.000	0.000	0.300	0.309
Housing Stock Transfer Costs/Loss external income	0.540	0.555	0.572	0.588
Contingency	0.021	0.021	0.022	0.023
Housing Market Renewal Support	0.042	0.000	0.000	0.000
Planning Delivery Grant terminated	0.150	0.104	0.159	0.164
Contribution to Tees Valley Regeneration	0.050	0.050	0.052	0.054
Support for Major Tourist Attraction	0.053	0.055	0.057	0.059
Supporting People Pressure	0.080	0.080	0.082	0.084
Extension of Recycling	0.110	0.110	0.113	0.116
Strategic Contingency (note 1)	3.267	4.660	5.364	5.886
2007/08 Mainstreamed grant (note 2)	0.000	0.014	0.014	0.014
2006/07 Final Council Commitments (note 3)	0.245	0.045	0.046	0.047
2007/08 Provision for Grants/Pressures/Priorities (note 4)	0.000	2.631	2.750	2.832
Benefit Subsidy	(0.150)	0.040	0.041	0.042
Provision for Cabinet projects	0.000	0.050	0.052	0.054
Procurement and contact centre savings	(0.400)	(0.400)	(0.412)	(0.424)
2007/08 Efficiency Savings	0.000	(1.100)	(1.100)	(1.100)
Prudential Borrowing Costs - Capital Strategy (note 5)	0.000	0.100	0.200	0.300
Sustainable Savings 2007/08	0.000	0.000	(1.861)	(1.861)
Sustainable Savings 2008/09	0.000	0.000	0.000	(2.315)
Final 2007/08 commitments	0.000	0.321	0.331	0.341
Sustainable Stock Transfer Savings achieved	0.000	0.000	0.000	(0.200)
<b>COUNCIL BUDGET REQUIREMENT</b>	<b>132.822</b>	<b>140.917</b>	<b>146.212</b>	<b>149.874</b>
PARISHES PRECEPTS	0.015	0.021	0.022	0.023
CONTRIBUTION FROM FBR RESERVE	(1.000)	(1.000)	(1.000)	(1.000)
CONT. TO / (FROM) RTB INCOME RESERVE	(1.000)	(1.000)	(1.000)	(1.000)
CONT. TO / (FROM) 2003/04 BUDGET SUPPORT FUND	(0.096)	0.000	0.000	0.000
CONT. TO / (FROM) 2005/06 BUDGET SUPPORT FUND	(0.400)	0.000	0.000	0.000
CONT. TO / (FROM) 2006/07 BUDGET SUPPORT FUND	0.489	(0.500)	0.000	0.000
2004/05 & 2005/06 POPULATION GRANT ADJUSTMENT	(0.645)	0.000	0.000	0.000
CONT. (FROM) 06/07 UNDERSPEND	0.000	(0.060)	0.000	0.000
CONT. TO / (FROM) STOCK TRANSFER RESERVE	(0.200)	(0.200)	(0.200)	0.000
<b>GROSS BASE BUDGET REQUIREMENT</b>	<b>129.985</b>	<b>138.178</b>	<b>144.034</b>	<b>147.897</b>
Council Tax Percentage Increase	0.049	0.049	0.049	0.049
Council Tax - base income	33.472	35.330	37.061	38.877
DSG	54.463	57.300	60.165	63.173
External Finance - Revenue Support Grant	6.787	6.250	6.375	6.502
External Finance - Redistributed Business Rates	35.159	37.240	37.985	38.745
Total External Finance	41.946	43.490	44.360	45.247
Collection Fund Surplus	0.104	0.254	0.200	0.200
<b>BUDGET LIMIT</b>	<b>129.985</b>	<b>136.374</b>	<b>141.786</b>	<b>147.497</b>
<b>GROSS DEFICIT/(SURPLUS)</b>	<b>(0.000)</b>	<b>1.804</b>	<b>2.248</b>	<b>0.400</b>



	<u>2006/07</u> <u>£'000</u>	<u>2007/08</u> <u>£'000</u>	<u>2008/09</u> <u>£'000</u>	<u>2009/10</u> <u>£'000</u>
Civic Centre Maintenance (Prudential Borrowing provision)	200	300	300	300
2006/07 Contingency (covers Older People Purchasing, Concessionary Fares and ongoing Equal Pay costs. Also net of increase in Community Pool budget)	2480	3450	3919	4412
2006/07 Budget Pressures Year 2 costs				
- Older People Purchasing	0	900	927	955
- Learning Disabilities Purchasing	0	120	124	128
- Additional Concessionary Fares commitment		250	258	266
Reduction Older People Purchasing		(800)	(824)	(849)
Energy Costs 06/07 increase	180	186	192	198
Prudential Borrowing costs re. Contact Centre	100	100	100	100
Prudential Borrowing costs re. Minor Capital Provision 06/07	100	100	100	100
Economic Development Pressure	0	206	212	218
Economic Development Pressure not needed 07/08		(206)		
<u>Children's Services</u>				
- Community Facilities in Schools	30	54	56	58
- Independent School Fees	66	0	0	0
- Loss Extra District Income	70	0	0	0
- Visual/Hearing Impairment	26	0	0	0
- Grange	15	0	0	0
	3267	4660	5364	5886

## 2) 2007/08 Mainstreamed grant

	<u>2007/08</u> <u>£'000</u>
Preserved Rights	14
	14
2006/07 and 2007/08 Departmental Base Budgets have been increased to reflect grants mainstreamed in 2006/07. Above amount is additional grant expected to be mainstreamed in 2007/08.	

## 3) 2006/07 Final Council Commitments

	<u>2006/07</u> <u>£'000</u>	<u>2007/08</u> <u>£'000</u>	<u>2008/09</u> <u>£'000</u>	<u>2009/10</u> <u>£'000</u>
Briarfields allotments reinstatement	75	0	0	0
Contaminated Land	65	30	31	32
Brinkburn Pool	90	0	0	0
Celebration of Achievement Contingency	15	15	15	15
	245	45	46	47
In addition to above items Council also approved following 2006/07 allocations, which have been included in Departmental Budgets - WEEE regulations £25,000, Foggy Furze Library £65,000 and additional Bus Routes £75,000. The last two items are also included in 2007/08 Departmental Base budgets.				

## 4) 2007/08 Provision for Grants/Pressures/Priorities

	<u>2006/07</u> <u>£'000</u>	<u>2007/08</u> <u>£'000</u>	<u>2008/09</u> <u>£'000</u>	<u>2009/10</u> <u>£'000</u>
Pressures	0	1674	1724	1776
Priorities	0	746	808	833
Grants	0	211	217	224
Total	0	2631	2750	2832

## 5) Prudential Borrowing Costs - Capital Strategy

This provision will support annual capital investment of £1.2m per annum and will enable the Council to address backlog capital investment needs.

## 6) Final 2007/08 Commitments

	<u>2006/07</u> <u>£'000</u>	<u>2007/08</u> <u>£'000</u>	<u>2008/09</u> <u>£'000</u>	<u>2009/10</u> <u>£'000</u>
Landfill Tax	0	79	81	84
Windsor Running Costs	0	45	46	48
Car Loan and Land Charges income risk	0	97	100	103
HR and contract centre	0	100	103	106
Total	0	321	331	341

7) This figure equals the savings identified in Appendix H net of the Single Person Discount saving of £0.1m, as this savings is included in the 2007/08 Council Tax income figure of £35.33m when completing the statutory Budget and Council Tax calculations.

## Appendix J

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

<b>Budget Assumption</b>	<b>Financial Standing and Management</b>
The treatment of inflation and interest rates	<p>The proposed resource allocations include 3% to cover anticipated cost living pay awards for all staff and general inflation on non pay expenditure.</p> <p>The salary budgets include an allowance for staff turnover based on the level of turnover achieved in previous years. This varies to reflect individual department's specific circumstances.</p> <p>Provision has been made for Pension costs based on the latest Actuarial valuation.</p> <p>Interest expose is been managed through the Treasury Management Strategy. Investment income has been protected by locking into forward investment deals. Similarly, the risk of increasing borrowing costs have been managed by having the majority of the authorities borrowings on a fixed rate basis, with various maturity profiles, the shortest being for 3 years and the longest 50 years.</p>
Estimate of the level and timing of capital receipts	The authority has taken a prudent approach to using capital receipts to fund its capital programme and only committed resources which it is certain to achieve through two large land sales. It is anticipated that these sales will be completed before the end of 2007/08, which is when the resources will need to be available to fund existing capital expenditure commitments.
The treatment of demand led pressures	Individual Portfolio Holders and Directors are responsible for managing services within the limit of resource allocations and departmental Risk and Strategic Change Provisions. If these resources are inadequate the Council's Managed Under/Overspends Policy provides flexibility to manage the change over more than one financial year. In some key instances it will not be possible in 2007/2008 to absorb some demand pressures and appropriate provision has been included in the budget forecast as detailed in Appendix I.
The treatment of planned efficiency savings/productivity gains	All Directors have a responsibility to deliver services within the approved resource allocations. Where departmental efficiency savings/productivity gains are planned it is the individual Directors responsibility to ensure they are implemented. Any under achievement would be dealt with on a temporary basis through the managed overspend rules until a permanent saving is achieved.

The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital development	The Council has also submitted a bid for Building Schools for the Future. Members have been appraised of the potential impact of this initiative on the revenue budget if the Council is required to undertake additional borrowing. Although, this will not occur until after 2010/2011 and will be on a phased basis. A strategy has been approved for funding the upfront costs of this scheme and provision established to meet the year one and two costs
The availability of other funding to deal with major contingencies and the adequacy of provisions	<p>The Council's approved Managed Underspend and Strategic Risk and Change initiatives are well understood and provide service departments with financial flexibility to manage services more effectively. These arrangements help to avoid calls on the Council's corporate reserves.</p> <p>The Council's insurance arrangements are a balance between external insurance premiums and internal self insurance. The value of the Council's insurance fund has been assessed and is adequate to meet known reserves on outstanding claims.</p>
The strength of financial reporting arrangements and the Authority's track record of budget monitoring	The Council's financial reporting arrangements include the identification of forecast outturns for both revenue and capital areas. These arrangements ensure problems are identified and corrective action taken before the year end, either at departmental or corporate level. This includes the use of Managed Underspends from previous years or temporary corporate funding to enable departments more time to address adverse conditions. These arrangements have worked well and have enabled the Council to strengthen the Balance Sheet over the last few years. In addition, the Council's outturn strategy will address a number of specific issues arising in 2006/2007.
Single Status/Equal Pay Claims	<p>In financial terms the greatest risk facing the Council relates to Equal Pay claims and the implementation of Single Status. The position regarding Equal Pay claims is worse than anticipated following the decision reached by similar cases in other authorities. The Employment Tribunal judgement set a precedent and will increase the level of compensation the Council will need to pay. It is estimated that this will cost up to £2.4m and resources have been earmarked within General Fund Balances to these potential costs.</p> <p>The position on Single Status is also uncertain as detailed Job Evaluations and the design of a new pay and grading structure will not be completed until later in the year. The revenue forecasts for 2007/2008 onwards include a provision to meet these costs. A detailed costing exercise will need to be completed during 2007/2008 to determine if this provision is adequate.</p>

**2007/08 FINANCIAL RISK MANAGEMENT**Risk Rating

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

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

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

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

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

EXPENDITURE ITEMSCORPORATE RISKS

Financial Risk	Risk Rating	2007/8 Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Lower Government Grant settlement	Amber	N/A	N/A	Government Grant allocations for 2008/09 onwards will not be known until details of the 2007 CSR and 2008/09 Local Government Finance Settlement are known. The budget forecasts are based on prudent annual increase from 2008/09 of 2% and no reduction in the floor damping adjustment. Each 1% reduction in the assumed grant increase equates to £440,000.
Larger than expected pay increases	Amber	49,251	58.1%	Pay is the Council's largest single expense and any increase above the budget could potentially be significant. The National cost of living increases for the Council's pay groups have not been agreed for 2007/8. As pay growth across the economy is above 3% there is a risk that the actual pay award may exceed the 3% provision included in the budget proposals. Each additional 1% increase would cost the Council £490k. However, the Chancellor has indicated that he does not expect public sector pay increases to exceed 2%. Any increase above 3% would need to be funded from in-year savings, reserves or a combination of the two. A strategy to achieve permanent savings would also need to be developed.
Single Status/Equal Pay Claims	Red	N/A	N/A	In financial terms the greatest risk facing the Council relates to Equal Pay claims and the implementation of Single Status. A provision has been established to meet agreed EP settlements with defined employees covering the three years 2004/05 to 2006/07, including the associated tax and National Insurance costs. The provision has been partly funded from the 2005/2006 Outturn Strategy and partly from a review of the Authority's reserves. An additional, £0.500m has been identified as part of the 2006/2007 Outturn Strategy. There is uncertainty and risk that the authority may face additional claims arising from Industrial Tribunals cases. These risk cannot be quantified. However, the Authority has earmarked £2.2m of its General Fund Reserves to meet any liabilities which may arise. The position on Single Status is also uncertain as detailed Job Evaluations and the design of a new pay and grading structure will not be completed until later in the year. Provision has been included in the 2007/08 budget to meet costs which are likely to arise from the completion of this work. costs. This is based on experience in other authorities.
Higher costs of borrowing and/or lower investment returns	Green	5,340	6.3%	Interest payable on Council's borrowings or interest earned on investments could be higher/lower than forecast. The Treasury Management Strategy details how these risks will be managed and establishes an appropriate framework of controls for managing these risks. This strategy is based upon the CFO's assessment of future interest rates, which is itself supported by the detailed interest rate forecasts and market intelligence provided by the Council's Treasury Management Advisors.
I.T.	Green	2,499	2.9%	The partnership contract is subject to an inflationary increase that is outside of the Council's control and this, together with the potential for agreed contract changes, mean this budget is subject to potential change in excess of the budget. However based on the contract value and current economic conditions this is not considered to be a significant risk.

Financial Risk	Risk Rating	2007/8 Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Planned Maintenance Budget	Amber	221	0.3%	<p>Much of the Council's building stock is in poor condition and the Corporate Risk Register identifies this as a "red" risk. This includes the Civic Centre, Mill House Leisure Centre and a number of other public buildings. From 2002/03 the Council provided 2.5% real term growth for this budget to start addressing these issues. It was recognised that this would not be sufficient and at some point significant resources would need to be allocated to address these issues. As provision to support Prudential Borrowing to address the issues in relation to Mill House and the Civic Centre has now been made as follows, this risk is assessed as Amber for budget purposes:</p> <p>The 2004/05 to 2005/06 Revenue Budget Strategy included provision to support phased Prudential Borrowing of £3M over a three year period for the replacement of the Mill House wet side. This provision has been rolled forward in the 2005/06 to 2007/08 Revenue Budget Strategy.</p> <p>The 2005/06 to 2007/08 Revenue Budget Strategy includes provision to support phased Prudential Borrowing of £3M over a three year period for improvements to the Civic Centre.</p>
Management of VAT Partial Exemption position	Amber	450	0.5%	<p>The position will continue to be monitored closely to ensure the VAT Partial Exemption limit is not exceeded. Council has a specific reserves to partly cover this risk and the following item.</p>
Failure to comply with relevant local authority financial legislation/regulations, NI and taxation regulations	Amber	N/A	N/A	<p>The Council will take appropriate steps to ensure it keeps up to date with changing legislation and regulations. There is nothing to indicate that the Council faces any specific material risk in these areas.</p>
Delivery of Planned Savings	Amber	2,004	2.4%	<p>Planned savings include corporate efficiencies savings of £1.1m and departmental efficiencies/savings of £1.904m, as detailed in Appendix H.</p>

#### CHILDREN'S SERVICES

Individual School Budget	Amber	51,045	N/A	<p>These resources are delegated from the Authority's Dedicated Schools Grant in accordance with Hartlepool's Scheme for Financing Schools and individual governing bodies are responsible for their usage and control. Schools are now allocated multi-year budgets which are linked to school development plans and they hold reserves to help them manage unforeseen cost pressures or reduced allocations over the medium term. Levels of reserves are monitored by the Department and by the Schools Forum and a clawback scheme to deal with excessive reserves is being introduced in 2007/08. As part of the annual budget setting process, and with approval from the Schools Forum, the LEA retains an amount of DSG funding for Transitional Support. This funding is allocated (over and above ISB) to support schools that require additional monies to meet required educational standards. This may be prompted by Ofsted inspections or from concerns raised by the Children's Services Management Team.</p> <p>Where possible, unspent transitional support budgets are transferred to an earmarked reserve and carried forward for future years. The on-going revenue sustainability of Hartlepool's Secondary Schools will need to be one of the key considerations in determining implementation of the BSF programme.</p>
Individual Pupils Budget allocated during the year to schools for high level SEN pupils	Amber	1,214	1.4%	<p>The Local Authority retains funding to support pupils with special educational needs by agreement with the Schools Forum. This funding is allocated to schools each term to cover their costs of employing Teaching Assistants and rates are reviewed each year as part of the annual budget process. Pressure on this budget is directly influenced by the numbers of children requiring support in any given year and the SEN manager liaises with schools to share costs with them on an ongoing basis. Rates payable to schools have not been increased since 2000 but the Schools Forum have agreed a 16% increase for 2007/08 with the resulting costs to be met from the ISB. However, funding of increased costs from ISB in future years may not be sustainable.</p>
Transport costs not able to be controlled	Amber	1,589	1.9%	<p>The Department's Transport contracts are due for renewal from 1/9/07 and there has been significant increases in public transport costs over the last year which may be reflected in increased tender prices. There is also a high degree of uncertainty regarding the exact requirements over forthcoming years owing to (i) issues raised in the 2006 consultation exercise, (ii) Extended Schools and increased out of school activities, (iii) the Education and Inspection Act, (iv) BSF Programme, (v) introduction of 14 - 19 diplomas and (vi) reductions/changes in the Supported Bus Routes funded by Neighbourhood Services. Departmental staff will need to ensure all its requirements are 'packaged' in such a way that they attract competitive bids and this may involve collaboration with other Council departments. The highest area of spending relates to the requirement to transport special needs pupils which is demand led, invariably requires escorts and is difficult to control other than to ensure all individual arrangements are procured as economically as possible by the Pupil Support Team.</p>

Financial Risk	Risk Rating	2007/8 Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Building Schools for the Future	Green	139	0.2%	There will be increased revenue costs to the department arising from the implementation of the BSF programme. An earmarked reserve has been established which will cover the initial costs of the BSF Project Team and other associated costs that can be predicted at this time up to the end of 2007/08. Costs of the Project Team and other expenditure that may arise as the programme proceeds will need to be mainstreamed into the departments revenue budget from 2008/09 and the project will become 'red' risk unless budgetary provision is made.
Connexions	Amber	1,000	1.2%	Provision of the Connexions Service will become the responsibility of the Children's Services department in April 2007. It is anticipated that the grant funding will be sufficient to meet the cost of the activities transferring to the Council. The Government have recently confirmed the level of transitional funding that they will make available to meet the costs of transfer the Connexions service to the five Tees Valley authorities. It is anticipated that this funding, together with Connexions reserves will be sufficient to meet these costs.
Integrated Children's System	Amber	97	0.1%	The department will be implementing the new ICS system during 2007 and whilst funding has been secured for both capital and revenue costs there is a degree of uncertainty that other implementation and running costs may be required. To secure capital funding the department has made a commitment to reduce staffing costs in future years as efficiencies from system implementation are achieved.
Special Guardianships	Red / Amber	180	0.2%	The department's 2007/08 budget is reliant on significant savings being achieved from the transfer of all eligible foster carers to special guardianship arrangements. There is a risk that some foster carers may be reluctant to change and this is being mitigated by appropriate discussions at an individual level.
Increased demand in places at independent schools for pupils with high level of SEN	Red	810	1.0%	There are various circumstances in which the Department can be faced with unavoidable cost pressures arising from SEN children who may move into the Borough at any time, for example the home LEA is responsible for fees at independent special schools which are invariably very expensive, where it is necessary for Hartlepool children to attend special schools in other Authorities these are invariably high cost and conversely placements in Hartlepool Schools from other LEA's may cease resulting in a loss of income. The BSF programme offers an opportunity to re-configure its schools to provide the best education (and possibly residential) facilities for the needs of its SEN pupils. The department holds a 'High Cost Children' reserve which can be used where unexpected cost pressures occur which cannot be predicted in the annual budget setting process.
Increased Demand for Looked After Children Placements	Red	3,367	4.0%	There is a national trend of increased costs for the placement of children with foster parents or other types of care and constant pressure to pay 'competitive' rates to carers which may exceed inflationary increases in future years. The department has reviewed all of its external placements and has taken steps to recruit additional carers to minimise its financial exposure to the volatile price increases levied by the Independent Sector and will examine options to work more effectively with regard to its short term placements during 2007/08. The department holds a 'High Cost Children' Reserve which can be used where unexpected cost pressures occur which cannot be predicted in the annual budget setting exercise.

Financial Risk	Risk Rating	2007/8 Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
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#### NEIGHBOURHOOD SERVICES

Environment, Environmental Action and Town Care Management	Amber	7,125	8.4%	Loss of LPSA funding creates pressure on the Environmental Action Team Budget pressure on the Street Cleansing Function exists.  There are number of legislative changes that are having a detrimental impact on this budget. These include the Waste Implementation Programme, Waste Incineration Directive and Waste Acceptance criteria.
Property Services	Green	529	0.6%	There are risks involved with trading, recharge rates, recovery of overheads and achieving the budgeted level of fee income dependent on the capital programme.
Engineers, Traffic and Road Safety, Highways, Highways and Transportation and Transportation.	Amber	7,875	9.3%	Budget for highways maintenance insufficient. Will be managed through budgetary control. However continued deterioration of highways may lead to increase in litigation claims.  Insufficient funding for coastal protection, will be managed through budgetary control process.  Potential for extremely high legal fee's involved with managing the contaminated land identified within the borough.

#### ADULT & COMMUNITY SERVICES

Demographic changes in Older People	Amber	6,639	7.8%	Increasing number of elderly people, high percentage of chronic health problems and market pressures on price.  The 'Direction of Travel' policy for social care includes, helping more people to live at home, plans to expand community based services, and maybe to change the 'Fair Access to Care Services (FACS) threshold. The financial effects of this policy will be monitored closely throughout the year.  Ongoing risk in relation to Continuing Health Care (S28A) disputes.  Provision in medium term financial plans to minimise impact of increases generated from Independent sector.
Demographic changes in Learning Disabilities	Amber	928	1.1%	Increasing numbers of people with learning disabilities surviving into adulthood and old-age; expectations of improved quality of life; long-term effect of closure of long-stay hospitals  Investment in medium term identified along with development of alternatives to residential care eg Supporting people
Occupational Therapy Equipment	Amber	135	0.2%	Equipment for people with a disability - demand exceeding budget allocation as more people are supported to remain in their own homes. There is a waiting list of physically disabled clients. There will be pressure on the Disabled Facilities Grant (DFG) in the year as it is usually exhausted within the first few months of the financial year. This will impact on the OT equipment to support clients in their own home.  Position will be closely monitored and additional resources identified where possible.
The Property Maintenance budget is insufficient to meet service community services requirements	Amber	259	0.3%	The maintenance budget which covers a large majority of the department's properties has only ever been increased by 'inflation'. This budget has consistently overspent in recent years and is likely to overspend by £30k in 2006-07. It may reach the point where buildings need to close as there is insufficient funding available. The responsible officer works closely with Property Services and is always seeking other funding sources.
Social Care - Direct Payments	Amber	997	1.2%	The Direct Payments scheme will put pressure on this budget as the 'Direction of Travel' policy moved towards self-directed care. DOH policy states that local authorities are required to support & help people to both obtain & maintain direct payments to service providers. Savings will be made form other areas of adult social care. However the demand for direct payments will be buoyant.

#### INCOME ITEMS

#### ADULT & COMMUNITY SERVICES

Non-achievement of income targets	Green	1,400	1.7%	The nature of Community Services is such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced.  Budget forecasts are based on revised charges and trends from previous years which indicate the budget should be achievable. Position will be monitored closely throughout the year.
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Financial Risk	Risk Rating	2007/8 Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
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#### NEIGHBOURHOOD SERVICES

Engineers, Traffic and Road Safety, Highways, Highways and Transportation and Transportation.	Amber	1,997	2.4%	Reduction in car parking usage owing to increase in fees.  Budget forecasts are based on revised charges and actual income achieved in previous years. There is a risk the planned level of income may not be achieved.
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#### REGENERATION AND PLANNING

Fee Income - Planning & Building Control	Amber	603	0.7%	The fee income target must be achieved to fund part of the department's expenditure budget. This income cannot be controlled or easily estimated. Achieving the target depends on sufficient numbers/size of applications being received, national economic conditions such as interest rates being sufficiently favourable to encourage development and, in the case of Building Control, the section being able to successfully compete with the private sector.
Rent Income - Economic Development Service	Green	178	0.2%	Rent income is paid by new/growing businesses in the Brougham Enterprise Centre and Industrial Units. Whilst the recent major investment programme for these managed workspace units should help to secure good occupancy levels, factors beyond the department's control, most notably the prevailing national economic conditions, may increase the risk of non-payment and/or under occupancy during 2007/2008.



**SPECIFIC RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber,Gr een)	Link to Risk Register or other Document
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<b>Adult &amp; Community Services</b>											
54	Museums Acquisition	(8)	(8)			38	To support the purchase of museums exhibits	Reserve maintained to provide funds if necessary	Reserve maintained to provide funds if necessary	Green	Historic reserve created from sale of artefacts in 1960's and added to by public donations
54	<b>Total Specific Revenue Reserves</b>	<b>(8)</b>	<b>(8)</b>	<b>0</b>	<b>0</b>	<b>38</b>					

<b>Specific Strategic Change Reserves</b>											
36	Staff accommodation reserve transferred to Section 28a Resettlement Income	(36)	0	0	0	0	The reserve was originally created to finance a staff accommodation review. However the reserve has now been earmarked to help fund the Section 28A debt provision detailed below	To finance the Section 28A bad debt provision in 2006-07	Amount of reserve utilised will be determined as and when Section 28A bad debt is fully calculated.	Red	Risk Register entry to be added
108	Seaton CC 'Management' - Some of this fund pertains to Children's Services. However, the amount is still being determined by the overseeing board.	0	0	(58)	(50)	0	Balance carried forward from previous years	Ringfenced for Seaton CC Management Committee to be used when the running of Seaton CC is handed over to them	Reserve to be used when handover occurs Cultural Services Asst Director dealing. However it is unlikely that the money will now be needed until 2008-09.	Red	ASS7-3.1
58	Adult Education	(55)	(3)	0	0	0	Created from LSC grant fund to address short and long term pressures from within the Adult Education service.	Reserve will be used to support staff pressures created through changing priorities.	Some commitments will be incurred in the short term. Reserves will be maintained in accordance with the timescales agreed in the service plan. Future reserves will be the subject of an annual review as part of the service outturn strategy in consultation with the CFO. Details will be reported to Cabinet as part of the final outturn report.	Red	PER7 - 3.3
143	Special Projects - Adult Education	(50)	(50)	(20)	(20)	3	Created from LSC grant fund to address capability to respond to local priorities.	Reserve will be used to support and match fund service inclusion projects as identified and agreed as part of the service plan.	Some commitments will be incurred in the short term. Reserves will be maintained in accordance with the timescales agreed in the service plan. Future reserves will be the subject of an annual review as part of the service outturn strategy in consultation with the CFO. Details will be reported to Cabinet as part of the final outturn report.	Amber	POL7-3.9
20	Maritime Festival	(20)	20	(20)	20	20	Created to enable the department to manage the budget over more than one financial year	To finance the Maritime Festival scheduled to occur every two years. The last being July 2006	Current reserve balance to be used in 2006/2007		To finance the Maritime Festival scheduled to occur every two years. The last being July 2006
79	Homecare Redundancy Reserve	(10)	(69)	0	0	0	Created in order to provide for the costs of redundancies in the Home Care service following restructure. Anticipated that redundancy costs will continue in 2006-07.	To be partly used from 2005/2006 and 2006/2007 to fund the cost of Home Care redundancies. Any balance will be reallocated in 2007-08.	Used in 2005/2006 & 2006/07 to offset the costs of Home Care redundancies following restructure of service.	Amber	Report to Cabinet
144	ERVS Costs	(144)	0	0	0	0	Created to fund the ERVS Costs following restructure of departments.	Reserve will be fully utilised in 2006-07	To fund the ERVS Costs following restructure of departments.	Red	Outturn Report due 31.7.06
38	Section 28A Bad Debt Provision	(38)	0	0	0	0	Reserve created to fund potential Section 28A placement costs	Reserve will be fully utilised in 2006-07		Red	Risk Register entry to be added
626	<b>Total Strategic Change Adult &amp; Community Services</b>	<b>(353)</b>	<b>(102)</b>	<b>(98)</b>	<b>(50)</b>	<b>23</b>					
680	<b>Grand Total Adult &amp; Community Services</b>	<b>(361)</b>	<b>(110)</b>	<b>(98)</b>	<b>(50)</b>	<b>61</b>					

<b>Children's Services</b>											
<b>Schools Reserves</b>											
3,676	Schools	0	0	0	0	3,676	To enable individual schools to manage their budgets over more than one financial year in accordance with the implementation of multi-year budgets.	Individual schools determine usage as part of their detailed budget plans either to support general running costs or to fund specific projects. A forecast movement in reserves is not provided as it is uncertain what the outturn position will be.	Procedures determined by individual schools. Overall level of balances are monitored by the Children's Services department to ensure individual school balances are not excessive and plans are developed for using balances. The November 2006 Schools Forum agreed (i) for the Forum to receive regular updates on school balances and (ii) the Head of Finance to draft a 'clawback' scheme for inclusion in the Scheme for Financing Schools.	N/A	N/A
3,676	<b>Total Schools Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,676</b>					

**SPECIFIC RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber, Green)	Link to Risk Register or other Document
<b>Specific Revenue Reserves</b>											
96	School Rates	0	0	0	0	96	The Schools Rates Adjustment arose from reductions in school rates payable following the review of rateable values.	Reserve is used as a 'balancing' figure each year to ensure that there is a 'budget neutral' effect on schools ie. the Reserve is used to adjust the schools budget to equal actual rates costs.	Reserve maintained to provide funds as and when necessary	Green	N/A
<b>96</b>	<b>Total Specific Revenue Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96</b>					

<b>Specific Children's Services</b>											
51	Youth Service	0	(51)	0	0	0	Youth Advisory Group Balances carried forward from previous years	51k to be used to maintain and enhance the service delivery where possible to young people over the forthcoming years. The risk will be green this year but will increase to amber then red in future years as the need to	Reserve to be used as detailed in 2007/2008	Green (06-07) Amber (07-08)	ICT6-2.1 and POL6-2.3
220	Early Years Development Childcare Plan	(150)	(70)	0	0	0	This reserve has been created to develop the provision of services that will provide education for all 3 and 4 year olds	The reserve will be used to fund service restructuring (including redundancy costs) arising from the cessation of Sure Start Programmes in 2006/07 and to support the	Restructuring costs will be incurred in accordance with HR Policy & Procedures.	Green	POL 6.2.8 /9
289	Standards Fund	(289)	0	0	0	0	This reserve is created to cover the LEA's match funding element of the Standards Fund Grant which is awarded for an 18 month period.	Reserve is used to cover any additional expenditure requirements following the calculation of charges for the coming year.	This reserve will be created each year to cover any match funding requirements and applied in the following year.	Green	POL 6-2.4
<b>560</b>	<b>Total Children's Services</b>	<b>(439)</b>	<b>(121)</b>	<b>0</b>	<b>0</b>	<b>0</b>					
<b>4,332</b>	<b>Grand Total Children's Services</b>	<b>(439)</b>	<b>(121)</b>	<b>0</b>	<b>0</b>	<b>3,772</b>					

**Neighbourhood Services**

904	Supporting People Implementation	(100)	(100)	(100)	0	604	To be used to mitigate repayment of grant and ease budget pressure over transition period as new grant regime come into effect in addition to costs arising from Audit Commission inspection.	To meet expenditure commitments no longer covered by grant income.	Ongoing Review, as funding regime changes.	Red	none
<b>904</b>	<b>Total Specific Neighbourhood Services</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>0</b>	<b>604</b>					

**Regeneration & Planning**

81	Local Plan	(7)	(41)	(33)	0	0	To implement new Local Development Framework within Planning .	£2k in 2006/07 , £41k in 2007/08 and £33.4k in 2008/09, £5k adjustment to Regeneration MRU in 2006/7		Amber	POL3-1.2
368	Youth Offending Reserve	(122)	(80)	(166)	0	0	Created from planned underspends in previous years to fund YOS initiatives	To support YOS Prevention Initiatives over the forthcoming years as follows: 2006/07 £121.7k , 2007/08 £80k , 2008/09 £166.4k	Ongoing review to provide finance as detailed		Dept Plan: CSP14
<b>449</b>	<b>Total Specific Regeneration &amp; Planning</b>	<b>(129)</b>	<b>(121)</b>	<b>(199)</b>	<b>0</b>	<b>0</b>					

**Chief Executive's****HR Specific Revenue Reserves**

40	Contact Centre - IT Reserve	(40)	0.0	0.0		0	This reserve was created to fund Contact Centre software expenditure.	Reserve will be used during 2006/07.	Reserve committed 2006/07		
<b>40</b>	<b>Grand Total Chief Executive's</b>	<b>(40)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					

**Corporate**

2	Graves in Perpetuity	0	0	0	0	2					
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## SPECIFIC RESERVES

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber,Gr een)	Link to Risk Register or other Document
4,204	Insurance Fund	(520)	(480)	(420)	(350)	2,434	The Insurance Fund has been established to provide for all payments that fall within the policy excess claims. Most policies provided by the Council are subject to an excess. For motor vehicle own damage, the excess is £1,000. However, the excess is £100,000 for the Property/Combined Liability policy on each claim. The All Risks policy covers those items considered to be of value and at greatest risk of theft or damage. The Council's experience whilst operating with these excesses has been favourable. Nevertheless, the Council's total exposure in any one year has substantially increased and is currently £4.75m. The net value of this reserve consists of the insurance fund balances less amounts advanced to departments to fund service improvements. These amounts will be repaid over a number of years to ensure resources are available to meet insurance claims that will become payable.	The reserve is used to meet self insured claims as and when they arise.	The Insurance Fund is subject to an annual review to ensure adequate funds are available to meet known liabilities when they amounts become payable. In practice there can be a significant lead time between a claim being recognised and the actual payment to the claimant. However, it is essential that resources are earmarked when a liability is identified to ensure resources are available to make payments when they become due. The value of the fund is currently matched by identified claims which have not yet been finalised. Interest is credited to this to ensure the fund is protected against inflation. The forecast reduction reflects the settlement of historic claims and not an unplanned fall in the value of the fund. However, if claims continue at current levels future contributions may required from 2006/07. These commitments have not yet been determined or reflected in the forecast budget deficits.		
400	Lotteries Reserve	0	0	0	0	400	The Lotteries Reserve, consists of the proceeds of the civic lottery and donations received. It is used for grants and donations to local organisations.	Reserve can only be used for donations to local organisations. Individual requests are approved on a case by case basis. The principle for using the reserve is that the balance is preserved and any interest on it is distributed as grants.	Distribution of grants is considered and agreed by the Council's Grants Committee.		
87	Emergency Planning	0	0	0	0	87	This reserve is held on behalf of the 4 districts under the joint arrangement, to meet potential additional costs arising under revised Civil Defence arrangements implemented from 1st April 2005.	Reserve will be used to meet additional costs identified.	Reserves will be used following approval by Emergency Planning Joint Committee.		
178	Collection Fund Surplus	(178)	0	0	0	0	Reserve established from increased Council Tax income arising from increase in Tax Base and improved recovery of Council Tax.	Reserve can only be distributed to precepting and billing authorities in proportion to respective precepts on the fund. HBC share of surplus is used to support the Budget by reducing the amount to be funded from Council Tax.	Reserve managed through the overall management and control of the Collection Fund and any surplus (or deficit) is taken into account in the budget setting process.		
625	Capital Funding	(625)	0	0	0	0	This reserve is fully committed to fund rephased capital expenditure.	It is assumed that this reserve will be used in 2006/07. Although if capital expenditure is rephased the reserve will be carried forward to match these commitments.	Through the overall management and control of the capital programme and the annual capital closure process.		
58	Legionella Reserve	(58)	0	0	0	0	This reserve was created to part fund works on all council properties in order to comply with laws in relation to Legionella bacteria control.	Reserve will be used to finance compliance works as they arise.	Ongoing review as inspection programme is undertaken.		
83	Maritime Av Remedial	0	0	0	0	83	For road maintenance responsibilities within the Marina inherited from TDC.	Reserve will only be used available if works become necessary.	Ongoing review as issues arise.		
5,637 Grand Total Corporate		(1,381)	(480)	(420)	(350)	3,006					
12,042 TOTAL SPECIFIC RESERVES		(2,450)	(932)	(817)	(400)	7,443					

**GENERAL RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber, Green)	Link to Risk Register or other Document
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**Adult & Community Services**

2	Foreshore	(2)	0	0	0	0	Reserve originally created for Lifeguard training but later earmarked for treatment system of paddling pool	Reserve will be fully utilised in 2006-07	Ongoing review to provide finance as required	Amber	ASS7-3.1
2	Action for Jobs	(2)	0	0	0	0	To fund sports coaches as required	Reserve will be fully utilised in 2006-07	Ongoing review to provide finance as required		
14	Countryside	(14)	0	0	0	0	To fund Countryside works	Reserve will be fully utilised in 2006-07	Ongoing review to provide finance as required	Red	ENV7-2.3
3	Sports & Recreation - Sports Awards	(3)	0	0	0	0	To fund sports coaches training awards	Reserve will be fully utilised in 2006-07	Ongoing review to provide finance as required	Amber	PER7-3.1
176	Mill House	0	0	0	0	176	The reserve arose from a rates rebate following a review of the leisure centre ratable values	The reserve is earmarked to fund essential maintenance at Mill House Leisure Centre from 2006/07 onwards until it is replaced by the H2O Centre	Ongoing review to provide finance as required	Red	ASS7-3.1
197	<b>Grand Total Adult &amp; Community Services</b>	<b>(21)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>176</b>					

