

Chief Executive's Department
Civic Centre
HARTLEPOOL

26 November, 2012

The Mayor (Stuart Drummond)

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Atkinson, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Simmons, Sirs, Tempest, Thompson, Wells and Wilcox.

Madam or Sir,

You are hereby summoned to attend a meeting of the COUNCIL to be held on THURSDAY, 6 December, 2012 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

D Stubbs
Chief Executive

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COUNCIL AGENDA



6 December 2012

at 7.00 p.m.

**in the Council Chamber,
Civic Centre, Hartlepool.**

1. To receive apologies from absent members.
2. To receive any declarations of interest from members.
3. To deal with any business required by statute to be done before any other business.
4. To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 10.
5. To approve the minutes of the last meeting of the Council held on 18 October 2012, as a correct record (copy attached).
6. Questions from Members of the Council on the minutes of the last meeting of the Council.
7. To answer questions of members of the Council under Council Procedure Rule 11;
 - (a) Questions to members of the Executive about recent decisions of the Executive (without notice)
 - (b) Questions to members of the Executive and Chairs of Committees and Forums, for which notice has been given.
 - (c) Questions to the appropriate members on Police and Fire Authority issues, for which notice has been given.
Minutes of the meetings of the Cleveland Police Authority held on 25th September 2012 and 6th November 2012 and the meetings of the Cleveland Fire Authority held on 27 July 2012 and 14 September 2012 are attached.

8. To deal with any business required by statute to be done.
9. To receive any announcements from the Chair, the Mayor, members of the Cabinet or the head of the paid service.
10. To dispose of business (if any) remaining from the last meeting and to receive the report of any scrutiny forum or other committee to which such business was referred for consideration.
 - (a) Report of the Executive – Alcohol update
11. To receive reports from the Council's committees and working groups other than any overview and scrutiny committee and to receive questions and answers on any of those reports;
12. To consider any other business specified in the summons to the meeting, including consideration of reports of the overview and scrutiny committees for debate and to receive questions and answers on any of those items;
13. To consider reports from the Executive:-
 - (a) Proposals in relation to the Council's budget and policy framework
 - (1) Report of Licensing Committee – Gambling Act 2005
 - (2) Report of Constitution Committee – Business Report
 - (3) Report of Planning Committee – Findings of the updated Tees Valley Strategic Housing Market Assessment 2012
 - (b) Proposals for departures from the budget and policy framework
14. To consider any motions in the order in which notice has been received.
15. To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.



Public questions for Council

4.

Meeting: 6 December 2012

1.	From: D Riddle
	To: Chair of Scrutiny Co-ordinating Committee
	<p>Question</p> <p><i>"Given the success of the foodbank initiative and the imminent arrival of what is likely to be a cold winter, have the council made any progress in addressing the issue of 'additional support for heating and clothing' as suggested by Councillor James in an article published by The Mail on September 5th 2012?"</i></p>
2.	From: Mr William Evans
	To: The Mayor
	<p>Question:</p> <p><i>Why after many contacts with Mayors office and Chief Executive office requesting a meeting and actions on several matters i.e. paths, lay-bys, trees, refuse and other issues over the past several years where work that has been carried out has been less than satisfactory, when will Hartlepool Borough Council assess the standard of these works?</i></p>

COUNCIL

MINUTES OF PROCEEDINGS

18 October 2012

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

PRESENT:-

The Chairman (Councillor S Akers-Belcher) presiding:

COUNCILLORS:

Ainslie	C Akers-Belcher	Beck
Brash	Cook	Cranney
Dawkins	Fisher	Fleet
Gibbon	Griffin	Hall
Jackson	James	Lauderdale
A Lilley	G Lilley	Loynes
Payne	Richardson	Robinson
Shields	Simmons	Sirs
Thompson	Wells	Wilcox

Officers: Nicola Bailey, Acting Chief Executive
 Andrew Atkin, Assistant Chief Executive
 Peter Devlin, Chief Solicitor
 Chris Little, Chief Finance Officer
 Dave Stubbs, Director of Regeneration and Neighbourhoods
 Louise Wallace, Director of Public Health
 Denise Ogden, Assistant Director, Neighbourhood Services
 Alastair Smith, Assistant Director, Transportation and Engineering
 Graham Frankland, Assistant Director, Resources
 Damien Wilson, Assistant Director, Regeneration and Planning
 Joan Stevens, Scrutiny Manager
 Alastair Rae, Public Relations Manager
 Angela Armstrong and David Cosgrove, Democratic Services Team.

71. APOLOGIES FOR ABSENT MEMBERS

The Mayor, Stuart Drummond and Councillors Hargreaves, Hill, Dr. Morris, Tempest.

72. DECLARATIONS OF INTEREST FROM MEMBERS

Councillor James declared a personal interest in minute 83(b).

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

None.

74. PUBLIC QUESTION

The following question had been received from Mr Corbett to the Mayor:-

"Anxieties have been expressed regarding the effectiveness and transparency of the council's commissioning and grant-funding arrangements for the voluntary and community sector-which generates a specific risk given the strong links between some elected members and this sector."

"Additionally, there is a perceived lack of rigour around the declaration of interests that has established a widely held view that some elected members are focused on the pursuit of self-interest"

The 2 points above have been expressed by the Peer Review Group in their report to HBC, my question to you is.

Who are the Councillors that are considered by The Peer Review Group to be the focus of the above?

In the absence of the Mayor, the Finance and Corporate Services Portfolio Holder responded to the question. The Portfolio Holder advised that as with all such reviews, the Peer Review team conclusions were based on discussions with a range of people and groups internal and external to the Council. The comments or conclusions were not attributed to individuals or identified to the authority. It would therefore be speculation as to the Members the Peer Review Team had in mind.

The following supplementary question was asked. Given the fact that the Peer Review Team considered the possibility of inappropriate behaviour by some councillors, why in the interest of openness, doesn't the Council make available a complete record of Councillors and their relatives who earn monies, wages etc from any organisation or group that receive monies/grants from the Council and what they were. The Portfolio Holder confirmed that it was the decision of individual Members to declare any non-pecuniary or pecuniary interests which in accordance with the Council's procedures, were published on the Council's website. The Chief Solicitor added that at its meeting on 2 August 2012, Council adopted a Code of Conduct which also included the requirement for Members to declare third party interests in order to promote high standards of ethical governance. All information relating to declarations of interests made by Elected Members was freely available and published on the Council's website,

as a statutory requirement.

75. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 13 September 2012 and the Special Meeting of Council held on 4 October 2012, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

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

None.

77. QUESTIONS FROM MEMBERS OF THE COUNCIL

- (a) Questions to Members of the Executive about recent decisions of the Executive

None.

- (b) Questions to Members of the Executive and Chairs of Committees and Forums, for which Notice has been given

The following question had been received from Councillor Brash to the Adult and Public Health Services Portfolio Holder:-

'Can you update Council on the work of the Alcohol Strategy Group'

The Portfolio Holder responded that the Local Authority was a key partner in the multi-agency Substance Misuse Strategy Group focussing on drug and alcohol harm. It was highlighted that the Chair of the Substance Misuse Strategy Group was the Director of Public Health and the membership included:

- Hartlepool Borough Council
- NHS Hartlepool
- Cleveland Police
- Durham and Tees Valley Probation Service
- Housing
- National Treatment Agency
- Balance Regional Alcohol Office
- GP Clinical Commissioning Group

The Group meets on an 8-weekly cycle and focuses on implementing the national and drug and alcohol strategies and ensuring a comprehensive

response and services were in place for substance misuse issues, treatment and support. The Group based the Alcohol Harm Reduction Action Plan on the Joint Strategic Needs Assessment and Safer Hartlepool Needs Assessment with the following three key objectives:

- Prevention
- Treatment
- Control

It was noted that the Group has a formal reporting route to Safer Hartlepool Partnership but also provided information to other relevant partnerships including the Shadow Health and Wellbeing Board and Children's Partnership. In response to a supplementary question, the Portfolio Holder confirmed that Cabinet had not yet considered a report from the Substance Misuse Strategy Group. However, it was noted that the Shadow Health and Wellbeing Board would be considering the issue of unit price at its meeting on 26 October 2012.

It was noted that under the guidance of the previous Chair of the Substance Misuse Strategy Group a report was requested to examine an holistic approach across all stakeholders to tackling the problems of alcohol abuse in Hartlepool. There was disappointment expressed that this report had not been progressed.

It was highlighted that the Substance Misuse Strategy Group was no longer chaired by an Elected Member and it was noted that a direct recommendation from Overview and Scrutiny had been that the Group should have political leadership.

RESOLVED – That a report be submitted to the next meeting of Council from the Substance Misuse Strategy Group including recommendations from all stakeholders for a holistic approach to tackling the problems of alcohol abuse in Hartlepool.

- (c) Questions to the appropriate Members on Police and Fire Authority issues, for which notice has been given. Minutes of the meetings of the Cleveland Police Authority held on 7 August 2012 had been circulated.

None.

Minutes of the meetings of the Cleveland Police Authority held on 7 August 2012 had been circulated.

78. BUSINESS REQUIRED BY STATUTE

- (i) Report on Special Urgency Decisions

It was noted that no special urgency decisions had been taken in respect of the period July 2012-September 2012.

79. ANNOUNCEMENTS

The Chair wished to thank everyone who had supported the Civic Dinner through the purchase of tickets and the donations of prizes, which was to be held on 19 October 2012. It was estimated that the event would raise around £5,000 on ticket sales alone for the Chairman's charities.

80. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY SCRUTINY FORUM OR OTHER COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

None

81. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES AND WORKING GROUPS

(i) Report of Appointments Panel

At its meeting on the 2 August 2012, Council had established an Appointment Panel for the Chief Executive and Head of Paid Service post. The Panel was appointed in accordance with the Council's Constitution and, as provided for in the Constitution and the relevant statutory instruments, had been responsible for discharging all the functions of the appointment process

The Panel had met on a number of occasions. The Panel had determined the job description, person specification and recruitment process. Following the advertising of the post, the process had involved:

- ◆ Shortlisting;
- ◆ Stakeholder Panels
- ◆ Interview.

Following the interview of shortlisted candidate, which took place on 25th September 2012, the Appointment Panel had agreed unanimously to the appointment of Dave Stubbs, who was currently the Council's Director of Regeneration & Neighbourhoods. There had been no objection from the Executive.

The Panel had been appointed by the Council to discharge the functions of recruitment and appointment. Before the appointment could be made, there was a statutory requirement for the full Council to approve the appointment. The considerations of the Council were the overall standing and integrity of the proposed appointee, whether there were any obvious bars to appointment (such as conflict of interest or a criminal record) and whether the appointee was, in general terms, of sufficient competence and ability to hold the post. The Appointment Panel considered that Dave Stubbs was suitable for the office of Chief Executive and Head of Paid Service.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Payne, Richardson, Robinson, Shields, Simmons, Sirs, Thompson, Wells and Wilcox.

Those against:

None

Those abstaining:

None.

The vote was carried.

RESOLVED – That the recommendation of the Panel that Dave Stubbs is appointed as the Council's Chief Executive and Head of Paid Service was unanimously approved by Council.

(ii) Report of Constitution Committee

(a) Council Procedure Rule 17 (Voting)

A report presented on behalf of the Constitution Committee set out revisions to the existing Council Procedure Rule 17. Members were reminded that under Council Procedure Rule 24.2, when there is any amendment to those procedure rules, on being proposed and seconded, those amendments would stand adjourned to the next ordinary meeting of Council.

The Committee had agreed at its last meeting that certain matters, for example, an amendment to a motion, did not necessarily require a recorded vote. Similarly, unless there was a statutory requirement, certain appointments could proceed on a 'show of hands'. Also, procedural matters of Council business could proceed by way of affirmation through an absence of dissent, at the discretion of the Chair. Proposed amendments to Rule 17 were therefore set out in the report together with the existing text of this procedure rule.

The following amendments to Rule 17 were therefore proposed for the consideration of Council with the existing text of this procedure rule set out in *italics*:-

17.1 Majority

Unless the Council's Constitution provides otherwise, any matter will be decided by a simple majority of those Members voting and present in the room at the time the question was put.

17.2 Chair's casting vote

If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.

17.3 Ballot

A ballot shall be taken, if the Council decides, before the vote is taken on any question. The Chair will announce the numerical result of the ballot immediately the result is known.

17.4 Recorded Vote

Unless 17.3 applies, the Chair shall ensure that recorded votes are taken. The names of the Members of the Council voting for and against the motion or amendment, or abstaining from voting will be taken down in writing and entered into the minutes.

17.5 Voting on appointments

i) In a case where a single position is to be filled, the matter shall be determined according to the number of votes cast for each person nominated. If there are more than two people nominated for any position and the majority of votes cast is not in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

ii) In a case where there is more than one identical position to be filled, if there are more nominations than the number of positions to be filled, the Council shall determine to apply either one of the following processes:-

(a) that each appointments be dealt with separately, in which case rule 17.6(i) shall apply,

or

(b) that the appointment shall be dealt with together, in which case the matter shall be determined by ballot, each member being entitled to vote for the same number of nominees as there are appointments to be made. At the conclusion of the ballot, the nominees shall be ranked according to the total votes cast in their favour, there being appointed such number of the highest ranking nominees as equal the number of the appointments to be made.

PROPOSED AMENDMENTS TO RULE 17

17. VOTING

17.1 Majority [as now]

17.2 Chair's casting vote [as now]

New (reinstated and revised) clause 17.3 'Show of Hands'

17.3 Show of hands

'Unless 17.5 applies, the Chair will take a vote by a show of hands, or if there is no dissent, by the affirmation of the meeting'. The Chair shall confirm, in the absence of dissent, that this is the unanimous decision of Council.

Re-numbered clause 17.4 Ballot.

17.4 Ballot [text as now]

17.5 Recorded Vote [revised clause]

For Council decisions, other than where the Chair proceeds with the agreement of the meeting through a Show of Hands under Rule 17.3, *the Chair shall ensure that recorded votes are taken.* The Proper Officer of the Council shall take the vote by calling the names of Members and recording whether they voted for or against the motion or amendment thereto, or did not vote. The minutes will show whether a Member voted for or against the motion or any amendment or abstained from voting.

Revised and re-numbered Rule 17.6.

17.6 Voting on Appointments

'Those entitled to vote shall each vote for only one person. If there is not a majority of those voting in favour of one person, the name of the person having the least number of votes shall be struck off the list and a fresh vote shall be taken, and so on until a majority of votes is given in favour of one person.'

RESOLVED – That on being proposed and seconded, the amendments stand adjourned to the next ordinary meeting of Council under Procedure Rule 24.2

(b) Proposed Changes to the Contract Procedure Rules (CPR's)

The report set out a number of recent changes, constitutionally, statutorily and in relation to new technology, which had impacted on the Council's procurement processes and practices and which had necessitated a review of the Council's Contract Procedure Rules (CPR's). Following this review it had become apparent that a number of changes were required to ensure that the CPR's accurately reflected these new and amended requirements. These recent changes were as follows:-

- i) Removal of the Contract Scrutiny Committee and the creation of a Sub-Committee of the Audit Committee

- ii) Introduction of the Public Services (Social Value) Act 2012
- iii) A variety of changes in the use of technology in procurement processes
- iv) The implementation of the “Right to Challenge” element of the Localism Act.

The Audit Committee at its meeting on 20th July 2012 had considered a report outlining the potential changes and endorsed the proposals for onward submission to this Constitution Committee. There were also a number of procurement procedural issues raised at the Audit Committee meeting that the Chair felt could be clarified together with the Contract Procedure Rule amendments at this Committee meeting. The proposed changes were detailed in an appendix to the report.

RESOLVED –That the proposed changes to the Contract Procedure Rules were approved unanimously.

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

None

83. REPORT FROM THE EXECUTIVE

- (a) Proposals in relation to the Council’s budget and policy framework

None

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

Empty Homes Scheme – Progress and Expansion including Outcome of HCA Empty Homes Cluster Fund Bid.

The Finance and Corporate Services Portfolio Holder presented a comprehensive report which reminded Members that a detailed business case had been previously developed for the Empty Property Purchasing Scheme and approved by Cabinet on 19th March 2012 and Council on 22nd March 2012. A further report recommending the expansion of the scheme, following the success of attracting additional funding from the Homes and Communities Agency (HCA), had been presented to Cabinet for approval on the 4th October. The report set out the detailed proposals which were required to be considered and approved by Council.

Members were advised that the Council had been successful in its bid for HCA funding to expand the Empty Homes Scheme approved in March 2012. To access this funding the Council needed to provide match funding using the original Business Case approved in March 2012, which would provide an overall scheme delivering 100 properties, compared to the Council’s initial local

scheme of 48 properties. In order to access the HCA funding the Council needed to complete these properties by March 2014. Therefore, to ensure this timescale could be achieved the planned review of the original business case could not be completed after the completion of 24 units. The report therefore assessed the implications and risks of expanding the scheme using the HCA grant funding and recommended that this could be achieved without increasing risk to the General Fund.

The scheme was welcomed by Members as a fantastic investment for the local economy and provided homes for the communities most in need.

It was proposed and seconded that Council:

- i) Approves the revised business case and risk assessment detailed in the report;
- ii) Approves the proposal to use the scheme approved in March 2012 to match fund the Homes and Communities Agency grant and to approve a total budget of £5.640m consisting of:
 - The original approved funding of £2.630 identified as part of the Council's original self financed scheme, of which £1.315m has already been approved;
 - HCA funding of £2.695m;
 - An additional amount of £0.165m to fund the additional 3 properties in order to meet the overall target of 100 properties
 - A contingency of £0.150m
- iii) Approve the additional amounts detailed in (ii) of £0.165m and £0.150m using Prudential Borrowing, to be funded from additional rental income generated from expanding the scheme using the HCA grant;
- iv) Notes that a separate report for using the remaining Prudential Borrowing enabled by the additional rent income from expanding the scheme using HCA funding will be submitted when this scheme is complete.
- v) Approves the amendment to Capital Programme and Prudential Borrowing limits arising from the approval of (ii) and (iii).
- vi) That Council receive on a 4-monthly basis monitoring and evaluation reports which detail the costs incurred on a property by property basis.

Amendment proposed and accepted by the Portfolio Holder: –

‘That under recommendation (iii) the additional amounts of prudential borrowing only be drawn upon when any departmental underspends had been exhausted. In addition, that four-monthly progress reports be submitted to Council detailing expenditure on a property by property basis.’

Motion, as amended, approved unanimously.

84. MOTIONS ON NOTICE

The following Motion had been submitted:-

‘In accordance with the resolution of this Council on 12 April 2012 to establish a specific Family Poverty Reserve from the final 2011/12 outturn that this Council resolves to make a payment from this reserve of £10,000 to be allocated to the Hartlepool Foodbank and authorise the Chief Executive to formalise the arrangements for the payment of this funding. This will endeavour to support Hartlepool families suffering exceptional hardship in this time of great need and economic crisis.’

Signed by:
Councillor C Akers-Belcher
Councillor K Cranney
Councillor J Ainslie
Councillor A Wilcox
Councillor S Akers-Belcher

During the debate that followed Members noted their disappointment that society was faced with such exceptional poverty and hardship and fully supported the motion to allocate funding to the Hartlepool Foodbank. A Member outlined the background to the motion and highlighted that local supermarkets Tesco, Asda, Morrisons and the Co-operative Stores had shown an interest in being involved. It was hoped that the Foodbank would help and support the poorest and most vulnerable in society. A Member commented that there were a number of organisations providing similar facilities for local communities and it was hoped that the Hartlepool Foodbank could compliment these.

Motion approved unanimously.

85. APPOINTMENTS PANEL – DIRECTOR OF REGENERATION AND NEIGHBOURHOODS

Further to approval to the appointment of Dave Stubbs as Chief Executive earlier in the meeting (minute 81(i) refers), Council was requested, to approve the establishment of an Appointments Panel for the above post. This post had been considered by Monitoring of Vacancies and Thaw Panel in advance of this meeting.

In line with the Officer Employment Procedure Rules, as set out in the Constitution, the Panel would consist of eight members, as follows:-

The Chair of the Council (Labour)
The Mayor (Independent)

Plus the following Members:

4 Labour
1 Conservative
1 Putting Hartlepool First

In addition, as identified in the Officer Employment Procedure Rules, Council was also requested to reflect the gender balance of the Council when nominating to the Panel. It was suggested therefore that Council's nominations to the Panel, include female Councillors to the Panel.

In addition Council was requested to consider the appointment of this panel for the remainder of the Municipal year for any other Chief Officer posts which become vacant.

RESOLVED – That an Appointments Panel for Director of Regeneration and Neighbourhoods and any other Chief Officer posts that become vacant during the remainder of the municipal year comprise the Chairman of the Council, the Mayor and the following nominated Members:

Councillors C Akers-Belcher, Dawkins, Jackson, James, Simmons and Wells.

86. PROPER OFFICER FUNCTIONS

The Acting Chief Executive reminded Members that agreement had been given previously to the cover arrangements for the Acting Chief Executive in her substantive role of Director of Child and Adult Services. The arrangements had identified additional responsibilities to the current substantive roles of the Assistant Director (Adults) and the Assistant Director (Prevention, Safeguarding and Specialist Services). The additional responsibilities included Proper Officer statutory functions for Adult Social Care (DASS) and for Children's Services (DCS), and also included wider corporate responsibilities for the Council.

Members were requested, subject to confirmation earlier in the meeting of the appointment of the Chief Executive, to continue these arrangements until the permanent appointment of a Director of Child & Adult Services or other arrangement through the People Services Tri-borough Collaboration project.

It was noted that the current statutory responsibilities attached to the Director of Regeneration and Neighbourhoods post will be exercised by the Chief Executive until a permanent replacement is appointed.

RESOLVED – (i) The Proper Officer Functions including additional responsibilities to the roles of Assistant Director (Adults) and Assistant Director (Prevention, Safeguarding and Specialist Services) to continue until permanent appointment to Director of Child & Adult Services or other collaborative arrangement is made was agreed unanimously.

- (ii) The Chief Executive exercising statutory responsibilities of Director or Regeneration and Neighbourhoods role until permanent replacement is appointed was approved unanimously.

87. STATE OF THE BOROUGH DEBATE

The Acting Chief Executive reminded Members that the Council's Constitution provided for the Elected Mayor to call a State of the Borough Debate 'in October of each year on a date and at a place to be agreed with the Chair'. The form of debate allowed for 'an overview of the current issues affecting the Borough' and public questioning and participation was also a feature of this event. On 8th October the publication of the Notice of the Referendum in Hartlepool was published along with the Notice of Election for the Police and Crime Commissioner for the Cleveland Police Area. Guidance had already been issued by the Chief Solicitor to coincide with the conduct of the Referendum and the Election on aspects of political neutrality by staff, together with restrictions on publicity and generally upon use of Council resources at a time of 'heightened sensitivity' characterised during the period of a Referendum and/or Election. Accordingly, the Chief Solicitor has advised that it would be inappropriate to hold the State of the Borough Debate, until the conclusion of the Referendum and Election. Council was therefore requested to note this advice and allow the Elected Mayor in unison with the Chair of Council to organise the State of the Borough Debate as soon as is reasonably practicable after the conclusion of the Referendum and the Police and Crime Commissioner Election.

RESOLVED – That the report be noted.

88. ACTING CHIEF EXECUTIVE'S LAST MEETING

It was noted that this would be the last meeting of Council attended by the current Acting Chief Executive, Nic Bailey as she was leaving the authority to take up a new role within the NHS as Managing Director of a Clinical Commissioning Group. A number of tributes were paid to Nic the hard work and commitment she had shown the authority as a true professional both in her previous role of Director of Child and Adult Services and in her current role of Acting Chief Executive. The Acting Chief Executive thanked the Members for providing her with the opportunity to undertake such interesting roles and gain invaluable experience and highlighted the commitment given by employees of the authority as well as Members to do the best job they can for the people of Hartlepool.

CHAIR

The meeting concluded at 8.20 pm

Member questions for Council

7 (b)

Meeting: 6 December 2012

1.	From: Councillor G Lilley
	To: The Mayor, Stuart Drummond
	<p>Question:</p> <p><i>Recent news from the LGA suggests a further £1 billion may be taken from local government by stealth. Obviously, this could have a significant negative impact on Hartlepool. Will HBC take an active part in the consultation process and will this Council once again contact Senior Government figures to express our serious concern at reductions in the town's allocation of funding from Government?</i></p>
2.	From: Councillor A Lilley
	To: The Mayor, Stuart Drummond
	<p>Question:</p> <p><i>'Greatham beck has seen alarming levels of flow during recent heavy rains; there is concern should the beck burst its bank there would be an immediate danger of flooding. Will the Mayor ensure an immediate review is undertaken involving consultation with members, residents and the Environment Agency'.</i></p>

CLEVELAND POLICE AUTHORITY EXECUTIVE

The meeting of Cleveland Police Authority Executive was held on Tuesday 25 September 2012 in the Media Briefing Centre at Police Headquarters.

