

Cabinet

A meeting of Cabinet was held on Thursday, 16th July, 2015.

Present: Cllr Robert Cook (Chair); Cllr Jim Beall, Cllr Mrs Ann McCoy, Cllr Steve Nelson, Cllr David Rose and Cllr Norma Wilburn.

Officers: N Schneider (CE), J Danks, B Brown, L King, G Cummings, T Montague(R); P Dobson, R McGuckin, J Nixon, R Kench, P Diggins (DNS); J Humphreys, D McConnell, S McLurg (CESC); P Kelly (PH) M Waggott, P K Bell (LD).

Also in attendance: Members of the public.

Apologies: Cllr Michael Smith

CAB 12/15 **Declarations of Interest**

Councillor Mrs Wilburn declared a personal non prejudicial interest in respect of agenda item 5 - Children and Young People with Special Educational Needs and Disabilities (SEND) – Special Educational Needs Reform – Update as her grandson had special needs.

Councillor Nelson declared a personal non prejudicial interest in respect of agenda item 5 - Children and Young People with Special Educational Needs and Disabilities (SEND) – Special Educational Needs Reform – Update as he was a governor at Frederick Nattrass Primary.

Councillor Mrs McCoy declared a personal, prejudicial interest in respect of agenda item 9 – Welfare Reform Update – Q4 2014-15 as she was a board member of SDAIS. Councillor Mrs McCoy withdrew from the meeting and left the room during consideration of the item.

Councillor Mrs Wilburn declared a personal non prejudicial interest in respect of agenda item 14 - Medium Term Financial Plan – Update as she was a member of Tees Active Management Board.

CAB 13/15 **Minutes**

Consideration was given to the minutes of the meeting held on 25th June 2015.

RESOLVED that the minutes of the meeting held on 25th June 2015 were confirmed and signed as a correct record.

CAB 14/15 **LA Nominations for Cabinet on 16 July 2015**

Consideration was given to a report on Local Authority Representatives on School Governing Bodies.

In accordance with the procedure for the appointment of school / academy governors, approved as Minute CAB 27/13 of the Cabinet (13 June 2013), Members were invited to consider the nominations to school / academy Governing Bodies listed in the appendix to the report.

RESOLVED that the following appointments be made to the vacant Governorships in line with agreed procedures subject to successful List 99 check and Personal Disclosure:-

Junction Farm Primary School - Mrs L Lewis (LD)
Myton Park Primary School - Councillor Gillian Corr (IBIS)
St. Patrick's RC Primary School - Anthony Conlin (School nomination)
Whinstone Primary School - Neil McCabe (IBIS)

CAB 15/15 Children and Young People with Special Education Needs and Disabilities (SEND) - Special Education Needs Reform Update

Consideration was given to a report on Children and Young People with Special Educational Needs and Disabilities (SEND) – Special Educational Needs Reform – Update.

The Children and Families Act received Royal Assent in March 2014. Part 3 of the Act introduced significant changes to the system for children and young people with special educational needs and disabilities (SEND). The changes were introduced from 1st September 2014 and were generally referred to as 'SEN reform'. A report on the reform was presented to Cabinet on 4th September 2014. This report updated on the implementation of the changes in the reform since September 2014, the position, and the next steps to be taken.

The key areas of change were:-

- There was one category of special educational need for children and young people in education settings who did not have an Education Health and Care (EHC) plan – this was known as SEN Support.
- Education, Health and Care Plans (EHC plans) had replaced statements of special educational needs and Learning Difficulty Assessments (LDAs) for children and young people aged 0-25. There would be an option of a personal budget for children and young people with an EHC Plan.
- The Local Authority had published and continued to develop a Local Offer setting out information about services available for children and young people with special educational needs and disabilities.
- Local Authorities and Clinical Commissioning Groups (CCGs) must make joint commissioning arrangements for education, health and care provision for children and young people with special educational needs or disabilities (SEND).
- The Government was developing an accountability framework for special educational needs and disability which would include an inspection by OFSTED and the Care Quality Commission (CQC).

