COUNCIL AGENDA

HARTLEPOOL BOROUGH COUNCIL

Thursday 18 December 2014

at 7.00 p.m.

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

(1)   To receive apologies from absent Members;

(2)   To receive any declarations of interest from Members;

(3)   To deal with any business required by statute to be done before any other business;

(4)   To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 11;

(5)   To approve the minutes of the meeting of the Council held on 30 October 2014 and the Extraordinary meeting of Council held on 24 November 2014 as the correct record;

(6)   To answer questions from Members of the Council on the minutes of the last meeting of Council;

(7)   To answer questions of Members of the Council under Rule 12;

     (a)   Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 12.1

     (b)   Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 12.2

     (c)   Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority

     (d)   Minutes of the meetings held by the Police and Crime Panel held on 24th July, 2014

(8)   To deal with any business required by statute to be done;

(9)   To receive any announcements from the Chair, or the Head of Paid Service;

(10)   To dispose of business (if any) remaining from the last meeting and to receive the report of any Committee to which such business was referred for consideration;

(11)   To consider reports from the Council's Committees and to receive questions and answers on any of those reports;

     1.   Review of Polling Districts, Polling Places and Polling Stations (Report of Finance and Policy Committee)
     2.   Commercial Frontages and Shop Front Design Guidance (Report of Regeneration Services Committee)
     3.   Hartlepool Education Improvement Strategy 2014-2015 (Report of Children's Services Committee)
     4.   Minimum Unit Price of Alcohol (Report of Licensing Committee)

(12)   To consider any other business specified in the summons to the meeting, and to receive questions and answers on any of those items;

(13)   To consider reports from the Policy Committees:

(a)   proposals in relation to the Council's approved budget and policy framework; and

     1.   Medium Term Financial Strategy 2015/2016 to 2018/2019 (Report of Finance and Policy Committee)
     2.   Localised Council Tax Support 2015/16 (Report of Finance and Policy Committee)

(b)   proposals for departures from the approved budget and policy framework;

(14)   To consider motions in the order in which notice has been received;

"This council notes the suffering forced upon local residents as a result of this Coalition government's cuts program and asserts that there is an alternative to its ideologically driven attack on public services – namely the levy of a financial transaction tax on the speculative activities that have accelerated the recent enrichment of the few to the detriment of the many.

The council therefore calls upon Government to enact the Financial Transaction (or Robin Hood) Tax and use the revenues from this measure to reverse ongoing shrinkage in central grants to our council and public services as a whole.

We undertake to write the Prime Minister, the Chancellor and our local MP urging them to support this measure."

Signed: Councillors Brash, Thompson, Hargreaves, Riddle, Atkinson, Lilley and Lauderdale.

(15)   To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.

COUNCIL

MINUTES OF PROCEEDINGS

30 October 2014

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

PRESENT:-

The Ceremonial Mayor (Councillor S Akers-Belcher) presiding:

COUNCILLORS:

Ainslie	C Akers-Belcher	Atkinson
Barclay	Beck	Clark
Cook	Cranney	Dawkins
Gibbon	Griffin	Hall
Hind	Jackson	James
Lilley	Loynes	Martin-Wells
Dr Morris	Payne	Richardson
Riddle	Robinson	Simmons
Sirs	Springer	Thomas
Thompson		

Officers: Dave Stubbs, Chief Executive
Peter Devlin, Chief Solicitor
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Alastair Smith, Assistant Director, Neighbourhoods
Louise Wallace, Director of Public Health
Alastair Rae, Public Relations Manager
Amanda Whitaker, Denise Wimpenny, Democratic Services Team

71.   APOLOGIES FOR ABSENT MEMBERS

Councillors Brash, Fleet, Hargreaves

72.   DECLARATIONS OF INTEREST FROM MEMBERS

Councillor Thompson declared a personal, non prejudicial interest in a question he intended to ask under agenda item 7(a).
Councillor Hall declared a personal, non prejudicial interest in agenda item 4 –

public question relating to Radio Hartlepool.

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

None

74. PUBLIC QUESTION

The Chief Solicitor advised that following a ballot, five public questions had been tabled at the meeting as follows:-

(1)   Question from Mr Craig White to Chair of Adult Services Committee

"Given the recent report made to Cleveland Police about an alleged incident with Radio Hartlepool, do you not think it appropriate that you temporarily stand aside from your role as the Chair of the Adult Services Committee until these investigations are concluded?"

(2)   Question from Mr Darren Price to Chair of Audit and Governance Committee

"Given the recent report made to Cleveland Police about an alleged incident with Radio Hartlepool, do you not think it appropriate that you temporarily stand aside from your role as the Chair of the Audit and Governance Committee until these investigations are concluded?"

(3)   Question from Mr Craig White to Chair of Audit and Governance Committee

"Given the recent report made to Cleveland Police about an alleged incident with Radio Hartlepool, do you not think it appropriate that you temporarily stand aside from your role as the Chair of the Audit and Governance Committee until these investigations are concluded?"

(4)   Question from Mr Graeme Measor to Chair of Planning Committee

"Regarding Seaton Meadows Landfill. What are the council going to do about enforcing the height restrictions which were a condition of the planning permission granted by the council? The site only has permission for 18m height (post settlement) and is now expected to be 26m (post settlement). At present, it is 33m in places. What is going to be done about this? The good people of Seaton are tired of been bookended by landfill sites, and the flagrant disregard the company are showing for planning regulations is scandalous."