**Children's Services****General Children's Services**

106	Carlton Refurbishment	63	0	(169)	0	0	Reserve created to cover the LEA contribution towards any second phase of capital development at Carlton Outdoor Centre.	It is hoped to use this reserve in 2008/09 as potential match funding for any future phases of development at the Centre. However, it may be necessary to utilise this Reserve to fund the revenue shortfall arising from Stockton MBC's withdrawal from the Joint Authority Agreement.	Through the overall management and control of the capital programme and the annual capital closure process. A Joint Authority Steering Group chaired by the Assistant Director (Performance & Achievement) of Hartlepool now receive regular financial reports including the Reserves position.	Green	Asset Management Plan
468	Building Schools for the Future	60	(169)	(129)	(129)	101	Reserve originally created (with both corporate and departmental resources) to contribute towards any LEA funding that may be required to support the Government's agenda for replacing school building stock. In addition the balance on the Children's Services Implementation Reserve (£100k) has been transferred into this Reserve. Will now be used commencing in 2006/07 onwards to help fund an Implementation/Project Team until 31st March 2009 and for consultation costs.	The Reserve is to be used starting in 2006/07 for consultation costs and towards the cost of three members of the BSF Implementation/Project Team for 2006/07 to 2008/09. After which this will be met from the Departments base budget.	Reserve to be applied over next few years to assist in the implementation of BSF.	Amber	ASS 6.1.4; FIN6-1.10; FIN6-2.3 Asset Management Plan
96	Community Facilities	0	0	0	0	96	To enable Community Facilities within Schools to manage their budgets over more than one financial year.	Individual schools determine as part of their detailed budget plans for Community Facilities. A forecast movement in reserves is not provided as it is uncertain what the outturn position will be.	Procedures determined by individual schools. Overall level of balances is monitored by Children's Services department to ensure balances are appropriate and deficits are recovered. Some facilities are running at a deficit and an exercise will be undertaken to establish accurate costs.	Amber	
49	SEN Provision	(49)	0	0	0	0	Created to meet the potential additional cost of providing additional high cost placements in independent schools or other LEA special schools - to be transferred in 2006/07 and added to the Children's Services Reserve for Provision for High Cost Children.	Reserve is used to cover additional expenditure requirements in any given year - to be transferred in 2006/07 and added to the Children's Services Reserve for Provision for High Cost Children.	Not Applicable	Green	N/A
27	Playing for Success	(2)	(15)	(10)	0	0	Reserve created from income generated within Playing for Success to cover future costs relating to the PFS initiative.	PFS grants are tapering out so this Reserve will be used to cover additional expenditure requirements relating to the PFS initiative.	Through the overall management and control of the PFS Budget and Grant Regime.	Green	

**GENERAL RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber, Green)	Link to Risk Register or other Document
79	Transitional Support Fund	0	0	0	0	79	This reserve was created from an underspend on this budget and will be used to provide additional funding for schools identified as requiring additional support	This Reserve will be used as and when required to assist in School Development / Support for Schools in Financial difficulty.	This Reserve relates to school related expenditure therefore is managed by the Schools Forum. This is reviewed annually at the Schools Budget Consultation Day.	Green	
(91)	Extended Schools - Out of School Care	0	91	0	0	0	This is a 'deficit' Reserve resulting from brought forward deficits on a number of schools extended schools programmes resulting from reductions in NOF grant funding.	Not Applicable.	An exercise is currently underway to review all deficit balances	Red	
109	Information Sharing & Assessment	(20)	(25)	(25)	(39)	0	Reserves created at year end from underspends on the ISA programme to be used to finance specific ISA initiatives.	Reserve to be spent on various Information, Sharing & Assessment initiatives.	Ongoing review to provide finance as required	Red	ICT6-1.3
12	Play and Care	(8)	(4)	0	0	0	Reserve created in previous years to provide sustainability to Play Networking Project including Play Grants to voluntary organisations.	Reserve to be used to sustain Play Networking Project during 2006/07 and 2007/08 (previously funded by BLF)	Members of the Grants Committee consider applications from voluntary organisations.	Green	
855	<b>Total General Children's Services</b>	<b>44</b>	<b>(122)</b>	<b>(333)</b>	<b>(168)</b>	<b>276</b>					

<b>General Revenue Reserves</b>											
167	Provision for High Cost Children	49	0	0	0	216	Reserve to meet potential demand pressures resulting from high and volatile costs of specific looked after children the balance of the SEN Reserve (£49k) will be transferred here in 2006/07.	The reserve will be carried forward to help address position in future years as and when required.	Reviewed both annually as part of the budget cycle and quarterly during budget monitoring.	Amber	CPS6-2.1
100	Children's Services Implementation Reserve	(100)	0	0	0	0	Originally, to fund one off costs of implementing changes to the new Children's Services department. However, all costs have been met from revenue funded from vacancies therefore it is proposed to move the balance on this Reserve to Building Schools for the Future.	To be transferred to the Building Schools for the Future Reserve in 2006/07.	Ongoing review to provide finance as required	N/A	Cabinet Report on Staffing Risk Management - June2005
30	Young Peoples Services Reserve	0	0	0	0	30	To extend the in-house provision of foster care and reduce reliance on external agencies	The reserve will be carried forward to help address position in future years as and when required.	Ongoing review to provide finance as required	Amber	CPS6-2.1
81	A2L Reserve	0	(81)	0	0	0	To provide for the costs of site rationalisation and additional expenditure in respect of EBD placements	The Reserve will be used to assist with the impact and implementation of the fundamental base budget review currently being undertaken at the A2L.	The A2L is within the Dedicated Schools Grant (DSG) and the Schools Forum have been advised that it may be required to fund any A2L deficit from within the DSG.	Amber	POL6-3.4
90	Broadband Implementation Reserve.	0	(90)	0	0	0	To assist with the increased costs of Broadband in Schools.	To assist with the increased costs of Broadband in Schools.	Ongoing review to provide finance as required	Green	ICT6-1.3
468	<b>Total General Revenue Reserves</b>	<b>(51)</b>	<b>(171)</b>	<b>0</b>	<b>0</b>	<b>246</b>					

<b>1,323</b>	<b>Grand Total Children's Services</b>	<b>(7)</b>	<b>(293)</b>	<b>(333)</b>	<b>(168)</b>	<b>522</b>
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**Neighbourhood Services**

12	Neighbourhood Service - Student Bursary	(12)	0	0	0	0	Student bursary funding	Will be fully used in 2006/07	Already committed	green	none
73	Licensing Act 2003 Reserve	(13)	(13)	13	(13)	47	To assist with implementation of new legislation	Funding was front loaded and will be spread over a number of years. Fee income needs to be spread over a 10 year cycle.	Already committed	amber	none
12	Local Air Pollution & Control Reserve	(12)	0	0	0	0	Unspent grant money carried forward	Planned use in 2006/07	Already committed	green	none
30	Refuse Shuttle Service	(30)	0	0	0	0	Part of 2 yr budget allocation	Planned use in 2006/07	Already committed	green	none

**GENERAL RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber, Green)	Link to Risk Register or other Document
76	DSO Balances	(76)	0	0	0	0	DSO Surpluses b/f	Planned use in 2006/07	Already committed	green	none
35	Asylum Seekers Reserve	(35)	0	0	0	0	Unspent grant money carried forward	Fully Utilised in 2006/07	Fully Utilised in 2006/07	green	none
238	<b>Grand Total Neighbourhood Services</b>	<b>(178)</b>	<b>(13)</b>	<b>13</b>	<b>(13)</b>	<b>47</b>					

**Regeneration & Planning**

Revenue Managed Underspend - General											
439	Regeneration MRU	(98)	(147)	(194)	0	0	Created to enable department to manage budget over more than one year	£5k DR adjustment to Local Plan Reserve in 2006/7	Ongoing review to provide finance as required		
								£24.2k /£53k/£71.6k to fund Urban Policy Staffing in 2006/7 2007/8 & 2008/9 respectively as current external funding sources reduce		Amber	Fin 3-2.1
								£15k for Morrisons Town Centre project		Amber	Fin 3-2.1
								£44k for HBC contribution to Seaton Carew Bus Station area regeneration in 2007/08		Amber	Fin 3-2.1
								£50k/£122.7k for Major Regeneration Project (Victoria Harbour) in 2007/8 & 2008/9 respectively		Amber	Fin 3-2.1 & Rep 5-1.5
								£50.7k Contribution to costs of North Hartlepool Partnership in 2006/07		Amber	Fin 3-2.1
								£13.4k Secretary to Divisional Heads post 2006/07			
439	<b>Total Managed Underspend - Regeneration</b>	<b>(98)</b>	<b>(147)</b>	<b>(194)</b>	<b>0</b>	<b>0</b>					

Strategic Change Reserves - General											
40	Housing Market Renewal Reserve	(20)	(20)	0		0		Ongoing use as part of HMR strategy implementation.			Dept Plan: RD24-31
10	DAT Accommodation Reserve	(10)	0			0	Reserve brought forward from previous year to finance Drug Team Expansion	£10k in 2006/07 allocated to Drugs Training	Ring-fenced Drugs project money to be used in 2006/07		
265	Regeneration Reserve - Specific	(116)	(114)	(35)	0	0	Mainly 05/06 PDG funding	£75k DC Monitoring Officer extension of post to 2010	Use in future years approved by R&L portfolio holder 15.12.05	Amber	Dept Plan: PED9
								£5k DC Information Officer in 2006/07		Amber	ASS3-1.1
								£5k Support Services Information Asst in 2006/07		Amber	ASS3-1.1
								£10k Secretary to Divisional Heads post in 2007/08	Use in future years approved by R&L portfolio holder 15.12.05		
								£59k LDF studies in 2006/07	Use in future years approved by R&L portfolio holder 21.4.06	Amber	POL3-1.2
								£15k LPC Area Appraisal in 2006/07			Dept Plan: PED42
								£70k Backscanning Project in 2007/08		Amber	ASS3-1.1
								£11k New Franking Equipment in 2006/07			
								£15k to meet changes in dept 2007/08			Dept Plan: SSD17-19
248	Economic Development	0	0	0	(248)	0	To provide longer term job security for Economic Development staff funded by temporary programme money	As major funding programmes begin to come to an end the balance will be required to assist in the management of staff contracts	Ongoing review to provide finance as required	Green	PER3-1.2
563	<b>Total Strategic Change Regeneration &amp; Planning</b>	<b>(146)</b>	<b>(134)</b>	<b>(35)</b>	<b>(248)</b>	<b>0</b>					
1,002	<b>Grand Total Regeneration &amp; Planning</b>	<b>(244)</b>	<b>(281)</b>	<b>(229)</b>	<b>(248)</b>	<b>0</b>					

**GENERAL RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber, Green)	Link to Risk Register or other Document
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**Chief Executive's**

<b>Human Resources</b>											
51	Organisational & Corporate Workforce Development	(51)	0	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 to fund the following areas: Software for LRC Implementation of the Workforce Development Plan Celebrating Success Event Member Development Talent Pool	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	HR Service Plan and Workforce Development Plan
13	Corporate Diversity	(11)	(2)	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 to fund the following areas: Contribution towards the Tees Valley & Durham Communication Service Equality Standard Consultancy Browsealoud To be used in 2007/8 as a contribution toward the Tees Valley & Durham Communication Service	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	HR Service Plan and Workforce Development Plan
25	Employee Wellbeing	(25)	0	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006-07 for the set up of Occupational Health	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	
48	HR Service Improvement	(32)	(16)	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 to fund the following areas: LLPG Staff and Training Costs Team Building HR Peer Review To be used in 2007/8 to fund LLPG Staff Costs (GIS)	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	HR Service Plan and Workforce Development Plan
65	Contact Centre	(65)	0	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 as follows: Contact Centre Staffing - CCM E30K DPO E35K	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	REP1-4.1
84	Resource Investment	(84)	0	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 to fund the following areas: IT Development Accommodation Changes	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	HR Service Plan
286	<b>Total Human Resources</b>	<b>(268)</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>0</b>					
286	<b>Total HR Revenue Managed Underspend - General</b>	<b>(268)</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>0</b>					

<b>Resources (Corporate)</b>											
28	National Graduate Development Reserve	(9)	(19)	0	0	0	Created to fund a National Graduate Trainee for the benefit of the whole Council	To be used to fund National Graduate Trainee salary and training contributions during 2006-07 and 2007-08	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	HR Service Plan
28	<b>Total Resources (Corporate)</b>	<b>(9)</b>	<b>(19)</b>	<b>0</b>	<b>0</b>	<b>0</b>					
28	<b>Total HR Strategic Change Reserves - General</b>	<b>(9)</b>	<b>(19)</b>	<b>0</b>	<b>0</b>	<b>0</b>					

<b>Resources</b>											
20	Legal	(20)	0	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 as follows: £20k To be used at year end to fund any overspend on Locum post.	Ongoing review to ensure actual commitments do not exceed available resources.	AMBER (*)	Ref:POL1.2-2 (*to review) and section 3 para 2 of Service Plan 2006/07.
20	<b>Total Legal Reserves</b>	<b>(20)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					

<b>Resources - Finance</b>											
61	Finance - The Way Forward	(61)	0	0	0	0	Created to meet potential future costs arising from implementation of Council's 'Way Forward' Strategy	As costs arise during 2006/07	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	Dept Plan
47	Finance - Wireless Benefits	(47)	0	0	0	0	Created to cover costs not funded from DWP grant.	Reserve to be used to fund Wireless Project. This scheme previously attracted grant funding. Fully committed in 2006/07	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	Portfolio Holder Report
60	Finance - Audit Section	(60)	0	0	0	0	Created to enable department to manage budget over more than one year.	To fund the ERVS Costs following strategic restructure of Section. This is fully committed in 2006/07	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	

**GENERAL RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber, Green)	Link to Risk Register or other Document
200	Finance - IT Investment	(200)	0	0	0	0	Created to fund a number of IT projects integral to the Corporate IT changes across the Authority	To be used in 2006/07 as contributions towards :- replacement of I-World, roll out of EDRMS	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	Dept Plan
100	Finance - Home Working	(50)	(50)	0	0	0	Created to fund costs associated with implementation of Home Working Initiative.	To be used in 2006/07 & 2007/08	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	Dept Plan
40	Finance - Agency Staff	(40)	0	0	0	0	Created to fund cost of employing a Benefit Fraud Investigator who was previously funded from DWP.	To be used in 2006/07	Ongoing review to ensure actual commitments do not exceed available resources.	Amber	Dept Plan
49	Finance - Office Relocation	0	(49)	0	0	0	Created to fund cost of office relocation. Also, making good after Civic Centre Refurbishment	To be used in 2006/07 pending Civic Centre Refurbishment	Ongoing review to ensure actual commitments do not exceed available resources.		
30	Finance - Grant Flow Pilot	0	(30)	0	0	0	Created to fund costs associated with Grant Flow Pilot	To be used in 2007/08	Ongoing review to ensure actual commitments do not exceed available resources.		
216	Finance	0	0	0	0	216	Established to fund additional costs identified with implementation of FMS & e-Procurement	Timing of usage to be determined.	Ongoing review to ensure actual commitments do not exceed available resources.		
803	<b>Total Finance</b>	<b>(458)</b>	<b>(129)</b>	<b>0</b>	<b>0</b>	<b>216</b>					

803	<b>Total Revenue Managed Underspend</b>	<b>(458)</b>	<b>(129)</b>	<b>0</b>	<b>0</b>	<b>216</b>
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<b>Finance General</b>											
5	Energy Saving Fund (climate Change Levy)	0	0			5					
50	Strategic Procurement Review Reserve	0	0	0	0	50	To fund the strategic review of corporate procurement practices and strategy in order to assess efficiency and effectiveness and develop new strategies for the future.	As costs of the review arise in 2006/2007.	Fund costs of strategic review as they arise.		
776	The Way Forward Reserve	(776)	0	0	0	0	Reserve established to meet potential future costs arising from implementation of Council's 'Way Forward' strategy.	As costs arise during 2006/7.	Expected to be committed 2006/07.		Way Forward reports to Cabinet
						0					
831	<b>Total Revenue Reserves</b>	<b>(776)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55</b>					

<b>Corporate Strategy &amp; Registrars</b>											
332	Corporate Strategy	(270)	(62)	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 and 2007/8 as follows:	Ongoing review to ensure actual commitments do not exceed available resources.		
								Contact Centre - £15k 06/07		Green	DRR REP 1-4.1
								Performance Management Development - £15k 06/07		Amber	SRR REP 5-1.7
										Amber	SRR REP 5-1.2
										Amber	SRR REP 5-1.4
										Amber	DRR POL 1-1.10
								Corporate Consultation - £30k 06/07, £5k 07/08		Green	DRR POL 1-1.11
										Green	DRR POL 1-1.10
										Green	DRR ICT 1-1.2
								Legal Services - £35k 06/07		Amber	SRR Rep 5-1.3
										Amber	DRR Per 1-4.6
								CSS Divisional Restructure - £50k 06/07, £25k 07/08		Green	DRR PER 1-1.3
								Div costs relating to Civic Refurb - £15k 06/07, £10k 07/08		Amber	SRR PER 5-1.1
										Green	DRR ASS 1-1.2
								Student Placement Costs - £20k 06/07		Amber	SRR ICT 5-1.1
										Amber	SRR REP 5-1.2
										Amber	DRR FIN 1-1.4
								CPA Administration - £30k 06/07		Amber	SRR REP 5-1.7
										Amber	SRR REP 5-1.2
										Amber	DRR PER 1-1.1
										Amber	DRR REP 1-1.5
								ICT Implementation - £60k 06/07, £22k 07/08		Amber	SRR ICT 5-1.1
										Amber	SRR FIN 5-1.3
										Amber	DRR ASS 1-1.1



**GENERAL RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber, Green)	Link to Risk Register or other Document
50	Registrars	(50)	0			0	Created to enable department to manage budget over more than one year	To be used in 2006/7 for Registrars building	Ongoing review to ensure actual commitments do not exceed available resources	Amber Amber Green/Amber	DRR CPS 1-1.2 DRR ICT 1-1.4 DRR POL 1-1.5 DRR ICT 1-1.3
382	<b>Total Corporate Strategy and Registrars</b>	<b>(320)</b>	<b>(62)</b>	<b>0</b>	<b>0</b>	<b>0</b>					

382	<b>Total Corporate Strategy &amp; Registrars Reserves - General</b>	<b>(320)</b>	<b>(62)</b>	<b>0</b>	<b>0</b>	<b>0</b>					
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<b>Resources</b>											
28	Accommodation	(28)	0	0	0	0	Created to enable department to manage budget over more than one year.	To be used in 2006/7 to fund building accommodation maintenance.	Ongoing review to ensure actual commitments do not exceed available resources.		
28	<b>Total Accommodation</b>	<b>(28)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
28	<b>Total Revenue Managed Underspend</b>	<b>(28)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>					
2,378	<b>Grand Total Chief Executive's</b>	<b>(1,879)</b>	<b>(228)</b>	<b>0</b>	<b>0</b>	<b>271</b>					

**Corporate**

40	SRB Match Funding	(40)	0	0	0	0	Expected to be committed 2006/07				
4	Corporate Levy	(4)	0	0	0	0	As part of budget strategy				
2	Celebrating Success Event Reserve	(2)		0	0	0					
250	Income Tax and VAT Reserve	0	0	0	0	250	On completion of Inland Revenue Reviews or when VAT payments are required under partial exemption	Costs approved by CFO			
35	Hart Quarry Judicial Review Reserve	(35)	0	0	0	0	Reserve to be used to meet these legal costs.	Decision of Planning Sub-Committee under Counsel advice. Residual amount not required.			
20	Best Value Sensory loss	(20)	0	0	0	0					
3	Corporate Funding Reserve	(3)	0	0	0	0					
1,000	Stock Transfer Warranty Reserve	0	0	0	0	1,000	Timing of this ongoing potential liability is uncertain. Therefore, reserve needs to be maintained to provide some protection against potential liabilities.	Ongoing annual monitoring.			
36	H2O Centre Reserve	0	0	0	0	36	This covers the costs of planning and preparing for the proposed leisure centre	Ongoing review by CFO and Director of Adult & Community Services			
200	Termination Costs Reserve	(111)	(89)	0	0	0	These costs were previously funded through the capital programme. Following a change in Government regulations expenditure below a de-minimis level can no longer be capitalised. Therefore, provision was made to establish a revenue reserve to meet these costs.	Expected to be committed in 2006/07 and 2007/08.			
6,628	Budget Support Fund & Fundamental Budget Review Reserve	(1,500)	(2,000)	(2,000)	(2,000)	(872)	To support the overall budget.	Use approved as part of Medium Term Budget Strategy. Balance committed to support budget over 3 years from 2006/07. The forecast balance at 31/03/2010 is before reflecting the receipt of the remaining RTB sharing arrangement income. This income is difficult to forecast but it is expected that receipts over the period 2007/08 to 2009/10 will be sufficient to meet the existing planned support for the revenue budget.			
0	Budget Support Fund 2006/07	500	(500)	0	0	0	To support the overall budget.				
600	Stock Transfer Reserve	(200)	(200)	(200)	0	0	The reserve will be earmarked towards diseconomies of scale over 3 years commencing 2006/07.	Proposal approved by Cabinet			

**GENERAL RESERVES**

Actual Balance at 31/3/2006 £'000	Fund	Estimated contribution to/(from) Reserve 2006/07 £'000	Estimated contribution to/(from) Reserve 2007/08 £'000	Estimated contribution to/(from) Reserve 2008/09 £'000	Estimated contribution to/(from) Reserve 2009/10 £'000	Estimated Balance 31/3/2010 £'000	Reason for/purpose of the Reserve	How and when the reserve can be used	Procedures for the reserves management and control	Risk Factor (Red, Amber,Gr een)	Link to Risk Register or other Document
5,009	General Fund Balances	0	0	0	0	5,009	Reserve will only be used to meet expenditure commitments that cannot be funded from the approved budget or other reserves. Any use of this reserve will need to be repaid within the following year.	Reserve is maintained at minimum prudent level and is reviewed as part of budget process and annual closure strategy. The balance is temporarily above 3% as it includes a provision earmarked for Equal Pay/Single Status costs.			
174	LPSA Reward Grant Reserve					174					
28	LATS Equalisation Review	0	0	0	0	28					
<b>14,029 Grand Total Corporate</b>		<b>(1,415)</b>	<b>(2,789)</b>	<b>(2,200)</b>	<b>(2,000)</b>	<b>5,625</b>					
<b>19,167 TOTAL GENERAL RESERVES</b>		<b>(3,744)</b>	<b>(3,604)</b>	<b>(2,749)</b>	<b>(2,429)</b>	<b>6,641</b>					

**MINUTES OF**  
**BUSINESS SECTOR BUDGET CONSULTATION MEETING**  
**9<sup>TH</sup> JANUARY, 2007**

**PRESENT:** Business Sector:

J Atkinson, B Beaumont, P Olsen, A Liddell

Hartlepool Borough Council:

Councillors Jackson, Tumilty and R Waller  
M Ward (Chief Financial Officer)  
C Little (Assistant Chief Financial Officer)

**APOLOGIES:** Mayor, Councillor P Hargreaves

1. **Presentation**

CL provided a brief update on the issues affecting the budget covering

- One-off and Capital Budget proposals
- 2007/2008 Revenue Budget
- Budget Risks

2. **Questions and Answers**

**Issues Raised**

JA asked about impact of Single Status on Council's Budget

PO asked about employer's Pension Fund contribution rate from 1<sup>st</sup> April, 2008 and abolition of 85 year rule.

**Response**

MW advised issue dates back to 1997 National Local Government Pay Settlement. Council is currently completing detailed Job Evaluations of individual jobs/categories of job. Once complete Council will design new Pay and Grading Structure. Also risk surrounding impact of reducing grades and need for temporary pay protection. Therefore, Council has made provision within 2007/2008 budget based on experience in Authorities which have already implemented Single Status.

MW indicated position and negative factors affecting Pension Fund. Overall position will not need to be clarified until Actuary complete next valuation,

but not expecting any significant increase in rate.

JA asked if Council involved MP in budget process.

MW indicated MP is involved informally and was involved in meeting with the Minister in 2006.

PO asked about impact of PD Porta development, Seaton Carew development, Coast Protection works and Tall Ships.

MW indicated power Council has to undertake Coast Defence works and also recognition of national importance of such works. Council's survey has indicated significant works necessary over next decade but these works cannot be funded from Council's own resources owing to cost and impact on revenue budget/Council Tax.

In relation to Tall Ships the initial budget report identified need to provide resources from balances and £0.5m initially identified. Will also be seeking funding from GONE, etc.

JA asked about areas of land owned by Council which could be disposed of as believes scope for selling of land.

MW stated Council has had capital receipts policy since 1996 and Council has achieved significant receipts in previous years and has sold main land holdings. Remaining open field at Briarfields removed from list owing to planning considerations.

AL also asked about specific position in relation to Briarfields sale.

CL added that tenders for Briarfields Site currently being assessed and Council may split this site into a number of plots to maximise capital receipts.

PO thanked Council for Consultation Meetings and particularly decision to maintain Economic Development Marketing budget.

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## **MINUTES OF**

### **BUDGET CONSULTATION MEETING WITH TRADE UNIONS**

**23<sup>rd</sup> JANUARY, 2007**

**PRESENT:** Trade Unions:

E Jeffries, S Williams, M Sullivan, T Watson

Hartlepool Borough Council:

Councillor R Waller  
M Ward (Chief Financial Officer)  
C Little (Assistant Chief Financial Officer)

**APOLOGIES:** Mayor S Drummond

1. **Presentation**

CL provided a brief update on the issues affecting the budget covering

- One-off and Capital Budget proposals
- 2007/2008 Revenue Budget
- Budget Risks

2. **Questions and Answers**

**Issues Raised**

EJ and SW commented on unfairness of floor damping and suggested that Unison Regional Office makes representation to Government.

EJ asked for clarification of how efficiency target is determined.

SW asked about NDC funding.

EJ commented on Single Status/ Job Evaluation and experience elsewhere. Do we think budget provision in 2007/2008 budget is adequate?

**Response**

MW commented issues was raised with Minister last year and there has been a £0.3m reduction in 2007/08 adjustment. However, this continues to be significant issues for future years.

MW outlined basis of calculation and impact of target being based on revenue budget plus capital spending and grant funded regimes.

RW commented on Government proposals to reduce grant funding/ change funding regimes.

MW added that it is hoped NRF funding will be replaced, probably through LAA, but still some risk.

RW stated total NRC funding guaranteed but funding for some specific projects will begin to reduce from 2008/2008 and these projects are meant to have developed exit strategies.

MW stated £2m for all non inflation pay increases included in 07/08 budget. Additional provision included in 2008/2009 and 2009/2010 to meet additional costs of incremental drift. If 2007/2008 provision is not sufficient will need to review overall financial position.

In terms of Equal Pay claims reasonably certain that existing known costs can be funded. But there are a number of additional emerging risks and it is unclear if these can be funded from remaining one-off provisions.

SW commented on previous proposal to achieve a managed reduction in establishment.

MW stated range strategies adopted to achieve this objective including:

- Reduction in number of directorates;
- Turnover Allowance;
- Efficiency Strategy – including Contact Centre and FMS

EJ stated Trade Unions can support 4.9% (although suffering from previous years of low increases) and unions working with departments to achieve 3% saving. Requested that Authority manages any reductions in establishment levels across all departments and through redeployments to avoid compulsory redundancies.

Requested Authority reviews existing arrangements for appraising and funding redundancies.

Request Cabinet reconsider closure of Historic Quay Toilets and alternative option of staffed attendance on those occasions facility is open, with charge for usage.

RW commented that proposal includes sale of site and reinvestment of sale proceeds to provide alternative facilities within the Marina

Asked if Officers could speak to staff within Eldon Grove to advise them of implications of closure. Also raised issue of future communication of savings and implications for staff.

RW agreed this needs to be done.

Requested Authority reviews existing arrangements for appraising and funding redundancies.

EJ requested that car parking charges for staff should be addressed through Director of Neighbourhood Services and the Car Park Working Group.

# **CABINET REPORT**

**5 February 2007**



**Report of:** Director of Regeneration & Planning Services and  
Director of Neighbourhood Services

**Subject** CENTRAL HARTLEPOOL HOUSING MARKET  
RENEWAL PROGRAMME 2006/8

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## **SUMMARY**

### **1. PURPOSE OF REPORT**

To update Members on the progress and current position of the housing market renewal programme in central Hartlepool, and to secure Cabinet endorsement of spending and budgetary priorities to 2008.

### **2. SUMMARY OF CONTENTS**

The report sets out the development and progress of housing market renewal initiatives in north and west central Hartlepool to date, including the detail around housing clearance and redevelopment proposals currently being taken forward. It describes additional and ongoing work in adjacent areas, highlighting key issues relating to the development of the programme overall, in particular those relating to the management of resources and risk ahead of allocations of further capital resources post-2008.

### **3. RELEVANCE TO CABINET**

The report has strategic relevance across a range of portfolios, and is key to Regeneration, Liveability and Housing.

### **4. TYPE OF DECISION**

Key decision. Tests (i) and (ii) apply.

### **5. DECISION MAKING ROUTE**

Cabinet at its meeting on 5 February 2007.

## **6. DECISION(S) REQUIRED**

- 6.1 Cabinet is recommended to:
- 6.2 Agree the contents of this report in respect of the overall progress of the housing market renewal programme in central Hartlepool,
- 6.3 Note the contents of the Masterplan update for North Central Hartlepool, and authorise officers to progress the recommended necessary additional technical and other work in partnership with Housing Hartlepool,
- 6.4 Note the position in respect of the preferred redevelopment option for Belle Vue, and authorise officers to progress the necessary additional technical and other work in partnership with Housing Hartlepool, Hartlepool Revival, NDC, Endeavour HA and Guinness Trust,
- 6.5 Note the position in respect of the North NDC Housing sites as per 4.7 within the report,
- 6.6 Note the position in respect of developing a potential redevelopment proposal for Dalton Street,
- 6.7 Endorse the final redevelopment proposals for the linear park and environmental improvements in Thornton Street and agree future maintenance, and
- 6.8 Agree the suggested approach to the allocation and expenditure of future resources toward housing market renewal activity as described, ie to support strategic property acquisitions across west and north central Hartlepool (as per 4.1 - 4.10 within the report) ahead of any future allocation of resources that would enable a commitment to be given to the implementation of new schemes post-2008, and
- 6.9 Agree that further detailed monitoring reports are made to the Portfolio Holder for Regeneration, Liveability and Housing as appropriate.



**Report of:** Director of Regeneration & Planning Services and  
Director of Neighbourhood Services

**Subject:** CENTRAL HARTLEPOOL HOUSING MARKET  
RENEWAL PROGRAMME 2006/8

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## **1. PURPOSE OF REPORT**

- 1.1 To update Members on the progress and current position of the housing market renewal programme in central Hartlepool, and to secure Cabinet endorsement of spending and budgetary priorities to 2008.

## **2. BACKGROUND**

- 2.1 The Housing Strategy for Hartlepool is firmly rooted within the Government's agenda for achieving 'Sustainable Communities' and promoting safe, successful and thriving neighbourhoods where people want to live. Housing is a key strategic priority for the Council, and the Strategy supports core themes within the overall Community Strategy for the town and makes the necessary links to a range of other regional, sub-regional and local policies and plans.
- 2.2 One of the main areas of focus for the Housing Strategy is proactively addressing issues of housing market imbalance and the range of problems caused by low and changing demand for housing. Effectively addressing these challenges has been an increasingly important and developing element of the Government's national housing and regeneration agenda over recent years.
- 2.3 Whilst not being included within the initial round of Housing Market Renewal (HMR) Pathfinders established by government in 2003, local authorities and partner organisations in Tees Valley have continued to jointly progress work to deal with low and changing demand for housing in our area through the establishment of Tees Valley Living, a sub-regional partnership established in 2003 to take forward both the development of a strategy for Housing Market Renewal for Tees Valley and to lobby Government for access to resources to assist with its implementation. The Government's five year plan for housing 'Sustainable Communities: Homes For All' (ODPM 2005) contained a substantial funding allocation for housing market restructuring work outside of the original Pathfinder programme, including over £18m for Tees Valley. Central Hartlepool is defined as one of the areas of major intervention within Tees Valley Living's HMR Strategy, which was formally submitted to government in early 2006.

- 2.4 Locally, the problem of low and changing demand, most particularly in some of the older terraced housing in the areas to the west and north of the town centre, has been a worsening problem for Hartlepool in recent years. In response, the Borough Council has given priority within both successive Housing Strategies and the Local Development Plan/Planning Policy Framework to seek to deal effectively with these issues in a sensitive, coherent and managed fashion, through a combination of selective demolition, clearance and redevelopment, and housing improvement. The overall objectives are effectively to rejuvenate and regenerate these areas and achieve better balanced local housing markets by addressing those areas suffering with the most acute levels of housing vacancy and associated problems, and to help ensure these parts of the town have a sustainable future by facilitating the development of new, good quality, modern homes with contemporary features, design and build standards, to replace obsolete stock that will be cleared.

### **3 PROGRAMME DEVELOPMENT TO DATE**

- 3.1 In summary, the first phase of proposed housing clearance and redevelopment activity is currently being progressed in 3 large blocks of primarily older terraced housing within west and north central Hartlepool where housing studies, market analysis and community consultations have previously identified housing market failure to be most acute. Ultimately this activity will see the clearance of over 600 older dwellings and some adjacent commercial premises, and their replacement with a mix of around 330 modern homes for sale, equity share, shared ownership and rent built to high standards of construction and environmental performance.

#### **3.2 New Deal For Communities Community Housing Plan**

The New Deal For Communities (NDC) Community Housing Plan ('CHP') was completed in mid-2003, following an extensive community consultation process during the period 2001-2003, and proposes selective housing clearance and redevelopment in discrete areas within the area covered by the NDC regeneration initiative.

- 3.3 The major housing market difficulties the Plan seeks to address include low relative house prices, high levels of empty property, high levels of poorly managed privately rented property, a concentration of older, poorer quality housing and a relatively poor quality environment and lack of open space amenity. As described above, at national, regional and sub-regional levels there is a clear recognition that dealing with such problems effectively is a key policy priority and fundamental to ensuring the long-term sustainability of some of our communities. As part of the extensive NDC regeneration programme, the CHP seeks to help restore the balance between housing supply and demand in the New Deal area and deliver a positive, sensitive and managed renewal of the area.

- 3.4 Hartlepool Revival was established, also during 2003, through a partnership between Hartlepool Borough Council, Hartlepool NDC, Endeavour Housing Association and Guinness Trust, as the housing regeneration company 'delivery vehicle' to take forward the CHP to implementation on behalf of Hartlepool New Deal For Communities. Priority was given to progressing redevelopment proposals in 2 areas suffering most acute housing market failure at that time (ie Site 1- Mildred/Slater/Lancelot/Preston/Ernest/Duke/Angus Streets/Hart Lane, and Site 2 – Mayfair/Gordon/Sheriff/Alma Streets/Mulgrave Road), as per **Appendix 1**. Supplementary Planning Guidance, to inform the design principles and development requirements for the redeveloped sites, was prepared and was the subject of a period of extensive public consultation during 2004.
- 3.5 Following the production of a development brief for the sites and a competitive selection exercise, in March 2005 Yuill Homes was chosen by Revival as their preferred private sector partner to take forward redevelopment. Yuill Homes subsequently submitted formal redevelopment proposals for the 2 sites, and these were considered by the Council and granted the necessary planning permissions in September 2005. The proposals include the development of 156 new homes, of a range of sizes and house types, for sale, equity share and rent.
- 3.6 In line with government best practice guidelines Hartlepool Revival and the Council have been acquiring property by negotiation with individual owners in the first areas chosen for clearance and redevelopment, and currently own or have agreement to purchase over 90% of properties within both sites. In June 2005 Cabinet resolved to use the available statutory Compulsory Purchase Powers to facilitate the remaining site assembly to enable redevelopment to move forward.
- 3.7 Following service of Compulsory Purchase Orders in late 2005, a small number of formal objections were made to the proposals (almost exclusively by non-resident property owners/private landlords), and a Public Inquiry sat in June 2006 to consider these. The Council's case for using CPO powers to facilitate regeneration was rigorously tested, and the Planning Inspector conducting the inquiry has subsequently recommended that the Orders be approved without modification, and this has been confirmed by the Secretary Of State for Communities and Local Government via the Government Office for the North East. Formal statutory processes that are required post-Inquiry are currently being progressed, and Yuill Homes commenced demolitions activity in late 2006 prior to formal transfer of the land, currently anticipated in March/April 2007.
- 3.8 North Central Hartlepool Housing Regeneration Plan

The Dyke House and Jackson Housing Regeneration Study was completed on behalf of the Council by Nathaniel Lichfield & Partners during 2003. The main findings flowing from this study, with particular reference to a number of streets that were showing the most acute housing stress in terms of the high level of dwelling vacancy and associated problems, were the subject of

extensive public consultation during 2004. Nathaniel Lichfield & Partners incorporated the main findings from this public consultation into an overall Master Plan. Priority was given to progressing clearance and redevelopment in the first of 2 areas that market analysis and resident consultation identified as suffering most acute housing market stresses (ie Site 3 – Moore/Acclom/Pelham/Harwood Streets/Chester Road/Chatham Road/Raby Road/Marston Gardens), as per Appendix 1.

- 3.9 Following production of a development brief for the site and a competitive selection process, in early 2006 George Wimpey was selected as the Council's preferred partner to bring forward redevelopment. Subsequently George Wimpey has submitted formal redevelopment proposals that were considered by the Council and granted the necessary planning permissions in June 2006. The proposals include the development of 173 new homes, for sale and equity share/shared ownership, of a range of types and sizes.
- 3.10 This project is being delivered in partnership with Housing Hartlepool, who have a dedicated project team currently working from the Chester Road Housing Office to manage the day-to-day delivery aspects of the programme, and key funder English Partnerships. In August 2004, Members resolved to continue with the acquisition of property by negotiation with owners, in keeping with best practice guidelines and Government procedural guidance. To date the Council has purchased or has an agreement to purchase over 95% of the residential properties within the area identified in Appendix 1. Additionally there are a number of commercial interests within the area where redevelopment is proposed, as per the shaded elements within Appendix 1. Cabinet previously resolved that appropriate consultations would be made with the owners of these interests in order to better explore the possibility of acquiring them to maximise the potential frontage for the development site, in order to improve its potential viability, overall quality and attractiveness as a sustainable redevelopment opportunity. English Partnerships strongly support the inclusion of these properties within the overall footprint for redevelopment, and in June 2005 Cabinet resolved to use the available statutory Compulsory Purchase Powers to achieve the remaining site assembly and facilitate redevelopment.
- 3.11 Following service of Compulsory Purchase Orders in late 2005, a small number of formal objections were made to the proposals (almost exclusively by the owners of commercial premises and non-resident property owners/private landlords), and a Public Inquiry was held in July 2006 to consider these. One commercial objector to the CPO was legally represented, and the Council's case for using CPO powers to facilitate regeneration was again rigorously tested. The Planning Inspector conducting the inquiry has subsequently recommended that the Orders be approved without modification, and this has been confirmed by the Secretary Of State for Communities and Local Government via the Government Office for the North East. Formal statutory processes that are required post-Inquiry are currently being progressed, and George Wimpey have commenced site investigation and preparation work prior to its formal disposal.