An implementation team was in place to take forward the operational implementation of the reform and reports to Service Group Management Team. Reports on progress were also taken to Children and Young People's Health

and Well-being Commissioning Group and Children and Young People's Partnership.

The following were the next steps for the implementation of the reform:-

- Ongoing implementation of the 20 week EHC process and review and monitoring of this. This would include the process for annual reviews in the new system.
- Review of the transition plan and the continued delivery of the plan.
- Further development of the Local Offer, collection and analysis of feedback on the Offer and the publication of feedback on the Offer.
- Development of internal performance management systems, data collection and analysis in line with local and national requirements, and informing preparation for inspection. This would include quality assurance of EHC plans.
- Scoping work on the four possible areas for joint commissioning.
- Further development and implementation of arrangements for those in youth custody.
- Further development of Information, Advice and Support Services.
- Development of preparing for adulthood approaches including use of the SEND preparation for employment grant.
- Maintaining and developing stakeholder engagement.
- Continued workforce development, including specific training for social care and health.

RESOLVED that:-

1. The progress made in the implementation of the SEN reform legislation be noted.
2. The planned next steps for work on the reform be noted.

**CAB
16/15**

Children's Social Care Activity and Performance

Consideration was given to a report on Children's Social Care Activity and Performance.

In light of the Ofsted inspection of child protection in January 2013, it had been decided to review the content and format of future children's social care reports to Cabinet.

In addition to a range of measures to illustrate the pressures experienced by the service, a number of performance indicators would also be included so that Cabinet could more closely monitor the impact of these pressures on performance and outcomes for children.

As a way of achieving this, the use of a 'process model' was approved by Cabinet on 13 June 2013.

The report was based on the available data at the end of quarter 4 (31 March 2015).

RESOLVED that:-

1. The continued workload pressures and associated activity in the children's social care system and the consequent impact this is having on both performance and budget be noted.
2. Further update reports on a quarterly basis be received in order to continue to monitor children's social care activity and performance.

**CAB
17/15** **School Term and Holiday Dates - 2016/2017**

Consideration was given to a report on a proposed calendar of school term and holiday dates for the 2016/2017 academic year.

School employers were required to set the term dates of their school year. Employers were:-

- The Local Authority in community, voluntary controlled and community special schools and maintained nursery schools
- The Governing Body in foundation and voluntary aided school
- The academy trust in academies and free schools

In line with statutory requirements and the protocol agreed in 2008, consideration had been given to compile a set of term and holiday dates for schools in the Borough.

Officers consulted with colleagues from all neighbouring authorities to endeavour to reach consensus on a proposed model for the academic year.

Attached to the report were 2 options for the proposed dates for 2016/2017 option 1.

The only variance between to two options related to February 2017 half term. In option 1 this was shown as 20th to 24th February 2017 and in option 2 this was 13th to 17th February 2017.

As part of the consultation process these documents were duly circulated to schools and all other relevant parties, including unions and associations.

Twenty comments were received from schools and academies and were attached to the report.

To date a majority of neighbouring authorities had either been recommended or

approved proposed 2016/2017 term dates.

RESOLVED that the school term and holiday dates 2016/2017 Option 2 be agreed.

**CAB
18/15** **Covenant of Mayors - European Carbon Reduction Project**

Consideration was given to a report on Covenant of Mayors - European Carbon Reduction Project.

The report presented the rationale for formally withdrawing from the EU Covenant of Mayors initiative (CoM). It was established in 2008 as a voluntary commitment for local and regional authorities across Europe to publicly demonstrate actions to exceed the European Union objective of a region wide 20% Carbon Dioxide (CO₂) reduction by 2020. By submitting a Sustainable Energy Action Plan (SEAP) and thereafter bi-ennial monitoring reports, it was publicised as an opportunity for technical support and assistance in carbon reduction, favourable access to external funding and European Investment Bank (EIB) support to unlock investment potential for actions.