(5)   Question from Mr Graeme Measor Chair of Finance and Policy Committee

"If we assume 24 hours is a long time in politics, and we equate a 'long time' to be just that, for example 25 years. Then six months would be the political

equivalent of four thousand five hundred years. Why then do we have to wait the political equivalent of 4500 years before the public are allowed to ask a question to council on the same subject? With this in mind, will the council please reduce the length of time between asking a public question and then fielding a similar question on the same subject, on the grounds that it's undemocratic and erodes the good people of Hartlepools ability to hold the council to account?"

The Chief Solicitor informed Council that he had written to Mr White and Mr Price to advise that he would be recommending that questions 1, 2 and 3 be deferred to the Council meeting on 18 December 2014 due to the ongoing police investigations. It was noted that Mr White and Mr Price had accepted the advice. The questions were deferred.

The Chair of Planning Committee responded to the first question from Mr Measor. He advised that the landfill operator had submitted a full planning application in 2010 to establish a vertical extension and revised restoration with the proposed height of approximately 32.5metres on completion of landfilling operations (pre-settlement) falling to approximately 26metres above sea level following settlement (post-settlement). This application had been refused at Planning Committee on the 18th July 2012 with the decision notice being issued on 24th August 2012, resulting from that decision the Council had not sought to take any enforcement against the height of landform on the seaton meadows landfill. The decision made in 2012 had been subsequently appealed by the applicant. The planning appeal was currently ongoing with the planning inspectorate with the public hearings on appeal having taken place on 8th October 2014. No decision had yet been made by the Planning Inspector and no timescale had been set out by the Planning Inspector as to when that appeal decision would be issued. The Council was awaiting the outcome of the decision on the appeal before taking any further appropriate action. Depending upon the outcome of the appeal appropriate enforcement action could be taken to reduce the height of the landform. However, Council was advised that this would need to be balanced against any potential health and safety issues relating to reducing the height/shape of the landfill landform. During the debate which followed the response, the view was expressed that the Council should take some responsibility for not taking action earlier and not ensuring the height of the landform was not correct at the outset.

The Chair of the Finance and Policy Committee responded to the second question submitted by Mr Measor. Referring to the opening of the question, the Chair made comment on a quotation from Harold Wilson. Addressing the terms of the question, the Chair confirmed that the Council's Constitution stated that a six month period should elapse before the resubmission of a public question, unless there was a 'change of circumstances justifying the resubmission of the question'. There were comparable provisions relating to Motions before Council and Council resolutions. The purpose of such provisions was to create certainty in the application of the procedure rules and to safeguard the rights of third parties who had acted on a resolution, following a question or motion. The Council's own procedure rules on the point raised by the public question had remained unaltered since the adoption of a Constitution by the Council as a requirement under the Local Government Act 2000 and followed the Modular

Constitution adopted by local authorities. The Chair highlighted that there were opportunities for public to ask questions at Committees and neighbourhood Forums also. However, the Chair advised that if it was the wish of Council he would move:-

"That the Monitoring Officer be requested to review the 'six month' rule generally, as part of his annual review of the constitution and submit a report back to this Council for further consideration".

During the debate, the Monitoring Officer was requested to provide details of how many public questions had been submitted for consideration at the Council meeting and the reasons that some of those questions had not been submitted to Council. The Monitoring Officer provided some details at the meeting but undertook to provide a detailed written response to the Member.

The motion was seconded by Councillor James.

It was moved that the vote be now put.

The vote was put. The above was agreed by show of hands.

It was noted that one Member had abstained from voting.

75. MINUTES OF PROCEEDINGS .

The Minutes of Proceedings of the Council held on the 18 September 2014 and the Extraordinary meeting of Council held on 13 October 2014 having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

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

With reference to the minutes of the Extraordinary Council meeting held on 13 October 2014, a Member referred to recent media reports relating to a former employee of the charity referred to at the Extraordinary Council meeting. The Chief Solicitor intervened and reminded Council that the Ceremonial Mayor had declared an interest at the meeting held on 13th October. Therefore, if the question introduced by the Member was going to relate to the Ceremonial Mayor, the Chief Solicitor informed Council that he would have to advise the Ceremonial Mayor to declare an interest and to leave the meeting.

The Ceremonial Mayor (Councillor S Akers-Belcher) declared an interest and left the meeting.

In the absence of the Ceremonial Mayor and the Deputy Ceremonial Mayor who had submitted apologies for the meeting, the Chief Solicitor sought nominations for a Member to Chair the meeting.

It was moved that Councillor Richardson Chair the meeting in the absence of the Ceremonial Mayor.

Councillor Richardson in the Chair

Councillor Christopher Akers-Belcher declared a prejudicial and pecuniary interest and left the meeting.

The Member continued by referring to his earlier comments regarding media reports relating to a former employee of the charity who had decided to leave the town and added that the former manager of the charity had now been charged by the police and the audit review had been as a result of a referral by Council Officers. Given that the Ceremonial Mayor had been a trustee of the Charity, the Member questioned whether the Ceremonial Mayor had given further consideration to standing down. In response to concerns expressed regarding the question being out of order due to sub judiciary issues, the Member responded that the issues he had referred to had been based on fact. As the Ceremonial Mayor had declared an interest and left the meeting, the Member commented that he would ask the Ceremonial Mayor the question via the local media.

In response to the question which had been raised in relation to the charity, Councillor Beck advised that neither the Ceremonial Mayor nor he had legally been trustees of the charity and that he had never been interviewed by the police. He added that his conscience was clear. The Member who had raised the question responded that the statement made by Councillor Beck had been a fib as both Members had included in their declaration of interest pro-forma that they had an interest in the charity.

Following advice from the Chief Solicitor it was agreed that Council should move onto next item of business.

The Ceremonial Mayor (Councillor S Akers-Belcher) and Councillor C Akers-Belcher returned to the meeting.

The Ceremonial Mayor In the Chair.

