

FINANCE AND POLICY COMMITTEE AGENDA



Monday 21st July 2014

at 9.30am

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

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Dawkins, Hind, Jackson, James, Loynes, Payne, Richardson, Riddle and Simmons

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 30th June 2014

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Local Council Tax Support 2015/16 – *Chief Finance Officer*
- 4.2 Savings Programme 2015/16 – Chief Executive's Department – *Chief Executive*
- 4.3 Savings Programme 2015/16 – Regeneration and Neighbourhoods Department – *Director of Regeneration and Neighbourhoods*



5. KEY DECISIONS

- 5.1 Headland Walls and Block Sands Coastal Protection Works – *Director of Regeneration and Neighbourhoods and Chief Finance Officer*
- 5.2 Empty Property Purchasing Homes Scheme Phase 2– *Director of Regeneration and Neighbourhoods*
- 5.3 Disposal of Surplus Assets – Land at Eskdale Road – *Director of Regeneration and Neighbourhoods*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Disposal of Surplus Assets – Throston Grange Community Centre – *Director of Regeneration and Neighbourhoods*
- 6.2 Potential Merger of the Teesside and Hartlepool Coroner Areas – *Chief Executive and Chief Solicitor*

7. ITEMS FOR INFORMATION

- 7.1 Director of Public Health Annual Report – *Director of Public Health*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

ITEMS FOR INFORMATION

Date of next meeting – Monday 18th August at 9.30am at the Civic Centre, Hartlepool.



FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD

30 June 2014

The meeting commenced at 9.30 am in the Civic Centre, Hartlepool

Present:

Councillor: Christopher Akers-Belcher (In the Chair)

Councillors: Tom Hind, Peter Jackson, Marjorie James, Brenda Loynes,
Robbie Payne, Carl Richardson and Chris Simmons

Also present: Councillor Jim Ainslie and Paul Beck
Edwin Jeffries, HJTUC

Officers: Dave Stubbs, Chief Executive
Andrew Atkin, Assistant Chief Executive
Peter Devlin, Chief Solicitor
Chris Little, Chief Finance Officer
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
Jill Harrison, Assistant Director, Adults
Damien Wilson, Assistant Director, Regeneration
Alastair Rae, Public Relations Manager
Joan Stevens, Scrutiny Manager
Angela Armstrong, Principal Democratic Services Officer

1. Apologies for Absence

Apologies for absence were received from Councillors Keith Dawkins and David Riddle.

2. Declarations of Interest

There were no declarations made at this point in the meeting, see minute 12.

3. Minutes

- (i) Minutes of the Finance and Policy Committee held on 19 May 2014 – received subject to the addition of Councillor Marjorie James apologies.
- (ii) Minutes of the Safer Hartlepool Partnership held on 21 March 2014 – Received.

4. Medium Term Financial Strategy (MTFS) 2015/16 to 2018/19 *(Corporate Management Team)*

Type of decision

Budget and Policy Framework

Purpose of report

- (i) Update Members on the final 2013/14 outturn;
- (ii) Update Members on the Council's financial position and the budget deficits forecast for 2015/16 and 2016/17 and the outlook up to 2018/19;
- (iii) To enable Members to approve the recommended approach to be adopted for managing the budget deficits in 2015/16 and 2016/17; and
- (iv) To enable Members to approve the proposed budget timetable.

Issue(s) for consideration

The Chief Finance Officer provided a detailed and comprehensive presentation and emphasised the continued need for a multi-year financial strategy to manage the impact of continuing grant cuts and one-off financial risk/commitments. The report which followed the process adopted last year and outlined the:

- Final 2013/14 Outturn
- 2015/16 Budget
- 2015/16 Budget Timetable
- 2016/17 to 2018/19 Financial Outlook
- Conclusion and Recommendation

Further detail was provided on the recommended strategy in relation to the final 2013/14 General Fund outturn including options for the uncommitted outturn of £0.495m, the allocation of uncommitted outturn from the implementation of Local Welfare Support along with a suggestion from a Member for the unused Ward Member budget allocation for the Hart Ward.

In relation to the 2015/16 budget position the grant cut is known as the Government issued a two-year Grant Settlement in February 2013 covering 2014/15 and 2015/16. The initial savings options identified by the Corporate Management Team which amounted to £5.536m would be considered through the individual Policy Committees in July and August with the budget decisions being finalised before Christmas 2014. Council Tax decisions would then be taken late January/early February.

The Chief Finance Officer highlighted that significant cuts had been made over the previous 4 years therefore making the budget decisions for

2015/16 extremely challenging. It was noted that further detail on Council Tax; Pay Costs; Initial 2014/15 Outturn and Reserves Review; Ward Member Budgets and Council Capital Fund would be included in future reports to the Committee.

During the discussions that followed it was suggested that the underspend identified from within the Local Welfare Support budget should be earmarked as a Family Poverty reserve to support the most needy in the community and consideration on the use of this one-off funding should be considered as part of the development of the 2015/16 Local Council Tax Support scheme. The Chief Finance Officer indicated that this proposal would concur with the sustainability of the budget strategy reported in February 2014 as this funding was not anticipated. It was also confirmed that this funding would be considered as part of the development of the 2015/16 Local Council Tax Support Scheme.

One of the Hart Ward Councillors was in attendance and requested that consideration be given to utilising the unallocated Hart Ward Member budget from 2012/13 and 2013/14 towards the funding of Environmental Apprenticeships. The Director of Regeneration and Neighbourhoods to explore this option with the Ward Members involved.

It was noted that Officers were exploring the feasibility of utilising monies generated from the implementation of Section 106 agreements to fund Ward Member budgets with a view to submitting a more detailed report to Members in the future. A Member suggested that further discussions should be undertaken to explore the options to generate income and identify where entrepreneurial opportunities may exist for the Council.

In response to a query raised by a Member, the Chief Finance Officer confirmed that there was an initial provision within the outturn to cover the identified risk of £750k for Business Rates appeals adding that this would need to be managed as a risk for a substantial period into the future due to a number of more complex appeals yet to be considered.

In relation to Option two within paragraph 4.8, the Chief Finance Officer clarified that all the schemes were either predicated on approximately half funding from monies already received from previous successful grant applications and half from the prudential borrowing repaid from rental income, which gave the necessary financial protection for the Council.

A discussion ensued on the timescales for agreeing the Council Tax and the input required from the Cleveland Fire Authority and Police and Crime Commissioner and the Chief Finance Officer confirmed that there were statutory timescales involved and it was inevitable that two meetings of Council were required in order to set the final Council Tax.

Decision

That the following recommendations be considered by Council for approval on 3 July 2014:

General Fund 2013/14 Final Outturn

- (1) The final outturn position detailed in Appendix A, including the additional risk reserves and the uncommitted final 2013/14 General Fund outturn of £0.495m was noted.
- (2) The proposals to use the uncommitted outturn to implement Option 2 – which allocated the housing income received from Housing Hartlepool of £0.215m to purchase additional houses for rent and the residual balance of £0.280m to partly support the additional one-off 2015/16 budget deficit arising from clarification of the Better Care funding regime was approved.
- (3) On the basis of recommendation (2), the purchase of 5 houses as an addition to capital programme to be funded through a combination of the Housing income and Prudential Borrowing (which will be fully funded from rental income) was approved as detailed in **Confidential Appendix B. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information.**
- (4) It was noted that recommendation (3) will require a one-off contribution of £0.220m from a combination of the 2014/15 outturn and review of reserves to fully address the additional budget shortfall in 2015/16, which it was anticipated can be achieved. It was also noted that as a fall back the costs of the free junior swims initiative in summer 2014 may need to be funded from the 2014/15 outturn, but only in the event that the Domes proceeds were not received.

Local Welfare Support 2013/14 Final Outturn

- (5) The proposal to allocate the uncommitted final 2013/14 Local Welfare Support outturn of £0.226m as a Family Poverty reserve was approved. It was noted that the Finance and Policy Committee will consider use of these monies as part of the development of the 2015/16 Local Council Tax Support Scheme, which will be referred to a future Council meeting for a decision. The Chief Finance Officer advised the Finance and Policy Committee that this proposal did not impact on the budget position for 2014/15 to

2016/17 and means that the Council will, as reported within the February 2014 MTFS report, need to address the removal of Local Welfare Support funding as part of the 2017/18 budget.

Ward Member Budgets 2013/14 Outturn

- (6) The proposal to allocate the unused Ward Member budgets for the Hart Ward of £10,500 and the Seaton Ward of £8,300 for use by the current Ward Members for these areas to support projects which meet the existing criteria for using Ward Member budgets was approved. It was noted that the proposals from Councillor Beck and Robinson for their element of the Hart Ward Members budget would be allocated towards Environmental Apprenticeships subject to further discussions with the Director of Regeneration and Neighbourhoods.

Deprivation of Liberty Safeguards – Implications of the Supreme Court Judgement

- (7) It was noted that an initial review of Child and Adult Services Reserves had been completed and identified resources to fund the estimated costs in 2014/15, of up to £0.448m, arising from changes to the Deprivation of Liberty Safeguards arising from a recent Supreme Court judgement and the allocation of the following amounts to fund these costs was approved:
- Demographic Pressures in Adult Social Care Reserve – £0.331m
 - Supporting Social Care Reserves £0.117m
- (8) It was noted that it was hoped the actual 2014/15 costs will be lower, which will enable the unused reserves to be carried forward to partly mitigate the ongoing costs in 2015/16, currently estimated to be £0.269m.

Budget Timetable 2015/16

- (9) The budget timetable detailed in Appendix C was approved and authority was delegated to the Chief Solicitor to make consequential changes to the Council's Constitution.

5. Housing Services New Opportunities and Structure (Director of Regeneration and Neighbourhoods)

Type of decision

Key Decision – Test (i) and (ii) applies – Forward Plan Reference RN 20/14.

Purpose of report

To present the Committee the Business Case for setting up a Social Lettings Agency; a new service to be offered by the Housing Services Team.

Issue(s) for consideration

The report provided Members with a further detailed business case around the proposal to set up a Social Lettings Agency. Attached by way of confidential appendix was a table that identified the potential income levels and the governance arrangements for the proposed charging structure. **This item contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information relating to the financial or business affairs of any particular person (including the authority holding that information) para 3.** The risk and financial implications of the proposal were detailed in the report along with the relevant staffing considerations.

A Member referred to the membership of the Housing Management Board for the Social Lettings Agency as identified in the report. It was suggested that in addition to the Chair of the Regeneration Services Committee, the Leader of the Council also be included within the membership of the Board, with the option to appoint substitute Members as and when necessary.

In response to a question from a Member, the Assistant Director, Regeneration confirmed that the proposal aimed to utilise existing resources and officers who were already employed within the Housing Services Team. However, should the Social Lettings Agency expand to the point where additional staffing requirements were needed, this would be met from within the scope of the additional income to be received.

Decision

- (1) That the proposal to set up a Social Lettings Agency in Hartlepool be approved.
- (2) That the proposed management fee as outlined within the confidential appendix be approved.
- (3) That the Management Board include the option to appoint substitute Members as and when necessary and consist of:
 - Leader of the Council;
 - Chair of Regeneration Services Committee;
 - Assistant Director, Regeneration;
 - Head of Housing Services;
 - Principal Housing Officer;
 - Principal Housing and Regeneration Officer.

- (4) That the Board have delegated powers to make decisions on adjustments to fees and service standards.
- (5) It was noted that the income generated, as outlined in the report, form part of the 2015/16 savings proposals.

6. Healthy Trainer Service (*Director of Public Health*)

Type of decision

Key Decision – Test (i) and (ii) applies – Forward Plan Reference PH04/14.

Purpose of report

To seek approval to secure a Healthy Weight Service for Hartlepool, funded through the ring fenced Public Health Grant to commence 1 April 2015.

Issue(s) for consideration

The report provided the background to the creation of a Healthy Weight Service which had operated as the NHS Healthy Trainer Team for a number of years providing free weight management support for adults in Hartlepool either on a one-to-one basis or in groups. Clients were typically offered 12 sessions including support from Health Trainers. It was noted that a healthy weight review was currently underway in partnership with Stockton which would be used to develop a comprehensive service specification for a new healthy weight service for Hartlepool.

In response to a question from a Member, the Director of Public Health confirmed that the procurement process would be undertaken in-house at no additional cost. A Member commented on the need to get the message of healthy lifestyle within local schools and the Director of Public Health commented that this proposal was focussed on a specific group of people but did form part of the Council's larger strategy to develop pathways to healthy weight and healthy lives across the Town.

Decision

- (1) The report was noted.
- (2) The development of a new service specification during 2014/15 was approved and would take into account consideration the local needs and views from the consultation and service review process.
- (3) It was agreed to secure a provider for a healthy weight service, funded by the ring fenced public health grant in 2015/16.

7. Partnership with Durham County Council for the Position of the Road Safety Team Leader *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non key.

Purpose of report

To seek approval for a secondment arrangement between Hartlepool Borough Council and Durham County Council for the services of the Council's Road Safety Team Leader.

Issue(s) for consideration

The report provided the background and experience of other local authorities within the United Kingdom achieving efficiencies through collaborative working. Members were informed that Durham County Council's Road Safety Team Leader had resigned from his post and discussions had been undertaken between Hartlepool BC and Durham CC on the merits of sharing Hartlepool's Road Safety Team Leader on a 50:50 basis.

A secondment agreement between the two local authorities had been drafted and provided that the Council's Road Safety Team Leader....."shall on the terms of this Agreement spend 50% of his work time working for Durham County Council (DCC) but shall for all other purposes remain an employee of Hartlepool Borough Council on the terms of this Agreement".

A Member sought clarification on the knock on consequences of any backfilling arrangements that may be required. The Director of Regeneration and Neighbourhoods confirmed that one of the aims of the arrangement was to mitigate against future redundancies and generate income for the Council. However, at the request of Members, the arrangement, including how it affected the Hartlepool Team, would be monitored in the first year of operation and reported back to Members.

Decision

- (1) The implementation of the Secondment Agreement for Hartlepool Borough Council's Road Safety Team Leader with Durham County Council was approved.
- (2) That the arrangement including how it affected the Hartlepool Road Safety Team would be monitored during the first year of operation of

the agreement and reported back to Members.

8. North East Procurement Organisation Transformation – Introduction of New Arrangements for the Leadership and Governance of Service and Regional Collaborative Procurement (*Chief Executive and Chief Solicitor*)

Type of decision

Non key.

Purpose of report

To consider and agree revised governance arrangements for the leadership and management of the North East Procurement Organisation (NEPO) service and regional collaborative procurement and to note the implications for the Council.

Issue(s) for consideration

The report provided the background to the NEPO service which organised collaborative contracts for the purchase of goods and services for the 12 North East local authorities. A review of the arrangement was undertaken during 2013 which resulted in new and revised functions and objectives for the NEPO service being approved at the Executive Sub-Committee of NEPO.

The new arrangements included the disestablishment of the NEPO Joint Committee with a new governance and delivery arrangement for the collaborative procurement to be created under Association of North East Councils Limited (ANEC) involving the Leaders and Elected Mayors from the 12 local authorities. The responsibilities of this of this Group were outlined in the report.

In addition to the above, the 12 local authorities were required to appoint one Member to the Collaborative Procurement Sub-Committee which would come from within the Finance and Policy Committee as the Committee with procurement within its range of responsibilities. A nomination was approved by Council on 10 June 2014 to represent the Council on the proposed Collaborative Procurement Sub-Committee and the responsibilities of this Sub-Committee were outlined in the report. The staffing and support services for the new arrangements were included within the report.

Members were supportive of the new arrangements which would be of

benefit to Hartlepool.

Decision

- (1) The revised governance structure and staffing arrangements as outlined within the report for the administration of the NEPO service and collaborative procurement on behalf of the 12 North East local authorities was approved subject to ANEC's formal agreement.
- (2) The appointment in line with Part 7 of the Council's Constitution and the decision of Council on 10 June 2014 for the representation on the Collaborative Procurement Sub-Committee of ANEC was approved.
- (3) That the Chief Solicitor was authorised, following consultation with the Chief Executive and Leader of the Council to approve such other changes to the agreements envisaged by this report as he may determine.

9. Employee Sickness Absence Annual Report 2013/14 (Assistant Chief Executive)

Type of decision

Non key.

Purpose of report

To update the Committee on the Council's performance in 2013/14 in relation to employee sickness absence and seek approval for the sickness absence targets and key focus areas for 2013/14.

Issue(s) for consideration

The reported included the sickness absence performance information for 2013/14 and highlighted that the end of year figure, although not meeting the target, still showed an improved figure of 7.89 days per wte per employee per annum. A number of areas of performance for sickness absence were included in the report including a separation of sickness absence within schools to ensure clarity as more schools move to academy status. The Assistant Chief Executive highlighted that the figures showed a continued improvement and in light of all the ongoing changes was a testament to the commitment of employees which was recognised by the Corporate Management Team.

The Chair commented that targets were set as something to strive for and reiterated that Council employees were the cornerstone of the Council's success. Members acknowledged that in the light of continuing efficiencies and cuts, employees were facing increasing pressures and should be

congratulated on the continuation of delivering services. It was recognised that the sickness absence figures were continually improving but that this needed to be monitored closely and reported to Members as employees were facing increasing work pressures.

Decision

- (1) The information in relation to employee absence in 2013/14 was noted.
- (2) The sickness absence targets and key focus areas noted in the report were approved.

10. Public Health Clinical Governance (Clinical Governance, Patient Group Directions, Serious incidents and Substance Misuse Related Death Policies) *(Director of Public Health)*

Type of decision

Non key.

Purpose of report

To seek approval for the introduction of the attached suite of Public Health Clinical Governance policies.

Issue(s) for consideration

The report provided the background to the introduction of the Clinical Governance policies including:

- Clinical Governance
- Patient Group Directives (PGDs)
- Serious Incidents
- Confidential Inquiries into Substance Misuse Related Deaths

The proposal was to introduce a suite of Clinical Governance Policies developed in collaboration with the Tees Valley Clinical Quality Advisory Forum (TVCQAF) and Tees Valley Public Health Shared Service (TVPHSS) for use by Public Health within Hartlepool Borough Council.

Decision

The implementation of the suite of Clinical Governance Policies noted below which were developed in collaboration with TVPHSS and TVCQAF for use by Public Health within the Local Authority were approved:

- Public Health Clinical Governance Policy
- Public Health Patient Group Directions
- Public Health Confidential Inquiries into Substance Misuse Related Deaths
- Public Health Serious Incident Policy

11. The NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012 – Part 5 – Complaints about Public Health Functions of Local Authorities
(Director of Public Health)

Type of decision

Non key.

Purpose of report

To seek approval for the introduction of the attached Public Health Complaints, Compliments and Comments Procedure (the Procedure) as a requirement of the Local Authority under the NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012 (“the Complaint Regulations”).

Issue(s) for consideration

The report set out the Council’s duties in respect of public health complaints and the requirements of the Complaints Regulations. It was proposed to introduce a Public Health Complaints, Compliments and Comments procedure which takes into consideration the specific requirements of the Complaints Regulations and sensitivity and often complex nature of Public Health Services which were not covered within the existing Corporate Complaints Procedure.

Decision

- (1) The implementation of the Public Health Complaints, Compliments and Comments Procedure which will ensure the Council was compliant with the Complaints Regulations was approved.
- (2) That a process for public health complaints be put in place which was aligned to the Corporate Complaints, Compliments and Comments Procedure October 2013.

Councillors Christopher Akers-Belcher and Robbie Payne declared personal interests in the following item.

12. Local Government Pension Scheme Discretionary and Other Employer Discretions Policy (*Assistant Chief Executive*)

Type of decision

Non key.

Purpose of report

To request approval for the revised LGPS Discretionary and Other Employer Discretions Policy to meet the Council's statutory obligations following the changes to the LGPS implemented on 1 April 2014.

Issue(s) for consideration

The report provided the background to the introduction of the Local Government Pension Scheme (LGPS) which was based on Career Average Revalued Earnings (CARE) rather than a Final Salary Scheme. The new scheme implemented a number of changes and these were detailed in the report. It was proposed that any element of an employee's salary that was protected would not be included within the calculations for pension benefits. It was reported that this would mean cost savings for the Council in relation to employer pension costs along with employee savings through reduced contributions, with minimal impact to their pension benefits on retirement.

In relation to the Council's Pay Policy, the Secretary of State recommended that all employee redundancy or retirement packages over a total cost of £100,000 be submitted to Members for approval. However, it was suggested that the Council's long standing policy should continue where Members approval was sought should the payback period of 3.05 years not be achieved.

A Member sought clarification on the 'protected' element of employees salaries where changes to their role had taken place. The Assistant Chief Executive confirmed that there were a number of employees within the protection arrangements due to recent restructures within the Council but that the new arrangements would only affect employees whose protection arrangements commenced after 1 October 2014.

Decision

- (1) The revised LGPS Discretionary and Other Employer Discretions Policy was approved.
- (2) It was approved that employee protected pay be non-pensionable thereby exercising the exclusion provided by the pension regulators to be implemented via amendment to the Council's Single Status Agreement on 1 October 2014.
- (3) That the current arrangements where a Member decision was required on retirement or redundancy packages over a 3.05 year pay back be retained.

13. Northgate Community Fund *(Assistant Chief Executive)*

Type of decision

Non key.

Purpose of report

To request the Committee to agree the final make up of the Northgate Community Fund Forum.

Issue(s) for consideration

At the meeting of the Finance and Policy Committee held on 28 March 2014, Members agreed the make-up of the Northgate Community Fund Forum as follows:

- Leader of the Council plus two other elected Members;
- Assistant Chief Executive
- Northgate (Director of Business Services, Director and Programme Director)

The Committee were asked to consider and nominate the two other elected Members to the membership of the Forum.

The Members nominated to the membership of the Forum were Councillors Kevin Cranney and Gerard Hall.

Decision

The two other elected Members appointed to the Northgate Community Fund Forum were Councillors Kevin Cranney and Gerard Hall.

14. Quarter 4 – Council Overview of Performance and Risk 2013/14 *(Assistant Chief Executive)***Type of decision**

Non key.

Purpose of report

To inform the Committee of the progress made against the 2013/14 Council Plan, for the period ending 31 March 2014.

Issue(s) for consideration

The report provided the background to the agreement of the current Council Plan as well as an overview of performance and risk which included 243 actions and 217 performance indicators. It was noted that 228 (94%) of all actions had already been completed or assessed as being on target to be achieved by their scheduled completion date. In addition, 54 performance indicators (69%) had been assessed as being on track to achieve their year end target. There were 8 actions (3.29%) identified as not completed with 13 performance indicators (16.7%) identified as target not achieved. Further detailed updates were on a Departmental basis.

Decision

That the current position with regard to performance was noted.

15. Any Other Items which the Chairman Considers are Urgent

The Chairman ruled that the following items of business should be considered by the Committee as a matter of urgency in accordance with the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matter could be dealt with without delay.

16. Any Other Business - Finance and Policy Committee Meetings Schedule for 2014/15

A schedule of meetings of the Finance and Policy Committee along with associated pre-agenda meetings as printed in the Municipal Diary 2014/15 recently distributed to Members, was circulated to the Committee for information.

The meeting concluded at 10.39 am

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 7 JULY 2014

Finance & Policy Committee

21st July 2014



Report of: Chief Finance Officer

Subject: LOCAL COUNCIL TAX SUPPORT 2015/16

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Budget and Policy Framework Decision.

2. PURPOSE OF REPORT

2.1 The purpose of the report is to:

- i) Provide information on the operation of the current 2014/15 Local Council Tax Support (LCTS) scheme;
- ii) Set out potential options for the Council's 2015/16 scheme and later financial years;
- iii) Enable Members to determine consultation arrangements for the 2015/16 scheme.

3. BACKGROUND

3.1 Previous reports informed Members that the Government abolished the national Council Tax Benefit scheme on 31st March 2013 and replaced it with a requirement for Councils to determine and operate their own LCTS schemes. Once a LCTS scheme has been set for a financial year it cannot be altered for that year.

Previous reports to Members have set out three key issues;

- (i) Funding transferred by the Government for 2013/14 LCTS schemes was cut by 10% nationally. However, when account was taken of the value of awards, the actual grant cut for Hartlepool for 2013/14 was 13.4%;
- (ii) Councils are required to fully protect low income Pensioners eligible for LCTS support, which means the initial funding cut falls on working age households and effectively builds a 20% reduction for this group into the system;

- (iii) From 2014/15, Central Government funding for LCTS is no longer provided as a separate grant allocation but is included in the Core Revenue Grant allocation for individual Councils.
- 3.2 These changes have a fundamental impact on the affordability and sustainability of LCTS schemes for Councils. It would have been much clearer for Councils and the public if funding for LCTS schemes had continued to be paid as a specific grant. This arrangement would also have ensured that the impact of a significant shift in responsibility for supporting low income households from Central to Local Government was fully understood and properly resourced. The new arrangements have a significantly greater impact on Councils which are more dependent on Government Grant and which serve deprived communities.
- 3.3 Previous Medium Term Financial Strategy reports have highlighted the implications of this change and the difficult policy decision individual Councils must now make on the use of the Core Revenue Grant. This is a choice between supporting services and providing LCTS support to low income households. For 2013/14 and 2014/15 the Council decided to protect the funding allocated for the LCTS scheme. For the 2015/16 LCTS scheme the MTFS approved by full Council in February 2014 determined to share the grant cut across the General Fund and the LCTS scheme. This is the basis for the budget forecasts reported to this Committee on the 30th June 2014.
- 3.4 Members approved a 2014/15 LCTS scheme based on a 12% reduction for working age households (an increase from the 8.5% reduction in 2013/14) and noted that modelling indicated the 2015/16 scheme would need to be based on a 20% reduction. Hartlepool's 2014/15 LCTS scheme still provided more support than the other 4 Tees Valley Councils which are all operating schemes involving a 20% cut. Hartlepool has only been able to limit the LCTS award cuts in 2013/14 and 2014/15 as a result of forward planning and the allocation of one – off monies to phase in the reduction in LCTS.
- 3.5 Members were advised that significantly higher cuts in LCTS support are also likely to be required in 2016/17 and future years as Councils will find it increasingly difficult to balance supporting LCTS schemes and General Fund services if grant cuts continue.

- 3.6 The following table summarises the impact of the phased reductions in LCTS implemented in 2013/14 and 2014/15 and how the Council has minimised the financial impact on households.

Impact of Hartlepool's actual 2013/14 and 2014/15 LCTS phased cuts compared to annual cuts of 20%.

	Band A	Band B
13/14 and 14/15 Council Tax Liability with a 20% LCTS cut	£450	£525
13/14 and 14/15 Council Tax Liability with HBC phased LCTS cuts of 8.5 % and 12%	£230	£268
Cumulative Support to Households 13/14 & 14/15	£220	£257
Number of Households Supported (i.e. previously received 100% Council Tax Benefit)	5,280	480
Percentage of LCTS Households (i.e. previously received 100% Council Tax Benefit)	88%	8%

4. Update on 2014/15 LCTS Scheme

- 4.1 The actual cost of the Council's LCTS scheme is determined by a range of external factors including, the total number of households accessing support, the balance of claimants between pensionable age and working age and the particular financial circumstances of individual claimants as Council Tax support continues to be means tested support.
- 4.2 Since December 2013, there has been a gradual reduction in the numbers of households receiving LCTS and the cost of the associated awards covering both Pensioner Households (a protected group under LCTS) and Working Age Households. This position was reflected in the 2014/15 LCTS scheme and it is currently anticipated that the actual costs will be in line with the budget.

5 2015/16 and future years LCTS Scheme Financial Modelling

- 5.1 Modelling the future costs beyond the forthcoming financial year of a complex LCTS scheme with many variables is challenging and must be predicated on a range of planning assumptions. The Office for Budget Responsibility (OBR) has forecast that nationally there should be reductions in the number and value of LCTS awards for working age households as the economy recovers. Locally these assumptions may not apply if the local economy recovers more slowly than the OBR national forecasts.

- 5.2 The financial risk of increased LCTS costs has previously been recognised and a risk reserve of £0.52m allocated to manage this position. The level of this risk reserve has been reassessed to reflect actual experience of operating the LCTS in 2013/14 and the costs so far for 2014/15. On this basis it is recommended that the Council can operate with a lower risk reserve of £0.3m and therefore release £0.22m of this reserve. For planning purposes this report assumes that Members will wish to continue to allocate the resources released to support the LCTS scheme over the next few years.
- 5.3 In view of the latest Hartlepool LCTS caseload data, the LCTS scheme modelling for 2015/16 and future years has factored in a prudent year on year reduction in the number / value of Working Age awards. However, factoring in this reduction on a permanent basis is not without risk. The retention of an uncommitted risk reserve of £0.3m will enable the Council to manage this risk and hopefully avoid in year budget pressures from 2015/16 if actual LCTS scheme costs increase.
- 5.4 The overall cost to the Council of the LCTS scheme will be impacted by Council Tax collection rates and the administration costs of collecting Council Tax from low income households. This is a significant issue, the impact of which will increase over the period of the Medium Term Financial Strategy. As LCTS scheme cuts increase it will become increasingly difficult to collect increased Council Tax from local income working age households. There is a risk that increasing LCTS scheme cuts result in affected households seeking support from the Council for other forms of assistance.
- 5.5 For many LCTS working age claimants, collecting outstanding Council Tax after obtaining a court Liability Order, is by requesting the Department for Work and Pensions (DWP) to deduct an amount (maximum of £3.60 per week) from other welfare benefits. However, DWP rules only permit one deduction from welfare benefits to discharge statutory Council Tax debt to be active at any one time. New attachment of benefit requests are queued which will extend the time to recover Council Tax and increase the risk of non collection. In addition, for any financial year, attachment of benefit requests can only be actioned by the DWP after the Council has completed a number of statutory recovery steps. Therefore attachments to Benefits would typically only start in July/ August. These factors affect Council Tax collection performance and the potential impacts in cumulative build up of Council Tax arrears associated with the LCTS scheme.
- 5.6 The Council operates effective arrangements for collecting Council Tax and in 2013/14 collected 96.1% of the annual Council Tax due. This placed the Council second within the Tees Valley Councils. All Tees Valley Councils have experienced a reduction in their in year collection of Council Tax since the introduction of LCTS.