Despite a number of shared concerns, all North East local authorities, encouraged by ANEC, became signatories in 2009 and the Council submitted the SEAP in February 2010, to deliver a greenhouse gas emissions reduction of 21% by 2020 on a 2005 baseline. Without significant financial support the plan was undeliverable and it was anticipated that investment would be forthcoming via ANEC and the CoM.

However in the intervening 6 years the Council had yet to receive any communication from the CoM on the original submission, the Council had never been requested to submit a monitoring report, the supporting structures no longer exist, and none of the anticipated financial support, grant funding and other financial streams had materialised.

In discussion with neighbouring authorities, there was a shared willingness to withdraw from the initiative. Irrespective of the CoM, the Council had performed extremely well in the last 5 years. Against the original 2005 benchmark, the Council had achieved a 32.5% reduction in CO₂ against the 2005 baseline, thereby exceeding our original target.

Not being a formal signatory of the Covenant of Mayors programme would reduce the bureaucratic burden and reduce the risk of significant administration should they request updated reports, while the Council had exceeded the original targets and in 2015/16 would see the development of the new long term, comprehensive Climate Change Strategy to see continuous improvement in the Council carbon reduction performance.

RESOLVED that:-

1. The positive performance in recent years with a 32.5% reduction in greenhouse gas emissions in the Borough between 2005 and 2013, and the recent support for the LGA's Climate Local Initiative be noted.

2. The challenges faced by local authorities since the voluntary Covenant of Mayors was established be noted.
3. The formal withdrawal from the initiative be supported.

**CAB
19/15** **Welfare Reform Update**

Consideration was given to a report on Welfare Reform Update - Quarter 4 2014/15.

The report presented an update on monitoring of the outcomes / impact of Welfare Reform, a summary of actions undertaken to mitigate against circumstances arising from the implementation of the Welfare Reform Act and details of the plans to further develop a Family Poverty Strategy. The report also advised Members of the outcome of a review of Advice and Information Services (Stockton Advice and Information Services and the Welfare Rights Team).

To support the ILG research work, the basket of monitoring indicators was attached to the report that they had developed had been entirely included within the refreshed monitoring framework with each of those measures clearly labelled.

Measures used to track impact were attached to the report. The revised monitoring framework was set out under the following issues:-

- Advice and Information Services;
- Discretionary Housing Payments;
- Social Fund/Crisis Payments;
- Housing;
- Local Council Tax Support Scheme;
- Employment; and
- General / cross cutting.

As part of the review of customer perceptions the satisfaction levels of customers using SDAIS and WRU had been looked at as well as carrying out a Members' survey, details of which were attached to the report.

RESOLVED that:-

1. The contents of the report be noted.
2. The performance monitoring outcomes and observations provided be noted.
3. It be noted that the Family Poverty Strategy is being further developed and will be presented to Cabinet for approval later in 2015.
4. The recommendations be noted from a review of Advice and Information Services contained within the report; which are to:-
 - a. Award funding of £45,394 from the Welfare Reform Resource budget to

allow the Stockton Welfare Advice Network (SWAN) project to continue for a further year;

b. Award a direct contract to SDAIS under Section 5 of the Contract Procedure Rules Exception due to the specialist nature of the service;

c. Savings have been built into the Medium Term Financial Plan in relation to advice and information services. It is not proposed to realise these savings within the next two years and to call on funding from the one-off Welfare Reform Resource budget. Additionally it is proposed that a further £70,000 is awarded to fund the additional capacity in Welfare Rights and SDAIS until end March 2017; and

d. Move the Welfare Rights Team from Children, Education and Social Care into the Housing and Community Protection Division within Development and Neighbourhood Services.

**CAB
20/15**

Performance Outturn Report - Year End 2014/15

Consideration was given to a report on Performance Outturn Report - Year End 2014/15.

The report provided details of the Council's performance in 2014/15, highlighting key achievements, areas for improvement and proposed actions. It also included information relating to Freedom of Information requests and complaints and commendations. Whilst it aimed to give a perspective on the overall performance of the Council, its primary focus was on the achievement of the basket of measures and associated targets agreed as part of the Council Plan 2014-17.