## 4 FUTURE PHASES OF THE HOUSING MARKET RENEWAL PROGRAMME

### 4.1 North Central Hartlepool

In conjunction with the Council and Housing Hartlepool, Nathaniel Lichfield & Partners have recently undertaken an update to the 2004 Master Plan, with particular focus on several groups of streets identified within the original study to be exhibiting signs of housing market weakness, including estates directly to the north and south-east of the first redevelopment area where Housing Hartlepool has significant stock numbers. These include:

- Perth/Turnbull/Gray/Hurworth/Grainger Streets (the second site proposed for comprehensive redevelopment within the original Master Plan)
- Cameron Road/Fumess & Belk Streets
- Stephen and Suggitt Streets
- St Oswald's Street/Mapleton Road/Avondale Gardens/Parton Street
- Middleton Road, Raby and Dyke House Estates

4.2 This work has involved housing market and other baseline analysis assessing changes that have taken place since the previous study was undertaken, community consultations via exhibitions held at various locations across the study area, a walkabout with key resident representatives and additional stakeholder interviews. The final report (attached for information as **Appendix 2**) includes potential preferred options for future redevelopment and environmental improvements, and recommendations about further work needed prior to any formal decisions, most particularly in terms of additional detailed financial modelling that is required, and an evaluation of possible delivery mechanisms. Discussions are currently ongoing with Tees Valley Living and Housing Hartlepool regarding the potential use of the 'Gap-Funding' model recently developed by the consultants Deloitte for TVL as a means of progressing this. It is currently anticipated that ultimately this work will produce recommendations for a phased housing redevelopment and improvement programme that will complement and support work currently in progress as described above.

### 4.3 Belle Vue

Belle Vue was identified as a priority action area during the production of the NDC Housing Plan, although no formal redevelopment proposals for this part of the NDC area were incorporated into the final document in 2003. NDC and Hartlepool Revival made a commitment to residents in Belle Vue at that time to undertake further work in order to more fully assess potential options for change in the future.

4.4 Alongside this Housing Hartlepool have recently undertaken an investment appraisal of their housing stock in Belle Vue, and because of the prohibitively high levels of investment this stock requires in order to meet government Decent Homes standards have concluded that it is not economically viable to incorporate them into their overall housing improvement programme.

- 4.5 Discussions have therefore been ongoing about possible ways forward in Belle Vue for some considerable time. In order to develop some firm regeneration options, Housing Hartlepool commissioned Partnering Plus/Lan Darby Partnership in 2005 to undertake a housing study to develop a framework for housing-led regeneration in Belle Vue. A Steering Group was established to work with the appointed consultants on this work, and included representation from the local community, Hartlepool NDC, Hartlepool Revival, Housing Hartlepool and the Council, as well as Endeavour Housing Association and the Guinness Trust (who both also have housing stock in the Belle Vue area). A number of options were produced which include varying levels of housing clearance and redevelopment, including the Housing Hartlepool properties identified above, and these were subject to additional community consultation at a public exhibition in May 2006. A preferred redevelopment footprint (Option 2b, which excludes properties on Brenda Road owned by Endeavour HA within proposed redevelopment) is attached for information within **Appendix 3**. The NDC Steering Group have agreed that this option should be progressed as the Community Housing Plan proposal for Belle Vue, and the Board of Housing Hartlepool have also agreed to it in principle. Further work is now required to establish potential delivery and governance options for bringing forward sustainable redevelopment, including potentially the use of the gap funding model as per 4.2 above.
- 4.6 Pending the final outcomes of this work, Housing Hartlepool has formally suspended the 'Right to Buy' on all of its properties in this area (Kendal Road and adjacent streets) in accordance with the terms of the appropriate legislation, advertised this publicly as per statutory requirement, and has also agreed to the advance acquisition of former RTB properties within the intervention area as opportunities arise.
- 4.7 North NDC Sites

The Community Housing Plan originally included housing clearance and redevelopment proposals within the Carr/Hopps/Richardson/Blake Street area, and part of Rodney Street. Since then Hartlepool Revival has been successful in acquiring a significant number of properties within the area by agreement with individual owners. As described above, priority was afforded to making progress with sites 1 and 2 in view of resource availability, and given the substantial period of time that has elapsed since the development of the initial plans, Revival have commissioned Nathaniel Lichfield & Partners (who assisted with the production of the original Community Housing Plan) to undertake an update study that can incorporate a baseline reassessment of the housing market in this area and also accommodate legal advice regarding the potential viability and deliverability of housing regeneration proposals for this area. It is anticipated that this work and additional community consultations that will be important in shaping any final proposals will be completed during the spring of 2007.

#### 4.8 Thornton/Dalton Streets

Members have received a previous report in respect of the proposed development of a linear park on the north side of Thornton Street as part of an integrated programme of environmental improvement and property refurbishment of this area, a key gateway into the town centre. NDC resources have been secured to deliver the park and associated improvements to the street scene, and approval was previously granted to use HMR resources to acquire the small number of remaining properties on the north side of Thornton Street required to facilitate this redevelopment. In addition NDC has invested around £400,000 refurbishing 20 properties in the adjacent streets as Homeswap properties for residents moving out of other demolition sites. Following consultation with local people, key partners and HBC departments, AWP Landscape Architects have submitted a final design on 24<sup>th</sup> November 2006 for Planning Approval. The final design is attached as **Appendix 4**. The Head Of Neighbourhood Management has been involved in the planning and development of the linear park design and has ensured that it is of low maintenance and as such has agreed to take on the maintenance of the park one year after adoption. Hartlepool Revival will remain the owners of the land.

- 4.9 The original Community Housing Plan included housing clearance proposals for Dalton Street to facilitate the development of a pocket park. Following an area assessment and planning appraisal process of the overall CHP in 2004 it was recommended that these proposals were not in the interests of the proper planning of the area for a variety of planning and community safety reasons, and should not be pursued.
- 4.10 Members have subsequently received a report concerning potential redevelopment of Titan House, incorporating new housing development within Dalton Street. Hartlepool Revival owns all but 4 of the residential properties identified for clearance within the original Community Housing Plan, and discussions remain ongoing with the owners of Titan House around tying in some new residential development with potential redevelopment and reuse of that building.
- 4.11 It is fundamental that all of this work is seen as a critical part of the delivery of the overall regeneration vision for the town over the next decade and beyond, and in housing terms as being wholly complementary to and supportive of a range of other investment and activity, for example Housing Hartlepool's 'Decent Homes Plus' improvement programme (which is directing around £100m of housing improvement investment into former Council housing across the town over the next 10 years), as well as other investment in housing improvements in the private sector (through improvement and disabled facilities grants and equity loans) and action taken to drive up standards of tenancy and property management in the private rented sector (via landlord licensing and registration).

## 5 FUNDING AND RESOURCES

- 5.1 Achieving sustainable housing regeneration and renewal in areas of housing market stress is a major challenge, and one that requires both significant and long-term resource commitments, and successful engagement with the private sector. To date the HMR programme has been funded through the alignment of a series of linked funding sources, including New Deal For Communities, Single Housing Investment Pot (SHIP) resources, English Partnerships, Housing Corporation New Tools Fund and Affordable Homes Programme, and the Neighbourhood Renewal Fund. This will be supplemented by capital receipts received in due course from Yuill Homes and George Wimpey in respect of transfer of the first phase sites above.
- 5.2 For the period 2006-2008 Hartlepool has received an allocation of £3m from the Single Housing Investment Pot via the Regional Housing Board to support HMR activity, and also a £4.3m share of the £18.4m allocated by the Department for Communities and Local Government to Tees Valley Living for the same period.
- 5.3 Whilst average house prices in Tees Valley are some of the lowest in the region, and those in Hartlepool (particularly for terraced properties) are consistently amongst the lowest in Tees Valley, there has nevertheless been significant house price inflation since 2003, including within areas earmarked for clearance and redevelopment. Whilst market analysis and anecdotal evidence indicates that this has been largely driven by continued speculative property investment and to some extent the purchasing activity of the Council (as opposed to increasing demand for owner occupation in these areas) the overall consequence is that acquisition and assembly costs for the first 3 redevelopment sites have increased substantially during the period these projects have been brought forward.
- 5.4 The clear and overriding short-term budgetary priority for the Council (as the 'acquiring authority' in respect of the CPOs referred to above) is to meet all compensation and other cost obligations associated with progression of the 3 first phase sites, ie to fully complete remaining site assembly and ensure all the necessary property interests are acquired so that redevelopment can be moved forward. Meeting this commitment entirely is within the overall allocation for 2006-8, but above the level of resources available for 2006-7, and therefore discussions have taken place with Tees Valley Living and Government Office North East as to how this situation can be most efficiently managed, ie by the use of additional temporary prudential borrowing ahead of receipt of 2007-8 allocations as previously approved by Members, and through some virement within the sub-regional allocation to Tees Valley Living for 2006-7 from other local authorities. The TVL Board formally endorsed a temporary virement of £600,000 to relieve potential cash flow pressures during this financial year on 9 November 2006, to be balanced by a pro-rata reduction in 2007/8.
- 5.5 Current financial projections indicate that after meeting all current spending obligations there will be some residual element of HMR resources available during 2007-8 to assist with early work on the next phases of the programme,



including potentially supporting some property acquisitions within projects coming forward in adjacent areas, as outlined between 4.1 – 4.11 above. The precise extent of these resources will become clearer once remaining site assembly of the first 3 intervention sites is completed in early 2007.

- 5.6 Officers have been working closely with Tees Valley Living and partners from Darlington, Middlesbrough, Stockton and Redcar and Cleveland Councils on a formal submission from Tees Valley Living lobbying for further resources for housing market renewal ahead of the government's Comprehensive Spending Review (CSR) in 2007. The submission (entitled 'Building Sustainable Communities in the Tees Valley') was made on 29 September 2006, as a 'daughter' document to the Tees Valley City Region Investment Plan, the broader business case for future public investment in Tees Valley, as reported and made available to Members recently prior to their consideration within the CSR. The TVL document makes a robust and comprehensive case (including a headline funding bid for £30m per year to support housing market renewal in the sub-region), and whilst it is generally acknowledged that the next spending round will be extremely competitive, there is anticipation that government will make a longer term resource commitment to supporting the developing HMR programme across Tees Valley.
- 5.7 In July 2006 the Housing Corporation launched and invited bids to its 'Northern Housing Challenge', a substantial new funding pot made available for the period 2008-10 via a top-slicing of approximately 12% of the allocations from the Corporation's Affordable Homes Programme to the three northern regions. The Northern Housing Challenge has a particular focus on promoting linkages between new housing investment and supporting economic growth and development, and Housing Hartlepool has led on a Hartlepool bid based around supporting housing regeneration and jobs and economy initiatives in Belle Vue and North Central Hartlepool. The outline proposal was submitted to the Housing Corporation on 15 September 2006, and further information on the next stages of the application process is anticipated before March 2007.
- 5.8 Additional resources are also potentially available from the Housing Hartlepool 'VAT Shelter' fund that was created following the transfer of the Council's housing stock in 2004. Housing Hartlepool has already prioritised some of this resource for housing regeneration and new development therefore this could, subject to Housing Hartlepool's approval, provide some additional financial capacity to supplement existing identified resources.

## 6 RISK CONSIDERATIONS

- 6.1 Notwithstanding the above, there remains a significant degree of uncertainty around the availability of future resources from the various funding streams, and which in all likelihood will not be fully clarified until mid/late 2007 at the earliest. Final preferred options in respect of master planning work ongoing in North Central Hartlepool, Belle Vue, the northern part of the NDC area, and in Dalton Street, as outlined in 4.1-4.11 above, remain to be precisely

determined. There is a clear need to balance the long term vision for housing market renewal with what is achievable and deliverable within short-term funding constraints, without compromising what is a strategic and integrated programme of gradual renewal that will take place over the next 10-15 years. Given this position, and the relatively small amount of resources from current allocations that remain uncommitted, it would not be prudent at this stage to formally commit to progressing additional schemes in their entirety ahead of clarification of preferred options, detailed funding requirements and likely resource availability.

- 6.2 It would however be possible and reasonable for the Council to support some strategic property acquisitions, possibly in partnership with other agencies, for example Housing Hartlepool, in those areas where significant consultations around potential clearance and redevelopment have already taken place (Perth/Turnbull Street area, Belle Vue and the Carr/Hopps Street area, and in the Dyke House and Raby estates) when the outcome of further consultations and planning work are known, ahead of (the Council) making formal resolutions in respect of individual schemes.
- 6.3 Clearly of paramount importance is the need to avoid creating the situation where a position of 'formal' blight arises, that is when the Council is served legal notice by existing owner occupiers to acquire properties in areas of housing regeneration activity. This is of critical importance when long term resource commitments are not as yet in place, as outlined above, and Officers will act on the requisite legal advice in respect of this as appropriate.
- 6.3 Fully assembling housing development sites involving the large scale acquisition of existing dwellings, whether occupied or not, will in most cases require the Council to consider the use of statutory CPO powers, as has been the case for regeneration sites currently being progressed as described above. Clearly the use of such powers is very much a last resort and necessary only where negotiations with all individual property owners cannot be concluded successfully by agreement. In considering the making of CPOs the Council would need to have a sufficient degree of certainty regarding the overall viability of any redevelopment proposals, both in terms of resource availability and the existence of deliverable redevelopment proposals that satisfy wider planning, legal and other requirements.
- 6.4 As described above in 5.3, an inherent risk to schemes coming forward over a period of time are broader changes in the overall housing market, particularly price rises within areas earmarked for redevelopment. Whilst anecdotal evidence suggests that recent price inflation in central Hartlepool has been primarily driven by non-resident investors, 'buy to let' property speculation and an expanding private rented sector, it is critical that officers factor housing market intelligence and trends over time into project plans, and continue to monitor these on an ongoing basis so that schemes can be tailored accordingly where necessary and appropriate.
- 6.5 Even in areas of high dwelling vacancy, taking forward redevelopment proposals requires sensitive and proactive management of the relocations

process for local people living in those areas where redevelopment is to be progressed. Whilst this has been very successfully managed by Housing Hartlepool and Hartlepool Revival respectively on current schemes moving forward, detailed consideration needs to be given to the availability of suitable alternative accommodation options for residents in future intervention areas, and it may be that these considerations, coupled with limited resource availability overall, require that schemes are brought forward on a managed, phased basis over an appropriate period of time.

- 6.6 Perhaps most critically, the fundamental risk to the programme is the withdrawal or significant reduction of funding supporting housing market renewal activity generally, possibly through a realignment of policy and funding priorities by government. This eventuality, whilst not currently anticipated, further underlines the need to achieve a satisfactory balance between gearing activity towards achieving an overall vision over an acceptable period of time with the need to minimise risk via delivering area redevelopment in manageable phases of housing renewal activity.
- 6.7 Any potential financial risks to the Council will continue to be carefully monitored by housing and finance officers and reported to Cabinet accordingly.

## **7 FUTURE RESOURCE ALLOCATION**

- 7.1 The development of the housing market renewal programme to date can be viewed as having been very successful. This can be illustrated in various ways, for example in terms of the high level of community support the schemes have generated, in the way sensitive and effective delivery of the relocation process for affected residents has been developed and managed, the success in attracting the active involvement and financial leverage of the private sector, in securing successive rounds of funding support from government and also in achieving positive outcomes at successive CPO Public Inquiries to progress redevelopment. The combined effect of this has given Hartlepool's HMR programme a high and positive profile at both sub-regional and regional levels.
- 7.2 Given the scale of programme development to date, and master planning work currently ongoing, achieving the gradual renewal of the housing market in central Hartlepool is clearly a long-term programme of interventions that will require long-term resource commitments, from both the public and private sectors. In negotiating with key public funding providers (the Regional Housing Board for SHIP resources, DCLG and Tees Valley Living for HMR funds) it is critical that Hartlepool's HMR programme is correctly seen as being strategic in nature, fully integrated with and supportive of the overall regeneration vision for the town over the next 10-20 years, and proactively incorporating the necessary linkages with other key strategies and plans, rather than as an uncoordinated series of area-specific and reactive responses to localised problems.

- 7.3 A key challenge ahead therefore lies in developing future phases of a programme that can successfully build on these solid foundations, be ambitious in scope and also effectively balance risk where future resource availability is not yet certain within this context. There are strong arguments to suggest that 'shrinking' the overall programme to match only those resources that are currently identified (an approach that would superficially appear to minimise the overall risk to the Authority in the short term) may well in the longer run be an approach that significantly increases the risk of Hartlepool receiving disproportionately low or funding support from government (and it follows private sector development investment) in the future, on the basis that our overall programme could be argued to be that much smaller in scale and scope than competing projects within the Tees Valley and beyond.
- 7.4 As mentioned in 6.1, directing currently available resources into supporting strategic acquisitions in those areas where significant consultations around potential clearance and redevelopment have already taken place is a possible means of balancing identified risks with the need to have an aspirational and ambitious long-term programme that has the required critical mass to continue to attract funding support from government and strong interest from the private sector. Whilst sensitively managing community expectations within this overall process is a key consideration, equally there is the need to avoid the very tangible risk of losing the support and goodwill of residents in these areas, an aspect of programme development that has been effectively nurtured up to this point in time. An additional and important consideration will need to be in directing 2007/8 resources in such a way that maximises 'impact' and contribution to the wider physical regeneration of the areas in question, and demonstrates potential to 'stretch' HMR resources via alignment with other available funding streams.

## 8 CONCLUSION

- 8.1 A reasonable approach toward directing such available resources may therefore lie in targeting purchases toward strategic acquisitions across the areas outlined within 4.1-4.10 above. This could include the purchase of vacant, previously privately rented property and other empty property on the open market, purchases from existing owner occupiers who are wanting to relocate, particularly into new housing that will be developed on clearance sites, and purchases to support other housing improvement. Further and detailed considerations, including taking the requisite legal advice and undertaking appropriate negotiations with key delivery partners, Housing Hartlepool and Hartlepool Revival and others, will need to be undertaken as part of progressing these acquisitions, and information reports on spending progress will be prepared for the relevant Portfolio Holder.
- 8.2 In short, acquisitions targeted in this way will allow for the continued assembly of potential sites for future housing redevelopment on a managed and incremental basis ahead of clarification of future funding availability, and also afford some priority to existing residents in housing regeneration areas who wish to voluntarily sell their home in order to benefit from the opportunity to move into new housing that is being constructed, as well as other strategic

acquisitions. This will allow the overall programme to maintain some momentum prior to the outcome of the comprehensive spending review during 2007 and decisions in respect of funding allocations post-2008.

8.3 Members are therefore requested to approve this suggested approach.

## **9 RECOMMENDATIONS**

9.1 Cabinet is recommended to:

9.2 Agree the contents of this report in respect of the overall progress of the housing market renewal programme in central Hartlepool,

9.3 Note the contents of the Masterplan update for North Central Hartlepool, and authorise officers to progress the recommended necessary additional technical and other work in partnership with Housing Hartlepool,

9.4 Note the position in respect of the preferred redevelopment option for Belle Vue, and authorise officers to progress the necessary additional technical and other work in partnership with Housing Hartlepool, Hartlepool Revival, NDC, Endeavour HA and Guinness Trust,

9.5 Note the position in respect of the North NDC Housing sites as per 4.7 within the report,

9.6 Note the position in respect of developing a potential redevelopment proposal for Dalton Street,

9.7 Endorse the final redevelopment proposals for the linear park and environmental improvements in Thornton Street, and agree future maintenance, and

9.8 Agree the suggested approach to the allocation and expenditure of future resources toward housing market renewal activity as described, ie to support strategic property acquisitions across west and north central Hartlepool (as per 4.1 - 4.10 within the report) ahead of any future allocation of resources that would enable a commitment to be given to the implementation of new schemes post-2008, and

9.9 Agree that further detailed monitoring reports are made to the Portfolio Holder for Regeneration, Liveability and Housing as appropriate.

# Appendix One



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5.1

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# introduction

- 1.1 NLP were appointed in 2003 by Hartlepool Borough Council (HBC) to prepare a housing masterplan for North Central Hartlepool (NCH). The aim of the masterplan was to tackle issues associated with housing market low demand and in some cases housing market failure.
- 1.2 In April 2004 the masterplan was completed and identified two areas for significant change; Area A – Marston Gardens and Moore Street area and Area B, Perth Street area. The masterplan identified that Area A would be taken forward as the priority for implementation.

## North Central Hartlepool Masterplan (2004)

- 1.3 Since completing the masterplan HBC have begun to acquire properties in the priority area through voluntary acquisition. A large proportion of properties have been successfully acquired to date. In November 2005 CPO notices were served to the remaining properties and the Public Inquiry took place in July 2006.
- 1.4 The Central Hartlepool area has also been identified as a priority for housing market renewal within the Tees Valley Living Housing Market Renewal Strategy (2006). Through the evidence and the implementation plan set out in the Strategy, Tees Valley Living have been successful in securing funding from Government to help begin to implement housing renewal in the priority areas it identifies.
- 1.5 For Hartlepool, there is a view that since the masterplan was agreed in April 2004, parts of NCH have experienced further changes in their housing market. Housing Hartlepool a major stakeholder, are also undertaking a stock appraisal in the area. As a result of these two factors, it was felt there was the need to re-visit the masterplan and update it where appropriate.
- 1.6 NLP have been commissioned by HBC and Housing Hartlepool to revisit and update the masterplan with a specific focus on the following areas:
  - Dyke House Estate
  - Raby Gardens
  - Cameron Road/Belk Street/Furness Street
  - Stephen Street and Suggitt Street
  - Perth Street Area
  - Mapleton Road/St. Oswald's Street area
- 1.7 The aim of this report is to outline the work which has been undertaken as part of the commission and to identify a range of interventions for each of the focus areas. This report identifies a number of options for the focus areas and further work that is required to be undertaken by HBC and Housing Hartlepool to develop the options to the next stage and identify a route for delivery. The report will make recommendations as to the key steps which will need to be undertaken.

- 1.8 This report is set out under 3 main sections:

- **Updating the Baseline** – this section provides an updated analysis of some of the baseline data included in the masterplan. This focuses on the data which has been updated since the 2001 Census data. It also includes an updated environmental assessment and findings of the stakeholder consultation.
- **Option Development** – this section takes forward the findings of the updated baseline and sets out a range of options for change in each of the focus areas.
- **Conclusions/Recommendations** – this section makes recommendations in relation to taking forward the updated masterplan.



# updating the baseline

## Introduction

2.1 The NCH Masterplan development during 2003 and 2004 involved an extensive baseline assessment involving:

- A Housing Market Assessment (HMA)
- Urban Design Assessment
- Stakeholder and Resident Consultation

2.2 In order to update the masterplan, it was necessary to carry out updated analysis of new data which is available. This section outlines the updated baseline assessment findings.

## Masterplan Baseline Findings

2.3 Some of the key findings identified through the baseline assessment as part of the masterplan development process and previous research studies into the Hartlepool Housing market identified:

- A collapse in demand, in some streets, for private sector housing, leading to falling prices, decline in owner occupation, increase in the private rented sector and growing levels of abandonment
- Low proportion of owner occupied; 53% compared to 63% on average in Hartlepool and 69% average for England
- Declining socio-economic profile, leading to a reduced spending and the deterioration of some local shops and services and their centres
- High levels of unfitness identified in 2003 Stock Condition Report
- Low house prices compared to Borough and Regional averages
- Levels of street/open space maintenance are often insufficient. The area has suffered from high levels of litter and fly tipping.

2.4 These factors identified the need to intervene in the housing market and were the basis of the masterplan which was developed.

## Housing Market Assessment

2.5 The original HMA involved the analysis of a number of different datasets primarily from the Census 2001. The Census 2001 remains the most comprehensive data set available. Therefore it has only been possible to update the following information:

- Housing market information through updated house price information
- Empty properties
- Housing demand
- Right to buy information

## House Price Trends

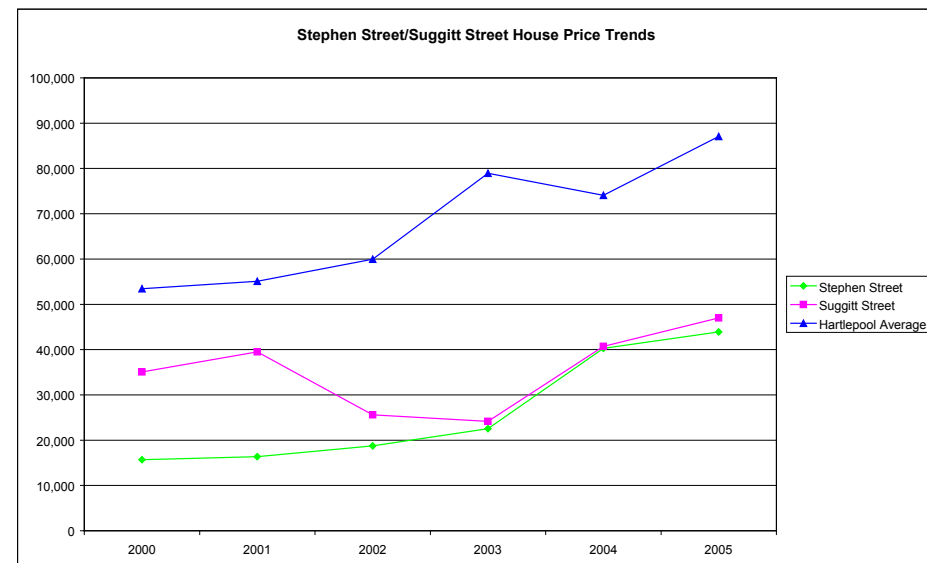
2.6 In order to update the housing market information for the area, house prices at a full postcode level were obtained from the Land Registry for 2000 to 2005. Full postcode house price data has enabled different parts of NCH to be analysed to identify trends and issues within key areas. Using full post code data provides more detailed analysis compared with broader postcode sector data which can often mask areas of housing weakness.

2.7 The housing market in NCH can be partly described as an 'artificial market'; the demand is primarily created by speculative buyers (evidence from Estate Agents) and private landlords which is creating an artificial demand for housing. Recent trends show that NCH house prices have increased in price in recent years like many areas at the bottom of the housing market. Although the NCH average house price across the five years to 2005 has closely followed the Hartlepool average, there are areas where house prices are less than half the Hartlepool average.

2.8 The following analysis is based on the focus areas of the masterplan update. The graph below shows the house price increases in Stephen Street and Suggitt Street between 2000 and 2005.

2.9 The graph illustrates that:

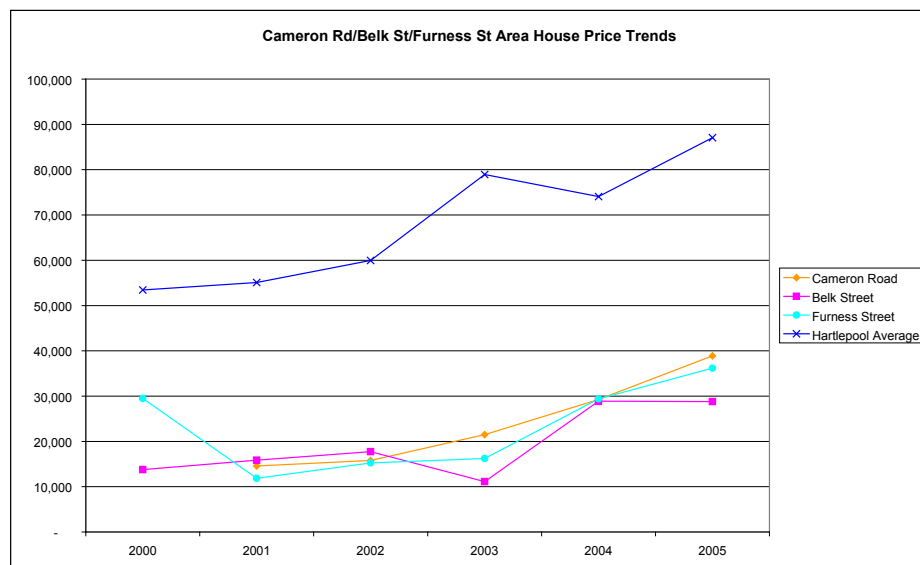
- Prices in Suggitt Street not much higher in 2005 than they were in 2000
- Prices rose steeply between 2003 and 2004 and rose at a slower rate from 2004 to 2005



## updating the baseline

- Suggitt Street in 2005 has a slightly higher average house price than Stephen Street
- Average house prices in the area are considerably lower than the Hartlepool average but higher than some surrounding areas

2.10 The graph below illustrates the average house prices in Cameron Road/Belk Street and Furness Street.

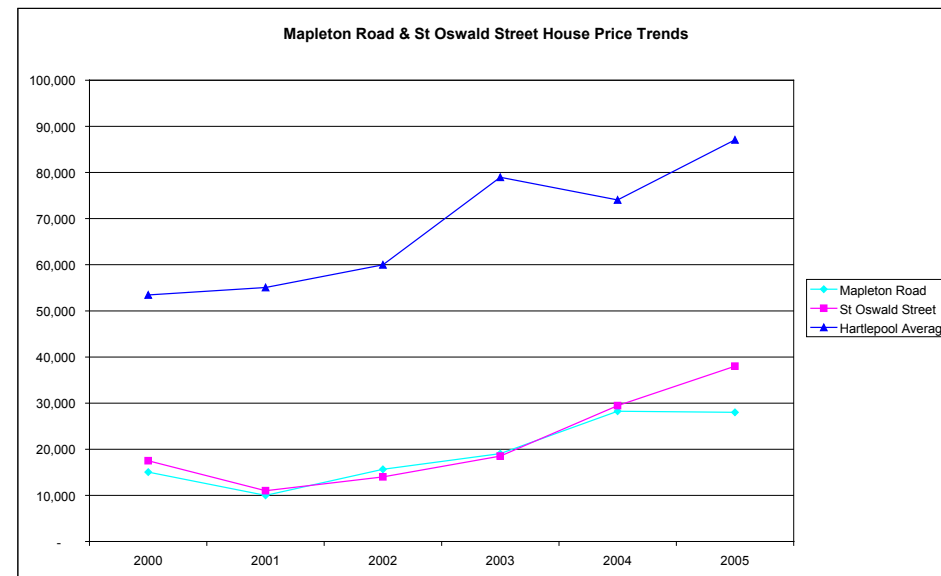


2.11 The graph highlights:

- Prices in this area are less than £40,000
- Cameron Road has experienced a consistent increase in house prices from 2002, it also has the highest house price compared to the other two streets
- Belk Street experienced a significant decrease from 2002 to 2003 and then increased to 2004 where house prices have levelled to 2005
- Furness Street has experienced an increase in house prices similar to Cameron Road but has experienced a more significant increases from 2003

2.12 The graph opposite highlights that this area has an average house price which is less than half the Hartlepool average. Prices have increased over the five years but they remain considerably lower than the Hartlepool average.

2.13 The graph below shows average house price increases in Mapleton Road and St Oswald Street area compared to the Hartlepool average.



2.14 The graph highlights:

- The area has house prices which are less than half the Hartlepool average
- St Oswald Street has experienced a steady increase in prices from 2001
- Mapleton Road house prices have remained constant between 2004 and 2005, remain under £30,000

2.15 The graph below illustrates average house prices trends in the Perth Street area compared to the Hartlepool average.



2.16 The graph shows that:

- Turnbull Street has seen the smallest increases since 2000 and has declined between 2004 and 2005
- Hurworth Street has experienced the most significant increases over the past two years
- Perth Street and Gray Street have both increased in price from 2003, although Gray Street has a lower average price compared to Perth Street
- Prices in Turnbull Street are less than £30,000

2.17 The final detailed street/area house price analysis was the area of Parton Street, Wharton Street and Avondale Gardens. The analysis highlighted that this area although having a lower house price average compared to Hartlepool, that average house prices in all three streets are above £50,000. Avondale Gardens has an average in 2005 of more than £60,000.

2.18 The analysis of house price data in the focus areas within the NCH area highlights the differences in the Hartlepool housing market. The following issues can be identified:

- Parton Street/Wharton Terrace/Avondale Gardens is the area with the highest houses prices within NCH masterplan update area
- Stephen Street and Suggitt Street have seen significant increases with higher house prices than some parts of NCH
- Cameron Road/Belk Street and Furness Street remains an area of low house prices. However, they are significantly higher than in 2000.
- Perth Street area has also increased in price since 2000, although it remains significantly adrift from the Hartlepool average
- Turnbull Street has the lowest house prices in NCH
- In terms of number of sales, there was a high turnover in Belk Street, Mapleton Road and Gray Street in 2004 which have been fuelled by demand from investors.

## Consultation with Estate Agents

2.19 In order to help understand the housing market in more detail local estate agents were contacted and asked a range of questions in relation to Hartlepool's housing market in general and more specifically NCH. The estate agents contacted were Whitegates and Manners and Harrison.

2.20 The points worth noting from the discussions include:

- Investor market is not as buoyant as it was in previous years
- Boarded up properties in the area are causing blight and acting as a negative factor for prospective buyers
- On the whole there are a number of affordable areas in Hartlepool, alongside NCH, as a result people will choose an area where there are no physical signs of void properties
- It is becoming more difficult to find tenants for rented properties, some of these properties are now boarded up as a result of landlords being unable to let them successfully

2.21 The views provide some context as to the reasons behind the differences in house prices within the NCH area. It also suggests that some of the demand in NCH is still fuelled by investors which is impacting on the high number of rented properties in the area and possibly linked to the void properties in the area.

# updating the baseline

## Empty Properties

- 2.22 Empty/void property information for private housing is gathered on a regular basis by the Private Housing Team within the Council. This information is based on council tax void data and highlights where there are concentrations of empty properties within NCH.
- 2.23 The plan below highlights in red the empty properties within NCH.



- 2.24 The plan shows concentrations of empty properties in:

- Perth Street/Gray Street area
- Cameron Road/Belk Street/Furness Street
- Stephen Street and Suggitt Street
- Mapleton Road

- 2.25 Although these areas currently have a number of empty/void properties, the numbers of empty properties have reduced since the baseline analysis was carried out for the original masterplan. This is a not an uncommon trend, as a result of the upturn in the housing market over the last few years, the number of void properties in the worst performing housing market areas have decreased as people priced out of the market elsewhere have to consider alternative housing options. Resulting in people looking in areas that they may have not considered in the past.

- 2.26 The low house prices relative to other areas have also continued the demand from private investors. Low house prices are attractive to investors who view the area as an opportunity and capitalise on the lack of demand from other parts of the market.

- 2.27 Housing Hartlepool have also identified that they have also had a reduction in the number of voids within their stock. The main reasons identified for the increased demand for socially rented properties include:

- Demand from residents displaced by the acquisition of properties in the Phase 1 NCH masterplan area
- Housing market affordability preventing people moving from social rented accommodation into owner occupation
- Quality of life for residents and improved properties slowing turnover of stock
- Homelessness laws changing increasing the number of people who need to be housed

## Summary

- 2.28 Despite an increase in house prices in recent years, prices in the NCH area remain considerably below the Hartlepool and North East averages.
- 2.29 Changes in the housing market have resulted in a decrease in the number of voids across the area, which is not uncommon and experienced elsewhere. However, demand for properties remains to be dominated by investors rather than owner occupiers resulting in a dysfunctioning market.

## Consultation

- 2.30 As part of updating the masterplan consultations have been undertaken with residents and stakeholders. A walkabout was carried out with key resident representatives identified by the Council and a number of interviews were undertaken with key stakeholders.

## Resident Walkabout

- 2.31 The walkabout provided the opportunity for residents to highlight their main areas of concern and where there have been changes since the masterplan was developed. The main issues raised by the walkabout were:

- Cameron Road/Furness/Belk Street
  - Availability of parking
  - External appearance of properties
- Middleton Road
  - 'Floating' bedrooms a focus for young people hanging around and some anti social behaviour
  - Numbering and naming of houses and streets
  - Car parking in areas not identified for parking
- Perth Street Area
  - Void properties
  - Owner occupiers moving out
  - Anti-social behaviour
- St Oswald's Street/Mapleton Road Area
  - High proportion of private landlords
  - High turnover
  - Boarded up properties
  - Lack of parking

- Milbank Road
  - In need of environmental improvements particularly to garden fencing
  - Poor quality road and pavement surfacing
  - Monitoring of private void properties which currently have a negative impact on the area
- Dyke House Estate
  - Poor quality housing on Easington Road
  - Parking an issue throughout this area
  - The impact of the poorly maintained private properties of Raby Square on the wider area

## Stakeholder Consultation

- 2.32 A number of stakeholder interviews were carried out with key representatives from Housing Hartlepool, NCH Neighbourhood Team and key HBC officers. The main issues raised by the interviews were:
- Confirmation that Perth Street area is still a priority area in terms of housing market renewal in Hartlepool
  - Lack of facilities for young people in NCH area
  - Recent success in dealing with private landlords as a result of being one of the ODPM pilots which explored the powers identified in the Housing Act 2004
  - Importance of supporting vulnerable people particularly in the private rented sector
  - The need to tackle issues of disrepair in private rented sector
  - Licensing of private rented sector likely to be implemented in NCH area, concern that issues of displacement may occur as a result of selective licensing as a result of the area boundary identified
  - The need to improve consultation between Housing Hartlepool and their tenants
  - Poor design of areas, particularly Housing Hartlepool stock, does not meet modern day needs

## Environmental Survey Update

2.33 Following the on site assessment work carried out in 2003 and 2004 as part of developing the masterplan, focusing on a series of housing and environmental factors. A further assessment of the update areas has identified the following land use, environmental and design issues:

- Properties, property boundaries and garden areas have deteriorated around the junction of Easington Road with Raby Road
- The large areas of open space within the Dyke House are poorly maintained and have no specific purpose appearance of properties along Challoner Road
- Raby Gardens continue to have a poor environment and poor garden maintenance
- The street scene has deteriorated in and around the eastern end of St Oswald's Street and along Mapleton Road resulting in poor housing combined with environmental conditions
- Perth Street has deteriorated and now is in a poor environmental and housing condition similar to adjacent streets
- Parts of Middleton Road estate has improved, but poor quality open space and general street maintenance issues persist throughout the area
- Problems exist at Stephen Street and Suggitt Street adjacent to the more visible NDC managed voids
- There is a poor visual appearance to the roads, pavements and property boundaries along the length of Milbank Road

## Baseline Summary

2.34 Updating the baseline information for the NCH area has highlighted that:

- The Perth Street area is still considered the most important priority for significant change compounded by the concentration of void properties in this area and low house prices.
- Cameron Road/Furness/Belk Street have improved since the original masterplan, however they would benefit from some investment into properties
- Stephen Street/Suggitt Street have issues as a result of the concentration of private landlords and the impact of the NDC renewal area
- Some of the properties in Dyke House are in poor repair and need significant investment to bring them up to Decent Homes Standard. Bedsits and one-bedroom bungalows are also suffering from low demand and are increasingly difficult to let
- Current social housing supply does not meet demands which has implications for the future
- Raby Gardens is affected by its poor design and layout and the private properties in Raby Square
- The design of Middleton Road is the cause of a number of problems identified. The 'floating' bedrooms in Middleton Road are the source of a number of problems of young people hanging around and anti social behaviour. Parking is also an issue in this area.
- Concentrations of void properties around St Oswald's Street and Mapleton Road, there are also high numbers of private landlords in the area. Parking is also a particular problem.
- Poor environment and design of some of the Housing Hartlepool stock which does not meet modern lifestyle and aspirations. Large areas of poor quality open space with lack of purpose and inadequate space for car parking.
- Road, pavement and property boundary maintenance is impacting upon the quality of Milbank Road.