Referring also to the minutes of the Extraordinary Council held on 13 October 2014, a Member referred to a statement made to local media, by the Chief Executive, in relation to concerns regarding the conduct of some Members at that meeting. The Chief Executive was requested to be specific and name the Members to which he had referred. In response, the Chief Executive advised that the Council was a corporate body and should act as such.

77.   QUESTIONS FROM MEMBERS OF THE COUNCIL

a)   Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 12.1

1. With reference to the meeting of the Neighbourhood Services Committee held on 27 October 2014, a Member referred to the decision of the Committee to refuse a request for a bus shelter in Warrior Drive, Seaton Carew. The Member requested the Chair of the Neighbourhood Services Committee to provide details of the reasons for the Committee refusing the request. The Chief Solicitor referred to Council Procedure Rule 12.1 that a Member of the Council may ask a Chair of a Committee about a decision published and approved for implementation in the period since the last ordinary meeting of the Council. The Chief Solicitor advised that the minutes of the Committee meeting had not been published and the question should therefore not be allowed. Following concerns being expressed, the Ceremonial Mayor ruled the question to be out of order.

2. With reference to the meeting of the Finance and Policy Committee held on 13 October 2014, a question was raised regarding the decision relating to the disposal of The Willows, 30 Raby Road. The property had been sold to DISC (Developing Initiatives and Supporting Communities), a service provider for the treatment of people with longstanding drug and alcohol addictions. The Chair was requested to respond to recent reports in the media regarding interest that had been expressed in the property, to advise whether the Chair considered that the Council had received best value for the property and whether the Committee had ignored the concerns which had been expressed by a representative of the Engineers Social Club

Councillor Cook advised Council that he was no relation to the representative referred to by the Member.

The Chair of the Finance and Policy Committee responded that the representative of the Engineers Social Club had been present at the meeting of the Finance and Policy Committee and the Committee had given due regard to the concerns which had been expressed. The Committee had taken advice from Officers who had advised that Council had received best value from the sale of the property. The Chair responded also to concerns which had been expressed regarding the location of the property. The Committee had due regard to information provided by DISC who had advised that they considered that the building was the best location in the town for their purposes. Council was advised that the Committee had debated the issues and had been a robust decision.

During the debate which followed the response to the question, concerns were expressed regarding information which had been available at the Committee meeting. Reference was made to the role of pre-agenda meetings and the Chair responded by providing an assurance that decisions were not made at pre-agenda meetings.

3. Referring to the meeting of the Finance and Policy Committee held on 13 October 2014, Councillor Thompson referred to the interest he had declared earlier in the meeting. He asked a question of the Chair in relation to circumstances relating to the use of the Constitution's Special Urgency provisions for the report submitted to the Committee relating to the further building work at the Pupil Referral Unit, Brierton site. Following the response by the Chair, the Member advised that he agreed with the decision made by the Committee in relation to the Pupil Referral Unit. However he expressed concern regarding facilities at Catcote School and expressed the view that new teaching facilities should be developed at Catcote School also. It was moved by Councillor Thompson:-

"That a report be submitted to a future meeting of the Finance and Policy Committee to explore building and associated works required at Catcote school."

The Chair of Finance and Policy Committee advised that he was content to accept submission of a report subject to advice on the implications of the school's academy status.

b)   Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 12.2

None

c)   Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority

None

d)   Minutes of the meetings held by the Cleveland Fire Authority and the Police and Crime Panel

The minutes of the Cleveland Fire Authority meeting held on 25 July 2014 were noted..

None

78.   ANNOUNCEMENTS

None

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

None

80.   TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES

None

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

Council considered a comprehensive report presented by the Monitoring Officer. The report related to supplementary matters that were either canvassed at the Council meeting on 3 April 2014 and upon which a further report was required or matters that had been raised subsequently with the Monitoring Officer.

The Monitoring Officer referred to the decision made earlier in the meeting in relation to the Constitution's '6 month rule' and advised that he would submit a report to a future Council meeting in relation to the issue.

The report considered the following issues:-

1. Code of Conduct for Employees - The Audit and Governance Committee on 25th September 2014 and the Finance and Policy Committee on 13 October 2014 had considered a revised Code of Conduct for Employees as appended to the report.

2. Member Champions - The report set out roles of Member Champions. A schedule of the four current Member Champions had been circulated. In recognition of the importance of these positions, Members were requested to approve formally the inclusion of Member Champions into Part 7 of the Constitution.

3. Mandatory Training for Members of the Council's Planning Committee - On 3 September 2014, the Planning Committee had agreed that its membership should undertake such mandatory training in the fulfilment of their duties as prescribed by the Council. It was therefore recommended that the Planning Code of Practice be revised to incorporate this provision.

4. Member substitutes at Planning Committee - At the Council meeting on 3 April 2014 Council had resolved that the use of substitute Members would not have application to the Council's Planning Committee. The Monitoring Officer had since received representations seeking the reintroduction of substitutes to the Planning Committee. The Monitoring Officer advised that he was not an advocate of the use of substitutes in Planning Committee but advised that it was a matter for the determination of Council.