Council Plan performance was reported by theme against a basket of performance indicators agreed as part of the Council Plan 2014-17. At year end, 60.7% of the indicators had achieved the targets set. This figure related to the indicators for which year-end data was available. There were 11 of the measures where data was not yet available (these were indicated in the thematic summaries). This compared to 66.7% last year. Once the full data set was available this overall performance figure could change. Performance within each theme was within the report. This included areas of good performance, together with key achievements, and details of those areas where there had been slippage against targets along with proposed actions to improve performance and / or an explanation. A number of these areas were also the subject of regular reports to Cabinet, current scrutiny reviews or incorporated into big ticket reviews.

It was noted that the levels of performance had been achieved within a context of ambitious targets being set in order to help drive our aspirations for the borough and its people. During the period of this plan the authority had continued to see a significant reduction in both financial and staffing resources.

There were a wide range of achievements and progress against the key Council Plan themes that were not captured within the basket of key performance indicators but were reported throughout the year in various reports to Cabinet,

captured through press releases, Stockton News articles and various accolades awarded to the Council throughout the year. Further detail of this activity was included in thematic summary reports attached to the report.

The Leader of the Council wished it to be recorded that the thanks of Cabinet should be passed on to Council staff for the good level of performance that had been achieved despite the austerity measures that had taken place within the Council.

RESOLVED that:-

1. The levels of performance and proposed actions be noted.
2. Consideration be given in the development of the Council Plan 2016-19, to the performance and target issues raised through the report.

**CAB
21/15** **Xentrall Annual Report**

Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008 and was seven years through the original ten year partnership agreement. The original business case identified a number of efficiencies and benefits to be delivered resulting in initial savings of £7.4m over the original ten year period. It had delivered all of these plus additional efficiencies and benefits and was on target to make £13.6m savings over the same ten year period.

Xentrall's vision was to:-

- a. continue to improve our services
- b. create value for Stockton and Darlington
- c. tactically grow the business

The aim of this vision was to continue to identify efficiency savings in Xentrall and the two Councils; ensure that systems and business processes were securely and effectively utilised; and deliver additional income wherever possible.

In recognition of the ongoing success of the partnership the Stockton and Darlington Cabinets approved, in March and April 2015 respectively, a revision to the original ten year partnership agreement. This revision made the partnership a rolling agreement with no defined end date. This change allowed the partnership to operate as a going concern and provided stability for the services and staff.

RESOLVED that the success of the partnership in identifying efficiencies leading to £13.6m of savings over the 10 years of the partnership thereby contributing to the protection of front line services be noted.

**CAB
22/15** **Minutes of Various Bodies**

Consideration was given to a report on the minutes of various bodies.

RESOLVED that the minutes of the meeting be received:-

Safer Stockton Partnership – 5th May 2015

**CAB
23/15** **MTFP Outturn March 2015**

Consideration was given to a report on Medium Term Financial Plan – March 2015.

The report focused on the financial performance and position at the end of the 2014/15 financial year and updated the Medium Term Financial Plan as at 31 March 2015.

The details of the MTFP position of each service was outlined within the report. Officers had continued to be mindful of the financial pressures and had been continuing to monitor expenditure closely in all areas.

Members noted that the overall position for CESC (Non Big Ticket) had improved by £512,000 since the last report. A total of £319,000 was saved in the Education, Early Years and Complex Needs Service, largely through delays in filling vacant posts in advance of the major review of this service that was implemented in April 2015. Vacant posts and additional income from Health led to a saving of £55,000 in Adult Operations, with additional income also contributing to a saving of £67,000 for the Adult Strategy Service.

The position for DANS (Non Big Ticket) at the financial year end had improved overall by £139,000 due to a combination of variances against budget.

The position for Resources and Law and Democracy were broadly in line with the previous projection.

Following an earlier service review, responsibility for Environmental Health and Trading Standards Services had transferred to the Director of Public Health. A managed surplus of £145,000 had been generated in 2014/15, largely due to staff vacancies.