# option development

## Introduction

- 3.1 In this section of the report, the approach to generating options is described. The findings of the baseline assessment have informed the levels of change which are set out in this section. The interventions identified and discussed in the following section, are based on identifying the most appropriate solutions for each of the focus areas and will be the basis for funding bids to secure funding to implement the changes identified.
- 3.2 The option development process was guided by discussions with the client steering group which had representation from HBC and Housing Hartlepool. A number of resident drop-ins were also held to discuss the key issues identified and some of the possible solutions.

## Resident Consultation

- 3.3 A series of resident drop-ins were held in May/June across the NCH area. The main purpose of the drop-ins was to explain the work being undertaken, present the issues identified in an area basis and explore some of the possible solutions.
- 3.4 Turnout for the drop-in sessions held was poor. A number of reasons may have contributed to this, including the amount of consultation undertaken in the area in recent years. Other methods of resident consultation will need to be explored in the future to ensure resident views are captured and their support for options for change can be gauged.

## Cameron Road/Furness/Belk Street

### Area Characteristics

- 3.5 The housing market within this area has improved since the original masterplan was developed, with house prices now on average between £40,000 and £50,000. The area has benefited from a strong Residents Association which has been proactive in engaging with private landlords active in the area. The Council have shown commitment to the area through securing empty properties. The Arson Task Force has contributed to improved quality of life in the area through the success of their initiatives to deal quickly with arson incidents. An initiative to support vulnerable people within the private rented sector has also contributed to improving the quality of life of residents.
- 3.6 Home Housing has recently made improvements to properties in the adjacent area impacting positively on the image of the area.

## Options for Future

- 3.7 As a result, the options for change considered for this area focus on:
- Strengthening neighbourhood management initiatives undertaken both by residents and the Council
  - The need to identify potential funding available for a targeted improvement scheme to improve the appearance and condition of properties. Depending on the level of funding secured the improvements could include;
    - New windows and doors
    - Guttering
    - Some internal improvements
  - Greening/beautification of back alleys
  - Potential extensions to the rear boundaries of properties on Furness Street
  - Continuation of the supporting people programme which supports the most vulnerable members of the community in private sector accommodation
- 3.8 In this area it is recommended that the priority should be for the Council to continue to strengthen neighbourhood management in the area and try to secure funding to deliver a targeted improvement scheme in the area. Delivering a targeted improvement scheme would give the Council the opportunity to give confidence to residents that there is a commitment to securing the future sustainability of the area.



# option development

## Stephen Street and Suggitt Street

### Area Characteristics

- 3.9 Compared to the demand map developed at the time of the original masterplan and the current demand map, the housing market in this area has improved and stabilised. House prices in this area are now some of the highest within the North Central area, on average around £50,000. However, residents and stakeholders have highlighted this as a fragile area.
- 3.10 One of the key issues for the area is its location adjacent to Hartlepool Revival's housing renewal area. The presence of boarded up properties has impacted on the image of the area for a number of years. A developer has been appointed to redevelop the site for new housing. On confirmation of the Compulsory Purchase Order (CPO) expected in the autumn, the site will be cleared and redeveloped. The redevelopment of this area will introduce a new type of housing to the area which is likely to stimulate the wider housing market which will benefit Stephen Street and Suggitt Street.
- 3.11 Another key issue for this area has been the concentration of privately rented properties and associated issues of anti social behaviour. This has had a significant impact on the quality of life of residents in the area.

### Options for the Future

- 3.12 In the near future the area will experience uplift as a result of the delivery of the adjacent housing renewal. There is the opportunity to support this investment with direct investment into Stephen and Suggitt Street.
- 3.13 The options for the future for this area have been developed around the principles of neighbourhood and housing management. The Council should consider developing a similar approach as it has in Cameron Road/Furness/Belk Street; strengthening the role of the Residents Association to build their capacity to enable them to take a greater role in the area.
- 3.14 A targeted improvement scheme would show commitment from the Council to residents of the area's long term future sustainability. This area alongside Cameron Road/Furness/Belk Street should be a priority for a private sector renewal scheme or any additional resources which can be secured. This investment would complement the new development underway which is being led by Hartlepool Revival.



## Perth Street Area

### Area Characteristics

- 3.15 The Perth Street area was identified as the second phase for clearance in terms of housing market renewal within the original masterplan. The housing market in this area has declined since the original masterplan; the area has a concentration of void properties and housing demand is dominated by investors. House prices remain significantly lower than the Hartlepool average and are some of the lowest within NCH.
- 3.16 The baseline assessment highlighted that both residents and stakeholders agree that this area remains a priority for housing market renewal.

### Options for the Future

- 3.17 Three options were identified for the future redevelopment of this area and tested with the client steering group, the Resident Consultative Group and wider residents in the area through the resident drop-ins. The options are shown below.



- 3.18 The options varied in terms of the level of intervention. All of the options for clearance include a large proportion of the Raby Road frontage including the Quoits Social Club, but the northern boundary varied between the options.

# option development

## Constraints/Opportunities

- 3.19 The options were tested through soft market testing with private developers to give an indication of the interest in the area. All three of the sites generated interest with the frontage onto Raby Road viewed as an important factor for any redevelopment. Developers highlighted that a frontage onto Brougham Street would be advantageous. All developers felt that the site was large enough to generate considerable interest and competition.
- 3.20 The development site identified would build on the recommendations of the original masterplan and go towards delivering the overall principle of the linked developed at Phase 1 identified in the original masterplan strategy.
- 3.21 A northern frontage onto Brougham Street although indicated by developers as a preference would be difficult to deliver due to significantly higher house prices in this street compared to the streets to the south and the lack of resident support to include Brougham Terrace in any renewal area.
- 3.22 The frontage onto Raby Road was identified as a preference from developers. The local centre of Raby Road is likely to be reduced following confirmation of the Compulsory Purchase Order (CPO) for the Phase 1 area for NCH. The Hartlepool Local Plan Policy Com 5 identifies that Hartlepool, where possible, encourages the retention of local shops where they are grouped together. Further consideration will need to be given to the extent of the housing market intervention in this area and identify whether new retail units need to be incorporated into any redevelopment plans. If a mixed used development is encouraged, this would contribute to creating an improved local shopping environment, which would comply with Local Plan Policy and improve the existing street scene of Raby Road and viability of the local centre.

## Recommended Approach

- 3.23 Through consultation with key stakeholders, the Residents Consultative Group and wider residents at the drop-in sessions held during May, the preferred option was identified as one which lay somewhere between Option 2 and Option 3. Feedback through the consultation highlighted that there was the feeling the north side of Hurworth Street should also be included in any development area.

- 3.24 In developing this option further, consideration needs to be given to the configuration of the site in relation to:

- Undertaking a detailed area assessment which includes; financial modelling, consultation, impact on commercial area (including consultation with businesses) and seeking legal advice
- Considering the impact of removing the businesses on Raby Road and identifying the potential for new retail units to be developed as part of any redevelopment scheme
- Re-providing the Social Club within a new development
- The opportunity to develop new homes for sale and for rent to diversify the current housing offer.
- Identifying the balance of housing tenure. It is recommended that a ratio of 80:20 should be achieved in line with Tees Valley Living targets, with around 20% of the new development identified for homes for rent.
- The success of the redevelopment on the Phase 1 site - consideration should be given to the types and sizes of houses which have been particularly successful on this site to inform the specification of the Perth Street area.
- The level of demand from current residents in the area for new properties on the redeveloped area.

## Middleton Road

### Area Characteristics

- 3.26 The outdated design of this area is the underlying cause of the current problems/issues identified. It is based on a 'Radburn' type layout, where there is segregation between pedestrian access and vehicular access into the area. As times have changed the design/layout does not meet modern needs and a number of the key issues which have been identified are related to poor design. The key issues include:
- The lack of parking and secure parking
  - Problems caused by the land beneath 'floating' bedrooms, where young people use the area underneath to 'hang out' causing problems for owners and tenants
  - Poorly used areas of open space
- 3.27 Despite the issues highlighted above, it remains popular with tenants and there are a high proportion of Right to Buy properties in the area, which signifies its popularity.

### Options for Change

- 3.28 The options identified have been developed around addressing some of the out-dated design problems. The possible solutions include:
- Identifying a purpose and function for the open space
  - Method of restricting access under the 'floating' bedrooms
  - Improving parking to make it safe and secure
  - Promoting key pedestrian routes by rationalising current pedestrian access.
- 3.29 Plans are being developed in conjunction with residents and landscape architects who have been appointed to lead the project. This process has run in parallel with the masterplan update and the outcomes will be contained in a separate report.

# option development

## St Oswald's Street / Mapleton Road / Avondale Gardens /Parton Street

### Area Characteristics

- 3.30 The baseline assessment and revision to the housing demand plan highlighted that this area has become more fragile since the original masterplan was developed, particularly St Oswald's Street. The housing market exhibits the signs of housing market dysfunction, demand continues to be driven by investors, there is a high turnover of properties and there is a high number of void properties.
- 3.31 One of the other key issues for current residents is the lack of car parking, partly as a result of past modernisation schemes which aimed to reduce the dominance of the car and available space for parking.

### Options for Change

- 3.32 The options developed considered a number of different aspects for change and these were focused on improving the housing market particularly in relation to turnover and void properties and also tackling the parking problems.

### Recommended Approach

- 3.33 Consideration was given to selective demolition of a small number of the worst properties, alongside improving the environment, housing and neighbourhood management. In order to inform the strategy, the potential development sites as identified in the plan below were tested through soft market testing with private developers.



- 3.34 The feedback received highlighted that even if the sites were linked to a larger development site e.g. Perth Street, there would be little benefit to developing such small areas. The areas would either be redeveloped with housing of a similar type to the existing housing or left as open space, neither of which would contribute to considerable improvement nor tackle the current issues.
- 3.35 As a result the approach set out below focuses upon environmental improvements, housing and neighbourhood management.

## Recommended Environmental Approach

- 3.36 St Oswald's Street was identified as an area suffering from significant parking problems and traffic movement. There are a number of possibilities which have the potential to resolve parking problems in the area and improve the flow of traffic.
- 3.37 Initial discussions with Highways Engineers suggest that there is the possibility of implementing an improvement scheme subject to funding being made available. Some of the issues which would need further consideration include:
  - The direction of the traffic
  - Levels of traffic calming required to prevent the creation of a 'rat run'
- 3.38 Further consultation is required with residents and the Council's Highways department to develop detailed plans to tackle the current issues.



## Recommended Housing and Neighbourhood Management Approach

- 3.39 Housing Hartlepool has a strong local presence in the area. As highlighted previously, one of the key factors is the dominance of void properties, therefore tackling this is critical. It is recommended that HBC and Housing Hartlepool should explore possible funding sources to purchase empty properties for sale to bring them up to Decent Homes Standard; to then sell on for low cost home ownership or let and manage them as homes for rent.
- 3.40 Secondly, it is recommended that HBC and Housing Hartlepool work in partnership to encourage private landlords to become part of the Landlord Accreditation Scheme which provides help and advice for landlords in relation to letting properties. Where landlords are not seen to be engaging with the local community or accreditation scheme the Council should consider the use of enforcement to manage properties.
- 3.41 The approach to neighbourhood management should continue but emphasis should be placed on working with key service providers to develop local agreements in relation to improving service provision. Particular focus should be on developing the role of the Street Wardens to increase management of the area which will help to improve the quality of life of residents.

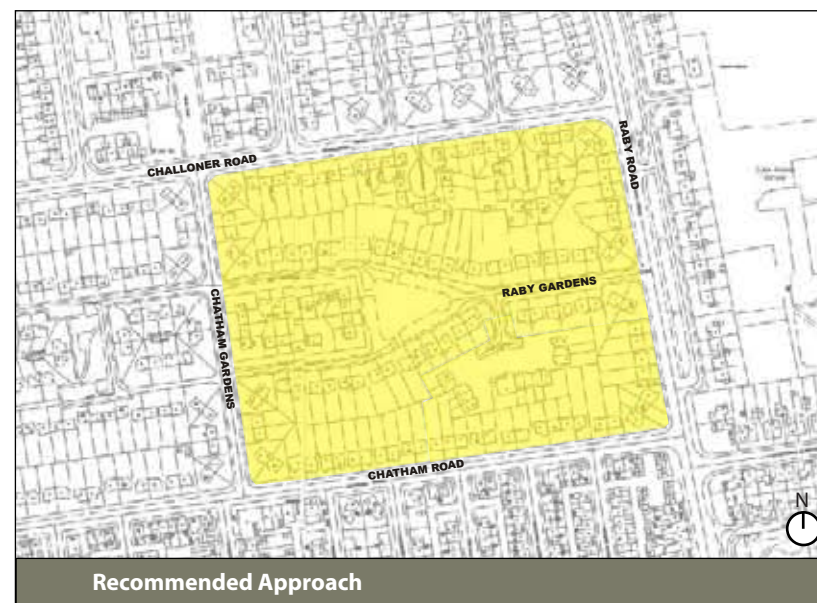
## Raby Gardens (Eastern Side)

### Area Characteristics

- 3.42 Raby Gardens is located to the eastern side of Chatham Gardens, between Chatham Road and Challoner Road. This is an area of predominantly Housing Hartlepool properties which have been the focus of previous property and environmental improvements. Despite investment, the area still suffers from a number of problems resulting in the housing being relatively unpopular. These include:
- Large gardens which tenants are unwilling to take on and find difficult to manage.
  - Poor quality private housing in Raby Square to the western side
  - Poor quality entrance from Raby Road adversely impact this area.
- 3.43 The area also incorporates a newer in-fill development by Home Housing called 'The Copse' which is around 15 years old. Initial discussions with Home Housing suggested that although the properties were newer, they are difficult to manage and demand for properties is lower than their stock elsewhere in Hartlepool.

### Option for Change

- 3.44 The broad area where further consideration needs to be given to the future of the housing is shown below. It focuses on the most problematic properties of Raby Square and Raby Gardens.



## option development

- 3.45 Further work is required to identify the level of intervention and the extent of the housing change proposed. This will need to involve consultation with residents in the area, alongside discussions with Home Housing to assess the long term sustainability of their stock and finally further cost-benefit work.

### Constraints/Opportunities

- 3.46 Feedback from developers as part of some soft market testing indicated considerable interest in this area.
- 3.47 The large gardens result in a large site being available for redevelopment and would provide the opportunity to redevelop the area with higher than existing densities.
- 3.48 One of the main constraints identified is the presence of the Home Housing development. Further discussions are required with Home Housing to understand their views on the future of The Copse and whether it could be linked to the wider plans for the area.
- 3.49 The Phase 1 intervention area located to the south of Raby Gardens presents a key opportunity for change. Creation of an area of new housing in Raby Gardens would directly benefit from the housing renewal plans in Phase 1 which is currently awaiting CPO confirmation. This has the potential to generate even more interest in this site once the regeneration is taking place on Phase 1.

### Recommended Approach

- 3.50 Intervention in this area would help to improve the quality and choice of housing available. Further work is required to identify the possibility of engaging Home Housing in the wider redevelopment of this area in order to maximise the frontage and linkages with the NCH Phase 1 area. The approach provides a template for further consultation and analysis.
- 3.51 There is a need to carry out more detailed consultation with residents to engage with them and to understand their views the level of change required. Consultation should be carried out on a house by house basis to ensure that a representative number of residents' views are gathered.
- 3.52 Further work is also required to financially appraise potential sites within the broad area identified and understand their viability.

## Easington Road (South)

### Area Characteristics

- 3.53 Easington Road forms the northern boundary of the NCH area. It is a key access route into Hartlepool from the north and west. The properties along Easington Road are predominantly owned by Housing Hartlepool. For some time the area has had a poor image and reputation resulting in the properties being particularly unpopular and hard to let.
- 3.54 Recent stock condition information identified that the properties are in poor physical condition and in need of considerable investment to bring them up to Decent Homes Standard.
- 3.55 In terms of urban design some of its key characteristics are:
- Long linear frontage with rendered exteriors
  - Poorly used open space behind the properties
  - Overall the environmental quality is poor
- 3.56 There are a number of factors affecting the popularity of the properties:
- Unpopular internal layout which would require considerable investment to change
  - The majority occupy large plots with significant gardens which are difficult for tenants to maintain adequately
  - Considerable investment is required to bring them up to Decent Homes Standard plus
  - The perception and image of the area have been a problem for a number of years which has an impact on the popularity of the properties
- 3.57 As a result of these factors set out above, nearly a quarter of tenants in the area are on the housing transfer list and over half of the tenancies in the area have only been established in the last 2 years demonstrating the unpopularity of properties.
- 3.58 There are also problems in the area of anti-social behaviour which is not helped by the design and layout of the housing.

### Options for Change

- 3.59 A variety of options were considered which would help to improve the quality and choice of housing available.
- 3.60 The area considered included the linear frontage of Easington Road and the areas to the rear, shown in the plan below.



### Constraints/Opportunities

- 3.61 As part of the process of identifying a preferred approach a number of different potential areas were tested with developers through a process of soft market testing.
- 3.62 Overall developers were interested in the sites, however a number of points were highlighted:
- The linear nature of Easington Road was identified as a constraint which would make the site more difficult to redevelop.
  - The inclusion of the areas to the rear of the properties could help to break the linear nature and introduce more variety in terms of the house types developed.
  - Increasing the site size at the roundabout at Raby Road would deliver more significant change and allow the potential to change the design and layout of a new development.

# option development

## Recommended Approach

3.63 Following the feedback from developers and discussions with the main stakeholder, Housing Hartlepool, the linear site of Easington Road has been identified as a priority area and should be the basis of further work and consultation. The approach in this area is tackling the worst housing to improve the housing quality and choice available and improve the wider environment.



3.64 Although developers indicated that inclusion of the land to the rear of Easington Road would be beneficial in terms of redevelopment. Developers also identified that they would prefer a larger site to alter the current linear nature of Easington Road. However, this would prove more difficult as a result of properties in these areas being more popular. The properties do not exhibit the problems identified at Easington Road.

3.65 Further work to take forward this area is required by HBC and Housing Hartlepool. This should include:

- A door-to-door survey to consult on the options for change which have been identified
- Detailed financial appraisal to understand viability
- Further consultation with developers on options which are identified as financially viable
- The possibility of incorporating the open space to the rear of Easington Road in any redevelopment plans

## Dyke House Area between Challoner Road and Easington Road

### Area Characteristics

3.66 This area is predominantly Housing Hartlepool stock with a mix of types and sizes of properties. The design and layout of the area is similar to a 'Radburn' type layout, which no longer meets modern aspirations and is the cause of a number of the key issues which have been identified. The key issues identified are:

- Poorly used areas of open space, which attract young people to congregate are causing concerns for residents
- Unsafe and unused pedestrian access through the area
- Problems caused by 'floating bedrooms'
- Low demand for some housing; particularly the bed sits in Lime Crescent and one bedroom bungalows which do not meet needs
- Parking is a big issue

3.67 The area is currently the focus of Housing Hartlepool's Decent Homes investment programme; however concerns regarding the popularity of some stock and long term sustainability has highlighted the need to consider the options for the future of the housing prior to investment.

### Options for Housing Change

3.68 The options for the future have considered some of the environmental solutions which are required alongside more significant intervention to improve the quality and choice of housing which would better meet needs and aspirations. These plans/options provide the basis for further work.

3.69 The Lime Crescent bedsits and the adjacent one bedroom bungalows were the focus of the potential housing change developed, this is shown below.

### Constraints/Opportunities

3.70 As part of the process of identifying a preferred approach, the area highlighted in the above plan was included in the soft market testing with developers. An option was shown as a separate potential development as well as within a broader option which highlighted the sites considered at Easington Road.

3.71 The main comment from developers was around the positive attributes of linking the sites of Lime Crescent to Easington Road to create a wider development area, which would avoid an infill development.





## Dyke House – Ivy Grove, Pine Grove and Larch Grove

### Options for Environmental Change

- 3.78 Alongside a small area identified for housing change, some of the key concerns identified and confirmed by residents through the drop-ins were more related to environment and design issues. This was particularly the focus for the western part of the Dyke House area around Ivy Grove, Pine Grove and Larch Grove and Milbank Road.
- 3.79 A number of solutions were presented to residents at the drop-ins. Feedback received gave particular support for environmental improvements, closing off some of the 'cut throughs', improved street lighting and changing the areas under the 'floating' bedrooms.
- 3.80 As a result of the consultation and urban design analysis a plan has been developed which shows some of the possible solutions to the problems identified, as outlined in the key.



- 3.72 Discussions also took place with Housing Hartlepool the main stakeholder who would be leading the delivery of any housing change. Feedback from Hartlepool Housing's local team identified the difficulties of linking the two sites. The main constraint identified the higher demand for properties in the surrounding area and absence of other issues apparent in Easington Road.
- 3.73 The main constraint for significant redevelopment of this area is the estate design and economic factors linked to redevelopment.

### Preferred Approach

- 3.74 The previous plan has been identified as the basis for taking forward further work in this area to identify more detailed plans on future housing change.
- 3.75 It was felt that it would not be possible to link this area to Easington Road as the properties in the wider and adjoining area are more popular, have longer tenancy agreements and a more stable community.
- 3.76 Targeting the most problematic properties, the one bedroom bungalows and the bed-sits, could provide a redevelopment site for supported accommodation, which is in demand. This could be delivered by Housing Hartlepool and has the potential to attract additional external resources.
- 3.77 Further work is required by Housing Hartlepool and HBC, this should include:
- Consultation with residents to understand their views on the options identified and their future housing needs
  - Financial appraisal of the options to understand the viability of different development site areas
  - The possibility of Housing Hartlepool delivering housing change in this area without a private developer partner

- 3.81 HBC need to work with relevant departments with regards to improved lighting across the area to ensure issues of safety can be addressed by better lighting.
- 3.82 Housing Hartlepool has identified funding which they have made available to deliver environmental improvements. The plan above will provide the basis for Housing Hartlepool to work with residents and identify a more detailed plan for environmental improvements.

# option development

## Milbank Road

### Environmental Improvements

- 3.83 Milbank Road has a poor visual appearance and is a key transport route into Hartlepool. It is recommended that further work is carried out with the Highways Department in the Council to identify whether there is planned investment to improving and renewing the road surfaces in this area or identifying potential funding if this work is not planned in the short/medium term.
- 3.84 Boundary fence improvements are needed to properties running the length of Milbank Road. Consideration should be given to metal, low maintenance fencing which would provide a long term solution with low revenue costs.
- 3.85 Further work should also be undertaken to investigate the possibility of Hartlepool Housing and Hartlepool Borough Housing working with residents to invest and improve front gardens of properties on Milbank Road which would complement the investment into boundary treatments.

### Summary

- 3.86 A number of options areas for change have been identified for the focus areas of the masterplan update. These range from environmental improvements, housing and neighbourhood management and more significant housing change.
- 3.87 Further work is required by HBC and Housing Hartlepool to develop the options, secure endorsement for the NCH update and take them forward to delivery.

# conclusions and recommendations

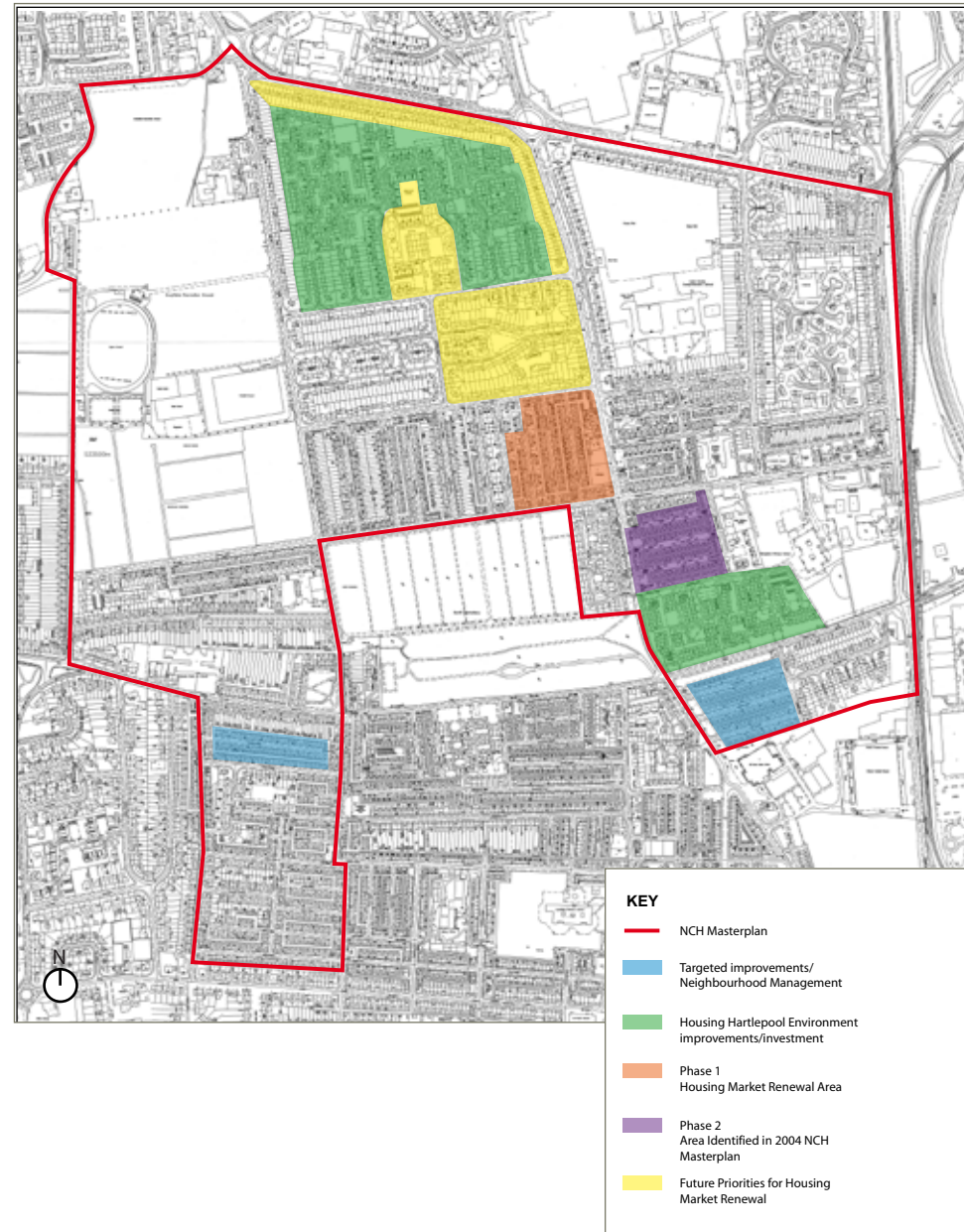
- 4.1 This report sets out the work undertaken as part of the process of updating the NCH masterplan. This report is not the end of the work in terms of updating the masterplan. The aim of this project was to take the options for future housing change to a point which then would require further work by Hartlepool Borough Council and Housing Hartlepool to develop the options further.
- 4.2 Hartlepool Borough Council has already made a commitment to housing renewal in the NCH area and it is important that the outcome of the updated masterplan work informs the identification of future priorities for housing renewal.
- 4.3 This document and subsequent work will be an important document which can help to secure the funding which is required to deliver the preferred approach in the focus areas.

## Further Development of Options

- 4.4 There is the need for further work to be undertaken by Hartlepool Borough Council and Housing Hartlepool to develop the detailed the way forward in some areas based on the preferred approach identified. It is recommended that this work should include:
- Detailed financial modelling to understand viability
  - The need for exploratory work to identify an appropriate method for delivery
  - Report to Hartlepool Borough Council Cabinet and Housing Hartlepool Board on the findings of the masterplan update for Cabinet to note the contents
  - Further resident consultation on a more detailed house by house basis to gauge support for change in the areas and to understand in more detail the housing needs of residents
  - Continue to engage with private sector developers
- 4.5 The priority of undertaking this further work should be guided by the categorisation below.

## Housing Market Renewal Priority Areas

- 4.6 A number of the areas identified for future housing change in the update are predominantly Housing Hartlepool stock and decisions to intervene in these areas are driven by the stock appraisal currently being undertaken and linked to their target to meet Decent Homes Standard by 2010.
- 4.7 These areas are critical to the wider regeneration of Hartlepool as well as contributing to the successful housing market renewal programme across the NCH area.
- 4.8 The plan below highlights the areas identified in the update and their geographic relationship to current housing renewal priority areas.



# conclusions and recommendations

4.9 The plan helps identify the three key areas which need to be taken forward as priority areas in terms of significant change and housing market renewal. These are:

- Perth Street area – identified as Phase 2 of housing market renewal in the original masterplan and confirmed as a priority for residents and stakeholders
- Easington Road – as a key arterial route and gateway into Hartlepool from the north and the west, this area needs to be taken forward as a priority area. This area will have a wider regeneration impact for Hartlepool and contribute to a significant step change for the area.
- Raby Gardens – as a result of its links through to the Phase 1 NCH housing renewal area. This site would create clear links from this area through to NCH Phase 1 and from there to Perth Street Phase 2

## Medium Term Priority Area

4.10 The area around Lime Crescent should be taken forward as a medium term priority. It is likely that there will be minimal change here, linked to the constraints of estate design and the economics of delivering more significant change. Housing Hartlepool need to consider the area in more detail and identify specific boundaries for change.

## Priority Investment Areas

4.11 Priority Investment Areas have been identified where further work is required to; strengthen housing and neighbourhood management and identify and secure funding to deliver targeted physical investment programmes. These are the areas of:

- St Oswald's Street/Mapleton Road/Avondale Gardens/Parton Street
- Cameron Road/Furness/Belk Street
- Stephen Street/Suggitt Street

## Environmental Investment Areas

4.12 Milbank Road and the western part of Dyke House have been identified as areas where there is a need for a programme of environmental improvements. Housing Hartlepool has identified funding for these areas to take forward and deliver an environmental improvement plan in conjunction with residents.

## Borough Wide Initiatives

4.13 Hartlepool Borough Council is in the initial stages of identifying an area which would be the target for selective landlord licensing. The Housing Act 2004 gave local authorities the power to identify areas within which all privately rented properties must be licensed. The process for licensing is a lengthy process and includes consultation, making a designation to Government and confirmation of the area identified.

4.14 It is expected that selective landlord licensing will help to tackle some of the issues associated with concentrations of privately rented properties. It is expected that some of the focus areas of this masterplan update will benefit from a selective licensing scheme as a result of the acknowledgement of problems in these areas related to the high proportion of private rented properties.

## Funding

4.15 Significant funding has already been secured to deliver the first phase of housing market renewal in Hartlepool. Funding from the Regional Housing Board (Single Housing Investment Pot) and through Tees Valley Living (Path-Follower Funding) may also be used to fund some of the investment identified in this report.

## Single Housing Investment Pot (SHIP)

4.16 It is likely in future years that SHIP will have additional funding which would help develop the Perth Street area and also perhaps be secured to deliver some of the internal and external property investment to help stabilise the more fragile areas in NCH.

4.17 Areas have been identified as the priority or targeted areas for investment. These should be targeted as part of a scheme to refurbish all properties in an area. Dependant on the funding achieved it may be necessary to identify a level of resident contribution to the investment. This may be set at a higher level for private landlords but within a threshold which will not prevent them from being part of the improvement scheme.

## Housing Hartlepool

- 4.18 Housing Hartlepool are currently undertaking their decent homes investment programme, to bring all their properties up to Decent Homes Standard by 2010.
- 4.19 Housing Hartlepool may be able to secure funding through the Housing Corporation to deliver supported people accommodation which there is currently a lack of in Hartlepool. In future years demand for this type of accommodation will grow as a result of the ageing population.
- 4.20 Funding has already been identified to carry out the environmental improvements in Dyke House and Middleton Road. This will complement the housing market change in these areas; for Middleton Road adjacent to the Perth Street redevelopment site and for Dyke House the changes proposed for Raby Road and Easington Road.

## Neighbourhood Renewal Fund – Neighbourhood Element

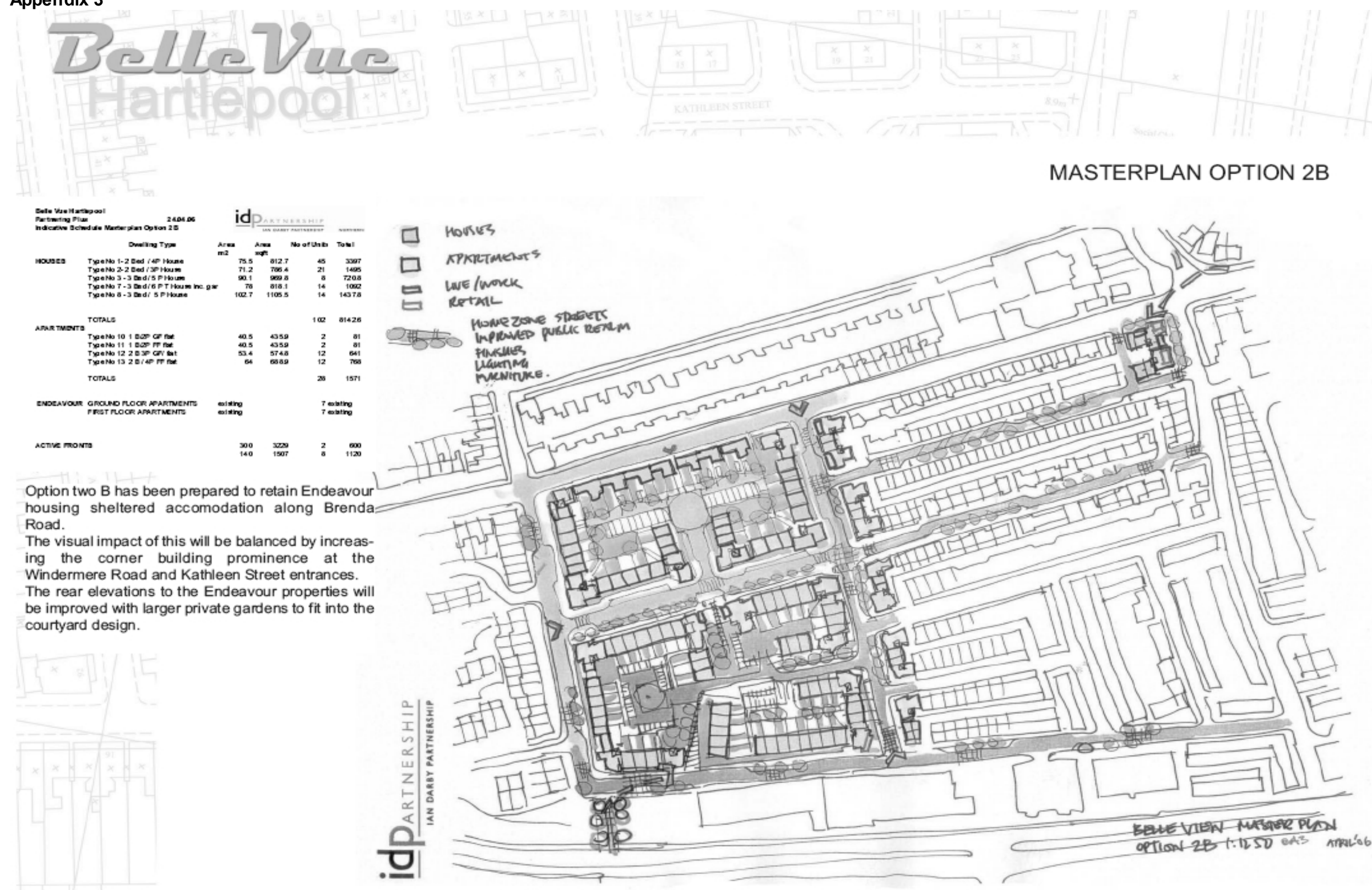
- 4.21 This is the new part of Neighbourhood Renewal Funding and in the NCH area the Resident Consultative Group have made it a priority to use their funding to strengthen Community Safety across the area. Some of the investment in the quality of the NCH area may be funded through this funding.