- 5.7 In Hartlepool, at the financial year end 72.5% of the amount of 2013/14 Council Tax due from those LCTS cases that previously received full Council Tax Benefit had been collected. However, for these cases arrears of £201,000 were carried forward to 2014/15. The risk of reducing collection rates will increase in future years when the Council will have to increase the cut in LCTS support to ensure a balanced Council Budget can be set. LCTS scheme cost modelling calculations have included an allowance for potential non collection of Council Tax from some of the most financially vulnerable households in Hartlepool. This position will continue to be monitored closely to ensure scheme financial planning assumptions remain robust.
- 5.8 To enable Members to determine firm proposals for the 2015/16 scheme to be subject to consultation, detailed financial forecasts for the LCTS scheme have been prepared for the period 2015/16 to 2018/19. These forecasts are based on the following planning assumptions:

Planning assumptions underpinning LCTS forecasts for 2015/16 to 2018/19

- i) The existing Working Age caseload reduces with an annual scheme saving of £150,000 pa.
- ii) Members support the phased use of the one-off 2012/13 and 2013/14 LCTS Reserves to partly mitigate the impact of the Government Grant cut on Working Age households;
- iii) Members apply £220,000 of the £520,000 of the LCTS Risk Reserve retained to manage LCTS financial risks. The availability of this uncommitted funding would not provide a permanent solution to a higher grant cut, or significant increase in claimant numbers but it would provide a slightly longer lead time for the Council to respond.
- iv) For 2016/17 a General Fund budget pressure of £1.3m has been included in the MTFs forecast to enable the LCTS scheme to be limited to a 20% cut.

Regular reviews of these factors will need to be undertaken to assess the implications of changes in these planning assumptions which are inevitable and unavoidable, as the majority of factors are outside the Council's direct control.

- 5.9 There are three options recommended for consideration for 2015/16:

Option 1 – increase LCTS cut to 16% in 2015/16

- The advantage of this option compared to Option 2 is the ability to help smooth the reduction in support to working age households.

- The disadvantage of this option compared to Option 2 is that it reduces the uncommitted resources available to support the LCTS Scheme in 2017/18 and the Council's ability to manage financial risk.

Option 2 – implement a LCTS cut at 20% in 2015/16

- The advantage of this option is that it increases the available resources to support the LCTS scheme in 2017/18 to help mitigate the size of LCTS cut required.
- The disadvantage of this option compared to Option 1 is that it will increase the Council Tax liability of low income working age households from 12% to 20% in 2015/16 and this higher reduction in LCTS support will be more difficult for households to manage.

Option 3 – implement a LCTS cut at 12% in 2015/16 (i.e. the same level as in 2014/15)

- **This option reflects the decision made by the Finance and Policy Committee on 30th June 2014 to allocate the final Local Welfare Support outturn of £0.226m as a Family Poverty reserve. By allocating this funding to the LCTS scheme for 2015/16 the Council is able to consider a 12% LCTS cut for 2015/16.**
- The advantage of this option is that it defers the increase in the Council Tax liability of low income working age households at a time when households are adjusting to the impacts of national welfare reforms and increases the likelihood of the Council maintaining high levels of Council Tax collection. In addition, retaining a LCTS Scheme involving a cut of 12% for 2015/16 will remove any requirement for the Council to undertake consultation.

5.10 The following table summarises the financial forecasts for the three options for the period 2014/15 to 2018/19 and highlights the following key issues:

- The increasing impact of the Government grant cut;
- The phased use of the one-off LCTS reserves, which has enabled the Council to partly protect low income households from the impacts of cuts in government grant;
- The unsustainability of the LCTS scheme beyond 2016/17 if Government grant cuts continue as forecast in the MTFS. The table shows the impact of grant cuts of 10% for 2016/17 and annual grant cuts for 2017/18 and 2018/19 of 5%. However, if the grant cuts increase to 10% in 2017/18 and 2018/19 the LCTS cut in 2017/18 would increase to 39% for option 1, 36% for option 2 and 40% for

option 3. For all three options there would then be a further increase in 2018/19 to 51%.

LCTS SCHEME Modelling 2014/15 to 2018/19

	14/15	15/16	16/17	17/18	18/19
<u>PLANNING ASSUMPTIONS</u>					
Council Tax Increase	0%	0%	1.90%	1.90%	1.90%
Govt Grant Cut	9.6%	14.6%	10%	5%	5%

FINANCIAL FORECAST

<u>OPTION 1 - 16% cut 15/16</u>					
Cut in LCTS Support for Low Income Working Age Households	£0.875m	£1.157m	£1.425m	£2.457m	£2.935m
%LCTS Cut	12%	16%	20%	34%	41%

<u>OPTION 2 - 20% cut 15/16</u>					
Cut in LCTS Support for Low Income Working Age Households	£0.875m	£1.413m	£1.425m	£2.201m	£2.935m
%LCTS Cut	12%	20%	20%	31%	41%

<u>OPTION 3 – 12% cut 15/16</u>					
Cut in LCTS Support for Low Income Working Age Households	£0.875m	£0.875m	£1.425m	£2.513m	£2.935m
%LCTS Cut	12%	12%	20%	35%	41%

NB: Option 3 Assumes use of £0.226m of 2013/14 Family Poverty Reserve.

Further details are set out in Appendix A.

5.11 The estimated financial impact in 2015/16 on individual households (who previously received 100% Council Tax Benefit) in terms of Council Tax to pay for each of the LCTS scheme cut options is shown in the following table:

	2015/16		
Cut	Option 1 16%	Option 2 20%	Option3 12%
	£	£	£
Band A	181	226	136
Band B	211	264	158

6. 2015/16 LCTS Scheme Principles

- 6.1 In common with those LCTS schemes established by many other Council's, the Hartlepool 2014/15 LCTS scheme is centred on a number of core principles.

A - Every working age household should pay something towards Council Tax

Working age claimants should have their LCTS entitlements recalculated and reduced to ensure an affordable and sustainable scheme.

B - Everyone in the Household should contribute appropriately

Hartlepool would implement the Government's annual increases in the value of non dependant adult deductions from Council Tax Support entitlements.

C - The LCTS scheme should encourage work

Claimants should be allowed to keep more of their earnings before they are taken into account in the LCTS award calculation. The Hartlepool LCTS scheme increased earnings disregards by £5 per week; to £10, £15 and £30 for single person, couple and single parent households respectively.

D - Streamline / Simplify the LCTS Scheme

The Hartlepool LCTS scheme involved the removal of 2nd Adult Rebate, and the restriction of backdating of LCTS to a maximum of 4 weeks.

E - Retain War Widows / War Pensions Local disregards framework

Under the national CTB regulations Local Authorities are required to disregard the first £10 per week of War Pension Scheme and Armed Forces Compensation Scheme payments. In addition Local Authorities have the discretion to top up the disregard to the full amount. Hartlepool had historically applied the discretionary top up and this was carried over to the Council's LCTS scheme.

- 6.2 For 2015/16, it is proposed that the existing scheme principles should continue to be applied, as they are clear, fair and have been generally supported in previous consultation.
- 6.3. In relation to Parish Councils the national regulations require Billing Authorities (ie. Hartlepool Borough Council) to pass on an element of the Council Tax Support Grant received to individual Parish Councils. For some Local Authorities with a large number of Parish Councils levying relatively high Parish Council Tax precepts this may be a significant

issue. This is not the case for Hartlepool as the total share of the grant for all Parish Councils is estimated at around £5,000 for 2015/16

7. CONCLUSION

- 7.1 The replacement of the national Council Tax Benefit scheme with Local Council Tax Support schemes determined by individual Councils and a 10% national funding cut transferred a significant new financial risk to Councils. The requirement to protect low income pensioners means the whole of the funding cut falls on low income working income households, which effectively results in an in-built 20% LCTS scheme cut for this group. The national change continues to have a greater impact on Councils serving more deprived communities, including Hartlepool.
- 7.2 The Council had recognised the risk from the Council Tax Benefit scheme abolition. Accordingly, the Council had set aside one-off resources to manage the impact of this unprecedented transfer of responsibility for an element of Welfare Support from Central Government to Local Government. This approach enabled the Council to limit the cut in Local Council Tax Support to 8.5% in 2013/14 and 12% in 2014/15. The previous LCTS report had advised Members this position was not sustainable and an indicative 20% reduction was approved in principle for 2015/16. All other Tees Valley Councils have operated LCTS schemes with cuts of 20% in both 2013/14 and 2014/15.
- 7.3 Following the Government's decision to mainstream the Local Council Tax Support grant within the main revenue grant allocation from 2014/15 individual Councils now face a difficult choice over the use of the overall grant. This is particularly challenging for Hartlepool as the overall grant will be cut significantly over the next two years. On the basis of the 2015/16 grant cut previously announced by the Government and the 2016/17 forecast grant cut the Council must deal with significant forecast budget deficits of £5.626m in 2015/16 and £8.663m in 2016/17.
- 7.4. Against this background, Members need to decide the level of LCTS cut for 2015/16 and three options are identified in the report, all of which are financially viable alternatives. There are advantages and disadvantages to each of these options and Members will need to balance these issues when making a decision.
- 7.5 The Corporate Management Team recommend that the 16% option is implemented as it provides a balance between phasing reductions in LCTS support which will help low income working age households become used to paying increased Council Tax amounts and reduces the risk of non collection of Council Tax in 2015/16.
- 7.6 Whichever option is adopted for 2015/16, it is currently forecast that the LCTS cut in 2016/17 will be 20%, with further significant rises in the level of LCTS scheme cuts being unavoidable in 2017/18 and 2018/19.

- 7.7 A further report will be submitted to the Finance and Policy Committee on 13th October 2014 to enable Members to approve the final 2015/16 LCTS scheme proposals to be referred to Council on 11th December 2014.

8. RECOMMENDATIONS

- 8.1 It is recommended that Members:

- i. Consider and approve the adoption one of the following LCTS options for 2015/16:
 - Option 1 - a 16% LCTS cut;
 - Option 2 - a 20% LCTS cut;
 - Option 3 - a 12% LCTS cut (i.e. no change from the 2014/15 LCTS scheme); and
 - Considers the Corporate Management Team's recommendation to adopt Option 1.
- ii. To note the consultation arrangements will depend on the 2015/16 LCTS option approved by Members.
- iii. Approve the application of LCTS Reserves as detailed in Section 5.8 to support the LCTS scheme, including the use of the Family Poverty Reserves of £0.226m (created from the 2013/14 final Local Welfare Support outturn) if option 3 is adopted.
- iv. Approve the continuation in 2015/16 of the principles A to E as set out in section 6.1.
- v. To note that in accordance with national regulations approximately £5,000 of the 2015/16 grant settlement will be passported to Parish Councils.
- vi. To note that it is currently anticipated that a LCTS cut for 2016/17 of 20% will be required, with further significant increases forecast for 2017/18 and 2018/19.

9. REASONS FOR RECOMMENDATIONS

- 9.1 To allow Finance and Policy Committee to approve a proposed Local Council Tax Support Scheme for 2015/16, to be subject to consultation.

10. BACKGROUND PAPERS

10.1 Medium Term Financial Strategy 2015/16 to 2018/19 report - Finance and Policy Committee 30th June 2014.

10.2 Local Council Tax Support 2014/15 Reports – Finance and Policy Committee 19th September and 29th November 2013, 24th January 2014.

11. CONTACT OFFICER

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LCTS SCHEME COST Modelling 2014/15 to 2018/19

	14/15	15/16	16/17	17/18	18/19
PLANNING ASSUMPTION					
Council Tax Increase	0%	0%	1.90%	1.90%	1.90%
Govt Grant Cut	9.6%	14.6%	10%	5%	5%

FINANCIAL FORECAST	£m	£m	£m	£m	£m
Baseline	1.281	1.281	2.607	3.499	4.083
Impact additional Govt Grant Cut + C T increase		1.326	0.892	0.584	0.422
GROSS SCHEME COST	1.281	2.607	3.499	4.083	4.505

OPTION 1 - 16% cut 15/16	£m	£m	£m	£m	£m
GROSS SCHEME COST	1.281	2.607	3.499	4.083	4.505
Less Use of Family Poverty Reserve	-0.150	0	0	0	0
Less Use 11/12 Outturn LCTS Reserve		-0.080	-0.084	-0.056	0
Less Use 2012/13 LCTS Reserve	-0.010	-0.660	0	0	0
Less Use 2013/14 LCTS Reserve	0	-0.440	-0.420	0	0
Less MTFS Budget Provision	-0.246	-0.270	-0.270	-0.270	-0.270
Less MTFS LCTS Cost pressure to maintain 20% cut in 16/17			-1.300	-1.300	-1.300
Cut in LCTS Support for Low Income Working Age Households	0.875	1.157	1.425	2.457	2.935
%LCTS Cut	12%	16%	20%	34%	41%

OPTION 2 - 20% cut 15/16	£m	£m	£m	£m	£m
GROSS SCHEME COST	1.281	2.607	3.499	4.083	4.505
Less Use of Family Poverty Reserve	-0.150	0	0	0	0
Less Use 11/12 Outturn LCTS Reserve		0	0	-0.220	0
Less Use 2012/13 LCTS Reserve	-0.010	-0.660	0	0	0
Less Use 2013/14 LCTS Reserve	0	-0.264	-0.504	-0.092	0
Less MTFS Budget Provision	-0.246	-0.270	-0.270	-0.270	-0.270
Less MTFS LCTS Cost pressure to maintain 20% cut in 16/17			-1.300	-1.300	-1.300
Cut in LCTS Support for Low Income Working Age Households	0.875	1.413	1.425	2.201	2.935
%LCTS Cut	12%	20%	20%	31%	41%

OPTION 3 - 12% cut 15/16	£m	£m	£m	£m	£m
GROSS SCHEME COST	1.281	2.607	3.499	4.083	4.505
Less Use of Family Poverty Reserve	-0.150	0	0	0	0
Less Use 11/12 Outturn LCTS Reserve		-0.136	-0.084	0	0
Less Use 2012/13 LCTS Reserve	-0.010	-0.660	0	0	0
Less Use 2013/14 LCTS Reserve	0	-0.440	-0.420	0	0
Less MTFS Budget Provision	-0.246	-0.270	-0.270	-0.270	-0.270
Less MTFS LCTS Cost pressure to maintain 20% cut in 16/17			-1.300	-1.300	-1.300
Less use 2013/14 Family Poverty Reserve		-0.226	0	0	0
Cut in LCTS Support for Low Income Working Age Households	0.875	0.875	1.425	2.513	2.935
%LCTS Cut	12%	12%	20%	35%	41%

FINANCE AND POLICY COMMITTEE

21ST July 2014



Report of: Chief Executive

Subject: SAVINGS PROGRAMME 2015/16 – CHIEF
EXECUTIVES DEPARTMENT

1.0 TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

2.0 PURPOSE OF REPORT

2.1 The purpose of this report is to enable Members to consider the initial 2015/16 savings proposals relating to the Committees remit. Comments made are to be incorporated with those received from each of the Policy Committees in relation to their remits.

3.0 BACKGROUND

3.1 As part of the process for the budget for 2015/16 it has been agreed that individual Policy Committees will consider these savings proposals prior to consideration by your Committee and then Council. As the Finance and Policy Committee has responsibility for the Chief Executives department, then initial proposals are set out in this respect.

3.2 Details are provided in this report in relation to the:-

- i) Proposals identified to make the savings;
- ii) Risks associated with the proposed savings; and
- iii) Financial considerations taken into account in developing the proposals.

3.3 In further developing the information provided to Members to assist them in consideration of budget proposals, experience gained through the implementation of a Social Return on Investment (SROI) process by the previous Regeneration and Planning Services Scrutiny Forum is to be utilised. Key to the SROI process was the provision of additional information in relation to the aim and scope of the service, its service users and engagement, inputs, outputs and outcomes. On this basis, information in relation to the Chief Executives Department is also provided below.

3.4 Service Aims

- 3.4.1 The services under consideration are those delivered by the Chief Executives Department and in service planning terms are largely, though not exclusively encompassed within the Council aim which relates to an effective organisation. Whilst these services are largely internally focussed around providing support services to the rest of the organisation this is not universally the case. A number of services are provided directly to the public including the Revenues and Benefits services and the Contact Centre. In providing the services encompassed within the Department the aims are that they are provided effectively, that other Departments are supported in the delivery of their service portfolios and that the Governance of the Council is effectively managed and delivered. Those services which are delivered externally are, in effect, universally available services to all residents (and businesses within the town). Following changes to relocalise Business Rates and implement Local Council Tax Support (LCTS) schemes there has been a significant increase in workloads and customer contacts, particularly in relation to LCTS which affected around 8,600 working age households and has impacted on Revenues, Benefits and the Contract Centre.

3.5 Service Users

- 3.5.1 For a range of the services delivered by the Department the services users are largely internal (although there are a range of the support services provided which are also utilised by external agencies such as the Fire Authority; a range of services are provided to schools; and some to other external bodies through Service Level Agreements (SLA). There has been an increase in services delivered to outside bodies over the last year although this is undertaken as part of a managed development. For those services which are delivered externally the services are available town wide and to all potential users (such as the Contact Centre, Revenues and Benefits, Elections & Electoral registration, Local land searches.)

3.6 Engagement

- 3.6.1 The services provided are primarily internal. In assessing feedback and experience of utilising the service this is primarily, for internal services through regular liaison meetings with service Departments to identify any issues for consideration in respect of the services provided. For those services which are delivered externally the mechanisms for collecting feedback are as follows (for electoral registration a customer feedback option is included as part of the annual canvass and during all elections, electors have the option to take participate in a satisfaction survey. Revenues and Benefits Services the public can provide feedback via the respective service generic e-mail boxes. For the Contact Centre there are arrangements in place to assess the service provided at the point of use, with positive feedback received from the vast majority of users.

3.7 Inputs

3.7.1 The current cost to the Council of the services delivered by Chief Executives Department is as follows :

Service Area	2014/15 Gross Budget £'000
Finance	2,497
Assistant Chief Executive	2,283
Chief Solicitor	1,107
	5,887

The costs of these services to the Council have, in line with many other service areas in the Council reduced significantly over the last 4 years.

3.8 Outcomes

3.8.1 A summary of the outcomes from the services are outlined below

3.8.2 Revenues and Benefits – Council Tax in year collection 96.1% in 2013/14 (2012/13 97%). National 2013/14 Metropolitan and Unitary Authority Council Tax data is not yet available. It is anticipated the 2013/14 average will be lower than the 2012/13 average of 96.8% owing to the impact of Local Council Tax Support schemes, which were introduced at the start of 2013/14. Hartlepool's Business Rates in year collection in 2013/14 was 98.5% (2012/13 98%). National Metropolitan and Unitary Authority was 97.1% in 2012/13, 2013/14 national data is not yet available. In 2013/14 Housing Benefit new claims average processing times were 20.3 calendar days (placing Hartlepool 5th out of 12 North East Councils in speed of processing) and Local Council Tax Support new claims were processed on average in 17.2 days placing Hartlepool 2nd out of 12 North East Councils in speed of processing)

3.8.3 The Council awaits confirmation of Central Government funding to develop and implement Individual Electoral Registration (IER) and whether this will be on a 'formula' basis or incentivised through performance. On a 'dry run' of data systems the Council performed at a level (82.5%) comparable with other Tees Valley Authorities. Similarly the canvass figures indicate a 95/96% response rate.

3.8.4 Customer & Support Services – During 2013/14 the Customer Service Centre dealt with over 370,000 customer enquiries across three primary contact channels, telephone, personal visit and online. Customer contacts increased particularly around changes in welfare reform and the waste management route optimisation programme. The introduction of customer

appointments has provided a more effective and planned approach to service delivery, with average customer waiting times for personal visitors reducing. Five apprentices were supported during the period with all achieving invaluable skills, experience and qualifications. Customer surveys carried out during the year showed high levels of satisfaction, with 97% of customers happy with how their enquiry was dealt with.

4.0 PROPOSALS

- 4.1 The savings target established at the outset of the budget process for Chief Executives department was £395k. As part of the considerations for the options to deliver these savings considerable thought has been given to how these may be delivered in the light of previously required savings. The proposals and options considered as part of the potential savings package have been set in the context of the financial challenges and the changes in requirements of the Authority.

The proposals in respect of the services in the Chief Executives Department, are ordered by Division within the Chief Executives Department. These savings total £515k, which exceeds the initial target of £395K (which was also the case in 2014/15) and reflects the overall approach adopted by the Corporate Management Team for identifying achievable savings, as part of an approach to protecting front line services, recognising that some elements of the Chief Executives Department are front line services.

The corporate sweep for Voluntary Redundancies and Early retirements has been undertaken early this year and as part of a rolling process. This has been done to enable maximum time to consider the options that may be available and to maximise the aspect of the budget decisions that need making that are based on potentially vacant posts or volunteers rather than compulsory redundancies. There have been a number of requests for voluntary redundancies within the Department and vacant or fixed term posts which have been considered as part of the options for savings in this year. Whilst it is not possible to manage all of the savings in this way it has been an underpinning principle for the budget for 2015/16.

4.2 ASSISTANT CHIEF EXECUTIVE

- 4.2.1 At this stage the savings target for the Division has been exceeded, as part of an approach to enable the protection of front line services but also to ensure that the support required to the rest of the Authority can be maintained particularly through the significant staffing changes that the Authority is to face. In previous years there has been scope to reduce running costs to contribute to the overall savings required within the Division. This has been reviewed again this year and is not believed to offer any significant options.

4.2.2 **Removal of vacant post / Changes in operations and management arrangements** **£220K**

At this stage there are limited options available around vacant posts though in the few areas where this is the case and there may be temporary or acting up arrangements in place, the option will be taken to review these and this will mean that there are options both now, and potentially through the year to take these opportunities for savings subject to an assessment of the service impact and the ability to continue to deliver services. In essence this aligns with the management practice supported by Members in previous years to minimise the impact of compulsory redundancies.

The further changes required to deliver the savings will be as a result of a review of the Management Structure and other operations within the Division with any changes delivering the net saving identified above. The review that has been undertaken to date has identified that whilst there are potential risks from this action that these risks can be managed in the context of the services to be delivered. This will require the re-allocation of a range of tasks within the Division, the cessation of some aspects of operation and will enable the management arrangements to focus on the delivery of the core services. It is not without difficulty that the changes identified can be delivered and given the challenges faced in future years consideration has already started to be given to some of the changes required in future years, and looking forward. It is envisaged that a significant part of the savings identified will be delivered through either voluntary redundancies, fixed term posts with the being limited potential compulsory redundancies.

4.3 **CHIEF FINANCE OFFICER**

4.3.1 At this stage the savings target for the Division has been identified. It is anticipated that additional savings will again need to be made in 2014/15 to manage a further reduction in the Housing Benefit Administration grant and details will be reported when this grant cut is known. In previous years there has been scope to achieve savings through reducing running costs, increasing income (summons charges) and contract renegotiation. These areas have been reviewed again and they will not provide any significant additional benefit for 2015/16. Total gross savings of £180k have been identified within the Finance Division, as detailed in the following paragraphs.

4.3.2 **Removal of vacant post / Changes in operations and management arrangements** **£165k**

These savings will be achieved by reviewing existing management structures and other operations across the Finance Division. The review that has been undertaken has identified that whilst there are potential risks from this action that these risks can be managed in the context of the services to be delivered. The changes required are not without risk and given the impact of making additional savings to offset an anticipated forecast Housing Benefit Administration grant cut will need careful management. This will be

particularly the case in relation to those elements of the savings which affect the front facing services within the Division. These saving include the financial benefit of extending the Financial Service Level Agreement with Cleveland Fire Authority to include the section 151 role. It is currently envisaged that the remaining savings in staffing budgets can be achieved through a combination of voluntary redundancy and removal of vacant posts. There may be some instances where staff are redeployed in lower graded posts.

4.3.3 Income £15k

Changes in existing procedures will enable the Council to recover VAT on car mileage which it was not previously economical to recover, as the administrative costs exceeded the amount recovered owing to the small value of individual amounts. Improved IT systems enable these small amount to be recovered cost effectively and the aggregate income is estimated to be £15k per year.

4.4 CHIEF SOLICITOR

4.4.1 A total target savings of £63K has been identified to meet the Legal Services Division's commitment for 2015/2016.

4.4.2 Staffing Savings £63K

Previous savings have relied on the removal of vacant posts from which the greater part of the identified savings target has been met. This is not the case at present.

An application for ER/VR has been received and a realignment of duties and responsibilities of some staff who have also expressed a desire to alter their existing working arrangements is also being actively pursued.

All attempts will be made to manage savings through such a route although there may also be a need to reconfigure services at an operational level. It is anticipated that these savings can be accommodated without a significant impact, although, this will not necessarily be the case in future, where contingency and other planning will be needed.

The remaining savings will come from further staffing reductions and / or an increase in income. There are currently several options to achieve this figure but some of these options rely on reconfiguration in other Departments and will be outlined if necessary in a later report.

As with all other required savings this is not without some degree of risk but is required as part of the overall consideration of savings.

4.5 **Chief Executive's Department Cross cutting issues** **£50k**

- 4.5.1 The Chief Executive's Department has experienced an increase in workload across a range of areas supporting the new Public Health Department. As part of this there has been the appointment of the Public Health grant, previously utilised for overheads to recognise this. The workloads have been reviewed to absorb this work releasing this money for savings.
- 4.5.2 This approach provides the most cost effective approach for the whole Council, including the Public Health functions. The additional work in supporting the Public Health Department also helps protect jobs by diversifying the front line services support by the Chief Executive's Department.

5.0 **Consideration of Options**

- 5.1 A number of options have been considered in respect of the savings proposed. A summary of these considerations is included below.
- 5.2 Not to take savings from vacant posts.
- 5.2.1 Consideration was given to not taking those savings which are available through posts which may become vacant through the year. Whilst this option would provide for the continuation at the current level, given the changes that Members have agreed to in respect of the approach to some requirements in this service area, in conjunction with the ability to make a saving without the requirement for there to be any costs to the Authority or the necessity for a potential compulsory redundancy it was determined that this provided an effective solution for the Authority
- 5.3 To reduce the current level of running costs.
- 5.3.1 The bringing together of the former Corporate Strategy and Workforce services divisions provided the opportunity last year to realise savings in the "running costs" of these divisions. This has been reviewed again this year but there is no significant scope to do this although further options will be looked at for next years budget.
- 5.4 Savings other than staffing and operational issues.
- 5.4.1 There are a range of savings identified through the ICT contract and in line with corporate considerations these have been accounted for corporately which is appropriate and have been reported separately to Members. Beyond this there are limited if any options to make savings other than those which can come from staffing and operational arrangements. The opportunity has been taken to realise these from voluntary arrangements where this has been possible but given the scale of the changes this is not always possible.

5.5 Consideration of service demands

5.5.1 The savings proposed reflect consideration of current service demands. As an example the impact of Business Rates Re-localisation, the introduction of the Local Council Tax Support Scheme and the need to maintain adequate financial support services during a period of significant financial challenge and risk. The Welfare Reforms and Local Council Tax Support Scheme (LCTS) are generating significant workload issues, which are increasing as higher reductions in LCTS support are phased in. These workload demands are likely to continue into the foreseeable future and therefore in defining 2015/16 savings proposals net reductions to key front line staffing capacity are not considered operationally appropriate or feasible. Although proposals for restructuring to provide resilience will be implemented. For 2015/16 these alternative savings would not be recommended. However, given the continuing financial challenges in future years these areas are likely to require re-consideration next year.

5.5.2 Introduction of Individual Electoral Registration (IER) which is the most significant change since the universal franchise. It needs to be implemented carefully and in a way which maximises both accuracy and completeness of the electoral registers – and which puts the voter first. Local knowledge will be key to the success of this change. Members will be aware that such an initiative is also set against a background of conducting elections, wherein there will be combined polls in 2015 and 2016.

5.6 The options which have been included in the report are recommended to the committee as they provide for a balance between protecting front line services, maximising savings to be taken, the assessment of service delivery and receipt of voluntary redundancy requests is aligned and can be managed in the context of the continued delivery of services.

6.0 RISK IMPLICATIONS

6.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A summary of the risks considered as part of the proposals has been identified below:

6.2 There are a number of risks in these changes, particularly taken in the context of previous savings which have been made. The assessments which have been undertaken (and a summary of the conclusions from this are included in the sections above). All others, in the context they have been described are viewed as being manageable but with there being a significant need to review workloads, priorities and for the potential scaling back of a number of current activities in line with the resources available.

6.3 It is considered that these savings can be delivered, although not without difficulty or some degree of risk but that this can be managed in this year,

however achieving these savings becomes more difficult each year, which is the case in other departments

7.0 FINANCIAL CONSIDERATIONS

7.1 It has been highlighted in previous reports that failure to take savings identified as part of the Savings Programme will only mean the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

7.2 The savings that have been identified have been assessed for their sustainability. As with all others parts of the Authority the sustainability of the savings required by the ongoing cuts which the Authority faces becomes increasingly difficult as the compound affect of these savings impacts on services. It is not necessary to remind Members of the level of savings which have been delivered in previous years or those which are likely to be required in future years. The savings have been identified as sustainable in the light of the need to make ongoing changes to both what is delivered and the scaling back of some activity. The principles that have been applied in determining the proposals for savings have been linked to protecting front line services, savings being realised in respect of vacant posts where this can be managed, considering early retirement / voluntary redundancy request where these have been received and reflecting the pressures, both internal and external that the Authority needs to address to maintain effective governance arrangements.