The Medium Term Financial Plan in 2013 agreed the strategy that the Big Ticket Reviews would aim to stem the future financial pressures in the areas of Adult Social Care, Children's Social Care and Energy and Waste through reducing costs where possible and by stemming growth through examining alternative means of delivery.

A summary of the outturn position for each Big Ticket area was detailed within the report.

The report to Members in February 2015 estimated that £236,000 would be required to be retained to fund additional growth in 2014/15, meaning that a sum of £844,000 was expected to be carried forward for use in supporting the 2015/16 Budget. The actual call on the provision at the financial year end was £290,000 meaning that a sum of £790,000 would be carried forward, a

reduction of £54,000, which would represent a call on balances.

At the time that the 2015/16 budget was set it was expected that a sum of £1,675,000 would be required to replenish balances to the 3% level in respect of resources allocated to fund urgent works to Newport Bridge. The position at outturn had improved by £453,000 largely due to payments received with respect to backdated Landfill Allowance Trading Scheme (LATS) income. After taking account of the additional call on balances of £54,000 highlighted above, a sum of £399,000 was available in one-off resources.

As reported to Members previously, the impact of appeals against the Valuation List presents a significant area of financial volatility and risk to the Council. This could be clearly demonstrated by the fact that 340 appeals were lodged with the Valuation Office Agency (VOA) in the final quarter of 2014/15, with 300 in March alone. This March figure represented a more than ten-fold increase compared with averages in previous months. This substantial increase in appeals is a cause for concern, particularly as the Council needs to assess the likelihood of success of those appeals and to make a provision in the NNDR Collection Fund to cover the potential losses. In many cases the potential backdated losses go back as far as 2010 and in some cases to 2005.

An increase in the appeals provision had been actioned, using intelligence from a specialist NNDR software provider. The impact was that the NNDR Collection Fund would be in deficit by £3.67m at 31st March 2015. Stockton's share of this deficit amounts to £1.799m.

An appeal by Virgin Media had been lodged with the Valuation Office Agency (VOA), with the appellant's intention that it ultimately be moved to the central rating list. This was potentially a very significant issue for the Local Authority as the backdated elements could amount to a loss in Rateable Value (RV) of £4.5m up to 31 March 2015, an impact of £2.3m for SBC. The ongoing impact to SBC would be a loss in income annually of £0.450m.

This issue was of national significance as over 60 local authorities were potentially affected.

The Council had taken opportunities to raise this issue with the Valuation Office Agency, MP's, DCLG and in response to a recent consultation exercise suggested that the system was broken and in need of reform.

A small additional surplus amounting to £80,000 arose on the Council Tax Collection Fund. The share attributable to SBC was £67,000.

The Capital budget for 2012/18 was shown at attached to the report and summarised within the report.

Members noted that the programme had been updated to reflect the approvals within the 2015/16 Budget Report and to reflect changes to the programme resulting from the sourcing of external funding. The changes were attached to the report.

The Programme had also been updated to reflect schemes which had completed in 2014/15 and these changes were attached to the report.

RESOLVED that:-

1. The Medium Term Financial Plan (MTFP) and the current level of General Fund balances be noted.
2. The revised Capital Programme attached at Appendix A be noted.
3. The position regarding the Business Rates (NNDR) and Council Tax Collection Funds and the position on Business Rates appeals be noted.

**CAB
24/15** **Medium Term Financial Plan Update**

Consideration was given to a report that provided an update of the Medium Term Financial Plan (MTFP) and proposed the Big Picture programme to be delivered over the next 3 years to address the financial pressures facing the Council.

The Council had seen a significant reduction in Level of Government funding in recent years. Between 2010/11 and 2015/16, there had been a reduction of £52m which was a 42% cash reduction or 59% when inflation was taken into account. This meant that the Council's budget overall had reduced by 30% and as a consequence staffing numbers had reduced by approximately 700.

Councils had not been notified of the funding allocations for 2016/17 and future years. There had been various announcements confirming public sector funding reductions but the impact on Local Government specifically had not been identified. Despite there being a budget in July, further detail of funding was unlikely until the autumn. Every indication was that funding reductions would continue and the current Medium Term Financial Plan (MTFP) assumed reductions of 9% in each of the next 3 years. This equated to an additional £15m reduction. It was possible however, that reductions were higher than this or were more front loaded, placing an additional pressure on the MTFP.