5. Review of Delegations - Planning Committee - Members were advised that Section 101 of the Local Government Act 1972, allowed for the discharge of any of the Council's functions through a "committee, sub-committee, an officer of the Authority or by any other Local Authority". It was highlighted that currently in excess of 90% of all planning decisions were determined by

Officers under schemes of delegation operating across the Country, without reference to a committee. It was considered that the following changes be made to the delegation scheme:-

Existing Delegations	Proposed Delegations
i) In the case of any relevant application which is submitted to the Council for determination, any matter which any Member requests should be referred to the Committee for decision, such request to be received within 21 days of publication of details of the application.	i) In the case of an application for development which is submitted to the Council and where 3 or more Members request for material planning considerations, should be referred to the Committee for determination and such requests have been received within 21 days of the publication of details of the application.
ii) Any matter which fall significantly outside of established policy guidelines or which would otherwise be likely to be controversial.	ii) Any matter which has a significant adverse impact outside of established policy guidelines.
iii) The determination of applications submitted by the Council in respect of its own land or proposed development, except those relating to operational development to which there is no lodged objection.	Suggested deletion, (but note exceptions under i) and ii) above and new iii) below).
iv) The refusal of an application except with the agreement of the Chair of the Committee.	Suggested deletion and replace with; iii) The determination of applications for development as submitted to the Council where there is a significant level of objection to an application.

As regards determinations of applications submitted in respect of land owned by Authority it was recommended that reference should be made to the Planning Committee where there was significant adverse and demonstrable

impact or significant level of local objection so there could be a determination consistent with all applications as received by the Local Planning Authority.

6. Conservation Grant Scheme - Members were reminded that a defined budget was currently available to all residential properties in Conservation Areas and to any listed buildings which were also in residential use. Previously approvals had been made by the then relevant Portfolio Holder. Currently a report was provided to the Chair of the Regeneration Services Committee and the Assistant Director (Regeneration) approved the grant, following that consultation. It was therefore recommended that under the remit of the Regeneration Services Committee and more particularly under the 'service area' for conservation areas/ listed buildings there is reference to the conservation grant scheme but with a delegation through the Director of Regeneration and Neighbourhoods.

7. Designation of Statutory Stray Dog Officer - It was noted that Section 149 of the Environmental Protection Act, 1990, provided a requirement for each Local Authority to have a designated officer for the purpose of seizing stray dogs. Although, the exercise of this power was incorporated in Part 3 of the Council's Constitution under a general power to act, it was thought expedient to have this specifically related to the functions of the Director of Regeneration and Neighbourhoods. Accordingly, the Monitoring Officer proposed suggested wording to be incorporated under the Officer's responsibilities.

8. Additional Exception from Key Decisions - Members were reminded that although not obliged to do so under a committee system, the Council had retained references to 'Key Decisions' within its constitutional arrangements with the added transparency of its decision making through Forward Plan references. There were a number of exceptions to 'Key Decisions' as outlined within Article 13 of the Constitution. The Council's Chief Finance Officer had requested an additional exception as follows;

'Expenditure which is inevitable as a result of the Government providing a Section 31 grant ('New Burden' Funding) to help fund the impact of specific legislative commitments where there is no in year cost, or future commitment for the General Fund. Details of any Section 31 grants and the commitments which need to be funded will be reported to the Finance and Policy Committee and the relevant Policy Committee as soon as is reasonably practicable thereafter'.

9. Summary of Budget Process - Budget and Policy Framework Procedure Rules - It was noted that the Council's Budget and Policy Framework Procedure rules contained a summary of the budget process in a tabulated format (Figure 1). Members were requested to approve a revised tabulation which summarised the review timeline of the budget process.

10. Remit of Finance and Policy Committee – The Monitoring Officer had been advised by the Director of Regeneration and Neighbourhoods that the Anti Social Behaviour Strategy along with the Community Safety Plan should be referenced under the remit of Finance and Policy Committee as it is a key component of Community Safety. Members were advised also that the Finance

and Policy Committee on 13th October had recommended approval to the merger of the Neighbourhood Management and Empowerment Strategy, and the Community Cohesion Strategic Framework to form a Community Engagement and Cohesion Strategy with a revised delivery model. The policy documents were listed within the Other Strategies and Plans element of the Neighbourhood Services Committee functions. The Monitoring Officer advised that this should now be removed and replaced with 'Community Engagement and Cohesion Strategy' and noted within the remit of the Finance and Policy Committee.

It was moved by Councillor C Akers-Belcher and seconded by Councillor Richardson:-

(i) "That Council resolves to adopt the constitutional changes at points 1,2,7,8,9 and 10 and that changes at points 3 and 5 be referred to the Planning Committee for further consideration including a definitive conclusion on what will constitute mandatory planning training and also to debate the implications of further amendments to delegations. With regard to point 6 in respect of conservation grants, that this Council's Constitution be amended to articulate decisions must be made in consultation with the Chair of the Regeneration Services Policy Committee.

(ii) That the provision of substitutes is reinstated for Planning Committee Members.

(iii) That Council permits delegated authority to the Monitoring Officer to make such incidental changes to the Constitution following any resolution of full Council."

Amendment moved by Councillor Thompson and seconded by Councillor Riddle:-

"That the motion proposed by Councillor C Akers-Belcher be deferred to allow Members opportunity to assimilate its content"

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the amendment.

Those in favour:

Councillors Atkinson, Dawkins, Gibbon, Hind, Lilley, Riddle, Springer and Thompson.

Those against:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Clark, Cook, Cranney, Griffin, Hall, Jackson, James, Loynes, Martin-Wells, Morris, Payne, Richardson, Robinson, Simmons, Sirs and Thomas

Those abstaining:
None

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the substantive motion.

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Clark, Cook, Cranney, Gibbon, Griffin, Hall, Jackson, James, Loynes, Martin-Wells, Morris, Payne, Richardson, Robinson, Simmons, Sirs and Thomas.

Those against:

Councillors Atkinson, Dawkins, Hind, Lilley, Riddle, Springer and Thompson.

Those abstaining:

None.

Vote carried.

83.   REPORT FROM THE POLICY COMMITTEES

(a)   Proposal in relation to the Council's budget and policy framework

None

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

None

84.   MOTIONS ON NOTICE

None

85.   CHIEF EXECUTIVE'S REPORT

None

The meeting concluded at 8.00 p.m.