PRESENT: Mayor Stuart Drummond (Chair), Councillor Ron Lowes, Councillor Chris Abbott, Mr Mike McGrory JP, Councillor Sean Pryce, Councillor Carl Richardson, Councillor Norma Stephenson Councillor Bernie Taylor. Miss Pam Andrews-Mawer, Mr Chris Coombs, Mr Ted Cox JP, Mr Geoff Fell, Mr Peter Hadfield and Mr Aslam Hanif (Vice Chair).

OFFICIALS: Mr Stuart Pudney, Mr Michael Porter, Mrs Sarah Wilson and Mr John Bage. (CE)

Mrs Jacqui Cheer and Miss Kate Rowntree. (CC)

Mrs Gill Gittins and Mr Mark Kirkham (Audit Commission)

45 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Terry Laing.

46 **DECLARATIONS OF INTERESTS**

There were no declarations of interest.

47 **MINUTES OF THE PREVIOUS MEETING HELD ON 7 AUGUST 2012**

ORDERED that;

1. the minutes were accepted as a true record of the meeting be agreed.

48 **2011/12 ANNUAL REPORT OF CLEVELAND POLICE AND CLEVELAND POLICE AUTHORITY**

The Chief Constable informed Members that the purpose of the report was to inform Members that the annual report is a statutory document which must be published as soon as possible after the end of each financial year under the guidelines set out by the Home Office.

Members were informed that the annual report is published as a section of the Local Policing Plan for 2012/15 and highlights the policing and organisational activities that have taken place between 1st April 2011 and 31st March 2012. It provides a means of reporting to local people the Force's achievements and progress against the previous year's priorities and targets.

ORDERED that;

1. the content of the report be noted.

VISION & VALUES

The Chief Constable informed Members that the framework included legislation, policy and practice as well as the Vision, Values and how performance is assessed. The framework must be relevant for the environment, meet the expectations of communities and partners and be owned by and inspire the workforce.

The Vision and Statement of Values had been developed through an inclusive process that means they are owned by the Force. This is a change from the Chief Constable's Vision previously published but does mean they will be relevant through the change of Chief Constable and the introduction of the PCC.

Members queried how difficult it would be to change the culture and working practices necessary to meet the financial challenge.

The Chief Constable informed Members it would be very difficult to change as confidence in the Force is the highest in the UK. Members were informed that the culture in the Force is good and what requires change is the new working practices i.e. STORM / IZUKA and other elements of new technology.

ORDERED that;

1. the revised Vision is supported and endorsed as a vision statement suitable for the current financial and operating environment and the challenges ahead. The Vision replaces the current 'Chief Constable's Vision for 2014' be agreed.
2. the Statement of Values is supported and endorsed. The Statement of Values replaces the 'four P's' which sit as the narrative below the strap-line 'Putting People First' be agreed.
3. the strap-line 'Putting People First' is retained and becomes the heading for the Vision be agreed.

INTEGRITY REVIEW

The Chief Constable informed Members that the purpose of the report will outline the Force response to Her Majesty's Inspectorate of Constabulary's (HMIC) report into integrity within the police service.

The HMIC report concentrated on five areas that had been highlighted as areas of concern through national events such as the focus on the relationship between the press and the police.

Cleveland Police had taken a proactive and evidence led approach to tackling issues that are and have contributed to a public perception that the Police Service lacks integrity. The Integrity Board managed this response and is ensuring the changes required are developed inclusively, have the support of the leaders who will need to implement them and recognises that the vast majority of the workforce act with the utmost integrity at all times.

ORDERED that;

1. the Force's response to the HMIC report 'Without Fear or Favour' be agreed.
2. the Force policy for Relationships with the Media as at Appendix A to the report be agreed.
3. the Force policy for Gifts and Hospitalities as at Appendix B to the report be agreed.
4. the Force policy for Business Interests and Additional Occupations as at Appendix C to the report be agreed.
5. the Force policy for Corporate Credit Cards as at Appendix D to the report be agreed.

51

END OF YEAR POLICE AUTHORITY CONSULTATION REPORT

The Consultation, Communications & Community Support Officer informed Members that the report presented the findings of consultation activities undertaken by Cleveland Police Authority, Cleveland Police and partner agencies from September 2011 to September 2012.

Members were informed that the Police Reform & Social Responsibility Act will come into force fully in November 2012. This Act redefines the accountability of policing to the public, bringing about the dissolution of Police Authorities in England and Wales and the introduction of a directly elected Police and Crime Commissioner (PCC) to the Cleveland area.

Members queried if the Teesside Victims' Strategic Planning Group was a new group established for victims services.

The Consultation, Communications & Community Support Officer informed Members that this was the case, it is a new group because currently there is no strategic lead for victims.

ORDERED that;

1. the consultation findings outlined at Appendices 1 and 2 to the report, along with the Force strategic assessment, the Home Secretary's Strategic Policing Requirement and the priorities of Local Strategic Partnerships are used in developing the Police and Crime Commissioner's Police and Crime Plan be agreed.

52

TRANSITION UPDATE

The Chief Executive provided a verbal update to Members on the progress to the transition to an elected Police & Crime Commissioner.

Members were informed that following the recent HMIC inspection on our transition preparedness we have been given a 'green light' in terms of our position and work done.

Members were also informed of the following:

- A Legacy document is being produced and Members are to assist in its contents.
- The Chief Executive and Chief Constable have met all the current candidates.
- The Chief Executive and Chief Constable have met with the Police and Crime Panel and all seems to be going well.
- The Chief Executive and Chief Constable have met with a range of Partners and are in the process of setting up a number of strategic groups, which will be linked to the Crime Plan.
- Consultations are being undertaken on the Precept.
- A project with the Probation Service is being undertaken to establish a local provider provision. They will produce a 'kitemark' system to permit organization to be engaged with a tender process.
- Awaiting national guidelines re Chief Constable recruitment.
- In the process of setting up an Audit Committee.

**Ch Exec /
Ch Cons**

ORDERED that;

1. the verbal report be noted.

THE CHAIR AGREED TO TAKE THE AUDIT COMMISSION REPORT AT THIS STAGE.

53

ANNUAL GOVERNANCE REPORT

The Audit Commission informed Members that the report summarised the findings from the 2011/12 audit which was substantially complete. It included the messages arising from their audit of our financial statements and the results of the work they had undertaken to assess our arrangements to secure value for money in your use of resources.

Members were informed that the document was a draft document before opinion is given. The 2010-11 audit remained open. However the 2011-12 audit will be given an unqualified opinion.

The Audit Commission referred Members to page seven of the report which informed that subject to satisfactory clearance of outstanding matters, they plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 to the report contained a copy of their draft audit report.

The Audit Commission gave a comprehensive report to Members by guiding them through the report prior to Members seeking clarifications.

Members queried in respect to Credit Cards, if the Audit Commission gave guidance.

The Audit Commission informed Members that they had given advice in relation to Credit Cards and that this had been acted upon.

The Chair of the Audit & Internal Control Panel referred to page twenty two of the report and informed that the statement had not been to that Panel and therefore required amending.

ORDERED that;

1. the adjustments to the financial statements included at Appendix 3 to the report be noted.
2. the letter of representation at Appendix 4 to the report on behalf of the Authority before the Audit Commission issue their opinion and conclusion be agreed.

54

STATEMENT OF ACCOUNTS

The Treasurer informed Members that the purpose of the report was to remind Members that Members received and approved the Statement of Accounts 2011/12, subject to Audit, at their June meeting. It was agreed that the audited accounts and any amendments resulting from the audit would be presented to a future meeting of the Police Authority.

The Treasurer informed Members of changes made to the Statement of Accounts since they were approved by Members in June 2012.

Members queried whether there would be any influence on the Audit Commission's opinion with regard to the retention payments mentioned in the report and on the letter of representation.

The Treasurer informed Members that as long as there was no change to the overall opinion of the Audit Commission there would be no change to the letter of representation.

ORDERED that;

1. the Statement of Accounts for 2011/12 be agreed.
2. the Letter of Representation, at Appendix A to the report be agreed.

55

LONG TERM FINANCIAL PLAN

The Treasurer reminded Members that at their meeting on 29th February 2012 Members approved the budget for 2012/13 and the Long Term Financial Plan (LTFP) for 2013/16. The report presented us to provide an update to that position.

Members were informed that para's 3, 4 and 5 to the report presented Members with the changes since February 2012. The Treasurer spoke to these items.

The LTFP update took Members from the position as at 29th February 2012 and provided updates, where they have changed, around some of the significant assumptions in the plan. Work will continue throughout the year on firming up the assumptions in the plan and therefore refining the financial challenge faced by the Authority while at the same time looking at all aspects of expenditure to deliver the savings needed to balance the budget.

The Treasurer informed Members that given the significant amount of change that is currently ongoing and the timeframes that are being worked to on a national level there is a risk that the Authority receives firm details of funding at such a point that there is very little time to plan or take remedial action. Unless there are any significant developments in the meantime a further update report will be brought to the PCC in December.

Treasurer

ORDERED that;

1. the content of the report be noted.
2. a further update will be presented to the Police and Crime Commissioner (PCC) in December 2012 be agreed.
3. to continue to engage with the Local Councils to ensure that the concerns of the Police Authority are communicated and taken into account when the schemes relating to Localisation of Council Tax Benefits are designed be agreed.

ANY OTHER BUSINESS

The Chairman permitted additional items as a matter of urgency.

56

APPOINTMENT OF AN INDEPENDENT MEMBER TO THE POLICE AUTHORITY

The Chief Executive informed Members that the purpose of the report was to seek Members' approval to start the process to appoint an Independent Member to the Police Authority, and if necessary to make an appointment specifically to enable the Authority to appoint a Member to sit on forthcoming misconduct panels.

Members were further informed that approval was sought to appoint Mayor Stuart Drummond and Mr Ted Cox to sit on the Authority's Independent Member Selection Panel, in addition to Mr John Robinson (to chair the selection panel) being the person appointed from a list of candidates prepared by the Secretary of State to act as Chair of the Panel.

The Police (Conduct) Regulations 2008 require the Police Authority to appoint one of its Members to sit on any misconduct hearing/meeting relating to a Chief Constable or Deputy/Assistant Chief Constable.

Members were reminded of the High Court judicial review hearing on Friday 21st September 2012 at which the Authority had to defend its decision to appoint certain Members on to hearing panels. This matter raises the possibility of similar challenges to CPA Members sitting on future and pending hearings

The Chief Executive informed Members that it is therefore recommended that to be ready for dealing with any such objections (and the time delays that these could potentially cause) that the Authority has a reserve position and starts the process to fill its current vacancy for an Independent Member.

Members discussed a number and range of options for the membership of any future Panel.

ORDERED that;

1. the Authority starts the process to appoint an Independent Member to the Police Authority, and if necessary to make an appointment of an Independent Member of the Police Authority be agreed.
2. the Authority appoints Miss Pam Andrews- Mawer, Mr Ted Cox JP and Mr John Robinson (Chair) to be the selection panel be agreed.
3. the Professional Standards Sub- Committee, comprising of Mr Ted Cox JP (Chairman) and Mayor Stuart Drummond be delegated the authority to make the final decision and appointment be agreed.

57

AUDIT & INTERNAL CONTROL PANEL – CONSIDERATION OF EXCLUDING THE PRESS AND PUBLIC FROM THE MEETING PRIOR TO DISCUSSING THE FORCE’S RISK REGISTER AGENDA ITEM.

At the Audit & Internal Control Panel meeting held on 24 September 2012 an agenda item referring to the Force Risk Register was to be debated. This would follow an agenda item for Members to consider excluding the Press and Public from the meeting, prior to debating the Risk Register.

With-in the Risk Register an item marked “764 Coroners” was included for debate, after Members would have considered the exclusion of the press and public.

A Member queried whether this particular item with-in the Risk Register should be excluded from the press and public prior to debate.

Members of the Audit & Internal Control Panel ordered that the element referring to whether the Coroner’s item with-in the Risk Register should be excluded from the press and the public, be forwarded to the full Police Authority Executive for decision.

ORDERED that;

1. a further report on the Coroner’s element of the Force’s Risk register be brought to the Police Authority be agreed.
2. A brief on the same matter be arranged be agreed.

Ch Cons.

CLEVELAND POLICE AUTHORITY EXECUTIVE

A meeting of Cleveland Police Authority Executive was held on Tuesday 6 November 2012 in the Media Briefing Centre at Police Headquarters.

PRESENT: Mayor Stuart Drummond (Chair), Councillor Ron Lowes, Councillor Chris Abbott, Councillor Terry Laing, Mr Mike McGrory JP, Councillor Norma Stephenson, Councillor Bernie Taylor, Councillor Ray Goddard, Miss Pam Andrews-Mawer, Mr Chris Coombs, Mr Ted Cox JP, Mr Peter Hadfield and Mr Aslam Hanif (Vice Chair).

OFFICIALS: Mr Stuart Pudney, Mr Michael Porter and Mr John Bage. (CE)

Mrs Jacqui Cheer, Mr Dave Pickard, Mr Sean White, Mr Adrian Roberts, Mrs Ann Hall and Miss Kate Rowntree. (CC)

58 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

59 **DECLARATIONS OF INTERESTS**

There were no declarations of interest.

60 **MINUTES OF THE PREVIOUS MEETING HELD ON 7 AUGUST 2012**

ORDERED that;

1. the minutes were accepted as a true record of the meeting be agreed.

61 **BUDGET MONITORING TO 30TH SEPTEMBER 2012**

Members were reminded that at their meeting on 29th February 2012 Members approved a Net Budget Requirement (NBR) of £124,569k and budgeted revenue expenditure of £138,642k, the balance of expenditure being funded by specific grants, other income and transfers from reserves. The report set out the progress against delivery of the budget and is part of the process introduced by the Authority to maintain prudent financial management.

The forecast would suggest that the Authority has some operational budget pressures against the expenditure plan for 2012/13 but with underspends to offset this pressure and to provide a £300k forecast underspend.

The Assistant Chief Officer (Finance and Commissioning) informed Members that the pressures referred to could be in the areas of Insurance and the Cleveland & Durham Specialist Operations Unit.

Members were informed that the position to date and the year-end forecast were shown at Appendix A to the report. No material risks, other than those set out in the Risk Monitor at Appendix D to the report, have been identified to that forecast.

ORDERED that;

1. the contents of the report be noted.

62

CAPITAL MONITORING TO 30TH SEPTEMBER 2012

The Assistant Chief Officer (Finance and Commissioning) reminded Members that they approved the Capital Programme of £4,148k for 2012/13 and the Capital Plan for 2012/16 at their meeting on 29th February 2012. This assumed funding carried forward from 2011/12 of £563.0k; additional carry forwards of £2,301.2k were also approved by the Authority on the 5th July 2012; giving a total capital programme for 2012/13 of £6,449.2k. The report sets out the progress against delivery of the programme and is part of the process introduced by the Authority to maintain prudent financial management.

Members were informed of savings being made in Phase 1 of the Police National Database and two police vehicles not being purchased in this financial year.

Members queried the definitions referring to electrical testing and Air Support as to whether they were revenue or capital.

The Assistant Chief Officer (Finance & Commissioning) informed Members that the monies pertaining to Fixed Wire Testing became Capital items after the work had been completed. Similarly the information pertaining to Air Support premises is also dealt with as Capital.

ORDERED that;

1. the content of the report be noted.
2. the return of £10.8k from the Impact Data Preparation Scheme, £59.5k from the Vehicle Fleet Replacement Programme, £29.2k from the Airwaves Replacement Programme, and £26.8k from the CBRN CR1 Live Canisters Scheme to be added to the Provision for Business Cases be noted.

63

TREASURY MANAGEMENT TO 30TH SEPTEMBER 2012

Members were reminded that they agreed an investment strategy for 2012/13 in line with the CIPFA Code of Practice at their meeting on 29th February 2012. The report is to update Members on the status of the Authority's investments, cash position and borrowing structure reflected against the current financial climate. The report assesses risks progressing through the financial year and any potential impact. It is part of the process introduced by the Authority to maintain prudent financial management.

The Assistant Chief Officer (Finance & Commissioning) informed Members that conditions within the Financial Markets continue to be turbulent due to the continuing issues surrounding the Euro Zone and the recent news surrounding the UK economy moving back into recession.

In light of the issues above the Force continue to only place investments with a select few institutions and where possible, we place these investments where the money is instantly accessible.

Members queried at para 3.8 to the report that the Force had external investments and whether that should be the Police Authority and would this transfer to the Police & Crime Commissioner (PCC).

The Assistant Chief Officer (Finance and Commissioning) informed that it would transfer to the PCC.

ORDERED that;

1. the contents of the report be noted.

64

THE MANAGEMENT OF TIME OFF IN LIEU (TOIL)/REST DAYS IN LIEU (RDIL)

The Assistant Chief Constable (Ops Support) informed Members that the purpose of the report was to update Members on the work being undertaken by the Force to actively manage and reduce the levels of time off in lieu (TOIL) and rest days in lieu (RDIL) held by staff across Cleveland Police.

Members were reminded that they received a summary audit report concerning the Force's management of Time Off in Lieu (TOIL) and Rest Days in Lieu (RDIL) accrued and held by Members of the Force at the September meeting of the Policy & Resources Panel

Members were informed that it was agreed with the Force that subject to maintaining performance, meeting Policing Plan targets and community needs, that RDIL would be reduced to an average of 5 days per officer (or less) by 30th September 2012 and that TOIL would be reduced to 30 hours per officer (or less) by 31st March 2013. This in line with the local agreement held between Cleveland Police and the Police Federation, the '30 plus 5' standard.

The Assistant Chief Constable (Ops Support) informed Members that the progress of the Force in working towards the '30 plus 5' standard was shown at para 5.3 to the report. It was shown that despite a busy policing year and the 'Olympic & Diamond Jubilee Summer', during which the Force had committed some 1,165 officer days (without 'backfill') out of the Cleveland policing area in support of national Olympic resourcing requests, that TOIL/RDIL has reduced consistently.

The Chief Executive informed Members that he had asked the Audit Commission to look at this to ensure that the process is managed correctly.

Members expressed their appreciation in the continuing downward trend in reducing these areas of work and asked that this be passed on to the Chief Constable and her staff.

ORDERED that;

1. the content of the report be noted.
2. the scrutiny of the performance of Cleveland Police in meeting agreed TOIL/RDIL reduction milestones be noted.

65

BURGLARY OF PEOPLE'S HOMES

The Temporary Assistant Chief Constable (Territorial Operations) informed Members that the purpose of the report was to remind Members that they approved the 2012/13 Policing Plan at their meeting of the Police Authority Executive in February 2012. The Policing Plan contained five operational policing priorities, one of which relates to tackling 'Burglary of People's Homes'. The report is to update Members on how the Force is working to address this area of policing.

Members were reminded that Burglary of People's Homes is the only single crime group on which the Authority set a specific target. It was felt that this crime group which involved the planned invasion of people's homes warranted its own target. Feedback from public meetings and consultation continually places burglary of people's homes high among their priorities.

A task group with representatives from each of the Districts and Departments to tackle Burglary of People's Homes had been established.. This group has met several times since the beginning of the financial year and developed and implemented an action plan.

The Temporary Assistant Chief Constable (Territorial Operations) informed Members that the Force is currently delivering over a 10% reduction in Burglary of People's Homes whilst increasing, year to date, the number of offenders being brought to justice. Further attention is needed to reduce the number of repeat victims and increase the satisfaction of victims of burglary. This work is in hand.

ORDERED that;

1. the contents of the report be noted.

66

**OPERATIONAL PRIORITIES – PERFORMANCE UPDATE
(APRIL TO SEPTEMBER 2012)**

The Temporary Assistant Chief Constable (Territorial Operations) informed Members that the purpose of the report was to update Members on Force performance against the Operational Priorities for 2012/13.

Members were informed that progress against operational priorities is monitored through the use of key performance indicators (KPI's). For 2012/13, there are 31 key performance indicators (KPI's), each with an associated performance target (directional aspiration). Performance data is currently available in relation to 25 of the 31 KPI's with the remainder still requiring further development.

The current performance assessment shows that 16 are green with 9 showing red.

The Temporary Assistant Chief Constable (Territorial Operations) informed Members that further improvements had been achieved since the Force last reported. Between April and September 2012, publicly reported crime fell by 12.8%, compared to the same period last year. Decreases had occurred in almost all categories of publicly reported crime including: vehicle crime (down 14.7%), house burglary (down 10.5%), other burglary (down 15.5%), criminal damage and arson (down 20.1%) and violence against the person (-3.3%).

Members were informed that the Force is making good progress in relation to the delivery of the 2012/13 Policing Plan Priorities with ground breaking reductions in publically reported crime. The Force also continues to report the lowest antisocial behaviour levels on record and is on course to reduce repeat victimisation in both domestic abuse and house burglary.

ORDERED that;

1. the contents of the report be noted.

67

CHARGING FOR SPECIAL POLICE SERVICES AND GOODS AND SERVICES

The Assistant Chief Officer (Finance & Commissioning) informed Members that the purpose of the report was to seek Members approval for the adoption of the joint ACPO/ACA National Guidance on charging for Police goods and services as Police Authority policy.

Members were informed that through time there had evolved circumstances nationally where policing time and expertise can be charged to third parties. The ACPO (Association of Chief Police Officers) guidance in April 2005 first set out guidance on the categorisation of charging for events to ensure that forces were charging consistently across England and Wales.

Charging for special police services and goods and services is covered by the ACPO/APA joint guidance 'Paying the Bill 2' issued in July 2010, and updated in 2012. This guidance is being applied by the Force as Police Authority Policy, although the Police Authority have not formally approved the use of the policy. Approval at this meeting will ensure compliance.

Members queried how many hours the Force charge for on an average football match.

Members were informed that for Officers working with-in the 'footprint' of stadia it is approx. four hours. However approx 2/3rds of all Officers deployed were outside the 'footprint' area.

Members asked if any benchmarking had taken place across other similar football clubs.

Members were informed that benchmarking had been carried out but the result was some what 'patchwork', however most clubs were now moving towards ACPO guideline limits.

ORDERED that;

1. compliance with the joint APA/ACPO Guidance on National Charging, and that this be adopted as Police Authority Policy be agreed.
2. full cost recovery in respect of all football charging for Middlesbrough and Hartlepool Football Clubs for the 2012/13 football season be agreed.
3. should any exceptional circumstances arise in which any derogation is proposed that requires action before a panel is convened that this be agreed and approved in advance by the Chief Executive or Treasurer and Chair of any relevant panel on their behalf and reported to the next available panel. This will be adapted for successor bodies be agreed.
4. the further work being undertaken by the Force in this area to improve further the planning and accuracy of charging be noted.

69

PENALTY NOTICE PROCESSING (PENTIIP) SOLUTION

The Assistant Chief Officer (Finance & Commissioning) informed Members that the purpose of the report was to seek approval from Members for the addition of the Penalty Notice Processing (PentiP) Solution to the 2012/13 Capital Programme.

Forces are responsible for issuing and recording penalty notices resulting in the collection of penalties/fines at Magistrates' courts. The Central Ticket Office currently uses the Vehicle Procedures and Fixed Penalty Office system (VP/FPO) for dealing with penalty notices.

Members were informed that PentiP is a new nationally mandated solution that facilitates this work, replacing the current VP/FPO system whilst maintaining current interfaces. It will also provide additional functionality by including penalty notices for disorder.

The current system for processing penalty tickets is being replaced with the new nationally mandated PentiP system, and the implementation requires a business change approach to ensure that the system is appropriately implemented and utilised. The provisional implementation date of the PentiP Solution is 14th March 2013.

ORDERED that;

1. the PentiP Solution as a capital scheme to the 2012/13 Capital Programme at a cost of £42,704 be added be agreed.

LEGACY REPORT

The Chief Executive informed Members that the Police Reform and Social Responsibility Act 2011 marks the abolition of Police Authorities on 21st November 2012 and introduces directly elected Police and Crime Commissioners on 22nd November 2012. As part of a robust system of handover that effectively captures and transfers organisational memory, the outgoing organisation 'Cleveland Police Authority' has developed a legacy document.

The document will form part of the eventual handover process with the outgoing organisation having responsibility for ensuring that the new Police and Crime Commissioner has a good understanding of legacy issues. It should also be noted that this document focuses upon key strategic decisions made over a ten year period, this excludes operational issues.

The Chief Executive informed Members that this was not a finished document and should Members wish to comment or add anything to the legacy document then these should be passed to him, with the final Police Authority meeting being held on 21st November 2012 where the document will be handed over to the new Police and Crime Commissioner.