The Government announced a series of in year budget funding reductions in June. Although core Local Government funding was not reduced, the public health grant was reduced, in year by £200m nationally. Consultation was underway on how this would be implemented and it was estimated that the funding allocated to Stockton would reduce by approximately £1m. This could be accommodated through contingency and underspends in this year but it was possible that this reduction would continue into future years.

This approach had enabled a managed and planned approach to delivering savings. The Council had already delivered savings of over £34m. This had been achieved through:-

- Freezing budgets and changes to employee terms and conditions
- A programme of Efficiency, Improvement and Transformation Reviews, covering all service areas
- Members scrutiny reviews

- Innovative changes to delivery models (e.g. Xentrall)
- Reductions to Members Allowances including fewer Cabinet, Chair and Vice Chair positions, reducing special responsibility allowances and freezing all allowances since 2013/14
- Use of reserves to allow invest to save schemes such as the Street Lighting replacement programme
- A focus on 'Big Ticket' areas of spend to stem growth and deliver savings

The MTFP approved by Council in February 2015 outlined the budget position for 2016/17 to 2018/19 and a table detailed this within the report.

The table demonstrated the core gap and the Growth pressure within the Big Ticket Areas and associated target savings. The report in February also made available £6.1 million in reserves to support the budget gap and allow time for savings to be delivered.

The MTFP had been updated, in particular to reflect changing circumstances and the position surrounding Business Rates. Members were aware from previous reports of the complex nature of the Business Rates Retention Scheme and the added uncertainty this causes to medium term financial planning.

The plan had also been updated to assume that the public health funding reduction of approx. £1m per year would continue into future years.

The Big Ticket position had also been incorporated into the plan. Members were aware from the report in February of the challenges around the Children's Big Ticket area. These challenges continued and whilst some work was ongoing, the appointment to the Head of Planning, Partnerships and Early Help, post would ensure progress was made in exploring opportunities to reduce pressures further. The MTFP and target saving in this area reflected the numbers of looked after children and the time it would take to start effecting changes to reduce spend.

Following implementation of the Better Care Fund and the development of proposals for integrated working, a number of social care services had been re-designated to form a multi-disciplinary team and this was reflected in the updated MTFP.

The updated Medium Term Financial Plan and the position incorporating the Big Ticket savings targets was detailed within the report.

Cabinet and Council had always been clear that there would need to be further budget reductions. Unfortunately, the impact of Business Rate appeals meant that the savings needed to be delivered earlier and to tighter timescales than had previously been anticipated. Even utilising the £6.1m reserve there was an expected gap of £3.6m in 2016/17.

Despite the levels of funding reductions, the Council had continued to deliver

high quality services to all parts of the Borough across a wide range of areas and had tried to protect front line services. Given the continued funding reductions however this becomes harder and harder and a significant programme needed to be developed across the organisation to address the budget gap. This would be the Big Picture programme.

The proposed approach by Cabinet to addressing the budget gap was two-fold. Firstly, there were a series of specific proposals which Cabinet would recommend be implemented. These were shown in detail as attached to the report. Whilst the reductions would clearly have an impact, they were mainly back office or savings where there was minimal impact on front line service delivery. These would deliver £3.5m by 2018/19. These included:-

- A review of senior management to reflect different ways of working across the organisation and its inevitable 'shrinkage'.
- Proposes further reduction in processing, organisational support and administration.
- Proposes reviews in a number of areas further utilising technology to improve service efficiency.
- Budget savings and income generated which will have minimal impact on front line services.

The Council had for many years continued to develop services and look at ways of delivering efficiencies. Attached to the report outlined areas where it was proposed to explore opportunities for using technology and process review methodologies to deliver service transformation and further efficiencies. Savings were estimated and whilst Cabinet were recommending that these reviews were undertaken, details of the actual savings delivered would be reported back to Cabinet at a future date. The Council had for many years applied process review methodologies. Building on this strength, the Council would explore opportunities to work with experienced private and public sector partners in a peer challenge – type initiative to support the delivery of this aspect of the programme. These reviews were expected to deliver £2m by 2018/19.