CEREMONIAL MAYOR

EXTRAORDINARY COUNCIL

MINUTES OF PROCEEDINGS

24 NOVEMBER, 2014

The meeting commenced at 7.00 pm in the Town Hall, Raby Road, Hartlepool

PRESENT:-

The Ceremonial Mayor (Councillor S Akers-Belcher) presiding:

COUNCILLORS:

Ainslie	C Akers-Belcher	Barclay
Beck	Brash	Clark
Cook	Cranney	Dawkins
Fleet	Gibbon	Griffin
Hall	Hind	Jackson
James	Lauderdale	Lilley
Martin-Wells	Dr Morris	Payne
Richardson	Riddle	Robinson
Sirs	Springer	Thomas
Thompson.		

ALSO PRESENT:
  Mr P Garvin, Chair, North Tees and Hartlepool NHS Trust
  Mr A Foster, Chief Executive, North Tees and Hartlepool NHS Trust
  Mr C Ward, Consultant Physician, North Tees and Hartlepool NHS Trust

Officers: Dave Stubbs, Chief Executive
  Peter Devlin, Chief Solicitor
  Alastair Rae, Public Relations Manager
  Joan Stevens, Scrutiny Manager
  Angela Armstrong, David Cosgrove and Denise Wimpenny,
  Democratic Services Team

86.   APOLOGIES FOR ABSENT MEMBERS

Councillors Atkinson, Hargreaves, Loynes and Simmons.

87.   DECLARATIONS OF INTEREST FROM MEMBERS

Councillor Brash declared a personal interest in Minute No. 90.

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

None.

89.   TO SUSPEND COUNCIL PROCEDURE RULES TO THE EXTENT NECESSARY TO ENABLE THE MEETING TO FOLLOW THE COURSE SET OUT ON THE AGENDA

Motion put and agreed.

90.   TO CONSIDER THE BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

The Extraordinary Council meeting had been preceded by a public meeting at which representatives of the North Tees and Hartlepool NHS Trust (the Trust) had answered questions from the public. Three representatives of the Trust were in attendance at the Extraordinary Council meeting.

In advance of consideration of the requisition, the Ceremonial Mayor allowed Members to direct questions to the representatives North Tees and Hartlepool NHS Trust.

When the Trust received its finance from central government had the Trust realised it would not have enough to maintain the Hartlepool Accident and Emergency (A&E) department and would the Trust have enough to maintain the Maternity Unit at Hartlepool.

The Trust Chief Executive stated that the funding it received was largely based on a tariff per patient within in its area. Other finance came through block contracts. The changes made were not made around finance but were made on clinical advice for the provision of safe services for the future. The closure of Hartlepool A&E had never been an issue of money; it was a clinical safety decision.

There is a midwifery led maternity unit in Hartlepool and that will continue for the foreseeable future. The Trust did occasionally get revised guidelines from the National Institute of Clinical Excellence (NICE) or the Royal Medical Colleges etc, as all Trusts do, and would only change a service if the guidance changed. The services that are there will remain there until we either have a new hospital or another plan.

Following the Darzi Review in 2005, did the Trust not receive an additional £2m each year to maintain the two hospitals. If so, why could that not be used to return services to Hartlepool.

The Trust Chief Executive stated that the funding was approved and it is that funding that keeps the services operating across the two bases we now have.

Why have you refused the request for the return of the services to the town.

The Trust Board Chairman indicated that as the clinicians had stated in the public meeting, those services could not be returned for clinical reasons. Those services had changed significantly in the way they were provided and the centralisation now provided better outcomes for patients.

At the Health and Wellbeing Board the issue of inadequate car parking at North Tees Hospital had been raised and we were surprised at the comment that there always seemed to be spaces available when that is not people's experience.

The Trust Chief Executive indicated that the number of parking spaces had been increased significantly and the Trust was looking at the potential of further spaces. An independent business has opened a car park across the road from the hospital. There were still areas such as around the lung health unit where spaces are limited.

The question of the need for a Plan B was raised in 2009 due to the significant financial constraints the Trust was under. We could see the problems coming, so this is not just about the situation you're in, it's the perceived incompetence that you didn't have a Plan B.

The Trust Chief Executive commented that 'Momentum' had three main strands;
Bringing services closer to patients' homes,
Community based, health pathways to look after people in their homes, and
Integration of health and social care services which is being discussed with the Health and Wellbeing Board.

The Trust is not responsible for General Practitioners (GPs) or the ambulance service or many of the services based at the Onelife Centre. The new hospital was the last piece of the Momentum jigsaw. We all have to acknowledge that the general population is getting older and facing increased complex health needs. The Trust established the need for the new hospital as far back as 2006 and this was accepted by the government. It was recognised then that the specialisation of health care would be the future. The new hospital was born from that. The Trust never established a 'Plan B' because it did not want to be seen as having an 'underhand' plan or hidden agenda.

When Prime Minister, Tony Blair had visited the new pathology labs at Hartlepool Hospital. Now, the majority of pathology testing was done as James Cook University Hospital (JCUH) with some samples taking so long to get there they were out of date.

The Trust Chief Executive refuted that claim and stated that no samples were out of date when they reached the labs. The service provided at JCUH allowed the Trust to benefit from the economies of scale provided by those labs and it meant that samples were not being transported to Newcastle. The service was sound and saved money.

Much of this issue is about trust. Some Members have supported Momentum and the plans for the new hospital at Wynyard. Before A&E was transferred there were rumours in the press and Members asked for explanation and were told it was not going to close. Only months later, we were told it was going to close. Members were then told the solution would be a combination of the Onelife Centre, North Tees Hospital and the 4th floor at Hartlepool Hospital. It was then announced the 4th floor was closing. Can you understand that people don't trust you as you keep changing the goal posts.