ORDERED that;

1. the report be noted.

CLEVELAND FIRE AUTHORITY

MINUTES OF ORDINARY MEETING

27 JULY 2012



PRESENT:

CHAIR:-

Cllr Payne – Hartlepool Borough Council

HARTLEPOOL BOROUGH COUNCIL

Cllrs James, Richardson, Wells

MIDDLESBROUGH COUNCIL

Cllrs Brunton, Clark, Hussain, Pearson, Sanderson

REDCAR & CLEVELAND BOROUGH COUNCIL

Cllrs Briggs, Cooney, Dunning, Hannon, Ovens

STOCKTON ON TEES BOROUGH COUNCIL

Cllrs Cunningham, Gardner, O'Donnell, Stoker, Woodhead

AUTHORISED OFFICERS

Legal Adviser/Monitoring Officer, Treasurer

BRIGADE OFFICERS

Director of Community Protection, Head of Corporate Support

**APOLOGIES FOR
ABSENCE:**

Councillor Biswas - Middlesbrough Council

Councillor Corr – Stockton on Tees Borough Council

Councillor Moses – Redcar & Cleveland Borough Council

31. DECLARATIONS OF MEMBERS INTEREST

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

32. MINUTES

RESOLVED – that the Minutes of the Cleveland Fire Authority Annual Meeting on 8 June 2012 and the Special Meeting on 22 June 2012 be confirmed.

33. MINUTES OF COMMITTEES

RESOLVED – that the Minutes of the Executive Committee held on 6 July 2012 and the Standards Meeting on 10 July 2012 be confirmed.

34. COMMUNICATIONS RECEIVED BY THE CHAIR

The Chairman informed Members that a letter had been received from Bob Neill MP regarding the Fire & Rescue National Framework for England (as discussed at minute no. 35.1) and noted correspondence from Mark Jones, CFO of Buckinghamshire FRS enclosing notes from the meeting with the Fire Minister on 20 June 2012.

RESOLVED - that the communications be noted.

35. REPORTS OF THE CHIEF FIRE OFFICER

35.1 Fire & Rescue National Framework for England

The Director of Community Protection (DCP) reported that the new Fire & Rescue National Framework for England was published on 11 July 2012. The DCP outlined the priorities of the Framework, which were to:

- Identify and assess the full range of foreseeable fire and rescue related risks their areas face, make provision for prevention and protection activities and respond to incidents appropriately.
- Work in partnership with their communities and a wide range of partners locally and nationally to deliver their service.
- Be accountable to communities for the service they provide

The Chairman noted that the framework listed 19 'musts' for Fire and Rescue Authorities to fulfil and asked if it was more prescriptive than the previous framework. The DCP reported that the framework called for Fire and Rescue Services to demonstrate commitment to national resilience assurance and inter-operability and essentially remain focused on protection, prevention and response.

Councillor Dunning asked whether the Olympics had put any additional strain on the Brigade. The DCP said the Brigade was part of the National Coordination Centre for the Olympics and would provide support and assistance with any national incidents, but otherwise the event was not expected to impact on the Brigade's workload.

RESOLVED – that the Fire and Rescue National Framework for England be noted.

35.2 Information Pack – July 2012

35.2.1 Fire and Rescue Service Monthly Bulletins

35.2.2 Employers Circulars

RESOLVED – that the Information Pack be noted.

36. REPORT OF THE LEGAL ADVISER / MONITORING OFFICER

36.1 Business Report

The Legal Adviser/Monitoring Officer (LAMO) sought Members views on the recommendations from the Standards Committee meeting of 10 July 2012 in relation to the adoption of a Code of Conduct in accordance with the Localism Act, 2011 and associated regulations in the operation of the 'new standards regime'. These included amendments to:

- **Code of Conduct** (Draft Code of Conduct detailed at Appendix 1)
 - to continue with the requirement to declare any gifts or hospitality over £25 and that the Code of Conduct be reviewed by the Standards Committee in six months.
- **Standing Orders**
 - to reflect the Authority's new Code of Conduct and Declarations of Interest
- **Terms of Reference – Standards Committee** – to delete the mechanics of the Assessment and Review Sub-Committees from the Terms of Reference and the Committees remit and delegated powers to be amended as detailed in the report with the exception of point (vi) Dealing with the grant and supervision of exemptions from political restrictions in respect of all relevant Authority posts, as required – which following the introduction of The Local Authorities (Exemption from Political Restrictions) (Designation) Regulations 2012 on 26 July 2012 transfers this responsibility to the Head of Staff ie Chief Fire Officer.

36.1 Business Report continued

- **Recruitment Pack for Appointed Independent Persons**
– as detailed at Appendix 2
- **Documentation regarding the Complaints Process**
– as detailed at Appendices 3-5
- **Register of Members Disclosable Pecuniary Interests**
– as detailed at Appendix 6

The Legal Adviser/Monitoring Officer detailed the criteria for appointment as an Independent Person and reported that as a transitional provision for the first year, an Authority may appoint a person as an independent person who has held such a post within the last five years. He confirmed that he had received communication from Mr Dennis and Mr Kelly confirming they would be happy to fill the role of Independent Person. Members' agreed that a letter of appreciation be sent to Mr Gray.

Councillor Cunningham queried Standing Order No. 19 and asked whether a person with a disclosable pecuniary interest would still be required to withdraw from the room where the meeting is being held. The LAMO confirmed that Members would still be required to declare and leave the room, which follows common law.

The LAMO referred to the Register of Members' Disclosable Pecuniary Interests at Appendix 6 and noted that since the report had been circulated to Members, a further addition had been proposed to Paragraph 9: Interests of Close Relations (related party disclosure) which read: *'Further, it will also include; a grandparent, non dependent child, brother or sister, the spouse or domestic partner of a child, a parent in law, a brother in law or a sister in law.'*

Councillor James agreed with widening the definition at Paragraph 9, as described above, but requested the removal of: *'... in which you have a substantial interest'* as she felt this was unclear. She questioned whether the definition of 'substantial interest' described at Paragraph 7 of the register would also relate to Paragraph 9. The LAMO explained that Paragraph 7 related to the person completing the register and Paragraph 9 to their relations and the wording had been approved by the District Auditor. After a brief discussion, Members requested that further clarity be sought from the Standards Committee and reported back to CFA.

RESOLVED:-

- (i) **that the Code of Conduct, as outlined at Appendix 1, be adopted by Cleveland Fire Authority.**
- (ii) **that the Authority's Standing Orders for the regulation of their Proceedings and Business, be amended in accordance with paragraph 5 of the report which specifically refer to Standing Order No 18 (Code of Conduct) and No 19 (Non participation in case of disclosable pecuniary interest), be approved.**
- (iii) **that the Terms of Reference of the Authority's Standards Committee be amended to reflect the changes as detailed at Paragraph 6 of the report.**
- (iv) **that the Ethical Governance Framework 2012/13 be amended and approved in accordance with paragraph 7, the new arrangements under the Localism Act, 2011 and Appendix 2-6 of the report, with the proviso that further clarity be sought from the Standards Committee relating to Paragraph 9 of Appendix 6.**

36.1 Business Report continued

- (v) That Cleveland Fire Authority appoint Mr Ron Dennis and Mr Kevin Kelly until 30 June 2013 as Independent Persons and a letter of appreciation be sent to Mr B Gray.

37. REPORTS OF THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE

37.1 Information Pack

- 37.1.1 Councillor Cooney reported that as part of the Forward Work Programme a special Overview & Scrutiny meeting had been arranged for 17 August 2012 to discuss Sickness Absence Management.

RESOLVED – that the Information Pack be noted.

38. ANY OTHER BUSINESS

38.1 Sprinklers e-petition

Councillor Briggs requested an update on efforts to promote the Sprinklers e-petition and asked for further information to be included at the next CFA meeting. The DCP gave Members a brief update on the national position of the e-petition and reported that the Brigade had launched a press campaign in the past two months and would continue to work towards raising awareness of the importance of domestic sprinklers. Councillor Stoker asked whether the e-petition only applied to residents of England and if not, whether the Brigade could look to Wales for support. The DCP agreed to clarify this position and confirmed that a meeting had been set up with Middlesbrough Planning Department to discuss the inclusion of domestic sprinklers in new builds.

38.2 Fire Control Bid

The Treasurer informed Members that the Authority had received confirmation that it was to receive £1.8m from the Fire Control Bid.

- 39. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006
RESOLVED - “That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined in the Paragraph below of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006”.**

Paragraph 3: namely information relating to the financial or business affairs or any particular person (including the authority holding the information).

40. CONFIDENTIAL MINUTES

RESOLVED – that the Confidential Minutes of the Cleveland Fire Authority Special Meeting held on 22 June 2012 be confirmed.

41. CONFIDENTIAL MINUTES OF COMMITTEES

RESOLVED – that the Confidential Minutes of the Executive Committee held on 6 July 2012 be confirmed.

**COUNCILLOR ROBBIE PAYNE
CHAIRMAN**

CLEVELAND FIRE AUTHORITY

MINUTES OF SPECIAL MEETING

14 SEPTEMBER 2012



PRESENT:

CHAIR:-

Cllr Payne – Hartlepool Borough Council

HARTLEPOOL BOROUGH COUNCIL

Cllrs James, Richardson, Wells

MIDDLESBROUGH COUNCIL

Cllrs Biswas, Clark, Pearson, Sanderson

REDCAR & CLEVELAND BOROUGH COUNCIL

Cllrs Briggs, Dunning, Hannon, Moses, Ovens

STOCKTON ON TEES BOROUGH COUNCIL

Cllrs Cunningham, Gardner, O'Donnell, Stoker, Woodhead

AUTHORISED OFFICERS

Chief Fire Officer, Director of Corporate Services, Treasurer

BRIGADE OFFICERS

Head of Corporate Support

**APOLOGIES FOR
ABSENCE:**

Cllrs Brunton, Hussain – Middlesbrough Council

Cllr Cooney – Redcar & Cleveland Borough Council

Cllr Corr – Stockton on Tees Borough Council

Legal Advisor/Monitoring Officer

47. DECLARATION OF MEMBERS INTEREST

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

48. MINUTES

Installation of Domestic Sprinklers

Councillor Briggs informed Members that a presentation on Domestic Sprinklers had been delivered to the Planning Committee of Redcar & Cleveland Council and the next stage would involve the recommendations going to cabinet. Councillor Dunning suggested the Chairman should write direct to Coast & Country to seek support for the scheme. The Chairman confirmed he had written to the leaders of the councils and chairs of planning committees and to date had received a written response from Councillor Dunning outlining Redcar's enthusiasm for pushing the scheme forward.

RESOLVED

- (i) that the minutes of the Executive Committee meeting held on 17 August 2012 be confirmed.
- (ii) that the CFA Chairman writes Coast & Country, on behalf of the Authority, to seek support for the installation of Sprinklers in all new build housing.

49. REPORT OF THE CHIEF FIRE OFFICER

49.1 Risk Categorisation

The Director of Corporate Services (DCS) outlined the methodology and outcome of the annual review of risk categorisation across the wards within the Brigade's area for 2012/13. She reported that from a total of 88 wards across the Brigade, 39 were categorised 'high risk' in 2011. In 2012, the total number of wards reduced to 82 due to change in boundaries in Hartlepool and of these 33 were categorised as 'high risk.'

The DCS reported that the Authority used a layered approach to build up a risk assessment to categorise each ward using the nationally prescribed FSEC Model plus factors identified as having a direct correlation to the risk of a fire related incident occurring which for Cleveland were smoking, binge drinking and deprivation.

The DCS noted that a change to Hartlepool's boundaries had led to a reduction in the number of wards in the district from 17 to 11, which did not allow for any direct comparison with the previous year. Councillor James pointed out that despite the changes to ward boundaries, around 50% were still categorised as 'high risk', a similar figure to 2011. Councillor James highlighted the potential inaccuracies of using the FSEC Model based on 2001 Census data and noted that information on 'smoking' was likely to be out of date as there has been a national push for smoking cessation prevalent since 2008. Councillors Biswas and Hannon made the point that the high risk areas had remained unchanged for decades. The Chief Fire Officer (CFO) agreed that changes to risk in the area had been incremental over the past decade but urged Members not to overlook the 30% reduction in service demand achieved by the Authority's investment in prevention and protection.

RESOLVED – that the content of the Risk Categorisation report be noted.

50. ANY OTHER BUSINESS

The Chief Fire Officer informed Members that the National Joint Council and Fire Brigades Union had agreed a 1% pay settlement.

- 51. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006**
RESOLVED - "That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs below of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006".

Minute No. 52 – Paragraphs 1 & 3

Minute No. 53.1 – Paragraph 3

Paragraph 1: namely information relating to any individual

Paragraph 3: namely information relating to the financial or business affairs or any particular person (including the authority holding the information).

52. CONFIDENTIAL MINUTES

RESOLVED – that the Confidential Minutes of the Executive Committee meeting held on 17 August 2012 be confirmed.

53. CONFIDENTIAL BRIEFING BY THE CHIEF FIRE OFFICER

53.1 Progress Towards a Social Enterprise

The CFO updated Members on the progress made to date towards establishing a Social Enterprise.

**COUNCILLOR ROBBIE PAYNE
CHAIRMAN**



Report of: The Executive

Subject: ALCOHOL UPDATE

1. PURPOSE OF REPORT

- 1.1 This report provides detail on alcohol activity associated with Hartlepool Alcohol Harm Reduction Strategy, as requested at the Council meeting on 18th October 2012. The report will also be considered at Cabinet on 3rd December 2012.

2. BACKGROUND

- 2.1 Following a Children's Services scrutiny into alcohol and young people Hartlepool Borough Council requested that the Mayor in his capacity as Chair of Safer Hartlepool Partnership assume the lead on action to tackle the harm associated with alcohol misuse.
- 2.2 Safer Hartlepool Partnership is a multi agency partnership consisting of the five Responsible Authorities (Local Authority, Police, Probation, PCT and Fire Brigade) other key stakeholders which at the time had strategic responsibility for the Youth Offending Service, Drug Action Team and Community Safety.
- 2.3 In response to the Government's national Alcohol Harm Reduction Strategy (2004) and Safe, Sensible, Social: The next steps in the national Alcohol Strategy (2007) Hartlepool developed a multi-agency Alcohol Strategy with the aim of improving education; delivering better treatment; ensuring better enforcement around alcohol related crime and encouraging the drinks industry to promote responsible drinking.
- 2.4 Unfortunately, in the first national Comprehensive Area Assessment in December 2009, Hartlepool received a 'red flag' for tackling the harm caused by alcohol which led to the Chief Executives from the Local Authority and Hartlepool PCT conducting a rigorous review of the local situation and a refresh of the strategy.

- 2.5 During 2010 there was detailed analysis, consultation with key stakeholders, including Hartlepool Partnership and a Health Scrutiny, and assistance from the NHS Alcohol Support Team which resulted in a new Alcohol Harm Reduction Strategy for 2011-2016 which was approved through Safer Hartlepool Partnership and Cabinet on 21st March 2011.
- 2.6 The recommendations also included the establishment of an alcohol task force with membership of all major stakeholders to be chaired by a HBC Member. The Alcohol Strategy Group was established within Safer Hartlepool Partnership.
- 2.7 One of the other recommendations agreed by Cabinet was that minimum pricing be explored as a priority and the chair instigated a comprehensive campaign through summer of 2011. Initially the majority of people were sceptical with many misunderstanding the issue.
- 2.8 The exercise was conducted by means of educational campaigns, surveys and events, the involvement of Balance the regional alcohol office and Blue Grass research consultants which culminated in an event in Middleton Grange Shopping Centre. The outcome was that generally people would support the introduction of minimum pricing particularly to protect young people from alcohol harm, but there was concern about the actual unit price and any economic impact to Hartlepool business if none of the neighbouring towns introduced minimum pricing. The report is available on request.
- 2.9 The Alcohol Strategy Group were advised that potentially HBC could introduce the initiative through Bye-laws and initial thoughts were on health grounds rather than it being a licensing issue. In May 2012, however the Scottish Parliament passed legislation to introduce a minimum unit price in Scotland. MUP was due to come into force in 2013, but it is now being challenged. It is claimed that the MUP of 50p will break European free trade rules. Member states of the EU were notified of the bill, resulting in comments and opinions being received by 12 members. These comments have not been made public but they argue that less trade restrictive alternatives, such as taxation, are available.
- 2.10 EU free trade law does not prevent restrictions on the sale of alcohol if they are justified on health grounds, providing the restrictions are shown to be appropriate and necessary to achieve the objective and cannot be achieved by any less trade restrictive means. The EU will now enter in discussions, expected after the standstill period which expires in December with the UK/Scottish governments to seek removal of the minimum pricing regulation. All the challenges to MUP are being led by commercial interests which represent some of the biggest alcohol organisations in the world.
- 2.11 In Scotland, the SWA has begun legal challenge arguing that MUP is unlawful as it infringes international free trade rules. It is also arguing that Scottish government does not have the devolved power to introduce MUP. Their challenge was due to be heard on the 23rd October at the Court of Session in Edinburgh and was expected to last six days but due to industry

presenting 200 pieces of alleged new evidence, the hearing was discharged until January 2013.

- 2.12 In addition to the position in Scotland the coalition Government in England had begun to publicly state its support for a MUP and was to include reference to it when it published its National Alcohol Strategy. However, the publication of the strategy for consultation has been delayed several times and may now not happen until January 2013. In light of the developments in Scotland it may be considered that any future attempts to introduce a local by law would be ineffective until such time as the legal challenge against Scotland's proposal has been resolved so activity in Hartlepool has ceased.
- 2.13 For some while there have been two similar task groups operating in Safer Hartlepool Partnership, the Drug Joint Commissioning Group as defined and required by Department of Health to manage the Drug Action Team function and remit and the Alcohol Strategy Group but following the review of SHP structure the Executive agreed on 16th July 2012 to merge the groups into a single Substance Misuse Strategy Group (SMSG) to reflect the national move to merge the drug and alcohol agendas into a substance misuse response and also to acknowledgement of capacity issues faced by a number of organizations that have undergone staff cuts and reductions.
- 2.14 The Terms of Reference for both groups were very similar having delegated responsibility from SHP Executive to determine strategic direction, manage performance and finances and commission service related to drugs and/or alcohol. One difference however related to the chairing of the groups with the Drug JCG chaired by the PCT Director of Public Health and the Alcohol Strategy Group chaired by a HBC Councillor. The Executive decided that as the SMSG is not a Council led initiative, to reflect the multi partnership nature and to ensure effective links to the NHS, Health and Wellbeing Board and transitional Clinical Commissioning Group that the SMSG should be chaired by the Director of Public Health.

3. UPDATE ON ACTIVITY

- 3.1 The Alcohol Strategy 2011 – 2016 includes for the development of annual multi agency action plans which confirm the priorities and activities arranged in three strands that reflected the harms and lead agencies involved:
- (i) Prevention and young people – Children's Services
 - (ii) Treatment and Support – DAAT and PCT
 - (iii) Control - Enforcement and Licensing – Police and Local Authority
- 3.2 The 2012/13 plan was approved at through SHP and Cabinet on 19th March 2012 with regular progress reports received by the Substance Misuse Strategy Group and performance reported periodically to SHP Executive. Copies of the Plan and updates have been made available in the Members Library. At the moment needs assessment exercises are in hand and the

action plans for 2013/14 will be reported through Cabinet and SHP Executive during March 2013.

- 3.3 Prevention - This section of plan is generally led by Children and Young People Services and includes events and campaign programmes including Alcohol Awareness Week from 19th November where literature and workers were providing advice and promoting services in shops and at community venues; training there has been a significant increase in primary care, social care and hospital in use of screening tools such as AUDIT and e-learning to extend brief intervention work; Workplace policies are being strengthened through work of Health Training and new services have been introduced to support Families and increase Peer Mentor volunteering and befriending.
- 3.4 The Early Intervention Strategy has a major focus on supporting families where alcohol is an issue. HYPED is the current provider for the Young People's Substance Misuse work with a contract worth £200,000 per annum. The service is fully integrated into the locality services and the Family Information and Support Hub. This has enabled Hartlepool to respond quickly and effectively to individuals and families dealing with alcohol issues. Officers in the service believe that this integrated working model will in the short term offer targeted interventions that have a real impact on families as well as a longer term expectation that messages regarding the risks in using alcohol will eventually have an impact.
- 3.5 The Early Intervention Locality Teams have an agreement in place to be delivery agent for all public health messages. Staff in the service will be trained to give messages that are consistent and clear to all families as part of their intervention. Where problems arise the working relationship with the Health and enforcement services is such that key lines of communication are already in place. The Think Family Think Communities project will undoubtedly strengthen this work with families where alcohol features as a real concern.
- 3.6 Balance are supporting Hartlepool leading on a number of campaigns and there have been several promotional events and development days with new providers promoting their services and strengthening pathways and networks. In addition services are making greater use of IT, texts and websites such as Hiwecanhelp.com which contains information and detail of facilities and support.
- 3.7 The Anti Social Behavior Day (ASBAD) continues to be successful working with schools and the Early Intervention Services have been able to respond by planning and implementing a range of educational opportunities in Primary Schools, Secondary Schools and Colleges. Our experience with interventions such as Operation Stay Safe is that children exposed to alcohol as part of their everyday life can see alcohol and its misuse as both normal and acceptable. The strategy for young people is that the HYPED service will provide educational experience at Y6 in each Primary School so that the myths and risks of alcohol use can be dealt with in a way that is age appropriate. As well as providing specific interventions to individuals in

secondary schools the HYPED service will work alongside teachers to ensure that clear messages regarding alcohol are delivered consistently and effectively. This specialist work will be supported by partners at every level to ensure that young people are educated about the dangers of alcohol and supported to make better life choices. HYPED staff can be contacted via the Family Information and Support Hub, The Locality Teams or the One Stop Shop.

- 3.8 Treatment – new services are in place as from April 2012 offering a greater range of recovery, aftercare and relapse prevention support. Clinical interventions include supported community detoxification programmes, and increased access to in-patient and residential detoxification. There are additional offender alcohol programmes in place too and changes within the Custody Suite now include alcohol assessment, brief intervention and referral. A Domestic Violence Perpetrator programme is due to begin after Xmas to contribute to the Domestic Violence Strategy and address alcohol related violence by those in treatment.
- 3.9 The PCT funded QIPP (Quality, Innovation, Productivity and Prevention) initiative has helped to strengthen joint working and pathways between GP Primary Care, Social Care, hospital and community treatment actually reducing alcohol related hospital admissions with considerable cost savings beginning to be identified. There are now regular care coordination clinics established within primary care, clearer mechanisms for effective hospital discharge and coordination panels between social care and treatment services have been introduced to better manage those individuals with complex issues. The Team around the Household evaluation demonstrates the improved joint working which will be enhanced through Think Family/Think Communities initiative.
- 3.10 There is now an agreed comprehensive treatment pathway across services introduced following consultation with agencies and delivered through GP Lunch and Learn sessions, and wider workforce development days.
- 3.11 Control – Enforcement – weekend policing of the Church Street area has changed with traffic restrictions and environmental improvements to the area. There have been significant increases in the number of community sentences using Alcohol Treatment Requirement Orders and Specified Activities and the piloting of the offender alcohol initiative has managed to reduce both alcohol consumption and offending of most of those participating in the scheme.
- 3.12 The Taxi Marshalling scheme continues to be effective and those enjoying the night time economy appear to be moderating behavior even when the Marshalls are not in attendance, whilst the church Street Pastors, who now have access to their Church premises in Whitby Street as a drop in Centre, have made an invaluable contribution.
- 3.13 There are two significant recent developments relating to licensing provisions. Both of these issues were taken to the Council's Licensing

Committee on 6th November 2012. Firstly, the Licensing Act 2003 has now been amended so as to allow Council's to set a terminal hour for all, or some, of its licensed premises through a process referred to as an 'EMRO' (*Early Morning Alcohol Restriction Order*). This could mean, if the Council considered it appropriate, that all premises in the town centre area must cease supplying alcohol at no later than 0200 hours – there are currently a significant number of premises licensed between 0200 hours and 0400 hours.