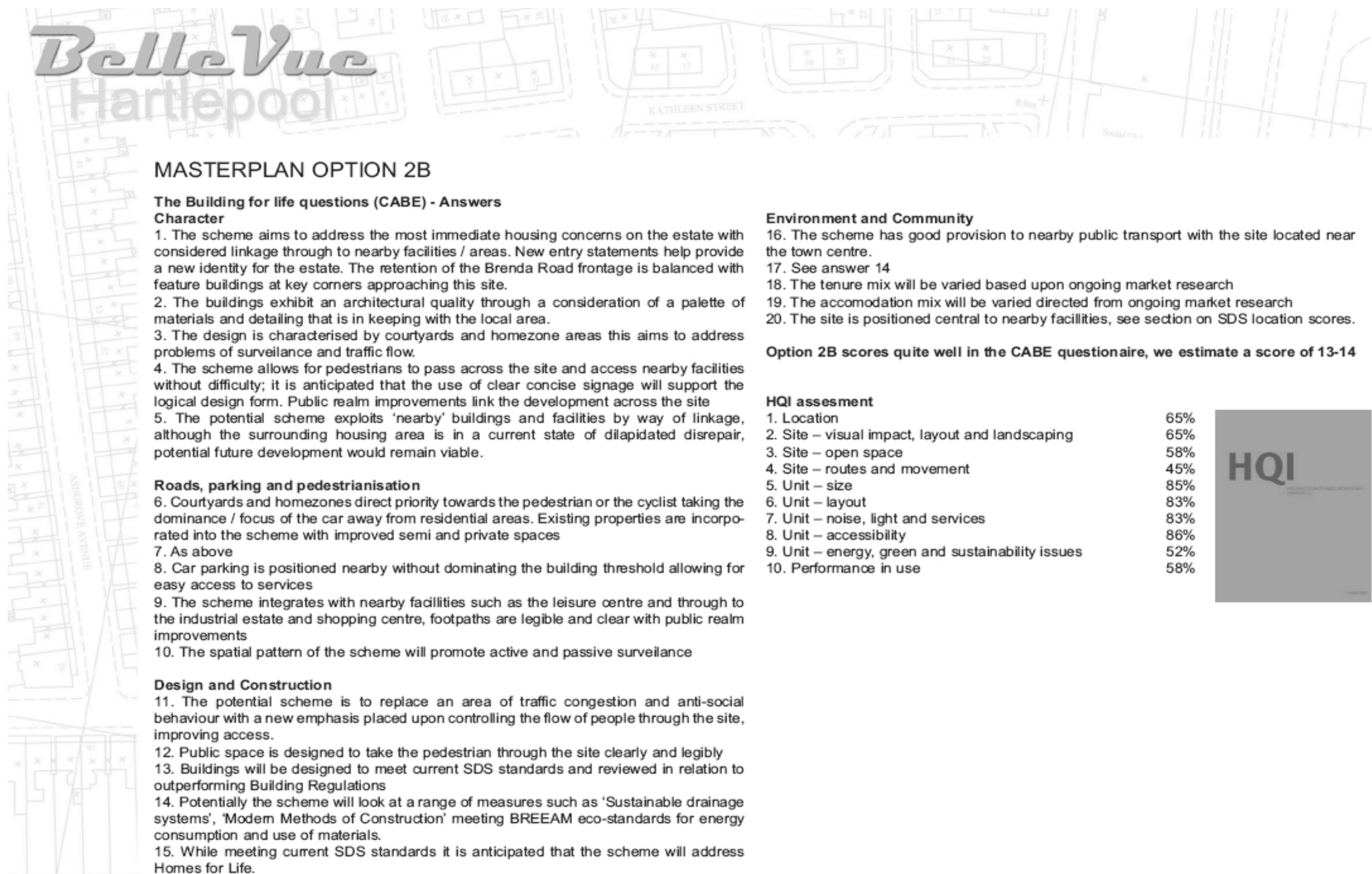
## Summary

- 4.22 The conclusions and recommendations of this report provide the framework for developing and taking forward further areas of intervention and housing market renewal in NCH.
- 4.23 The commencement of the Phase 1 housing renewal site, on confirmation of the CPO, will result in a visible sign of the regeneration of NCH. The work to update the masterplan has identified key areas for further intervention and areas for investment which will support the wider housing regeneration taking place in Hartlepool. The partnership between Hartlepool Borough Council and Hartlepool Housing will continue to develop and will play a critical role in taking forward and delivering the next steps of housing market renewal masterplan.



## Appendix 3





THORNTON STREET





# CABINET REPORT

5 February 2007



**Report of:** Director of Adult and Community Services

**Subject** FAIR ACCESS TO CARE SERVICES (FACS)

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## SUMMARY

### 1. PURPOSE OF REPORT

- 1.1 To report to Cabinet the results of the consultation on the possibility of raising the FACS eligibility threshold.
- 1.2 To invite Members to decide on the options available.

### 2. SUMMARY OF CONTENTS

The report gives the background to the consultation, the process and results, and the options available to members. It also sets out actions to minimise the impact on individuals should the threshold be raised.

### 3. RELEVANCE TO CABINET

The decision will affect vulnerable adults and their carers across the town. It is also key to future financial planning.

### 4. TYPE OF DECISION

Key decision. Tests (i) and (ii) apply.

### 5. DECISION MAKING ROUTE

Cabinet 5 February 2007.

### 6. DECISION(S) REQUIRED

To decide whether to raise the eligibility threshold for statutory care services to exclude those on the “moderate” FACS banding.

**Report of:** Director of Adult and Community Services

**Subject** FAIR ACCESS TO CARE SERVICES (FACS)

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**SECTION A – INTRODUCTION**

**1. PURPOSE OF REPORT**

- 1.1 To report to Cabinet the results of the consultation on the possibility of raising the FACS eligibility threshold.
- 1.2 To invite Members to decide on the options available.

**2. BACKGROUND**

- 2.1 Access to Statutory Care Services (such as home care and day care) is given to an individual following an assessment of need. The assessment identifies their level of need in terms of a FACS banding and the local authority decides which of the four nationally specified bands it will provide services to. Local Authorities are expected to review this threshold annually as part of their budget considerations.
- 2.2 In Hartlepool the top three bands (moderate, substantial, critical) are entitled to statutory care services. In January 2006 Cabinet agreed (24 January 2006) to a consultation on raising the threshold to exclude the third (“moderate”) band. This consultation was carried out through the period October to December 2006.
- 2.3 Section B of this report, plus appendices, describes the process which was carried out and sets out a summary of the results. Alongside this consultation process the views of Scrutiny were sought, and these are also set out in Section B.
- 2.4 Section C analyses the options and makes a recommendation. It also describes some of the actions which could be taken to minimise any adverse impact on individual service users, present and future.

## **SECTION B – THE CONSULTATION PROCESS**

### **1. Consultation Background**

- 1.1 In September 2006 a consultation plan was put together by the Department's Fair Access to Care Services (FACS) Project Group. The plan is attached at **APPENDIX 1** to the report for information.
- 1.2 All existing service users supported in the community (currently helped to live at home) were included within the consultation process by letter. The exceptions were those people in receipt of residential care services and those individuals who were not subject to a regular FACS review (i.e. in receipt of minor aids and adaptations only).
- 1.3 The purpose of the consultation was to establish whether people agreed or disagreed with the idea of raising the eligibility criteria threshold for statutory care services and re-investing some of the savings in community based services open to all. We also asked people to indicate what sort of community based services they would like to see supported. If respondents disagreed with the proposal or were unsure we asked them to provide the reasons for this decision.
- 1.4 Consultation information comprising a letter, questionnaire and supporting information explaining the consultation process was agreed by the Project Group. The range of consultation documents are provided at **Appendices 2 to 6** of the report.
- 1.5 A Diversity Impact Assessment (DIA) was completed taking account of ways in which the department would involve representatives from ethnic minority communities within the consultation process (**APPENDIX 7**).
- 1.6 The Fair Access to Care Services (FACS) Consultation commenced on 27<sup>th</sup> September and closed on 31<sup>st</sup> December 2006.

### **2. Consultation Process**

- 2.1 The consultation process was thorough and extensive, further details of which are described within the following sections of the report. The Council was congratulated on its approach to the consultation by members of the 50 Plus Forum.
- 2.2 Social Workers applied a screening process prior to the production of the final mail merge sets (names and addresses), in order to remove recently deceased records and to pick up those people who needed information producing in different formats.

- 2.3 All the consultation documents (as mentioned at 1.4 of the report) were made available in different formats including large print, easy read with pictures, Braille, audio tape, and different languages. A DVD explaining the current FACS criteria and the consultation proposals was produced for the Learning Disability client group.
- 2.4 A dedicated helpline was made available to enable service users, or their family or friends to contact the department to discuss their concerns, request a home visit or to receive help in completing questionnaires. The helpline was manned by five members of staff (Planning and Implementation Officers) skilled in social care assessment and care management processes.
- 2.5 Twenty seven stakeholder meetings were arranged over a 3 month period (October to December 2006). Existing forums were used where possible which included planning/implementation groups from health and social care, voluntary bodies, contracted service providers, health agencies and Public and Patient Involvement Forums. Staff attended meetings to answer queries, record views and hand out questionnaires and public information. A full list of stakeholders is reproduced at **APPENDIX 8** to the report.
- 2.6 Four open public meetings (day/evening meetings) were arranged. Councillor Ray Waller, Portfolio Holder for Health and Social Care, together with members of the Directorate presented details of the consultation process at the open public meetings.
- 2.7 Six dedicated focus groups were arranged (day/evening meetings) for the blind and Deaf Communities, Learning Disability client group and Talking with Communities consultation group (ethnic minority communities).
- 2.8 Given the complexity of issues involved in the consultation, Senior Staff of the Departments Directorate agreed to use a FACS script when leading on stakeholder consultation meetings. This ensured that presentations would be consistent and unbiased.
- 2.9 In October 2006 Senior Officers of the Department attended the Health and Social Care Scrutiny Forum to explain the consultation process.
- 2.10 On 8<sup>th</sup> December 2006 staff attended Carers Rights Day to provide direct support and information to Carers regarding the consultation process.
- 2.11 Raising awareness and promotion of the consultation exercise was achieved through Social Workers, Team Managers, Councillors, Neighbourhood Forums, local media, and the Councils website. Support was also provided by Hartlepool Carers and Hartlepool Voluntary Development Agency by circulating information within the wider community.

### 3. How We Consulted

We consulted through the postal survey, by holding a series of closed and open consultation meetings and promoted contact through the dedicated helpline, Social Workers and the Council's Community Portal.

#### ***Information and Mailing (Postal Survey)***

In October 2006 a mailing was sent to **1,979** people as follows:

<b>Group</b>	<b>Number</b>
Service Users	<b>1838</b>
Representative of Residents Associations	<b>47</b>
Providers of Contracted Services	<b>32</b>
Voluntary/Other Organisations	<b>62</b>
<b>Total</b>	<b>1,979</b>

- 3.3 The mailing provided information on how to attend consultation meetings, contact the helpline and request information in various formats if this was required. The consultation pack consisted of the following documents (as explained previously at section 1.4 of the report).
- a letter
  - a questionnaire
  - a summary leaflet about Fair Access to Care Services Criteria
  - proposals for changing the FACS criteria threshold
  - examples of low, moderate, substantial and critical bandings.
  - a prepaid reply envelope to return responses.
- 3.4 The information was produced in Braille, easy read with pictures, audio tape and DVD and these formats were specifically used within dedicated focus groups for the Learning Disability Service Group, Deaf and Blind Communities.
- 3.5 The consultation information was also produced in two different languages (Urdu and Bengali) at the request of three individual service users. This was noted within the results of the Department's Diversity Impact Assessment at the close of the consultation period.
- 3.6 Hartlepool Voluntary Development Agency assisted in circulating the consultation information to **62** organisations within the town.
- 3.7 Hartlepool Carers agreed to include an article within their autumn newsletter promoting attendance at public meetings and use of the help line. Over **400 flyers** (as inserts to the newsletter) were produced by the Department and despatched by Hartlepool Carers.

### ***Consultation Meetings***

- 3.8 A total of **27** consultation meetings were completed by senior representatives of the department (Including **4** open public meetings and **6** closed focus group meetings for specific client groups (as described previously at sections 2.5 to 2.11 of the report).
- 3.9 People used the meetings as an opportunity to air their views, raise important questions and seek further clarification on the proposals. Senior staff attended meetings to provide answers to difficult questions and to speak to individuals after each meeting in order to address any individual problems raised.

### **Consultation Responses**

#### ***Statistical Analysis of Returns***

- 4.1 People responded well to the consultation by completing questionnaires, attending stakeholder and focus group meetings, contacting the dedicated helpline and sending personal letters.

All questionnaires and comments were entered onto a computerised recording system to assist with the analysis of the results. The Department was mindful of confidentiality issues and handled personal information carefully.

- 4.3 **743** postal questionnaires were returned, a good return rate of **38%**. A breakdown of the volumes received by client group, gender and age range is provided at **APPENDIX 8** to the report.
- 4.4 When analysing the returns by client/service group, all service groups were represented including Learning Disabilities, Mental Health, Service, Younger Physical Disabilities and Various Organisations. The highest number of returns (**471**) were received from the Older Peoples Service Group.
- 4.5 When looking at the breakdown of returns by gender type, the highest number (**417**) were received from females.
- 4.6 The breakdown by age range revealed that the highest number of participants (**237**) to complete questionnaires were those aged 80 years or more.
- 4.7 Over **350** free format comments were detailed on the returns. A summary of views can be found at section 5 of the report.

- 4.8 A number of personal letters (**10**) were addressed to the Director expressing concerns over the potential change to the eligibility criteria and seeking further clarification on the impact of the proposed changes to their individual circumstances. All letters were responded to and the views expressed, collated at the close of the consultation process.
- 4.9 Over **400** people attended consultation meetings (A number of people attended more than one meeting due to the range of forms used). Views were exchanged and noted at each of the meetings and summarised at the close of the consultation process.
- 4.10 The helpline proved to be successful with staff receiving **165** telephone contacts over the consultation period. People contacted the help line for a variety of reasons, including requests for home visits, help in completing forms, and seeking clarification and explanation of the eligibility criteria. Some participants used the help line to highlight the need for a review of their personal circumstances.

## **5. Consultation Findings**

- 5.1 We asked people to indicate if they agreed or disagreed with the Council's proposal to remove the moderate FACS banding and invest some savings into community based services for all.
- 5.2 If people did not agree with the proposal, or were unsure we asked them to provide the reasons why. Comments (in the form of summary phrases) have been included within this section of the report to present a picture of what was thought or felt by those participating in the consultation process.

### ***Postal survey – Outcome***

- 5.3 The overall message from the outcome of the postal survey was mixed. **45%** of respondents (**338**) agreed in principle to the proposals, **20% (150)** people disagreed, **31% (228)** were unsure, and **4% (27)** could not reach a decision. **APPENDIX 9** to the report provides a breakdown of the decision by group.

### ***Consultation Views – Postal Returns***

- 5.4 The Department received over **350** free format comments detailed on the returned questionnaires.
- 5.5 There were a considerable number of objections to the proposals. People spoke passionately, presenting a picture of their struggles to maintain their independence and retain a quality of life.

- 5.6 Strong fears were expressed at the possible withdrawal of existing care services and how this would impact on the health of service users and their carers, possibly leading to isolation, neglect and crisis situations. One service user stated **“It is the difference between life and death”**.
- 5.7 It is important to note that all services users (helped to live at home) were invited to comment on the proposals irrespective of their FACS banding. Responses to the consultation clearly include the views of those not currently assessed at the moderate FACS banding, however, due to the nature of the returns this figure could not be quantified.
- 5.8 A good range of community based services were suggested by service users, and their carers, details of which are provided at **APPENDICES 11 to the report**. They felt that these were important community services.
- 5.9 Those people who agreed in principle to the changes to the eligibility criteria also provided comments expressing the need for the provision of safeguards, quality systems and clear and accessible communication channels to alternative services (including advocacy).
- 5.10 The majority of people who had indicated they were unsure about the proposal felt they were unable to reach a decision due to the following reasons:
- People did not know how the proposed changes would affect them personally.
  - People did not understand the existing eligibility criteria or what band they were currently assessed at.
  - Some people did not understand the consultation proposal or the questions asked of them.
  - Some people were not prepared to make a decision until they found out more about the proposed new system and what investment was going to be made to which community organisations.
- 5.11 The following section of the report provides a summary of the comments provided by all participants (Service Users, Carers, Organisations and Agencies) involved in the consultation process. The detailed individual comments are retained within confidential files as evidence gathered during the consultation process.



5.12 Those consultation views expressed at the dedicated focus groups for the Learning Disability Service Group, and the Blind and Deaf communities are incorporated within the following summaries:

- People greatly valued the current services they received from the department and felt these were a life-line. They questioned the need for change.
- The consultation process caused anxiety and concern and people expressed fear of the unknown.
- Some people felt it was a cost cutting exercise and the decision was already made and that money had been wasted on the consultation process.
- Many respondents were not aware of what banding they were currently assessed at and therefore were unsure what services would be withdrawn.
- The Department needs to promote its eligibility criteria more widely and provide information which is clear and easy to understand.
- People from the Deaf Community felt that taking the moderate band away would affect them greatly as they currently qualified for services and equipment in this banding. Also that it may affect people who work and care for someone who is deaf and they may have to stop working.
- People from the Blind Community raised a number of concerns regarding the removal of services but were unsure how the proposal would directly affect them. They stressed the importance of knowing the people who cared for them, and if they had to deal with different people from various organisations this would cause difficulties.
- Representatives from Mental Health Services felt that if support is removed from those with lower level needs they may no longer be able to set up and run user led services or be involved in the planning of those services.
- People responding who used Learning Disability Services were worried about the impact of not being able to attend the day centre and therefore would miss out on social activities and making friends.
- Carers of people using Learning Disability Services looked upon the proposal as cuts to services and increasing risks to the most vulnerable people in society. They were worried that their sons/daughters would not be eligible for support to attend social activities, employment placements or the day centre.

- Assessment processes need to be thorough and accurate, Staff require training in FACS criteria.
- People feared isolation and felt this would have a detrimental impact on the quality of their lives (not seeing people from week to week).
- Respondents felt that withdrawal of moderate care services will push people into the substantial and critical categories – this will cost the authority more money.
- People very concerned about the financial impact of the decision, for individuals especially with regard to extra costs for alternative services, and potential loss of personal benefits and entitlements.
- Concerns were raised about the potential impact to those people in receipt of direct payments (especially with regard to making staff redundant)
- People questioned how the system would cope with people who had fluctuating care needs and feared that the new system would not pick this up.
- People queried how people would become aware of the alternative services available and how they would receive information.
- Concerns raised for those people who do not currently receive help and questioned how they would access services.
- Services such as respite or sitting services were seen as critical to ensure a quality of life for carers and families.
- Increased burden on carers, possibly leading to crisis.
- Concern regarding the impact on those people with disabilities and mental health problems.
- Concerns over timescales on possible withdrawal of services.
- People questioned which organisations would be providing services within the community and how the Council would assure quality of services.
- People wanted re-assurance and guarantees that service users and carers would be checked regularly irrespective of whether or not they were banded in the lower level of care.

***Summary of Organisations/Agencies views***

5.13 A number of views and suggestions were provided by Organisations/Agencies either by completing questionnaires or attending stakeholder meetings. Some views mirrored those already presented by service users and their carers. In addition, the following summary views were collated for the purposes of the report.

- Investing more money in preventative services at the lower band could prevent people falling into the higher categories of care.
- Concerns for Service Users and Carers slipping through the system and not being noticed until in crisis.
- How would those vulnerable people with no support networks in place, access services or gain information.
- Questioned whether the process will actually make savings.
- Not convinced that the savings will be adequate enough to fund services.
- Some organisations would welcome clearer definition of the FACS eligibility criteria.
- Some respondents felt that the authority should have completed an in-depth impact analysis to inform service users/carers/other stakeholders of the potential benefits of such a proposal. Many other local authorities have been through this process.
- Concerned that the consultation provides little detail on how the system will be re-designed to offer effective services likely to meet the needs of those not eligible for statutory care services.
- People need to consider various options. There should be flexibility/choice over what type of care and housing support people may wish to see delivered in the future.
- Some organisations acknowledged the financial pressures the authority faced but queried what groups would be given support and whether the Mayor or Councillors would make the final decision regarding investment.
- Many people with moderate levels of need currently don't get services but actually receive help from the voluntary sector. Hope savings will be re-invested in these services.

- Concerns regarding capacity within the voluntary sector to cope with increased demand for services and being unable to respond.
- Concerned with having to meet the costs of handling the higher levels of service.
- Sustainable funding will be needed for the voluntary sector.
- Issues with continuity of service – high levels of staff turnover within the voluntary care sector.
- Lack of volunteers – how are they to be found?
- Unfair to expect the voluntary sector to undertake the shortfall in social care which should be provided by the local authority.
- Unsure of the impact on patients who are discharged from hospital.
- Communication/information – concerns raised around how people will be signposted to receive the relevant type of support suggested a central point of contact (a person from the voluntary sector) to act as a co-ordinator.
- Assessment process must consider whole picture.
- If short breaks for carers and services users were affected this would have a major knock on effect 'crisis situation would occur.
- Withdrawal of transport services would put people at risk.

5.14 On 26<sup>th</sup> October 2006, Adult and Community Services and Health Scrutiny Forum considered the proposals. Further information was provided at the subsequent meeting on 19<sup>th</sup> December. The two major points to emerge were that Scrutiny would welcome the opportunity to be involved in a partnership with the Executive in relation to monitoring the effects of any change in threshold, and that their final views on appropriate investment in community based services would be dependent upon the findings of their ongoing investigation into social prescribing.

## **6. Community Based Services – Suggestions**

- 6.1 We asked people to give an indication of the type of community based services they would want to see supported by the Council.
- 6.2 People were asked to place a tick against a range of services detailed on the postal questionnaire. In addition to this predefined list, people were also asked to detail 'any other' service suggestions at the bottom of the questionnaire.

- 6.3 The following table provides the consultation responses by pre-defined service suggestion (in order of highest interest).

<b>Community Based Services</b>	<b>Count</b>
Help getting to appointment	402
Transport	377
Prescription Collection	318
Day Care	309
Cleaning	304
Shopping	300
Sitting Service	286
Meal Preparation	264
Meeting People	249
Laundry	187
Money Collection	135

A wide range of 'other community services' were suggested which people felt would help them to remain independent and assist with a good quality of life. These services are detailed at **APPENDIX 11** to the report.

## SECTION C – OPTIONS AND RECOMMENDATIONS

### 1. Context

- 1.1 Adult social care faces ongoing financial pressures, which are recognised nationally, in terms of cost pressures, quality expectations, and especially demographic effects. These pressures have been quantified for 2007/8 as £808,000 in the draft pressures/priorities, plus £278,000 in contingency for residential fee increases. These are over and above normal inflation levels.
- 1.2 Significant efficiency gains have been made to set against these pressures, predominantly from re-shaping and modernising care services within a reduced funding level. However, the pressures seem set to exceed the opportunity for efficiencies year on year, and this would pose a chronic financial problem for the Council.
- 1.3 Other authorities face a similar dilemma, and the great majority have already raised their criteria to "substantial", with the rest considering doing so in the near future. It is recognised that there needs to be a balance between meeting the needs of the most vulnerable, and preventing people reaching crisis point. However, a greater number of people could potentially benefit from universal services than from statutory services targeted at the moderate band.
- 1.4 We should, therefore, seek to improve low level preventative services in the community open to all, but given the above financial pressures the funds to do so are drying up rather than increasing.

## 2. **Options**

- 2.1 The first option is to do nothing. There would be limited resources available for services to the substantial and critical bands, leading to degeneration in quality and failure to meet best practice standards of care. Ultimately we would face waiting lists and progressive cuts; and possibly closures. We would also be unable to fund community based services open to all.
- 2.2 The alternative is to raise the threshold and use part of the funds released to better support the most vulnerable, and the remainder to improve community based preventative services.
- 2.3 The 2007/8 draft revenue budget includes a saving of £135,000, largely from raising the FACS criteria. If this does not go ahead either some of the agreed pressures would not be met, or cuts would need to be made from within the items previously rejected by Cabinet.

## 3. **Financial and Service Implications**

- 3.1 At any one time approximately 3000 people receive regular social care support to live at home. Around a third of these will be in the moderate band, but those in receipt of appliances or adaptations only would not be reassessed. Perhaps 400 people with 'moderate needs' would be reviewed against the new threshold over the course of a 12 month period. Two thirds of those would be over 65 years. Most would be receiving some home care, some would attend day services, and a few would be in receipt of direct payments.
- 3.2 If the assessing officer felt that withdrawing statutory services could destabilise their condition and quickly lead to higher levels of risk, then services would be continued. Experience from other authorities suggests that in most cases, services would be continued. The effect on services and individuals should therefore be small and manageable. The savings from existing users would also be small – perhaps £50,000 pa in home care packages etc, built up over 2 years.
- 3.3 New cases are referred and assessed all the time. In those cases the new threshold would be applied straight away, and there would be a cumulative effect on time as the caseload turns over. Perhaps 50 or 60 people a year who would otherwise have received services at the moderate band would instead be signposted for community based services, and others who would have received support with adaptations and appliances may not be eligible. These savings could amount to over £300,000 pa, building gradually over a number of years. The final total would depend on the drop in the need for day care, and how far savings could be realised as result.

#### 4. **Conclusion**

- 4.1 The status quo is not a viable option if Adult and Community Services is to stay within its budget whilst concentrating its resources on the most vulnerable and those with greatest risk to their independence. Increasing demand for services attributable to demographic changes such as the higher number of older people in Hartlepool will inevitably raise problems maintaining a moderate band of eligibility.
- 4.2 The raising of the FACS eligibility threshold is an essential mechanism to help manage increasing demand where there is not a corresponding increase in resources. However, such a change is not without risk – in particular because a person's circumstances might deteriorate more quickly because support is not available early on. The consultation revealed the genuine concerns of service users and carers in this respect.
- 4.3 FACS should be applied consistently across service groups following an individual assessment of need. There is an imperative to maximise the resources for the most vulnerable and it is estimated that by removing the moderate banding a substantial saving will be achieved. It is also proposed to develop systems to safely review existing moderate band service users and only withdraw services if no risk of deterioration is expected. It is anticipated that the vast majority of existing moderate band service users will continue to receive the services they currently enjoy. For those who lose services they will be directed towards appropriate low-level support during a twelve week period before withdrawal. The department will also rigorously monitor those individuals and any new service user who no longer qualifies for statutory social care support.
- 4.4 Finally we should develop and finance a voluntary organisation to signpost people to existing low-level support services for all age groups. There will also be an opportunity to invest in more preventative services.

#### 5. **Managing the Impact**

- 5.1 Should Cabinet agree to increasing the FACS banding to substantial and critical, and removing the moderate banding then it is proposed a number of actions take place to manage and mitigate the impact on people.

#### 5.2 **Current Service Users**

No-one who is currently in receipt of a minor and/or adaptations but is assessed at moderate banding will have that aid or adaptation removed. This is because the department would not traditionally review the service received anyway.

Anyone else will have their needs reviewed as per the existing annual review process. People on a moderate banding will be then assessed in the light of the impact of removal of that service and it is anticipated the vast majority will be assessed as in need of retaining the service. However, for those who are identified as no longer being eligible for service, a period of up to twelve weeks will be agreed before withdrawal. Further, anyone who is assessed for that withdrawal will be signposted by the department to alternative low level preventative services and the twelve week period used to maximise that exercise. Anyone for whom a service is withdrawn will also be followed up six months after by the department to ensure they have not deteriorated and have become eligible for Adult and Community Service provision. Scrutiny Forum expressed an interest in receiving a report on the results of this monitoring.

### 5.3 New /Prospective Service Users

- 5.3.1 Anyone who in the future is assessed as falling into the moderate banding and, therefore, not eligible for direct adult social care provision will be signposted to low -level support services.
- 5.3.2 As a result of the detailed consultation process it has become apparent that, whilst Hartlepool does have a broad and vibrant voluntary sector, there will be a need to develop an agreement, probably with a single voluntary sector provider to deliver signposting to low level support. A number of the types of services that people would welcome are highlighted in **APPENDIX 11**.
- 5.3.3 The main thrust of demand would appear to focus on household tasks – general cleaning, laundry, dusting, changing light bulbs, vacuuming, etc. There would also be a need to ensure that other areas of provision are developed, besides practical support to include social/emotional support such as befriending, and also housing/tenancy support.
- 5.3.4 Government thinking on low -level support to date has been unclear although there is an emerging consensus that low -level support should not be ignored and that in the longer term ignoring low -level support may be a false economy. Certainly the Social Exclusion Unit gave a confident endorsement of the value of low level services, emphasising their contribution to quality of life. A recent Joseph Rowntree Foundation report “That bit of help; The high value of low level preventative services for older people” recognises that low level services, like help with housework, gardening, laundry and home maintenance and repairs, enhances the quality of life for older people and helps them maintain their independence.



- 5.3.5 It is, therefore, proposed that Adult and Community Services Department develops a strategy to enhance and co-ordinate low level support for all ages with a voluntary sector provider. This is likely to involve not only investment in an agreement but also co-ordinated and enhanced funding to the voluntary sector to provide low-level support. At this stage there is no detailed agreement drawn up and, therefore, no detailed financial implications are available.
- 5.3.6 In respect of individuals assessed as not eligible for social care by virtue of falling into the moderate band it is proposed that a panel system is created to monitor numbers, impact and possible implications for future low level service development. In conjunction with intelligence from the voluntary sector it should then be entirely feasible to develop future plans for low-level support as needs may change.

## 6. **RECOMMENDATIONS**

- 6.1 That Cabinet agree in principle to the raising of the FACS eligibility threshold.
- 6.2 That plans for implementation be agreed at Adult and Public Health Portfolio, including early investment in an appropriate signposting service within the voluntary and community sector.
- 6.3 That effects of the change be monitored and reported back to Cabinet and Scrutiny by December 2007.

**APPENDIX 1**

**HARTLEPOOL BOROUGH COUNCIL  
ADULT AND COMMUNITY SERVICES DEPARTMENT  
FACS CONSULTATION PLAN**

**Introduction:**

In January 2006 the Council Cabinet approved consultation on a possible change to the Fair Access to Care Services (FACS) threshold. This change would mean that we may provide Social Care services to those with substantial and critical needs only. No decisions on this subject have yet been considered or taken, and will not be until Cabinet receive the results of the consultation.

**The Questions:**

Do you agree with the idea of raising the threshold for statutory care services, and re-investing some of the savings in community based services open to all?

If so, what sort of community based services might we give more support to?

If respondents disagree with the idea we will request them to provide the reasons for this decision. Comments will be formulated at the end of the consultation process and presented to Cabinet.

**Confidentiality**

All answers during the consultation will be strictly confidential. Names will not be associated with any answers or comments made.

**Channels:**

We will meet with all stakeholders, using existing forums where possible, collecting verbal views and leaving response forms. Among others this will include planning groups for health and social care, carer's organisations, voluntary bodies, contracted service providers, and health agencies and PPI Forums.

All statutory agencies will also be written to, asking for formal views. This will include parish councils.

All existing users supported in the community (helped to live at home) will receive a letter and questionnaire, regardless of their current FACS banding, *unless* they are not subject to a regular FACS review (i.e. in receipt of minor aids and adaptations only), *or* if their social work team indicates it is not appropriate to do so (i.e. communication issues or thinks it is not safe to do so at this point (e.g. terminally ill)).

We will hold focus groups with users of Learning Disability services and the Blind and Deaf community at Warren Road and Havelock Day Centres. No focus group will be set up for users of Mental Health Day Services, as they are already subject to an ongoing specific review and consultation process.

We will carry out our broader public consultation via the three neighbourhood forums, with a sweep up session if necessary for those who might find the timings etc difficult.

Scrutiny Co-ordination Committee will be invited to consider the issue as part of its programme.

The above consultation processes will be publicised via a press notice, postal letters and details included within flyers to Carers (Hartlepool Carers Autumn newsletter).

### **Period:**

Responses will be sought and accepted in the period October to December 2006, with a report on the findings to Cabinet pencilled in for January 2007.

### **Help Line**

A dedicated help line will be available during the consultation period to support service users.

### **Equality:**

Those service users whose first language is not English, and who have expressed a preference to be contacted in another language, will be written to in their preferred language.

Leaflets etc will be made available in other languages on request.

'Talking with Communities' group will be part of the consultation process.

Audio and easy-read versions of the consultation material will be produced.

A DVD (including voice over by a person with a disability) will be produced for use within the focus groups for Learning Disability clients.

The consultation documents will be available in BRAILLE.

A Diversity Impact Assessment will be carried out on the possible change, and reported along with the findings.

**Alan Dobby September 2006**  
**AD FACS policy.doc**



**APPENDIX 2**  
**(Page 1 of 2)**

Dear Sir or Madam,

**Fair Access to Care Consultation**

We are **THINKING** about changing the way we decide who should receive Social Care Services.

We invite you to complete the attached questionnaire **by Monday 20<sup>th</sup> November 2006** so that we can inform Councillors of your views.

You can ask a friend, relative carer or member of staff to help you fill in the questionnaire. You can also ring the Adult and Community Services consultation **HELP LINE on 01429 523740** which is open **Monday to Friday between 10.00am until 4.00pm until the 20<sup>th</sup> November 2006**.

If you require this letter in a different format (large print, Braille, easy English with pictures, different languages or on tape) please ring the **HELP LINE on 01429 523740**.

We are also holding various meetings locally to ask people for their views. Further details are provided later in this letter.

Please note at this stage we are **ONLY** consulting on a possible change to the eligibility criteria (rules) for Social Care services.

The following documents attached to this letter provide further information.

- **Document 1 – Fair Access to Care leaflet.** This leaflet explains how Social Care Services in Hartlepool decide who is eligible for services.
- **Document 2 –** Explains why we are **THINKING** about the possible changes to the eligibility criteria (rules).
- **Document 3 –** Provides examples of current Social Care services provided within the Fair Access to Care bandings (MODERATE, SUBSTANTIAL and CRITICAL).

**Continued overleaf**

### **How can I have my say?**

There are a number of ways you can have your say. **You can do this by:**

**1. Completing the enclosed questionnaire - Your Views**

Please return the completed questionnaire in the prepaid envelope enclosed with this letter **by Monday 20<sup>th</sup> November 2006.**

**2. You can ask staff who visit you to help you complete the questionnaire.**

**3. You can e-mail your views to [socialcareservices@hartlepool.gov.uk](mailto:socialcareservices@hartlepool.gov.uk)**

**4. You can come along to one of the following public meetings (anyone with access or language needs who wishes to attend a public meeting should contact the consultation HELP LINE on 01429 523740.**

- **Central Library**

Thursday 9<sup>th</sup> November – 6.00pm at the Community Room, Central Library, York Road

- **North Neighbourhood Consultative Forum**

Wednesday 29<sup>th</sup> November – 10.00am at West View Community Centre, Miers Avenue.

- **Central Neighbourhood Consultative Forum**

Thursday 30<sup>th</sup> November – 10.00am at the Conference Suite, Belle Vue Community, Sports and Youth Centre, Kendal Road.

- **South Neighbourhood Consultative Forum**

Friday 1<sup>st</sup> December – 10.00am at Owton Manor Community Centre, Wynyard Road.

**5. You can write to the Director of Adult and Community Services by Monday 20<sup>th</sup> November 2006.**

### **What happens next?**

All the views from the questionnaire and meetings will be gathered together and a report will be presented to Councillors in January 2007. This report will be made available to all those who take part in the consultation.

Thank you for your help.

Yours sincerely,



**Nicola Bailey**  
**Director of Adult and Community Services**



# QUESTIONNAIRE – YOUR VIEWS

## Adult and Community Services Department Fair Access to Care Consultation

### Possible changes to the Eligibility Criteria (rules) for receiving Social Care Services

#### What we would like you to do

Please complete the attached questionnaire to give us your views on possible changes to the eligibility criteria (rules) for Social Care Services.

#### What to do if you need help

You can ask a friend, relative, carer or member of staff to help you fill in this form or you can ring the consultation **HELP LINE** on **(01429) 523740** **Monday to Friday between 10am to 4pm until 20<sup>th</sup> November 2006.**

The following documents are enclosed with your questionnaire:

- **Document 1** - Fair Access to Care summary leaflet. This leaflet explains how Social Care Services in Hartlepool decide who is eligible for services.
- **Document 2** - Explains why we are **THINKING** about the possible changes to the eligibility criteria (rules).
- **Document 3** – Provides examples of current services provided within the Fair Access to Care bandings (MODERATE, SUBSTANTIAL and CRITICAL).

#### Confidentiality

Your answers to the survey are strictly confidential. Names will never be associated with any answers or comments made.

#### What will be done with the results of the survey?

All the views from the survey will be gathered together and a report will be presented to Councillors in January 2007. This report will be made available to all those who take part in the consultation.

#### Sending back the completed questionnaire

Once you have completed the questionnaire please return it in the pre-paid envelope provided by **Monday 20<sup>th</sup> November 2006.**

## **Questionnaire – Your Views**

### ***Fair Access to Care Consultation***

**1. About you (the person who receives the service). Please tick (✓) one box.**

**a. Are you a:**                      Service User                      ☐                      or                      Carer                      ☐

**b. Gender**                                      Male                      ☐                                      Female                      ☐

**c. What is your age range?**

Under 18	<input type="checkbox"/>	18-29	<input type="checkbox"/>	30-39	<input type="checkbox"/>	40-49	<input type="checkbox"/>
50-59	<input type="checkbox"/>	60-69	<input type="checkbox"/>	70-79	<input type="checkbox"/>	80+	<input type="checkbox"/>

**2. What do you think about the idea of changing the eligibility criteria (rules) for statutory care services, and re-investing some of the savings in support to community based services for all?**

**Please tick (✓) one box ☐**

**I agree with the idea ☐**

**I DO NOT agree with the idea ☐**

**I am not sure ☐**

**If you do NOT agree with the idea, please can you tell us why not?**

**If you are NOT sure, please can you tell us why?**

**3. If the Council did make the change, what sort of community based services would you MOST like to see?**

**Some examples are provided below. Please put a tick (✓) against the ones you MOST want to see.**

**Sitting or short break services**

**(Sometimes known as respite services)**

Yes ☐

**Meeting People**

**(‘Drop in’/social activities)**

Yes ☐

**Meal Preparation**

Yes ☐

**Day Care**

Yes ☐

**Help getting to appointments etc.**

Yes ☐

**Transport**

Yes ☐

**Shopping**

Yes ☐

**Cleaning**

Yes ☐

**Laundry**

Yes ☐

**Prescription Collection**

Yes ☐

**Money Collection**

Yes ☐

**Please say (in the space below) what other services you would like to see:**

**THANK YOU for taking the time to let us know your views.  
Please return the questionnaire in the enclosed pre-paid envelope  
provided by Monday 20<sup>th</sup> November 2006**



## Carers

Carers have a right to an assessment of their own needs. Carer's eligibility for service is determined by assessing the risk to their caring role. The bands broadly cover the same areas as FACS.