The Trust Board Chairman indicated that he understood the Member's frustration and indicated that the Trust too was frustrated. The government's inner workings and politics and the lack of political clout in this area to get a new hospital when other areas had got theirs was extremely frustrating. The move of acute services to the 4th floor was what we thought was the right thing to do but the medical experts said it was not sustainable and that the Trust had to develop the 24 hours service model. The Trust had been trying to maintain the service but the rules had changed; that was outside of our control and therefore we had to change our decisions.

The Consultant Physician present indicated that he had worked on the 4th floor. Staff had tried to come up with alternative, but because of ongoing rationalisation and the support needed from the Royal Colleges, who were laying down stricter conditions for the junior staff, the only way was to centralise; we could not have people in unsafe environments. We were running an isolated medical unit without sufficient clinicians. We can't ignore the other inquiries like Stafford. Once the anaesthetists said to us we couldn't operate acute admissions at Hartlepool, it had to close. If we could not provide the level assurances required, there was no option as it was us who were accountable.

There must be sustainability issues around the midwife led Maternity centre at Hartlepool. The staff won't be getting enough work to sustain their skills as when prospective parents are given the choice about where their child is born they will always want the best service and they will believe that is the unit at North Tees which is clinician led. If that continues, the numbers at Hartlepool will continue to fall and it will close for clinical reasons as the staff won't be getting enough work.

The Trust Chief Executive commented he had a similar family experience. If there were any issues during a birth at Hartlepool, then the mother would be 'blue lighted' through to North Tees. It was acknowledged that the numbers of births at Hartlepool were less than one a day.

The Trust Board Chairman commented that the midwives work in the birth centres and assist mums in the community. Their work rotation meant they spent time in both centres. The CCG do fund us to keep the centre open even though it technically loses money; these decisions are not about cash. The Trust is keeping its head above water financially, these decisions we are discussing are about clinical safety.

Hartlepool Hospice receives day patients from the Trust. Is it true that the trust is charging £450 each time to transfer patients.

The Trust Chief Executive stated that North Tees and Hartlepool NHS Trust did not run the ambulance service. This was the first that he had heard of this and he would look into it after this meeting and forward a response to the Council. The Mayor indicated that the response would be circulated to all Members.

In 2004 the then Trust Chairman said the hospital in Hartlepool would close in 10 years. Tony Blair said it would not close and there would be no running down of services. Despite that there has been a continued salami slicing of services at Hartlepool. It seems there is no wonder as to why no one wants to work there. The plans for the new hospital north of the Tees appear to be your only answer. Can you tell us if you will keep our Hospital open as our MP and the former Prime Minister said.

The Trust Chief Executive stated that the strategy was to build a new hospital. If that comes about then both Hartlepool and North Tees will close.

Has the hospital ground been sold – is that true. To who and when.

The Trust Chief Executive stated that the site has not been sold. The Trust has some outline planning permissions. If we do get the new hospital then the current hospital will be closed and the site sold off.

In June 2010 Wynyard was one of the schemes scrapped by the Government. The main political parties appear to be playing politics with our lives.

The Trust Board Chairman agreed that politicians were playing politics with our services. The review in 2004, proposed the scheme for a new hospital. Then there was the Darzi 'fudge' with a range of services to be kept at Hartlepool. There was then a referral to the Secretary of State and another review. The Secretary of State said there should be a single new hospital. This plan had been approved for public funding, which was then pulled. The Trust has spent 4 years going around the political machine to get a business case that is sustainable. We have that now and my view is that it appears to be the treasury delaying the decision and running down the clock to the election.

The Trust has spent over £6m on the Wynyard site, why was that not spent on Hartlepool. We are told that around £2m is spent just to maintain services at Hartlepool, not to improve them. What could have been done with the £6m if it had been spent on improving services.

The Trust Chief Executive indicated that the Trust had spent £6.4m on developing the business case for the new hospital and £5m on the land. In relation to the land, the Trust would get a refund if it does not go ahead, apart from the VAT. The funding came primarily from the Strategic Health Authority and the Primary Care Trust. The funding was specifically for the land and the business case – it was a one-off grant that could not be spent on anything else.

There were issues with parking availability at visiting times at North Tees Hospital. The Trust now charged patients, visitors and staff for car parking. Even during the day the Trust only allowed 20 minutes free parking which didn't

allow sufficient time for people to walk to or from the various clinics. Why did the Trust have these charges.

The Trust Chief Executive commented that all Trusts now charged for car parking. In the past staff had commented on problems with car vandalism and thefts and also their own security walking to and from their cars, particularly when on shifts, and the charges paid for improved lighting and security measures. All these arrangements had been put in place following discussions with the Trade Unions and there was subsequently very little crime. Staff also benefitted from a salary sacrifice scheme which gave tax relief on parking fees.

The Darzi report had stated that Hartlepool had an excellent hospital and services. North Tees Hospital building was in poor condition, yet the Trust were transferring services from Hartlepool to North Tees.

The Trust Chief Executive indicated that the case for the new hospital reflected the situation with buildings.

A Councillor commented that recently his wife had been diagnosed with cancer and had been admitted to North Tees Hospital to a small eight bed ward. The Trust was now talking about closing that ward and moving the service to JCUH. Why was such an essential service being moved even further away from Hartlepool.

The Trust Board Chairman commented that the case for the haematology unit was a worst case scenario. There were only a few centres that could deliver these specialist services and consultants were in short supply and the Trust had recently lost a consultant due to the amount of on-call cover they had to do. The North Tees unit could not be kept open 24/7 and reluctantly, the Trust had had to transfer patient services to JCUH.