- 3.14 At its meeting on 6th November the Licensing Committee indicated that it would like to see an EMRO introduced as soon as possible with a latest terminal hour for the sale of alcohol of 0200 hours. A further meeting of the Committee is to be arranged for mid-December where the exact terms of the EMRO will be agreed prior to a consultation exercise being carried out for a minimum of 42 days (a statutory requirement).
- 3.15 Secondly, Council's have been given the opportunity to charge an additional financial levy on all premises that supply alcohol after midnight. The additional fees that can be charged, range from £299 to £4440 per year, depending on the size of the premises concerned. A minimum of 70% of revenue generated through the levy scheme must be allocated to the Police but there is no requirement for the Police to actually spend this on Night Time Economy related issues.
- 3.16 At its meeting on 6th November 2012 the Licensing Committee determined that it would not be appropriate and necessary to implement a Late Night Levy at this time and as such no further development of this initiative is being planned.
- 3.17 Hartlepool Borough Council and the Police continue to work closely with the local licensing trade and attend meetings of Hartlepool Licensees Association. There is some level of support from the trade for the possibility of bringing the terminal hour back to 0200 hours through the EMRO process detailed in 3 above but there has been no support identified for the introduction of an additional financial levy

4. RISK IMPLICATIONS

- 4.1 There continue to be significant challenges in Hartlepool as the most recent Local Alcohol Profile confirm Hartlepool is still one of the worst areas nationally for binge drinking; there are increasing rates of high risk drinking behaviour, and increasing rates for alcohol related liver disease. Culturally Hartlepool like much of the North East drink outside of national guidelines.
- 4.2 Within the extensive review developing the Alcohol Strategy all agencies agreed that SHP afforded the best framework for a multi agency response. The Substance Misuse Strategy Group membership has been strengthened through the addition of a representative from the GP CCG, Balance and the National Treatment Agency and can collectively respond to the variety of

issues (education, prevention, violence, crime and treatment) to address the harm associated with alcohol misuse.

- 4.3 There still remains limited dedicated finance for alcohol. Current services are resourced in the main by £200,000 PCT alcohol funding secured in 2011, a local authority contribution of £29,000 and a Community Safety grant of £50,000 supports the offender initiative. During the review and the Alcohol Strategy Group did consider mapping investment and conducting a total place type of review of finance and investment however in this economic environment the organisations agreed it would be difficult to proceed as many had had significant cuts to their budgets, were unclear about future budget allocations and were not aware of any no growth money
- 4.4 The Health and Wellbeing Board and GP CCG have had presentations on local alcohol issues and confirmed that alcohol is a strategic priority with the substance misuse needs assessment, QIPP recommendations and any business case to be reported from March 2013
- 4.5 The public health budget does contain a ringfenced element which offers some protection short term for substance misuse. The external Department of Health allocation for drugs is being maximised with services commissioned to respond to all substances with alcohol a priority.
- 4.6 The appointment of Police Crime Commissioner includes the transfer of resources from the Early Intervention Grant, YOS, Community Safety and the Home Office Drug Intervention Programme grant and as yet there is no confirmation of his proposals.
- 4.7 In addition the NHS are undertaking a review of their contracted specialist drug and alcohol services and all of these different changes and pressures will need to be reflected when setting priorities and actions in plans for 2013/14.

5. RECOMMENDATIONS

Members are asked to note the detail in the report and provide any comment as appropriate.

6. REASONS FOR RECOMMENDATIONS

To advise Members of activity around alcohol issues in Hartlepool and ask for comments to assist in the development of responses for tackling alcohol issues.

7. BACKGROUND PAPERS

- Alcohol Harm Reduction Strategy 2011-2016 and 2012/13 action plan updates
- Alcohol Treatment pathway
- Minimum Pricing Report
- Balance Campaigns via www.balancenortheast.co.uk
- Local Alcohol Profile via North West Public Health Observatory website www.nwph.net

8. CONTACT OFFICER

Chris Hart, Drug and Alcohol Manager, Level 4, Civic Centre. Telephone 01429 284301.

COUNCIL

6th December 2012



Report of: Licensing Committee

Subject: GAMBLING ACT 2005

1. PURPOSE OF REPORT

- 1.1 To invite Council to consider the adoption of a Statement of Licensing Principles (a Licensing Policy) that details the principles the Council will apply when exercising its licensing functions under the Gambling Act 2005.
- 1.2 To invite the Council to consider the passing of a 'No Casino' resolution.

2. BACKGROUND

- 2.1 The Gambling Act 2005 came into force in 2007 and transferred a range of licensing responsibilities from the Gaming Board and local Magistrates Courts to local authorities and the newly formed Gambling Commission.
- 2.2 Licensable activities that fall within Local Authority control include bingo halls, betting shops, amusement arcades and casinos.
- 2.3 The Gambling Act 2005 requires Licensing Authorities to publish, every three years, a statement of the principles that they propose to apply in exercising their functions under the Act.
- 2.4 Hartlepool's current Statement of Licensing Principles was published in January 2010 and, as such, a new Statement must be published no later than January 2013.
- 2.5 The current Statement (available as **Appendix I**) meets the requirements of the Act's statutory guidance and follows closely a best practice Statement initially produced by the Local Authority Co-ordinating Body for Regulatory Services (LACORS).
- 2.6 As there have been no national or local developments that would necessitate a change to the current policy the Licensing Committee determined at its meeting on 17th July 2012 that it would be appropriate for it to be retained for a further three years, subject to the result of consultation at a local and national level.

- 2.7 Consultation was carried out between July and October 2012 and one response was received from the British Beer & Pub Association. The response was a generic response, dated 2009, and did not raise any issues that apply to Hartlepool.

Casinos

- 2.8 The Gambling Act also provides an opportunity for Licensing Authorities to adopt a resolution not to issue casino licences.
- 2.9 A 'No Casino' resolution was passed in 2007 and retained in 2010 but the matter must be specifically reconsidered each time a new Statement of Principles is adopted.
- 2.10 The Licensing Committee determined at its meeting on 6th November 2012 that the draft Statement, including a 'No Casino' resolution, should be recommended to the Council for adoption.

3. PROPOSALS

- 3.1 The Licensing Committee has recommended the adoption of a Statement of Licensing Principles as detailed in Appendix I.
- 3.2 The Licensing Committee has also recommended that the Statement contains a resolution not to issue casino licences. 'No Casino' resolutions are expressly permitted by virtue of s166 of the Gambling Act.
- 3.3 The Licensing Committee considers that a 'No Casino' resolution is appropriate as a casino may provide an environment that may harm vulnerable persons who may gamble beyond their means.
- 3.4 Formal adoption of the Statement of Licensing Principles and a 'No Casino' resolution are non-executive functions and approval by the Council is required.

4. EQUALITY AND DIVERSITY CONSIDERATIONS

- 4.1 There are no equality or diversity implications.

5. SECTION 17

- 5.1 There are no implications under Section 17.

6. RECOMMENDATIONS

- 6.1 That the Council accepts the Licensing Committee's recommendation and approve the adoption of the draft Statement of Principles as detailed in Appendix I with effect from 3rd January 2013.
- 6.2 That the Council accepts the Licensing Committee's recommendation and approve the adoption of a 'No Casino' resolution for the reasons detailed in paragraph 3.3 above.

7. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- 7.1 Appendix I – Proposed Statement of Licensing Principles

8. BACKGROUND PAPERS

- 8.1 There are no background papers

STATEMENT OF PRINCIPLES
Gambling Act 2005
(To be Published January 2013)



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This Statement of Licensing Principles was approved by Hartlepool Borough Council on XXXXX.

All references to the Guidance refer to the Gambling Commission's Guidance to Licensing Authorities, 4th Edition, published September 2012.

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PART A

1. The Licensing Objectives

In exercising most of their functions under the Gambling Act 2005, licensing authorities must have regard to the licensing objectives as set out in section 1 of the Act. The licensing objectives are:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling

It should be noted that the Gambling Commission has stated: “The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling”.

This licensing authority is aware that, as per Section 153, in making decisions about premises licences and temporary use notices it should aim to permit the use of premises for gambling in so far as it thinks it:

- in accordance with any relevant code of practice issued by the Gambling Commission
- in accordance with any relevant guidance issued by the Gambling Commission
- Reasonably consistent with the licensing objectives and
- in accordance with the authority’s statement of licensing policy

2. Introduction

Hartlepool is situated on the North East coast of England. The Borough consists of the town of Hartlepool and a number of small outlying villages. The total area of the Borough is 9,390 hectares.

Hartlepool is a unitary authority, providing a full range of services. It adjoins Easington District Council to the north, Sedgefield District Council to the west and Stockton on Tees Borough Council to the south. The residential population is 90,161 of which ethnic minorities comprise 1.2% (2001 census).

Licensing authorities are required by the Gambling Act 2005 to publish a statement of the principles which they propose to apply when exercising their functions. This statement must be published at least every three years. The statement must also be reviewed from “time to time” and any amended parts re-consulted upon. The statement must be then re-published.

Hartlepool Borough Council consulted widely upon this statement before finalising and publishing. A list of those persons consulted is contained in Appendix I.

The Gambling Act requires that the following parties are consulted by licensing authorities:

- The Chief Officer of Police;
- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority’s area;
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority’s functions under the Gambling Act 2005.

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Our consultation took place between 17th July 2012 and 8th October 2012 and we followed the HM Government Code of Practice on Consultation (published July 2008), which is available at:

<http://www.berr.gov.uk/files/file47158.pdf>

The full list of comments made and the consideration by the Council of those comments is available by request to: Principal Trading Standards & Licensing Officer, Hartlepool Borough Council, Hanson House, Hartlepool, TS24 7BT or via the Council's website at: www.Hartlepool.gov.uk/licensing.

The policy was approved at a meeting of the Full Council on XXXXX date and was published via our website on XXXXXX. Copies were placed in the public libraries of the area as well as being available in the Town Hall.

Should you have any comments as regards this policy statement please send them via e-mail or letter to the following contact:

Principal Trading Standards & Licensing Officer
Hartlepool Borough Council
Hanson House
Hartlepool
TS24 7BT

Ian.Harrison@hartlepool.gov.uk

It should be noted that this statement of licensing principles will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

3. Declaration

In producing the final statement, this licensing authority declares that it has had regard to the licensing objectives of the Gambling Act 2005, the Guidance to Licensing Authorities issued by the Gambling Commission, and any responses from those consulted on the statement.

4. Responsible Authorities

The licensing authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:

- the need for the body to be responsible for an area covering the whole of the licensing authority's area; and
- the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

In accordance with the suggestion in the Gambling Commission's Guidance to Licensing Authorities, this authority designates the Local Safeguarding Children Board for this purpose.

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The contact details of all the Responsible Authorities under the Gambling Act 2005 are available via the Council's website at: www.Hartlepool.gov.uk/licensing

5. Interested parties

Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:

“For the purposes of this Part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the licensing authority which issues the licence or to which the applications is made, the person-

- a) lives sufficiently close to the premises to be likely to be affected by the authorised activities,
- b) has business interests that might be affected by the authorised activities, or
- c) represents persons who satisfy paragraph (a) or (b)”

The licensing authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party. The principles are:

Each case will be decided upon its merits. This authority will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Gambling Commission's Guidance to Licensing Authorities at 8.11 to 8.19. It will also consider the Gambling Commission's Guidance that "has business interests" should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices.

Interested parties can be persons who are democratically elected such as councillors and MP's. No specific evidence of being asked to represent an interested person will be required as long as the councillor / MP represents the ward likely to be affected. Likewise, parish councils likely to be affected will be considered to be interested parties. Other than these however, this authority will generally require written evidence that a person/body (e.g. an advocate / relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.

If individuals wish to approach councillors to ask them to represent their views then care should be taken that the councillors are not part of the Licensing Committee dealing with the licence application. If there are any doubts then please contact the licensing department at the Civic Centre, Hartlepool.

6. Exchange of Information

Licensing authorities are required to include in their statements the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under section 350 of the Act with the respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

The principle that this licensing authority applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the

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provision that the Data Protection Act 1998 will not be contravened. The licensing authority will also have regard to any Guidance issued by the Gambling Commission on this matter, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

Should any protocols be established as regards information exchange with other bodies then they will be made available.

7. Enforcement

Licensing authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified.

This licensing authority's principles are that:

It will be guided by the Gambling Commission's Guidance to Licensing Authorities and will endeavour to be:

- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects.

As per the Gambling Commission's Guidance to Licensing Authorities this licensing authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

This licensing authority has adopted and implemented a risk-based inspection programme, based on;

- The licensing objectives
- Relevant codes of practice
- Guidance issued by the Gambling Commission, in particular at Part 36
- The principles set out in this statement of licensing policy

The main enforcement and compliance role for this licensing authority in terms of the Gambling Act 2005 is to ensure compliance with the premises licences and other permissions which it authorises. The Gambling Commission is the enforcement body for the operating and personal licences. It is also worth noting that concerns about manufacture, supply or repair of gaming machines are not dealt with by the licensing authority but should be notified to the Gambling Commission.

This licensing authority also keeps itself informed of developments as regards the work of the Better Regulation Executive in its consideration of the regulatory functions of local authorities.

Bearing in mind the principle of transparency, this licensing authority's enforcement/compliance protocols/written agreements are available upon request to the

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licensing department, Hartlepool Borough Council, Civic Centre, Hartlepool, TS24 8AY. Our risk methodology is also available upon request.

8. Licensing authority functions

Licensing authorities are required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing *Premises Licences*
- Issue *Provisional Statements*
- Regulate *members' clubs* and *miners' welfare institutes* who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issue *Club Machine Permits* to *Commercial Clubs*
- Grant permits for the use of certain lower stake gaming machines at *unlicensed Family Entertainment Centres*
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines
- Issue *Licensed Premises Gaming Machine Permits* for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines
- Register *small society lotteries* below prescribed thresholds
- Issue *Prize Gaming Permits*
- Receive and Endorse *Temporary Use Notices*
- Receive *Occasional Use Notices*
- Provide information to the Gambling Commission regarding details of licences issued (see section above on 'information exchange')
- Maintain registers of the permits and licences that are issued under these functions

It should be noted that licensing authorities are not to be involved in licensing remote gambling at all, which is regulated by the Gambling Commission via operating licences.

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PART B
PREMISES LICENCES: CONSIDERATION OF APPLICATIONS

1. General Principles

Premises licences are subject to the requirements set-out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions which are detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.

(i) Decision-making

This licensing authority is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it:

- in accordance with any relevant code of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with the authority's statement of licensing policy.

It is appreciated that as per the Gambling Commission's Guidance to Licensing Authorities "moral objections to gambling are not a valid reason to reject applications for premises licences" (except as regards any 'no casino resolution' - see section on Casinos - page 12) and also that unmet demand is not a criterion for a licensing authority.

(ii) Definition of "premises" – In the Act, "premises" is defined as including "any place". Section 152 therefore prevents more than one premises licence applying to any place. But a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall to obtain discrete premises licences, where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about sub-divisions of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.

The Gambling Commission states in the third edition of its Guidance to Licensing Authorities that: "In most cases the expectation is that a single building / plot will be the subject of an application for a licence, for example, 32 High Street. But, that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises."

This licensing authority takes particular note of the Gambling Commission's Guidance to Licensing Authorities which states that: licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware of the following:

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- The third licensing objective seeks to protect children from being harmed by gambling. In practice that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore premises should be configured so that children are not invited to participate in, have accidental access to or closely observe gambling where they are prohibited from participating.
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not “drift” into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.
- Customers should be able to participate in the activity names on the premises licence.

The Guidance also gives a list of factors which the licensing authority should be aware of, which may include:

- Do the premises have a separate registration for business rates
- Is the premises’ neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

This authority will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

The Gambling Commission’s relevant access provisions for each premises type are reproduced below :

7.25:

Casinos

- The principal access entrance to the premises must be from a street (as defined at 7.23 of the Guidance)
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons
- No customer must be able to enter a casino directly from any other premises which holds a gambling premises licence

Adult Gaming Centre

- No customer must be able to access the premises directly from any other licensed gambling premises

Betting Shops

- Access must be from a street (as per para 7.23 Guidance to Licensing Authorities) or from another premises with a betting premises licence
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café – the whole area would have to be licensed.

Tracks

- No customer should be able to access the premises directly from:

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- a casino
- an adult gaming centre

Bingo Premises

- No customer must be able to access the premise directly from:
 - a casino
 - an adult gaming centre
 - a betting premises, other than a track

Family Entertainment Centre

- No customer must be able to access the premises directly from:
 - a casino
 - an adult gaming centre
 - a betting premises, other than a track

Part 7 of the Gambling Commission's Guidance to Licensing Authorities contains further guidance on this issue, which this authority will also take into account in its decision-making.

(iii) Premises "ready for gambling"

The Guidance states that a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use.

If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead.

In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merits, applying a two stage consideration process:-

- First, whether the premises ought to be permitted to be used for gambling
- Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

Applicants should note that this authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

More detailed examples of the circumstances in which such a licence may be granted can be found at paragraphs 7.59-7.66 of the Guidance.

(iv) Location - This licensing authority is aware that demand issues cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives are relevant to its decision-making. As per the Gambling Commission's Guidance to Licensing Authorities, this authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will

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be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome.

(v) Planning:

The Gambling Commission Guidance to Licensing Authorities states:

7.59 – In determining applications the licensing authority has a duty to take into consideration all relevant matters and not to take into consideration any irrelevant matters, i.e. those not related to gambling and the licensing objectives. One example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal.

This authority will not take into account irrelevant matters as per the above guidance. In addition this authority notes the following excerpt from the Guidance:

7.66 - When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have or comply with the necessary planning or building consents. Those matters should be dealt with under relevant planning control and building regulation powers, and not form part of the consideration for the premises licence. Section 210 of the 2005 Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence application. Equally the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building.

(vi) Duplication with other regulatory regimes - This licensing authority seeks to avoid any duplication with other statutory / regulatory systems where possible, including planning. This authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about conditions which are not able to be met by licensees due to planning restrictions, should such a situation arise.

When dealing with a premises licence application for finished buildings, this authority will not take into account whether those buildings have to comply with the necessary planning or buildings consents. Fire or health and safety risks will not be taken into account, as these matters are dealt with under relevant planning control, buildings and other regulations and must not form part of the consideration for the premises licence.

Licensing objectives - Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, this licensing authority has considered the Gambling Commission's Guidance to Licensing Authorities and some comments are made below.

Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime - This licensing authority is aware that the Gambling Commission takes a leading role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does however envisage that licensing authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Thus, where an area has known high levels of organised crime this authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. This licensing authority is aware of the distinction between disorder and nuisance and will consider factors (for example whether police assistance was required and how threatening the behaviour was to those who could see it) so as to make that distinction.

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Ensuring that gambling is conducted in a fair and open way - **This licensing authority has noted that the Gambling Commission states that it generally does not expect licensing authorities to be concerned with ensuring that gambling is conducted in a fair and open way as this will be addressed via operating and personal licences.**

Protecting children and other vulnerable persons from being harmed or exploited by gambling - This licensing authority has noted the Gambling Commission's Guidance that this objective means preventing children from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children). The licensing authority will therefore consider, as suggested in the Gambling Commission's Guidance, whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances / machines, segregation of areas etc.

This licensing authority is also aware of the Gambling Commission Codes of Practice as regards this licensing objective, in relation to specific premises.

As regards the term "vulnerable persons" it is noted that the Gambling Commission does not seek to offer a definition but states that "it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who gambling beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs." This licensing authority will consider this licensing objective on a case by case basis.

Conditions - Any conditions attached to licences will be proportionate and will be:

- relevant to the need to make the proposed building suitable as a gambling facility;
- directly related to the premises and the type of licence applied for;
- fairly and reasonably related to the scale and type of premises; and
- reasonable in all other respects.

Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures this licensing authority will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. This licensing authority will also expect the licence applicant to offer his/her own suggestions as to way in which the licensing objectives can be met effectively.

This licensing authority will also consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Gambling Commission's Guidance.

This authority will also ensure that where category C or above machines are on offer in premises to which children are admitted:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;

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- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

This licensing authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this licensing authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

It is noted that there are conditions which the licensing authority cannot attach to premises licences which are:

- any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- conditions relating to gaming machine categories, numbers, or method of operation;
- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated; and
- conditions in relation to stakes, fees, winning or prizes.

Door Supervisors - The Gambling Commission advises in its Guidance to Licensing Authorities that if a licensing authority is concerned that a premises may attract disorder or be subject to attempts at unauthorised access (for example by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a premises licence to this effect.

Where it is decided that supervision of entrances/machines is appropriate for particular cases, a consideration of whether these need to be SIA licensed or not will be necessary. It will not be automatically assumed that they need to be licensed, as the statutory requirements for different types of premises vary (as per the Guidance, Part 33).

2. Adult Gaming Centres

This licensing authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

This licensing authority may consider measures to meet the licensing objectives such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage

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- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

3. (Licensed) Family Entertainment Centres:

This licensing authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority, for example, that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas.

This licensing authority may consider measures to meet the licensing objectives such as:

- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare.
- Measures / training for staff on how to deal with suspected truant school children on the premises

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

This licensing authority will, as per the Gambling Commission's guidance, refer to the Commission's website to see any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. This licensing authority will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.

4. Casinos

This licensing authority has passed a 'no casino' resolution on the basis that whilst it recognises that gambling can be an enjoyable and harmless activity for many, it believes that a casino may provide an environment that may harm vulnerable persons who may gamble beyond their means.

Potential licence applicants should note that as a 'no-casino' resolution has been passed by this authority no applications for casino premises licences will be considered. Any applications received will be returned with a notification that a 'no-casino' resolution is in place.

5. Bingo premises

This licensing authority notes that the Gambling Commission's Guidance states:

18.4 Licensing authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an

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area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas.

This authority also notes the Guidance at paragraph 18.8 regarding the unusual circumstances in which the splitting of a pre-existing premises into two adjacent premises might be permitted, and in particular that it is not permissible to locate sixteen category B3 gaming machines in one of the resulting premises, as the gaming machine entitlement for that premises would be exceeded.

18.7 Children and young people are allowed into bingo premises; however they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed.

6. Betting premises

Betting machines - This licensing authority will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

7. Travelling Fairs

This licensing authority is responsible for deciding whether, where category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.

The licensing authority will also consider whether the applicant falls within the statutory definition of a travelling fair.

It is noted that the 27-day statutory maximum for the land being used as a fair applies on a per calendar year basis, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This licensing authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

8. Provisional Statements

Developers may wish to apply to this authority for provisional statements before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.

S204 of the Gambling Act provides for a person to make an application to the licensing authority for a provisional statement in respect of premises that he or she:

- expects to be constructed;
- expects to be altered; or
- expects to acquire a right to occupy.

The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in

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the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.

In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.

The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The licensing authority will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless:

- they concern matters which could not have been addressed at the provisional statement stage, or
- they reflect a change in the applicant's circumstances.

In addition, the authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- which could not have been raised by objectors at the provisional statement stage;
- which in the authority's opinion reflect a change in the operator's circumstances; or
- where the premises has not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this licensing authority notes that it can discuss any concerns it has with the applicant before making a decision.

9. Reviews:

Requests for a review of a premises licence can be made by interested parties or responsible authorities; however, it is for the licensing authority to decide whether the review is to be carried-out. This will be on the basis of whether the request for the review is relevant to the matters listed below;

- in accordance with any relevant Code of Practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with the authority's statement of principles.

The request for the review will also be subject to the consideration by the authority as to whether the request is frivolous, vexatious, or whether it will certainly not cause this authority to wish to alter/revoke/suspend the licence, or whether it is substantially the same as previous representations or requests for review.

The licensing authority can also initiate a review of a particular premises licence, or a particular class of premises licence on the basis of any reason which it thinks is appropriate.

Once a valid application for a review has been received by the licensing authority, representations can be made by responsible authorities and interested parties during a 28 day period. This period begins 7 days after the application was received by the licensing authority, who will publish notice of the application within 7 days of receipt.

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The licensing authority must carry out the review as soon as possible after the 28 day period for making representations has passed.

The purpose of the review will be to determine whether the licensing authority should take any action in relation to the licence. If action is justified, the options open to the licensing authority are:-

- (a) add, remove or amend a licence condition imposed by the licensing authority;
- (b) exclude a default condition imposed by the Secretary of State or Scottish Ministers (e.g. opening hours) or remove or amend such an exclusion;
- (c) suspend the premises licence for a period not exceeding three months; and
- (d) revoke the premises licence.

In determining what action, if any, should be taken following a review, the licensing authority must have regard to the principles set out in section 153 of the Act, as well as any relevant representations.

In particular, the licensing authority may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them.

Once the review has been completed, the licensing authority must, as soon as possible, notify its decision to:

- the licence holder
- the applicant for review (if any)
- the Commission
- any person who made representations
- the chief officer of police or chief constable; and
- Her Majesty's Commissioners for Revenue and Customs

DRAFT**DRAFT****PART C****Permits / Temporary & Occasional Use Notice****1. Unlicensed Family Entertainment Centre gaming machine permits (Statement of Principles on Permits - Schedule 10 paragraph 7)**

Where a premises does not hold a premises licence but wishes to provide gaming machines, it may apply to the licensing authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (Section 238).