7.3 The proposals deliver the following proposed savings:-

Service	Proposed Savings (£ K)
Assistant Chief Executive	
Deletion of vacant post / Changes in Management Arrangements	220
Chief Finance Officer	
Deletion of vacant post / Changes in Management Arrangements	165
Income	15
Chief Solicitor	
Staffing Savings	65
Cross cutting issues – absorption of Public Health Support Services	50
Total Proposed Savings	515

7.4 The savings which have been identified include a number of staffing changes. In addition a number of other proposed changes relate to the consideration of potential staffing changes as they relate to the corporate sweep for Voluntary redundancies and early retirements which was undertaken in preparation for this budget round (as is the case each year).

- 7.5 The savings identified for the Chief Executive's Department exclude the Corporate savings included within the MTFS report considered by this Committee on 30th June 2016 of £0.62m. The achievement of these savings is dependent upon the Chief Executive's Department having the necessary skills and capacity to deliver these savings, which involve the management of complex operational areas and negotiations covering the ICT contract, proposed changes to Terms and Conditions and Treasury Management activities.

8.0 **EQUALITY CONSIDERATIONS**

- 8.1 For each of the proposed saving areas, consideration has been given to whether there is likely to be any impact across each of the protected characteristic groups. Where there is likely to be a direct impact on customers/service users and/or staff, an Equality Impact Assessment has been undertaken.
- 8.2 More than 90% of the above savings will be made by reducing staffing levels (mainly from vacant posts and ER/VR applications) with some changes to day to day running costs.
- 8.3 These impact assessments are to be reviewed by the Corporate Equality Group and they will consider whether there is any Council-wide cumulative impact on protected groups from all saving proposals.

9.0 **RECOMMENDATIONS**

- 9.1 That Members of the Committee note the content of the report and formulate a response to be presented to Finance and Policy Committee on 13th October 2014.

10.0 **REASON FOR RECOMMENDATIONS**

- 10.1 The proposals included in this report have been identified as being sustainable and deliverable.

11.0 **BACKGROUND PAPERS**

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

Finance and Policy Committee - Medium Term Financial Strategy (MTFS)
2015/16 to 2017/18 - 30th June 2014

12.0 CONTACT OFFICERS

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FINANCE AND POLICY COMMITTEE

21st July 2014



Report of: Director of Regeneration and Neighbourhoods

Subject: **SAVINGS PROGRAMME 2015/16 –
REGENERATION AND NEIGHBOURHOODS
DEPARTMENT**

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework item.

2. PURPOSE OF REPORT

2.1 The purpose of this report is to identify proposals for the delivery of savings in respect of the Department for Regeneration and Neighbourhoods, relevant to this Committee for consideration as part of the 2015/16 budget process.

3. BACKGROUND INFORMATION

3.1 As part of the 2015/16 Savings Programme, a number of service areas were identified where potential savings could be made. As part of the process for the budget for 2015/16 it has been agreed that individual Policy Committees will consider these savings proposals prior to consideration by Finance and Policy Committee and then Council.

3.2 Details are provided in this report in relation to the:-

- i) Proposals identified to make the savings;
- ii) Risks associated with the proposed savings; and
- iii) Financial considerations taken into account in developing the proposals.

3.3 In further developing the information provided to Members to assist them in consideration of budget proposals a range of information relating to the service is included in this report.

3.4 Scope

3.4.1 The services under consideration as part of this report are as follows:-

- 3.4.2 Estates and Regeneration** – Centralised management of Council property, including building management and asset management. The Estates and Regeneration section are responsible for the strategic and operational management of the Councils property portfolio. Strategically the unit prepares a Corporate Asset Management Plan setting out the current and future operational requirements of the Council together with plans to ensure the property stock matches service requirements and corporate goals through the implementation of rationalisation and acquisition programmes.

The unit is responsible for maximising income from the disposal of surplus assets and the achievement of Capital Receipts targets together with active management of the non operational leased estate to generate maximum revenue return.

Statutorily the unit undertakes all Asset Valuations across the Councils portfolio together with, National Assessment Act valuations and Rating appeals where appropriate.

Property assets are a valuable and significant resource which must be actively managed to make sure they are always fit for purpose and adaptable to changing service needs and corporate goals.

This section deals at a strategic level with the organisation and management of the Corporate and Educational estate and the asset management planning function of the authority. Additionally the development and physical implementation of key regeneration projects, the generation of capital receipts and management of the investment property portfolio are all key functions.

- 3.4.3 Support Services** – Administrative, financial and workforce support to the Regeneration and Neighbourhoods Department.

The Support Services Section provides a range of administrative and business support services across the whole department.

Administrative support is centralised in order to be able to deliver an efficient and resilient service and one which ensures good practices are developed and shared throughout the department. Specific responsibilities include the provision of various clerical, financial, job costing, and customer services along with specialist support to areas such as car parking, enforcement and road safety. A small secretarial team provide dedicated personal support to the Director and Departmental Management Team. As well as typing, diary management, minute taking and telephone support, the team co-ordinates the production of Committee reports.

Service Development staff support the improvement of departmental services by way of business process reviews, systems development and overseeing performance management arrangements. This team also co-ordinates work in relation to departmental health and safety, complaints, staff training, website development and responding to freedom of information requests.

- 3.4.4 Community Safety**

Responsible for the development and activities of the Safer Hartlepool Partnership including the towns Community Safety Plan which aims to

promote confident, cohesive and safe communities by reducing crime and anti-social behaviour, the harm caused by illegal drugs and alcohol, and reducing reoffending .

Specific services include the Anti-social behaviour unit; CCTV; Victim and Crime Prevention Services; a commissioned specialist Domestic Violence Service; Community Development and Regeneration Service; Neighbourhood Planning; management and administration of the Community Pool, Ward Member Budgets, and Civic Lottery.

The key aims of the Community Pool are to support the Voluntary and Community Sector (VCS) to undertake activities and projects that clearly reflect the aspirations, aims, objectives and priorities of the Council's:-

- Community Strategy
- Child Poverty Strategy
- VCS Strategy
- The work of the Financial Inclusion Partnership

The Community Pool directly supports VCS organisations either through the commissioning of services or via the allocation of grants i.e. :-

- Universal welfare benefits and advice
- Universal Credit Union support
- Town wide specialist and support service grants
- Development and Investment grants
- Emergency contributions grants.

The team is also responsible for the provision of support to the voluntary and community sector, capacity building, and engaging with residents to support elected members to enable residents to influence and improve accountability in service delivery ensuring a co-ordinated approach to tackling issues across the neighbourhoods of Hartlepool. This service element reports to the Neighbourhood Services Policy Committee.

3.5 Service Users

- 3.5.1 The range of services covered by this report are delivered across the whole of the borough as a support to internal customers within the Council and in providing commercial services to external organisations and schools via Service Level Agreements and contracts.

3.6 Engagement

- 3.6.1 The Council's Estates and Regeneration service engages primarily internally and with schools but has an increasing external customer base as income generation initiatives develop.

The Community Safety and Engagement section has a strong interface with Ward Councillors on a daily basis ensuring any ward issues raised by local residents are responded to immediately. The service is responsible for the Neighbourhood Management and Empowerment Strategy which aims to

ensure appropriate governance arrangements are in place that enables meaningful participation and empowerment of communities in local government decision making processes supported by effective development work that increases cohesion; the promotion of integrated partnership working on a neighbourhood level; and tackling deprivation in our most disadvantaged neighbourhoods through good quality planning that facilitates effective and sustainable change. Examples of how the service engages with communities includes:

- Provision and support of Neighbourhood Forums which meet quarterly and facilitate feedback from the public on all Council services.
- The Safer Hartlepool Partnerships Face the Public Event – a statutory event run on annual basis to gather feedback from residents, statutory agencies, voluntary and community groups, and the business sector on community safety priorities. These events inform the development of the Safer Hartlepool Partnerships annual Community Safety Plan.
- Neighbourhood surveys such as those undertaken by the multi-agency Joint Action Groups in hotspot areas where there are high levels of crime and disorder to improve our conversation with the public and gather further intelligence on how services should be delivered in the local area.
- Provision of a network of support for local resident groups where concerns and feedback on how Council Services are operating are channelled to the appropriate service for action.
- Leading on engaging and supporting communities to exercise their rights under the Localism Act - the team is currently enabling 5 communities to develop Neighbourhood Plans for their local area, and is supporting the first community group wishing to register an asset of community value with a view to exercising their right to buy.
- Local groups are supported with events that reach out to the broader community e.g. diversity event where hard to reach groups can come along and find out more about services and how they can influence services in the future.

3.6.2 Feedback from service users is obtained in a number of different ways and this is often determined by the type of service, the target audience, the way in which it is delivered. Examples include: -

- Satisfaction surveys and questionnaires
- Regular progress and liaison meetings with users and providers
- Neighbourhood forums
- Ward Councillor feedback

3.7 Inputs

3.7.1 The current cost to the Council of the relevant services is as follows: -

Service Area	2014/15 Gross Budget £'000	2014/15 Net Budget £'000
Community Pool	220	220
Estates and Regeneration	290	(20)
Property Management	1,110	(250)
Community Safety	1,200	1,110
Strategic Management, Admin & Support Services	1,400	750

3.7.2 The cost of these services to the Council, in line with many other service areas in the Council has reduced significantly over the years. Some areas, as can be seen from the table, are budgeted to make a surplus. These involve both professional and frontline services. Some areas do not have budgets and rely on fees and income.

3.8 Outputs/Outcomes

- Support services to internal Council departments
- Property and facilities management to all of the Council's buildings, most schools and other customers
- Management of the Council's assets and delivery of the Asset Management and Property Strategy.
- Development and delivery of the Community Safety Plan including the Domestic Violence and Abuse Strategy; Reducing Reoffending Strategy; Cohesion Strategy; Anti-social behaviour Strategy, PREVENT, and associated services including antisocial behaviour, CCTV, crime prevention and victims services including domestic violence mediation and restorative justice and assertive outreach.

4. PROPOSALS

4.1 The savings target for the Regeneration and Neighbourhoods Department is £2.250m for the financial year 2015/16. In addition to this target, the Department needs to find additional savings to offset Departmental budget pressures of £170,000. The overall savings figure is therefore £2.420m for 2015 / 16. The approach taken within the Department has been not to apportion specific percentage targets to each Division/service, but to look at options emerging from across the department in a more structured manner in order to achieve the overall target.

4.2 Community Pool – £220K

At a previous Finance and Policy Committee meeting, 18th October 2013, the criteria and priorities were reviewed with an agreement in principle to make additional savings to the sum of £220,000 for 2015/16.

The review resulted in the following changes to the three current categories, detailed below:

Category 1 - The provision of universal welfare benefits and advice
This is procured as a contract. There has been no change to the budget allocated to this contract £110,000 per annum. Although through the tender process there was a slight saving in the cost, the value of the contract for 2014/15 is £108,544. This is delivered by West View Advice and Resource Centre.

Category 2 - The provision of universal credit union support
In 2014/15 Hartlepool Credit Union will receive a £35,000 grant contribution towards running costs to enable the organisation to deliver credit union services. Previously they received £75,000 per annum via a contract to provide these services.

Category 4 - The provision of town-wide specialist and support services
This part of the programme provides grants to support core costs for VCS groups in Hartlepool. In 2014/15 the budget available for this was reduced £75,000, in 2013/14 approximately £150,000 was available for these grants. To help accommodate the reduction maximum grants have been limited to £10,000 this year (last year this was £15,000). 9 organisations have been supported by this programme from the original budget. An additional 2 organisations have been supported due to the funding allocated from Child & Adults.

In addition, the cessation of Category 3 (Capacity and resource building in the Voluntary and Community Sector (VCS)) was agreed and no budget was allocated to Category 5 (The provision of development / investment and emergency grants) however there is a small amount of funding available for Category 5 grants following an under spend in 2013/14.

Category	Purpose	2013/14 Budget	2013 /14 Procurement Method	2014-15 Budget (£)	Procurement Method
Category 1	The provision of universal welfare benefits and advice	£109,352	Contract	110,000	Contract
Category 2	The provision of universal credit union support	£75,000	Contract	35,000	Grant
Category 3	Capacity and resource building in the Voluntary and Community Sector (VCS)	£66,851	Contract	0	N/A
Category 4	The provision of town-wide specialist and support services	£150,000	Grants	75,000	Grants
Category 5	The provision of development / investment and emergency grants.	£31,693*	Grants	0	N/A
			Total	220,000	

*This was made up of the unallocated funding against the budget and reserves carried forward.

4.3 Property Management - £265K

Property costs associated with the review of Community Centres, Youth Centres, and the closure of Adult Services Warren Road and the Community Safety premises in York Road, The Willows and Aurora Court.

The teams responsible for managing property related issues provide a range of services. The cost of providing day to day management of Council Buildings e.g. annual valuations or other statutory functions are funded from the General Fund budget provided. Other work, including supporting Capital Projects etc, is fee earning and as such the cost of providing this support is recharged to the Capital Income received or the external customer. The savings proposal is to increase the income budget and transfer resources onto more fee earning projects.

There is sufficient external work to support this proposal however, as with any income budget; there is always a risk that income streams reduce in future years. Should this occur the Department would seek to identify alternative savings to offset any budget pressures that would result in this area.

4.4 Support Services - £115K

A review of the structures and service provision across the reconfigured department will result in change in demand from administrative and support services which will achieve savings in the region of £100 - £115K. This will involve the removal of vacant posts and potential redundancies, a reduction in

departmental management support budgets such as postage, general office consumables and training together with a contribution from salary turnover savings if the savings cannot be found from the support services alone.

4.5 **Community Safety - £50K**

The CCTV Community Monitoring services are currently undertaken by Housing Hartlepool under a partnership agreement with the two organisations.

Housing Hartlepool/Thirteen are relocating from Greenbank, Hartlepool to North Shore Stockton and Titan House, York Road. This has provided the Council with an opportunity to review the current provision.

Alternative service delivery options are being considered and it is envisaged a saving of circa £50k can be achieved. The review will look at procurement, maintenance and monitoring arrangements. A further report will be presented to Members in August / September 2014.

5. **OPTIONS ANALYSIS**

5.1 Various options have been explored across all of the relevant service areas, including the following: -

- Cessation of services within the department. Community safety is a key priority of the Council. The Council has a statutory duty to develop and co-ordinate a strategic plan with other 'responsible authorities' such as the Police to address crime, anti-social behaviour, substance misuse, and reoffending; to deliver an anti-social behaviour service in line with new legislation, and a general s17 obligation to embed community safety considerations across the Council.
- Reduction of staffing levels across Estates and Regeneration – this service area is under extreme pressure not only to manage the Council's estate but to deliver capital receipts contribution of £6.5 m towards the MTFS. Any reduction in the service area would be detrimental across the Council. In addition this service plays a key role in the delivery of the Hartlepool Regeneration Vision.
- Maintenance budgets generally were considered but there is a continuous pressure due to the condition of the current portfolio. This budget is reduced every time we dispose of a property.
- Options are being explored between with CEX department as to whether service development and performance management can be delivered in a different way.

6. **RISK IMPLICATIONS**

6.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. A

summary of the risks considered as part of the proposals has been identified below:

- Increased pressure on frontline staff and management
- Potential for income generation – contribution and new opportunities
- Balance of workload versus fee earning potential
- Potential reduced effectiveness and quality of service
- Loss of expertise and internal technical support generally and to key projects and programmes in particular
- Health and Safety implications
- Reduced flexibility of service and management capacity

7. FINANCIAL CONSIDERATIONS

7.1 It has been highlighted in previous reports that failure to take savings identified as part of the savings programme will result in the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

7.2 The proposals outlined will deliver the following savings:-

Service	Proposed Savings
Community Pool	£220,000
Property Management	£265,000
Community Safety	£50,000
Support Services	£115,000
Total Proposed Savings	£650,000

7.3 The savings which have been identified include a number of staff changes including the potential for redundancy costs. The exact costs can't be determined until redeployment opportunities are fully explored and the relevant redundancy selection processes are undertaken. There are a number of voluntary redundancies also included in the proposals.

7.4 A fair percentage of the savings identified relate to property costs which are dependent upon the outcome of the branch library and community centre review.

8. BACKGROUND PAPERS

8.1 The following background paper was used in the preparation of this report:-

- (i) Finance & Policy Report, Community Pool Allocation Programme, 18th October 2013.

9. RECOMMENDATIONS

9.1 That Members of the Committee note the content and formulate a response to be presented to Finance and Policy Committee 13th October 2014 as part of the Councils overall budget considerations for 2015/16.

10. CONTACT OFFICER

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FINANCE AND POLICY COMMITTEE

21st July 2014



Report of: Director of Regeneration and Neighbourhoods and
Chief Finance Officer

Subject: **HEADLAND WALLS AND BLOCK SANDS
COASTAL PROTECTION WORKS**

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i) applies. Forward Plan Reference No. RN14/14

2. PURPOSE OF REPORT

2.1 The purpose of the report is to seek approval for a financial contribution towards the scheme to upgrade key coastal structures on the Headland Walls and Block Sands.

2.2 This report sets out the financial considerations relating to the scheme however a more detailed report was presented to the Neighbourhood Services Committee on 12th May, 2014 and a copy of this report is attached in **Appendix 1**.

3. BACKGROUND

3.1 The Headland Walls and Block Sands frontages are under significant pressure from wave attack, erosion and overtopping. Significant sections of the seawall are in very poor condition and have zero residual life. A condition survey was undertaken in 2011 and updated in October 2013. It is evident that the defence condition has further deteriorated between the two surveys with some further significant damage occurring in January 2014 which required emergency repairs. Without significant maintenance or improvement the defences are likely to fail, exposing the coastline and assets behind.

3.2 Ultimately the rate of wall deterioration is already exceeding the maintenance budgets that the Council has to repair reactively, leading to an increasing risk of major failure over time.

- 3.3 Erosion bands developed under a ‘do nothing’ scenario estimate that a total of 562 residential and commercial properties will be lost by year 100. Coastal erosion will also impact on infrastructure such as the loss of a major Northumbrian Water pumping station and sewer network, the coastal road (access along Marine Drive), the Lighthouse and the Scheduled Ancient Heugh Gun Battery as well as the Coastal Footpath and the Town Moor.
- 3.4 In October 2013, the Council commenced the production of a Project Appraisal Report (PAR), effectively producing a business case to the Environment Agency for funding to upgrade key coastal structures around the Heugh Gun Battery and Block Sands. Production of the PAR involved the assessment of existing defence condition, the evaluation of assets at risk from coastal erosion and the development of a Preferred Option which included the identification of potential contributors (both financial and in-kind).
- 3.5 The preferred option is for a low level granite rock armour revetment and a full concrete encasement around the Headland Walls area and a concrete stepped revetment for the Block Sands.

4. FINANCIAL CONSIDERATIONS

- 4.1 The total cost of the preferred scheme is estimated to be £9.645m and this will be partly funded by the Environment Agency under their Flood Defence Grant in Aid (FDGiA).
- 4.2 Under the ‘Partnership Funding’ regime that came into force in 2011, all potential Flood and Coastal Risk Management projects are now required to identify potential beneficiaries to the scheme and seek a contribution. The Council, PD Ports and Northumbrian Water have been identified as potential contributors to this scheme.
- 4.3 The following table provides details of potential funding for the scheme.

Funding	£'000
EA Funding (74%)	7,120
Local Levy Contribution	300
PD Ports Contribution	425
Hartlepool Borough Council (Match Funding Contribution)	1,800
Northumbrian Water	tbc
Total Funding	9,645

- 4.4 An amount of £300,000 has been secured from the Local Levy as a contribution to the scheme.
- 4.5 The contribution from PD Ports is dependent on the Council taking sole ownership of the Headland Walls for a 100 year period. The Council will therefore take responsibility for the short section of sea wall, currently owned

by PD Ports, for a period of 100 years in exchange for a £425,000 contribution towards the cost of the upgrade of the seawall in those areas. This responsibility will be taken following sectional completion of the works over the next five years and after the 100 years the responsibility of the named sections will revert back to the original agreement. The contribution reflects the estimated maintenance costs that PD ports are likely to incur over a 100 year period and the liability for the Council will be minimal given the schemes 100 year design life.

- 4.6 At the time of this report, negotiations with Northumbrian Water for a financial contribution are still ongoing. If secured this will reduce the amount required as match funding from the Council.
- 4.7 The Council is required to provide the balance of £1,800,000 match funding. A reduced maintenance programme; while the Strategy Study Review and PAR were being developed, has resulted in an underspend on the Coastal Protection Maintenance budgets over the last two years. £500,000 has been set aside and earmarked for this scheme, as detailed in previous Medium Term Financial Strategy reports.
- 4.8 Funding will need to be identified to cover the balance required of £1,300,000. It is proposed to prudentially borrow this amount over the maximum period of 50 years and this will incur an annual borrowing cost of £62,000. The cost of the loan repayment will be funded by the Coastal Protection annual maintenance budget on the basis that future maintenance costs should be substantially reduced once the scheme is complete.
- 4.9 The project is required to start by April 2015 and take five years to complete. The phasing of expenditure is therefore likely to result in further underspends on the annual maintenance budget during this time. It may be possible to earmark these underspends to fund the Council's contribution and reduce the level of prudential borrowing required and this will be reviewed as part of the Councils overall outturn strategy each year.
- 4.10 By utilising the above funding streams it is anticipated that the Council can secure in excess of £7m in contributions for an asset that the Council is responsible for, and the Council's contribution will be reduced if further contributions can be secured.

5. RISK ASSESSMENT

- 5.1 The risks associated with a project of this nature and scale need to be identified, assessed and effectively managed. A risk register has been developed as part of the PAR and this will be regularly reviewed and updated throughout the life of the project by all parties involved in the project.
- 5.2 The main financial risk to the Council with a scheme of this nature and scale is that the cost of scheme may increase and exceed the approved budget. The Council is responsible for delivering the scheme and all external contributions;

including the grant, are capped. This means that should the cost of the scheme exceed the funding envelope or the private contributions are not forthcoming for any reason, the Council will be responsible for managing any shortfall.

5.3 A number of measures have been put in place to mitigate this risk and these are outlined below:-

- 1) The Project Risk Register has been used to define the residual risks associated with the project cost. This analysis uses the best estimate cost for the works to then define the maximum and minimum risk on the various potential impacts that have been identified. This is to ensure that a worst likely case scenario is taken when allocating funding for the Project, which reflects the Environment Agency approach to managing risk and allocating funding to individual projects. The result is that a risk contingency of £2.1m has been included within the £7.1m grant allocation and this represents 30% of the overall sum offered. The risk register states that, through value engineering and careful management of the key risks, the total risk allowance is unlikely to be used. This element of the grant will only be released if required.
- 2) The costings prepared to date are subject to Tender with detailed designs going out to Tender in January. There has been early contractor involvement in preparing these estimates and where appropriate they have been prepared on a worst case basis. The risk register notes the early contractor involvement and has allowed a slightly smaller risk allowance within the budget to reflect this factor.
- 3) The work consists of 2 phases and each phase consists of multiple packages of work. Performance against each element of the budget will be measured throughout the project allowing any financial issues to be reported and addressed before work on the next stage begins. Where appropriate it may be possible to review the next phase if any major unforeseen circumstances have occurred. There is always a possibility with schemes of this nature that new technologies become available in future years and this will be part of the project review at the commencement of each phase.

6. LEGAL CONSIDERATIONS

- 6.1 Any contribution from PD Ports is dependent on the Council taking sole ownership of the Headland Walls for a 100 year period. This will need to be covered by a legal agreement between the Council and PD Ports.
- 6.2 Under Section 4 of the Coast Protection Act 1949 the Local Authority has a responsibility to protect the coast against erosion and encroachment of the sea. The implementation of the proposed scheme will help the authority fulfill its reasonability.

7. CONCLUSION

- 7.1 The Headland Walls and Block Sands frontages are under significant pressure from wave attack, erosion and overtopping. Significant sections of the seawall are in very poor condition and have zero residual life.
- 7.2 The Council has designed a scheme to manage the Headland frontage over the next 100 years. The scheme is estimated to cost £9.645m and grant funding of £7.120m is being secured from the Environment Agency to partly fund this work. The grant requires match funding of £2.525m and partner contributions of £725,000 have been secured to date, leaving a balance of £1.8m for the Council to fund. £500k has previously been approved and set aside from other Coastal Protection budgets and therefore £1.3m of funding needs to be identified.
- 7.4 The proposal is to prudentially borrow this amount and fund the loan repayment costs from the Coastal Protection Maintenance budget, on the basis that future maintenance costs should be substantially reduced once the scheme is complete.
- 7.5 A scheme of this nature and scale carries financial risk of overspend and as all other contributions are capped the Council will be responsible for managing any escalation in costs that may occur during the life of the project.
- 7.6 A financial risk element is built into the EA grant allocation which is only released if needed, this being £2.1 million, any additional costs over and above this will need to be funded by the Local Authority. To minimise the risk of additional costs to the LA original estimates have been calculated on a worst case scenario and budgets will be closely monitored throughout the life of the project with a view to reviewing the design to reduce costs, in consultation with key partners, for future phases.

8. RECOMMENDATIONS

- 8.1 Members are asked to:
- (i) Note the funding proposals for the scheme as outlined in 4.3 of the report.
 - (ii) Approve the £1,800,000 contribution to the scheme, and note that £500,000 of this funding is already approved and held in reserve.
 - (iii) Approve, and refer to Council, the proposal to prudentially borrow £1,300,000 which represents the maximum amount of match funding still required, and the annual loan repayment cost of £62,000 will be funded from the annual Coastal Protection Maintenance budget.
 - (iv) Note the financial risks associated with the project as outlined in section 5 of the report.

9. REASONS FOR RECOMMENDATIONS

- 9.1 The works are commensurate with the Council's duties and responsibilities as Local Lead Flood Authority and Coast Protection Authority.
- 9.2 This will enable the Council to meet the match funding requirements of the Environment Agency Flood Defence Grant in Aid (FDGiA) and secure £7.1m grant funding.

10. BACKGROUND PAPERS

Headland Walls and Block Sands Coastal Protection Works Report,
Neighbourhood Services Committee 12th May, 2014

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NEIGHBOURHOOD SERVICES COMMITTEE

12th May 2014



Report of: ASSISTANT DIRECTOR (NEIGHBOURHOODS)

Subject: HEADLAND WALLS AND BLOCK SANDS COASTAL
PROTECTION WORKS

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision test (i) and (ii) applies. Forward Plan Reference No. RN14/14

2. PURPOSE OF REPORT

2.1 This purpose of this report is to:-

- Inform Members of the findings of the Headland Coastal Defence Condition Survey which commenced in Autumn 2013;
- Update Members on progress made to date regarding coastal protection options for the Headland frontage;
- Present the preferred option of works and set out the perceived risks and the financial/ legal considerations;
- Update members on progress made regarding '*Partnership Funding*';
- Note the requirement for Hartlepool Borough Council financial contribution;
- Request Committee approval for the scheme and set out the next steps towards implementation.

3. BACKGROUND

3.1 The Strategy Study Review for North Sands to Newburn Bridge incorporating Hart Warren (hereafter 'the Strategy') was adopted by the Environment Agency in April 2014. The Strategy sets out the Council's proposals to

manage the Headland frontage over the next 100 years and was approved by Members in May 2013.

- 3.2 The Strategy covers a frontage that runs from North Sands (Crimdon Beck) at its northern extents down to Newburn Bridge in the southern extremity and covers elements of the Shoreline Management Plan
- 3.3 The Hartlepool Headland and Block Sands frontages are exposed to extreme North Sea tidal and wave conditions. The coastline is characterised by sandy beaches and European and Internationally designated rocky foreshores, supporting various protected species.
- 3.4 The Strategy confirmed that coastal erosion is a key risk to Hartlepool. It included the derivation and justification of preferred coastal protection options for the full frontage. The Headland Walls and Block Sands areas have been developed further during the production of a Project Appraisal Report (PAR).
- 3.5 In October 2013, the Council commenced the production of a PAR, effectively producing a business case to the Environment Agency for funding to upgrade key coastal structures around the Heugh Gun Battery and Block Sands.
- 3.6 Production of the PAR involved the assessment of existing defence condition, the evaluation of assets at risk from coastal erosion, the development of a Preferred Option and the identification of potential contributors (both financial and in-kind).
- 3.7 Works around the Heugh Gun Battery have been identified as a 'Project for Accelerated Growth' (PAG) and as such are required to have work started on site by April 2015.
- 3.8 The frontage has been divided into Management Units (MU6 to 14). The Headland Walls and Block Sands frontages are divided by the Heugh Breakwater (a privately owned structure) but have similar characteristics and assets at risk. A plan outlining the scheme frontage and key issues is provided in **Appendix 1**.
- 3.9 The PAR was fully funded by the Environment Agency (£120k in total).

4. CONSIDERATION OF ISSUES

- 4.1 The Headland Walls and Block Sands frontages are under significant pressure from wave attack, erosion and overtopping. Significant sections of the seawall are in very poor condition and have zero residual life. A condition survey was undertaken in 2011 and updated in October 2013. It is evident that the defence condition has further deteriorated between the two surveys with some further significant damage occurring in January 2014 which required emergency repairs. Without significant maintenance or

improvement the defences are likely to fail, exposing the coastline and assets behind.

- 4.2 A continuing reduction in beach levels is threatening the integrity of the existing defences. The sand levels on the beaches previously protected the toe of the defences by dissipating wave energy, but erosion over time has reduced this effect.
- 4.3 The seawalls are frequently overtopped during storms, making the promenade unsafe for pedestrians. The existing defences have voids behind them and these voids have formed as a direct result of fill materials being lost through openings in the masonry front, often leading to some settlement of the promenade, which subsequently requires re-instatement.
- 4.4 Ultimately the rate of wall deterioration is already exceeding the maintenance budgets that the Council has to repair reactively, leading to an increasing risk of major failure over time.
- 4.5 Erosion bands developed under a 'do nothing' scenario estimate that a total of 562 residential and commercial properties will be lost by year 100. Coastal erosion will also impact on infrastructure such as the loss of a major Northumbrian Water pumping station and sewer network, the coastal road (access along Marine Drive), the Lighthouse and the Scheduled Ancient Heugh Gun Battery as well as the Coastal Footpath and the Town Moor.
- 4.6 An Environmental Baseline report was submitted to the Council's Planning Authority who agreed that the proposed scheme is not perceived to have any significant long-term adverse impact on landscape or water resources. The proposed works will also help maintain and enhance access for tourism and recreation. However potential habitat loss associated with the increased footprint of the coastal structures within the environmentally designated areas, is a significant environmental concern. Therefore determining that a full Environmental Impact Assessment (EIA) is required. Natural England are also required to issue a letter in support of the scheme before funding will be granted.