Carers are unpaid, although they may receive certain carers benefits. They care for a relative, friend or partner needing support because of their age, or a physical or learning disability including mental illness.

Name	Tel No.
Age Concern	01429 424002
Benefits Enquiry Line	0800 243355
Advocacy Information Foundation	01642 327583 Ext. 324
Commission for Social Care Inspection (CSCI)	01325 371720
Citizens Advice Bureau	01429 866582
MIND	0845 7660163
Patient Advice Liaison Service (PALS)	01429 522874
Hartlepool Carers	01429 283095
NHS Direct	0845 46 47
Blind Welfare	01429 272494
Hartlepool Deaf Centre	01429 222206

To find out more about FACS or to get in touch with Adult & Community Services contact:

The Duty Team  
Hartlepool Borough Council  
Adult and Community Services  
Civic Centre  
Victoria Road  
Hartlepool TS24 8AY

Telephone: **(01429) 266522**

BT Text Direct: **(18001) 01429 266522**

Website: [www.hartlepool.gov.uk](http://www.hartlepool.gov.uk)

E-mail:

[socialcareservices@hartlepool.gov.uk](mailto:socialcareservices@hartlepool.gov.uk)

Emergency Out of Hours Service:

Telephone: 08702 402994

Minicom: (01642) 602346

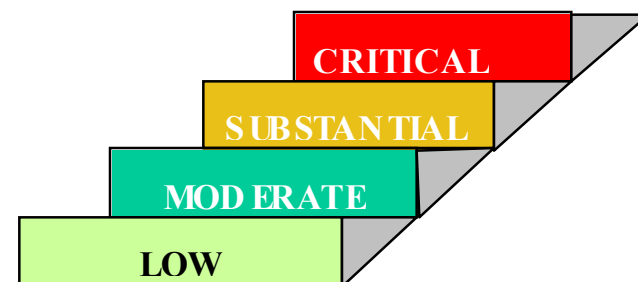
If necessary this leaflet can be provided in a number of different formats. This could include Braille, large print, audio tape, computer file and languages other than English. For further information contact Support Services on 01429 **523964**

## APPENDIX 4 (Page 1 of 2)

For use with Fair  
Access to Care  
Consultation Only

5.2

# Fair Access to Care



How Social Care Services  
assess eligibility



## Introduction

This leaflet explains how Social Care Services in Hartlepool decide who is eligible for services.

## What are eligibility criteria?

It is important that Social Care Services spends its money supporting those people who have the greatest needs.

Eligibility Criteria are the rules we use to make sure this happens.

## What is Fair Access to Care Services (FACS)?

The Government has issued FACS eligibility criteria. This is a framework to make sure that anyone aged 18 or over, seeking support from Social Care Services, have their needs dealt with fairly across the country.

We must use the FACS framework when deciding whether a person is eligible for services.

FACS is based on the way in which a person's needs may put their independence at risk.

## What affects a person's independence

There are four areas of a person's life which are important to their independence—these are:

- Autonomy (control over your own life) and freedom to make choices.
- Being healthy and safe, and free from abuse or neglect.
- Being able to manage your personal and other daily tasks.
- Being able to be involved in family and the wider community life.

## How does Fair Access to Care Work?

The FACS rules are divided into four bands:

- **Low**
- **Moderate**
- **Substantial**
- **Critical**

The **low**, **moderate** and **substantial** bands describe levels of need and how these levels of need affect a person's independence. The **critical** band describes situations when a person's independence is most 'at risk'.

## Who will receive services?

The government guidance allows Council's to decide which level they will provide services for. In Hartlepool we will offer advice and information to everyone but at present we must focus our support on people who have **critical**, **substantial** and **moderate** needs. These levels may change in the future. If you are assessed as being in the **low** band you will be offered advice and information.

## What do the bands mean?

The table below summarises what the FACS categories mean. A booklet explaining the bands in further detail is available. Contact the Duty Team on 01429 266522 for more details.

### LOW

They are beginning to have some difficulties in managing personal care or domestic routines

### MODERATE

There is (or is likely to be) an inability to carry out several personal care or domestic routines

### SUBSTANTIAL

Serious—the situation is in real danger of breaking down so that they will lose their independence.

### CRITICAL

Life is (or is likely to be) threatened.

## What if I am unhappy with the decision?

If you disagree with a decision made under the FACS criteria, you can appeal against it. Contact your Care Manager or the Duty Team for more details.



## **Adult and Community Services Department Fair Access to Care Consultation**

### **Possible changes to the Eligibility Criteria (Rules) for receiving Social Care Services**

We are **THINKING** about changing the way we decide who should receive Social Care services.

#### **What happens at the moment?**

- To make sure everyone has fair access to Social Care services we look at your level of needs.
- We look at whether you are able to live safely and independently at home. This is called a needs assessment.
- These 'levels of need' have been decided by the government and are called **LOW, MODERATE, CRITICAL** and **SUBSTANTIAL**.
- In Hartlepool we provide Social Care if you have **MODERATE, SUBSTANTIAL** or **CRITICAL NEEDS**.

#### **What are we thinking about changing?**

- We are thinking about changing the rules so that people with the **GREATEST** needs receive the most help.
- This change means that we may provide Social Care services to those with **SUBSTANTIAL** and **CRITICAL** needs **ONLY**.
- Those with lower level needs (**MODERATE AND LOW**) would be directed to other service available in the community. Examples are, Age Concern, Hartlepool Carers, Hartlepool Deaf Centre, Luncheon and Friendship Clubs etc.
- The change would also mean we could provide more money to help these community services, which are open to all people.
- If you have **MODERATE** Needs and are already receiving help we would **CAREFULLY** look at your situation. We **WILL NOT WITHDRAW** services unless it is safe to do so.

(A booklet explaining Fair Access to Care in more detail is available. For a copy please contact the Consultation help line on 01429 523740).



Examples of current social care services provided by the Adult and Community Services Department  
(Note: A decision on services is normally made following an assessment of needs).

LOW RISK TO INDEPENDENCE (LOW BANDING)	EXAMPLES OF CURRENT SERVICE RESPONSE
<p>The Government guidance says NEEDS are LOW when:</p> <ul style="list-style-type: none"> <li>• There is, or will be, an inability to carry out one/two personal care or domestic routines.</li> </ul> <p style="text-align: center;">And/or</p> <ul style="list-style-type: none"> <li>• Involvement in one/two aspects of work, education or learning cannot, or will not, be sustained.</li> <li>• One/two support systems and relationships cannot, or will not be sustained.</li> <li>• One/two family and other social roles and responsibilities cannot, or will not, be undertaken.</li> </ul>	<p>We DO NOT provide or purchase care for needs which fall within this band.</p> <p>We DO provide:</p> <ul style="list-style-type: none"> <li>• Advice and information</li> <li>• Re-direct you to other agencies including voluntary support services such as: <ul style="list-style-type: none"> <li>▪ Age Concern</li> <li>▪ Hartlepool Carers</li> <li>▪ Alzheimer's Trust</li> <li>▪ Retired Resource Network</li> </ul> </li> <li>• Social Activities (Various clubs including luncheon, friendship, Friendship clubs, and leisure)</li> </ul>
MODERATE RISKS TO INDEPENDENCE (MODERATE BANDING)	EXAMPLES OF CURRENT SERVICE RESPONSE
<p>The Government guidance says the needs are MODERATE when:</p> <ul style="list-style-type: none"> <li>• There is, or will be, an inability to carry out several personal care or domestic routines.</li> </ul> <p style="text-align: center;">And/or</p> <ul style="list-style-type: none"> <li>• Involvement in several aspects of work, education or learning cannot or is likely not to be sustained.</li> <li>• Several support systems and relationships cannot, or will not be sustained.</li> <li>• Several family and other social roles and responsibilities cannot, or will not be undertaken.</li> </ul>	<p>We may provide one or more of the services detailed below following an assessment of needs.</p> <ul style="list-style-type: none"> <li>• Homecare which may include, help with dressing, preparing meals, etc.</li> <li>• Short breaks for service users and carers</li> <li>• Provision of minor adaptations and community equipment</li> <li>• Day Care at a moderate level</li> <li>• Social rehabilitation services</li> <li>• Support to access work or further education/training</li> <li>• Frozen meals</li> <li>• Advice and information</li> <li>• Re-direct to other agencies (as described in the lower band)</li> </ul>

Continued overleaf

SUBSTANCIAL RISKS TO INDEPENDENCE (SUBSTANCIAL BANDING)	EXAMPLES OF CURRENT SERVICE RESPONSE
<p>The Government guidance says the needs are SUBSTANCIAL when:</p> <ul style="list-style-type: none"> <li>• There is, or is likely to be, only partial choice or control over vital aspects of the immediate environment. And/or</li> <li>• Abuse or neglect has occurred, or is likely to occur.</li> <li>• There is or is likely to be, an inability to carry out the majority of personal care or domestic routines.</li> <li>• Involvement in many aspects of work, education or learning cannot, or is likely not to be sustained.</li> <li>• The majority of family and other social roles and responsibilities cannot, or is likely not to be undertaken.</li> </ul>	<p>We may provide one or more of the services detailed below following an assessment of needs.</p> <ul style="list-style-type: none"> <li>• Homecare which may include, help with dressing, preparing meals, etc.</li> <li>• Short breaks for service users and carers</li> <li>• Support to access more suitable accommodation</li> <li>• adaptations and community equipment</li> <li>• Day Care at a substantial level</li> <li>• Rehabilitation services</li> <li>• Support to access work or further education/training</li> <li>• Advice and information</li> <li>• Re-direct to other agencies (as described in the lower band)</li> </ul>
CRITICAL RISKS TO INDEPENDENCE (CRITICAL BANDING)	EXAMPLES OF CURRENT SERVICE RESPONSE
<p>The Government guidance says the needs are CRITICAL when:</p> <ul style="list-style-type: none"> <li>• Life is, or will be threatened. And/or</li> <li>• Significant health problems have developed, or will develop.</li> <li>• There is, or will be, little or no choice and control over vital aspects of the immediate environment.</li> <li>• Serious abuse or neglect has occurred, or will occur.</li> <li>• There is, or will be, an inability to carry out vital personal care or domestic routines.</li> <li>• Vital involvement in work, education or learning cannot, or will not be sustained.</li> <li>• Vital social support systems and relationships cannot, or will not be sustained.</li> <li>• Vital family and other social roles and responsibilities cannot, or will not, be undertaken.</li> <li>• Appropriate social care can be provided to meet critical need in order to remove or reduce the risks to independence associated with the need.</li> </ul>	<p>We may provide one or more of the services detailed below following an assessment of needs.</p> <ul style="list-style-type: none"> <li>• 24hour care placement</li> <li>• Homecare which may include, help with dressing, preparing meals, bathing, etc</li> <li>• Short breaks for service users and carers</li> <li>• Day care at a critical level</li> <li>• Support to access work or further education/training</li> <li>• major adaptations and community equipment</li> <li>• support to access more suitable accommodation</li> <li>• money management/maximising income</li> <li>• Rehabilitation services</li> <li>• Advice and information</li> <li>• Re-direct to other agencies (as described in the lower band)</li> </ul>

# **ADULT & COMMUNITY SERVICES DEPARTMENT** **FAIR ACCESS TO CARE SERVICES CONSULTATION**



## **REVIEW OF POLICY/FUNCTION** **Diversity Impact Assessment**

A diversity impact assessment is a thorough and systematic analysis of a policy or function. This form should be completed and passed to Service Development in the early stages of reviewing a policy or function

<b>Policy or function being assessed:</b> Fair Access to Care – changes to eligibility criteria in adult social care	
<b>Department:</b> Adult & Community Services	<b>Responsible Officer</b> – Margaret Hunt/Alan Dobby
<b>Start Date:</b> 1 August 2006	<b>Target Completion Date:</b> 1 January 2007
<b>Date Forwarded to Service Development</b>	
<b>Date Forwarded to Diversity Officer</b> (For consideration by Diversity Steering Group) January 2007	
<b>Is a Diversity Impact Assessment Required?</b> Yes	
<b>If no, please state reasons behind this decision.</b>	
<p>Care Services target disadvantaged individuals so tightening criteria may have an adverse effect on the disabled, elderly, etc. However, the process will define and address needs equitably. Panel to be set up to review FACS will ensure consistency. Consultation will look at these issues. Any additional preventative Community based services would need to address faith/race/disability issues.</p>	

Process	Details	Further Action																
<p><b>Available data &amp; research considered</b></p> <p>Relevant reliable and up to date information (Eg. Census data, Labour Force Surveys, BVPI Survey 2000, WEA research, Best Value thematic findings etc.)</p>	<ul style="list-style-type: none"> <li>Population data – (JSU data) Ethnic minority population 1.2% People with limiting long term illness 24.4%</li> <li>Age statistics – over retirement age (total 16988)</li> <li>Carefirst data <ul style="list-style-type: none"> <li>Number of service users classed as having moderate needs – <b>1096 (32.9%)</b></li> <li>Anticipated numbers of new referrals affected - <b>684</b></li> <li>Data no of people from ethnic ground having assessments - <b>10.</b></li> </ul> </li> </ul>																	
<p><b>Assessment of impact</b></p> <p>(e.g. Is there a differential impact on any group? Is the differential impact an adverse one? Is the policy directly or indirectly discriminatory? Is the policy intended to increase equality of opportunity by permitting positive action? Is it lawful?)</p>	<table border="1"> <tr> <td colspan="3">Does policy have negative impact on groups or individuals? (Indicate Yes or No in box)</td> </tr> <tr> <td>Religious belief</td> <td><b>No</b></td> <td rowspan="6"><b>Please indicate yes or no not tick</b></td> </tr> <tr> <td>Racial group</td> <td><b>No</b></td> </tr> <tr> <td>Age</td> <td><b>No</b></td> </tr> <tr> <td>Disability</td> <td><b>No</b></td> </tr> <tr> <td>Gender</td> <td><b>No</b></td> </tr> <tr> <td>Sexual orientation</td> <td><b>No</b></td> </tr> </table>	Does policy have negative impact on groups or individuals? (Indicate Yes or No in box)			Religious belief	<b>No</b>	<b>Please indicate yes or no not tick</b>	Racial group	<b>No</b>	Age	<b>No</b>	Disability	<b>No</b>	Gender	<b>No</b>	Sexual orientation	<b>No</b>	<p>Potential differential impact to be explored through consultation</p>
Does policy have negative impact on groups or individuals? (Indicate Yes or No in box)																		
Religious belief	<b>No</b>	<b>Please indicate yes or no not tick</b>																
Racial group	<b>No</b>																	
Age	<b>No</b>																	
Disability	<b>No</b>																	
Gender	<b>No</b>																	
Sexual orientation	<b>No</b>																	

Process	Details	Further Action
<p><b>Consideration of Measures</b></p> <p><b>Measures which might mitigate any adverse impact or alternative policies that might better promote equal opportunities</b></p> <p>(e.g. How does each option further or hinder equality of opportunity? How does each option reinforce or challenge stereotypes? What are the consequences of not adopting an option more favourable to equality of opportunity?)</p>	<ul style="list-style-type: none"> <li>• Development of prevention strategy</li> <li>• Matters to be raised via consultation re services required (potential differential impact)</li> <li>• Consultation highlighted range of prevention initiatives to mitigate impact</li> <li>• Effective referral mechanisms, directory, social prescribing all will assist.</li> </ul>	<p>.</p>
<p><b>Consultation process</b></p> <p>(e.g. What methods of consultation will be used? Who is directly affected by the policy &amp; how do we ensure they will be consulted? What information will be available to those consulted? What barriers exist to effective consultation and what can be done to overcome these barriers? What previous consultation exercises have been conducted and what did they reveal? What resources are needed?)</p>	<ul style="list-style-type: none"> <li>• See detailed consultation plan. Extensive range of groups and communities were consulted (attached at Annex A)</li> <li>• All adult client groups affected (no transitions)</li> <li>• Core script was used</li> <li>• Letter to service users</li> <li>• Significant resources were required to carry out implementation of the consultation.</li> <li>• Help through 'helpline'</li> <li>• Full analysis of consultation responses is part of the consultation</li> <li>• Consultation documents produced in Urdu and Bengali at request of individual service users</li> </ul>	<ul style="list-style-type: none"> <li>• Implement project plan. (By incorporating the findings of the consultations and implementing any measures that have been deemed as a differential/adverse impact in the future dept diversity objectives or plans).</li> </ul>



Process	Details	Further Action
<p><b>Decision making process &amp; outcome</b></p> <p>How will the decisions prior to producing final policy document be recorded? E.g. report to DSG, rationale for final policy content (e.g. how will the decision, what information was considered, how was the decision making process structured, how will the decision making process be recorded?)</p>	<ul style="list-style-type: none"> <li>Cabinet Report February 2007</li> </ul> <p>(all groups consulted)</p>	
<p><b>Publishing arrangements</b></p> <p>What are the arrangements for publishing the results of the DIA</p> <p>e.g. will draft policy include summary of results of DIA</p> <p>will DIA results be sent to any particular groups/consultees.</p> <p>How will people be advised of new or changed policies?</p> <p>(e.g. what format will be used to ensure results are published in an accessible and comprehensive form? Will a draft report be made available first?)</p>	<ul style="list-style-type: none"> <li>Attach DIA to Cabinet Report</li> <li>Feedback to stakeholders</li> <li>DIA in accessible format</li> <li>Annual Diversity Report</li> <li>Portal</li> </ul>	

Where further actions have been identified, please state below how these actions will be monitored and reported on. For instance will actions be included in service plans, further reports to DSG etc.

**ADULT AND COMMUNITY SERVICES DEPARTMENT****FAIR ACCESS TO CARE CONSULTATION****LIST OF STAKEHOLDER MEETINGS**

<b>Date</b>	<b>Stakeholder</b>
15 <sup>th</sup> September 2006	Scrutiny Co-ordinating Committee
27 <sup>th</sup> September 2006	Joint Directorate
6 <sup>th</sup> October 2006	Older Persons Local Implementation Team
9 <sup>th</sup> October 2006	Provider Meeting
10 <sup>th</sup> October 2006	North Tees and Hartlepool Hospitals - Public and Patient Involvement Forum
11 <sup>th</sup> October 2006	50+ Forum
18 <sup>th</sup> October 2006	Mental Health Local Implementation Team
19 <sup>th</sup> October 2006	Health and Care Strategy Group
23 <sup>rd</sup> October 2006	Hartlepool Public and Patient Involvement Forum
26 <sup>th</sup> October 2006	Adult and Community Services and Health Scrutiny Forum
3 <sup>rd</sup> November 2006	Learning Disability Partnership Board (Special Meeting)
9 <sup>th</sup> November 2006	Open Public Meeting (Evening Meeting)
14 <sup>th</sup> November 2006	Supporting People Commissioning Body
14 <sup>th</sup> November 2006	Learning Disability Focus Group (Evening Meeting)
16 <sup>th</sup> November 2006	Learning Disability Focus Group
17 <sup>th</sup> November 2006	Learning Disability Focus Group
23 <sup>rd</sup> November-2006	Deaf Community Focus Group
28 <sup>th</sup> November 2006	Transitions Planning & Local Implementation Group Meeting
29 <sup>th</sup> November 2006	Open Public Meeting - North Neighbourhood Forum
30 <sup>th</sup> November 2006	Open Public Meeting - Central Neighbourhood Forum
30 <sup>th</sup> November 2006	Talking with Communities - Evening Meeting
1 <sup>st</sup> December 2006	Open Public meeting - South Neighbourhood Forum
8 <sup>th</sup> December 2006	Blind Community Focus Group
8 <sup>th</sup> December 2006	Voluntary Care Sector - Health and Care Meeting
8 <sup>th</sup> December 2006	Carers Rights Day
11th December 2006	G Grade District Nurse Meeting
13 <sup>th</sup> December 2006	Long Term Conditions Meeting



## FAIR ACCESS TO CARE SERVICES CONSULTATION

### POSTAL SURVEY - CONSULTATION

**Table 1 – Number of Postal Responses Returned by Client Group**

Group	Totals
Learning Disabilities Service Group	23
Mental Health Service Group	26
Older People Service Group	471
YPD (Young Physical Disabilities Service Group)	134
Organisations	25
Anonymous	64
<b>Totals</b>	<b>743</b>

***Note:** Representatives of the Blind and Deaf Communities attended focus groups to express their views on the proposals.*

**Table 2 - Number of Responses Received by Gender and Age**

Gender	Totals	By Age	Totals
Female	417	18 to 29 years	3
Male	209	30 to 39 years	16
Both Male and Female	2	40 to 49 years	37
No entry	90	50 to 59 years	88
Organisations (not applicable)	25	60 to 69 years	129
		70 to 79 years	168
		80 plus years	237
		No entry	40
		Organisations (not applicable)	25
<b>Totals</b>	<b>743</b>		<b>743</b>

**APPENDIX 10****ADULT AND COMMUNITY SERVICES DEPARTMENT****FAIR ACCESS TO CARE CONSULTATION****Consultation Outcome – Postal Returns**

<b>Group</b>	<b>Agree</b>	<b>Do Not Agree</b>	<b>Not Sure</b>	<b>Not Indicated</b>	<b>Totals</b>
Service Users	325	148	219	26	<b>718</b>
Organisations	13	2	9	1	<b>25</b>
<b>Totals</b>	<b>338</b>	<b>150</b>	<b>228</b>	<b>27</b>	<b>743</b>



## **APPENDIX 11**

### **ADULT AND COMMUNITY SERVICES DEPARTMENT**

### **FAIR ACCESS TO CARE SERVICES CONSULTATION**

### **SUGGESTIONS FOR 'OTHER' COMMUNITY BASED SERVICES**

- Access to information and advice
- Advocacy Services (more availability)
- Bathing services
- Befriending/emotional support service
- Blood Monitoring
- Day care provision
- Dentistry (free services)
- Doctors visit where people cannot attend the surgery
- Domestic/cleaning service (e.g. vacuuming, window cleaning)
- Easy access for people to be reassessed if they feel it beneficial
- Foot care services
- Gardening
- Hairdressing, including mobile hairdressing
- Health check-up services
- Help with bathing, dressing and getting in and out of bed
- Help with learning and access to learning
- Holidays
- Holistic/alternative therapies
- Home maintenance – decorating, changing light bulbs, curtains etc
- Home visits – For completion of official documents
- Home visits – For help with completion of DLA
- Home visits – Welfare Rights Officers
- Increase in respite care provision (short breaks including a Sunday day care provision)
- Increase in sitting service
- Increase in support networks
- Invest in more advocacy provision
- Laundry services
- Meet other people with same illness
- More Ring and Ride Services
- More funding support to MIND, Atrium
- Opticians (free services)
- Out and About services
- Pension collection
- Personal care
- Pet care including vets appointments
- Post Offices to be kept open
- Provision of meals in sheltered housing (not frozen meals)



**SUGGESTIONS FOR 'OTHER' COMMUNITY BASED SERVICES**  
**CONTINUED**

- Refuse collection for the disabled who are unable to recycle rubbish
- Services that tackle isolation for people living alone (lunch, tea clubs etc)
- Social activities (including those for disabled persons)
- Shopping
- Specialist nursing care – provide training for spinal injuries
- Supervision whilst the person takes their medication
- Transport
- Walking services (people to be available to walk with you instead of getting a taxi on good weather days, help to walk to GP surgery, Pharmacy, attending community meetings etc)

# CABINET REPORT

5<sup>th</sup> February 2007



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

**Subject:** DEVELOPMENT OF A CHILDREN'S TRUST IN  
HARTLEPOOL

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## SUMMARY

### 1. PURPOSE OF REPORT

To set in place the arrangements for a Children's Trust in Hartlepool from 1 April 2007.

### 2. SUMMARY OF CONTENTS

The report sets out proposed arrangements for a Children's Trust in Hartlepool, including:

- The remit for the Children's Trust;
- The membership of the Children's Trust;
- The establishment and membership of a performance management group;
- The associated task groups;
- The consultation framework;
- The name given to the Children's Trust.

### 3. RELEVANCE TO CABINET

The Children's Trust will have implication across a wide range of services impacting on children and young people and will link to the Local Strategic Partnership framework.

### 4. TYPE OF DECISION

Key decision. Test (ii) applies.

### 5. DECISION MAKING ROUTE

Cabinet 5 February 2007.

### 6. DECISION(S) REQUIRED

To agree the arrangements for the Children's Trust in Hartlepool from 1 April 2007 and to decide on its name.



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

**Subject** DEVELOPMENT OF A CHILDREN'S TRUST IN  
HARTLEPOOL

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## 1. BACKGROUND

At the meeting of Cabinet on 25 September 2006 a report was presented on the development of a Children's Trust in Hartlepool. This report set out the general requirements for a Children's Trust, which is essentially a set of effective local arrangements involving:

- Front line staff providing integrated service delivery to the child and family;
- The shared processes used to support their work;
- Joint assessments of need;
- Planning and commissioning arrangements with pooled budgets;
- Setting priorities and delivering the necessary resources; and
- The inter-agency governance arrangements needed to agree the overall vision and to drive through change.

Cabinet decided that a "soft" Partnership Trust building on existing partnership arrangements would be the most appropriate means for the development of a Children's Trust in Hartlepool, provided that the Trust could be "hardened" over time if the need arose.

The development of a Children's Trust in Hartlepool is linked closely to the development of the Local Strategic Partnership.

## 2. CHILDREN'S TRUST

It is proposed the Children's Trust for Hartlepool will act as a forum in which consideration will be given to the way in which children and young people's services can be developed and improved. Its primary roles and responsibilities will be as follows:

- To provide leadership in relation to the overall vision and strategic direction for children and young people's services through the Children and Young People's Plan;
- To promote positive outcomes for all children and young people;
- To prevent children and young people experiencing negative outcomes and social exclusion;
- To develop integrated and joint commissioning arrangements within Hartlepool in line with statutory guidance. This will include identifying the services currently commissioned, prioritising those services for review,

identifying appropriate resources and establishing the basis for collaborative, integrated and joint commissioning, including recommendations for the introduction of pooled budgets where appropriate;

- To establish an appropriate range of multi agency planning and commissioning sub-groups who will report regularly to the Board in terms of needs analysis, performance against outcomes and potential new developments;
- To commission specific pieces of work from individuals or time limited task groups;
- To lead and promote effective consultation with service providers (statutory and non-statutory) users of services and carers in relation to the development of children's services (including consultation with children and young people).

Cabinet are recommended to agree to this remit for the Children's Trust

### 3. CONFIGURATION OF HARTLEPOOL'S CHILDREN'S TRUST

This report sets out a draft remit and membership for the Children's Trust and explains its position within the overall Hartlepool Partnership. Subject to agreement by Cabinet, work can then begin on putting the membership in place to enable the Trust to be established from 1<sup>st</sup> April 2007.

The proposals set out below have been the subject of consultation with the Children and Young People's Strategic Partnership and the Local Safeguarding Children Board.

It is proposed that the work of the Children's Trust is undertaken in four ways:

- Through a formal Children's Trust (See **Appendix A**); the Appendix sets out recommended membership of the formal Children's Trust. This includes relevant partners prescribed in the statutory guidance, other partners recommended in the statutory guidance and partners appropriate to the Hartlepool setting.
- Through a Performance Management Group (See **Appendix B**); the Appendix sets out recommended membership of this group which would improve co-ordination between partners and improve effective delivery of services, programmes and projects.
- Through a network of task groups (See **Appendix C**);
- Through effective consultation (See **Appendix D**): this Appendix identifies how the Children's Trust would ensure appropriate consultation took place on a regular basis.

### 4. ACCOUNTABILITY/ GOVERNANCE

It is proposed that initially the Children's Trust is accountable for its remit through the Local Strategic Partnership and that it has a direct link with the work of the Local Safeguarding Children Board. It is proposed that the current

Lifelong Learning and Skills Theme Partnership will be replaced by the Children's Trust and by a Skills Partnership.

As a "soft" trust, decision making will continue to be through the key statutory bodies in the town, through existing decision making routes. This may be reviewed as the Partnership develops and as further integrated and joint commissioning is put in place.

## **5. CHAIRING**

The Children's Trust will be chaired by the Lead Member for Children's Services, Hartlepool Borough Council. The role of the Lead Member is set out in statutory guidance from the Department for Education and Skills.

## **6. FREQUENCY OF MEETINGS**

The Children's Trust should meet a minimum of three times per annum, but more frequently should the need arise.

## **7. BUSINESS SUPPORT AND SECRETARIAL REQUIREMENTS**

In order to assist the Children's Trust and the proposed Performance Management Group to function effectively, there will need to be adequate professional and secretarial support. This includes:

- Researching and preparing strategy and policy development papers on a project planning basis;
- Undertaking a business planning role, including development and implementation of the Children and Young People's Plan and other strategies and plans;
- Co-ordinating the work of the sub-groups on behalf of the Children's Trust and Performance Management Group;
- Administering and clerking Children and Young People's Strategic Partnership and Performance Management Group meetings;
- In due course, supporting the commissioning functions of the Trust.

Initially, the Children's Services Department will provide the secretariat support for the Trust, and will be supported by in kind contributions from other partners. The whole system will be reviewed over time alongside that of the Local Strategic Partnership.

## **8. FINANCIAL IMPLICATIONS**

There are no direct cost implications in establishing the Children's Trust as it will replace the existing Children and Young People's Strategic Partnership. However, over time, the Children's Trust may generate proposals for

consideration which have financial implications. These would be brought back to the appropriate statutory bodies for decision.

## **9. NAME**

Cabinet is asked to consider whether the Children's Trust be called Hartlepool Children's Trust or Hartlepool Children and Young People's Strategic Partnership (CYPSP). The current CYPSP recommended the latter as they felt it best reflected the mode of working in Hartlepool.

## **10. RECOMMENDATIONS**

It is recommended that the Cabinet approve for establishment by 1 April 2007:

- The remit for the Children's Trust (paragraph 2)
- The membership of the Children's Trust (Appendix A)
- The establishment and membership of a Performance Management Group (Appendix B)
- The network of task groups (Appendix C)
- The consultation framework (Appendix D)
- It is also recommended that the Hartlepool Children's Trust be called the Children and Young People's Strategic Partnership.

## **11. CONTACT OFFICER**

Adrienne Simcock, Director of Children's Services, Telephone 01429 523730.

## **CABINET REPORT – 5<sup>TH</sup> FEBRUARY 2007**

### **CHILDREN'S TRUST : MEMBERSHIP**

**A. RELEVANT PARTNERS** (as prescribed in statutory guidance) – One representative from each organisation.

1. Divisional Commander, Cleveland Police;
2. Probation Service;
3. Youth Offending Service;
4. Strategic Health Authority;
5. Primary Care Trust;
6. Connexions Partnership (to be reviewed post April 2007);
7. Learning and Skills Council.

**B. OTHER PARTNERS** (as recommended in statutory guidance)

1. Voluntary, community and private sector:
  - one representative from the Community Network accountable body (HvDA);
  - Two Community Network service provider representatives who should be elected via the Community Network
  - One BME representative to be elected via the Community Network.
2. Young people and their families:
  - Two representatives of children and young people, appropriately supported to be nominated via arrangements made through the Participation Network;
  - Two parents nominated by the Children's Centres and Extended Schools Strategic Partnership.
3. Schools: one primary, one secondary and one special school headteacher.
4. One school governor with experience of more than one phase of education.
5. Other agencies with responsibility for delivering front-line services to children, young people and their families:
  - Colleges – one college representative.
  - GPs – Chair of Practice-Based Commissioning Group
  - Faith organisations – a SACRE representative;
  - Job Centre Plus – one representative;
  - Immigration Service – one representative;
  - Private providers – one representative nominated by the Children's Centres and Extended Schools Partnership.

**C. OTHER APPROPRIATE MEMBERS**

1. CAMHS and learning disabilities – one representative of Tees, Esk and Wear NHS Trust;
2. NHS Trust – one representative of North Tees and Hartlepool;
3. HBC members / officers:
  - Lead Member for Children's Services – Chair of the Children's Trust
  - Two other Members nominated by the Council;
  - Director of Children's Services;

- Director of Adult and Community Services;
- A representative of the Lifelong Learning and Skills/Skills Partnership;
- A representative of the Culture and Leisure Partnership;

**D. IN ATTENDANCE AS REQUIRED**

- Other HBC officers to attend as required;
- Chairs of Working Groups – to attend as required to deliver reports.

## CABINET REPORT – 5<sup>th</sup> FEBRUARY 2007

### PERFORMANCE MANAGEMENT GROUP

The Performance Management Group will replace the current Executive Board and will provide improved co-ordination between partners and more effective delivery of services, programmes and projects. It will ensure that appropriate arrangements are in place in relation to:

- needs analysis;
- performance management;
- financial management;
- risk management.

It is proposed that the group would meet at least three times per annum. It will:

- oversee the development and implementation of the Children and Young People's Plan;
- monitor and evaluate any spend on a regular basis;
- follow up planned actions to ensure they have led to improvements on outcomes for children;
- challenge performance and under-performance and ensure appropriate action plans are in place to tackle under-performance;
- motivate partners to look for new ways to improve;
- consider how funding could be used more flexibly.

Its membership would be the relevant partners (as defined in the statutory guidance):

- Chair of Children and Young People's Strategic Partnership (Children's Trust);
- Director of Children's Services;
- District Commander of Police;
- Probation;
- Youth Offending Service;
- Strategic Health Authority;
- PCT Chief Executive;
- Connexions Partnership (to be reviewed post April 2007);
- LSC (Learning and Skills Council);

There should also be representation from the voluntary and community sector in line with the recommendations of the Council's Scrutiny Forum. It is recommended that this should be a representative from the Community Network accountable body (HVA).

**CABINET REPORT – 5<sup>th</sup> FEBRUARY 2007**

**HARTLEPOOL CHILDREN'S TRUST : WORKING GROUPS**

**1. CURRENT ARRANGEMENTS**

Currently the Children and Young People's Partnership has a reporting link to the Local Safeguarding Children Board and the following working groups report directly to the Partnership.

- Children with a Disability;
- Child and Adolescent Mental Health;
- Extended Schools and Children's Centres Strategic Partnership;
- Integrated Working and Information Sharing Programme Board;
- Safer Hartlepool Partnership Children and Young Person's Sub-Group;
- Looked After Children (MALAP);
- Teenage Pregnancy;
- Children's Fund;
- Connexions Local Management Group.

There are also various cross-cutting groups which support children's outcomes e.g. the Participation Network. During work on the Children and Young People's Plan, the Annual Performance Assessment and the Joint Area Review, a strong framework of outcome leads has also been established, with working groups relating to the five outcomes:

- Be Healthy;
- Stay Safe;
- Enjoy and Achieve;
- Make a Positive Contribution;
- Achieve Economic Wellbeing.

**2. PROPOSAL**

It is recommended that the five outcome leads review the existing framework of groups with a view to aligning these more closely to the outcomes framework. Reporting to the Children's Trust could then be directly linked to the five outcomes for children.

Additional time limited task groups on specific issues could also be commissioned as and when required, overseen by the outcome leads.



**CABINET REPORT – 5<sup>th</sup> FEBRUARY 2007**

**STAKEHOLDER CONSULTATION**

The Children's Trust will need to undertake regular consultation with stakeholders. This could be through existing and/or specifically convened mechanisms. Stakeholder involvement could be through a combination of mechanisms, including:

- direct membership of a wide range of stakeholders on the Children's Trust (see Appendix A);
- direct involvement of stakeholders on the Children's Trust's framework of working groups (see Appendix B);
- links to existing networks for adult stakeholders e.g. childminder networks, LSP theme partnership, 14-19 Board;
- links to existing networks for children and young people e.g. Hartlepool Young Voices;
- other networks e.g. Neighbourhood Forums, Community Network, governors, headteachers, locality groups etc.
- specially convened groups on specific issues.

# CABINET REPORT

5 February 2007



**Report of:** Director of Adult and Community Services

**Subject:** STRATEGIC DIRECTION OF TRAVEL

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## SUMMARY

### 1. PURPOSE OF REPORT

To inform Cabinet of the Strategic Direction of Travel of Adult Social Care in Hartlepool.

### 2. SUMMARY OF CONTENTS

Social Care Services include care and support provided to people in their own homes, day services in their local neighbourhood, temporary breaks or respite care and long-term residential care. People say they want real choice about the care they use, flexible services which respect and fit with their lives, fair and non-discriminatory services and the chance to have the same opportunities and to take the same risks as anyone else.

Government policy as outlined in the White Paper 'Our Health, Our Care, Our Say' envisages personalised care and support, ensuring people have the opportunity to make choices and take control. Commissioning also needs to ensure that those with the most challenging behaviour and the most complex needs receive the right mix of general and specialist services to respond to their needs.

### 3. RELEVANCE TO CABINET

To agree the future strategic direction of social care services.

### 4. TYPE OF DECISION

Non Key.

### 5. DECISION MAKING ROUTE

Cabinet.

**6. DECISION(S) REQUIRED**

1. To agree the Strategic Direction of Travel for Adult Social Care Services
2. To agree any future budget appropriate re-profiling through Portfolio.

**Report of:** Director of Adult and Community Services

**Subject** STRATEGIC DIRECTION OF TRAVEL

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**1. PURPOSE OF REPORT**

- 1.1 To inform Cabinet of the Strategic Direction of Travel of Adult Social Care in Hartlepool.

**2. SETTING THE SCENE**

- 2.1 Social Care Services include care and support provided to people in their own homes, day services in their local neighbourhood, temporary breaks or respite care and long-term residential care. People say they want real choice about the care they use, flexible services which respect and fit with their lives, fair and non-discriminatory services and the chance to have the same opportunities and to take the same risks as anyone else.
- 2.2 Government policy as outlined in the White Paper 'Our Health, Our Care, Our Say' envisages personalised care and support, ensuring people have the opportunity to make choices and take control. Commissioning also needs to ensure that those with the most challenging behaviour and the most complex needs receive the right mix of general and specialist services to respond to their needs.
- 2.3 A recent national MORI Poll<sup>1</sup> highlighted a gap between people's aspirations for services and generally what is on offer:
- 90% of the public said it was important they should be able to stay at home if they develop a long-term health condition or disability
  - 87% believe it is important they are given the choice where they live, other than just residential care
  - Two-thirds of respondents agree it is important that support from social care agencies should enable them to stay in work.
- 2.4 Government policy considers better informed consumers, actively engaged citizens and community involvement as crucial components of change in all public services. Incentives have been introduced to improve services, accelerating commissioning from the voluntary sector and social enterprises as well as from private (for profit) organisations. Social Care is central to those reforms and to debates about individual versus state responsibilities, the funding and nature of social care and devolution and decentralisation of public services.