The Gambling Act 2005 states that a licensing authority may prepare a *statement of principles* that they propose to consider in determining the suitability of an applicant for a permit and in preparing this statement, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under section 25. The Gambling Commission's Guidance to Licensing Authorities also states: "In their three year licensing policy statement, licensing authorities may include a statement of principles that they propose to apply when exercising their functions in considering applications for permits...., licensing authorities will want to give weight to child protection issues." (24.6)

Guidance also states: "...An application for a permit may be granted only if the licensing authority is satisfied that the premises will be used as an unlicensed FEC, and if the chief officer of police has been consulted on the application....Licensing authorities might wish to consider asking applications to demonstrate:

- a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act; and
- that staff are trained to have a full understanding of the maximum stakes and prizes. (24.7)

It should be noted that a licensing authority cannot attach conditions to this type of permit.

Statement of Principles This licensing authority will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include appropriate measures / training for staff as regards suspected truant school children on the premises, measures / training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on / around the premises. This licensing authority will also expect, as per Gambling Commission Guidance, that applicants demonstrate a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs; that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act); and that staff are trained to have a full understanding of the maximum stakes and prizes.

DRAFT**DRAFT****2. (Alcohol) Licensed premises gaming machine permits - (Schedule 13 paragraph 4(1))****Automatic entitlement: 2 machines**

There is provision in the Act for premises licensed to sell alcohol for consumption on the premises to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the licensing authority.

The licensing authority can remove the automatic authorisation in respect of any particular premises if:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the licensing authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with);
- the premises are mainly used for gaming; or
- an offence under the Gambling Act has been committed on the premises.

Permit: 3 or more machines

If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the licensing authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and “*such matters as they think relevant.*”

This licensing authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harmed or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be help. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.

It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.

It should be noted that the licensing authority can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.

It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

3. Prize Gaming Permits

The Gambling Act 2005 states that a licensing authority may “prepare a statement of principles that they propose to apply in exercising their functions under this Schedule” which

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“may, in particular, specify matters that the licensing authority proposes to consider in determining the suitability of the applicant for a permit”.

This licensing authority has prepared a Statement of Principles which is that the applicant should set out the types of gaming that he or she is intending to offer and that the applicant should be able to demonstrate:

- that they understand the limits to stakes and prizes that are set out in Regulations;
- that the gaming offered is within the law
- Clear policies that outline the steps to be taken to protect children from harm.

In making its decision on an application for this permit the licensing authority does not need to (but may) have regard to the licensing objectives but must have regard to any Gambling Commission guidance. (Gambling Act 2005, Schedule 14 paragraph 8(3)).

It should be noted that there are conditions in the Gambling Act 2005 by which the permit holder must comply, but that the licensing authority cannot attach conditions. The conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

4. Club Gaming and Club Machines Permits

Members Clubs and Miners' welfare institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Clubs Gaming machines permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set-out in forthcoming regulations. A Club Gaming machine permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).

Gambling Commission Guidance states: "Members clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. The Secretary of State has made regulation and these cover bridge and whist clubs, which replicates the position under the Gambling Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations."

The Commission Guidance also notes that "licensing authorities may only refuse an application on the grounds that:

- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
- (b) the applicant's premises are used wholly or mainly by children and/or young persons;

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- (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- (d) a permit held by the applicant has been cancelled in the previous ten years; or
- (e) an objection has been lodged by the Commission or the police.

There is also a 'fast-track' procedure available under the Act for premises which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). As the Gambling Commission's Guidance to Licensing Authorities states: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the ground upon which an authority can refuse a permit are reduced." and "The grounds on which an application under the process may be refused are:

- (a) that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- (c) that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled."

There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

5. Temporary Use Notices

Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a Temporary Use Notice, according to the Gambling Commission, would include hotels, conference centres and sporting venues.

The licensing authority can only grant a Temporary Use Notice to a person or company holding a relevant operating licence, i.e. a non-remote casino operating licence.

The Secretary of State has the power to determine what form of gambling can be authorised by Temporary Use Notices, and at the time of writing this Statement the relevant regulations (SI no 3157: The Gambling Act 2005 (Temporary Use Notices) Regulations 2007) state that Temporary Use Notices can only be used to permit the provision of facilities or equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.

There are a number of statutory limits as regards Temporary Use Notices. The meaning of "premises" in Part 8 of the Act is discussed in Part 7 of the Gambling Commission Guidance to Licensing Authorities. As with "premises", the definition of "a set of premises" will be a question of fact in the particular circumstances of each notice that is given. In the Act "premises" is defined as including "any place".

In considering whether a place falls within the definition of "a set of premises", the licensing authority needs to look at, amongst other things, the ownership/occupation and control of the premises.

This licensing authority expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises, as recommended in the Gambling Commission's Guidance to Licensing Authorities.

6. Occasional Use Notices:

The licensing authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. This licensing authority will though consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.

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PART D**DRAFT****SUMMARY OF LICENSING AUTHORITY DELEGATIONS PERMITTED**
UNDER THE GAMBLING ACT

Matter to be dealt with	Full Council	Sub-Committee of Licensing Committee	Officers
Final approval of three year licensing policy	X		
Policy not to permit casinos	X		
Application for premises licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Review of a premises licence		X	
Application for club gaming/club machine permits		Where objections have been made (and not withdrawn)	Where no objections made/objections have been withdrawn
Cancellation of club gaming/club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	

CONTACT DETAILS/ADVICE & GUIDANCE

Further details regarding the licensing application process, including application forms, can be obtained from:

The Licensing Team
Hartlepool Borough Council
Civic Centre
Victoria Road
Hartlepool
TS24 8AY

Tel No: 01429 523354
Fax No: 01429 523308
Email: licensing@hartlepool.gov.uk
Web Site: www.hartlepool.gov.uk/licensing

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CONSULTATION

The following individuals/agencies and organisations were consulted about this Statement of Licensing Principles between July and September 2012: -

The Mayor of Hartlepool
Hartlepool Borough Council councillors
Parish Councils
Chief of Cleveland Police
Cleveland Fire Service
Hartlepool Borough Council Planning Department
Hartlepool Borough Council Trading Standards Service
Hartlepool Borough Council Environmental Health
HMRC
Hartlepool Borough Council Safeguarding Board
Gamblers Anonymous
GamCare
British Beer and Pub Association
Association of British Bookmakers
Bingo Association
Remote Gambling Association
Business in Sport & Leisure
Casino Operators Association
BACTA
British Holiday & Home Parks Association
British Race Courses Association Ltd
British Casino Association

COUNCIL

6th December 2012



Report of: Constitution Committee

Subject: BUSINESS REPORT

1. COUNCIL PROCEDURE RULE 17 (VOTING)

- 1.1 At the meeting of the Council held on 18 October 2012, the proposed amendments stood adjourned, without discussion, to this, the next ordinary meeting of the Council in accordance with Council Procedure Rule 24.2. Members are now requested to give consideration to the proposals of the Committee.
- 1.2 For the Borough Council and other 'principal authorities', the actual method of voting is not prescribed by statute. In the case of Parish and Community Councils formal voting is by way of a "show of hands" unless Standing Orders/Procedure Rules provide otherwise. There has always been a convention that where appropriate, a certain proportion of Council could demand the taking of a recorded vote and this was accommodated within the Modular Constitution, as widely adopted by authorities following the introduction of the Local Government Act, 2000. This Council in their own Procedure Rules have similarly adopted the principle of majority vote (Procedure Rule 17.1 refers) and where there is an equality of votes then the Chair of Council shall have a second or casting vote. In addition, (Procedure Rule 17.2 refers) *"there will be no restriction on how the Chair chooses to exercise a casting vote"*.
- 1.3 In their discussions on the 24th August, 2012, the Constitution Committee agreed that certain matters, did not necessarily require a recorded vote. Similarly, unless there was a statutory requirement, appointments could conceivably proceed on a 'show of hands'. Further, largely procedural matters of Council business could proceed by way of affirmation through an absence of dissent, at the discretion of the Chair. Proposed amendments to Rule 17 are therefore set out below for the consideration of Council and the existing text of this procedure rule is to be found below in italics.

EXISTING RULE 17 VOTING

17.1 Majority

Unless the Council's Constitution provides otherwise, any matter will be decided by a simple majority of those Members voting and present in the room at the time the question was put.

17.2 Chair's casting vote

If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.

17.3 Ballot

A ballot shall be taken, if the Council decides, before the vote is taken on any question. The Chair will announce the numerical result of the ballot immediately the result is known.

17.4 Recorded Vote

Unless 17.3 applies, the Chair shall ensure that recorded votes are taken. The names of the Members of the Council voting for and against the motion or amendment, or abstaining from voting will be taken down in writing and entered into the minutes.

17.5 Voting on appointments

ii) In a case where there is more than one identical position to be filled, if there are more nominations than the number of positions to be filled, the Council shall determine to apply either one of the following processes:-

(a) that each appointments be dealt with separately, in which case rule 17.6(i) shall apply,

or

(b) that the appointment shall be dealt with together, in which case the matter shall be determined by ballot, each member being entitled to vote for the same number of nominees as there are appointments to be made. At the conclusion of the ballot, the nominees shall be ranked according to the total votes cast in their favour, there being appointed such number of the highest ranking nominees as equal the number of the appointments to be made.

1.4 PROPOSED AMENDMENTS TO RULE 17

17. VOTING

17.1 Majority [as now]

17.2 Chair's casting vote [as now]

New (reinstated and revised) clause 17.3 'Show of Hands'

17.3 Show of hands

'Unless 17.5 applies, the Chair will take a vote by a show of hands, or if there is no dissent, by the affirmation of the meeting'. The Chair shall confirm, in the absence of dissent, that this is the unanimous decision of Council.

Re-numbered clause 17.4 Ballot.

17.4 Ballot [text as now]

17.5 Recorded Vote [revised clause]

For Council decisions, other than where the Chair proceeds with the agreement of the meeting through a Show of Hands under Rule 17.3, *the Chair shall ensure that recorded votes are taken.* The Proper Officer of the Council shall take the vote by calling the names of Members and recording whether they voted for or against the motion or amendment thereto, or did not vote. The minutes will show whether a Member voted for or against the motion or any amendment or abstained from voting.

Revised and re-numbered Rule 17.6.

17.6 Voting on Appointments

'Those entitled to vote shall each vote for only one person. If there is not a majority of those voting in favour of one person, the name of the person having the least number of votes shall be struck off the list and a fresh vote shall be taken, and so on until a majority of votes is given in favour of one person.'

RECOMMENDATION

That Council approves the amendments to Council Procedure Rule 17.

COUNCIL
6 December 2012



Report of: Planning Committee

Subject: FINDINGS OF THE UPDATED TEES VALLEY
STRATEGIC HOUSING MARKET ASSESSMENT
2012

1. PURPOSE OF REPORT

- 1.1 To update Members on the findings of the Tees Valley Strategic Housing Market Assessment (TVSHMA) and to update Members on the implications of the evidence base with regard to the new Local Plan policies and in determining planning applications.

2. BACKGROUND

- 2.1 Planning Committee met to discuss the findings of the TVSHMA on the 12th September 2012 at which time Members expressed some concern with the data utilised, not for its accuracy but that it pre-dated the Governments changes to benefits which could have a significant effect on housing demand due to what was referred to as the 'bedroom tax' element of benefits which reduced benefits paid on 'under-occupied' homes. This would likely create a demand for two bedroom homes and should in the longer-term release 3 and 4 bedroom homes. In terms of bungalows, Members commented that older people generally indicated that they wished to retain at least one 'guest' room, so the demand was for bungalows with at least 2 bedrooms.
- 2.2 Members considered that the issues the report presented and the changes to benefits on housing demand raised should have a wider discussion.
- 2.3 It was commented that based on the demand set out in the report, there was a need for both Officers and Members to remain 'strong' on the requirement for affordable homes in particular. Local authorities in general needed to retain the flexibility to decide their own housing needs. The Chair of the Planning Committee commented that one of the issues not highlighted within the report, but was a major issue in the town, was the availability of adapted housing for the disabled and those with reduced mobility.

3. TVSMA FINDINGS

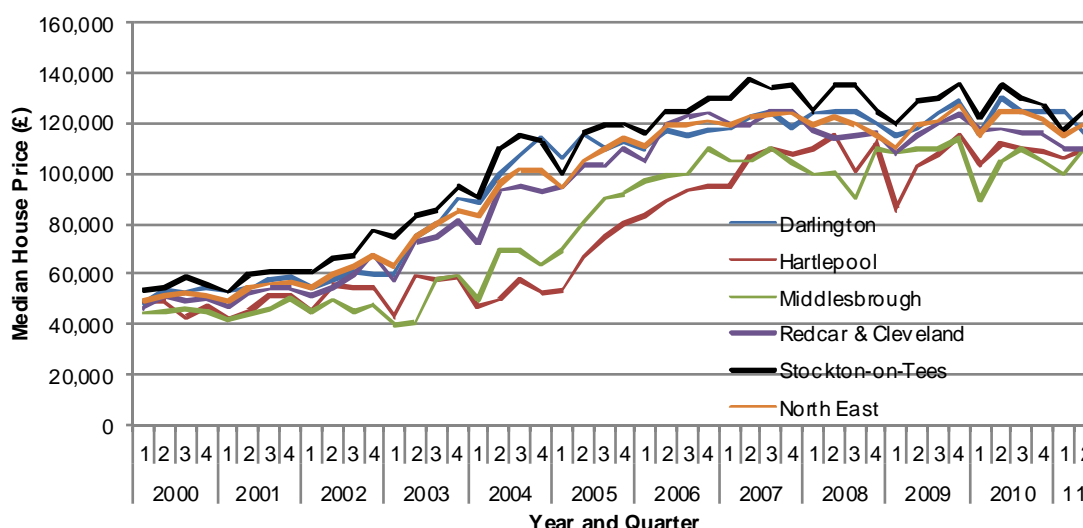
Tenure Profile

- 3.1 The dwelling stock in the Borough is primarily owner occupied however compared to our Tees Valley colleagues we have a higher percentage of private sector rented stock in the Borough. The table below shows a comparison between Hartlepool, Middlesbrough and the Tees Valley

Tenure	Hartlepool	Middlesbrough	Tees Valley
Owner Occupied	62.4%	62.4%	66.2%
Private Rented	11%	9.3%	9.4%
Affordable	26.6%	28.3%	24.4%

House Prices

- 3.2 House prices have risen dramatically since 2000 to a peak in 2007/8. Since then they have reduced marginally. This has positive implications for affordability in the Borough since the last SHMA in 2007.



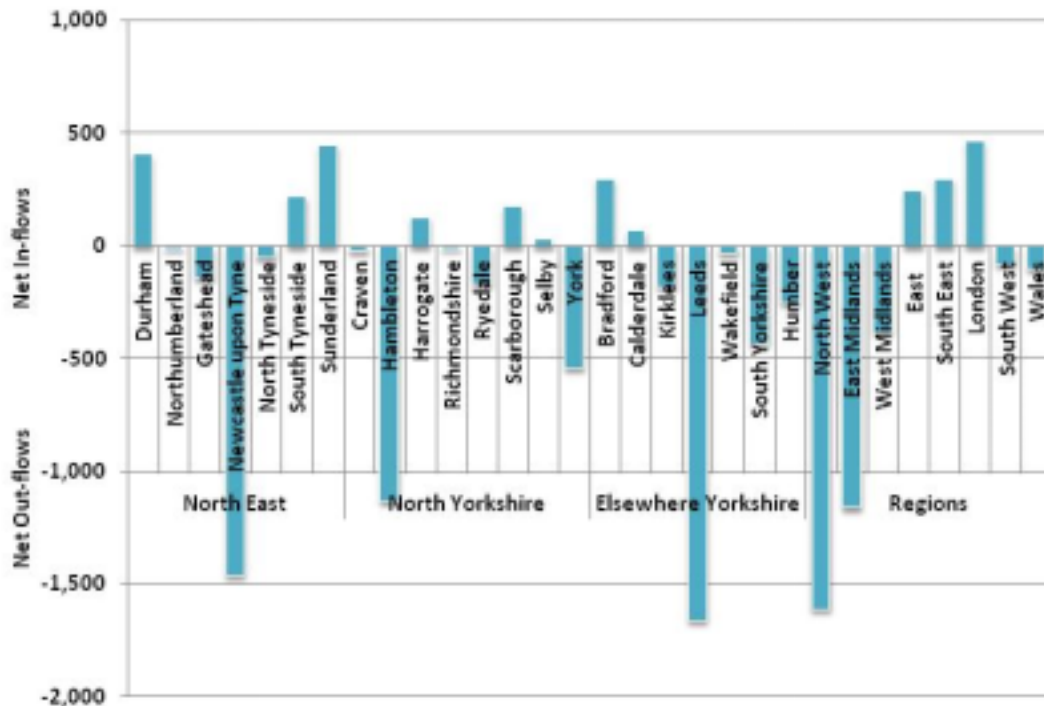
House Prices and Affordability (Lower Quartile)

- 3.3 Other than Middlesbrough, Hartlepool is the most affordable part of the Tees Valley, primarily due to the higher income compared to others. Again this has a positive impact on affordability since the last SHMA in 2007. The table below illustrates the link between median (the middle) house prices and median earnings and how this translates to being able to afford to buy/rent a house. For instance, it is more affordable to live in Hartlepool compared to Newcastle, but Middlesbrough is more affordable than Hartlepool.

Location	Median House Price	Median Gross Income	Income to House Price Ratio
Newcastle	£100,000	£15,935	6.3
Stockton	£87,000	£17,322	5
Redcar	£79,995	£16,089	5
Hartlepool	£77,000	£17,230	4.5
Middlesbrough	£70,000	£16,260	4.3

Population Migration from Tees Valley

- 3.4 The graph below shows the recent migration trends, where people are moving to and from the Tees Valley. People tend to leave the Tees Valley for economic reasons and move to such places like Leeds, Newcastle etc but also for a better housing offer such as Hambleton. The Tees Valley has in migration from Durham, Sunderland and South Tyneside but the overall trend is that people are leaving the Tees Valley.



Population Change

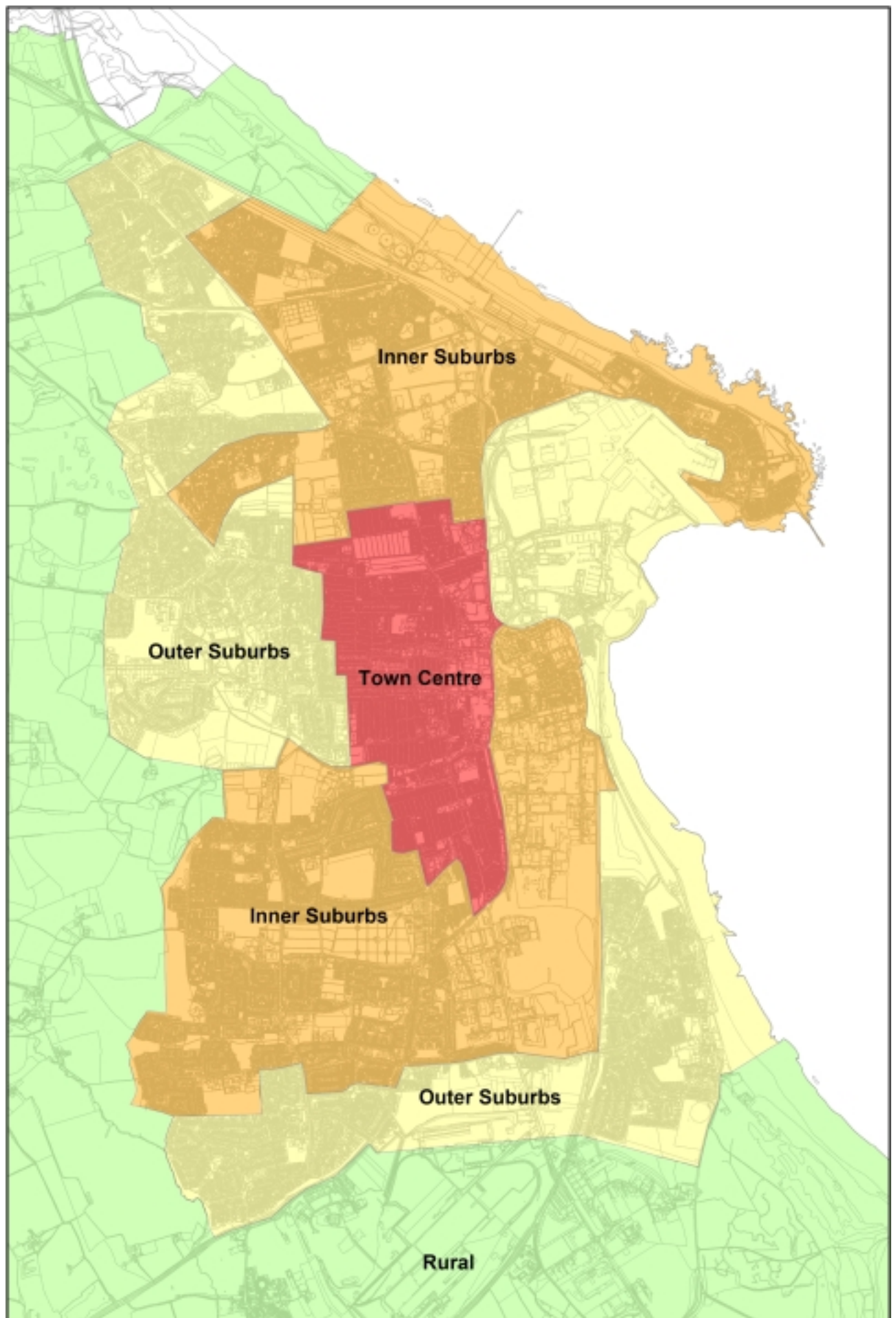
- 3.5 By the end of our Local Plan period (to 2026) we are predicted to see a significant increase in people aged 60+ in the Tees Valley which is reflected in the Borough of Hartlepool which will put pressure on local services. This is matched with the reduction in the 40 to 59 year old bracket, which forms part of the economic driver bracket in the Borough.

Newly Forming Household Aspiration

- 3.6 Aspiration reflects what newly forming households (including those intending to move in the next 5 years) would “want” in the future for their next or first property. In Hartlepool the most popular is for 3 bed semi detached, and then 3 bed terraced, then 2 bed properties.

Property type	Bedrooms				
	One	Two	Three	Four or more	Total
Detached house		1.4	2.4	4.5	8.3
Semi-detached house	0.0	13.4	17.9	0.5	31.8
Terraced house		12.8	14.6	0.9	28.4
Bungalow	0.8	1.5	0.2	0.2	2.7
Maisonette	1.5				1.5
Flat/apartment	15.6	11.6			27.2
Total	17.9	40.7	35.1	6.2	100.0

Hartlepool Housing Sub Areas



General Private Market Imbalance

- 3.7 For the Borough in general there is a demand for detached houses and bungalows 3 and 3+ bed (bedrooms) and owner occupied dwellings. There is an over provision of flats and terraced housing. Therefore ideally the Borough Council should be asking developers to provide for the housing demand across the Borough and remedy the imbalance in supply.
- 3.8 The table below illustrates the imbalance in supply across the Borough broken down by sub-area. For instance, if the Council was considering a residential application in the inner suburbs we should ideally be looking for private market 3, 3+ bed detached/semi detached dwellings, ideally with some bungalows. Similarly we should be trying to reduce the future supply of private rented dwellings and smaller 1 and 2 bed dwellings.

Category		Inner Suburbs	Outer Suburbs	Rural	Town Centre	Hartlepool Borough
Tenure	Owner Occupied	Demand	Demand	Balanced	High Demand	Demand
	Private Rented	Balanced	Balanced	Balanced	Balanced	Balanced
Property Size	One	Balanced	Over supply	Balanced	Over supply	Balanced
	Two	Balanced	Balanced	Balanced	Balanced	Balanced
	Three	Demand	Demand	Balanced	Demand	Demand
	Four or more	Demand	Demand	Balanced	Balanced	Demand
Property Type	Detached	High Demand	Demand	Balanced	High Demand	High Demand
	Semi	Demand	Balanced	Balanced	Demand	Balanced
	Terraced	Balanced	High Demand	Over supply	Balanced	Balanced
	Flat	Demand	Over supply	Balanced	Balanced	Balanced
	Bungalow	High Demand	High Demand	Balanced	High Demand	High Demand

- 3.9 On large sites that are strategic in nature (such as Wynyard or the South West Extension) it will not prove prudent to advocate a house type/tenure based solely on their sub area location. In this instance the Council must strike a balance between the immediate sub area and the overall Borough imbalance in supply; ideally for strategic sites we should be looking to remedy the Borough imbalance.