5 THE PROPOSED SCHEME

- 5.1 In order to make a reasoned decision as to how to manage the Headland and Block Sands frontages under a 'Hold the Line' policy, a wide variety of options were considered. The options from the Strategy were taken forward and developed further. The advantages and disadvantages of each option were considered at an Optioneering Workshop attended by Natural England, the Environment Agency, the Council and Mott MacDonald Coastal Engineering Specialists (Nov 2013).
- 5.2 During the optioneering workshop key criteria were considered including: design life, constructability, maintenance, cost, adaptability, habitat impact and creation, impact on coastal processes, sustainability, regeneration,

public accessibility and social acceptability. Each option was scored and ranked in a Multi Criteria Decision Analysis. Through this process a number of options were eliminated and a Preferred Option was chosen.

- 5.3 Residents were invited to express their opinions through a series of public open days where both the shortlisted options and then the final Proposed Option were showcased.
- 5.4 The preferred option is for a low level granite rock armour revetment and a full concrete encasement around the Headland Walls area and a concrete stepped revetment for the Block Sands.
- 5.5 The preferred option has been optimised by spreading the expenditure over several years taking into account the level of exposure and the existing damage in each of the management unit to minimise costs.
- 5.6 Due to the varied condition and relative exposure of the existing defences, the preferred option provides a composite solution with staggered construction which is more cost effective. The phasing of the works are proposed as follows:-

Construction in 2015-2017:

- Rock armour revetment and concrete encasement (above level of rock revetment) in MU8-9 and half of MU7,
- Stepped revetment and concrete encasement in MU13 and 14,
- Full concrete encasement (without rock armour) for MU10 and remaining half of MU7.

Construction in 2020-2021 (undertake maintenance in meantime):

- Full concrete encasement at MU6, 12 and remainder of MU13.
- Concrete encasement to the seawall in MU11.
- Full concrete encasement for the rest of MU14 except the area of vegetated beach.

- 5.7 **Appendix B** provides an overview of the preferred option and a breakdown of the work phasing.

6. CONSULTATION

- 6.1 A comprehensive consultation process was carried out during the PAR development to ensure any potential environmental and social impacts were identified and key stakeholders including the public had the opportunity to contribute their views. The preferred PAR options and their environmental potential impacts have been considered in more detail in the Environmental Baseline report and a Habitats Regulations Assessment (HRA). The proposed scheme has not received any significant objections from any stakeholder organisations.

- 6.2 Two public drop-in sessions were held at the Borough Hall on the Headland and these sessions were well attended by both the public and the press. There is unwavering community support for the scheme to preserve the Headland and Block Sands, particularly the area surrounding the historic Heugh Gun Battery.

7. RISK IMPLICATIONS

- 7.1 In Management Units 7-11 there are significant risks of seawall collapse due to undermining of the wall toe; this will only worsen in time with reduced beach levels and wave cut platform lowering. Significant sections of the structure have zero residual life and are vulnerable to collapse, potentially releasing fill material behind the walls onto the designated platform. Routine maintenance is undertaken by the Council; however maintenance spends are becoming unsustainable and with predicted sea level rise a permanent long term solution is required before a significant failure occurs.
- 7.2 Northumbrian Water have recently upgraded their sewer infrastructure assets along the Block Sands frontage which now serves the entire Headland community. Continuous protection along the frontage and specifically at the location of these new works is required to reduce the risk to the sewage assets, which if disturbed would cause significant disruption, damage to property, a public health and safety risk and potential detrimental impact on the local marine environment.
- 7.3 The Headland Walls section of this scheme is classified as a PAG (Project for Accelerated Growth). This allows funding to be granted upfront to allow the scheme to progress on the provision that construction starts before the start of April 2015. It is therefore important to obtain Committee approval for the scheme to allow commencement of the Detailed Design, Planning and Environmental Assessments as well as Contractor procurement, to start construction on time. There is a risk that if this deadline is not achieved future funding for this scheme is unlikely and the residual risk of defence failure will remain with the Council primarily responsible under the Coast Protection Act 1949.

8. FINANCIAL CONSIDERATIONS

- 8.1 The production of the PAR was fully funded through the Environment Agency.
- 8.2 Under the '*Partnership Funding*' regime that came into force in 2011, all potential Flood and Coastal Risk Management projects are now required to identify potential beneficiaries to the scheme and seek a contribution. The Council, PD Ports and Northumbrian Water have been identified as potential contributors to this scheme.

- 8.3 The scheme is partly funded by the Environment Agency under their Flood Defence Grant in Aid (FDGiA) programme to the value of approximately £6.3million.
- 8.4 A further £300k has been secured from the Local Levy as a contribution to the scheme.
- 8.5 The Council have offered to take responsibility for the short section of sea wall currently owned by PD Ports for a period of 100 years in exchange for a £425k contribution from PD Ports towards the cost of the capital upgrade of the seawall defences in these areas. This responsibility will be taken by the Council following sectional completion of works over the next five years. After 100 years the responsibility of the named sections will revert back to the original agreement. It is anticipated that this liability will be minimal given the schemes 100 year design life.
- 8.6 Negotiations with Northumbrian Water for a financial contribution are currently ongoing.
- 8.7 The Council are required to contribute £2million towards the cost of the scheme. £200k of this has already been achieved through a reduced maintenance regime while the PAR has been developed and a further £1.8million will be prudentially borrowed through the coastal protection budget on the basis that future maintenance costs should be substantially reduced once the scheme is complete. It is anticipated that the Council's contribution will be reduced if further contributions can be secured.
- 8.8 By utilising the above funding streams it is anticipated that the Council can generate approximately £7million in contributions for an asset that the Council are ultimately responsible for.

9. LEGAL CONSIDERATIONS

- 9.1 Any contribution from PD Ports is dependant on the Council taking sole ownership of the Headland Walls for a 100 year period. This will need to be covered by a legal agreement between the Council and PD Ports.
- 9.2 Under Section 4 of the Coast Protection Act 1949 the Local Authority has a responsibility to protect the coast against erosion and encroachment of the sea. The implementation of the proposals set out in Section 5 above will help the authority fulfill its reasonability.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 There are no equality or diversity implications to this report.

11. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 11.1 There are no Section 17 implications to this report.

12. NEXT STEPS

- 12.1 Following consideration of the report by the Committee, should approval to proceed with implementation of the scheme be given, detailed design will commence. Throughout the detailed design there are various other permissions and consents that need to be achieved before site work can commence. The main approvals are discussed below:-

- The scheme will require planning approval; this is anticipated to be submitted November 2014.
- A Marine Management license will be required for the proposed new structure on the foreshore; this is anticipated to be submitted November 2014.
- Natural England will need to be satisfied that the proposed scheme will not have any undue impacts on the designated foreshore; this will be identified as part of the planning approval.

13. RECOMMENDATIONS

- 13.1 The Committee approve construction of the works subject to gaining the necessary further approvals.
- 13.2 The Committee note the financial strategy documented in Section 8 and refer this issue to Finance and Policy Committee and then Council to seek approval for prudential borrowing subject to gaining approval of the business case from the Environment Agency.

14. REASONS FOR RECOMMENDATIONS

- 14.1 The works are commensurate with the Council's duties and responsibilities as Local Lead Flood Authority and Coast Protection Authority.

15. BACKGROUND PAPERS

- 15.1 The study documents and business case proposals to the Environment Agency are available on www.hartlepoolcoastal.com.

16. CONTACT OFFICERS

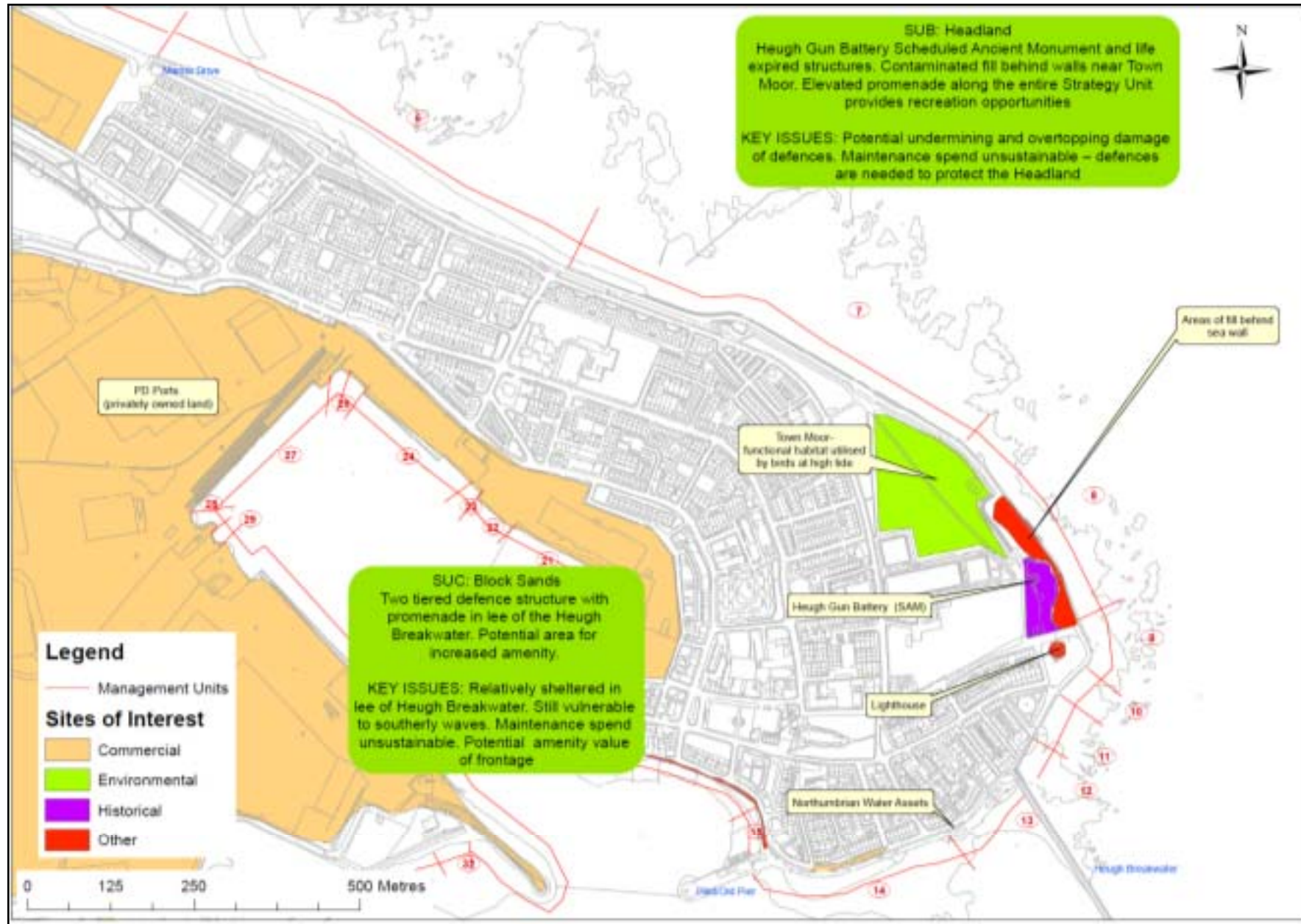
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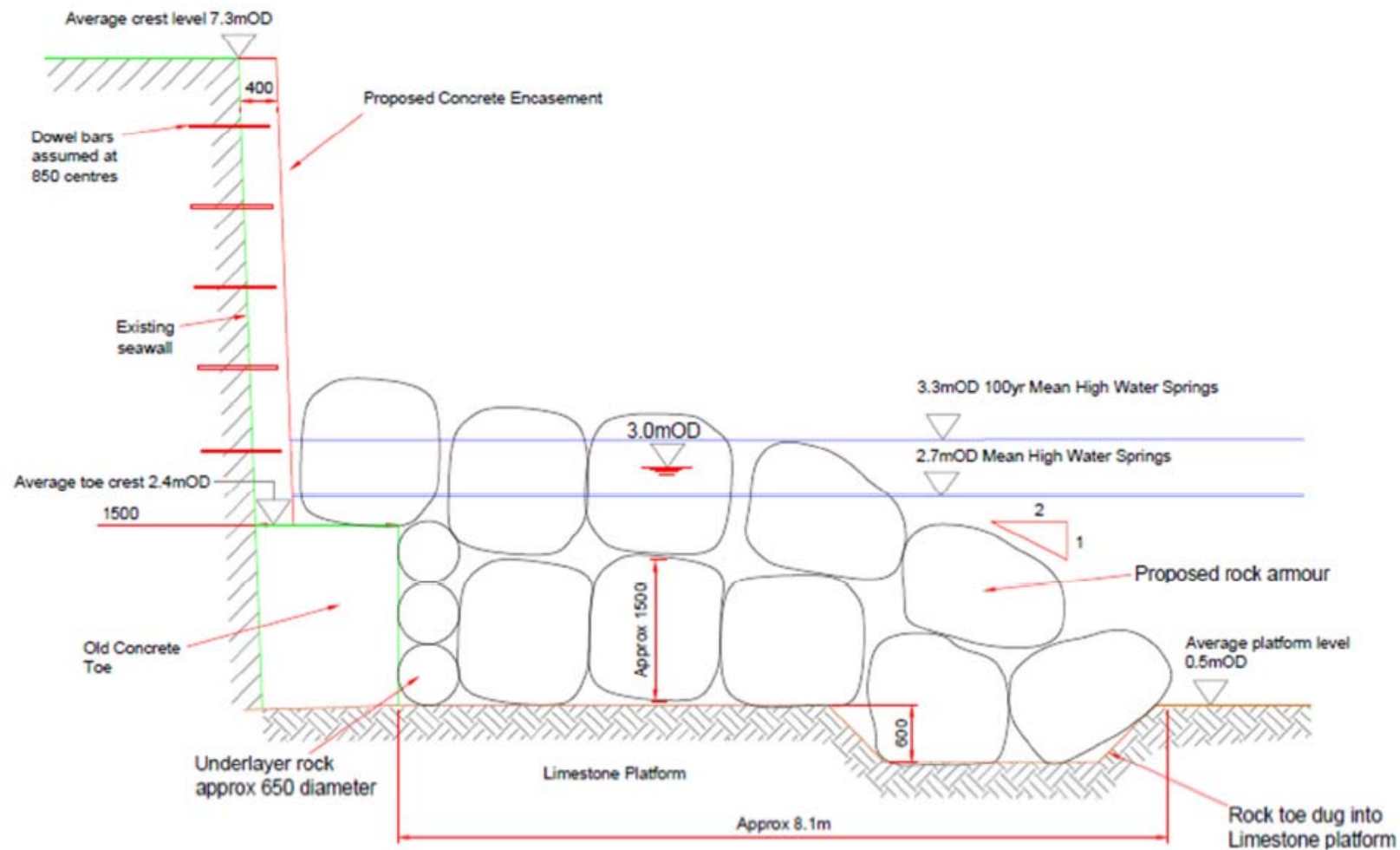
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APPENDIX 1
APPENDIX A
Key Issues



Appendix B

Typical Cross Sections and Work Phasing



FINANCE AND POLICY COMMITTEE

21st July 2014



Report of: Director of Regeneration and Neighbourhoods

Subject: **EMPTY PROPERTY PURCHASING HOMES
SCHEME PHASE 2**

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i)/(ii)) Forward Plan Reference No. RN19/14

2. PURPOSE OF REPORT

2.1 To enable Committee to approve the proposed Empty Property Purchasing Scheme Phase 2 and to propose changes to the capital programme and Prudential Borrowing Limits for approval by Council.

3. BACKGROUND

3.1 A detailed business case was previously developed for the Empty Property Purchasing Scheme phase 1 and approved by Cabinet on 19th March 2012 and full Council on 22nd March 2012. A further report recommending the expansion of the scheme, following the success of attracting additional funding from the Department of Communities and Local Government, was presented to Cabinet for approval on the 4th October 2012 and to Council on the 18th October 2012. This report sets out the detailed proposals for the continuation of the Empty Property Purchasing Scheme into Phase 2 which needs to be considered and approved by Committee.

3.2 The scheme is a key element of the Council's Empty Homes Strategy which involves the acquisition and refurbishment of long term empty (6 months or more) private sector properties by agreement. The properties will remain in the Council's ownership, let to tenants at an affordable rent (80% of market rent) and managed by the Council's Housing Services Team following the decision to bring back the management of the Council owned stock in March 2014.

4. OVERVIEW OF PHASE 1

- 4.1 Phase 1 commenced in 2012 and is nearing completion. A number of progress reports have been presented to Council to track the progress and implementation of the scheme on a four monthly basis.
- 4.2 At the time of preparing this report 96 properties have been purchased by the Council (either completed or in the agreed sale position awaiting legal completion). The average estimated total cost of these properties being acquired and refurbished is £54,000, which is within the business case target of £55,000. 29 properties are completed and let, 26 properties have work completed and are ready to let and 31 properties have refurbishment work progressing. 10 properties are in the agreed sale position pending legal completion.
- 4.3 The scheme has to date met the cost targets set out within the original business case for acquisition and refurbishment and rental income is currently within the parameters set within the business case. A full review of the scheme will be conducted once all 100 properties are acquired, refurbished and let.

5. PHASE 2 BUSINESS CASE AND RISK CONSIDERATIONS

- 5.1 The previous expansion of phase 1 of the empty property purchasing scheme to 100 properties following the successful bid to the Department of Communities and Local Government Cluster of Empty homes fund, generated additional rental income which can be used to support additional prudential borrowing. It is proposed that this borrowing is used to develop phase 2 of the empty homes scheme.
- 5.2 An additional funding bid has been submitted to the Homes and Communities Agency for £688,000 to deliver phase 2 of the scheme, the outcome of this bid will be announced in July 2014.
- 5.3 The need is still high for intervention from the Council to bring long term empty homes back into use and the Councils empty property purchasing scheme is still a good option for some owners of long term empty homes and demand for the scheme remains high. Demand for good quality affordable rented accommodation is also still high in Hartlepool.
- 5.4 The business case consists of 2 elements.

a) Locally Funded Scheme

The Council currently has the capacity to Prudentially Borrow £2,846,000 supported from the rental income from properties acquired in Phase 1 which will fund 44 properties.

b) Additional Properties – Dependent on HCA Funding

The Council is also in the process of bidding for additional HCA funding of £688,000 (to be determined in July 2014). This requires the funding identified above to be used as match funding, with the HCA contributing £18,000 a unit. If this is successful then the additional properties which can support further borrowing of £826,000, resulting in an additional 23 properties.

The total number of both (a) and (b) combined, if the Council is successful with the HCA bid will be 67 properties over a 3 year period. A summary of the key financial elements of the business case are shown in the table below.

Table 1: Financial Overview

Option A - Locally Funded Scheme	
Total units	44*
Total Prudential Borrowing	£2,846,000
Option B – Additional Units Dependent on HCA Funding	
HCA grant income	£688,000
Borrowing supported by new rent income	£826,000
Additional units	23
Total Cost	£1,514,000
Total Scheme Costs (Option 1 and 2)	£4,360,000
Total Borrowing Requirement	£3,672,000
Total Scheme Units	67

The above total also includes the 6 properties at the Tanfield Road development supported from borrowing resulting from the additional 5 properties funded from Right to Buy Income and Prudential Borrowing.

- 5.6 The business case assumes an average property cost of £65,000 per unit (purchase and repair). This figure has been increased to accommodate the need to tackle more difficult properties and capture properties which have not been acquired as they fall outside of the original £55,000 average cost from phase 1. If HCA funding is awarded this will require the Council to deliver on a specific 3 year programme which is proposed to be:

17 units in 2015/16
 30 units in 2016/17
 20 units in 2017/18

- 5.7 It will also require the Council to meet the HCA standards for rehabilitation (property refurbishment) which is believed to be achievable within the budget and timescales proposed. The HCA grant funding will be payable 50% start on

site and 50% completion and will be monitored through the HCA Investment Management System (IMS).

The Empty Homes Scheme and investment in new social housing will have a significant positive impact in terms of protecting jobs across the Council. In addition, the Council will also benefit from additional New Homes Bonus (NHB) funding as a result of bringing the empty properties back into use. The additional central government NHB funding generated after completion is estimated to be potentially £80,000 per annum over 6 years (£480,000 in total). New Homes Bonus resources need to be seen in the context of permanent Core Revenue grant cuts since NHB was introduced. This should be considered by Members as part of the future Medium Term Financial Strategy arrangements in line with other Council spending priorities, forecast budget cuts and financial risks.

Risk Assessment

- 5.8 The main risk of the scheme is that the costs of buying and renovating properties exceed the forecasts included in the Business Case. Based on work undertaken in phase 1 of the Empty Property Purchasing Scheme to date this is assessed as low risk as to date 96 properties have been acquired and are expected to be achieved within the lower budget average of £55,000.
- 5.9 This risk can also be managed using the remaining additional contingency which was allocated for phase 1 of the programme.
- 5.10 A further risk of the project is that the Council are unable to let the properties once purchased and refurbished. Experience from phase 1 of the scheme suggests that demand for the properties are high. Some specific areas of the town are experiencing lower demand however work by the Housing Services Team is ongoing to improve demand in these areas. It is therefore considered that this risk is low.
- 5.11 Officers will continue to monitor the scheme closely to ensure that any deviations from the assumptions of the business case are identified. This will include rent profiling and ensuring the refurbishment costs are delivered as projected.

6. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 6.1 If the Council acquires more properties then the issue of crime reduction is in part being met.

7. CONCLUSION

- 7.1 The Council is awaiting confirmation of its bid for HCA funding to expand the Empty Homes Scheme phase 2. To access this funding the Council needs to provide match funding using the available funding from borrowing from Phase

1 rental income, which will provide an overall scheme delivering 67 properties consisting of a Locally Funded Scheme of 44 properties and a further 23 properties if the HCA funding bid is successful

- 7.2 In order to access the HCA funding the Council needs to complete these properties by March 2018 and meet the HCA rehabilitation standards for property refurbishment.
- 7.3 This report therefore assessed the implications and risks of expanding the scheme using the HCA grant funding and recommends that this can be achieved without increasing risk to the General Fund.

8. RECOMMENDATIONS

- 8.1 It is recommended that the Committee approves the business case for the Phase 2 Expansion of the Empty Property Purchasing Scheme and to seek funding approval from Council as follows:
- i) To approve Prudential Borrowing of £2,846,000 supported by rent income for a Locally Funded Scheme of 44 properties, supported by rental income.
 - ii) Funding of an additional 23 properties, dependent on a successful HCA funding bid, consisting of HCA funding of £688,000 and additional Prudential Borrowing of £826,000 supported from rental income.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The recommendation will support the delivery of the Council's Empty Home Strategy by providing a vital route for the Council to bring long term empty homes back into use whilst providing affordable accommodation. The proposal provides important social benefits and much needed investment in property whilst generating an important asset for Council. The proposal also provides the opportunity to bring in further Government investment into Hartlepool to maximize the available funding.

8. BACKGROUND PAPERS

- 8.1 Empty Property Purchasing Scheme Reports:
 Cabinet 19th March 2012, 4th October 2012
 Council 22nd March 2012, 18th October 2012
 Housing Services New Opportunities and Structure Reports:
 Finance and Policy Committee 19th December 2013, 28th March 2014.

9. CONTACT OFFICER

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FINANCE AND POLICY COMMITTEE

21st July 2014



Report of: Director of Regeneration and Neighbourhoods

Subject: **DISPOSAL OF SURPLUS ASSETS - LAND AT
ESKDALE ROAD**

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key – Test (i) applies – Forward Plan Reference RN 13/09

2. PURPOSE OF REPORT

2.1 To consider proposals for the sale of land at Eskdale Road at less than best consideration.

3. BACKGROUND

3.1 The Council is the freeholder of land at Eskdale Road shown hatched on the plan at **APPENDIX 1**. The land is used as open space.

3.2 The Council has been approached by North Star Housing Group and Gus Robinson Developments Ltd with a view to purchasing the land for the construction of 16 affordable bungalows (including 2 no. wheelchair adapted) together with parking spaces on terms set out in **CONFIDENTIAL APPENDIX 2 This information contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para. 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.**

3.3 The offer made by Gus Robinson Developments for the land is considered to be below the full market value for the site, and therefore any sale on this basis would have to be undertaken as a sale at less than best value under the Local Government Act General Disposal Consent 2003. In August 2012 the Council adopted a protocol to be followed in cases of this nature. The protocol can be summarised as follows:

3.3.1 The matter to be referred initially to the relevant committee.

3.3.2 Proposals will be discussed with External Audit (Mazars).

3.3.3 The report to Committee to include:

- a. Valuation report and description provided by the Estates and Asset Manager
- b. An assessment with supporting evidence provided by the department promoting the scheme of the financial and non-monetary benefits to the Council
- c. Confirmation that the disposal contributes positively to an agreed Council priority and that it will not adversely affect a higher priority
- d. A clear statement from the department promoting the scheme that the benefits the Borough or its residents will derive cannot be achieved unless the sale takes place at an under value, together with confirmation that no alternative means of funding is available.
- e. An assessment of the impact of the proposal on achieving existing £6.5m capital receipts target by the Section 151 Officer
- f. An assessment of the value of capital receipt which would be foregone.
- g. A statement from the Council's Chief Solicitor as to whether he considers a disposal is capable of falling within the terms of the consent.
- b. Sufficient information to enable Members to come to a conclusion as to whether the disposal would be proper use of the consent, having regard to the Council's fiduciary duties to local people.
- c. An independent valuation where appropriate.
- d. A statement from the department promoting the scheme outlining whether the proposal is likely to infringe state aid regulations.

These matters are dealt with below.

3.4

3.4.1 This report is the referral to the relevant Committee.

3.4.2 Discussions with the Council's external auditors have not raised any material concerns.

3.4.3 a) Valuation Report: Included in attached **CONFIDENTIAL APPENDIX 3**
This information contains exempt information under Schedule 12A
Local Government Act 1972 (as amended by the Local Government

(Access to Information) (Variation) Order 2006) namely (para. 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.

- 3.4.3 b) Assessment of benefits: The scheme provides affordable accommodation to meet the needs of local residents as evidenced by the Councils Strategic Housing Market Assessment. This assessment demonstrates both the need and demand for affordable bungalows in the town. Evidence from the Councils Housing Register also indicates a strong need and demand for bungalows in Hartlepool. The non-monetary benefits to the Council are therefore the provision of much needed affordable accommodation which meets the needs of Hartlepool's ageing population.
- 3.4.3. c) Council Priorities: The disposal of land for the purposes of affordable housing provision is supported by the priorities of the Adopted Housing Strategy specifically priority 1 'Delivering New Homes, Contributing to Sustainable Communities' which aims to deliver new and affordable homes that will meet current and future housing needs.

Both the Housing Strategy and the Joint Strategic Needs Assessment support the need for additional affordable single level accommodation due to the age and demographic profile in the Borough, the higher levels of disabilities and lower income households.

- 3.4.3. d) Benefits cannot be achieved without sale at under value: The Governments affordable housing funding regime administered by the HCA requires land to be sold at a reasonable level. Given the level of grant available for affordable housing provision (grant per unit significantly decreased over recent years) it would make the scheme unviable if an increased land value was sought. It is the expectation of Government that Local Authorities will contribute land at less than market value to make affordable housing schemes viable.

Members have previously supported the need for more bungalow accommodation in the social sector across the Borough and sites currently delivering are Clavering and Henry Smiths.

- 3.4.3. e) Impact on Capital Receipts Target: This site is not one of the properties identified for disposal for the purposes of the Capital Receipts Target, nevertheless, the site could potentially be sold for full value to a private developer and thus contribute a larger amount to the Capital Receipts programme.
- 3.4.3 f) Value of foregone receipt: The value of the foregone receipt is considered to be in the region of £110,000, bearing in mind the sum offered for the land and the valuation of it for development purposes.
- 3.4.3 g) Statement from Chief Solicitor: The following statement and guidance has been provided by the Chief Solicitor: "A principal council cannot

dispose of its land for a consideration less than the best that can be reasonably obtained in the market, except with the express consent of the Secretary of State (Section 123(1), Local Government Act 1972)). Paragraph 2 of the Local Government Act 1972, General Disposal Consent (England) 2003 (the Consent) provides that specific consent is not required for the disposal of any interest in land that the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area.

It would appear that this disposal would fall within the terms of paragraph 2 of the consent in that the purpose of the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area. The Council should ensure that it complies with the guidance in Circular 06/03 relating to disposals of this nature together with the usual commercial best practice when disposing of land for less than the best consideration reasonably obtainable. It must ensure that it complies with any other procedural requirements that may be necessary to dispose of a particular area of land, for example, the requirements on disposal of open space”.

- 3.4.3. h) Proper Use of Consent: The consent to dispose of property at less than best value would in this instance be given in order to support the provision of affordable bungalows on the site. The Strategic Housing Market Assessment (SHMA) prepared by the Council's Planning Policy officers identifies a high demand for private market bungalows in all but the rural part of the Borough, and also identifies a need for a total of 88 new affordable homes each year in the Borough. This overall figure is broken down by sub areas (Town Centre, Inner Suburbs, Outer Suburbs and Rural). The need identified by the SHMA in the Inner Suburb area (in which the site is located) is for 26 units for older people and a reduction of 180 general units.
- 3.4.3. i) An independent valuation is not thought necessary in this instance as a valuation report has been provided by one of the Council's Principal Estates Surveyors.
- 3.4.3. j) The proposed sale does not infringe state aid regulations.
- 3.5 Bearing in mind the above, it would appear that the proposed sale does meet the legal and policy criteria set out in the Council's policy, and relevant legislation.
- 3.6 The sale will be subject to Planning Permission and HCA funding for the proposed development being granted, and suitable safeguards ensuring the development proceeds as proposed.
- 3.7 As the land involved is currently public open space, the disposal will be subject to public consultation. This will take the form of notices for two consecutive weeks in the Hartlepool Mail advertising the proposed disposal

and inviting the public's views. If any objections are received, a further report will be brought on the matter to Committee for consideration.