A Councillor commented that if the Trust was struggling to get staff in specialist areas now, how was it going to staff the new hospital.

The Trust Board Chairman stated that, as had been said by the consultants in the presentation to the public meeting, the Trust had recruited some fantastic consultants but there were still shortages in some areas and this was not a local problem but a national one. Haematology was one of those services. A specialist had left North Tees to go to another unit where they would get greater turnover of patients and thus improved experience. The issue of staff was not one of money but a national shortage of those consultants.

A Councillor referred to the Trust's statement that we lacked sufficient political clout to get a new hospital and asked if the town's MP agreed.

Iain Wright MP commented that as an opposition member he had very few inroads into Government. This Government had cancelled the funding for the new hospital in 2010. The date of the Trusts' announcement, 23 October, was also the date NHS England published its Five Year View which proposed a future of health services based around small local centres. The MP quoted

from the Five Year View and stated that under its proposals, the Wynyard Hospital model was dead.

The Trust Board Chairman stated that he had read the full Five Year View document and that while promoting the smaller 'cottage' hospitals it recognised that complex and acute services did not fit that model. It was disingenuous to say that would not work here.

A Member asked that if, as the MP said, there would be no new hospital, what future Hartlepool Hospital would have.

The Trust Board Chairman indicated that the Trust had received a letter from the Department of Health stating what the Trust needed to do to get the Wynyard plan 'over the line'. The scheme was not dead and over the next six months the Trust would be looking at the future of the proposal. The Trust would look to keeping as many services as possible in Hartlepool until the new hospital was built. If the new hospital did not go ahead then the Trust would need to re-look at the future of services. The Trust had heard the comments about a 'Plan B' but in truth, Plan B would be the least best option.

The Member pursued the question as to when the Trust would effectively 'pull the plug' on Hartlepool Hospital. The future of the maternity unit had already been mentioned; when would a decision be made on that service.

The Trust Chief Executive indicated that the Trust would need to talk to the CCG on the services it wished to commission. There was now the Five Year View. After the election, there was always the potential for another health reorganisation. The Trust would listen to its consultants; all the changes to date had been driven by their advice and guidance. If they said that services needed to be changed in order to remain safe then the Trust would have to consult on those changes. There wasn't an end point for services in Hartlepool, but what was delivered would depend on circumstances.

The Member asked if there was still the potential for some services to be centralised in Hartlepool.

The Trust Chief Executive said that that had not yet been determined. There was already more day surgery undertaken in Hartlepool. The limiting factors were the back up that was needed such as Intensive Care services and access to specialists.

A Councillor questioned the Trust Chief Executive's comments that £6.4m had been spent on the business plan.

The Trust Chief Executive confirmed that and stated that a further £5m had been spent on the land for the new hospital.

A Councillor referred to a discussion at the Audit and Governance Committee on the use of volunteer drivers and asked who paid their costs for insurance and what cover was in place if they suffered a car breakdown.

The Trust Board Chairman stated that the volunteer drivers were paid car mileage. They were responsible for appropriate insurance cover but the Trust did check that was in place. Breakdown cover had not been considered.

A Member commented that the Trust seemed to consider the current situation everybody's fault but their own. Had the Trust thought about bringing someone else in to review the situation.

The Trust Board Chairman stated that the Trust had excellent outcomes for its patients. It had the shortest A&E waiting times with vastly improved outcomes for A&E patients. These outcomes were down to the staff on both sites and those outcomes were now much better than if the services had been left the way they were. The Trust was a successful organisation and that was down to its leadership.

The Ceremonial Mayor closed the question session and the Chief Executive read the requisition

The meeting has been convened in accordance with Schedule 12 of the Local Government Act 1972 and Council Procedure Rule 3 following the receipt of a requisition in the following terms:

"As locally elected councillors we must all share in the responsibility of holding the trust to account and never has that been needed more than now.

The recent announcement of a 'pause' in the development of the new Wynyard Hospital raises the fear that many have expressed repeatedly in the past, i.e. that Hartlepool will lose its hospital and have nothing to replace it. Wholly unacceptable I'm sure you would agree.

It is clear that numerous promises have been broken and repeated consultations with stakeholders and especially the public over hospital services have been meaningless.

Hartlepool needs answers on hospital services and if the trust fails to provide them or if they confirm our worst fears then I believe the council needs to use the one power available to it and refer the trust to the Secretary of State."

Signed:-
Councillors Thompson, Brash, Lilley, Riddle, Dawkins, Gibbon, Hargreaves and Atkinson.

The following motion was proposed by Councillor Thompson and seconded by Councillor Riddle.

"That this Council:-
▪ Reaffirms our vote of no- confidence in the Chief Executive of the Trust, the Chairman of the Trust and the entire Board of the North Tees and Hartlepool NHS Trust.
▪ Calls for the entire Board of the Trust to resign with immediate effect and a new Board be voted in.

- Makes a referral to the Secretary of State for Health given the concerns of public safety.
- Demands that there is no further degradation of services at University Hospital of Hartlepool and a plan is put in place to return the services already vacated.
- Returns the Health Scrutiny powers and responsibilities delegated to the Audit and Governance Committee to Full Council so that future discussions and decisions are taken by the entire body of elected representatives in front of members of the public and not behind closed doors by a select few at 10.30 am on a Tuesday morning."

An addition to the motion was proposed by Councillor C Akers-Belcher which was accepted by the proposer and seconder –

- That an audience with the Secretary of State be sought to express the strength of feeling of which representatives from all interested parties be invited to participate.

The amended motion was put.

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken

Those in favour –
Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Brash, Clark, Cook, Cranney, Dawkins, Fleet, Gibbon, Griffin, Hall, Hind, Jackson, James, Lauderdale, Lilley, Martin Wells, Dr. Morris, Payne, Richardson, Riddle, Robinson, Sirs, Springer, Thomas and Thompson.