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<sup>1</sup> Ipsos MORI survey commissioned by DRC, Equal Opportunities Commission and Cover UK. July 2006

Councils need to play a crucial leadership role in collaborative working across health, housing, education and other partners from the voluntary and independent sector to address the well-being and social inclusion agenda and to find ways to deliver better integrated services to people of all ages.

- 2.5 In Hartlepool the Adult and Community Services are developing a direction of travel which meets people's views on how modern social care should be delivered. This includes older people, people with learning disabilities, people with mental ill health and people with physical and sensory disabilities. Carers, spouses and other relatives or friends continue to provide substantial unpaid assistance to people of all ages and they too are supported by social care.
- 2.6 The Adult and Community Services Department provides a range of services (including home care, sitting services, day services and social work) as well as purchasing placements in residential care homes and nursing homes. We also provide a range of services to offer breaks to carers and to support them in their caring role. We provide some services jointly between Adult and Community Services and the NHS to meet people's (often long term) health and care needs, prevent inappropriate admissions into hospital and restore people's independence on returning home from acute health care. All of these services affect people's everyday lives and have the potential to fundamentally affect the quality of those lives.

### 3. **KEY ISSUES**

The key issues are:

- Choice and control by people using social care
- Maximising people's potential and life chances
- Local Government's role in promoting social inclusion and well-being
- Delivering Integrated Care

### 4. **CHOICE AND CONTROL BY PEOPLE USING SOCIAL CARE**

- 4.1 Individual budgets, direct payments and self directed care (In Control) can put people in control of the services they use and provide genuine choice. Evaluation of early pilots of In Control schemes indicate high satisfaction by people arranging their own support and using different patterns of service to those traditionally arranged by social care services. In Hartlepool we have already seen a significant rise in direct payments with high levels of satisfaction being expressed by local users and carers. Direct Payments are where individuals organise and pay for their own social care support through a payment from adult social care.

- 4.2 The growth in direct payments has increased fourfold in the past 10 months and it is anticipated this will continue to grow. Self directed care (In Control) is a mechanism available where individual resources for social care are controlled according to the priorities of people concerned, they also increase choice and self-determination in the months to come.
- 4.3 These changes will result in a need to re-profile budgets within Adult and Community Services to reflect the dramatic rise in individual budget choices out of traditional areas of spend such as domiciliary care and residential care. This process will require careful monitoring to ensure expenditure is reflected in appropriate budget headings.
- 4.4 In a similar vein the Adult and Community Services Department is planning to offer more choice, particularly to older people for whom residential care is no longer the first option of choice when their care needs require social care intervention.
- 4.5 This has resulted in the development of extra care housing (eg the Joseph Rowntree Retirement Village) but also the use of assistive technology (Telecare) and intensive home care to provide support to enable people to remain in their own homes for as long as is possible. This shift away from a sole reliance on residential care as a first and only option is being actively managed within Adult and Community Services. There will again be a need to create managed underspends in traditional residential care budgets and a re-profiling of budgets to reflect new areas of expenditure such as Telecare.
- 4.6 This reflects a fundamental shift away from traditional service provision but reflects people saying they want to stay independent for as long as possible, with practical and emotional assistance when they need it. They recognise that meeting their choices and aspirations could sometimes entail some degree of risk. However respect for people's rights is enshrined in legislation and government policies, including the White Paper – Our Health, Our Care, Our Say – aimed at reforming public services and supporting people's wishes to exercise choice and control over their own lives.
- 4.7 This shift is important for a number of reasons not least because of demographic changes. There is a higher proportion of older people in the population than ever before. By the end of 2007, the number of Britons aged over 65 will exceed the number of those aged under 16 for the first time. By 2031, the number is projected to exceed it by almost 4 million. Financial implications are also significant. The review of social care funding<sup>2</sup> led by Sir Derek Wanless concluded that, at the current rate, spending on personal care for older people in England would have to treble by 2026 to meet the needs and expectations of the ageing 'baby boomer' generation. This in turn creates changing expectations which is an agenda that connects with most people, either because they are thinking:

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<sup>2</sup> Securing Good Care for Older People, Kings Fund 2006

- What do we want from life as we grow older and how we will get the right support when we need it?
- How do we help our increasingly elderly/disabled relative or friends to get the support they need or increasingly, that we need as their carer.

## 5. **EFFECTIVE COMMISSIONING TO ENSURE CHOICE**

- 5.1 Offering real choice of services also requires effective commissioning and market development to ensure the range, balance, quality and sustainability of services for Hartlepool people of all ages, whether they fund their own care or not. Improving joint commissioning with the PCT to deliver personalised care will remain a key priority for Adult and Community Services.

## 6. **MAXIMISING PEOPLE'S POTENTIAL AND LIFE CHANCES**

- 6.1 The Government's Action Plan on social exclusion<sup>3</sup>, and Sir Michael Lyon's report<sup>4</sup> on Local Government's Leadership role has argued Local Government should be given greater freedom to 'place-shape', taking responsibility for the well-being of an area and the people who live there. For social care, Local Government has a leadership role in coordinating actions to improve the health and well-being of local communities which underpins independent living. The Director of Adult Social Services (DASS) now has a central role in promoting well-being and social inclusion by coordinating the work of different local agencies, such as health, housing and transport.
- 6.2 The incorporation of Supporting People into A&CS should enable the Council to strengthen its focus on prevention and to provide a wider range of services and models of support that actively promote people's independence. Supporting People are already actively involved in joint work around Telecare and supporting living schemes. Social care commissioning which has a focus on providing support to people of all ages affords real opportunity for vulnerable groups in the future.
- 6.3 The concept of social inclusion alongside the recommendations of the recent CSCI (Commission for Social Care Inspection) Inspection of Learning Disabilities will also require the continued development of more mainstream day activities and opportunities for people with a learning disability. There are already very many schemes based outside of Warren Road Day Centre and these need to be expanded. The agreed action plan with the CSCI states 'there will be a day service improvement plan that has clear vision and intentions and is developed in partnership with users and carers and achieves increased inclusion in the community as citizens'. This was in response to the Inspection Report which stated

<sup>3</sup> Reaching Out: An Action Plan on Social Exclusion, Cabinet Office 2006

<sup>4</sup> Lyons Inquiry Into Local Government, HMSO 2006

6.4 “Day Care Support at Warren Road was a matter of concern:

- *The building was run down and looked unattractive*
- *People told us difficulties with transport restricted opportunities*
- *People felt overcrowded in rooms which were too small for the numbers*
- *Opportunities for people with high support needs were restricted*
- *There was no users’ forum; and*
- *Carers and users reported that people were not well looked after.”*

6.5 In a similar vein, day service provision for people with a physical disability requires a more socially inclusive focus. Again, more people are exercising the opportunity for more mainstream activities. With the advent of self-directed care, it is likely that more people will opt to make their own arrangements. Already with the increased uptake of Direct Payments people with physical disabilities are proving to be disproportionately interested in this type of approach. Although the numbers of people with a physical disability are small compared to say older people receiving a service, people with a physical disability seem to find direct payments an attractive option.

## 7. DELIVERING INTEGRATED CARE

- 7.1 The White Paper, ‘Our Health, Our Care, Our Say’ proposed a number of measures to support closer working between social care and health in order to deliver integrated care for people. These included aligning the budgetary and planning cycles of the NHS and Councils, stronger local commissioning between Councils and Primary Care; and the development of more multi-disciplinary networks and teams as well as co-located services. Practice based commissioning is also seen as a way of developing more innovative and responsive models of joined up support.
- 7.2 Work on integration is already well underway in Hartlepool. Older people’s services are already integrating social workers, occupational therapists as well as district nurses into co-located teams. Currently one has already moved into new premises at Greenbank. Plans are in development for the remaining two to move in the near future. Negotiations are in hand with the Tees Esk and Wear Valley NHS Trust to integrate learning disability services, again in line with the CSCI Inspection recommendations.
- 7.3 Mental Health Services have been integrated for a number of years and it is now time to review the Partnership Agreement.
- 7.4 Similarly, Hartlepool has had an Award winning Multi-Link Intermediate Care service for the past seven years.



7.5 The team's remit is to ensure intensive, time limited support for people stepping up or down from acute hospital care is available, intensive home based or short term residential care either before or after a hospital stay ensures people do not end up in permanent residential care in the absence of any alternative. Demand for this service is increasing in part in line with an ageing population and also as hospital care focuses more on treating people in the community. It would appear throughput is increasing.

7.6 This also raises the need to ensure budgets are properly realigned as more people will not rely on residential care as an only option and instead focus on exercising choice to remain at home as long as possible.

## 8. **CONCLUSION**

8.1 As can be seen, this is a challenging but exciting time for Adult and Community Services. Huge demographic changes, a growing demand, more choice in services and the rapid development of self-directed care, are resulting in major shifts in the social care landscape. This will require the reconfiguration of existing Adult and Community Services budgets from traditional headings of residential and home care into areas such as intermediate care, self directed care, direct payments and assistive technology such as Telecare.

8.2 There is also a need to increase opportunities for social inclusion in light of Government's desire to make the role of Local Government central in ensuring the well-being of local communities. This fits well with what people are saying about traditional service models and the need to offer more mainstream day service opportunities. Hartlepool has already been well on the way to develop some of these mainstream opportunities but will need to accelerate this process in the future.

8.3 Integration is also driving change with the Department already well positioned to meet the demands of the White Paper, 'Our Health, Our Care, Our Say'.

8.4 PCT reconfiguration has slowed this process but now that upheaval is beginning to settle down, significant progress is expected to be made in effective joint delivery and provision of services as well as more effective joint commissioning arrangements between the local authority and the PCT.

## 9. **RECOMMENDATIONS**

9.1 Members are asked to agree the Future Strategic Direction of Travel for Adult Social Care in Hartlepool.

9.2 To agree that any future budget re-profiling takes place as appropriate.

# CABINET REPORT

5<sup>TH</sup> February 2007



**Report of:** The Director of Regeneration and Planning Services

**Subject:** LOCAL STRATEGIC PARTNERSHIP GOVERNANCE

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## SUMMARY

### 1. PURPOSE OF REPORT

- 1.1 To outline proposals for the development of governance within the Hartlepool Partnership, the Local Strategic Partnership (LSP) for Hartlepool and the structural framework of theme partnerships considered by the LSP Board.

### 2. SUMMARY OF CONTENTS

- 2.1 This report includes as appendices a report which was considered by the Hartlepool Partnership Board on 8<sup>th</sup> December, 2006 and the decision of the Board. It examines a number of influences on the future evolution of the LSP including an Audit Commission report on Partnerships, Hartlepool's Local Area Agreement submission, the Regeneration and Liveability Scrutiny Forum's scrutiny of partnership working, the sub-regional context and particularly the Local Government White Paper "Strong and Prosperous Communities". A number of broad proposals are put forward and mainly focussed on adjustment to some of the theme partnerships. A related report considers proposed arrangements for the development of a Children's Trust in Hartlepool. Further reports will be necessary on the implication of the White Paper and in particular the possible role and remit of an LSP Executive.

### 3. RELEVANCE TO CABINET

- 3.1 The LSP is increasingly important in Government policy terms as the key vehicle for partnership working, establishing strategy especially the sustainable community strategy, joint working and the delivery of the Local Area Agreement. An agreed framework of theme partnerships provides the context for taking forward the development of theme partnerships including the Children's Trust and the Skills Partnership.

**4. TYPE OF DECISION**

4.1 Non key.

**5. DECISION MAKING ROUTE**

5.1 LSP Board and Cabinet.

**6. DECISION(S) REQUIRED**

6.1 Cabinet is requested to endorse the report including the restructuring of a number of theme partnerships.

**Report of:** The Director of Regeneration and Planning Services

**Subject:** LOCAL STRATEGIC PARTNERSHIP GOVERNANCE

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1. **PURPOSE OF REPORT**

- 1.1 To outline proposals for the development of governance within the Hartlepool Partnership, the Local Strategic Partnership (LSP) for Hartlepool and the structural framework of theme partnerships considered by the LSP Board.

2. **BACKGROUND**

- 2.1 This report considers the future governance of the Hartlepool Partnership, the Local Strategic Partnership (LSP) for Hartlepool. Hartlepool is regarded as a good performing LSP and continues to be green rated by the Government Office for the North East. Nevertheless it is crucial that its structures continues to be reviewed given the emergence of new agendas.

3. **REPORT TO THE LSP BOARD**

- 3.1 A copy of the report which was considered by the LSP Board on the 8<sup>th</sup> December is attached as **Appendix 1** and an extract of the Minutes of the Board is attached as **Appendix 2**. This report considers a number of influences on the future development of the LSP including the Audit Commission Report on Partnerships, the Hartlepool Local Area Agreement (LAA) submission, the Regeneration and Liveability Scrutiny Forums scrutiny of Partnerships, and extracts from the recent Local Government White Paper “Strong and Prosperous Communities” which strengthens the role of LSPs and Local Authority involvement
- 3.2 The main proposals included the following (see sections 9 & 10 of the LSP Board Report, Appendix 1):
- a) The theme partnerships structure needs to be less hierarchical, with arrangements that recognise cross cutting relationships and interests and with clear and explicit responsibilities and expectations between these partnerships.

- b) The theme partnership structure needs to recognise new integrated client based approaches such as the Children's Trust and emerging priorities such as the skills agenda.
  - c) Consideration should be given to the appropriateness of establishing Performance Management Groups for all theme partnerships.
  - d) Where practicable consideration needs to be given to more delegation of responsibility for decision making from statutory bodies to joint bodies made up of representatives of the statutory bodies within the LSP framework.
  - e) The theme partnerships would be adjusted to include the Children's Partnership/Trust, a new Hartlepool Skills Partnership, the development of the Health and Care Partnership to become the new statutory Health and Wellbeing Partnership and the addition of non-vocational 'learning' to the remit of the Culture, Leisure and Learning Partnership.
- 3.3 Following extensive discussion (Appendix 2) the LSP Board endorsed the report including the restructuring of a number of theme partnerships. It was further agreed that a paper setting out a possible role and remit of an LSP Executive be brought to a future meeting.
- 3.4 A related report considers the proposed arrangement for the development of a Children's Trust in Hartlepool.
- 3.5 Further reports will focus on the possible role and remit of an LSP Executive and the implications of the White Paper including the strengthened role of LSPs as the main vehicle for developing a vision for transforming place and for tackling hard cross-cutting social problems strengthening the involvement of elected members in both executive and scrutiny roles; and proposed arrangements for new theme partnerships in particular the Skills Partnership and the operation of the Local Area Agreement (LAA).

#### 4. **RECOMMENDATION**

- 4.1 Cabinet is requested to endorse the report including the restructuring of a number of the theme partnerships.

**APPENDIX 1****HARTLEPOOL PARTNERSHIP GOVERNANCE ARRANGEMENTS**

Report by Hartlepool Borough Council

**1.0 PURPOSE OF REPORT**

- 1.1 To outline proposals for the development of governance within the Hartlepool Partnership, the Local Strategic Partnership (LSP) for Hartlepool, for consideration and particularly the structural framework of theme partnerships. This report will also be presented to the Council's Cabinet.

**2.0 LINKS TO THE COMMUNITY STRATEGY**

- 2.1 The structure and governance of the LSP is central to the preparation and delivery of the Community Strategy.

**3.0 BACKGROUND**

- 3.1 Governance is one of the workflows within the Council's Way Forward Strategy for managing change as "Community Leader". This report has been discussed with key partners and the Theme Partnerships Chairs Group and builds upon the section on governance in the Local area Agreement (Appendix 1).
- 3.2 Hartlepool Partnership is regarded as a good performing LSP and continues to be green-rated by the Government Office for the North East, nevertheless it is essential that its structures be reviewed given the new emerging agendas and changing priorities. A further revised version of the Partnership Terms of Reference has been published. A performance management group has been established for the Board with a clear remit to take action in response to performance to ensure that the partnership delivers through commissioning or direct provision high quality services with increasing efficiency.

It is also essential to recognise the changes in the arrangements of key partners, the White Paper "Strong and Prosperous Communities" (October 2006), the neighbourhood agenda and the sub-regional agenda. The latter is being developed through the "Tees Valley Unlimited" proposals for the Tees Valley City Region replacing Tees Valley Partnership.

- 3.3 A key contextual document 'Governing Partnerships' was produced by the Audit Commission in October 2005. This sets out a series of questions for public bodies about their national arrangements for partnership working but also to be considered individually and collectively by partners.

These relate to:

- The rationale for the partnership
- Added value from the partnership
- Governance arrangements
- Performance management
- Financial management
- Risk management
- Termination arrangements
- Serving the public.

### 3.4 In relation to governance it specifically asks

- a) How do your partnership's corporate governance arrangements link to those of individual partners?
- b) How are decisions made?
- c) How are they recorded?
- d) Who makes sure they are acted on?
- e) Who scrutinises them?
- f) To whom are they reported?

## 4.0 LOCAL AREA AGREEMENT (LAA)

4.1 The Hartlepool LAA submission, endorsed by the Hartlepool Partnership Board and agreed by the Council and Government, contains a section on governance which set out some potential principles and changes to the LSP. It identifies the potential creation of an LSP Board Executive and greater recognition of the differences between statutory and non-statutory theme partnerships, the recognition that there are thematic, client based and area based partnerships within the LSP and greater recognition of the desirability of separating commissioning and provision of services. In taking formal decisions the role of statutory bodies and responsible authority representatives was noted. The LAA also set out the importance of coterminous boundaries and delegation of budgets to be applied against target outcomes in an integrated and flexible way. A diagram setting out the structure and form of the LSP was included in the LAA submission. (Appendix 1).

## 5.0 SCRUTINY OF PARTNERSHIPS

5.1 The Regeneration and Liveability Scrutiny Forum have undertaken a scrutiny of partnership working and have concluded that generally the partnership working in Hartlepool is strong, especially at the LSP Board level. The Scrutiny Forum has however made a series of recommendations, which have been incorporated into an action plan and considered by the Theme Partnership Chairs and agreed by Cabinet. This relates to issues such as the levels of representation, operation

and feedback and the roles of elected members.

This reflects a strong desire to enhance the role of Members and also community involvement in theme partnerships. There is also a wish to improve linkages to the sub-regional partnerships.

## **6.0 LSP PARTNER DISCUSSION**

- 6.1 The future form of the LSP has been discussed at LSP Chairs Group meeting prior to the submission of the LAA. In addition there have been a series of discussions with key partners, the chair of the LSP and within the Council to ascertain views as to the way forward and a report was considered at a recent Chairs Meeting.

## **7.0 THE LOCAL GOVERNMENT WHITE PAPER**

- 7.1 The recent White Paper "Strong and Prosperous Communities" (October 2006) proposals, in so far as they relate to Local Strategic Partnerships (LSPs), includes a number of measures to strengthening the role of LSPs as well as Member and partner involvement in them (Appendix 2). As expected LSPs are not to be given a statutory basis but there will be a new duty for public bodies to take responsibility for delivery of the LAA targets. It is also evident that Children's Trusts and Crime Reduction Partnerships should be integrated within the LSP structure as indeed the latter is within Hartlepool. The White Paper proposes greater flexibility around the LAA and their structures but suggests partnerships *might* wish to arrange themselves around the four themes included and an extended economic theme. A new statutory health and well being partnership is proposed and overall the White Paper suggests that LSPs should have a manageable number of key theme partnerships to deliver priorities agreed in the LAA and Community Strategy. The proposals below take the White Paper into account though further reports will be necessary to consider all the ramifications and opportunities presented by the proposals.

## **8.0 SUB-REGIONAL CONTEXT**

- 8.1 The role of the city region is also being explored with a review of the Tees Valley Partnership underway and proposals for its replacement by "Tees Valley Unlimited" a smaller board including representatives from all the five Tees Valley Authorities focussed upon the sub-regional elements of regeneration, planning, housing, skills, transport and tourism, covered by a number of "sub boards." An LAA type agreement is proposed that would set out the expected outcomes to be achieved against bids for additional investment within a long term investment programme and strategy. In the White Paper this is known as a multi area agreement (MAA) aimed at strengthening coordination and cooperation. Aspirations for strengthened linkages into the wider sub-regional partnership may be difficult to achieve in this context. Linkages back to the locality LSPs and LAAs will need to be clarified.

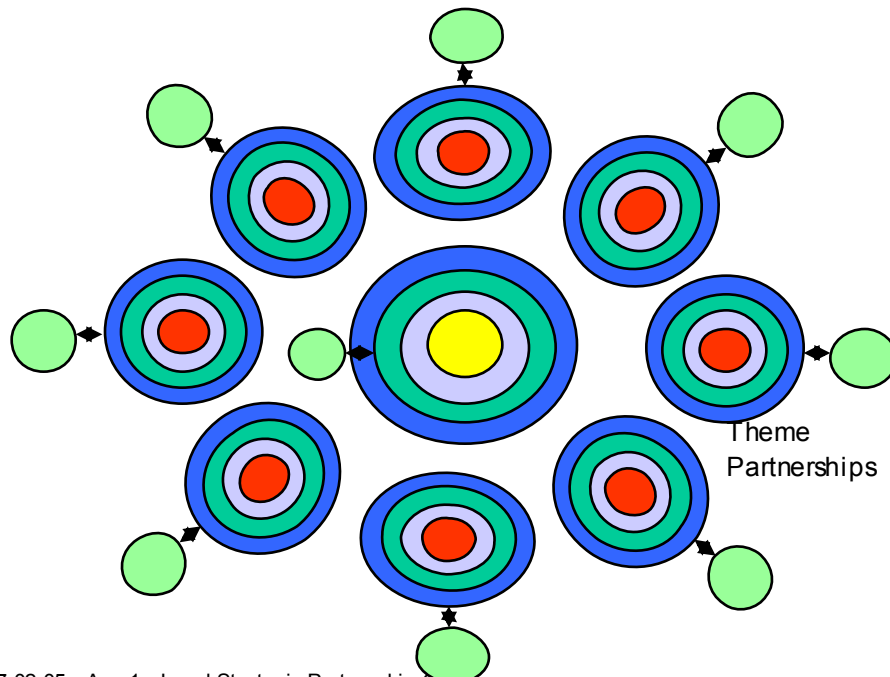


A Tees Valley Business case including these proposals has been submitted to the Communities and Local Government and the Treasury. This can be viewed on the Joint Strategy Unit's website [www.teesvalley-jsu.gov.uk/tvcr.html](http://www.teesvalley-jsu.gov.uk/tvcr.html)

## 9.0 PROPOSALS

- 9.1 In Hartlepool the LSP Board is considered to be operating well and to have many recognised strengths in practice. In theory and by normal convention it is too large but this is countered by chairing of meetings and structured strategic agendas. Moreover there continues to be pressures to add additional members. The linkages back from the Board to the Theme Partnerships and Consultative Forums are essential and need to be maintained and strengthened as structures develop. It was agreed as part of the LAA proposals that consideration should be given to the reformation of an Executive. The LSP Board has a recently established Performance Management Group representing key responsible authorities and with a specified remit focussed on performance.
- 9.2 There is a perceived need to continue to improve the efficiency, performance management, representation, delegation to and rationalisation or extension of the theme partnerships.
- 9.3 Within the LSP the theme partnership structure needs to be less hierarchical and this would be perhaps best represented by a circular onion ring diagram. The operation and structure of the Theme Partnerships must reflect arrangements to develop and deliver improved outcomes in a 360-degree manner recognising in each case where a particular issue is best addressed. Two-way liaison and working relationships need to be further developed between the theme partnerships with clear explicit responsibilities and expectations agreed between each pair of Theme Partnerships.

## LESS HIERARCHICAL STRUCTURE



- 9.4 The Theme Partnership structure needs to recognise the emergence of new integrated client based approaches such as the Children's Partnership/Trust, (although the Adults' Trust agenda does not now appear to be as prominent in government thinking) and the integration of statutory partnerships such as the Safer Hartlepool Partnership, the local Crime Reduction Partnership. The structure also needs to acknowledge the linkages into the neighbourhood agenda including the role of Parish Councils. It also needs to recognise emerging priorities such as the skills agenda. The resulting overall structure is not as neat and logical as the purely thematic approach formerly adopted but must be as clear and understandable as practicable.
- 9.5 The distinction between commissioning and service providers needs to be given greater recognition though in some cases clear separation is unlikely to be achievable. For economy, efficiency and effectiveness where practicable consideration needs to be given to more delegation of responsibility for decision making from statutory bodies to joint bodies made up of representatives of the statutory bodies within the LSP framework. This would help to rationalise, simplify and speed up decision-making. It is however essential that the special role of representatives of "responsible authorities" or statutory bodies ie usually elected members, is recognised in such decision-making.
- 9.6 In order to further improve performance management and senior management level liaison a Performance Management Group as already established for the Partnership Board and for the Safer Hartlepool Partnership. Consideration should be given to the appropriateness of establishing Performance Management Groups for all Theme Partnerships and Trusts. These would help to further ensure effective delivery of the policy decisions taken by the partnerships and manage the achievement of expected outcomes through task groups, partners etc.

## **10.0 PROPOSED FORMAT OF THE THEME PARTNERSHIPS**

- 10.1 The proposed structure of the Theme Partnerships is as follows:

a) **Hartlepool Economic Forum**

The Economic Forum would remain with a strong remit on enterprise and economic development/regeneration including assisting business, tourism and helping residents into employment and training. This together with related groups is the main vehicle for engaging the business community.

b) **Hartlepool Skills Partnership**

The Skills Partnership would be a new Theme Partnership to recognise the significant needs in the town associated with vocational skills levels and the economy and projected national major changes in skills levels required by employers. This new theme partnership will have a strong relationship to the Economic Forum, the Children's Partnership/Trust and the "14-19 Partnership". A strategic lead is needed for this group.

The College of Further Education has prepared and consulted upon some initial work to assist in establishing a skills strategy for the town. The White Paper's intention to have sub-regional skills partnerships in larger urban areas will be relevant to the development of this partnership.

c) **The Children's Partnership/Trust**

The Children's Partnership/Trust would be a new statutory client partnership focussed on achieving the five national outcomes for Children through closely aligned partnerships such as the 14-19 Partnership, the Children's Safeguarding Board, the Children's Centres, Extended Schools and 10 Year Childcare Strategy Partnership etc and also through agreements with other theme partnerships such as the Economic Forum and the Culture, Leisure and Learning Partnership. It is proposed that new arrangements will be in place locally by April 2007 with a national target of March 2008. An initial paper on the potential form of the partnership/trust has been considered by the Borough Council.

d) **The Health & Care Strategy Group (Health and Wellbeing Partnership)**

The Health and Care Partnership is one of the most complex partnerships within the LSP. Whilst the health and care agenda is crucial for Hartlepool given local needs, some delegation, rationalisation and reconfiguration is necessary to ensure that it works more strategically and efficiently and recognises the new agendas. Some differentiation of this Theme Partnership Board to reflect the children's and adult's agenda may be appropriate. A performance management body of senior officers of the responsible authorities is essential to oversee progress on the agreed outcomes. In this area it is essential that there is delegation to commissioning bodies, made up of a balanced representation from the statutory bodies, where decisions can be made in the light of discussion at the board. A less hierarchical and less complex structure is desirable. The White Paper's proposals for a new statutory Health and Well Being Partnership need to be fully reflected in the development of this theme group.

e) **Safer Hartlepool Partnership**

The Safer Hartlepool Partnership is a statutory Crime and Disorder Reduction Partnership that already includes youth offending and drugs intervention within its remit. It already operates a Performance Management Group. This Theme Partnership has recently been reviewed creating a smaller partnership board and a wider open partnership forum. The development of this partnership will need to take account of the new national standards being developed by the Home Office.

f) **The Environment Partnership**

The Environment Partnership will focus on the natural and built environment, lead the Partnership's work on Climate Change and include a Transport Partnership. It will have a close relationship with the conservation area advisory committees. The place and image agenda needs to be given more consideration within the work particularly of this partnership.

g) **Housing Partnership**

The Housing Partnership will operate in a manner that recognises the need to increase the profile of housing within the LSP and the separation of housing as a theme in its own right the Community Strategy Review. The housing and regeneration review set up in April 2006 will have relevance to the future development of this partnership.

h) **The Culture, Leisure and Learning Partnership**

The Culture and Leisure Partnership would be renamed as the Culture, Leisure and Learning Partnership. This will be responsible for a number of universal services with Adult Services and other partner organisations. The inclusion of the learning agenda would emphasise the non-vocational aspects of learning not covered in the other partnerships.

i) **The Community Network**

The Hartlepool Community Network would remain with a strong remit to ensure effective and inclusive engagement by the third sector (local voluntary and community bodies) in the Hartlepool Partnership's work. The Network should work in partnership with frontline councillors to provide a voice for residents, local communities, vulnerable and under-represented groups. It should work to empower and build capacity in the sector and shape local areas.

- 10.2 The Lifelong Learning Partnership has decided that it will cease to operate from the 31<sup>st</sup> March 2007 with its roles and functions absorbed by several of the other Theme Partnerships as outlined above i.e. the Hartlepool Skills Partnership, the Children's Partnership/Trust and the Culture, Leisure and Learning Partnership.
- 10.3 The main priorities for theme partnership development are the development of the Children's Trust, the establishment of the Hartlepool Skills Partnership both by April 2007 and the rationalisation and reorganisation of the Health and Care Partnership. It is intended this will be undertaken within the above framework.
- 10.4 Further reports will be brought to the Board on the ramifications and options arising from the Local Government White Paper as these are explored.

## **11.0 RECOMMENDATION**

- 11.1 That this report and the proposed structure of Theme Partnerships is endorsed.

**APPENDIX A****LOCAL AREA SUBMISSION (LAA) SUBMISSION 2006 EXTRACT****HARTLEPOOL DRAFT GOVERNANCE FRAMEWORK PRINCIPLES*****Introduction***

The key role of the Hartlepool Partnership as the Local Strategic Partnership (LSP) is to implement and review the vision for the locality (Hartlepool Unitary Authority area), through the Sustainable Community Strategy and to develop and implement 'delivery contract' through the Local Area Agreement (LAA). The LAA incorporates the priorities for the Hartlepool locality agreed between central government/government office and a locality represented by the LSP and Hartlepool Borough Council (HBC). Appropriate partners are being involved in the negotiations and see collaboration as the only way to achieve efficient and coherent services. The objective is to ensure fit for purpose efficient and effective governance arrangements that are needed to support the case for resource allocation and decision-making at the locality level and underpin the LAA and its outcome delivery. The LSP recognises that partnership working brings risks as well as opportunities and that governance can be problematic. There is a need to build upon what has been achieved and make a clearer distinction between statutory and voluntary partnerships and to highlight further the roles and responsibilities of the different partners.

The need for the LSP to ensure that governance and accountability, leadership, decision-making, scrutiny and processes such as risk management are strong & properly developed is recognised and being addressed. The LSP brings together the thematic partnerships in the local area; providing the governance framework for the delivery of the LAA.

***Background***

Hartlepool Partnership is made up of an LSP board together with the seven thematic partnerships in the locality. The LAA priorities are structured around these and the partnerships will take responsibility for individual outcomes providing clear accountability. The LSP is Green A rated, the Borough Council is 4 star and improving well and the PCT is 3 star, with excellent local integration of Police Basic Command Unit (BCU) and Further Education. The development of strategy and performance management through the LSP has helped increase accountability between partners. There is a need for the LSP to build upon its significant achievements and move further from an advisory role to a commissioning or delivery co-ordination role.

## **The Local Area Agreement & the Locality**

The Hartlepool Partnership recognises the need to emphasise the role of locality through the LAA. The aim is to strengthen locality accountability. It is regarded as essential that the principle of subsidiarity is achieved at the “lowest” appropriate level within the partnership arrangements at all levels regional, sub-regional, locality and neighbourhood. The LSP considers that the LAA should ultimately provide a framework through which “goals and priorities, differently geared for different parts of the country, can be agreed through a negotiation of equals.” It should enable the Borough Council and its partners to deliver national outcomes in a way that reflects local priorities, particularly those identified in the Sustainable Community Strategy. This will give the flexibility to find local solutions to local problems, and to prioritise spending to achieve the outcomes identified in the LAA. Better outcomes will result from increases in local discretion and reduced bureaucracy. This provides an opportunity to integrate local service provision and to define and deliver local priorities across the area rather than work being confined to separate agencies. The desirability of local leaders taking a more cross-disciplinary and integrated approach to social, economic and environmental issues is recognised.

### ***The Sustainable Community Strategy & the LAA***

The Hartlepool Community Strategy including the Neighbourhood Renewal Strategy sets out the longer-term vision and agenda for the Hartlepool locality, this is expressed in an Action Plan and monitored through the performance management framework. The Strategy sets the agenda for priorities in the LAA. The LAA is regarded as the practical expression of this.

The LAA will be part of the Sustainable Community Strategy’s action plan. It is envisaged that the current Community Strategy Action Plan and the LAA delivery plan will become one and the same.

### ***Governance Framework Principles***

In Hartlepool it is recognised that the future role of LSPs is central to the Government’s vision for the future of local decision-making, in particular to developing a strong leadership role for local authorities. The LSP will continue to effectively identify and deliver against the priorities for joint action in an increasingly accountable way.

Hartlepool Partnership will become increasingly a commissioning LSP, making decisions, commissioning action and actively coordinating the delivery of the Sustainable Community Strategy and targets including the Neighbourhood Renewal floor targets. The shift from focusing on process to the delivery of outcomes through the embedding of the LSP performance management framework is reinforced by the LAA with its focus on outcomes.

It is recognised that there needs to be increasingly effective, transparent and accountable governance and scrutiny arrangements for the LSP to enable partners to hold each other to account and for local people to hold the partnership to account.

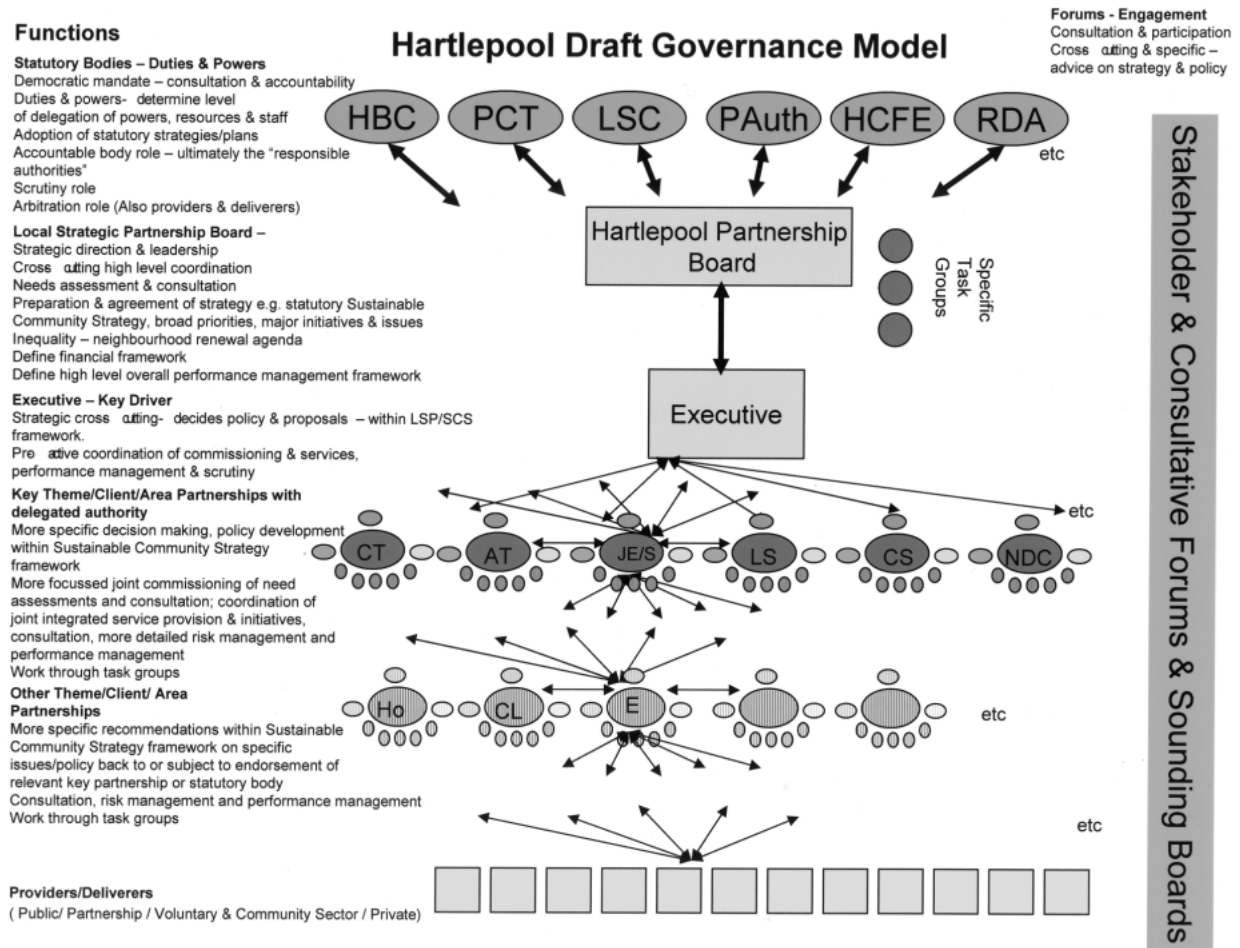
### ***Regional & Sub Regional Bodies***

Commitment amongst central government departments and regional organisations to the LSP system of partnerships and the Sustainable Community Strategy is regarded as essential. It is envisaged that as far as practicable local governance boards for regional public services will be incorporated at the locality level within the LSP. In view of regionalisation trends there is a need to reinforce the locality role i.e. at a unitary authority level. It proposed that there should be maximum subsidiarity of resources and decision making with particular emphasis on the locality level where responsibility and accountability for progress to wards improving services, inequality, health and well-being, community safety, education attainment and economic prospects is focused. Hartlepool and Tees Valley LAAs will be aligned recognising cross-boundary issues.