Overall Affordable Housing Need

- 3.10 The table below illustrates the overall affordable housing need in the Tees Valley. Hartlepool is shown to be the most affordable Borough to buy or rent a house in the Tees Valley, with Stockton being the least affordable. In Hartlepool there is an overall need for 88 affordable dwellings each year. When matched against our total net annual dwelling target of 320 dwellings, this equates to a “need” delivery of 27.5%. Therefore ideally, we should be asking for a target of 27.5% on each application.
- 3.11 However, we have evidence stating that only a target of 10% is economically viable and any affordable housing above this threshold should be negotiated through economic viability. As a result, Policy HSG5 in the emerging 2012/13 Local Plan advocates a MINIMUM target of 10% on all sites

District	General		Older	
	Smaller 1/2 bedroom	Larger 3+ bedroom	1/2 bedroom	TOTAL
Hartlepool	103	-43	29	88
Middlesbrough	218	-43	15	189
Redcar and Cleveland	192	-99	4	97
Stockton on Tees	466	48	46	561
TV4	979	-137	94	935

Sub Area Affordable Housing Need

- 3.12 The overall need for 88 affordable dwellings is broken down by sub area within the Borough. The table below identifies how the affordable need is distributed spatially across the sub areas.

District	Sub-area	General		Older	
		Smaller 1/2 bedroom	Larger 3+ bedroom	1/2 bedroom	TOTAL
Hartlepool	Inner Suburbs	-172	-34	26	-180
	Outer Suburbs	90	-4	-5	81
	Rural	13	12	1	27
	Town Centre	172	-18	6	160

Inner Suburbs Affordable Housing Need

- 3.13 There is NO general affordable housing need in the inner suburbs due to the existing affordable and/or cheaper private housing, hence the negative requirement (of -180) for additional affordable provision. Therefore, any general affordable housing provision secured on sites in the sub area should be delivered off-site through a commuted sum. The only situation where on-site affordable housing should be considered in this sub area would be where the provision is for older person's accommodation type dwellings.

Outer Suburbs Affordable Housing Need

- 3.14 There is an overall affordable need in the sub area for approximately 25%; obviously dependant upon economic viability. Any provision should be delivered on-site and be in the form of smaller 1-2 bed affordable dwellings.

Rural Affordable Housing Need

- 3.15 There is an overall affordable need in the sub area for approximately 8%. There is a general need for all affordable house types in the sub area, with particular need for 1, 2, 3 and 3+ bedroom dwellings. There may be a case for suggesting that rural developments could provide off-site contributions.

Town Centre Affordable Housing Need

- 3.16 The town centre sub area reflects the greatest affordable housing need for approximately 50%. The predominant need is for smaller 1-2 bedroom affordable dwellings with some provision being made for older person's accommodation type dwellings.
- 3.17 Notwithstanding the affordable housing need, the town centre area is probably the worst environment for economic viability. Therefore most developments will only realistically be able to provide 10% as a maximum, in some cases it would be debatable whether any affordable housing could be provided.
- Overall Borough Affordable Housing Approach*
- 3.18 On sites that are strategic in nature, such as Wynyard or the South West Extension it will not prove prudent to advocate affordable housing need based solely on their sub area location. In this instance the Council should strike a balance between the immediate sub area and the overall Borough affordable housing need; ideally for strategic sites we should be looking to meet the Borough affordable housing need.
- 3.19 Despite the detailed information on affordable housing need provided in the TVSHMA, this evidence should be considered alongside other wider Council initiatives and strategies including the Council's Housing Strategy, Empty Homes Strategy and the housing need identified through the choice based letting system.

4. KEY CHANGES SINCE THE LAST STRATEGIC HOUSING MARKET ASSESSMENT IN 2007

- 4.1 Overall, the findings of the new TVSHMA are broadly similar to the previous 2007 SHMA. The only key change between the two assessments is the overall affordable housing target.
- 4.2 The new affordable housing target for the Borough of Hartlepool of 88 net annual additional affordable dwellings is significantly lower than previous target of 393 gross and 244 net additional affordable. Notwithstanding the significant new affordable housing provided since 2007, the lower affordable housing target is primarily due to improved relative affordability and revised household formation estimates.

Relative Affordability

- 4.3 Affordability has significantly improved due to a reduction in private market dwelling prices since 2007 and the stability of wages in the Tees Valley and the Borough of Hartlepool. Therefore more people in the Tees Valley and in the Borough of Hartlepool can now access properties at lower and median house prices.

Household Formation Estimates

- 4.4 Newly forming household's estimates form the baseline figure of how many households need additional housing each year, regardless of actual population increases and decreases. Household formation is the main driver of housing need in the Borough as population increase/decrease is relatively balanced. Once an annual household formation baseline estimate is established the test of affordability is applied to that figure. Therefore the larger the assumed baseline estimate; the larger eventual affordable need would be.
- 4.5 In the new TVSHMA a lower rate of new household formations over the next 15 years has been assumed. The 2007 SHMA used national household formation estimates, of 1.7%, whereby it assumed households would increase by 1.7% annually. The new TVSHMA assumes a locally derived, more realistic Tees Valley estimate of 0.8% annual. The same approach has been taken in the evidence base for the emerging 2012/13 Local Plan when assessing future housing need. This approach is more locally robust and significantly alters the planned physical amount of newly forming households coming onto the housing need statistics; therefore reducing the estimated proportion of households falling into affordable need.

Affordable Housing Tenure

- 4.6 The affordable housing need with regard to tenure split was previously 80% Social Rented and 20% Intermediate tenure. The new TVSHMA advocates a tenure split of 70% Social Rented and/or Affordable Rented and 30% Intermediate tenure (shared ownership etc). This shift is primarily due to the changing housing market and a greater understanding of the intermediate tenure product from potential homeowners; making it more popular.

Summary

- 4.7 With a lower assumed household formation rate, improved affordability and additional affordable housing provided since 2007, the overall affordable housing need in the Tees Valley and in the Borough of Hartlepool has significantly reduced.

5. HOUSING BENEFIT CHANGES

- 5.1 The Welfare reform and housing benefits reform introduces changes to housing benefits and other welfare benefits. In particular from April 2013, the overall amount of benefit a person can receive will be capped. The Government will add up how much money people receive from a range of benefits, including: housing benefit, jobseeker's allowance, income support,

employment support allowance, child benefit, child tax credit and carer's allowance. If the total comes to more than the maximum amount allowed housing benefit payments will be reduced. For example if someone has one 'spare' bedroom housing benefit will be cut by 14% of the rent a person pays every week. If someone has two or more spare bedrooms, they will lose 25%. If a person's benefit is cut they will have to pay the landlord the difference between the housing benefit and the rent.

6. HOW DOES THE HOUSING BENEFIT CHANGES AFFECT THE TVSHMA

6.1 In producing the TVSHMA Arc4 we did not consider in great detail the impact that the benefit changes on current and future housing need as the Government policy was still being formulated at the time of production. However the TVSHMA does accept that the likely changes in welfare benefits will have the potential to have a detrimental impact on affordability in the future. The potential impact of the benefit changes will need to be monitored and the Council will need to consider and/or respond to potential problems which could include:

- Less disposable income being available
- More churn in the Borough's housing market as households downsize
- Increase in vacancy rates
- More households sharing the same dwellings
- Increase in House in Multiple Occupation developments

6.2 The importance of having robust and up-to-date information to help inform decision making at Local Authority level is evermore essential. In a challenging economic climate, the TVSHMA provides the LEP and its local authority partners with an excellent range of material to inform policy debate, contribute to the delivery of the Local Investment Plan, help inform and influence strategic responses, and shape local and sub regional strategic housing priorities to inform future investment plans.

7. RECOMMENDATIONS

7.1 Members are requested to note evidence and findings contained within the Tees Valley Strategic Housing Market Assessment.

8. BACKGROUND PAPERS

8.1 Tees Valley Strategic Housing Market Assessment 2012 - http://www.hartlepool.gov.uk/downloads/file/8689/cd18-tees_valley_2012_strategic_housing_market_assessment_final_report_may_2012

COUNCIL

6 December 2012



Report of: Chief Executive

Subject: BUSINESS REPORT

1. Treasury Management Outturn 2011/12

A comprehensive report (detailed at **Appendix 1**) was submitted to the Audit Committee on 9th November 2012 to enable the Audit Committee to review the Treasury Management activity for 2011/12 and the outturn Prudential Indicators for this period.

The report provided detailed information on the following issues:

- the economic background for 2011/2012;
- the Council's capital expenditure and financing in 2011/2012;
- the Council's treasury position at 31st March 2012;
- the regulatory framework, risk and performance

Audit Committee carefully scrutinised the report and approved that it should be referred to full Council to finalise the reporting arrangements for 2011/12. Treasury Management issues.

Recommendation

That members note the report.

2. Regional Flood and Coastal Committee

The Council has been advised that following some structural changes to the former Regional Flood Defence Committee the group has now been renamed and has a slightly amended role. To reflect the changes, the Committee has sought an executive appointment to the Committee. As the body is listed in Schedule B3 it is an "executive function where statutory guidance applies" and therefore an executive appointment. Previously, Councillor G Lilley had been appointed to the committee. The Mayor, Stuart Drummond will now be the appointed representative, with Councillor G Lilley as his appointed substitute.

Recommendation

That the changes to the body and appointed representative be noted.

3. By-Election

Members will be aware of the election of Councillor Atkinson on 25 October 2012.

The following vacancies arose as a consequence of the resignation of Councillor Turner:-

Member Audit Committee
Vice-Chair Audit Committee
Member Regeneration and Planning Services Scrutiny Forum

Members will recall that it was agreed, at your meeting held on 13th September 2012 that the vacancies are considered further following the by-election.

Recommendation

- (i) That the election of Councillor Atkinson be noted
- (ii) That appointment to the Committee/Forum vacancies be considered.

4. Peer Review Report and Action Plan

As members will be aware the peer review was undertaken in September by a team comprising elected members and senior officers from other Councils with a member of the Local Government Association Peer Review Team.

Council had agreed to the Peer Review and invited the team into the authority to undertake an assessment (not an inspection) which was tailored to meet the needs of the authority and is improvement oriented.

The Peer Team is designed to utilise their experience and knowledge to reflect on the evidence presented and to complement and add value to the councils own performance and improvement focus.

A copy of the report produced at the end of the Peer Review is attached to this report as **Appendix 2**.

It is important to reflect on the fact that the Peer Review Team found much in the authority and the way it operates that was very positive and this should not be forgotten in the process of action planning in respect of the matters they have raised with us. Without wishing to repeat the Peer Review report in its entirety, and to ensure that these positives are not lost, they identified:

- An authority that has had an impressive record and positive reputation and is widely held in high regard

- The Council has played an integral role in the successful delivery of major regeneration in Hartlepool.
- A council that has traditionally performed well and delivered good quality services
- There is huge pride in Hartlepool as a place, both amongst local people and council staff
- Amongst council staff there is an impressive commitment to both the Council and the borough and they ... work collaboratively ... to try and achieve the best outcomes.
- There has traditionally been a good set of relationships between partner organisations and much good joint work has been delivered.
- A good range of mechanisms in place for engaging the community
- Cross agency neighbourhood working is working well
- A tradition of delivering within budget with savings targets successfully delivered

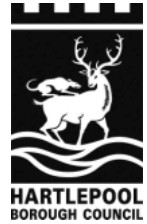
The Peer review team have also identified a range of issues that they have strongly recommended that the Council addresses immediately if the positives which they have identified are not to be lost. The issues raised are the culmination of their considerations and reflect the experience and knowledge they bring to the exercise.

The action plan following on from this review has been attached to this report as **Appendix 3** and provides the framework and expected outcomes for this work, timescales for this work will be incorporated upon agreement of the plan.

Members are requested to comment upon and agree the action plan attached

AUDIT COMMITTEE

9TH November, 2012



Report of: Chief Finance Officer

Subject: TREASURY MANAGEMENT OUTTURN
2011/2012

1. PURPOSE OF REPORT

- 1.1 This report provides a review of the Treasury Management activity for 2011/2012 and the outturn Prudential Indicators for this period.

2. BACKGROUND

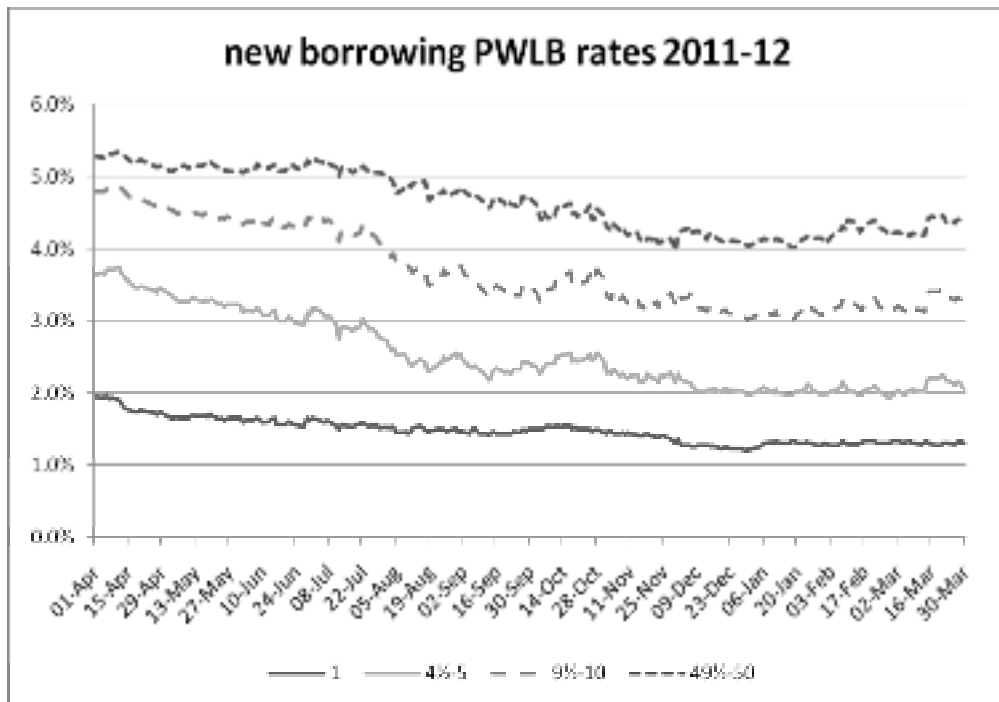
- 2.1 As part of the annual Budget and Policy Framework process Authority approved the 2011/12 Treasury Management Strategy and associated Prudential Indicators on the 10th February, 2011.
- 2.2 The submission of the outturn report to Council is a requirement of the CIPFA Code of Practice on Treasury Management, DCLG (Department for Communities and Local Government) Investment Guidance and the CIPFA Prudential Code for Capital Finance in Local Authorities, as it allows Members to review progress against the approved strategy. This report is being submitted to the Audit Committee to enable members to scrutinise it prior to it being presented to the Council on the 6th December 2012.
- 2.3 The 2011/12 financial year continued the challenging economic environment of the previous year with weak signs of recovery. The implications have been the continuation of low investment returns and continued counterparty risk, albeit less severe than in previous years.
- 2.4 The focus of this report is events relating to the financial year 2011/2012 and summarises:
- the economic background for 2011/2012;
 - the Council's capital expenditure and financing in 2011/2012;
 - the Council's treasury position at 31st March 2012;
 - the regulatory framework, risk and performance;
- 2.5 This report is being submitted to finalise the reporting of 2011/12 Treasury Management issues.

3. ECONOMIC BACKGROUND FOR 2011/2012

- 3.1 During 2011/12 there was continued uncertainty in financial markets arising from problems with the Greek and other Euro zone economies. The European Central Bank (ECB) eventually calmed market concerns of a liquidity crisis among European Union (EU) banks by making available two huge three year credit lines, totalling close to €1 trillion at 1%.
- 3.2 A secondary benefit of this initiative was the bringing down of sovereign debt yields, for Italy and Spain, below panic levels. The final pieces in the calming of the EU sovereign debt crisis were agreements by the Greek Government of another major austerity package and by private Greek creditors accepting a major reduction in the total outstanding level of Greek debt. These agreements were a prerequisite for a second EU / IMF bailout package for Greece which was signed off in March.
- 3.3 Despite this second bailout, major concerns remain that these measures were merely a postponement of the debt crisis, rather than a solution, as they did not address the problem of low growth and loss of competitiveness in not only Greece, but also in other EU countries with major debt imbalances. These problems will, in turn, also affect the financial strength of many already weakened EU banks during the expected economic downturn in the EU. There are also major questions as to whether the Greek Government will be able to deliver on its promises of cuts in expenditure and increasing tax collection rates, given the hostility of much of the population.
- 3.4 The UK coalition Government maintained its fiscal policy stance and deficit reduction plan. Two credit rating agencies indicated that the UK could lose its AAA rating. Key to retaining this rating will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within the austerity plan timeframe. The USA and France lost their AAA ratings from one rating agency during the year.
- 3.5 UK growth proved mixed over the year. In quarter 2, growth was zero, but then quarter 3 surprised with a return to growth of 0.6% before moving back into negative territory (-0.2%) in quarter 4. The year finished with prospects for the UK economy being decidedly downbeat due to a return to negative growth in the EU in quarter 4, our largest trading partner, and a sharp increase in world oil prices caused by Middle East concerns. However, there was also a return of some economic optimism for growth outside the EU.
- 3.6 UK CPI inflation started the year at 4.5% and peaked at 5.2% in September. The January 2011 VAT hike dropped out of the annual CPI figure in January 2012 which helped to bring inflation down to 3.6%, falling further to 3.4% in February. Inflation is forecast by the

Bank of England to be on a downward trend to below 2% over 2012/13.

- 3.7 The Monetary Policy Committee agreed an increase in quantitative easing (QE) of £75bn in October on concerns of a downturn in growth and a forecast for inflation to fall below the 2% target. The MPC then agreed another round of £50bn of QE in February 2012 to counter the negative impact of the EU debt and growth crisis on the UK.
- 3.8 Gilt yields fell (i.e. interest paid on Government debt) for much of the year, until February, as concerns continued building over the EU debt crisis. This resulted in safe haven flows into UK gilts which, together with the two UK packages of QE during the year, combined to depress PWLB rates to historically low levels.
- 3.9 Bank Rate was unchanged at 0.5% throughout the year while expectations of when the first increase would occur were steadily pushed back until the second half of 2013 at the earliest. Deposit rates picked up slightly in the second half of the year as competition for cash increased among banks.



4. THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING 2011/2012

- 4.1 The Council's approved capital programme is funded from a combination of capital receipts, capital grants, revenue contributions and prudential borrowing.
- 4.2 Part of the Council's treasury management activities is to address the prudential borrowing need, either through borrowing from external

bodies, or utilising temporary cash resources within the Council. The wider treasury activity also includes managing the Council's day to day cash flows, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then optimise performance.

- 4.3 Actual capital expenditure forms one of the required prudential indicators. As shown at Appendix A, the total amount of capital expenditure for the year was £34.848m, of which £3.967m was funded by Prudential Borrowing. Capital expenditure of £22.481m was rephased into 2012/2013 and matched by rephased resources.
- 4.4 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is the accumulated value of capital expenditure which has been financed from Prudential Borrowing. Each year the Council is required to apply revenue resources to reduce this outstanding balance.
- 4.5 Whilst the Council's CFR sets a limit on underlying need to borrow, the Council can manage the actual borrowing position by either;
- borrowing externally to the level of the CFR; or
 - choosing to use temporary internal cash flow funds instead of borrowing; or
 - a combination of the two.
- 4.6 The Council can also borrow for future planned increases in the CFR up to 3 years in advance, when this is deemed to be appropriate. This was not the case in 2011/2012.
- 4.7 The Council's CFR for the year was £91.097m as shown at Appendix A. This is lower than the approved estimate owing to the rephasing of capital expenditure until 2012/2013. As reported in the 2012/13 Strategy the Council took out an additional £4.233m of long term borrowing in 2011/12 in order to manage specific risks in relation to the business cases of two self funded schemes i.e. the Social Housing Scheme and the Photo-Voltaic (PV) Cells scheme.
- 4.8 The Council's total long term external borrowing as at 31st March, 2012 was £51.049m. This is currently less than the CFR as a result of being able to use the Council's balances to internalise the funding of capital expenditure. This strategy was approved in February 2011 and enabled the council to significantly reduce counterparty risk by reducing the level of external investments. This strategy was also the most cost effective strategy in 2011/2012 and contributed to the overall favourable 2011/2012 outturn reported to Cabinet in June 2012.
- 4.9 As reported when the Treasury Management Strategy was approved the Council will need to fund the CFR from external borrowing at

some stage. The timing of new long term borrowing will need to be carefully managed to ensure the annual repayment and interest costs relating to the CFR do not exceed the available budget and become a budget pressure. This risk will continue to be managed closely to protect the Council's medium term financial position and a strategy for achieving this is covered in a separate report on your agenda.

5. THE COUNCIL'S TREASURY POSITION AT 31ST MARCH, 2012

- 5.1 The table below shows the treasury position for the Council as at the 31st March, 2012 compared with the previous year:

Treasury position	31st March 2011		31st March 2012	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Rate Debt				
- PWLB	£1.8m	4.12%	£6.0m	4.87%
- Market Loans	£45.0m	4.00%	£45.0m	4.00%
Total Long Term Debt	£46.8m	4.00%	£51.0m	4.10%
Variable Interest Rate Debt				
- Temporary loans	£4.0m	0.45%	£0.0m	0.00%
Total Debt	£50.8m	3.24%	£51.0m	4.10%
Total Investments	£29.4m	2.68%	£33.4m	0.65%
Net borrowing Position	£21.4m		£17.6m	

- 5.2 A key performance indicator shown in the above table is the very low average rate of external debt of 4.10% for debt held as at 31st March, 2012. This is a historically low rate for long term debt.
- 5.3 The Council's investment policy is governed by Department of Communities and Local Government (DCLG) guidance, which has been implemented in the annual investment strategy approved by Council on 10th February, 2011.
- 5.4 The original criteria approved by Members provided a starting point which was then restricted further to produce an operational list which is reviewed on a regular basis. Following the increased risk and uncertainty arising from the unprecedented recent economic crisis the Chief Finance Officer continued to adopt an even more vigilant approach resulting in what is effectively a 'named' list. This consists of a very select number of counterparties that are considered to be the lowest risk. This has involved the Council temporarily suspending making new deposits with all building societies.
- 5.5 The Council's approach of suspending building societies from the counterparty list has proven prudent as the ratings for all building

societies were downgraded during 2010/2011 and ratings did not improve through 2011/12 owing to continuing concerns about their financial stability and exposure to property loans.

- 5.6 The Council also continued to exclude all foreign banks, including Irish banks from the list following the downgrading of the countries sovereign rating.
- 5.7 By not relying solely on credit ratings the Council sought to take a more pragmatic and broad based view of the factors that impact on counterparty risk. The downside of this prudent approach is that the Council achieved lower investment returns than would have been possible if deals were placed with organisations with a lesser financial standing. In the current climate the risk associated with these higher returns would not have been prudent.
- 5.8 As part of the approach to maximising investment security the Council has also kept investment periods short (i.e. in most cases up to 3 months but a maximum of 6 months). This has also resulted in lower investment returns.
- 5.9 A prudent approach will continue to be adopted in order to safeguard the Council's resources.

6. REGULATORY FRAMEWORK, RISK AND PERFORMANCE

- 6.1 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:
- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
 - The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2010/2011);
 - Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
 - The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
 - The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
 - Under the Act the DCLG has issued Investment Guidance to structure and regulate the Council's investment activities;
 - Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on

Minimum Revenue Provision was issued under this section on 8th November, 2007.

- 6.2 The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its Treasury Management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable and its treasury practices demonstrate a low risk approach.
- 6.3 The Council is aware of the risks of passive management of the Treasury Portfolio and with the support of Sector, the Council's advisers, has proactively managed its treasury position. A proactive approach will continue to be adopted.
- 6.4 **Prudential Indicators and Compliance Issues**
- 6.5 Details of each Prudential Indicator are shown at Appendix A. Some of the prudential indicators provide either an overview or specific limits on treasury activity. The key Prudential Indicators to report at outturn are described below.
- 6.6 The **Authorised Limit** is the "Affordable Borrowing Limit" required by Section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. Appendix A demonstrates that during 2011/2012 the Council has maintained gross borrowing within its Authorised Limit.
- 6.7 **Net Borrowing and the CFR** - In order to ensure that borrowing levels are prudent, over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. Net borrowing should not have exceeded the CFR for 2011/2012 plus the expected changes to the CFR over 2012/2013 and 2013/2014. The Council has complied with this Prudential Indicator.

8 CONCLUSION

- 8.1 The report provides members with an overview of the Treasury Management activities for 2011/2012, as required by legislation. The report demonstrates that these activities have been undertaken in accordance with relevant legislation, regulations and the Council's approved Treasury Management Strategy. Therefore, there are no specific issues to bring to Members attention.