Given the level of savings required, the Council couldn't continue to provide all of the services at the same level, in the same way and to the same standards. Even with the savings and efficiencies outlined, there was an estimated gap of approximately £6.9m and this would require changes in the level of front line services. It was inevitable that the Council would need to provide a differential level of service with fewer universal services and more services targeted to areas of most need. In some areas there would be a reduction in service standards.

The details of the front line services which would be subject to a detailed review were attached to the report. These reviews would include appropriate consultation and impact assessments and would be reported back to Cabinet prior to implementation. Youth services, Children Centres and waste / refuse collection would be wide-ranging and would be reported in to/undertaken by Scrutiny Committees. Overall they would aim to deliver the £6.9m required to balance the budget and they would need to consider:-

- Statutory responsibilities
- The service specifications, levels and standards
- Targeting the services to the areas or people in most need
- The requirement for differential service levels (e.g. this principal has already been agreed by Cabinet for the library service)

The updated Medium Term Financial Plan, incorporating these changes and savings proposals was detailed within the report.

Clearly given the budget position and level of savings required, there needed to be an extremely cautious approach to any new commitments.

Work on delivering these savings proposals would be supported by a communications campaign called “The Big Picture” campaign through which information would be provided about how the Council spends money in the borough as well as updates about the financial position and how the Council were responding to the huge challenge of tackling a £17 million shortfall in the budget by 2018/19. The campaign would include information about the services provided and the challenges that were faced to meet the many competing demands. It would be a highly visible campaign, featuring prominently in Stockton News on the Council website, in public buildings and on Council vehicles. The information would also be provided to all Members and staff to assist them in their communication with residents. The aim was to help partners and residents to understand that:-

- The Council provides a huge range of services and many of those that cost a lot of money (such as social care) were not visible to many people in the borough.
- The Council still has big ambitions and want to make sure Stockton-on-Tees remains a thriving borough for everyone.
- Over the next few years the Council would face the biggest financial challenge yet – to reduce the budget by £17 million by 2018. There would be some really tough decisions to make, there were many demands on the budget and the Council won't be able to meet them all. This was at a time when demands for many of the services were increasing.
- The Council had a strong track record of sound financial management. The Council would continue to tackle this challenge in a planned, orderly and careful way. The Council would continue to deliver genuine value for money, to be innovative, to change the way the Council works and to rethink the way services were delivered to make the Council even more efficient and most importantly,
- The Council would continue to put the residents at the heart of everything it does and to make sure that the money it has can make the biggest difference to the people that need it the most.

There was a significant workload involved in delivering the programme outlined in the report. There was also a significant work programme around the Big Ticket areas and a number of high profile, complex and large scale regeneration projects such as, development of the Combined Authority, leisure facility in

Ingleby Barwick, major housing initiatives such as the Victoria Scheme, etc. which need to be delivered in the same timescales.

Many of the reviews were large scale and complex and would result in new ways of working and as well as identifying capacity in the organisation, leadership and drive would be critical to ensuring the programme was delivered. This was a three to four year service and organisational redesign programme. This would also include fundamentally different ways of working and it was inevitable that the organisation would be smaller. It was difficult to predict exact numbers at this stage but this could be a reduction in employees of the order of 300-400 and would look very different following these changes. The Council would continue to operate the effective management of change and consultation policies and to engender constructive relations with the Trade Unions.

It was also important that the Council would continue to deliver services whilst these changes were taking place.

The Council had previously recognised that dedicated capacity did result in enabling change to be implemented and the approach to the Adult Big Ticket programme was an example of this approach.

Cabinet agreed the Shaping the Brighter Future Programme to recognise the need to develop the organisation in advance of these challenges and this was progressing well. Many of the principles of the programme could be used to support the agenda moving forward.