4. PROPOSALS

- 4.1 Subject to the Committee's views it is proposed to proceed with a sale on the terms outlined in **CONFIDENTIAL APPENDIX 2 This information contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para. 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.**

5. FINANCIAL AND RISK CONSIDERATIONS

- 5.1 As noted above, the difference in value between the offer amount and the full value is considered to be approximately £110,000 based on the construction of general needs housing rather than bungalows. It is considered that the construction of private bungalows for sale would not be undertaken on this site as it is unlikely that the premium required to offset the additional build costs could be achieved in a location with limited value. If however a developer could be persuaded to construct bungalows there would be an effect on the value of the site reducing the difference in value to £80,000

6. LEGAL CONSIDERATIONS

- 6.1 A sale at less than best value can be justified on the basis of social, economic or environmental benefits being obtained through the transaction. Ministerial consent is not required for this level of value.

7. EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 There are no equality or diversity considerations in this instance.

8. ASSET MANAGEMENT CONSIDERATIONS

- 8.1 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of. However, in order to achieve other objectives, such as in this case the provision of affordable housing, the disposal of land at less than best consideration can be considered subject to policy criteria being met and suitable safeguards being in place that ensure the use of the land for the proposed purpose.

**9. SECTION 17 OF THE CRIME AND DISORDER ACT 1998
CONSIDERATIONS**

- 9.1 There are no Section 17 considerations in this instance.

10. RECOMMENDATIONS

- 10.1 Committee is recommended to consider approving the sale on the terms outlined in **CONFIDENTIAL APPENDIX 2 This information contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para. 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.**

11. REASONS FOR RECOMMENDATIONS

- 11.1 The sale would enable the provision of 16 affordable bungalows for elderly residents. This will assist in the Council's housing objectives as outlined in paragraphs 3.b and 3.c above.
- 11.2 The legal and policy requirements for a sale of land at less than best consideration appear to be met in this instance, in particular due to the promotion and improvement of social wellbeing in the area which will result from the additional affordable housing for elderly and disabled residents, and the fact that the scheme would not be viable if the full value of the land was to be charged.
- 11.3 Discussions with the Council's external auditors have not raised any material concerns.
- 11.4 The sale will be subject to HCA grant funding and Planning Permission being granted and safeguards being put into place to ensure the proposed development proceeds in a timely and satisfactory manner.
- 11.5 The construction is to be carried out by a well established local building contractor with a strong record of community engagement.

12. BACKGROUND PAPERS

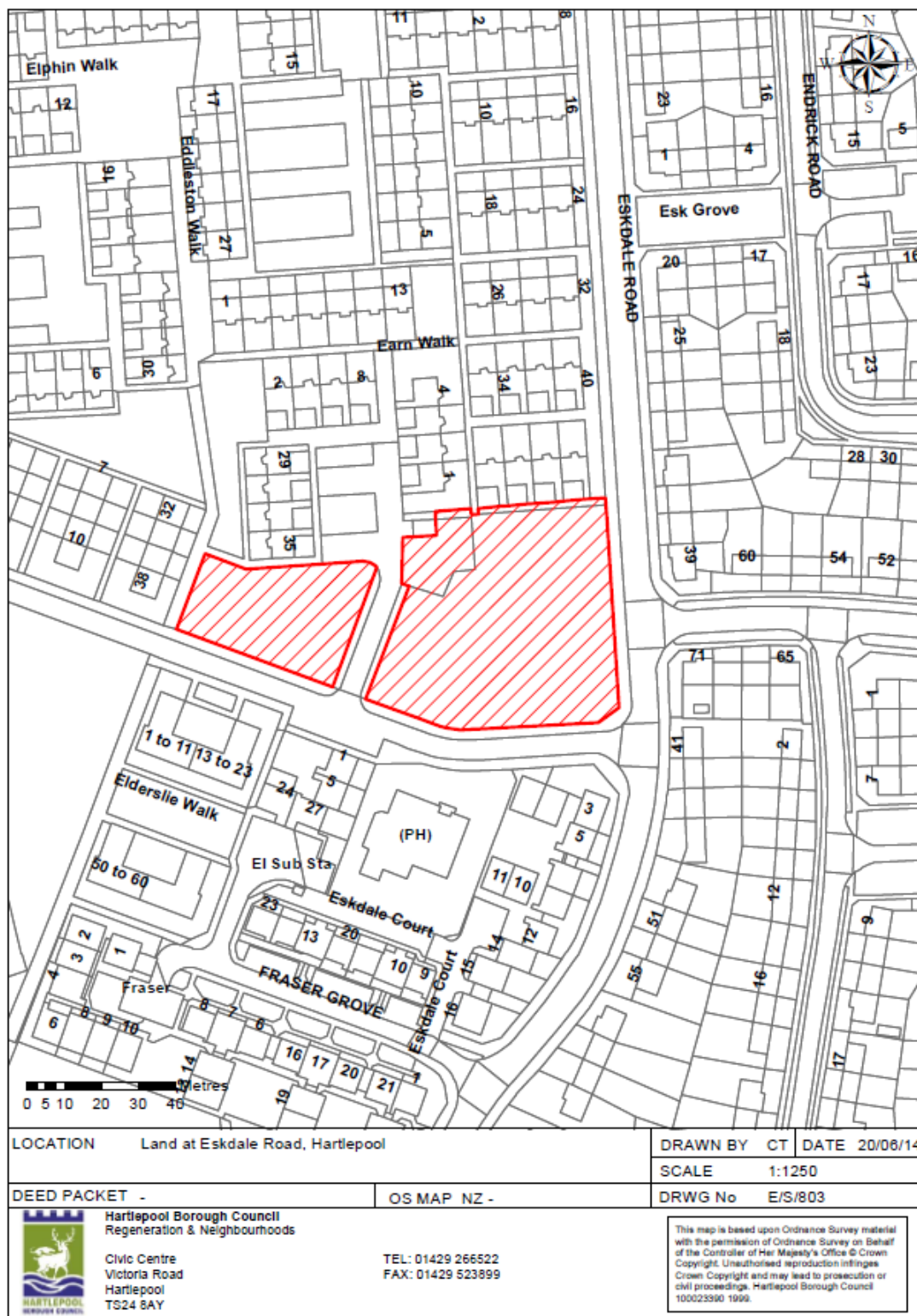
- 12.1 There are no background papers relating to this report.

13. CONTACT OFFICER

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APPENDIX 1

LAND AT ESKDALE RD



FINANCE AND POLICY COMMITTEE

21st July 2014



Report of: Director of Regeneration and Neighbourhoods

Subject: **DISPOSAL OF SURPLUS ASSETS
THROSTON GRANGE COMMUNITY CENTRE**

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non-key Decision

2. PURPOSE OF REPORT

2.1 To consider the future of Throston Grange Community Centre and the proposal by the current occupiers (Hartlepool Stage Society) to acquire the Council's freehold interest in the building.

3. BACKGROUND

3.1 Throston Grange Community Centre (as shown edged in **Appendix A**) extends to a total site area of around 805m² (0.20acres) and has a Net Internal Area (NIA) of 168m² (1,808sq.ft.). The building was declared surplus to the operational requirements of the Council in 2011 and was initially offered for Community Asset Transfer. However, no interested parties came forward at that time and as such the property was subsequently marketed to let with rental offers invited for the building.

3.2 When the Centre was marketed to let there were two interested parties, one of which was the Hartlepool Stage Society (HSS) who made the highest rental bid. The Stage Society also expressed interest in purchasing the property; however they were not in a position to proceed with a purchase at that time as they had not yet sold their existing premises in Osbourne Rd and did not have the funds available to make the purchase without this sale.

3.3 Following the decision of Members in January 2012 it was agreed that an "option to purchase" clause could be incorporated into the lease proposals. The lease and purchase option were subsequently granted for a period of 12-months from 1st May 2012 and the details of such can be seen in **Confidential Appendix B (This item contains exempt information under**

Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

- 3.4 In September 2012 the HSS wrote to the Council requesting an extension of both the lease and option, as they anticipated not being able to sell their Osbourne Road premises in time to fund the purchase of the centre. A reduction in the option price was also requested by HSS. It was subsequently agreed that the lease could be extended for a further 12-months from May 2013 on the same terms as the existing lease – the reduction in the option price being rejected. The lease formally expired on 6th May 2014 and the HSS' continued occupation is now regularised under the terms of a monthly licence agreement.
- 3.5 A further approach was then made in March 2013 requesting that an independent valuation be obtained for the Community Centre to justify the agreed option price documented in the lease. HSS also requested that a valuation could be obtained on their own premises at Osbourne Road. The Council agreed and paid for the valuations to be undertaken and Greg Cavey Commercial Ltd were instructed to produce the reports.
- 3.6 The independent valuation reports were completed in April and May 2013 and the summary details of which can be seen in the **Confidential Appendix C (This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 3.7 HSS failed to achieve the level of value they anticipated from their existing premises and as such have a reduced level of capital to re-invest. As a consequence HSS submitted a revised offer that was substantially below that provided by the independent valuer.

4. PROPOSALS

- 4.1 The Stage Society have advised that they are not in a financial position to pay either the agreed initial sum nor the revised independent valuation. However, they would be interested in agreeing to a proposal to acquire the freehold at a reduced value and in exchange for the reduced value they are prepared to allow Community Groups to use the building during the day at nil cost for a period of 5 years.
- 4.2 HSS have now submitted a revised purchase proposal for consideration, together with a supporting Business Plan which encompasses in part the principles of Council's Community Asset Transfer policy. The full details of the HSS proposal can be seen in the **Confidential Appendix D (This item contains exempt information under Schedule 12A Local Government**

Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

- 4.3 Essentially this proposal would constitute a deferred payment arrangement however essentially it would amount to the Council subsidising community access but it may encourage community engagement. Details of the specific community services proposed have been discussed with officers in the Community Regeneration & Development Team and the full details of the HSS proposals for such are included in the **Confidential Appendix D (This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 4.4 Officers in the Community Regeneration & Development Team met with a representative(s) from HSS on three occasions in May and June 2014 to support them in exploring the community benefit element of their proposal. HSS' vision for the Centre is as a community hub for the local area, whereby a range of services and activities are delivered from it. This will help address local community issues which have been prevalent for a number of years, including employment / welfare benefit / lifelong learning / volunteering / health / community cohesion and barriers to accessing local community facilities and activities.
- 4.5 The Community Regeneration & Development Team Manager has advised that demand exists for community access to provide health and employment training and advice during the day, and that development of the Centre to deliver courses and education would add considerable value to the Community. However proactive engagement will be required by HSS & the Community Development Team. If the Committee were minded to approve the proposal responsibilities to engage and facilitate use of the premises this would have to form part of the agreement and formally documented as a condition of sale.
- 4.6 Although HSS propose to time limit the access arrangements to 5 years, the Council will need to ensure that it is receiving the equivalent of the capital receipt forgone and therefore this period will continue until such times as the shortfall has been recouped.
- 4.7 In addition to the proposal to offer free use of accommodation HSS have also suggested an overage arrangement on the basis that if the building is sold in the future then the Council will receive a proportion of any uplift in value.

5. OPTIONS

5.1 The options available to the Council are as follows:

- 1) Retain the subject property in the short to medium term and continue with the existing rental arrangements to the Stage Society. This would continue to provide the Council with an income from the building and also provide future flexibility to take into account any co-ordinated redevelopment plan for the area following the outcome of the review of the adjoining library site.
- 2) Remarket the subject premises inviting tender bids for either a freehold sale or new lease arrangement in order to hopefully achieve the full market/rental value for the property.
- 3) Remarket the building again inviting interest for full Community Asset Transfer in accordance with the Council's adopted Community Asset Transfer policy.
- 4) Dispose of the subject property to the HSS in accordance with the terms/value set out in the **Confidential Appendix D (This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).** (without any further deduction for repairs) to include as part payment community use of the facilities during the day at nil cost until the benefit has been recouped in exchange for the freehold sale at a reduced capital value.

6. LEGAL CONSIDERATIONS

6.1 The Chief Solicitor will advise on any final sale agreement including, as a condition of sale, a management agreement setting out the specific responsibilities of the group in terms of proactive engagement with the community and arrangements for calculating the outstanding debt to the Council.

6.2 A Land charge will also need to be retained on the sale of the property to secure the Council's outstanding financial interest.

7.0 RISK IMPLICATIONS

7.1 As a consequence of the 2015/16 savings programme the transfer/closure of additional Community Centres will need to be considered. Opportunities to retain services wherever possible within existing/transferred Community buildings is essential to reduce the impact.

8. FINANCIAL CONSIDERATIONS

- 8.1 Disposal of the property at full market value will maximise the financial return to the Council and contribute towards the Capital Receipts target. However options for a payment in kind agreement will reduce the level of receipt achieved in the short term.
- 8.2 The report to Council on 6th February 2014 reminded Members that the Council has a capital receipts target of £6.5m to fund capital schemes which have already commenced. Achieving this target will be challenging in the current climate and needs careful management.
- 8.3 Although it is anticipated that the Capital Receipts target of £6.5M will be achieved the land sales will take longer than anticipated to achieve. This therefore increases the risk that there may be a shortfall in the level of receipts achieved and this will need to be funded from Prudential Borrowing.
- 8.4 The capital receipt from the sale of Throston Grange Community Centre is in addition to the original £6.5m target.

9. ASSET MANAGEMENT CONSIDERATIONS

- 9.1 The attention of the Committee is drawn to the Asset Management element of the Medium Term Financial Strategy. The decision by Members in January 2009 requires a commercial, proactive approach to be taken on Asset Management issues, the proceeds of this proposed transaction being a contribution to the Medium Term Financial Strategy (MTFS).
- 9.2 The decision to adopt a commercial approach to asset management strategies requires the Council to realize the full value of any properties or property rights that it disposes of.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 There are no equality or diversity implications to be considered as part of this report.

11. SECTION 17 OF THE CRIME AND DISORDER ACT 1998

- 11.1 There are no Section 17 implications to be considered as part of this report.

12. RECOMMENDATIONS

12.1 Committee are recommended to:

- 1) Consider the proposal by Hartlepool Stage Society to purchase Throston Community Centre subject to part payment and part payment in kind linked to community development initiatives. This will be dependent upon adequate legal and management arrangements being achieved in order that disposal would represent market value.
- 2) Consider remarketing the property for sale. Members could decide an appropriate part of the receipt be re-invested in facilitating a wider range of Community Development initiatives not necessarily linked to the Community Centre which may generate overall greater health & employment outputs.
- 3) If Members approve recommendation 1) consideration should be given to the use of the capital receipt. Options include either incorporating this as a contribution towards the Capital Receipts target or ringfencing the monies to assist supporting the retention of the remaining Community Centres in 15/16.

13. REASONS FOR RECOMMENDATIONS

- 13.1 The Council has agreed to adopt a commercial approach to their Asset Management activities and also have a legal duty to obtain the best consideration that is reasonably obtainable. The option proposed by Hartlepool Stage Society represents one option that would generate best consideration however there are alternative arrangements that need to be considered.

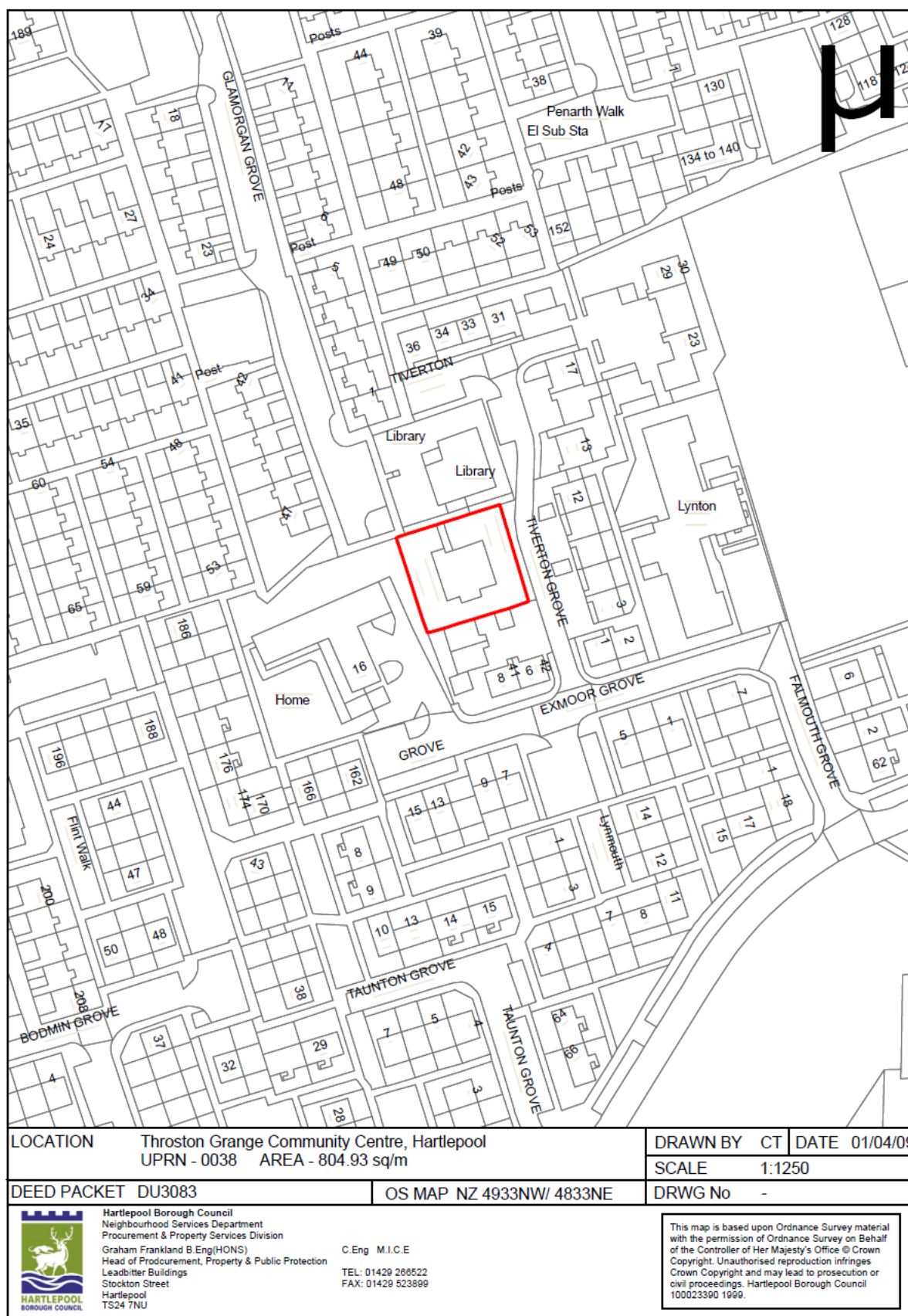
14. BACKGROUND PAPERS

- 14.1 Decision of Portfolio Meeting 26th January 2012 and 12th December 2012.

15. CONTACT OFFICER

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FINANCE AND POLICY COMMITTEE

21st July 2014



Report of: Chief Executive Officer and Chief Solicitor

Subject: POTENTIAL MERGER OF THE TEESSIDE AND
HARTLEPOOL CORONER AREAS

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non-key decision.

2. PURPOSE OF REPORT

2.1 To outline the proposed merger of the Teesside and Hartlepool Coroner areas following the retirement of the Senior Coroner for Teesside and the requirement to consider the merger of Coroner areas under the Lord Chancellor's powers through the Coroners and Justice Act, 2009. Further, to have regard to the Chief Coroner's Guidance Note number 14 'Merger of Coroner Areas'.

3. BACKGROUND

3.1 The present Teesside Coroner area encompasses the Boroughs of Middlesbrough, Redcar & Cleveland and Stockton. Hartlepool has a separate Coroner area. On 30th April, 2014 the then Senior Coroner for Teesside, Mr Michael Sheffield, retired thereby creating a vacancy from 1st May, 2014. The Coroners and Justice Act, 2009 requires Middlesbrough Borough Council as the "relevant authority" for the Teesside Coroner Area to undertake the following actions, where the vacancy of a Senior Coroner has arisen, namely;

- Notify the Lord Chancellor and the Chief Coroner to enable the Lord Chancellor to meet his duties under the Act to consider whether an amalgamation is appropriate.
- Appoint a permanent Senior Coroner within three months of a vacancy occurring or request an extension of time.
- Nominate an Assistant Coroner to the interim vacancy.

- 3.2 The Chief Coroner's Guidance Note number 14 'Merger of the Coroner's Areas' is attached herewith (**Appendix A**). Within that guidance it is stated that the '*...Lord Chancellor may, after consultation make orders altering coroner areas and either combining (merging) or dividing coroners areas*'. Members will note (paragraph 12 refers) that there are presently 99 coroner areas in England and Wales (with 96 Senior Coroners) and following the recommendations contained in the Luce Review in 2003 '*the number of Coroner areas should be reduced in order to create sensibly sized coroner areas, taking into account the number of reported deaths, geographical size and types of coroner work in the area*'. There is also an indication that 3,000 – 5,000 reported deaths would be considered to be the appropriate number to sustain a Coroner's area although "smaller or larger areas may in places be appropriate". Essentially, any proposals for merger must follow an application to the Lord Chancellor "with written reasons", effectively a business case of a merger. Consultation is required with the Chief Coroner prior to any submission of an application to the Lord Chancellor.
- 3.3 Following the resignation of the Senior Coroner for Teesside, Middlesbrough Borough Council in pursuing their statutory obligations wrote to the Lord Chancellor who responded as follows;

"The Lord Chancellor would support a merger of the Teesside and Hartlepool Coroner areas and looks forward to receiving a business case for amalgamation. He would equally expect to see a business case setting out reasons for not merging the two areas if that is what is decided.

Given the circumstances, the Lord Chancellor is content to allow Middlesbrough six months in which to fill the vacancy under paragraph 5(2) of Schedule 3 to the Coroners and Justice Act, 2009".

4. CURRENT POSITION

- 4.1 Middlesbrough Borough Council have nominated one of the Assistant Coroners, Ms Clare Bailey to the role of Acting Senior Coroner for Teesside. To ensure sufficient coronial support the Council also appointed the Senior Coroner for Hartlepool, Mr Malcolm Donnelly as an Assistant Coroner for Teesside. Mr Donnelly therefore undertakes the Assistant Coroner role whilst retaining his position as Senior Coroner for Hartlepool. The Council's Chief Executive has received correspondence from Mr Donnelly who is supportive of a merger of the coroner areas given the guidance issued through the Chief Coroner and the case supporting a potential merger through caseloads as well as financial considerations. Accordingly, these sentiments will be translated into a business case identifying the most efficient and effective service for Teesside and Hartlepool that not only improves performance but also meets stakeholder needs. In addition to conversations with the affected local authorities other key partners have been identified as follows;

- North Tees and Hartlepool NHS Foundation Trust
- North East Ambulance Service
- Tees Health Commissioning Group
- Tees and Esk Wear Valley NHS Trust
- The Air Ambulance Service
- Cleveland Fire Brigade

4.2 Following approval of a business case through the four local authorities a submission will then be made to the Ministry of Justice. The responsibility for formal consultation on a potential merger of the Teesside and Hartlepool coroner areas rests solely with the Lord Chancellor. The Lord Chancellor will also consult on a business case with whoever he thinks appropriate. If the Lord Chancellor supports the merger he will then lay orders before Parliament and instruct the lead authority for the new area (currently Middlesbrough Borough Council) to appoint the Coroner to the new area. Should the Lord Chancellor choose not to support an amalgamation he will then instruct Middlesbrough Borough Council as the relevant authority to appoint to the vacant post of Senior Coroner for Teesside. This appointment will be subject to the Lord Chancellor and Chief Coroner confirming such an appointment.

4.3 Guidance issued from the Chief Coroner also indicates;

‘In the short term mergers of coroner areas are only likely to take place with the agreement of all local authorities concerned..... There is, however, no reason in principle that the Lord Chancellor should not in due course combine areas after consultation but without agreements where there is a clear case for merger’.

Further, if a merger is agreed the Council can choose to either appoint one of the Senior Coroners from the old areas or appoint via an open competition. Guidance also indicates that the first option namely the appointment of a Senior Coroner from the old coroner areas will usually be the preferred approach. However, both options would be explored through the preparation of the business case.

4.4 On 16th June, 2014 the Executive Member with responsibility for this function at Middlesbrough Borough Council formally agreed to a recommendation that a mandate be given to the development of a business case. A draft of the business case is scheduled for that Council's Scrutiny Board on 15th July. That draft will incorporate a timetable and process overview which is also appended herewith for the information of this Committee (**Appendix B**). That document refers to the Chief Coroner's Guidance Note number 14, as well as figures for reported deaths and the complexity of cases with a proposed structure for an amalgamated area. There are also financial considerations outlined in that document, potential consultees to any merger proposals and justification of a proposed merger, together with references to the "responsiveness to future demand".

5. LEGAL CONSIDERATIONS

- 5.1 Middlesbrough Borough Council as the 'relevant authority' are required, following on from the resignation of the Senior Coroner for Teesside, to notify the Lord Chancellor and Chief Coroner as to the creation of a vacancy under the terms of the Coroners and Justice Act, 2009. Further, the Lord Chancellor in meeting his duties under the Act is also required to consider whether an amalgamation of the existing coroner areas is appropriate. Guidance on the mergers of coroners areas is contained within the Chief Coroner's Guidance Note 14 as issued on 1st May, 2014. The Lord Chancellor has given an initial indication of support to a merger of the Teesside and Hartlepool coroner areas but this is subject to the consideration of business case. It is therefore a decision for this Council as to whether to support a merger of the Teesside and Hartlepool coroner areas and if so, approval of the business case underpinning the case for amalgamation.

6. FINANCIAL CONSIDERATIONS

- 6.1 The Financial considerations are encompassed in **Appendix B**. That document informs that the full cost of the Hartlepool Coroner services for 2013/14 was £182,000. The cost of the Teesside Coroner service for the same period was £962,488. The estimated costs on a proportionate basis of the Cleveland population would see a cost to this Council of £149,790, entailing a potential saving of £32,210. Over a combined area, these savings would extend to £228,991 over the period 2015/16.

7. EQUALITY AND DIVERSITY CONSIDERATIONS

- 7.1 Not applicable at this stage although a business case may require an impact assessment.

8. SECTION 17 OF THE CRIME AND DISORDER ACT, 1998

- 8.1 There are no Section 17 implications to be considered as part of this report.

9. RECOMMENDATIONS

The Committee is recommended to

1. Consider a proposal and to approve 'in principle' the merger of the Hartlepool and Teesside coroner areas.
2. Contingent on agreeing "in principle" to a proposed merger, the Committee receive the final business case for approval and subject to that formal approval, submit the business case to the Ministry of Justice.

10. REASONS FOR RECOMMENDATIONS

- 10.1 The Council has received a request from Middlesbrough Borough Council as the relevant authority and in unison with correspondence received from the Lord Chancellor, to consider the proposed amalgamation of the Teesside and Hartlepool coroner areas.

11. BACKGROUND PAPERS

No background papers were used in the preparation of this report.

12. CONTACT OFFICERS

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GUIDANCE No. 14

MERGERS OF CORONER AREAS

Introduction

1. The purpose of this guidance is to advise local authorities and coroners of the powers under the Coroners and Justice Act 2009 (the 2009 Act) to merge coroner areas.
2. The guidance is also intended to identify the consequences of a merger in terms of the appointment of a senior coroner for the newly merged area and the position of senior coroners (and area and assistant coroners) from the old areas merged together.
3. Having considered the provisions (including the transitional provisions) of the 2009 Act, particularly Schedules 2, 3 and 22, and the Coroners and Justice Act 2009 (Coroners Areas and Assistant Coroners) Transitional Order 2013, all of which came into force on 25 July 2013, the Chief Coroner sets out the following guidance.
4. This guidance has been discussed with the Lord Chancellor and its contents are agreed.

Coroner areas

5. When the 2009 Act came into force in 2013 all coroner districts in England and Wales became coroner areas automatically. The names of the districts became the names of the areas.
6. A local authority area may comprise one or more coroner areas. In some parts of the country a coroner area is coterminous with the area of a local authority, whereas in others it may be part only of a local authority area. A coroner area may also consist of the combined areas of two or more local authority areas, with one local authority taking the lead for coroner purposes as the relevant authority for the coroner area.
7. However, where a new coroner area is created by combining two or more old coroner areas (under powers of the Lord Chancellor in the 2009 Act), the new

coroner area cannot consist of part only of a local authority area. It must consist of a whole local authority area or more than one local authority area.

8. Where decisions are to be made about mergers of coroner areas or the appointment of a senior coroner for a newly created coroner area, in the case of a coroner area consisting of two or more local authority areas, the relevant authority must consult the other authorities before making a decision.
9. For the purposes of this guidance the local authority (whether a single authority or multiple authorities) will be referred to as the relevant authority.