9. RECOMMENDATION

- 9.1 It is recommended that Members approve that the report be referred to Council.

10. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

Appendix A Prudential Indicator 2011/12 Outturn attached.

11. BACKGROUND PAPERS

None

12. CONTACT OFFICER

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Appendix A

Prudential Indicators 2011/12 Outturn**1. Ratio of Financing Costs to Net Revenue Stream**

This indicator shows the proportion of the total annual revenue budget that is funded by the local tax payer and Central Government, which is spent on servicing debt. The outturn is lower than the estimate, mainly as a result of savings achieved from long term borrowing repayment and the very low rates of interest on short term loans.

2011/12 Estimate		2011/12 Outturn
7.10%	Ratio of Financing costs to net revenue stream	5.25%

2. Capital Expenditure

This indicator shows the total capital expenditure for the year.

2011/12 Estimate £'000		2011/12 Outturn £'000
21,025	Capital Expenditure	34,848

The actual is higher than the estimate as a result of rephasing of capital expenditure from the previous year.

3. Capital Expenditure Financed from Borrowing

This shows the borrowing required to finance the capital expenditure programme.

2011/12 Estimate £'000		2011/12 Outturn £'000
8,652	Capital Expenditure Financed by Borrowing	3,967

The actual is lower than the estimate owing to expenditure funded by prudential borrowing rephased into future years.

4. Capital Financing Requirement

CFR is used to determine the minimum annual revenue charge for capital expenditure repayments (net of interest). It is calculated from the 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.

2011/12 Estimate £'000		2011/12 Outturn £'000
96,358	Capital Financing Requirement	91,097

The actual is lower than the estimate as a result of capital expenditure included within the estimate which has been rephased into 2012/2013.

5. Authorised Limit for External Debt

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

2011/12 Limit £'000		2011/12 Peak £'000
115,000	Authorised limit for external debt	53,533

The above Authorised Limit was not exceeded during the year. The level of debt as per the Balance Sheet at the year end, excluding accrued interest was £51.050m. The peak level during the year was £53.533m.

6. Operational Boundary for External Debt

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

2011/12 Limit £'000		2011/12 Peak £'000
102,000	Operational boundary for external debt	53,533

The operational limit was not exceeded in the year. The peak level of debt was £53.533m.

7. Interest Rate Exposures

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

2011/12 Limit £'000	Upper limits on fixed and variable interest rate exposure	2011/12 Peak £'000
102,000 76,000	Fixed Rates Variable Rates	51,016 6,712

The figures represent the peak values during the period.

8. Maturity Structure of Borrowing

This indicator is designed to reflect and minimise the situation whereby the 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.

	Upper Limit £000	Lower Limit £000	Actual £000
Less than one year	93,000	0	37
Between one and five years	102,000	0	265
Between five and ten years	102,000	0	332
Between ten and fifteen years	102,000	0	301
Between fifteen and twenty years	102,000	0	342
Between twenty and twenty-five years	102,000	0	402
Between twenty-five and thirty years	102,000	0	363
Between thirty and thirty-five years	102,000	0	443
Between thirty-five and forty years	102,000	0	541
Between forty and forty-five years	102,000	0	1,202
More than forty-five years	102,000	0	46,822

9. Investments over Maturing over One Year

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

	1 year £000	2 year £000	3 year £000
Maximum Limit	30,000	20,000	15,000
Actual	0	0	0



Corporate Peer Challenge

Hartlepool Borough Council

17th to 20th September 2012

Report

1. Background and scope of the peer challenge

On behalf of the team, I would just like to say what a pleasure and privilege it was to be invited in to Hartlepool Borough Council to deliver the recent corporate peer challenge. The team very much appreciated the efforts that went into preparing for the visit and looking after us whilst we were on site and the participation of elected members, staff and partners in the process.

This was one of the early tranche of corporate peer challenges delivered by the Local Government Association as part of the new approach to sector led improvement. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

Philip Simpkins, Chief Executive, Bedford Borough Council
Tony Egginton, Elected Mayor, Mansfield District Council (Independent)
Councillor Judith Blake, Deputy Leader, Leeds City Council (Labour)
Martin Hone, Director of Finance and Corporate Governance, Thurrock Council
Melanie Dudley, Director of Improvement and Efficiency, Sandwell Metropolitan Borough Council
Chris Bowron, Peer Challenge Manager, Local Government Association

It is important to stress that this was not an inspection. Peer challenges are improvement-orientated and tailored to meet individual councils' needs. Indeed they are designed to complement and add value to a council's own performance and improvement focus. The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read.

The guiding questions for all corporate peer challenges are:

- ❖ Does the council understand its local context and has it established a clear set of priorities?
- ❖ Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- ❖ Does the council have effective political and managerial leadership and is it a constructive partnership?
- ❖ Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
- ❖ Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

Within this, and as agreed by Full Council, you were keen for the peer challenge to consider and review how well the new governance arrangements within the council have bedded down since the local elections this year and possible changes that may be required following the local referendum on the Elected Mayor model, plus:

- ❖ Community engagement and reflecting community needs
- ❖ Performance and managing change
- ❖ Capacity
- ❖ Partnership working
- ❖ Finance

As you will recall, we undertook to write to you to confirm the team's findings, building on the feedback provided to you on the final day of the peer challenge and, in particular, expanding upon those areas that we highlighted as likely to benefit from some further attention. This report sets out those findings.

2. Executive summary

Hartlepool Borough Council is an authority that has had an impressive track record and positive reputation and is widely held in high regard. This is primarily down to the way the council has been run over the years and what it has achieved. It is clear that there is a huge pride in Hartlepool as a place, both amongst local people and council staff. Amongst council officers there is an impressive commitment to both the council and the borough and they clearly work collaboratively across the council's directorates and services in order to try and achieve the best outcomes, with no sense of the 'silos' that are often cited as existing in councils.

The council, with partners, has a good range of mechanisms in place for engaging and informing local people. The formal partnership arrangements in the borough are currently in a period of transition and it is too early to judge how these will shape up for the future but people can take confidence from the traditionally good set of relationships between the council and the partners and the good joint work that has been delivered over the years including reductions in the level of crime, better quality social housing, environmental improvements and increased attainment amongst young people. Cross-agency neighbourhood working is felt to be operating well and this forms part of the extensive activity that is taking place within communities involving local residents, the voluntary and community sector, ward councillors and council officers.

The council has a tradition of delivering within budget and the savings targets of the last two years have successfully been delivered. The timetable and process for setting the council's budget for 2013/14 is in place although there is much to be done in a limited period of time by officers, Portfolio Holders and overview and scrutiny. Political leadership of the necessary savings and the budget generally is vital, with finance needing to be much more strongly owned and led by Portfolio Holders.

Whilst changes are being brought about in relation to the council's commissioning and grant-funding arrangements for the voluntary and community sector, there is still a way to

go in order to ensure sufficient effectiveness and transparency. This generates a specific risk for the council and individuals within it, given the strong links between some elected members and the voluntary and community sector. Another area of concern is a perceived lack of rigour around the declaration of interests at elected member level. Unless the system of declaring interests is robust the motivations of councillors risk being called into question. It is important that the authority ensures robust arrangements are in place around all of this in order to safeguard the organisation and individuals within it.

We struggled to identify the evidence base underpinning either the setting of priorities and targets or decisions and proposals around resource allocation. This raises the question of the extent to which there is a shared understanding of need, what the evidence base is that people are working from and how it is being used to inform decisions. Similarly, when policy revision and other forms of change are being considered there would appear to be limited assessment of the possible impact and evaluation of the outcomes. This leaves a concern that major decisions are potentially being taken by the council without a sufficiently comprehensive analysis of the rationale and the implications.

The council is currently facing a very demanding agenda and we have major anxieties about the senior management capacity to deliver that agenda. This is not an issue of capability or competency. It is to do with the fact that the council is faced with operating with a very small number of people at the senior-most levels – a situation that will only be exacerbated when the acting Chief Executive shortly leaves the council to take up a position elsewhere.

The proposed collaboration with Redcar and Cleveland and Darlington councils, initially around children's and adults' services but then potentially extending to include other services, is founded upon "long and deep relationships" between the authorities concerned and seeks to build on what the council has already been involved in, in terms of joint-working and shared services arrangements with others. However, there are certain critical hurdles still to be overcome ahead of the collaboration arrangements becoming a reality.

The council has operated under Elected Mayoral arrangements since 2002 and has enjoyed collaborative cross-party working over many of the subsequent years. However, things have now changed, with a set of political tensions having emerged in recent months and the Mayoral referendum being held in November to determine the future of the Elected Mayor model is the culmination of these. The tensions that have arisen are about power and influence and are the result of two democratically legitimate sets of arrangements, the position of Elected Mayor and the elected membership of the council, now experiencing a battle for supremacy. Legitimate politics, in terms of political parties seeking to be able to demonstrate their ability to shape things in Hartlepool and have the opportunity to lead the borough, lie at the heart of this. We respect this. However, the way things are seen to have been conducted amongst politicians has not helped the reputation of the council and the way that things have developed has had a number of consequences, including confusion creeping in regarding who represents the political leadership of the authority, a lack of clarity regarding how the governance of the council should operate and the capacity of the Cabinet being extremely limited at the present time.

The effective running of the council and its reputation are currently being badly damaged. The leadership and governance of the council is central to this – at a time when they need to be stronger than ever – and as a consequence the council is running a significant set of

risks including to its reputation and capacity. There is an obvious need for the authority to seek to turn around the negative perceptions that have built up and which are rapidly undermining the positive reputation of the council that people have worked very hard over many years to establish.

It is imperative to address, with immediate effect, current issues that are having a negative impact on the council and individuals within it. As a first step we have encouraged the council to share our findings as quickly and widely as possible, even ahead of the formal report being issued. As a second step we strongly urged the council to run an external competitive recruitment process for the position of permanent Chief Executive. The council is currently at a cross-roads – ensuring it goes down the right path requires immediate action and the demonstration of intent.

3. Detailed findings

3.1 The Hartlepool context and looking back at what the council has achieved

- Hartlepool Borough Council serves a population of around 93,000 people in an area that is a mixture of urban and rural. It is clear from the way people spoke during the peer challenge that there is a huge pride in Hartlepool as a place, both amongst local people and council staff. There are high levels of deprivation and poverty within the borough, which is becoming increasingly diverse, and there is an ageing population. There is also seen to be significant dependency within local communities on council services.
- Whilst the council is the second smallest unitary authority nationally it is the biggest employer locally. It is a council that is widely held in high regard, not least within the local government sector nationally and by other local authorities within the region. This is primarily down to the way the council has been run over the years and what it has achieved, which is reflected in the positive external judgements in relation to key services, such as children's and adults, and the 'Excellent' judgement received under the Comprehensive Performance Assessment (CPA) regime. The council has also played an integral role in the successful delivery of major regeneration in Hartlepool, as seen with the marina and revitalised town centre. It has also delivered effectively the savings targets and related business transformation programme and organisational change necessary over the last couple of years as a consequence of the changed situation in relation to public sector finances – including £4million efficiency savings in 2010/11. On-going savings targets are also being achieved. Through all of this the council has operated under Elected Mayoral arrangements, which came into effect in 2002, and has enjoyed collaborative cross-party working. In recent months the council has also effectively managed the changes resulting from a Ward Boundaries Review which led, through all-out elections in May this year, to a reduction in both the elected membership of the council, from 47 to 33 councillors, and the number of wards, from 17 to 11.

3.2 Community engagement and reflecting community needs

- The council, with partners, has a good range of mechanisms in place for engaging and informing local people. We were impressed by the concept of the 'Face the Public' events established to consider key issues in the borough, such as health and crime and community safety. Indeed more than 100 local people attended one of these events whilst we were in Hartlepool. The council clearly has a good communications function, reflected in the authority being seen to be both proactive and responsive in its dealings with the media, and the website reflects well on the council in the way it is easy to navigate and carries useful information. We also noted the 'Hartbeat' publication produced by the council for local people.
- Despite the council's good communications activity, it is clear from the comments made by a range of council officers, elected members and partner organisations that the reputation of the council, in the eyes of local people, has been damaged by recent negative and high profile issues concerning the political leadership of the council. The relevant detail around these issues is outlined elsewhere in this report. What is important to reflect here is an obvious need for the authority to seek to turn around the negative perceptions that have built up and which are rapidly undermining the positive reputation of the council that people have worked very hard over many years to establish.
- Cross-agency neighbourhood working, involving the likes of health and the police as well as the council, is felt to be operating well. This forms a part of the extensive activity that is taking place within communities involving local residents, the voluntary and community sector, ward councillors and council officers. The shift by the council from operating across three neighbourhoods to two appears to have been well managed. However, the Neighbourhood Forums are not seen to be adding value. A simple measure of this is the very small number of people attending them. With neighbourhood working operating well and communities being so active, it may simply be the case that the Forums are attempting to meet a need that doesn't exist. On a day to day basis, residents would appear to be comfortable highlighting issues with ward councillors or, increasingly, Neighbourhood Managers, and seeing them resolved speedily through that route, thus they have no reason to have recourse to the Forums. Similarly, the 'Face the Public' events provide the opportunity for people interested in the strategic issues facing the borough to hear about them and input their views at that level.
- A number of people we spoke to, particularly elected members, spoke of 'acting in the best interests of Hartlepool residents' when discussing decisions that had been taken or policies that had been pursued. It is clearly imperative, not least as a consequence of the funding pressures being experienced by the council, that the council is reflecting community needs within its policy-making and resource allocation. However, in considering the likes of the medium term financial strategy, the community strategy and the corporate plan, we struggled to identify the evidence base underpinning either the setting of priorities and targets or decisions and proposals around resource allocation. This raises the question of the extent to which there is a shared understanding of need, what the evidence base is that people are working from and how it is being used to inform decisions. In saying

this, we acknowledge that overview and scrutiny is committed to using the Joint Strategic Needs Assessment (JSNA) as it embarks on work to identify how council budget decisions in the last two years have impacted on need in the borough.

3.3 Performance and managing change

- In a context of the governance, finance and capacity issues facing the authority having dominated the considerations of the peer challenge team, the reality is that there was little scope to probe issues of 'performance and managing change' and most of what we have gleaned around it is covered elsewhere in this report. We have already touched on the fact that the council has traditionally performed well and delivered good quality services, as reflected in external judgements and assessment. As part of this, we noted the judgement by the external Auditor that there is good performance reporting to Cabinet. We have also already highlighted the effective delivery of business transformation and organisational change over the last couple of years to secure the necessary efficiencies and savings.
- Building on what we have outlined in the section above regarding the evidence base the council is working from, when it comes to delivering financial, policy and organisational change there would appear to be limited use of evidence to inform decisions, assessment of the possible impact and evaluation of the outcomes. As an example, in looking at the budget savings proposals appended to the report to Cabinet in June this year regarding the medium term financial strategy, we noted that very limited information was presented to elected members on issues of major importance and very high risk. One of the budget savings proposals, involving an amount of £200,000, concerned "staffing reductions to front line services, social work teams and the youth offending service". The only supporting information that we saw was a narrative saying it would result in "less capacity to provide services to children in a context of increasing demand. Increase in caseloads for frontline staff, inability to maintain current levels of performance, services become unsafe". As another example, we did not see much in the way of comparator information on council services informing officers and elected members about the performance and cost of those services relative to the situation in other councils, with our view being that such information is necessary to inform decisions on the future of such services and related budgetary decisions.
- As regards understanding the possible impact of decisions, some officers spoke of the undertaking of Equality Impact Assessments having tailed off across the council whilst, on the issue of evaluating outcomes, some councillors spoke about a lack of rigour within the council around measuring the impact of initiatives and decisions in order to assess their effectiveness. Clearly there may be evidence that suggests otherwise which we haven't seen, for example detailed information presented to elected members by officers that has informed the budget savings proposals, but unless this is the case we are concerned that major decisions are potentially being taken by the council without a sufficiently comprehensive analysis of the rationale and the implications.

3.4 Capacity

- Amongst the officers that we met there was an impressive commitment shown to both the council and the borough and a real 'can do' attitude. A significant proportion of people attending workshops or being interviewed by us have dedicated large parts of their career to the council whilst others who have previously worked elsewhere in local government were able to compare Hartlepool favourably with other authorities. Many of the elected members we spoke with made specific reference to the quality and capability of officers, with one saying "they are the best thing about this place". From what we saw and heard, officers clearly work collaboratively across the council's directorates and services in order to try and achieve the best outcomes, with no sense of the 'silos' that are often cited as existing in councils. Many officers spoke of the relatively small size of the council as being key to the collaborative working, with people knowing exactly who they need to go to get things done. It was obvious from the way people engaged with one another during our discussions that officers within Hartlepool enjoy good working relationships.
- The council is currently facing a very demanding agenda. A key area of focus is the financial challenge but in addition, and merely as examples, Hartlepool is also faced with delivering the local referendum on the future of the Elected Mayor model, preparing for and implementing constitutional and governance reform on the back of the referendum and progressing collaboration arrangements that will see a range of services being delivered in conjunction with Redcar and Cleveland and Darlington councils. The detail of these elements is outlined later in this report but what we wish to highlight here are our major anxieties about the senior management capacity to deliver the agenda that is being faced. This is not an issue of capability or competency. It is to do with the fact that the council is faced with operating with a very small number of people at the senior-most levels. The acting Chief Executive will shortly be leaving the council to take up a new position elsewhere and the authority currently only has one Director in post. People at Assistant Director level within the areas of children's and adults' services are currently being expected to work with the acting Chief Executive, whose substantive role is as Director of those services, to fulfil that Director role between them – with this representing very limited capacity that will be exacerbated when the acting Chief Executive leaves next month. There is another issue linked to this which is the urgent need for a decision regarding who will hold the statutory officer roles for children's and adults' services when the acting Chief Executive, who currently holds both, departs.
- The council currently appears to be heavily internally focused on finance and governance matters. This is reflected in the fact that significant issues and agendas for the area, such as the localisation of business rates, welfare reform, work to address the borough's social challenges, economic regeneration and the interests and ambitions of the council at the regional level had little scope to feature in our discussions because so much of the time was taken up by governance and finance. Of course people, perfectly understandably and with the right intentions, focused what they had to say to us on the issues that they saw as the most pressing for the council and the same applies in terms of the areas that we focused our attentions

on. We are not for one minute saying these other aspects are being ignored, we were simply struck by how much of people's time and energies appeared to be being absorbed by the issues of finance and governance – with the former simply reflecting the way it is currently in most councils but the latter representing an unfortunate distraction and diversion of resources.

- Staff at middle manager level spoke of good communication from the corporate management team level of the organisation, using both formal and informal mechanisms. However, staff at other levels in the council indicated they are experiencing major variations in the quality of internal communications across the organisation. Given the pace of change in the authority and major developments taking place, not least in relation to collaboration and budget proposals, it is important that this is addressed in order to ensure staff feel informed and, ideally, able to contribute and be involved. Staff also indicated they are feeling the impact of the curtailment of training and development activities, although this wasn't an area we probed in any depth and therefore cannot comment on how things have changed and what is, or could be, the resulting impact.

3.5 Partnership working - collaboration

- The proposed collaboration with Redcar and Cleveland and Darlington councils, initially around children's and adults' services but then potentially extending to include other services, is founded upon "long and deep relationships" between the authorities concerned and seeks to build on what the council has already been involved in, in terms of joint-working and shared services arrangements with others. From the limited discussions we had it would seem to be the case that the partner councils in the collaboration discussions have confidence in Hartlepool and its ability to put in place the key aspects necessary for the collaboration to come about and to succeed.
- However, there are certain critical hurdles still to be overcome ahead of the collaboration arrangements becoming a reality, including agreement on who will act as the employing authority for staff working jointly across the three councils, where such staff will be based and how the anticipated savings will be shared. In addition to these issues, which have been seen to de-rail collaboration discussions between councils elsewhere in the country, a huge amount of detailed work is needed in order to deliver collaboration successfully. Linked to this, whilst we recognise that the idea of collaboration is born out of financial necessity, we are concerned at the way it comes across as a savings exercise rather than an opportunity to revise what is delivered and how. The picture that was presented to us was largely one of potential savings being felt to exist at the senior and middle managerial levels of the services concerned and that the changes would involve a number of posts being deleted whilst structures and service delivery arrangements below those levels would continue as at present. This approach, whilst seemingly the most straightforward option, would appear to be based on some fairly simple assumptions and pass up an opportunity to consider, challenge and revise current service delivery arrangements against an understanding of 'need' and the effectiveness of services.

- Managers that we spoke to expressed concerns on a range of fronts regarding the move to collaboration. These related to the capacity in the council at a senior level to bring about what is proposed, the potential compromising of service quality, the realism of predicted savings (amounting to £2.3million) and their lack of involvement in the planning and preparations. The first of these is concerned with the fact that the council's collaboration preparations are currently benefitting from Hartlepool having a Chief Executive being heavily involved who, as well as having the status that position brings to the discussions and negotiations, also has a professional background in the areas of children's and adults' services which will form the first tranche of the collaboration. Clearly whoever is subsequently appointed as Chief Executive of the council will have an integral role to play in the collaboration preparation and will have the necessary status when it comes to discussions and negotiations at the highest levels. However, it is far from certain that they would have the same level of professional background knowledge as the acting Chief Executive – leaving the professional lead, as things currently stand, having to be delivered from Assistant Director level.
- We have not been able to probe the issue of a potential compromising of service quality and thus cannot comment on this. As regards the realism of the predicted savings, we noted that a predicted saving of £750,000 had been included in the medium term financial strategy for 2013/2014. Staff that we spoke to informed us that this related to 14 managerial posts. Whilst at one level it is perfectly possible to delete a number of posts and secure the resulting savings, the crucial considerations must be what the implications are of doing so and why that route would be chosen over other options. As regards the lack of involvement of managers in the collaboration planning and preparations, it is clearly the prerogative of the councils concerned to determine at what point those people are called upon to input. The less things are likely to change 'on the ground' in the way services are structured and delivered then arguably the less that needs to be planned and prepared for. However, drawing on the experience and knowledge of those tasked with delivering the services concerned maximises the chances of success and minimises the risks.

3.6 Partnership working – local partners

- The council and partners are in a period of transition around the formal partnership arrangements in the borough, with the Local Strategic Partnership structures being revised and replaced with a 'Strategic Partners Group' and four thematic boards/partnerships/forums covering health and well-being, housing, economic regeneration and community safety. We understand that this has involved some changes in relation to the organisations and individuals represented or involved at the Strategic Partners Group level and clearly this will have had an unsettling effect. This, combined with the fact that the Strategic Partners Group only met for the first time during the week we were in Hartlepool, means it is too early to judge things but it is obvious with such changes that making the new arrangements work to good effect will require significant effort. What will stand things in good stead, and what people can take confidence from, is that there has traditionally been a good set of relationships between partner organisations and much good joint work has been delivered between partners in Hartlepool – including reductions in the level of crime,

better quality social housing, environmental improvements and increased academic and vocational attainment amongst young people.

- Linked, in part at least, to the issues of structural change in partnership working outlined above, it is clear that the voluntary and community sector feel there has been a significant deterioration in their relationship with the council over the last two years. The structural changes have seen the level of representation of this sector on the Strategic Partners Group reduced when compared to what existed under the Local Strategic Partnership arrangements. Clearly this throws up challenges for a sector that is so diverse and has such a large number of organisations within it. However, these are recent changes so they don't explain the two year timescale that was cited. Perhaps the bigger issue behind the sentiments expressed is the shift that the council has been making away from a grants-based approach to a set of commissioning arrangements with the voluntary and community sector. Any such shift is problematic in that it disturbs established arrangements and places a set of bureaucratic requirements on organisations in the sector that many will find challenging. In this context, it is hardly surprising that people feel relationships have changed. However, such change is necessary if the council is to be able to demonstrate that it is securing value for the money it provides to voluntary and community sector organisations. At the same time, though, it is important for the council to support organisations in this sector make the transition required by the implementation of commissioning, be mindful of how relationships are changing and work to overcome any tensions that arise. The voluntary and community sector is a very important one for Hartlepool.
- The perception of any council amongst statutory and other partners is an important one, not least because of the important role that trust and confidence has to play in making partnerships work and, ultimately, the impact this has on meeting the needs of local people. Whilst local partners emphasised to us their good working relations with officers, it is important for us to highlight the significant concerns they also expressed regarding the current situation in relation to the governance and political leadership of the council and the way things are seen to have been conducted amongst politicians. We look at these issues later in this report under 'Governance' but suffice it to say here that significant reputational damage is being done to the council in the eyes of vitally important partners. This does not negate the effective partnership working that has taken place over the years and the good relationships that have traditionally existed. However, it does present a very real risk for the future because the reputational decline, if not addressed, will have a detrimental impact on partners' confidence in the council to deliver in the future.