The savings proposals included a saving of £750,000 associated with Senior Management of the organisation to reflect the changes planned, future size and state of the Council. A review of Senior Management would be undertaken and reported to Cabinet in September outlining how these savings would be delivered. It was anticipated that there would be a phased reduction in numbers ensuring capacity was retained, knowledge and expertise to deliver this huge programme and a de-layering of the organisation.

It was vital however that this was done in a planned and managed way and that Senior Management capacity was retained to deliver the change programme. The review would therefore consider:-

- The long term permanent senior management structure
- Transition arrangements to enable this to happen in a planned and managed way
- The establishment of a change and transformation team covering three to four years, with clarity around roles for driving the change programme and provision of day to day service delivery.

This would also be consistent with the Shaping a Brighter Future Programme outlining clarity around succession planning at a senior level in the organisation.

RESOLVED that:-

1. Members allowance will be frozen for another year.
2. £300,000 be approved from the Transformation Reserve to fund the investment to save opportunity with Tees Active Limited.
3. Changes in Senior Management be agreed in principle and a further report be received outlining the proposals in September 2015.

RECOMMENDED to Council at 16th September 2015 that:-

4. **The level of funding reductions be noted and the savings identified at Appendix A be approved.**
5. **The reviews of Services outlined at Appendix B be undertaken.**
6. **The concerns about the operation of the Business Rate Retention Scheme be noted and the Council continues to press for a fairer, more appropriate funding regime.**

**CAB
25/15**

ECO External Wall Insulation Scheme Update

Consideration was given to a report on ECO External Wall Insulation Scheme Update.

In July 2014 Cabinet approved further resources to complete the final phases of the ECO programme to complete 866 further properties. In Stockton on Tees, the Council had delivered large scale investments and delivered significant outcomes in recent years under the governments Community Energy Savings Programme (CESP) and Energy Company Obligation (ECO) scheme, by working effectively in partnership with energy suppliers, partners and householders on a street by street basis. 2505 households were improved with External Wall Insulation (EWI) and significant contributions to reducing fuel poverty were made from 2012 - 2014. Unfortunately, in 2013/14 the scaling back by the government of the national ECO programme left our scheme to complete a further 866 households facing financial challenges, and to date the Council had completed 660 of those targeted properties in 2014/15

The programme of EWI installations under ECO was due to conclude in July 2015 and at present would result in £100k of capital money returning to SBC at the end of July 2015, however this would result in 88 properties on Castlereagh Road and Newtown Avenue not receiving the expected EWI works. This would be disappointing both for the householders anticipating measures to reduce their fuel bills and improve their energy efficiency, and for SBC in terms of our overall efforts to reduce fuel poverty levels across the Borough.

To complete the additional 88 properties would cost £250,000, after taking account of the money returned, would require an additional £150k of Council resources to be invested. This would complete a very successful scheme of 3253 households improved with EWI and 4776 households receiving energy efficiency measures overall, bringing to a close the current ECO delivery in Stockton-on-Tees, and was the most practicable solution in the financial circumstances.

The work undertaken under CESP and ECO had been a huge success delivering significant outcomes, particularly for health, warmth and financial in large numbers of properties and across several deprived LSOAs and wards. After the 88 properties were concluded additional properties would move away from LSOA areas.

RESOLVED that:-

1. The significant performance be noted in delivering large scale energy efficiency measures under CESP and ECO on a 'whole street' approach with 3253 External Wall Insulations complete in the last 3 years.
2. The challenges faced by SBC and all local authorities since the ECO scheme was scaled back nationally be noted.
3. A final 88 properties on Castlereagh Road and Newtown Avenue to conclude the ECO scheme be agreed, subject to approval of funding by Council.
4. A survey be carried out on the residents that had benefitted from the ECO Scheme to gauge the health and wellbeing effects of the works.
5. The results of the survey be used to lobby the government for the introduction of a similar scheme.
6. A further report be submitted Cabinet giving the results of the survey.

RECOMMENDED to Council that:-

- 7. The allocation of £150,000 from General Fund Balances to conclude the ECO scheme be approved.**