Mergers of coroner areas

10. The Lord Chancellor may, after consultation, make orders altering coroner areas, either combining (merging) or dividing coroner areas.
11. The Lord Chancellor has no present plans for dividing coroner areas.
12. There are presently 99 coroner areas in England and Wales (with 96 senior coroners). It is the view of the Chief Coroner, following upon the recommendations of the *Luce Review* in 2003¹, that the number of coroner areas should be reduced in order to create sensibly sized coroner areas, taking into account the numbers of reported deaths, geographical size and types of coroner work in the area. In many cases 3,000-5,000 reported deaths would be an appropriate number, although smaller or larger areas may in places be appropriate. There are many part-time coroner jurisdictions which are too small for effective management and cost-efficiency.
13. In the short term mergers of coroner areas are only likely to take place with the agreement of all local authorities concerned. The Lord Chancellor must in any event consult with local authorities (amongst others) before ordering a merger. There is, however, no reason in principle why the Lord Chancellor should not in due course combine areas after consultation but without agreement where there is a clear case for merger.
14. Where a relevant authority wishes to merge one or more coroner areas into one larger coroner area it should apply to the Lord Chancellor with written reasons, effectively a business case for the merger. Before doing so it should consult with the Chief Coroner.
15. Where, following consultation, the Lord Chancellor makes an order altering coroner areas by combining an existing coroner area with one or more coroner areas, the newly combined area will receive a new name from the Lord Chancellor.
16. As above, a newly combined coroner area cannot consist of only part of a local authority area. It must consist of a whole local authority area or more than one local authority area.
17. In considering a potential merger local authorities are encouraged to think carefully about the future of their coroner area(s), including sensible succession

¹ *Death Certification and Investigation in England, Wales and Northern Ireland: The Report of a Fundamental Review*, Cm 5831.

where appropriate for the post of senior coroner, and planning for the prudent development of their local coroner service in the interests of the public.

18. Where possible the relevant authority should state its intentions about the appointment of a new senior coroner in advance of merger. In this way senior coroners who may be affected by the merger will know in advance what is intended and can, if required, have discussions with the relevant authority about their future.

Appointment of new senior coroner

19. Where a new coroner area is created by the merger of one or more coroner areas (the old areas), the relevant authority must appoint a senior coroner for the new area. The appointment must be made within three months of the merger (or within whatever further period the Lord Chancellor allows).

20. The relevant authority responsible under the 2009 Act will appoint a senior coroner for the new coroner area in one of two ways:

Option 1. - The relevant authority may appoint one of the senior coroners from the old areas.

Option 2. - Alternatively, the relevant authority may appoint a senior coroner following an open competition. The competition will be open to all suitably qualified coroners.

21. In either case the appointment of the new senior coroner cannot be made without the consent of the Lord Chancellor and the Chief Coroner.

22. It will be a matter for the relevant authority to decide which option to choose, bearing in mind the matters set out below. The relevant authority may seek the views of the Chief Coroner or the Ministry of Justice but in the end it will be the relevant authority's decision.

23. If option (1) is chosen there will be no open competition.

Option 1: Appointment from one of the senior coroners of the old areas

24. Relevant authorities are advised that option (1) should usually be the preferred option. It has the effect of preserving the status quo (in part at least), of allowing an existing coroner to remain in office and therefore not putting an existing coroner at risk of loss of senior coroner office in an open competition. It also avoids the possible payment of compensation for early retirement (see below).

25. But the relevant provisions of the 2009 Act do not provide automatic inheritance of the newly formed coroner area for the remaining coroner (where there is only one remaining). If two coroner areas are merged into one when one of the existing senior coroners retires, the other senior coroner has no entitlement as of right to become the new senior coroner. A new senior coroner must be appointed for the new coroner area and it will be a matter for the relevant authority as to how to proceed, with option (1) or option (2).

26. Where option (1) is chosen the relevant authority must be satisfied that their choice of senior coroner is a rational, fair and proportionate decision. The coroner so appointed may be over the age of 70 and/or not comply with the 5-year judicial

appointment eligibility condition, so long as the coroner was in post as senior coroner for one of the old areas when the 2009 Act came into force. Against this legislative background local authorities are reminded that all coroners hold office on whatever terms they agree with their relevant authority.

27. Local authorities are reminded that senior coroners may only be removed from office by the Lord Chancellor (with the agreement of the Lord Chief Justice) for incapacity or misbehaviour. Local authorities appoint senior coroners but they do not employ them. **They cannot remove or dismiss senior coroners by merger of coroner areas or in any other way.**
28. Where, therefore, two or more areas are to be merged, the relevant authority must look carefully at the options in advance in order to achieve fairness for the senior coroners of the old areas.
29. There can only be one senior coroner in a newly merged coroner area. Merger of two or more coroner areas will therefore involve the loss of office of one or more senior coroners. If one (or more) retires leaving only one senior coroner from the old areas remaining, under option 1 that senior coroner will usually be chosen as senior coroner for the newly merged coroner area, subject to the necessary consents.
30. Where however there are two (or more) senior coroners from the old coroner areas, the relevant authority will apply one or more of the following alternatives -
 - (1) Appoint one as the new senior coroner.
 - (2) Allow one or more to retire.
 - (3) Offer the other (or others) where appropriate the salaried post of area coroner for the enlarged area at no loss of salary, or
 - (4) Pay agreed compensation for early retirement.
31. It is expected that the relevant authority will take all reasonable steps to accommodate a former senior coroner who is displaced from the post of senior coroner by this process.
32. The relevant authority would be well advised to consider these alternatives in advance of merger.

Option 2: Appointment following open competition

33. Where the relevant authority decides upon option (2), the relevant authority will apply one or more of the following alternatives -
 - (1) Hold an open competition. One or more senior coroners of the old areas may apply for the new post, as well as other candidates from within or outside the old coroner areas. The relevant authority appoints the best candidate after a full and open competition (subject to the necessary consents). See the Chief Coroner's Guidance No. 6 *The Appointment of Coroners*.
 - (2) Allow one or more senior coroners to retire.
 - (3) Offer the other (or others) where appropriate the salaried post of area coroner for the enlarged area at no loss of salary, or
 - (4) Pay agreed compensation for early retirement.

34. Where a senior coroner (or senior coroners) applies but fails to win the competition, that senior coroner (or senior coroners) will be offered alternatives (2) – (4).
35. The relevant authority which decides on option (2) would be well advised to consider these alternatives in advance of merger.

Compensation

36. As a result of the process of merger, in particular in relation to option (2), one or more senior coroners from the old coroner areas may no longer hold the position of senior coroner. It is arguable that the displaced senior coroner (or senior coroners) is entitled to remain a salaried coroner (with no reduction in salary) but not entitled as of right to continue to hold the office of senior coroner. Be that as it may one of the alternatives in the process is to offer a displaced senior coroner from an old area a new position as area coroner in an enlarged merged area.
37. Another alternative is to offer and agree compensation for early retirement.
38. The amount of compensation will be a matter for the relevant authority. Local authorities will have their own established procedures for assessing compensation for loss of contract of employment which can no doubt be used in appropriate cases as a starting point for assessing loss of office. They will of course have to take into account the existing agreed terms and conditions between coroner and relevant authority and be mindful that senior coroners in post at the coming into force of the 2009 Act are not obliged to retire at the age of 70.

Area coroners and assistant coroners

39. Where two or more areas are merged the relevant authority of the new area, together with the new senior coroner, will have to re-assess the extent of the coroner team. Existing area coroners and assistant coroners cannot lose their posts just as a result of a merger. But the relevant authority is entitled to consider the needs of the newly merged area.
40. As the Chief Coroner's Guidance No. 6 *The Appointment of Coroners* provides, area and assistant coroners appointed after the coming into force of the 2009 Act should be appointed for an initial term of 12 months and thereafter for a renewable term of three years. For those who held these posts in the old areas, either as old or new appointments, they should also be subject to renewable terms for posts in the new coroner area.
41. The Guidance also provides that assistant coroners who have not worked for three years should not be retained. That should apply to old and new areas.
42. Relevant authorities should always bear in mind that they can negotiate with all coroners for 'whatever terms are from time to time agreed' (paragraph 19, Schedule 3 to the Act).

Advice

43. In addition to receiving this written guidance local authorities or coroners may discuss any of these matters with the Ministry of Justice or the Chief Coroner's office at any time.

44. The Guidance of the Chief Coroner, Guidance No.6 *The Appointment of Coroners*, will be subject to this guidance and amended accordingly.

**HH JUDGE PETER THORNTON QC
CHIEF CORONER**

1 May 2014

CONSIDERATIONS / INFORMATION IN RESPECT OF MERGING TEESSIDE AND HARTLEPOOL CORONER SERVICES

TIMETABLE AND PROCESS - OVERVIEW

Action	Target date for completion
Submission of the Business Case through the four local authorities' decision making processes.	August 2014
Submission of the Business Case to the MoJ.	August 2014
MoJ to consult with stakeholders and interested parties. (Stakeholders list normally includes police, hospitals, funeral directors and others affected by local coroners' services but is not prescribed by legislation or guidance beyond organisations the Lord Chancellor thinks is appropriate to consult with) – 4 weeks.	4 weeks consultation, 3 months to complete MoJ process
MoJ to consider the consultation and make a recommendation to the Lord Chancellor.	November 2014
If approved Lord Chancellor to lay down legislation for implementation.	November 2014
Council to undertake HR processes required to implement the Lord Chancellor's decision.	See comment below
<p>The next stages are dependent upon the outcome of the Lord Chancellor's decision:</p> <p>If a merger is proposed and the Senior Coroner for Hartlepool is 'slotted in' then the process is to seek approval from the Lord Chancellor and also the Chief Coroner (expected time to complete – 2 weeks).</p> <p>If a merger is proposed and the post is advertised to an open field then the process will take circa 3 months.</p> <p>If a merger is not proposed then the Teesside Coroner post will be advertised and the process will take circa 3 months.</p>	

ASSESSMENT CRITERIA

The Business Case will assess the evidence available to ascertain whether or not the Teesside and Hartlepool Coroner areas should merge.

The evidence will be assessed against the Chief Coroner's guidance on mergers to ensure compliance and the key business outcomes required which are:

A) improved outcomes for customers as measured by the:

- timeliness of inquests
- availability and accessibility of the service
- cost effectiveness

B) streamlined processes for partners

C) responsiveness to future demand.

The information available to date is shown below and will form the basis of the Business Case.

Compliance with the Chief Coroner's Guidance on mergers

The Chief Coroner's Guidance No 14 – 'Merger of coroner areas' makes reference to three main areas for consideration these are:

- number of reported deaths and complexity of cases
- removal of jurisdictions with one part-time Senior Coroner
- The process to appoint a new senior coroner.

Number of reported deaths and complexity of cases

The Chief Coroner's Guidance No 14 – 'Mergers of Coroner areas' states:

"The number of Coroner areas should be reduced in order to create sensibly sized Coroner areas, taking into account the numbers of reported deaths, geographical size and types of Coroner work in the areas. In many cases 3,000 - 5,000 reported deaths would be an appropriate number, although smaller or larger areas may in places be appropriate."

In 2013 the Teesside Coroner Service managed 2,635 reported deaths, while the Hartlepool Coroner Service managed 340 reported deaths, totalling 2,975. An analysis of previous years indicates that this figure is fairly static. Based on the 2013 figures a merger would result in the number of reported deaths being closer to that deemed appropriate by the Lord Chancellor.

Move away from part-time jurisdictions

The Chief Coroner's Guidance No 14 – 'Merger of Coroner areas' states that there should be a move away from jurisdictions in which one Senior Coroner operates on a part-time basis. It also states that the Relevant Authority should consider the needs of the newly merged area and that terms can be agreed with the Coroner.

The merger of the Teesside and Hartlepool Coroner areas would enable a cost-effective and resilient model to replace the current situation in which each area employs one part-time Coroner. It would enable the Relevant Authority to implement a new model that best meets the needs of the newly merged area and to negotiate appropriate terms with the new Senior Coroner.

The previous payment rates for Coroners, based on the number of cases could result in a perverse incentive in which it is more economically advantageous for there to be a high number of reported deaths and a high number of enhanced cases. A different model regarding payments is proposed for the new Coroner's area; a fixed salary which is not linked to: the number of cases, the complexity of those cases or any specific geographical consideration.

A number of different models could deliver the required Coroner cover. Consideration was given to the model of one full-time Senior Coroner supported by three or four Assistant Coroners paid on a daily rate. This model was discounted because it would result in an inefficient use of resources based on the differing levels of complexity within the workload and offers little in the way of resilience and succession planning. The most cost effective model, which maximises flexibility, resilience and enables succession planning is shown below:

- 0.8 FTE Senior Coroner
- 0.8 FTE Assistant Coroner
- circa 15 days Assistant Coroner cover per annum.

The above model ensures that the premium paid for a Senior Coroner, whose experience is needed for oversight of the system and to deal with the more complex cases, is not needlessly spent on the less complex cases and routine Coroner work that does not require this level of expertise. This model enables the less complex cases to be dealt with by an Assistant Coroner and it also facilitates succession planning. There will be some, infrequent, occasions where additional cover is required and it is proposed that this is accommodated by using an Assistant Coroner paid for at a daily rate.

The above model represents the most flexible and resilient way forward whilst offering a saving on the 2013/14 combined Teesside and Hartlepool Coroner costs.

Appointment of a Senior Coroner

The guidance allows for the Relevant Authority to appoint a Senior Coroner in one of two ways:

“Option 1 – The Relevant Authority may appoint one of the Senior Coroners from the old areas. Option 2 – Alternatively, the Relevant Authority may appoint a Senior Coroner following an open competition..... Relevant Authorities are advised that option (1) should usually be the preferred option.”

The Guidance from the Chief Coroner also states that, where possible, the Relevant Authority should state in advance its proposals for recruiting to the Senior Coroner position.

The Teesside and Hartlepool Coroner areas have a very experienced Senior Coroner, Mr Donnelly, who has a track record of excellent performance. Therefore, it is proposed to select option 1, subject to the Relevant Authority and the Senior Coroner being able to agree terms.

The Chief Coroner's guidance states that where a local authority chooses option 2 and a sitting Senior Coroner does not get the role then the sitting Senior Coroner should be offered

an Area Coroner role or should be compensated for loss of office. In the unlikely event of this option being considered the proposed model provides scope to offer the sitting Coroner an Area Coroner role.

Improved outcomes - for customers**Timeliness of inquests**

The historically poor performance of the Teesside Coroner's Service could rightly cause concern to stakeholders particularly the residents of Hartlepool. However, the underlying causes of this poor performance were identified and have been addressed. A new operating model was partially implemented in 2013 and fully implemented from mid-2014; this has resulted in the average time to deal with new inquests reducing to 14 weeks. It should be noted that this performance has been achieved alongside dealing with the historic backlog of cases and once the backlog is resolved performance is confidently predicted to match that achieved by Hartlepool Coroner's Service.

Availability and accessibility of the service

Merging of the Hartlepool and Teesside Coroner's Service with the implementation of a model that provides 1.6 FTE Coroner cover increases the availability of the service. It is envisaged that inquests into deaths that occur in Hartlepool will continue to be heard in Hartlepool.

Cost effectiveness of the service

The total annual cost of the Teesside Coroners Services in 2013/14 was £962,488. The total cost of the Hartlepool Coroner Services for 2013/14 was £182,000. The two costs combined being £1,144,488.

The 2013/14 Teesside Coroner's Service costs were incurred when the previous inefficient model was operating. The costs for 2014/15 are likely to show an increase on the 2013/14 figures as they include the costs associated with implementing the new model and in dealing with the significant backlog of cases. By 2015/16 the backlog of cases will have been resolved and the new, more efficient model will have been embedded. Consequently, a saving of 20% on the 2013/14 baseline is confidently predicted based on known savings and the impact of the new model as follows:

- Reduction in Coroner payments arising from the new model
- Reduction in administration costs arising from merger
- Efficiencies arising from the implementation of the new model due to fewer post-mortems and fewer witnesses being called. There are direct savings to the Coroner's Service in terms of payments for witnesses and post-mortems and also savings to partner organisations in terms of staff time saved
- Efficiencies arising from the procurement of undertakers.

The impact on the costs to each authority if a 20% reduction in costs is achieved is shown in the table below.

ESTIMATED - saving in 2015/16 (if merger occurs)	Budget contribution	Population	Cost	Difference
Middlesbrough	24.89%	138,744	£227,890	-£58,354
Redcar and Cleveland	24.22%	134,998	£221,756	-£57,847
Stockton	34.52%	192,406	£316,062	-£80,580
Hartlepool	16.36%	91,220	£149,790	-£32,210
Total			£915,498	-£228,991

Streamlined processes for organisations

It is unclear why the anomalous situation of two small Coroner areas within the former Cleveland Council area has occurred. A key partner in Coroner services, Cleveland Police, has a boundary that encompasses all four local authority areas. One police administrative team is in place to provide support for both the Teesside and Hartlepool Coroner areas. However, they have had to operate two separate processes which, is inefficient and could lead to confusion.

Other key strategic partners, who operate across the Hartlepool and Teesside Coroner areas, include:

- North Tees and Hartlepool NHS Foundation Trust
- North East Ambulance Service
- Tees Health Commissioning Group
- Tees and Esk Wear Valley NHS Trust
- Air Ambulance Service
- Cleveland Fire Brigade.

The two Coroner areas operate two different reporting systems, requiring organisations that sit in both areas to report deaths differently. In addition, there is currently a duplication of effort at a strategic level for example, when undertaking emergency planning work, the local authority emergency planning team has to engage with both Coroner areas and ensure resulting plans are cognisant of each other. Merging the two Coroner areas would enable these agencies to streamline their processes and achieve efficiencies. Informal feedback from stakeholders suggests support for a merger.

Responsiveness to future demand

Going forward there are likely to be significant changes in the level and type of demand placed on the Coroner's Service. These changes include:

- The new model, based on the Coroner's and Justice Act 2009, implemented by the Teesside Coroner's Service will result in fewer reported deaths and subsequent investigations.
- There are plans to close North Tees and Hartlepool hospitals and relocate on one site at Wynyard. Should this occur, it would skew the current split of caseloads between the two areas with approximately a third of the current Teesside caseload moving across to the Hartlepool Coroner area. The total number of deaths in the Hartlepool area would still be significantly below the lower threshold for a Coroner area. Without the merger the local

authority in Hartlepool would need to build capacity in order to effectively manage this increase in workload. With a merger the effect of this transfer of workload would not have a material impact on the operation of the service.

- The introduction of a requirement for medical examiners will require local authorities to appoint medical examiners and support officers to meet the new duties that will come into force from the 2009 Act (timescales unknown). A pilot study undertaken by the Department of Health indicates that an area with 5,000 deaths would require 7 part-time medical examiners (equivalent to 2 – 3 full-time posts) supported by 3 full-time medical examiner officers. It will be more efficient and cost effective to meet this demand in a merged service.

FINANCE AND POLICY COMMITTEE

Monday 21st July 2014



Report of: Director of Public Health

Subject: DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT

1. TYPE OF DECISION/APPLICABLE CATEGORY

For information only.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to present for information to the Committee the Director of Public Health Annual Report for 2013/14. This report will be presented to full Council in August 2014.

3. BACKGROUND

- 3.1 The requirement for the Director of Public Health to write an Annual Report on the health status of the town and the Local Authority duty to publish it is specified in the Health and Social Care Act 2012.
- 3.2 Director of Public Health Annual Reports are not a new requirement, as prior to 2012, Directors of Public Health in the National Health Service (NHS) were expected to produce annual reports.
- 3.3 Historically, the equivalent of the Director of Public Health Annual Report was produced by the Local Authority Chief Medical Officer.
- 3.4 Since the transfer of public health to the Local Authority in April 2013, this is the first time a Director of Public Health Annual Report has been produced since the last time the Local Authority had responsibility for public health back in 1973. Therefore the look back at the health status of the population over the past forty years provides the theme for the 2013/14 report.

4. DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT

- 4.1 Comparing and contrasting the health status of Hartlepool over the past 40 years required consideration of the Chief Medical Officer Report of 1973. The then Chief Medical Officer, Dr Milligan's report focused on infectious diseases, maternity and child welfare and environmental health. These priorities are still very relevant today to ensure the health of the public is protected.
- 4.2 Forty years on and the focus for the Director of Public Health Annual report is on improving the health of the population and reducing health inequalities by addressing non communicable disease such as cancer, cardiovascular disease, respiratory disease. To reduce incidence and prevalence of these diseases action must be taking to reduce associated risk factors for disease such as addressing smoking, excessive alcohol use and increasing numbers of people who are overweight or obese.
- 4.3 Forty years on and the evidence base regarding the inextricable link between poverty, social and economic deprivation and health inequalities is well understood and largely accepted. This is very clearly demonstrated by the gap in life expectancy of 14 years for men and 8 years for women in Hartlepool between the more affluent and the more socially and economically deprived communities.
- 4.4 The 2013/14 Director of Public Health Annual Report focuses not so much on diseases but on the risk factors for developing diseases, hence the focus on the three key priority areas of smoking, alcohol and obesity. The three priority areas provide an opportunity to improve health as they are amenable to change. However, change will not be achieved solely by individual behaviour change but through education, accessible services, and local and national policy changes.

5. RECOMMENDATIONS

- 5.1 Members receive this report for information.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Ensures compliance with the statutory duties under the Health and Social Care Act 2012 for the Director of Public Health to produce a report and the Local Authority to publish it.

7. CONTACT OFFICER

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Director of Public Health Report



Public Health - Then and Now 1973 - 2013

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Foreword

As a long-term employee of Hartlepool Borough Council, I can recall the last Medical Officer for Health, Dr Milligan. His last report in 1974 forms the starting point of this report from the Director of Public Health for Hartlepool, Louise Wallace. The Director of Public Health is the equivalent post in 2014 and it is interesting that at the time of Dr Milligan's report, Public Health as a discipline was leaving the Council's remit for the NHS. At the time of writing, after 40 years, Public Health has returned to the fold. In the intervening years many things have changed in Hartlepool – politically, economically and geographically – and this report touches on them all. However, in terms of the population of Hartlepool, one thing remains constant – health and wellbeing is of fundamental importance to leading a fulfilled and not just a tolerable life. On this basis, I am happy to extend a warm welcome to Public Health because it presents us with an opportunity to work more collaboratively to ensure that the people of Hartlepool live as happy and fulfilled a life as possible.

The challenges have also changed somewhat. While the need to protect the public from infectious disease and environmental hazard remains, we also need to ensure that quality of healthcare is acceptable, and that public health services such as smoking cessation, and drug and alcohol services are in place. In addition, the last 40 years have seen a change in population structure, meaning that we have an increasingly ageing population where the challenge is now the long-term health effects that are related in large part to lifestyle. This report highlights that challenge comprehensively by focusing on the issues of tobacco, alcohol and obesity, and also puts the spotlight on possibly the biggest challenge we face – how to tackle the issue of unjust health inequality. These challenges will be solved in one fell swoop or in a matter of months. This report recommends that we attend to the need to plan and implement interventions for the short, medium and long-term to embed these fundamental priorities at the heart of the Council's work. I endorse this approach and look forward to watching the progress that we make in improving the health and wellbeing of Hartlepool.



Dave Stubbs
Chief Executive
Hartlepool Borough Council

Introduction

In 2010, the Coalition Government decided that public health should be located within Local Government (as it was pre-1974). The Health and Social Care Act (2012) made this possible, along with many other changes to the structure of the NHS and social care system. For public health, this meant the physical relocation of many staff and a complete rethink about how public health functions would be delivered. When the responsibility of public health became that of the NHS, environmental health remained in local government. In the intervening years there have been many changes within the theory and practice of public health. [1] [2]

The Director of Public Health

In 1973, when last in local government, this leader was the Medical Officer for Health. In more recent times within the NHS, a Director of Public Health held this key role. In Hartlepool Borough Council, there is a Director of Public Health who is a statutory chief officer of the Council and a member of the Council's Corporate Management Team. This role encompasses a range of responsibilities including being the principal adviser on all health matters to elected members and officers, with a leadership role spanning all three domains of public health: health improvement, health protection and healthcare public health. [1]

The public health transition

Due to the wide ranging determinants of health, no single organisation can tackle public health alone. The transition of public health into local authorities ensures that there is an opportunity to create integrated and systematic solutions to Hartlepool's most pressing public health challenges.

In Hartlepool, a new Public Health Department has been established. The Regulatory Services, including Environmental Health and Trading Standards functions, and the Sport and Recreation Services within the Council, have now become part of the Public Health Department. This will ensure that efforts to support the protection and improvement of the health of the people of Hartlepool, and the quality of healthcare available to them, will be more seamless. These efforts will be in line with the Strategy approved by the Health and Wellbeing Board and will address the key priorities for Hartlepool as informed by the Joint Strategic Needs Assessment.

Revisiting the past

The public health transition provides an opportunity to consider how Hartlepool has changed in the last 40 years. The 1973 equivalent to this report provides a starting point for us to consider the changes over time. The report was produced by the then Medical Officer for Health, Dr H. C. Milligan, while this report is produced by me. Over the last century we have seen a change in focus for public health, from infectious diseases (e.g. cholera and typhoid) to focusing on chronic illness (e.g. heart disease and cancer) and behaviours (e.g. smoking and alcohol use). In 1973, the concept of improving health by promoting healthy behaviour was in its infancy, whereas the 2013 report will focus on these challenges and the major changes that have been made since the 1973 report.



*Louise Wallace
Director of Public Health
Hartlepool Borough Council*

Hartlepool Then and Now

Chapter 1

Population

The population of Hartlepool has decreased by about 4,500 people in the last 40 years. This may be due to a number of reasons, such as a lower birth rate and urban decline & unemployment in the 1970s and 1980s because of the outward migration of businesses and people.

1973

MALES: 47,417

FEMALES: 49,353

TOTAL: 96,770

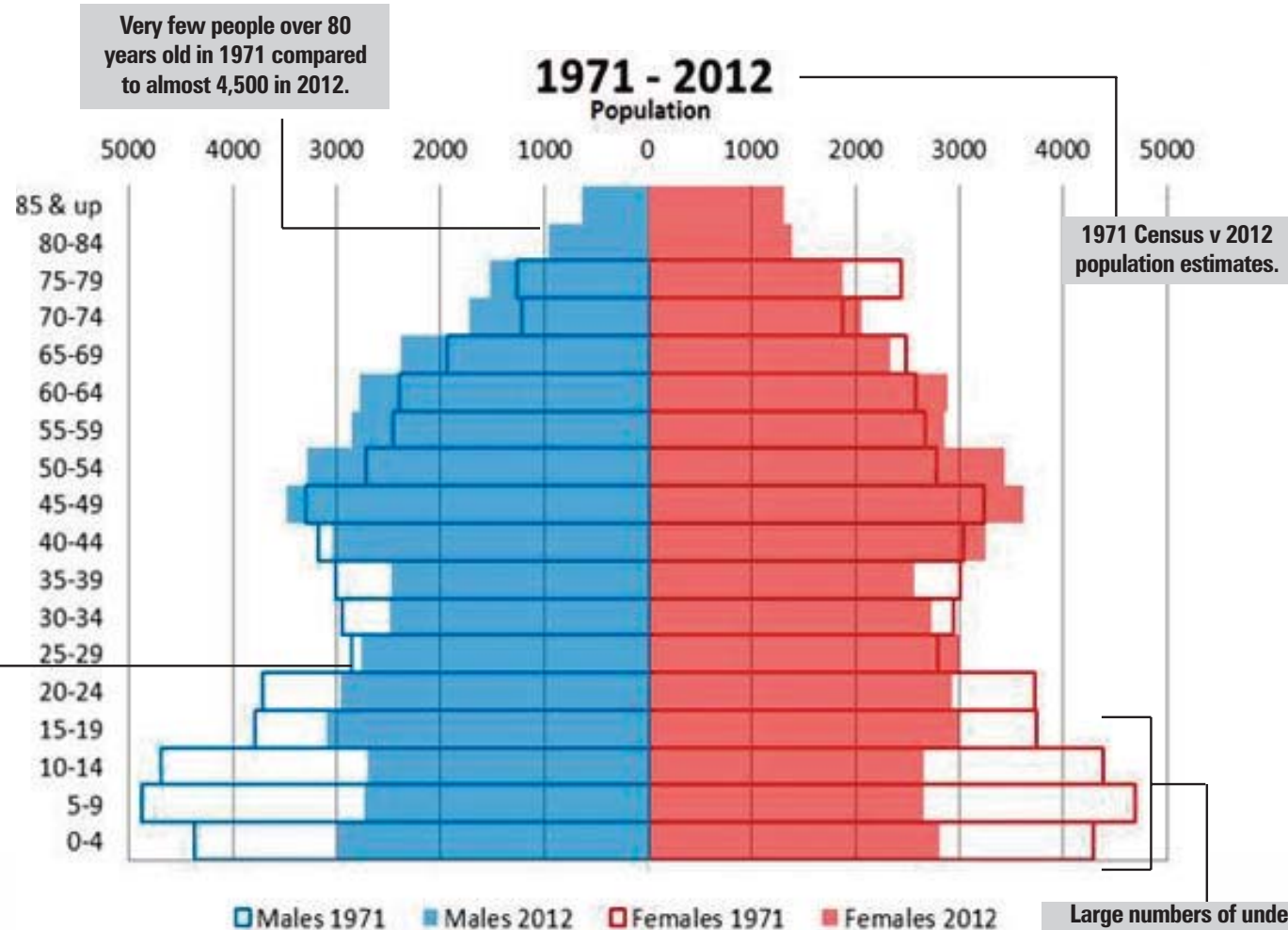
2013

MALES: 44,855

FEMALES: 47,383

TOTAL: 92,238

Huge decline in numbers from (20-24) to (25-29) year olds. Perhaps due to fewer births during World War II



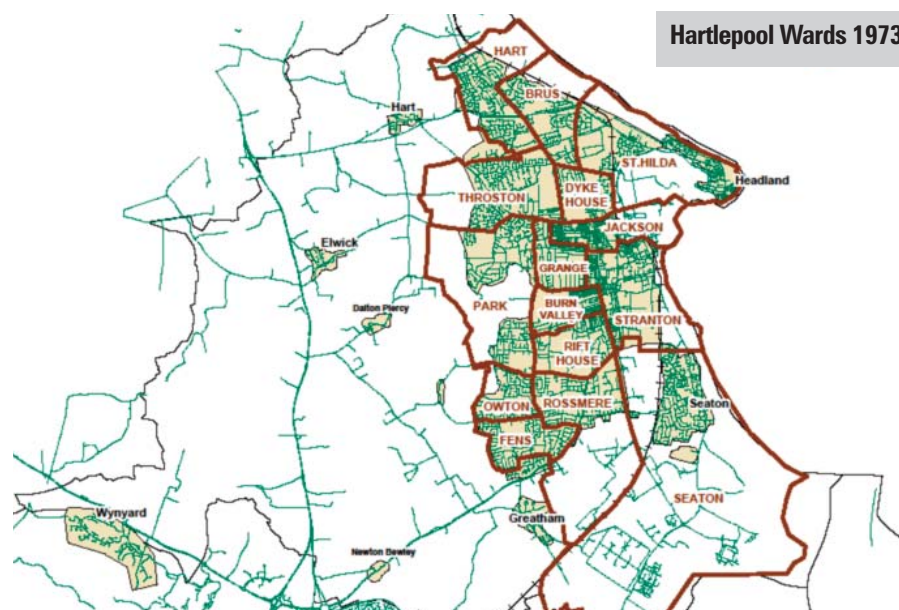
Reference: Office for National Statistics

Hartlepool Then and Now

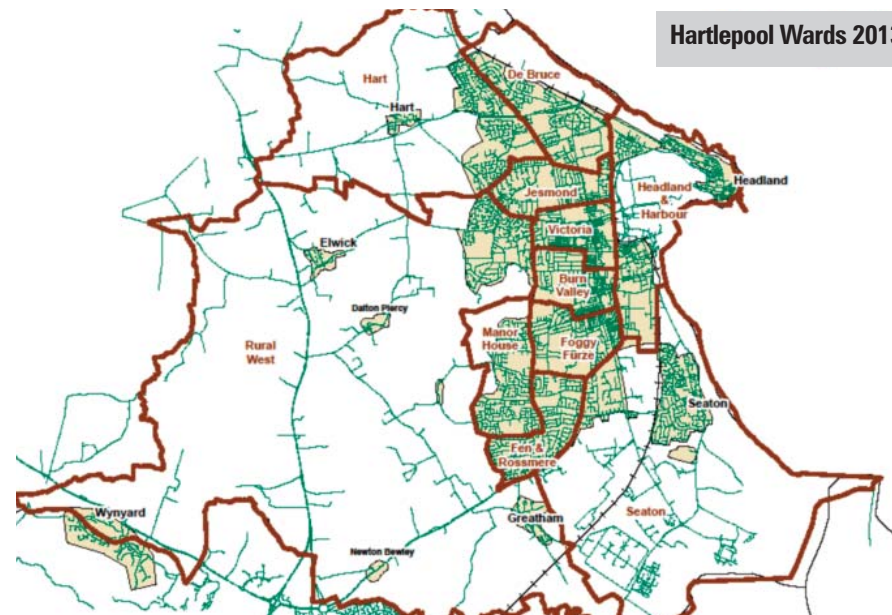
Chapter 1

Geography

Hartlepool has grown from the original early settlement on the Headland. In more recent times, the young town of West Hartlepool expanded in the 1960s. In 1973, the town covered a smaller geographical area than it does today.