3.7 Finance

- The council has a tradition of delivering within budget and, indeed, has reported under-spends in the out-turn figures in recent years – including one of £4.3million in the last financial year. The savings targets of the last two years have also successfully been delivered, totalling just over £10million. This all forms part of a picture that suggests there is good financial management within the authority – along with the fact that recent accounts have been unqualified and the council sensibly took the opportunity last year to review how it approaches its financial

reserves. One area that we would wish to highlight, although we understand the council already has plans in place to address it, is the limited in-year reporting of budget trends to elected members, at both Cabinet and overview and scrutiny level. With the financial pressures facing the authority, it is important for elected members to be able to reassure themselves at regular intervals that the council's budget is on track and instigate corrective action if there are concerns.

- The external Auditor is clear that the authority has a robust medium term financial strategy. The financial gap for the council over the four year period from 2013/14 to 2016/17 is projected to be between £17million and £20million – against a net revenue budget currently of £91m. The timetable and process for setting the council's budget for 2013/14 is in place but there is much to be done in a limited period of time by officers, Portfolio Holders and overview and scrutiny. To date there has been good dialogue at officer level regarding savings proposals for 2013/14 and 2014/15 but the challenge and ownership of them by Cabinet members needs to be much clearer. As an example, we understand that whilst savings proposals were presented at Cabinet in June as part of the medium term financial strategy, these proposals were very much the work of officers. Political leadership of the necessary savings and the budget generally is vital - finance needs to be much more strongly owned and led by Portfolio Holders.
- Finance is very clearly, and understandably, the primary driver of decisions currently – as is the case with councils across the country. However, and as we have touched on at various points through this report, we are not convinced that the council is utilising evidence sufficiently to inform those decisions nor taking a sufficiently rounded view of all of the options, including policy options, available to it. As a consequence, there is a risk of opportunities being missed or decisions being taken that might better have been avoided.
- Finally on the issue of finance, it is important to highlight the anxieties that a number of people expressed to us regarding the effectiveness and transparency of the council's commissioning and grant-funding arrangements for the voluntary and community sector. As we outlined earlier, the council has been making a shift away from a grants-based approach to a set of commissioning arrangements with this sector. This is not a simple thing to bring about but such change is necessary if the council is to be able to demonstrate that it is securing value for the money it invests in voluntary and community sector organisations. Whilst the changes that are being worked through will establish greater rigour than there has been before, there is still a way to go. This generates a specific risk for the council and individuals within it, given the strong links between some elected members and the voluntary and community sector. The council has a responsibility to ensure the position of elected members is protected by having robust arrangements in place. Without absolute transparency about what is being grant-funded or commissioned from where and the outcomes being achieved in return for such spend, it is easy for conjecture to arise and perceptions to be formed that can be damaging to the reputation of the council and this is clearly already happening.

3.8 Governance

- The council has operated under Elected Mayoral arrangements since 2002 and has enjoyed collaborative cross-party working over many of the subsequent years. However, things have now changed, with a set of political tensions having emerged in recent months and the Mayoral referendum being held in November to determine the future of the Elected Mayor model is the culmination of these. The tensions that have arisen are about power and influence and are the result of two democratically legitimate sets of arrangements, the position of Elected Mayor and the elected membership of the council, now experiencing a battle for supremacy.
- This battle has seen concerted efforts to wrest power away from the position of the Elected Mayor. Legitimate politics, in terms of political parties seeking to be able to demonstrate their ability to shape things in Hartlepool and have the opportunity to lead the borough, lie at the heart of this. We respect this and are not seeking to take the politics out of Hartlepool and clearly the forthcoming referendum provides the opportunity for local people to decide the future. However, the way things are seen to have been conducted amongst politicians has not helped the reputation of the council and the way that things have developed has had a number of consequences.
- Firstly, it has served to highlight inadequacies within the Constitution and council governance that have not been appropriately resolved. Issues have been used as 'test cases' to determine where decisions should be taken within the council, for example at Cabinet, Full Council or different council committees, when such matters should already be perfectly clear from the Constitution. As these issues have been played out and the power of the position of Elected Mayor has been seen to have been eroded as a consequence, confusion has been allowed to creep in regarding who represents the political leadership and how the governance of the council should operate. As an example, we learnt of the frequency with which the council's Constitution Committee meets in order to clarify issues relating to the Constitution or consider potential changes to it – which both reflects and adds to the confusion and uncertainty. The equivalent bodies in other councils generally meet infrequently and, when they do, it is invariably in the form of a working group to help steer an authority through a significant change in governance arrangements. Authorities tend to leave minor revisions to Constitutions until Annual Council. As another example, lots of people spoke to us about what they see as the significant 'power' that lies within the overview and scrutiny function – when, legally, this function has no decision-making power. We would therefore encourage the council, through the Monitoring Officer and other officers as appropriate, to look at how other councils with the Elected Mayor model approach things in a way that enables them to either avoid or address the governance issues being experienced in Hartlepool.
- A second consequence has been the capacity of the Cabinet being extremely limited at the present time, with only independent elected members now being willing to serve on it. The Cabinet responsibilities are now shared across the Elected Mayor and just three Portfolio Holders, compared to the much larger number that previously existed, which clearly represents a huge set of demands. There is also a need for Portfolio Holders to direct things much more than they are, as reflected in what we said earlier regarding the need for the challenge and ownership of savings proposals by Cabinet members to be much clearer. The

reduction in capacity at Cabinet level has occurred just when the political leadership of the council needs to be at its strongest for the good of the borough, given the demanding agenda that is being faced.

- As a result of the confusion that has crept in regarding the political leadership and governance, the role of officers has become increasingly difficult and there has been a blurring of decision-making and accountability. We noticed several references from elected members out-with the Executive that reflected this, including:
 - ❖ “Overview and scrutiny is setting the political direction”
 - ❖ “I have instructed officers to ... “
- When it is unclear where political direction is being set from and there is a blurring of the respective roles and responsibilities of officers and elected members, there is an undermining of open and transparent decision-making. As a result of what is currently being experienced, there is a great deal of anxiety amongst officers about the governance of the authority and the vulnerabilities that are being created for both them and elected members. It is imperative that absolute clarity exists around where decisions should and are being taken, where the political direction is being set from and where accountability rests. Given the way officers are currently being negatively impacted upon by all of this, there is a major risk emerging that they will be lost to the organisation as a result of choosing to pursue their careers elsewhere.
- Another area of concern regarding the governance of the council is a perceived lack of rigour around the declaration of interests at elected member level. This sits alongside the issue we highlighted earlier regarding the effectiveness and transparency of the council’s commissioning and grant-funding arrangements for the voluntary and community sector not yet being as strong as they need to be. Unless the system of declaring interests is robust the motivations of councillors risk being called into question. That situation clearly already exists, with a widely held view having been established that some elected members are focused on the ‘pursuit of self-interest’. This perception is damaging to the council and to individuals. The authority needs to reassure itself that it has established appropriate arrangements whereby the process and requirement for elected members to declare interests is clear and fully understood and, where any doubt exists on the part of a councillor, they can receive appropriate guidance. Assuming all of this is in place then the onus rests firmly with elected members to ensure they act accordingly.
- The weaknesses in the governance system that we have outlined here are a major concern. The overall governance system needs to be hugely strengthened and this is the shared responsibility of the council’s Chief Executive, Monitoring Officer, Section 151 Officer and senior politicians.
- We see a need for a revised set of governance arrangements, irrespective of the outcome of the Mayoral referendum. If the referendum leads to a move away from the Elected Mayor model, there will obviously be the need for a new governance system and a Constitution that underpins it. The council is sensibly already doing

some of the preparatory work necessary to respond to this eventuality and enable the adoption of a committee system. However, if the referendum decides to retain the Elected Mayor model, then the council would have the option of maintaining things exactly as they are. In this scenario, however, we would encourage the authority to take the opportunity to revise the current arrangements in a way that wasn't done following the Ward Boundaries Review. With the council having seen the number of elected members reduced from 47 to 33 in May and yet pretty much retain the same number of committees and forums, we were not surprised to find that councillors are being required to sit on as many as eight committees, groups or sub-groups. This is not sustainable.

- It is important to remember that any governance changes triggered by the referendum will not take effect for a period of several months, with revised arrangements coming in to being at the start of the next municipal year in May 2013. Whatever the outcome of the referendum, the main tensions that have arisen as a result of the battle for supremacy between the two democratically legitimate sets of arrangements will be resolved, with all of the politicians we spoke to recognising the importance of making the subsequent arrangements work.
- Following the referendum, there will either be a requirement for, or an opportunity to develop, a new Constitution for the council. It is important for the authority to capitalise on this by taking the chance to address, once and for all, the matters within the Constitution and council governance that have not been appropriately resolved to date.
- However, all of this will take a significant while to be brought about and the council cannot afford to wait. It is imperative to address, with immediate effect, current issues that are having a negative impact on the council and individuals within it. Absolute clarity and transparency is required around decision-making, in terms of where they are required to be made from and ensuring that this is complied with. The respective roles of elected members and officers need to be clearly understood and fulfilled accordingly. Any deficiencies in the system for declaring interests need to be addressed immediately in order to protect councillors and the means need to be put in place to provide absolute transparency around grant-funding and commissioning. Failure to achieve this risks further de-stabilising and damaging the council.

Through the peer challenge process we have sought to highlight the many positive aspects of the council but we have also outlined some difficult and challenging messages. It has been our aim to provide some detail on them through this report in order to help the council consider them and understand them. The council's senior managerial and political leadership will therefore undoubtedly want to reflect further on the findings before determining how they wish to take things forward.

Members of the team would be happy to contribute to any further improvement activity in the future and/or to return to the authority in due course to undertake a short progress review. Mark Edgell, as the Local Government Association's Principal Adviser for your region, will continue to act as the main contact between the council and the Local Government Association, particularly in relation to improvement. Hopefully this provides

you with a convenient route of access to the organisation, its resources and packages of support going forward.

All of us connected with the peer challenge would like to wish the council and the borough every success in the future.

Yours sincerely

Chris Bowron
Programme Manager – Peer Support
Local Government Association

Peer Review Action Plan

Issue Raised	What we are already doing / planning to do	The Outcome	Who
Community Engagement			
The Neighbourhood Forums are not seen as adding value.	A review of the neighbourhood Forums is currently being undertaken as planned when the arrangements were changed at the beginning of the Municipal Year. This review will take account of the matters raised by the Peer Review.	We will have reviewed the Neighbourhood Forums as part of our approach to engaging the community and have in place robust mechanisms. These may be different from the current arrangements	CMT (Dir R&N) Elected Members
Policy and Planning			
It is clearly imperative... that the council is reflecting community needs within its policy-making and resource allocation. However, in considering the... MTFS.. community strategy...corporate plan, we struggled to identify the evidence base underpinning either the setting of these priorities and targets or decisions and proposals around resource allocation. This raises the question of the extent to which there is a shared understanding of need, what the evidence base is... and how it is being used to inform decisions.	Over the next 6 months and in preparation for future years planning and budget rounds consideration will be given to the extent to which available information, census, JSNA, other intelligence and data can be utilised to better demonstrate the evidence base underpinning decisions. As part of individual decision making it is felt that the information base is generally robust but this is not to say it cannot be improved. Consideration needs to be given to the added value this will provide but it will be considered,	We will have reviewed and have in place the requirements for the information to be utilised as part of any decision making.	Portfolio Holder CMT (ACE)

Issue Raised	What we are already doing / planning to do	The Outcome	Who
<p>When it comes to delivering financial, policy and organisational change there would appear to be limited use of evidence to inform decisions, assessment of the possible impact and evaluation of the outcomes</p>	<p>In addition and to note as part of the detailed budget proposals reports currently being compiled, to be reported to Cabinet in December and then for consideration by Scrutiny Forums in January the report structure and inclusions have been revised. This had already been undertaken but was not brought to the attention of the Peer Team. This review is in part a reflection of the work undertaken by the Children's Services Scrutiny Forum last year in respect of Social Return on Investment (SRoI).</p> <p>This will incorporate, into the reports to be considered, service aims, users, engagement, inputs, outputs, outcomes, options considered and impact of proposed change.</p> <p>The success and value of this approach will be considered post budget setting.</p>		
<p>As regards understanding the possible impact of decisions, some officers spoke of... Equality Impact assessments having tailed off... whilst... some councillors spoke about a lack of rigour within the council around measuring the impact of initiatives and decisions in order to assess their effectiveness.</p>	<p>Equality & Diversity Implications are undertaken in a variety of guises and reported as part of a range of decisions.</p> <p>Clear guidance has been made available to all staff with a network of officers in departments to provide ongoing support for their preparation and use.</p> <p>Further clarification and support will be provided to departments to clarify the requirements and support available. We will reinforce the requirement to undertake such assessments at the beginning of development proposals so appropriate issues can be</p>	<p>We will have clarified and provided further guidance to those responsible for completing Equality Impact Assessments</p>	<p>CMT (ACE)</p>

Issue Raised	What we are already doing / planning to do	The Outcome	Who
	taken into account whilst providing suitable support and guidance to staff in their preparation		
The urgent need for a decision regarding who will hold the statutory officer roles for children's and adults' services when the acting Chief Executive, who currently holds both, departs.	A report was considered by Council on 18 th October 2012. This report identified that in the short term (until options in respect of collaboration are considered and decisions made) that these role be carried out by Assistant Director (Adults) and Assistant Director (Prevention, Safeguarding & Specialist Services).	We have in place clear arrangements	Complete
Communications			
Staff at middle manager level spoke of good communication from the corporate management team level of the organisation. However, staff at other levels in the council indicated they are experiencing major variations in the quality of internal communications across the organisation	The staff survey (which has recently been undertaken) includes questions for all staff of methods and type of communication. This information will be utilised to inform a review of the communications frameworks which are in place and how they may be developed to ensure clear, but concise and efficient communications.	Staff at all levels feel informed and CMT have appropriate mechanisms in place to communicate with staff.	CMT (Ch Ex)
Collaboration			
There are certain critical hurdles still to be overcome ahead of the collaboration arrangements becoming a reality In addition to these issues, which have been seen to de-rail collaboration discussions between councils elsewhere in the country, a huge amount of detailed work is needed in order to deliver collaboration successfully	The challenge posed in relation to collaboration has not been underestimated and the detailed work referred to (in terms of service, staffing, legal and financial requirements) has been scoped and initial consideration given to the likely implementation process (dependant up political decisions). It has been important, and is reflective of the findings of the review team, that work is undertaken at an appropriate juncture and is not wasted effort. A	We will have in place plans to address the detailed issues relating to the implementation and ongoing management and accountability of the current proposals for collaboration subject to political approval and a plan in place to manage these	CMT (Ch Ex and Dir C & A)

Issue Raised	What we are already doing / planning to do	The Outcome	Who
	<p>Gateway review has been undertaken as part of the overall management of the project to ensure that key issues are reflected in any subsequent stages of the development process.</p> <p>There will be reports to Cabinet and Council (in conjunction with Scrutiny involvement) in the consideration (and potential approval) of the possible and preferred models of delivery and following this detailed implementation plans will be delivered.</p>	changes	
Partnership Working			
<p>The council and partners are in a period of transition around the formal partnership arrangements in the borough.. We understand that this has involved some changes in the organisations and individuals represented.. and clearly this will have an unsettling effect... it is too early to judge things but it is obvious with such changes that making the new arrangements work to good effect will require significant effort.</p>	<p>The arrangements in respect of formal partnership frameworks are, as has been stated new and developing.</p> <p>The Council will undertake a review of these in early 2013 to ensure right people/organisations are involved & the new arrangements are working well.</p> <p>This review will also take the opportunity to reflect on the arrangements in the light of the overall governance of the council</p>	<p>We will have reviewed the formal partnership arrangements to ensure that they are fit for purpose, align with other constitutional changes and reassure partners of our continued intent to joint working</p>	<p>CMT (ACE)</p> <p>Partnership Chairs</p>
Commissioning and the Voluntary Sector			
<p>The voluntary and community sector feel there has been a significant deterioration in their relationship with the council over the last two years. Perhaps the .. issue behind this is the shift from a grants-based approach to a set of</p>	<p>Through Objective 2 of the VCS Strategy the Council has already established that it will:</p> <ul style="list-style-type: none"> - 'Have open, transparent and timely commissioning process ensuring that the same information and guidance is available and applies to all potential providers ensuring a level playing field for the 		

Issue Raised	What we are already doing / planning to do	The Outcome	Who
<p>commissioning arrangements. However, such change is necessary if the council is to be able to demonstrate that it is securing value for money. It is important for the council to support organisations in this sector make the transition required by the implementation of commissioning.</p> <p>It is important to highlight the anxieties that a number of people expressed to us regarding the effectiveness and transparency of the council's commissioning and grant-funding arrangements for the voluntary and community sector. Whilst the changes (from grant funding to commissioning) that are being worked through will establish greater rigour than there has been before, there is still a way to go. This generates a specific risk for the council and individuals within it, given the strong links between some elected members and the voluntary and community sector. The council has a responsibility to ensure the position of elected members is protected by having robust arrangements in place. Without absolute transparency about what is being grant-funded or commissioned from where and the outcomes being achieved in return for such spend, it is</p>	<p>VCS'</p> <ul style="list-style-type: none"> - 'Provide clarity on procurement systems and regulations to improve understanding of processes' <p>An Action Plan for the VCS Strategy is to be developed which will include some actions around this work. The issues raised were covered again at the first meeting of the VCS Strategy Group and work is underway by relevant officers to respond.</p> <p>In addition the Community Pool Category 3 – The Provision of Capacity / Resource Building contract service specification included a requirement for the successful organisation (HVDA) to provide training to VCS organisations including 'specific training and development work to effectively enable the VCS to tender for areas of service delivery'. A training package is being provided by Skillshare who are working with HBC procurement to cover commissioning.</p> <p>These are the arrangements in place currently to support this change. In addition there is a need for further potential reassurance and communication of the reason for the change and the clarification of this support. This will be undertaken by a jointly agreed group of members as part of a process of communication</p>	<p>We will have undertaken a process of communication with the voluntary sector to clearly communicate the plans and intentions of the Council and the support available to manage this transition process</p>	<p>CMT</p> <p>Mayor (Dir R&N)</p>

Issue Raised	What we are already doing / planning to do	The Outcome	Who
easy for conjecture to arise and perceptions to be formed that can be damaging to the reputation of the council and this is clearly already happening.	As part of the ongoing development of the commissioning approach to services which has been agreed by Cabinet arrangements will be further developed to ensure that the outcomes framework and services commissioned from the voluntary sector are clear, that the achievements and value for money in respect of these arrangements is understood and reported as part of the ongoing approach to commissioning and informs decision making	We will have developed our approach to commissioning with the voluntary sector to ensure there is a clear demonstration of evidence for decision making based on outcomes and value for money	CMT (Dir R&N)
Finance and Budgeting			
One area that we would wish to highlight, although we understand the council already has plans in place to address it, is the limited in-year reporting of budget trends to elected members, at both Cabinet and overview and scrutiny level	<p>Work has been ongoing, and is reflected in the Peer Review findings, to establish a revised timetable for financial reporting through any financial year. As part of this it is planned to report at the end of the second quarter and then bi-monthly through the rest of the year.</p> <p>An initial report to Cabinet and then referred to Scrutiny Coordinating Committee detailed additional one off risks / commitments facing the council. The report proposed a strategy of setting targets for reviewing reserves and in year managed under spend targets to identify funding for these issues which aims to avoid higher budget cuts in 2013/14 and subsequent years</p>	We will have in place a process for more regular reporting of budget trends to all elected members in line with the schedule identified	Portfolio Holder CMT (CFO)
To date there has been good dialogue at officer level regarding savings proposals for 2013/14 and 2014/15 but the	The Mayor has recognised this point and as part of the budget process for this year the Mayor has agreed that Portfolio Holders will present their plans to	Portfolio holders will lead and more strongly own the budget proposals to be considered	Mayor and Cabinet

Issue Raised	What we are already doing / planning to do	The Outcome	Who
challenge and ownership of them by Cabinet members needs to be much clearer. Political leadership of the necessary savings and the budget generally is vital - finance needs to be much more strongly owned and led by Portfolio Holders.	Scrutiny Forums as part of the formal budget consultation process commencing in January.	by Scrutiny and ultimately Council	
Governance			
We see a need for a revised set of governance arrangements, irrespective of the outcome of the Mayoral referendum... With the council having seen the number of elected members reduced from 47 to 33 in May and yet pretty much retain the same number of committees and forums, we were not surprised to find that councillors are being required to sit on as many as eight committees, groups or sub-groups. This is not sustainable.	<p>There are a number of component parts to this action which is important for the ongoing and better governance of the organisation.</p> <p>A Governance Working Group has therefore been established and to make recommendations which identify, consider and develop appropriate governance arrangements, this comprises elected members and is supported by the Chief Executive and Chief Solicitor (with other key officers as required reflecting its importance)</p> <p>This group will consider and work to an effective Governance model, advised by the Statutory Officers, to be in place either before (or for) May 2013</p> <p>This model of governance will clarify</p> <p>i) functions and responsibilities – this will clarify the delineation between members and officers and clarify the roles of officers and members</p>	<p>We will have in place a constitution and associated arrangements which have been revised to</p> <ul style="list-style-type: none"> • Take account of the reduced number of councillors • Reflect the outcome of the referendum • Be robust and clear in respect of functions and responsibilities for decision making • Reflect the respective roles of Council, the Executive and officers 	<p>Mayor and Group Leaders</p> <p>(CMT / Ch Ex / Ch Sol)</p>

Issue Raised	What we are already doing / planning to do	The Outcome	Who
	ii) decision making – this will clarify decision making routes and responsibilities iii) process for review – this will determine the most effective and efficient route for review (see next 2 actions)		
As a result of the confusion that has crept in regarding the political leadership and governance, the role of officers has become increasingly difficult and there has been a blurring of decision-making and accountability.	As part of the review of the constitution identified above there will be a concurrent review of the officer member protocol (which details the required arrangements in respect of the relationships and behaviours between officers and members)	Clear decision making routes are known and accepted.	Mayor and Group Leaders (CMT / Ch Ex)
Inadequacies within the Constitution and council governance that have not been appropriately resolved... frequency with which the council's Constitution Committee meets in order to clarify issues relating to the Constitution or consider potential changes to it – which both reflects and adds to the confusion and uncertainty... what [people] see as the significant 'power' that lies within the overview and scrutiny function... We would therefore encourage the council, through the Monitoring Officer, to look at how other councils with the Elected Mayor model approach things in a way that enables them to either avoid or address the governance issues being	It is important to have clear arrangements in place for any review and the overall management of the Constitution and any changes to it. The issues raised by the Review team will be researched by the Council to establish and agree an appropriate mechanism for the review of the constitution. This review will take into account the role of the monitoring officer and the approach of other Councils where often the constitution is reviewed on an annual basis	We will have determined a mechanism for the review of the constitution that is efficient and effective, takes account of best practise and the findings of the review team	Mayor / Group Leaders CMT (Ch and Sol) Ex Ch

Issue Raised	What we are already doing / planning to do	The Outcome	Who
experienced in Hartlepool.			
The capacity of Cabinet being extremely limited at the present time, with only independent elected members now being willing to serve on it... responsibilities now shared across the Elected Mayor and just three Portfolio Holders... which clearly represents a huge set of demands.	Further consideration required in respect of this finding	TBD	
Another area of concern regarding the governance of the council is a perceived lack of rigour around the declaration of interests at elected member level.	<p>This is a perception but is important in the context of the operation of the Council and relations with external partners which does need to be addressed as ultimately it affects the overall reputation of the Council.</p> <p>Further guidance (incorporating training where required) will be provided to members and this will be reinforced through the Political Groups and with all elected members to reinforce the current arrangements in respect of the declaration of Interests to ensure that there is clarity in terms of ;</p> <ul style="list-style-type: none"> i) what is expected from elected members ii) the role which officers will play in supporting this process iii) the ongoing publication of those interests declared 	We will have reinforced and further clarified the requirements in respect of declarations of interest and have in place arrangements and agreements in respect of the support of this to ensure that there is a clear and perceived rigour in this regard	<p>Group Leaders</p> <p>CMT (C Sol)</p>



Report of: Chief Executive

Subject: BUSINESS REPORT (2)

5. Children's Services Scrutiny Forum

I have been notified by the Putting Hartlepool First group that Councillor Atkinson will replace Councillor A Lilley on the Children's Services Scrutiny Forum. Council is requested to note the change in membership of the Forum.

6. Appointment of Director of Regeneration and Neighbourhoods

Following a recruitment process undertaken by the Appointments Panel, Members are asked to note the appointment of Denise Ogden to the post of Director of Regeneration and Neighbourhoods.