### ***The Hartlepool Partnership***

The Hartlepool Partnership is the “partnership of partnerships” within Hartlepool. The proposed Hartlepool Draft Governance Model is shown on Diagram 1 below. This framework is not exhaustive but shows some of the key relationships. It is presented in a hierarchical format but each element is crucial for the operation of the partnership overall and it is intended to be a partnership of equals while recognizing relative powers and roles and having clear responsibilities and accountabilities that are fit to drive forward the Sustainable Community Strategy and the integrated LSP/LAA action plan and performance management processes. This will involve a common approach to commissioning across the partnership, the principles and terminology for which have been agreed by the LSP. The key elements of the Hartlepool Draft Governance Model are described overleaf.

Diagram 1



## Statutory Bodies

The statutory bodies have a democratic mandate, a strong basis of accountability to the community and key roles in consultation and priority setting. Statutory bodies remain responsible and accountable at law. They adopt statutory plans prepared by or with the involvement and crosscutting lead of the LSP. They have the duties and powers and can determine the level of delegation of powers, resources and staff to the LSP board, executive and key theme/client/area partnerships. They have an accountable body role and are ultimately the “responsible authorities”. The special responsibilities of statutory authorities and members need to be more fully recognised. They have a scrutiny role and the Borough Council has a potential arbitration role. The Borough Council will also continue to have an evolving role as community leader and LSP facilitator. Elected members need to be properly involved at all levels where decisions are taken.



### ***The Hartlepool Partnership Board***

The Hartlepool Partnership Board's key role is providing oversight, strategic direction and leadership particularly through the Sustainable Community Strategy process and the related action plan and performance management framework. It provides crosscutting high-level coordination and integration. It has to ensure effective consultation and needs assessment through a range of methods. It prepares the statutory Sustainable Community Strategy and related strategies and takes high-level strategic decisions on broad priorities, major initiatives and issues. It also has a key role in the inequality agenda and the neighbourhood renewal, neighbourhood action plans (NAPs), and other arrangements. It will increasingly define the broad financial framework allocating resources and ensuring that budgets are aligned and pooled as appropriate. It will define the high-level performance management framework integrating the community strategy performance management framework and the LAA performance framework as a single simplified entity. The Board will also have a broad high-level scrutiny role.

The LSP Board is being reviewed to ensure an appropriate balance between inclusiveness, manageability, accountability and strategic capacity. It will continue to be made up of the key interests in the locality: elected representatives, the local authority Chief Executive, senior public sector officials, voluntary and community representatives and business sector representatives reflecting the diversity of the locality. The lead representative from each of the main thematic/client/area partnerships, such as the Children's Trust and Community Safety Partnership will be members of the board. It is envisaged that it will continue to be chaired by the Hartlepool MP and the Elected Mayor will continue to be the vice chair with member representatives from both the Council's Executive and backbench councillors. A key area for review and development is the relationship to sub-regional and regional bodies and a scrutiny process is currently underway within the Borough Council. It will be supported by time limited task groups. The Board will need to ensure that the lines of responsibility between partners and partnerships are clearly drawn and that duplication is avoided.

### ***The Hartlepool Partnership Executive***

The LSP will have a new Executive, which will be a key driver in performance and service improvement. This smaller body will need to integrate through key representatives from the theme/client/area partnerships and responsible authorities. It is envisaged that it will have delegated powers from the LSP Board and the statutory bodies and that it will make decisions on policies and proposals within the LSP Sustainable Community Strategy framework. It will be proactive in the coordination of commissioning and services, and in terms of overall performance management and scrutiny.

The outcomes from the LAA will be the responsibility of specific individuals, partnerships or statutory bodies. These will be monitored, reviewed and reported on to the LSP Executive with scrutiny of Theme/Client & Area Partnerships by the Executive and the Borough Council. It may also set up task groups.

### ***Theme/Client/Area Partnerships***

Overall it is proposed that theme partnership coverage of activity is maintained in a comprehensive way as structures evolve. It is envisaged that the seven theme partnerships will develop with the changed agenda within the principles outlined. At every stage however there will be clear responsibility for outcomes at a partnership, organisation or individual level. It is proposed that there is a clearer distinction recognized between key partnerships, which have a degree of delegation and the others, which are more advisory.

The Key Theme/Client/ Area partnerships would be able to make policy decisions within the Sustainable Community Strategy framework. There will be two-way linkages between the LSP Board/ Executive and the Theme/Client/Area partnerships and between the Theme/Client/ Area partnerships. These will include influencing the work of other partnerships their strategies and services and also commissioning or delegation of responsibilities for services and performance. They will be expected to be integrated within the LSP system of partnerships whilst retaining their responsibility for co-ordinating the specific services for which they are responsible.

The Key Theme/Client/Area partnerships will be more focused on joint commissioning of need assessments and consultation, coordination of joint integrated service provision and initiatives, consultation, more detailed risk assessment and performance management. They will tend to work through task groups, Theme/Client/ Area partnerships and providers and deliverers. In some cases special delivery vehicles will be established e.g. Hartlepool Revival. Choice will be exercised by individual clients and/or their carers when commissioning targeted and specialist services for children and adults. Universal education services will be determined by schools in consultation with children and parents.

Of equal importance the "Other Theme/Client/ Area Partnerships" will make more focused recommendations within the Sustainable Community Strategy framework on specific policies/issues back to the or subject to endorsement of the relevant key partnership or statutory body. They will recommend need assessments and consultation, coordination of joint integrated service provision and initiatives, more detailed risk assessment and performance management. They will tend to work through task groups and the rest of the Theme/Client/Area partnerships and providers and deliverers. In some cases special delivery vehicles will be recommended.

### ***Providers and Deliverers***

There are a range of providers and deliverers in the public, partnership, community and voluntary and private sectors. These will be responsible for delivering commissioned services and providing aligned services towards specific outcomes.

### ***Community Engagement***

Stakeholder and Consultative Forums and sounding boards are essential for effective consultation and engagement at all levels within the LSP and feedback. This will ensure specific and crosscutting advice on strategy, policy and service provision. The LSP Board and Executive will ensure effective coordinated consultation and engagement with the local community through a range of methods. Each element of the LSP will give explicit consideration to consultation and feedback strategy. The involvement of the Community Network and the integration of protocols and compacts are essential. This also provides an important opportunity to build upon the Neighbourhood Action Plan (NAPs) to realise increasingly better quality neighbourhood engagement within realistic expectations and to bring together the resulting neighbourhood arrangements. New arrangements need to be considered to provide greater choice for environmental/liveability/safety services, requiring the further development of neighbourhood/area governance and neighbourhood/area commissioning. A best value review is currently underway regarding the Council's contribution to strengthening communities, one of the seven Hartlepool Sustainable Community Strategy themes.

### ***The Hartlepool Partnership Support Team***

A chief officer level manager and a small team are responsible for the review, monitoring and coordination of implementation of the Sustainable Community Strategy and provide support to the LSP board. This is integrated alongside the local development framework team. Their role involves planning, co-ordinating action, performance management, programme and project appraisal and coordination, analytical capacity and communication. The capacity of this team will be reviewed.

**APPENDIX B**

**Extracts Relevant to LSPs and Governance  
In the White Paper  
Strong and Prosperous Communities  
October 2006**

**Introduction**

The White Paper “proposes a new approach to local partnership to give local authorities more opportunity to lead their area, work with other services and better meet the public’s needs. It sets out the important contribution of our cities to the economic health of our communities. We want the offer of greater power to cities and city-regions matched by stronger governance and accountability at that level.”

**Aim**

The aim of the White Paper is “to give local people and local communities more influence and power to improve their lives. It is about creating strong, prosperous communities and delivering better public services through a rebalancing of the relationship between central government, local government and local people. The relationship between local government and its partners.”

The Government are “proposing a new framework for local authorities to work with other public service providers, with new duties for them to work together to meet local needs and drive up service standards.” Local government is seen as strategic leader and “place shaper”. The White Paper states that “Communities need strategic leadership to help bring together local partners to improve the services we receive and shape the places where we live.”

**Local Strategic Partnerships**

The Government states that it “will confirm the Local Strategic Partnership as the overarching strategic partnership for an area.” and notes that “local authorities are already under a duty to prepare a Sustainable Community Strategy which sets the strategic vision for an area.” There will now be a new duty for “unitary authorities, in consultation with local partners, to prepare a delivery plan for the strategy – known as a Local Area Agreement.” It is intended that the “Local Area Agreement will set out a single set of priorities for local partners” and there will be introduced a “duty for local authorities and other local partners to work together to agree their priorities.” Delivery of local priorities “will be the responsibility of partners in key local partnerships like the Crime and Disorder Reduction Partnership, the children’s trust and the new health and well-being partnerships.” Once agreed with Government, “local partners will be required to have regard to these priorities for improvement.”

The Government intends to “simplify procedures to enable co-ordination of consultation on Sustainable Community Strategies, Local Area Agreements and Local Development Frameworks.” The White Paper recognises the “need to give local authorities and other local public services the freedom and powers to meet the needs of their communities and tackle complex cross-cutting issues”

### Overview & Scrutiny

The White Paper indicates that “at the level of the full council, we will also encourage authorities to focus overview and scrutiny on more strategic issues – the priorities agreed as part of Sustainable Community Strategies, Local Area Agreements and other key strategic plans.” A strong strategic leadership role is still proposed but the Paper emphasises that this “does not mean local authorities have to run all local partnerships or should dictate to partners what needs to be done. Leadership and authority have to be earned rather than asserted as of right. Moreover different partners are accountable in different ways.”

### Successful Partnerships

The White Paper notes that the “essential ingredients of successful partnerships are a common vision, shared values and mutual respect. Effective partnerships also need strategic leadership together with mechanisms for agreeing priorities and monitoring the impact of their work.” The Government considers that its “proposals aim to create the conditions in which partnership working is more likely to succeed.”

### Strategic Leadership, Partnership and Responsive Services

The White Paper states that the Government intends to:

- a) Reinforce the strategic leadership role of local government by:
  - placing a duty on local authorities to prepare the LAA, in consultation with others as already is the case with the Sustainable Community Strategy;
  - making clear our expectation that local authority leaders will play a leading role on LSPs – with an opportunity to agree the chair of the LSP; and
  - making clear that we expect local authority executive portfolio holders to play a key role on relevant thematic partnerships;
- b) Strengthen local partnership working by:
  - placing a duty on the local authority and named partners to co-operate with each other to agree targets in the LAA; and
  - making clear that the Sustainable Community Strategy and other local and regional plans should have regard to each other;
- c) Put partnership working at the heart of local service delivery by:
  - placing a duty on relevant named partners to have regard to relevant targets agreed between the Government and local partners in LAAs;
  - bringing more area-based funding streams into the LAAs to further improve the efficiency and delivery of outcomes;
  - removing the 4-funding block structure from LAAs (to be negotiated through 4 ‘themes’); and
  - clarifying the role of district councils;

- d) Strengthen and simplify local arrangements for delivering responsive services and involving local people by:
- streamlining procedures for involving communities in the creation of Sustainable Community Strategies, LAAs and Local Development Frameworks (LDFs);
  - improving and integrating strategic planning procedures; and
  - setting out the key principles of strategic commissioning and incentivising local authorities to focus on secure service outcomes in new and imaginative ways.

The Government intends to underpin these reforms by issuing one, new, streamlined piece of guidance on the place-shaping role, replacing existing statutory and non-statutory guidance

### **LSPs & Theme Partnerships**

In terms of local authorities working in partnership the White Paper (stresses that ***“the main vehicle for developing a vision for transforming a place and for tackling hard cross-cutting social problems is the LSP. LSPs are not statutory bodies, but they bring together the public, voluntary, community and private sectors to coordinate the contribution that each can make to improving localities. Underpinning and supporting the LSP are various thematic partnerships such as the Crime and Disorder Reduction Partnership and children’s trust, which are responsible for tackling specific agendas and delivering service improvements.”***

The White Paper notes that the Local Government Act 2000 gave “local authorities the responsibility, with their partners, to draw up a Community Strategy for their area, setting out a shared long term vision, combining economic, social and environmental objectives”; that “LAAs introduced in 2004, provide LSPs with a mechanism for setting joint targets and clarifying who is responsible for delivery;” and that “LDFs, introduced in 2004, provide the spatial expression of the Community Strategy.”

The Government considers that the proposals “will offer local authorities and their partners the tools they need to develop further strategic leadership and to tackle some of the big cross-cutting challenges we face, such as economic change, social exclusion, community cohesion and climate change.

The White Paper specifically aims to strengthen the Local Strategic Partnerships. As well as confirming the overarching role for all partners it notes that “LSPs must be responsive to the needs of local citizens and communities” and that “the democratic process provides an essential link between the views of local citizens and the ambitions and priorities set out by the LSP.” It therefore concludes that “while a local authority can neither agree nor deliver a Sustainable Community Strategy on its own, it is appropriate for it as the locally elected body to be charged with co-ordinating the work of LSP partners.” The White Paper states that the Government intends to ensure that “LSPs are accountable to local people by strengthening the involvement of elected members in both executive and scrutiny roles.” and it will “expect local authority leaders to agree the appointment of an LSP chair, and for them to be key members of the LSP.” It also

emphasises that “executive portfolio holders should equally play a key role on their appropriate thematic partnerships.” It emphasises however that this “does not mean elected members should always chair partnerships that should be left to local discretion and they should be chaired by the most appropriate person” but the Government “attach particular significance to ensuring elected members are fully involved in the LSP process.”

### **Theme Partnerships**

In terms of Theme Partnerships the White Paper also suggests that they should be strengthened recognising that “LSPs will provide the forum for setting the strategic vision for an area, for capturing that vision in the Sustainable Community Strategy, and for agreeing priorities for improvement in the LAA” but that “responsibility for implementing plans and for driving delivery of outcomes is the role of the partners and thematic partnerships such as Crime and Disorder Reduction Partnerships and children’s trusts which underpin the LSP.” It notes that many areas have a large number of thematic partnerships and suggests that “too many partnerships in one place can dilute their effectiveness and place an excessive burden on those involved.” The Government’s “expectation is that LSPs should be the overarching strategic partnership, bringing together a manageable number of key thematic partnerships to deliver the priorities agreed in the LAA and Sustainable Community Strategy.”

The White Paper indicates that the “thematic partnerships will include the well-established Crime and Disorder Reduction Partnerships and children’s trusts. We also propose to legislate for new statutory partnerships for health and well-being, under the LSP, in order to enable local authorities and Primary Care Trusts (PCTs) to achieve an integrated approach to delivering both local government and NHS priorities” and notes that the Department of Health will shortly invite views on the effective implementation of the new health partnerships.

The White Paper highlights that “thematic partnerships, like the LSP itself, benefit from the active involvement of democratically elected members and we expect local authority executive portfolio holders to play a key role on their appropriate thematic partnerships.” It notes that the Home Office is developing national standards for Crime and Disorder Reduction Partnerships that will make clear their expectation that councillors with the lead on the community safety portfolio take a key role in that partnership; that the Department for Education and Skills has required the establishment of portfolio leads for Children’s Services by 2008, providing a strong basis for a lead role for elected members within children’s trusts; and the Department of Health will consult on the proposed role of elected members on the new statutory health and well-being partnerships

### **The Community Strategy**

The White paper sets out the role of the Community Strategy as being “to set out the strategic vision for a place” providing “a vehicle for considering and deciding how to address difficult cross-cutting issues such as the economic future of an area, social exclusion and climate change...building these issues into the community’s vision in an integrated way is at the heart of creating sustainable development at the local level.” It

notes that “local authorities have the job of preparing the Sustainable Community Strategy” and that a “vital part of that is to consult local citizens, communities and the voluntary community and private sectors” and that “the Strategy should also reflect the views of other local partner agencies and the thematic partnerships.” It also emphasises that the “Sustainable Community Strategy should aim to reflect the collective vision of the LSP; other key local and regional plans such as the local policing plan and the Regional Economic Strategy; and the Local Development Framework.” It states that “these plans, in their turn, should have regard to the Sustainable Community Strategy. Our aim is for there to be complete coherence between the Sustainable Community Strategy and all the other plans for an area”

### **Local Area Agreements (LAAs)**

As part of a framework for effective and coordinated service delivery the White Paper also proposes “a new duty for the local authority and named partners to have regard to relevant targets in the LAA – as set out by the relevant Secretary of State in directions.” The named partners that will be placed under a duty to co-operate with each other to agree relevant targets in the LAA are as follows:

- \_ Upper tier or unitary authorities
- \_ District authorities
- \_ Chief Officer of Police
- \_ Police authorities
- \_ Local Probation Boards
- \_ Youth Offending Teams
- \_ Primary Care Trusts
- \_ NHS Foundation Trusts
- \_ NHS Health Trusts
- \_ The Learning and Skills Council in England
- \_ Jobcentre Plus
- \_ Health and Safety Executive
- \_ Fire and rescue authorities
- \_ Metropolitan Passenger Transport Authorities
- \_ The Highways Agency
- \_ The Environment Agency
- \_ Natural England
- \_ Regional Development Agencies
- \_ National Park Authorities
- \_ The Broads Authority
- \_ Joint Waste Disposal Authorities.

In terms of LAAs the Government sees “LAAs as being the delivery plan for the Sustainable Community Strategy focused on a relatively small number of priorities for improvement.” It is envisaged that “some of these will be agreed in negotiation with Government and will reflect national priorities” and that “others will be purely driven by the LSP and will concentrate on other more local priorities affecting local citizens and communities.” In this way it is considered that the “LAAs will then form the central delivery contract between central government and local government and its partners.” The White Paper states that “local authorities will be responsible for preparing the LAA



and the local authority and local partners will be responsible for agreeing with government the small number of priority targets for improvement that are relevant to them.” A new power of direction by the Secretary of State will where necessary be used to make clear where where responsibility lies. Multi-Area Agreements (MAAs), are also proposed to encourage greater cross-boundary collaboration in delivering outcomes.

The White paper also proposes less ring fencing and more flexibility for LAAs and notes that “experimenting with “single pots” where funding is not tied to specific blocks”... “has been positive”, and so the government will develop and provide this flexibility to all areas. It notes that “LAAs should be flexible enough to accommodate district level priorities.” On the other hand the Paper states that the Government “believe that the advantages arising from the block structure should be retained by continuing to structure LAAs according to four themes.” It is considered that “this will give a focus to central/local negotiations and provide a framework to which local thematic partnerships can relate.” It also suggests “*in addition, local partners might want to organise their Sustainable Community Strategy, their priorities for improvement in the LAA and their thematic delivery partnerships around the four themes*” i.e. .Children and Young People, Healthier Communities and Older People, Safer and Stronger Communities and Economic Development and Environment.

**EXTRACT FROM MINUTES OF HARTLEPOOL PARTNERSHIP, FRIDAY,**  
**8<sup>TH</sup> DECEMBER 2006**

**2. Hartlepool Partnership Governance Arrangements**

Peter Scott presented this report outlining proposals for the development of governance arrangements within the Hartlepool Partnership with particular focus on the structural framework of the associated theme partnerships. He established the recent context within which the proposals were being put forward including the Local Area Agreement, Scrutiny review of Partnership Working and the recent Local Government White Paper.

Cllr Ray Waller noted that during the recent consultation with older people on the future of moderate care provision in the Borough many had identified that they wanted the ability to continue in some form of learning. He felt that any changes to lifelong learning needed to safeguard the needs of older people who saw education as part of their continuing health and wellbeing. Peter Scott acknowledged the role of lifelong learning and highlighted that by absorbing it within the Culture and Leisure Partnership it would be closely aligned with the Council's Adult & Community Services Department. Nicola Bailey agreed adding that it would be up to the new Partnership to address. Cllr Ray Waller added that as funding moves to come through the new Skills Partnership it would need to ensure that the right of older people to continue to be trained and learn new skills was not lost. He feared that some training would be thought of as just leisure activity.

Cal Carruthers Watt acknowledged that general educational improvement was an area that many people developed new interest following retirement. He added that mechanisms needed to be put in place to fund and sustain these activities and that he was concerned about the loss of the concept of 'lifelong learning' if it was being split. Peter Scott responded that the concept would not be lost. Iain Wright highlighted the Older Persons Strategy Action Plan that would be discussed by the Partnership later in the meeting and noted that older people would cross cut across all partnerships.

James Atkinson noted that the area representatives were in support of the proposals but that there was a need to ensure that learning was a seamless process. He felt that the changes were a move in the right direction and that it would be useful if there was alignment between the LSP, theme partnerships, portfolios and scrutiny committees.

Edwin Jeffries outlined how the Trade Union Council (TUC) had worked for a long time to have the issue of lifelong learning taken on board. He believed that to disband with the concept of lifelong learning would be a retrograde step.

Nick James acknowledged that people had put forward valid views and that older people were increasingly in work. He noted that it was difficult to separate out the different parts of learning and that the theme partnership structure must enable the different components to work together. Leo Gillen added that many people would undertake entry level learning activity and for the partnership structure to work well they needed to be passed on to the next level of learning. Dave Waddington noted that a lot of activity around training was led by available funding, which no longer focused on entry level training courses.

Joanne Smithson highlighted that Lifelong Learning was a policy area that would still be retained within the revised Community Strategy and that the associated theme partnerships would need to work together to deliver on their joint policy area.

Iain Wright asked the Board what their thoughts were on the creation of an Executive for the Hartlepool Partnership. Cllr Ray Waller noted that with the development of double devolution there might be a need for an Executive who could ultimately take decisions on funding in the future.

Cllr Steve Wallace said that he was in favour of maintaining the larger partnership because he thought it was a reasonable size and had a good membership. He added that in spite of its size it was able to move fast as issues arose.

Keith Bayley felt that in theory an Executive was a good idea and that its specific purpose would be to make quick decisions when getting the full partnership together would prove difficult. However, he noted that the strength of having a big partnership making all the important decisions was that everyone had a stake in the process. He outlined that Government Office reviews over the past few years had not found the partnership to be wanting and therefore he would need to be convinced of the need for an Executive. Mike Gilbertson added that he thought it sounded like a good idea but that he was not clear on what the Executive's remit would be. He felt that the Board needed a clearer idea of what the remit was before a decision could be made.

Leo Gillen noted that bringing in an Executive reminded him of the City Challenge days when there was a smaller decision making body and he felt that it could work well for the Partnership.

Cal Carruthers Watt felt that having an Executive would be fine if their role was known. He did not think that the Partnership had a lot of executive power and that its strength came from its wide democratic base. He thought that the development of an Executive might make the Partnership deteriorate to quarterly meetings, which would be a bad thing.

Paul Walker responded that the intention was not to reduce the Partnership but to strengthen it and its approach. He noted that a number of funding streams would be included within the Local Area Agreement (LAA) next year and that there was a need for a mechanism through which the Partnership could co-ordinate and manage the LAA. He summarised that there would be more work for the Partnership to take forward and that there would be a need to respond quickly.

Iain Wright noted that the Partnership seemed open to the possibility of an Executive but that there was a need to be convinced on its exact remit. He asked for a paper to be brought back to the Partnership in the near future for the Board to consider the development and role of an Executive.

***The Board endorsed the report including the restructuring of a number of Theme Partnerships. It was further agreed that a paper setting out a possible role and remit of an Executive be brought to a future meeting.***

# CABINET REPORT

5 February 2007



**Report of:** Scrutiny Co-ordinating Committee

**Subject:** FORMAL RESPONSE TO THE EXECUTIVE'S  
BUDGET AND POLICY FRAMEWORK PROPOSALS  
FOR 2007/08

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## SUMMARY

### 1. PURPOSE OF REPORT

- 1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Budget and Policy Framework Proposals for 2007/08.

### 2. SUMMARY OF CONTENTS

- 2.1 The report provides an overview of Scrutiny involvement in the Authority's budget setting process for 2007/08 together with their formal response to the Executive's Budget and Policy Framework Proposals.

### 3. RELEVANCE TO CABINET

- 3.1 Cabinet are requested to consider the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's finalised proposals, prior to the consideration of the finalised proposals at the meeting of Full Council on 15 February 2007.

### 4. TYPE OF DECISION

- 4.1 Not applicable in this instance.

### 5. DECISION MAKING ROUTE

- 5.1 Cabinet meeting of 5 February 2007 to assist the Executive in the finalisation of their Budget and Policy Framework Proposals for 2007/08 to be considered by Full Council on 15 February 2007.

**6. DECISION(S) REQUIRED**

- 6.1 It is recommended that the Cabinet considers the formal response of the Scrutiny Co-ordinating Committee as outlined in Section 3 of this report.

**Report of:** Scrutiny Co-ordinating Committee

**Subject:** FORMAL RESPONSE TO THE EXECUTIVE'S  
BUDGET AND POLICY FRAMEWORK PROPOSALS  
FOR 2007/08

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## **1. PURPOSE OF THE REPORT**

- 1.1 To provide the formal response of the Scrutiny Co-ordinating Committee in relation to the Executive's Budget and Policy Framework Proposals for 2007/08.

## **2. BACKGROUND INFORMATION**

- 2.1 At a meeting of the Scrutiny Co-ordinating Committee held on 27 October 2006, consideration was given to the Executive's Initial Budget and Policy Framework Consultation Proposals for 2007/08.
- 2.2 At this meeting it was agreed that the initial consultation proposals were to be considered on a departmental basis by the appropriate Scrutiny Forum. With any comments/observations being fed back to the additional meeting of the Scrutiny Co-ordinating Committee held on 17 November 2006 to assist in the formulation of this Committee's formal response (as outlined further on within this report) to be considered during this meeting of the Cabinet.
- 2.3 Following the consideration of the Scrutiny Co-ordinating Committee's formal response during this meeting along with the finalisation of the Executive's Budget and Policy Framework Proposals for 2007/08 at their meeting on 18 December 2006, further consideration was given to the finalised proposals by the Scrutiny Co-ordinating Committee at their meeting on 19 December 2006.
- 2.4 The Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums then repeated the same process followed during the consideration of the initial budget consultation during 19 December 2006 to 18 January 2007. With collective feedback being considered at the meeting of the Scrutiny Co-ordinating Committee held on 19 January 2007 to enable a formal response to be determined and presented to this meeting of the Cabinet on 5 February 2007.
- 2.5 During the consideration of the Executive's initial and finalised Budget and Policy Framework Proposals for 2007/08, the appropriate Cabinet Members were in attendance subject to their availability.

### **3. FORMAL RESPONSE OF SCRUTINY TO THE EXECUTIVES INITIAL BUDGET AND POLICY FRAMEWORK CONSULTATION PROPOSALS FOR 2007/08**

- 3.1 Members of the Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums considered in detail the budgetary pressures and priorities, grant terminations and proposed savings as part of the Executive's Budget and Policy Framework finalised proposals for 2007/08.
- 3.2 Members were largely supportive of the identified budgetary pressures and priorities, grant terminations and proposed savings, however, a number of concerns/comments were made, as outlined below:-**
- 3.3 Adult and Community Services Department – In respect of the proposed closure of Eldon Grove Community Sports Centre, Members were keen to ensure that alternative venues for all existing users be secured in advance of the closure of the facility. In particular, Members requested that adequate time be allocated to reaching satisfactory agreements with neighbouring Primary Schools that use the facility.
- 3.4 Members discussed the proposals in respect of Homecare services and recognised the value in reducing Homecare from three geographical areas to two and in reducing the number of hours. Given that this reduction would not impact on service users Members recommended that further consideration be paid to restructuring the Homecare service to one geographical area.
- 3.5 Chief Executive's Department – That the Scrutiny Co-ordinating Committee supported the 3% identified budgetary pressures, priorities and proposed savings and acknowledged that the Cabinet were still looking at a number of issues before the proposals were to be finalised in February 2007.
- 3.6 Children's Services Department - Members of the Children's Services Scrutiny Forum were pleased to hear that their views had been taken into consideration and that Cabinet was proposing to implement only the 3% saving items previously identified.
- 3.7 In considering the budget pressures identified in relation to the Children and Disabilities SEN, Members expressed concern that the PCT continuing healthcare eligibility criteria was still being awaited. Assurances were given that this was an issue across the country and that interim arrangements were being put in place.
- 3.8 In relation to the top level priorities identified around the operation of the Local Safeguarding Children Board, Members drew attention to the possibility of partner contributions towards costs and highlighted the need for partners to be encouraged to make a commitment to Children's Services.



- 3.9 Neighbourhood Services Department - Members of the Neighbourhood Services Scrutiny Forum were pleased to hear that their views had been taken into consideration and that Cabinet was now proposing to implement only the 3% saving items previously identified, with the exception of the suggested £90,000 saving from increasing Resident Only Car Parking charges.
- 3.10 The revised strategy to achieve the 3% savings, however, still included a proposal for an increase in Resident Only car parking charges to £5. Whilst this represented a reduction in the previously proposed increase Members continued to be of the view that an increase from £1.00 to £5.00 was not a viable option. In response to this, the Mayor indicated that it was unlikely that an increase would be accepted by Cabinet.
- 3.11 In relation to the proposal for increased staff car park charges, Members were advised that current staff parking contract charges were low in comparison to the £2 per day which members of staff without designated parking spaces were paying. In the interests of fairness a significant increase was therefore proposed, subject to approval by Cabinet, and Members were keen that this should be discussed in detail with Cabinet and the Trade Unions before any action is taken.
- 3.12 Regeneration and Planning Services Department - Members of the Regeneration and Planning Services Scrutiny Forum expressed their support for the pressures and priorities and grant terminations and accepted the proposed savings as they were outlined for the Regeneration and Planning Services Department's part of the Budget and Policy Framework consultation proposals. It was argued that whilst this Department is small it is hugely important and needs to be supported, especially because of the inward investment it brings into the town. In addition, Members wished to convey their thanks to the Executive for its response to the Forum's initial comments on the Budget process.
- 3.13 Members also agreed that the one-off proposals identified by Cabinet, as outlined below, should be supported by the Forum:

Proposals to be funded from LPSA Reward Grant

- (a) Community Strategy/LAA costs £40,000
- (b) Housing needs survey £30,000
- (c) Housing Condition survey £50,000

Proposals to be funded from Capital Resources

- (d) Seaton Bus Station £150,000
- (e) Owton Lane shops £50,000

Proposals to be funded from LPSA Reward Grant

- (f) Community Strategy/LAA costs £40,000
- (g) Housing needs survey £30,000
- (h) Housing Condition survey £50,000

Proposals to be funded from Capital Resources

- (i) Seaton Bus Station £150,000
- (j) Owton Lane shops £50,000

- 3.14 It was acknowledged that proposals to be funded through the LPSA reward grant were statutory requirements and that they also provided a basis for the Council to more effectively meet the needs of the community. In particular it was recognised that the Housing Needs Survey and Housing Condition Surveys would help to provide evidence to justify supported services, new dwellings including affordable and special needs housing, refurbishment and renewal programmes and future policies and strategy.
- 3.15 Members made a couple of additional comments in relation to these proposals. Firstly, there was some concern that there will not be sufficient affordable housing in the town in the future and Members wanted to know whether the Authority had statistics on the quantity of affordable housing currently available. Members indicated their support for the housing surveys as a basis for finding out more about the housing available in the town and residents' needs and how the Council as Housing Authority can best respond to housing issues. The Forum supported the proposals for Seaton Bus Station and were also broadly supportive of the Authority seeking additional funding through the sale of land and through Heritage funding and the proposals for Owton Lane shops.

**4. RECOMMENDATION**

- 4.1 It is recommended that the Cabinet considers the formal response of the Scrutiny Co-ordinating Committee, as outlined in Section 3 of this report.

January 2007

**Contact:-** Charlotte Burnham – Scrutiny Manager  
 Chief Executive's Department – Corporate Strategy  
 Hartlepool Borough Council  
 Tel: 01429 523 087  
 Email: charlotte.burnham@hartlepool.gov.uk

**BACKGROUND PAPERS**

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

- (i) Report of the Chief Financial Officer entitled '2007/08 Budget and Policy Framework Proposals' presented to the Scrutiny Co-ordinating Committee held on 19 December 2006;

- (ii) Minutes of the Scrutiny Co-ordinating Committee held on 19 December 2006 and 19 January 2007;
- (iii) Minutes of the Children's Services Scrutiny Forum held on 8 January 2007;
- (iv) Minutes of the Neighbourhood Services Scrutiny Forum held on 10 January 2007;
- (v) Minutes of the Adult and Community Services and Health Scrutiny Forum held on 16 January 2007; and
- (vi) Minutes of the Regeneration and Planning Services Scrutiny Forum held on 18 January 2007.

## **CABINET**

**5 February 2007**



**Report of:** Adult and Community Services and Health Scrutiny Forum

**Subject:** 2007/08 BUDGET AND POLICY FRAMEWORK PROPOSALS: ADDITIONAL COMMENTS FROM THE ADULT AND COMMUNITY SERVICES AND HEALTH SCRUTINY FORUM

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### **1. PURPOSE OF REPORT**

- 1.1 To feedback the additional comments from the Adult and Community Services and Health Scrutiny Forum, to be considered in conjunction with the report at Item 8.1 on the agenda.

### **2. BACKGROUND INFORMATION**

- 2.1 Following Cabinet's determination of its finalised 2007/08 Budget and Policy Framework Proposals, Scrutiny Co-ordinating Committee at its meeting on 19 December 2006 afforded the four standing Scrutiny Fora a further opportunity to consider the finalised proposals, with collective feedback to be presented to Cabinet at its meeting today.
- 2.2 As part of that consideration, following contact from concerned members of the public, representation from ward councillors and other Forum Members, the Adult and Community Services and Health Scrutiny Forum re-examined, with the agreement of the Scrutiny Coordinating Committee, the proposed closure of Eldon Grove Community Sports Centre at its meeting on the 29 January 2007.
- 2.3 In the original feedback report enclosed at item 8.1 on the agenda, members of the Forum accepted the proposed closure with the proviso that alternative venues for all existing users be secured in advance of the

closure of the facility. More specifically, Members requested that adequate time be allocated to reaching satisfactory agreements with neighbouring Primary Schools that use the facility. However, subsequently Members of the Forum, and Ward Councillors were contacted by Members of the Public and pursued the matter in more detail. This issue was considered once again by Members of the Forum at their meeting on the 29 January 2007 and key points emerging from the discussion are noted below.

- 2.4 During the re-consideration of the Executive's finalised Budget and Policy Framework Proposals for 2007/08, the Cabinet Member was in attendance, not for the purposes of discussing Eldon Grove, but opted to speak on the issue. The Cabinet Members comments are outlined at section 3.3 of this report.

### **3. ELDON GROVE COMMUNITY SPORTS CENTRE – VIEWS EXPRESSED BY ELECTED MEMBERS.**

- 3.1 A Member of the Adult and Community Services and Health Scrutiny Forum (and councillor for the relevant ward) had undertaken research into the proposed closure of Eldon Grove Community Sports Centre. The Member presented the Forum with evidence in support of the continued operation of the Centre at the Forums meeting which is outlined below:-
- (a) Consultation around the closure of the Centre is considered to have been inadequate, demonstrated by the number of Service Users (including the Eldon Grove school head) that claim to have known nothing about the impending closure. The Member further argued that the situation became increasingly clouded for Service Users when the Elected Mayor responded to a resident's letter on the 8 September 2006 stating that 'there have been no decisions made as yet with the future of Eldon Grove Sports Centre.' This is in contrast to a later response (also by the Elected Mayor) to a Council question on 26 October 2006 that stated 'the closure of Eldon Grove Community Sports Centre was included in the 2006/07 Budget and Policy Framework Report approved by the Council as one of a wide ranging series of budget savings and efficiencies.'
  - (b) The Eldon Grove Community Sports Centre is a well used establishment with attendance figures rising each year. Over the course of five years, from 2001/02 to 2005/06 attendance had risen by approximately 20,000 attendees.

- (c) The Council has spent significant sums (approximately £60,000) on renovations including the window frames, sills, exterior decorating, car park improvements and fencing.
  - (d) Reference was also made to the 'Leisure Facilities Strategy' within which Members considered the Eldon Grove Centre should be encompassed, prior to any decision about its future.
  - (e) Finally, it was suggested that the closure would cause significant problems for Eldon Grove Primary School following consideration of a report compiled by the Assistant Director of Children's Services which outlined the potential effects of closure on the school.
- 3.2 Following the presentation of evidence by the Ward Councillor, Members of the Forum expressed strong support for the case he had advanced and for the continued operation of Eldon Grove Community Sports Centre.
- 3.3 Members commented that Community Sports Centres like Eldon Grove are valuable resources that need to be retained for the benefit of the community. However, Members also recognised the Portfolio Holder's argument about the impact of retaining such community facilities within the context of the overall budget setting process and the setting of Council Tax levels

#### **4. ELDON GROVE COMMUNITY SPORTS CENTRE – VIEWS EXPRESSED BY MEMBERS OF THE PUBLIC**

- 4.1 Approximately 25 Members of the Public attended the Forums meeting on 29 January 2007 to discuss the proposed closure of Eldon Grove Community Sports Centre. Members of the public emphasised that Eldon Grove provided a valuable service to a number of residents of Hartlepool, including the elderly and sport ability.

#### **5. RECOMMENDATION**

- 5.1 That Cabinet defer the proposed closure of Eldon Grove Community Sports Centre for a minimum of six months from 1 April 2007 to allow for:
- (a) a full public consultation process;
  - (b) a complete review of the case for closure:
  - (c) an examination of options for its retention (including changes to the structure of revenue support; and

- (d) consideration of its review by this Scrutiny Forum before any decision be made on the Centre's future.
- 5.2 In the meantime, the Centre should continue to operate as previously and its fabric and contents should continue to be properly maintained.

**COUNCILLOR GERALD WISTOW  
CHAIR OF THE ADULT AND COMMUNITY SERVICES AND HEALTH  
SCRUTINY FORUM**

February 2007

Contact Officer:- Sajda Banaras – Scrutiny Support Officer  
Chief Executive's Department - Corporate Strategy  
Hartlepool Borough Council  
Tel: 01429 523 647  
Email: [sajda.banaras@hartlepool.gov.uk](mailto:sajda.banaras@hartlepool.gov.uk)

**BACKGROUND PAPERS**

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

- (i) Minutes of the Adult and Community Services and Health Scrutiny Forum held on 16 January 2007 and 29 January 2007, and,
- (ii) Report of Scrutiny Manager / Chairs of Overview and Scrutiny Committees entitled '2007/08 Budget and Policy Framework Proposals: Feedback from the Overview and Scrutiny Committees' presented to the Scrutiny Co-ordinating Committee held on 19 January 2006.
- (iii) Report of the Assistant Director of Children's Services in relation to the negative impact of closing Eldon Grove Community Sports Centre upon Eldon Grove Primary School considered by the Adult and Community Services and Health Scrutiny Forum held on 29 January 2007.