In 1973 there were 15 electoral wards: Brinkburn, Brus, Dyke House, Fens, Grange, Hart, Jackson, Owton, Park, Rift House, Rossmere, St. Hilda, Seaton Carew, Stranton and Throston.



In 2013 there are 11 electoral wards: Burn Valley, De Bruce, Fens & Rossmere, Foggy Furze, Hart, Headland & Harbour, Jesmond, Manor House, Rural West Seaton and Victoria.

Hartlepool Then and Now

Chapter 1

Economy

In 1973, it was reported that unemployment in Hartlepool was falling, and many new industries were applying for permission to locate in the area. In the late 1970s and the 1980s there followed a period of increasing unemployment of up to 30%, and an increase in poverty, which continued until the 1990s when a major investment and re-development began. In 2013 the unemployment rate was 14.3% (twice the national average).

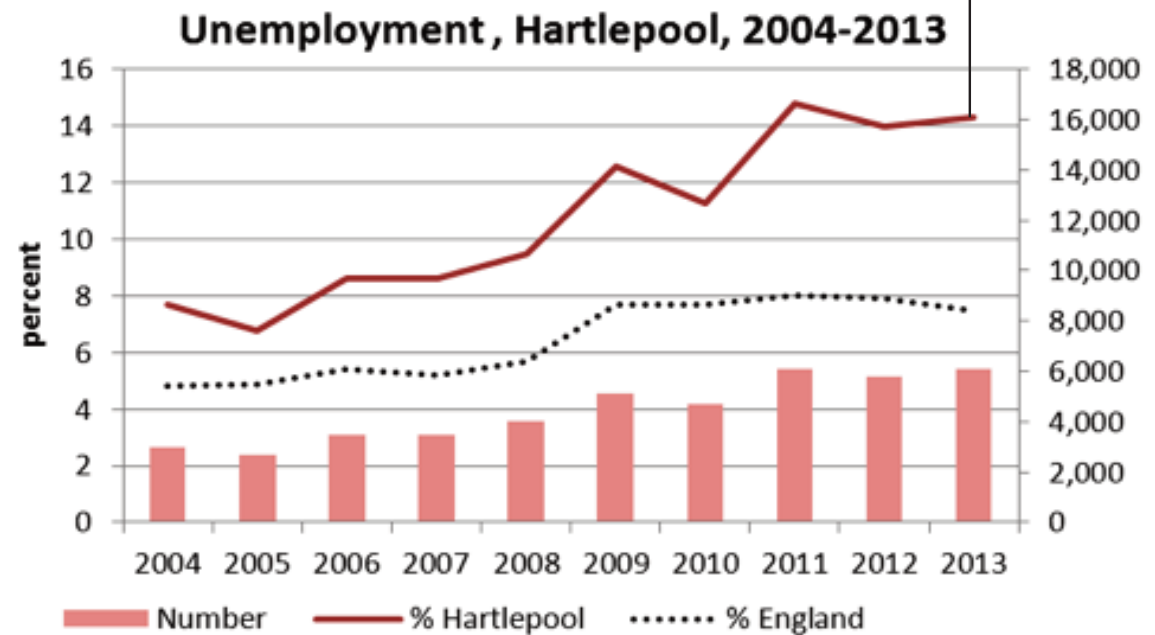


Middleton Grange Shopping Centre was opened by Princess Anne in 1970.



Throughout all the changes in economy, Cameron's Brewery, founded in 1852, has remained in the centre of town.

Unemployment rates in Hartlepool are the highest they have been in over 9 years (14%+).



Source: Nomis

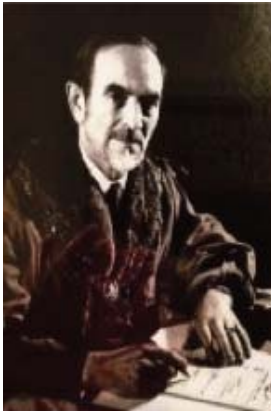
Hartlepool Then and Now

Chapter 1

Hartlepool Borough Council

Although there have been many structural changes to local government in Hartlepool, the post of Mayor represents a civic link to 1973; however. For instance, the County Borough ceased to exist on 1 April 1974, as the Local Government Act 1972 came in to force.

1973



Mayor of the County Borough of Hartlepool was Councillor W.O. Mann.

COUNTY BOROUGH OF HARTLEPOOL		MAYORS	
1967	F. JACQUES, JP.	1981	G.H. ELLETT
1968	W.H. SELEY	1982	C. STUBBS
1969	GPK GALLIMORE M.A.	1983	J. JONES
1970	Mrs. A. TUSON	1984	M. LENNON
1971	J.A. POUNDER, M.B.E., T.D.	1985	Mrs. M. BOAGEY
1972	Mrs. E. SPRINTALL	1986	R. BARNEATHER, B.E.M.
1973	W. O. MANN	1987	Mrs. M. WATSON
DISTRICT COUNCIL OF HARTLEPOOL		1988	J.M. Rao
1974	K. McINTYRE	1989	Mrs. M. KELLMAN
BOROUGH OF HARTLEPOOL		1990	J. LYNCH
1974	R. WALLER, JP.	1991	T. LLOYD
1975	J. BOWERS, B.E.M.	1992	V. BURTON
1976	J.C. HERBERT	1993	B. SMITH
1977	J.W. MASON	1994	Mrs. S.G. HANSON
1978	H.S. GARDNER	1995	Mrs. G. WORTHY, J.P.
1979	B. HANSON	1996	H.J. BISHOP
1980	W. MIDDLETON	1997	Mrs. M. DOYLE
		1998	H. CLOUTH
		1999	R. WATTS
		2000	E. ROGERS
		2001	D.R.P. FERRIDAY, F.R.S.A.

List of past and present mayors of Hartlepool

2013



Mayor of Hartlepool is Councillor Stephen Akers-Belcher.



Hartlepool Civic Centre

Hartlepool Then and Now

Chapter 1

Public Health

In assessing public health, measurement is a key activity to be able to make comparisons between different outcomes. One of the most common of these measures is the mortality rate. The rates are adjusted to take account of the age structure of the population.

1973

Mortality (All Causes)	Number	Percentage %
Number - All	1,155	100.0%
Number - Male	634	54.9%
Number - Female	521	45.1%
Rate (per 1,000)	14.7	-

Cause of death	Number	% of all deaths
Circulatory Disease	560	48.5%
Cancer	245	21.2%
Respiratory Disease	178	15.0%

A higher proportion of men (than women) died in 1973 compared to 2013.

The mortality rate in 2013 is less than half the 1973 rate (and 250 fewer people died). However, in 2013 the mortality rate is still higher than the national average (5.3).

2013

Mortality (All Causes)	No.	%
Number	905	100.0%
Number - Male	440	48.6%
Number - Female	465	51.4%
Rate (per 1,000)	6.0	-

Cause of death	Number	% of all deaths
Circulatory Disease	236	28.4%
Cancer	279	32.9%
Respiratory Disease	52	4.4%

Infant mortality has significantly reduced. There were five times more infant deaths in 1973 than 2013.

- Almost half the deaths in 1973 were due to circulatory disease. In 2013, circulatory disease accounted for less than one-third of all deaths.
- In 2013, cancer is the cause for 33% of deaths in Hartlepool. In 1973, cancer only accounted for 21% of deaths.
- In 2013, the proportion of deaths from mortality from respiratory disease is three times less than in 1973.

Hartlepool Then and Now

Chapter 1

Living in Hartlepool

In 1973, the Corporation built 70 houses and private industry built 252 houses. In 2013, the Council is on target to build 60 houses, while the private sector target is 320. These figures reflect the changing patterns in housing as the Council stock has reduced, and private ownership and private rentals have become more common. Average household size has reduced with the trend towards smaller family size and more people living alone.

1973

Total Households: 31,900

Owner Occupied: 14,700 (46%)

Council/Town Rented: 13,000 (41%)

Privately Rented: 4,200 (13%)

Average Household Size: 3.0 people



1970's style housing in Easington Road prior to re-development (HBC)

2013

Total Households: 40,400

Owner Occupied: 24,400 (60%)

Council/Town Rented: 9,500 (24%)

Privately Rented: 6,500 (16%)

Average Household Size: 2.3 people



Easington Road 2013 (HBC)

Hartlepool Then and Now

Chapter 1

Then & Now

The population of Hartlepool has decreased by about 4,500 people in the last 40 years. This may be due to a number of reasons, such as a lower birth rate and urban decline & unemployment in the 1970s and 1980s because of the outward migration of businesses and people.

1973



Milk 1973 6p



2013

Images reflecting popular & cultural issues at the time



Milk 2013 43p



Hartlepool Then and Now

Chapter 1

Public Health Priorities

The increase in the prevalence of long-term conditions (such as diabetes and asthma) has led to a change in focus in public health activity from predominantly health protection in relation to infectious disease. Attention now includes quality health care and health improvement activities. It has become increasingly recognised that these long-term conditions are often linked to particular behaviours that threaten our health.

1973

The 1973 Medical Officer's report focussed on:

Infectious Diseases

Such as: measles, scarlet fever, whooping cough, food poisoning, jaundice, malaria and various venereal diseases.

Maternity and Child Welfare

Such as: ante-natal care, dental treatment, health visiting and vaccination & immunisation.

Environmental Health

Such as: housing, chemical sampling & testing of milk, noise, slaughter house & meat inspections and water supply.

2013

The 2013 Director of Public Health report will focus on the following:

Tobacco Control

Since 1973 there have been significant reductions in the prevalence of smoking in the UK. However, it is clear that smoking rates remain high in those areas and populations that suffer greater levels of deprivation.

Nutrition and Obesity

There has been a significant increase in obesity in the last 40 years. This carries an increased risk for a number of diseases and is therefore a major concern for public health.

Alcohol Misuse

Attitudes towards alcohol have changed in the last 40 years. During this time the availability of alcohol has increased partly because its relative cost has reduced.

Tobacco Control

Chapter 2

Introduction

Smoking is a significant public health threat and is responsible for a major burden of disease, including cardiovascular and respiratory conditions. Smoking disproportionately affects the health of deprived communities and vulnerable groups such as children, young people and pregnant women.

If there is one example of where Public Health as a discipline has made the biggest impact, it is in the approach to reducing tobacco use and protecting people from its harmful effects. In 1973, the health risks were starting to be communicated to people. Then smoking was still very popular, but over the last 40 years many things have changed. There has been a cultural shift, largely led by Public Health, involving actions by a mix of different organisations and individuals. In 2011, the Coalition Government launched its Tobacco Control Plan for England in which it set out an ambition to reduce adult smoking prevalence to 18.5% or less by 2015.

Smoking prevalence

	1973	2013
Men	50%+	21%
Women	40%+	19%

HSCIC [5]

In England, smoking causes 80,000 premature deaths each year. This makes smoking the largest preventable cause of ill-health.

The cross-cutting nature of tobacco

Professor Sir Michael Marmot made the following recommendation in his independent review into health inequalities:

'Tobacco control is central to any strategy to tackle health inequalities as smoking accounts for approximately half of the difference in life expectancy between the lowest and highest income groups. Smoking-related death rates are two to three times higher in low-income groups than in wealthier social groups.'[4].

Hartlepool Borough Council is fully committed to the Marmot Principles. To signify their support to tobacco control they have signed the Local Government Tobacco Control Declaration as a means of acknowledging the importance of the agenda, welcoming the opportunity to lead local action to tackle smoking. They fully endorse the annual action plan of the Smoke Free Hartlepool Alliance, with an overall aim of reducing smoking prevalence, and thereby health inequalities in the town.

Tobacco Control

Chapter 2

Tobacco control - what it is and why it's important

In 1973, people were fooled into thinking cigarettes were a normal part of life. People smoked them in large numbers, but they were also starting to kick the habit too, particularly amongst the more affluent professional middle classes. The health education on smoking was basic and largely consisted of telling smokers to stop smoking without being given any specific help or support. The only reference to smoking in Dr Milligan's report was a reference to 'anti-smoking education campaigns' which seemed to be having some success with older smokers.

It was in 1974 that the Health Field Concept was proposed by Lalonde,[6] suggesting for the first time that health and wellbeing of individuals and populations was determined not just by traditional medical approaches, but was also influenced by lifestyle, biology and the environment. This was the first step in a series of developments which looked to prevent as well as to cure. It would be many years however, before the UK government published a white paper entitled "Smoking Kills" in 1998, in which it outlined its plans to reduce the massive toll of death and disease caused by smoking.

Smoking Kills

Smoking Kills has the distinction of being the first White Paper to focus on tobacco, and sets out the clear evidence that the most effective means of controlling tobacco involve taking a multi-faceted and comprehensive approach at several levels.

The persistence of public health professionals before and since the landmark "Smoking Kills" White Paper has resulted in a number of key changes to legislation that have had a positive impact on the health of the public. [7]

Stop Smoking Services

Stop smoking services ensure that every smoker in the country who wanted help with stopping would have access to evidence-based behavioural support (along with a prescription for a smoking cessation medication). Services in Hartlepool have consistently performed as either best or second best in England and are the best in the North East for 4-week quitters.

Second - hand Smoke

In 1973, little consideration was given to the implications of second-hand smoke. Smoking was a habit carried out at home, at work, the cinema, restaurants and on transport. It wasn't until the early 2000s that new evidence was published [8].

A range of research papers concluded that the immediate effects of exposure to secondhand smoke include eye irritation, headache, cough, sore throat, dizziness and nausea. Adults with asthma can experience a significant decline in lung function when exposed, while new cases of asthma may be induced in children whose parents smoke. Short-term exposure to tobacco smoke also has a measurable effect on the heart in non-smokers. In the longer term,

passive smokers suffer an increased risk of a range of smoking-related diseases. In 2004 a report from the Scientific Committee on Tobacco and Health found that secondhand smoke is a cause of lung cancer and ischaemic heart disease in adult non-smokers and a cause of respiratory disease, cot death, middle ear infections and asthma attacks in children.

On July 1st 2007, in a landmark public health moment, England introduced a new law to make virtually all enclosed public places and workplaces in England smokefree. The legislation ensures a healthier environment, so everyone can socialise, relax, travel, shop and work free from secondhand smoke. Despite opposition from the tobacco industry, this legislation has proven to be universally popular, not just with non-smokers, but also with those who still smoke or are trying to quit.



Tobacco Control

Chapter 2

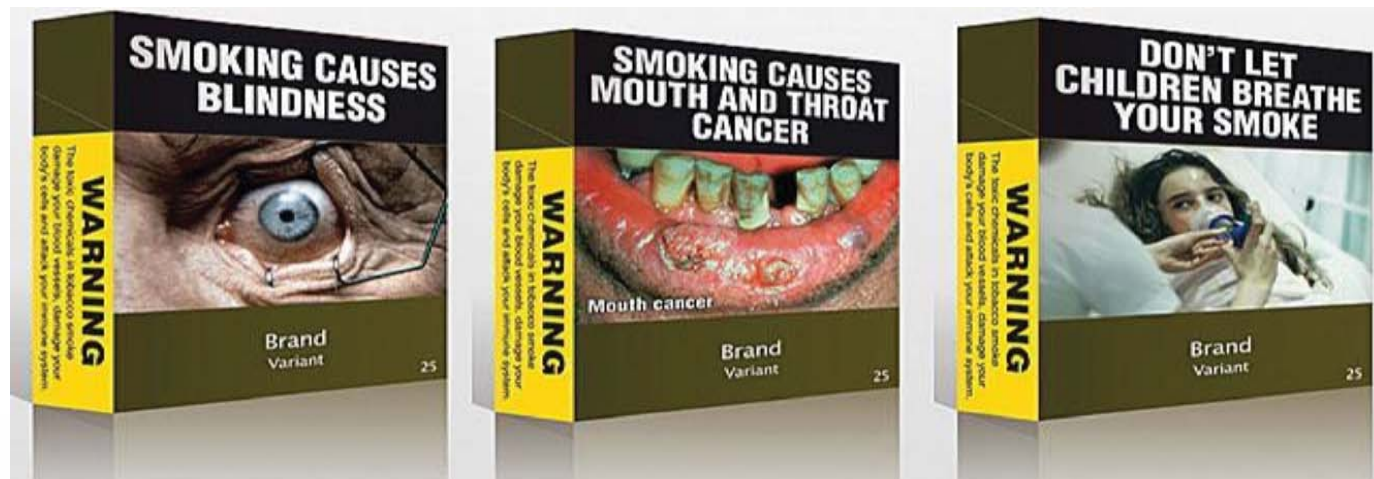
Marketing

In 1973, the marketing of tobacco was an important factor in ensuring that smoking remained popular and the tobacco industry invested heavily in this. From Hollywood stars to doctors, from sport to music - all have been a vehicle for marketing tobacco. The Tobacco Advertising and Promotion Act (2003) introduced a ban on tobacco direct marketing and sponsorship within the UK. [9-12]

Tobacco packaging

In 1973, cigarette manufacturers put a mild health warning on the packets. In 2013, it is compulsory for tobacco products to include graphic health warnings. However, two-thirds of regular smokers start before the age of 18 and two-fifths before 16. Due to the restrictions on advertising, tobacco packaging has become one of the tobacco industry's leading promotional tools, and innovative packaging and branding designed to appeal to young people continues to be a key element in maintaining smoking uptake.

Standardised packs were introduced in Australia on 1st December 2012 in a bid to make smoking less attractive to their children and young people. In April 2014, the Government announced that it is minded to introduce standardised packaging subject to a short consultation. The proposed standardised packaging can be seen right. [13]



Proposed standardised cigarette packaging (FRESH)

Tobacco Control

Chapter 2

Hartlepool	Number	Percentage %
Smokers	17,200	23.5%
Deaths due to smoking	159	17.6%
Smoking during pregnancy	259	22.7%

The local challenge

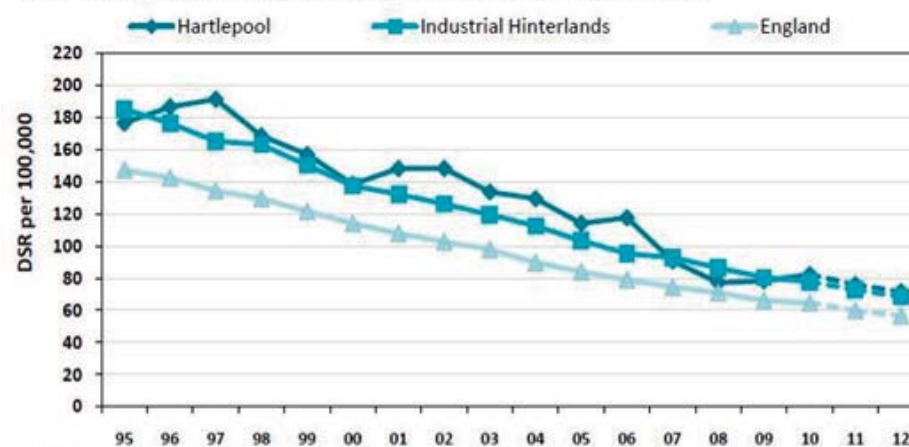
Although there is a lot of work on tobacco education for young people in the school setting, there is currently no stop smoking advice and support specifically for young people. This is now being addressed.

Numbers accessing stop smoking services are showing a decline (possibly due to getting down to the most hardened smokers or the availability of electronic cigarettes). These are not yet licensed as a medication and therefore unable to be prescribed through services.

Tobacco control impact - reduction in cardiovascular disease (CVD)

One of the major causes of mortality in the UK is CVD, a disease that is caused in large part by smoking. There has been a considerable reduction in deaths due to CVD since 1973. The gap between Hartlepool mortality rates and England rates is reducing and therefore impacting on health inequalities.

All CVD mortality rates (DSRs) in persons under 75 yrs: 1995 to 2012



Source: The NHS Information Centre for Health and Social Care, PHO annual deaths extract, ONS

% Decrease 1995 to 2010

Hartlepool: 53.4% Industrial Hinterlands: 58.0% England 56.1%

Summary

Hartlepool has made much progress in establishing tobacco control. There is an effective stop smoking service, an active Smoke Free Alliance co-ordinating wider activity on tobacco control and strong support from the local authority. However, to reduce inequalities, more targeted work on smoking cessation is required to support residents from the most disadvantaged areas, unemployed people, young people and pregnant women. For tobacco control, there remains the regular monitoring of legislation and the ongoing lobbying of government (e.g. standardised packaging and smoke-free cars). Progress could be jeopardised if we do not actively maintain our efforts.

Nutrition and Obesity

Chapter 3

Introduction

Being overweight or obese increases the risk of diabetes, high blood pressure, heart disease and some cancers, which are among the biggest contributors to premature mortality. The concept of a balanced diet is relatively recent, and it was only in the post-war years that the new science of 'nutrition' was born. Today's food environment is quite different to 1973 and an extensive variety of food and drink products is now available and offers palatability, convenience and novelty [14].

People were generally more active in 1973, so there was less education about being overweight and obese at the time. Dr Milligan's report recognises the importance of nutrition in its careful listing of the cost of welfare foods for infants, though there is perhaps a sign of things to come with a single reference to health visitor involvement in a 'weight reducing clinic' at a local hospital.

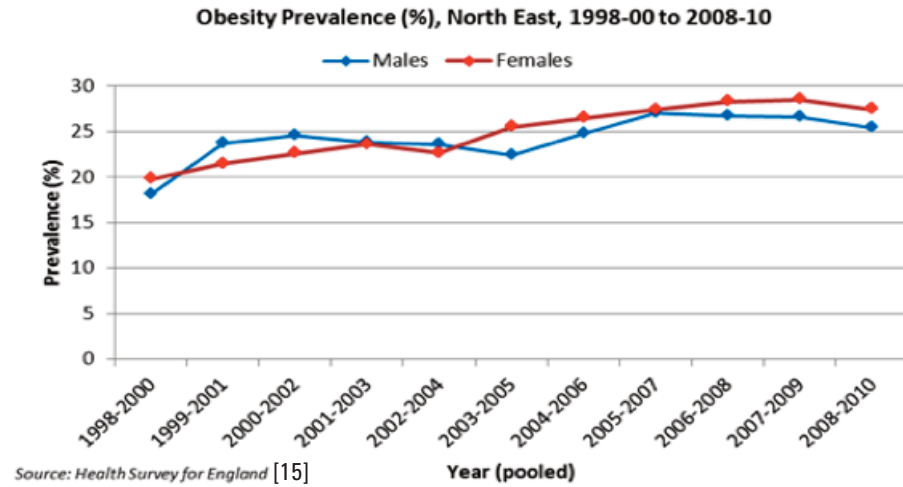
In 1973 the health education was basic. It was centred on home economics or domestic science, teaching people how to prepare and cook food, but not necessarily focusing on healthy eating or weight management. The prevailing culture at that time meant that there was little need for intervention in respect of obesity. The relative lack of technology at work and at home meant that work (employment and

domestic), was more likely to be manual in nature, while television and video games were less common and so children tended to be more active. In addition, food was more likely to be prepared and cooked from scratch and there was much less processed food.

The need to intervene

It was not until 1980 that obesity rates started rising steadily in the UK.

In 2013, approximately 28% of females and 25% of males in the North East are obese. Private weight loss companies such as Weightwatchers and Slimming World are thriving and the NHS is spending around £5 billion each year [16] on treating the health effects that are associated with overweight and obesity. Being of an above-average weight is now the norm, with 68.5% [17] of Hartlepool residents having a Body Mass Index (BMI) >25.



A BMI of 30 or higher indicates a person has very high body fat or is obese

A BMI of 25 - 29.9 indicates a person has high body fat or is overweight.

A BMI of 18.5 - 24.9 indicates a person is within the recommended range of body fat.

A BMI of < 8.5 indicates a person has low body fat or is underweight.

Nutrition and Obesity

Chapter 3

The World Health Organisation (WHO) points to a number of factors that have contributed to a reduction in the amount of physical activity. [18] These include:

- A reduction in occupational exercise. The extra physical activity involved in daily living in 1973 compared with today, has been estimated to be the equivalent of running a marathon a week.
- Greater use of the car and wider car ownership.
- An increase in energy-saving devices in public places, such as escalators, lifts and automatic doors.
- Fewer opportunities for young people to take physical exercise.
- The substitution of physically active leisure with sedentary pastimes such as television, computer games and the internet.

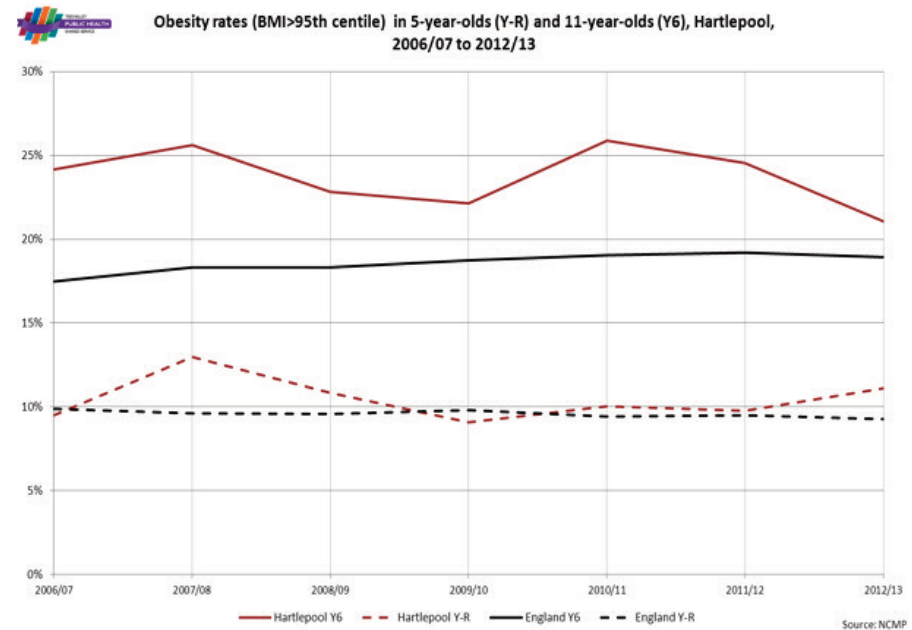
Aims of Public Health intervention

There are 5 key strands with supporting actions to support obesity management in Hartlepool, aligned to the national Healthy Weight, Healthy Lives Strategy [19]. They are:

1. Children: Healthy Growth and Healthy Weight;
2. Promoting healthier food;
3. Building physical activity into our lives;
4. Creating incentives for better health; and
5. Personalised support for people who are overweight and obese.

Local Challenge

In Dr Milligan's School Medical Officers Report of 1973, the measurement of children was restricted to routine medical inspections. In 2013, children in Reception (4-5 year olds) and year 6 pupils (10-11 years old) are weighed and measured each year in school as part of the National Child Measurement Programme (NCMP). There is much more information about the growth patterns of today's children. In 2011/12, 10% of reception children and 24% of year 6 pupils in Hartlepool were obese [20].



Nutrition and Obesity

Chapter 3

Retail food and drink outlets

Since 1973, Hartlepool, like many other areas in the UK, has seen a major decline in the more traditional trades such as butchers, bakers, fishmongers and greengrocers, which typically supplied fresh food including fruit and vegetables. These would be taken home and prepared as home-cooked meals. General dealers, smaller supermarkets and newsagents have also decreased in number and been replaced by larger stores and supermarkets supplying a much wider range of products including convenience foods, which can be consumed inside or outside the home. [21] [22] [23] [24]

TYPE	1973	2013	% change
Newsagent/Confectioner	66	37	- 44%
Bakeries/Bakers Shops	42	20	- 52%
Butchers	62	16	- 74%
Café/Restaurant	32	104	+ 325%
Fish & Chip Shop	49	20	- 60%
General Dealer	134	82	- 39%
Greengrocers	35	11	- 69%
Takeaways	0	112	-
Off Licence	29	5	- 83%
Supermarket	51	20	- 61%
Petrol Stations	0	7	-
Health & Sports Clubs	0	8	-
Ice Cream	4	7	+ 75%

In 1973, there were 0 takeaway establishments, in 2013 there are 112!!



Early example of take-away food (HBC)



Supermarkets – a new innovation (HBC)

There has been a 300%+ increase in the number of cafés/restaurants in Hartlepool since 1973.

Nutrition and Obesity

Chapter 3

Food marketing

Advertising and other forms of marketing are a significant contributor to childhood obesity [25]. The extensive variety of food and drink products now available and the marketing of these products (especially those with a high content of fat, sugar or salt) challenge efforts to eat healthily. Studies have shown a relationship between weight gain and television exposure [26], and that television advertising influences children's food preferences and consumption patterns [14]. The National Institute for Health and Care Excellence (NICE) recommends that measures to protect children from the dangers of a poor diet should be given serious consideration [27].

New television advertising rules were introduced in the UK in 2007 (fully implemented in 2009), which restricted the advertising of high fat, sugar or salt products to children. It has been suggested that this has reduced this type of advertising for children and young people by 37%, although, some recent research has indicated that the amount seen by children has actually increased [28]. This is because the regulation applies only to children's TV, not programmes for older audiences. These are recognised as having a powerful influence on children and young people [27].

Many techniques are used to market food products, not just through television, but also through social media and the Internet. There are no codes or regulations that address these integrated marketing communications across the range of different marketing platforms now available.

Food labelling

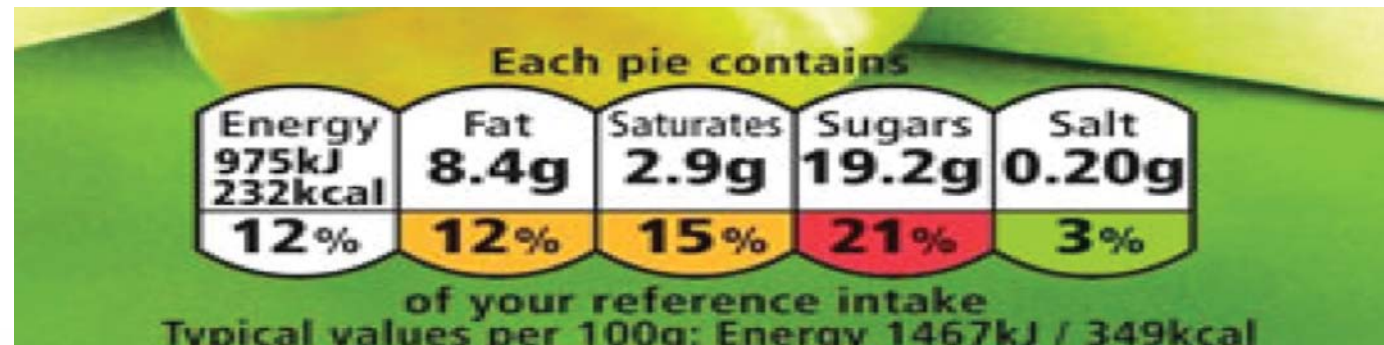
The law in the UK on food labelling is multifaceted and is spread over many reforms and parliamentary acts, making the subject complex. In 1970, the first large scale review of food labelling since the early 1950s was published as the Labelling of Food Regulations. This was in response to the continual consumer demand for pre-packed foods which

left previous measures outdated and now required new design of packaging and modifications to labelling. From 1973, these regulations came into force and saw nutritional labels used for the first time on processed food to provide consumers with nutrient information. Today nutrition labels provide even more useful product information. In 2013, after consultation, agreement was reached on a voluntary scheme to inform food choices through a 'traffic light' system to make it easier for consumers to know the nutritional content of food [29].

Red - high = enjoy it once in a while

Amber - medium = ok most of the time

Green - low = go for it



Nutrition and Obesity

Chapter 3

School meals

School meals are an important way of promoting healthy eating habits in children and young people (more so for children living in areas of deprivation). Good nutrition is also beneficial for concentration, so encouraging and increasing the uptake of school meals may help improve both the health and education of school children in Hartlepool. There have been some interesting changes in both numbers of school children and the patterns of their school dinner consumption in the years since 1974.

The uptake of school meals, generally, decreases when children move from primary to secondary school and in many cases secondary school pupils are allowed to leave the school premises at lunchtime.

In 2007 the Government introduced set nutritional standards for school dinners [30], which have introduced more fresh ingredients and less processed foods. The options on the menu have also changed greatly over the years, reflecting the availability of prepared foodstuffs, cultural changes and recognition of the need for a balanced diet

	1974	2012
Children on school roll	22,570	13,136
Children receiving school dinners	10,597 (47%)	7,220 (55%)
Children receiving free school dinners	2,733 (26%)	2,883 (40%)
Children having paid dinners	7,864 (74%)	4,337 (60%)
Children having school milk	5,710	Unknown

	1973	2013
Main Meal Options	Liver & onions Spam fritter Mashed or boiled potatoes Cauliflower Beetroot Peas	Sweet potato and vegetable curry, Naan bread & mixed salad Fish fingers, chips and garden peas Salad bar option with jacket potato and fillings Selection of sandwiches, wraps and pitta bread
Dessert Options	Chocolate concrete cake and pink custard Tapioca Ice cream and toffee sauce	Chilled berry mousse or fresh fruit
School Meal Prices 1973: 14p 2013: £1.90 to £2.10		

Nutrition and Obesity

Chapter 3

Travel and transport

Car ownership in Hartlepool has increased significantly in the last 40 years. In 1973, 40% of households owned a car, whereas in 2011, 65% of households in Hartlepool have at least one car or van (416 cars per 1000 people). Improved transport links and car ownership mean residents often make just one weekly journey to a large supermarket which provides everything a family needs, rather than making multiple shorter journeys to a number of local stores several times a week. As a result, people are less physically active.

The most popular method of travel to work in Hartlepool is by car/van, or as a passenger (over 40% of journeys), with fewer than 8% of journeys made on foot or bike. [31]

Breastfeeding

It is widely known that the best start in life for a new baby is to breastfeed. A baby who is breastfed is less likely to become obese in later life and therefore less likely to develop type 2 diabetes and/or other illnesses.

Breastfeeding rates in Hartlepool (43.9%) are among the lowest in England (73.9%) and the gap between Hartlepool and England is widening. Breastfeeding rates vary considerably within Hartlepool. In Rift House, Brus and Owton wards, less than one-third of mothers initiated breastfeeding, compared with more than three-quarters in Elwick, Park and Greatham wards.

In Hartlepool, there are several initiatives to improve the uptake of breastfeeding:

- Peer support;
- Training & guidance to staff & biological nurturing feeding position;
- More support during pregnancy;
- Health visitor teams trained in motivational interviewing for breastfeeding; and
- Breastfeeding Welcome Award.

Breastfeeding rates in Hartlepool are one of the worst in England.

Method of travel to work in Hartlepool	Percentage
Working from home	1.6%
Train	0.7%
Bus	3.9%
Taxi	1%
Motorcycle / scooter	0.3%
Car / van	35.7%
Passenger in car / van	4.8%
On foot	6.8%
Bicycle	1.1%
Other	0.6%

Nutrition and Obesity

Chapter 3

Welfare food and healthy start vitamins

In 1973, welfare food was available at the infant welfare clinics which were located across the town. The products included national dried milk, concentrated orange juice, cod liver oil, vitamin A and D tablets, and children's vitamins. These were offered for sale and for free (depending on family circumstance). In 2013, welfare food support is through the 'Healthy Start' scheme which aims to support low-income families to eat more healthily by providing them with vouchers to spend on cows milk, fresh or frozen fruit and vegetables and infant formula milk. The scheme also provides pregnant women, new mothers and young children with free healthy start vitamins, which can reduce the risk of health problems associated with vitamin deficiencies, e.g. rickets and spina bifida.

Currently, 80% of eligible women and children claim their healthy start vouchers, but very few claim their healthy start vitamins.

Local interventions

Hartlepool Borough Council currently operates a multi-partnership Healthy Weight Healthy Lives Steering Group which aims to address rising levels of overweight and obesity among adults and children. The group includes representation from Public Health, Social Care, Sport & Recreation, Dietetics, School Meals Service, NHS, Transport and the voluntary services among others, and has a strong emphasis on joint working.

Did you know that...

- **8% of children under five in the UK don't have enough vitamin A in their diet;**
- **Families in lower-income groups tend to have less vitamin C in their diet; and**
- **Pregnant and breastfeeding women are at risk of vitamin D deficiency.**

Healthy start vitamins help with all of these issues.

Summary

It is widely acknowledged that obesity is a threat that continues to rise, with rates showing little sign of easing in the next 5-10 years.

The 2007 Foresight Report [32] stated that almost half of the UK population could be obese by 2050, and that the total cost could reach £50 billion a year. [33]

The most recent figures published by the Health & Social Care Information Centre [34] have shown a fall in the number of obese and overweight children in their final year of primary school in England for the first time in six years - although the levelling off in obesity rates tends to be amongst the children of more affluent families. Levels of obesity amongst children in deprived areas remain high.

Alcohol Misuse

Chapter 4

Introduction

Alcohol use has long been seen as a deep rooted part of the culture of the industrial north east. Excessive use is not only extremely dangerous to health, but also causes injuries and domestic violence. Patterns of alcohol use have changed over time, as have the types of alcohol available. Dr Milligan's report for 1973 had nothing to say about alcohol harms. There was reference to Health Education in 1973 and the need to meet the needs of older students, and short talks on human relationships were provided by the Local Authority in schools and colleges, but whether these touched on alcohol use as a health or social issue is not recorded. Given that it was written before the advent of health improvement and promotion as we know it today, this seems unlikely. The only area that hints at the problem is within the section on causes of mortality in Hartlepool, where the reference to deaths from cirrhosis of the liver shows us that the problem was there, if not the means to tackle it. [35-37]

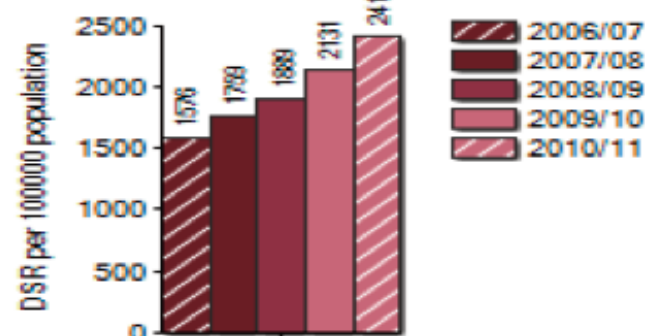
The impact

Alcohol kills around 2.5 million people globally each year and is responsible for almost 4% of all deaths. [45] In the UK, recent statistics show a rise in alcohol-related and primary alcohol-attributable hospital conditions. In 2011, alcohol-related admissions increased by 11% on the previous year, including a 2.1% rise in admissions for conditions where the primary diagnosis was attributable to alcohol consumption [39].

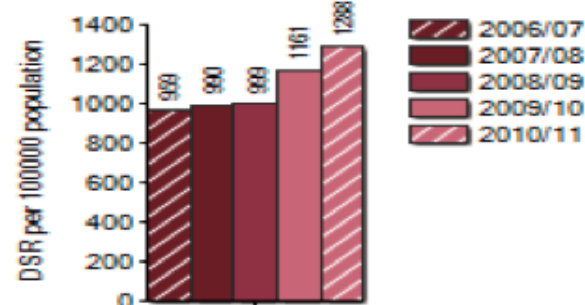
It is estimated that in a community of 100,000 people (Hartlepool population 92,000) each year:

- 1,000 people will be a victim of alcohol-related violent crime;
- Over 400 11-15 year olds will be drinking weekly;
- Over 13,000 people will binge drink;
- Over 21,500 people will be regularly drinking above the lower risk levels;
- Over 3,000 will be showing some signs of alcohol dependence; and
- Over 500 will be moderately or severely dependent on alcohol [41].

Alcohol-attributable hospital admission males



Alcohol-attributable hospital admission females



The estimated the cost of alcohol-related harm to the UK is £21 billion per year. HSCIC [44]

Alcohol Misuse

Chapter 4

Changing trends

Patterns of alcohol consumption in the UK have changed over the last 40 years. Some key developments include:

- A rise in drinking at home and a decline in the amount of alcohol consumed in pubs.
- A significant increase in wine consumption.
- The emergence of supermarkets as leading providers of alcohol for home consumption.
- The development of new alcohol products and brands, including 'ready to drink' beverages (often known as 'alcopops') and strong white ciders [42].

Policy level responses include a recent report from the House of Commons Science and Technology Select Committee which advised that people should have at least two alcohol free days per week [40]. In addition, the Coalition Government has recently published an Alcohol Strategy to deal with 'the scourge of violence caused by binge drinking' [41].

The Licensing Act 2003, provided for flexible opening hours for licensed premises, with the potential for up to 24 hour opening, seven days a week; wider availability of and reduced prices for alcohol through off licence sales in supermarkets; and the development of a range of new alcohol products. [42]

Marketing

Alcohol is marketed through an integrated mix of strategies including TV, radio and print advertising, point of sale promotions, and the association of brands with a variety of sporting and cultural events [50]



Binge drinking is defined as drinking more than 8 units (male) or 6 units (female) in one day.

In 1994, research into the knowledge, beliefs and attitudes of schoolchildren in relation to beer advertising was published [51]. This showed that those who were aware of advertising held more favourable beliefs about drinking, intended to drink more as adults, and had more knowledge of brands and slogans. [43] The WHO Global Strategy [38] considers action on alcohol marketing as one of ten key policy areas, and states that reducing the impact of marketing, particularly on young people and adolescents, is an important consideration in reducing harmful use of



alcohol.

Alcohol Misuse

Chapter 4

Minimum unit pricing

The Governments' Alcohol Strategy in 2012 committed to consider the introduction of a minimum unit price for alcohol. This is a targeted measure that will link the price of alcohol to its strength - the more units of alcohol, the higher the price. It is designed to increase the price of the most harmful alcohol and therefore to protect vulnerable younger and heavier drinkers.

In 2012/13, Hartlepool Public Health Department was actively working with partners to introduce a minimum unit price for alcohol, which was high on the Government's agenda. However, after the national consultation, the Government announced that it had been listening to powerful arguments on both sides and was deciding not to introduce this measure. [53]

Licensing

In 1973, there were fewer licensed premises which also had shorter opening hours. Most pubs were serving last orders at 10.30pm (and closed between 3.00pm and 5:00pm) and nightclubs closed at 2:00am. In 2013, there are approximately 36 premises with a midnight closing time and approximately 35 more licensed premises that will stagger closing between 1am and 4am (depending on the terms of the license).

A rise in the number of outlets which have licenses to sell alcohol increases availability to access alcohol. Some supermarkets are open on a 24-hour basis and sell alcohol at competitive prices providing the consumer with choice and availability. [54]

Alcohol strength and labelling

The labelling of alcohol products in 1973 was subject to limited legislative requirements and there was no pressure to include health messages. Labels were limited to details of the manufacturer and brand and contained logos and brand identifiers. Indications of alcoholic strength were limited to brand descriptions such as 'Brown Ale' or 'Pale Ale' or '80/-' (see below), the latter example referring to historical tax duties paid per barrel. [57]

Spirit-based drinks had an indication of strength included on the labelling which was based on the historical test for the quality of British Navy Rum rations (this was based on proving that the rum had not been tampered with by soaking gunpowder in a sample of



rum and then seeing if it would still explode). This was labelled as '100% Proof' and indicated that the rum had not been watered down and was of a guaranteed strength which is the equivalent of approximately 57% alcohol by volume (ABV). Subsequently, spirit drinks manufactured to lesser strengths were given indications of degrees of proof, with 70 degrees proof being the equivalent of today's 40% ABV. [52]

Since 1980, UK alcoholic drinks have been required to be labelled with their alcoholic strength in percentage, which gives a more easily understandable indication of the strength of the drink. As part of the Government's responsibility deal, alcohol producers and sellers have been encouraged to commit to a range of pledges, including health-related labelling. [55]

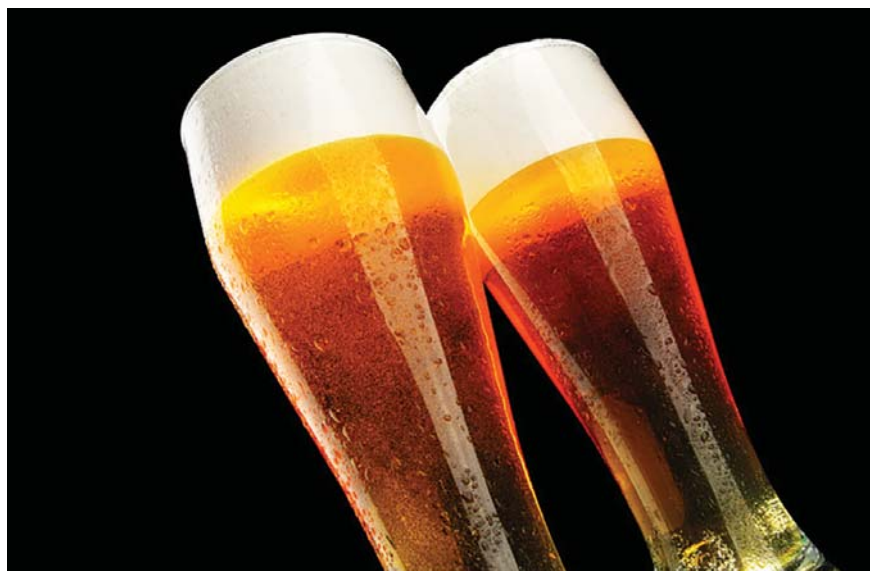
Alcohol Misuse

Chapter 4

New alcoholic drinks

The drinkers of 1973 had a relatively limited choice of products such as beers, wines and spirits. In recent years there has been a proliferation in the types of alcohol that have become available. There are now alcoholic drinks such as alcopops, which are arguably aimed directly to the younger age groups. Alcopops, as the name implies, often resemble and taste like soft drinks and can therefore mislead as to the high alcohol content.

Lager has become much more popular in the UK which has resulted in the availability of much stronger international brands (not available in 1973). In effect, the strength of the beers and lagers has increased, as well as the amount that people drink. More recently, there has been a resurgence in the cider market, and a further expansion of brands using a variety of other fruits.



		<p>PLEASE DRINK RESPONSIBLY</p> <p>UK Chief Medical Officers recommend men do not regularly exceed 3–4 units daily and women, 2–3 units daily</p> <p>drinkaware.co.uk</p>	<p>Avoid alcohol if pregnant or trying to conceive</p>
<p>Per 25ml</p>	<p>28 UK Units</p>		

Alcohol Misuse

Chapter 4

Local challenge

Hartlepool faces the challenge of dealing with the range of short-term and long-term health risks caused by excessive alcohol consumption. The immediate effects often result from binge drinking and include:

- Unintentional injuries, including traffic injuries, falls and drowning.
- Violence, including domestic partner violence and child abuse.
- Risky sexual behaviours.
- Offenders under the influence of alcohol;
- Miscarriage and stillbirth among pregnant women, and a combination of physical and mental birth defects among children.
- Alcohol poisoning.

Longer-term effects include the development of chronic diseases, neurological impairment and social problems. These include:

- Neurological problems, including dementia and, stroke;
- Cardiovascular problems, including heart attacks, heart flutters and high blood pressure;
- Psychiatric problems, including anxiety, depression and suicide;

- Social problems, including unemployment, lost productivity, and family disruption;
- The risk of mouth, throat, oesophageal, liver and colon cancer;
- Liver disease including cirrhosis, alcoholic hepatitis; and
- Gastrointestinal problems such as pancreatitis and gastritis.

Hartlepool initiatives

Alcohol is a major part of the Hartlepool Substance Misuse Strategy and Action Plan, and work is underway with partner agencies. There has been a significant increase in the last decade in awareness raising campaigns to tackle alcohol for the population of Hartlepool.

Hartlepool is investigating alcohol in pregnancy to raise awareness of the dangers of drinking alcohol during pregnancy. When a pregnant woman drinks, the alcohol in her blood passes freely through the placenta into the developing baby's blood. Because the foetus does not have a fully developed liver, it cannot filter out the toxins from the alcohol. Instead, the alcohol circulates in the baby's blood system. It can destroy brain cells and damage the nervous system of the foetus at any point during the nine months of pregnancy. The effects can be mild or severe, ranging from reduced intellectual ability and attention deficit disorder to heart problems and even death. This work is in partnership with Balance, the North East Regional Alcohol Office.

Alcohol Misuse

Chapter 4

Specialist treatment

The number of dependent drinkers has increased in recent years leading to the development of specialist treatment services in Hartlepool. Hartlepool Journey 2 Recovery delivers a combination of structured psychosocial interventions, relapse prevention and aftercare, harm minimisation and recovery and reintegration. There is a wide range of support for service users and their families, including strong links to education, training and employment. For those clients who need a more structured medical intervention, Hartlepool has a clinical service to deliver this structured treatment in partnership with the services listed above. Regionally, at the end of 2011/12, it was estimated that 5.5% of dependent drinkers had accessed specialist alcohol treatment services.

Summary

Alcohol dependency continues to be a problem in Hartlepool. This risk is underpinned by a number of issues, from changes in drinking patterns and culture over the last four decades to current price and availability. The understanding of the harmful effects of excessive alcohol consumption, while known for many years, has only recently come to the attention of society and therefore become a priority area for action. Progress is being made due to the efforts on awareness raising, education in schools and youth settings, and work with parents to highlight the dangers of alcohol, but further work remains to be done to ensure that both stakeholders and the general public are fully aware of the effects.

There is increasing demand for support services in Hartlepool (evident from the rise in people entering treatment and subsequent successful completions).

Public Health has a role in continuing to advocate for minimum unit pricing of alcohol, which was recently put on hold by the Government, but is seen as a positive step on the way to a healthier future approach to alcohol.



Conclusion

This report demonstrates how Hartlepool has changed over the last 40 years, both in terms of the town itself and, more importantly, how local people have progressed in terms of their health. Public Health has a key role in helping many different organisations to ensure that health improvement is planned systematically.

This report focuses on several issues of particular concern for Hartlepool, which fall largely within the health improvement domain. The rationale is that these risk factors (smoking, high blood pressure, inactivity, poor diet and alcohol) apply in almost all long-term conditions (cancer, cardiovascular disease, diabetes and dementia).

Complex issues such as smoking, alcohol consumption and obesity are not amenable to short-term and easily managed programmes. They are deeply rooted within the social circumstances and cultural norms of a population and closely linked to inequalities and require systematic action between organisations and political parties to deliver benefits for the people of Hartlepool.

Inequalities

People with higher socioeconomic position in society have more life chances and better health and wellbeing [4]. In Hartlepool about 5,400 children live in poverty and life expectancy is below the England average. In Hartlepool, men in the most deprived areas can expect to live around 12 years less than in the more affluent areas [56].

Sir Michael Marmot suggested that Public Health focuses less on treating what has gone wrong, but more about the choices people have. This would be best achieved by action on six policy objectives:

- Give every child the best start in life;
 - Enable all children, young people and adults to maximise their capabilities and have control over their lives;
 - Create fair employment and good work for all;
 - Ensure healthy standard of living for all;
 - Create and develop healthy and sustainable places and communities; and
 - Strengthen the role and impact of ill health prevention.
- Success in reducing health inequalities and improving and protecting health and wellbeing relies on policy, planning, practice and review that includes effective evidence. Examples of action that can tackle health inequalities include [58]:
- Prioritise disadvantaged groups (e.g. multiply deprived families and communities, unemployed people, those living in fuel poverty, rough sleepers, and homeless people).
 - Provide services universally, but with a scale and intensity that are proportionate to the level of disadvantage.
 - Provide accessible services (e.g. easily accessible locations, services that are affordable with good transport links).
 - Offer intensive support (e.g. systematic and tailored approaches involving face-to-face or group work, home visiting, good quality pre-school day care).
 - Do not only target geographical areas defined as deprived. Targeting only these areas will not include vulnerable people living elsewhere. Neighbourhoods that are considered as being well-off overall with good health outcomes can still include individuals and families that are experiencing health inequalities.

- Local policy should not be discriminatory. Discrimination can lead to and perpetuate health inequalities.
- Ensure local agencies work together with common aims and actions to reduce health inequalities.

Using our intelligence

Health profiles are produced by Public Health England [56] and provide details of how Hartlepool compares with England for a range of public health indicators. For example:

- The health of people in Hartlepool is generally worse than the England average.
 - In Year 6 (11-year-olds), almost 1-in-4 children are classified as obese, this is worse than the England average.
 - The rate of alcohol-specific hospital stays among those under 18 is worse than the England average.
 - The rate of mothers smoking during pregnancy is worse than the England average.
 - The estimated levels of adult 'healthy eating', smoking, physical activity and obesity are worse than the England average.
 - The rates of smoking related deaths and hospital stays for alcohol related harm are worse than the England average.
- Hartlepool Health Profile 2013[56]

Conclusion

The electoral ward health summaries that accompany this report together with a recently published 'benchmarking' analysis can be used to make better informed decisions about health priorities, resource allocation, and targeting of actions. These tools should also be used as part of the wider intelligence contained in the Joint Strategic Needs Assessment for Hartlepool www.teesjsna.org.uk/hartlepool.

Asset based approach

It is important to recognise that the basis of Hartlepool is its communities. Flourishing communities are those where everyone has someone to talk to, neighbours look out for each other, and people have pride and satisfaction with where they live and feel able to influence decisions about their area. Residents are able to access green and open space, feel safe going out and there are places and opportunities that bring people together. A good place to start is by looking at where communities are already flourishing [60]. There are considerable positive features within Hartlepool's communities such as services, groups, advocates and champions, enthusiasm and a desire to achieve the best that is possible. By mapping these resources it is possible to engage with local communities to allow participation in decision-making. This

asset-based approach can empower individuals and communities to facilitate local solutions to health inequalities.

Hartlepool Health and Wellbeing Board

Health and Wellbeing Boards were established as a forum where key leaders from the health and social care system work together to improve the health and wellbeing of their local population and reduce health inequalities. The boards are a key part of broader plans to:

- Ensure stronger democratic legitimacy and involvement;
- Strengthen working relationships between health and social care;
- Encourage the development of more integrated commissioning of services.

Board members are expected to collaborate to understand their local community's needs, agree priorities, based on the Joint Strategic Needs Assessment, and encourage commissioners to work in a more integrated way. As a result, patients and the public should experience better services from the NHS and local councils. The Board will help give communities a greater say in understanding and addressing their local health and social care needs. The Health and Wellbeing Board

has the aspiration that the people of Hartlepool will be 'Healthy people and will live longer, healthier lives'. [61]

The Health and Wellbeing board has been in operation since 1st August 2013. The was chaired by Cllr Carl Richardson and has had a very successful first year.

In 2014 the board is now being chaired by Cllr Christopher Akers-Belcher, leader of the Hartlepool Council.

Hartlepool Public Health Department

Since September 2013, the Public Health Department manages the additional functions of environmental health, licensing, trading standards and sports & recreation. Hartlepool is also considering the reconfiguration of a health improvement service for children aged under 20-years-old including school nursing, health visiting and breast feeding services. These additional functions ensure that the Department is well placed to tackle the key issues of tobacco, alcohol and obesity-related harm, and will be better placed in future to work with partners through the Health and Wellbeing Board to address the health inequality challenge in the medium and long-term.

Public Health initiatives come to fruition at different points and have an impact that is

difficult to measure in the short-term. It is important to ensure that the desire to see immediate results should not undermine the determination to tackle Hartlepool's medium and long-term public health challenges. This requires commitment to effectively 'future-proof' such approaches to avoid short-term funding, and reactive decision making.

The Future of Public Health

The forthcoming year 2014/15 is seen to be a transformation year for Public Health in the Council. Staff are settled into the Council and committed to forming new alliances and spreading the influence of public health both inside and outside of the local authority.

I am committed to reducing health inequalities and protecting the health of all people in Hartlepool.

I am driven to contribute to make Hartlepool a great place to be born, live, learn, work and grow older and look forward to reporting progress in my 2014/15 Director of Public Health Annual Report.

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Bengali

এই ডকুমেন্ট অন্য ভাষায়, বড় প্রিন্ট আকারে এবং অডিও টেপ আকারেও অনুরোধে পাওয়া যায়।

Cantonese

本文件也可應要求，製作成其他語文或特大字體版本，也可製作成錄音帶。

Hindi

अनुरोध पर यह दस्तावेज़ अन्य भाषाओं में, बड़े अक्षरों की छपाई और सुनने वाले माध्यम पर भी उपलब्ध है।

Kurdish

ئەم بەلگەییە ھەروەھا بە زمانەکانی کە، بە چاپی درشت و بە شریتی تەسجیل دەس دەکەوێت

Arabic

هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعة الكبيرة وبطريقة سمعية عند الطلب.

Polish

Dokument ten jest na życzenie udostępniany także w innych wersjach językowych, w dużym druku lub w formie audio.

Urdu

درخواست پر یہ دستاویز دیگر زبانوں میں، بڑے حروف کی چھپائی اور سننے والے ذرائع پر بھی میسر ہے۔



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