Those against:
None.

Those abstaining:
None.

The Ceremonial Mayor proposed that as well as the formal letter that would be sent to the Secretary of State setting out the resolution, a copy of the letter would be forwarded to North Tees and Hartlepool NHS Trust.

This was supported unanimously by those Councillors present.

The meeting concluded at 8.30 pm.

CEREMONIAL MAYOR

Cleveland Police and Crime Panel

A meeting of Cleveland Police and Crime Panel was held on Thursday, 24th July, 2014.

Present: Cllr Norma Stephenson O.B.E(Chairman), Cllr Chris Abbott, Cllr Ken Dixon, Gwen Duncan, Cllr George Dunning, Cllr Steve Nelson, Cllr Bernie Taylor, Cllr Brenda Thompson

Officers: Graham Birtle, Michael Henderson, Steve Hume (SBC)

Also in attendance: Barry Coppinger (Commissioner), Joanne Hodgkinson, Simon Dennis (Commissioner's Office),
Iain Spittal (Cleveland Police)

Apologies: Cllr Charles Rooney, Cllr Terry Laing, Geoff Baines, Cllr Paul Thompson, Cllr Christopher Akers-Belcher

PCP 19/14   **Evacuation Procedure /Mobile Phones**

The Chairman presented the Evacuation Procedures and reminded those presented to turn off, or turn to silent, any mobile phone, or similar device, they might have with them.

PCP 20/14   **Declarations of Interest**

Cllr George Dunning declared an interest in the item entitled Annual Report of the Police and Crime Commissioner for Cleveland as he was a serving member of Cleveland Fire Authority.

PCP 21/14   **Minutes of the meeting held on 26 June 2014**

The minutes of the meeting held on 26th June 2014 were confirmed as a correct record and were signed by the Chairman.

PCP 22/14   **Quarter 1 2014-15 Monitoring Report on Progress against the Police and Crime Plan**

Members considered a report that provided an update of performance scrutiny undertaken by the Police and Crime Commissioner for Cleveland to support the delivery of the priorities of the Police and Crime Plan for the first quarter of 2014/15.

During consideration of this item there was discussion relating to:-

- the new Probation Service.   It was noted that the bids for the Community Rehabilitation Company would be evaluated during July and August with a successful bidder being announced in September.

- Victim Satisfaction and particularly the importance of keeping victims informed of progress in cases.   It was noted that lots of work was taking place on this area. In addition the Commissioner had accessed some Ministry of Justice funding to help develop support to victims.

- the increase in outturns for crime performance for Redcar and Cleveland for Q1 2014 -15 against the same period last year.   Noted that this was a snap shot and crime in this area for the year was actually down 2%. The work that was ongoing and the support of the community provided some confidence that this longer term downward trend would continue.

- the substantial increase in many of the Local Policing areas of sexual offences, though Hartlepool had only seen a slight increase.   It was suggested that although high the increase was lower than the picture nationally. Also recent high profile cases had increased victims confidence to come forward and this was viewed as a positive development.

- long term sickness.   Members noted that this continued to be an area of priority and police management teams worked closely with HR and supervision to ensure proper support was provided to affected staff. In circumstances where unsatisfactory performance was involved relevant regulations were firmly applied.   The Force's approach to sickness and related issues were supported by the Trade Unions.

- a possible disconnect between the Commissioner's strategic priorities and how they were interpreted by the public. It was accepted that the Commissioner undertook a significant amount of consultation, so had an excellent insight into the public's priorities, however, it was suggested that the way the priorities were presented didn't give the public an explicit indication of all the work that was being undertaken.

RESOLVED that the report and discussion be noted.

PCP 23/14   **2013/2014 Annual Report of Police and Crime Commissioner for Cleveland (inc financial information)**

Members received a report that presented the final version of the Police and Crime Commissioner's 2013/14 Annual Report, including the end of year financial figures.

During consideration of the report reference was made to a recent press report relating to appointments on zero hours contracts.

The Commissioner felt that the report had not been well constructed and it had attributed comments to him that he had not made.   Members noted that the contracts did not tie people to the Police, as other similar contracts did. The contracted workers would undertake certain types of investigation work and they often wanted the flexibility the contract provided. It was explained that if existing trained staff were used for the work then other areas of police work would be denuded.

Reference was made to the tables within the Annual Report that suggested that commitments had been achieved.   The Commissioner agreed that work on many of the commitments was ongoing and would continue indefinitely. It was suggested that the success of the work towards the commitments could be illustrated in a different way.

It was noted that a great deal of work had gone into the review of the Neighbourhood Watch, as this was seen as an important initiative.

The Panel discussed Community Safety Partnerships and it was noted that lead officers from each authority would be meeting soon to look at resource allocation from the Commissioner.

RESOLVED that the updated Annual Report and discussion be noted.

PCP 24/14 **Decision made by the Police and Crime Commissioner for Cleveland**

Members considered a report that provided an update in relation to the decisions made by the Commissioner between 6 June 2014 and 7 July 2014.

RESOLVED that the report be noted.

PCP 25/14 **Police and Crime Commissioner for Cleveland - Programme of Engagement**

The Panel received a report detailing meetings attended by the Commissioner in June 2014.   Details of planned engagements/meetings was also provided.

It was requested that consideration be given to inviting the Chairs of each authorities' Youth Assembly to the planned Anti-Social Behaviour Legislation Seminar.

RESOLVED that the report be noted.

PCP 26/14 **Task and Finish Scrutiny Review - Probation Services**

Members received a report from one of the Panel's Task and Finish Group relating to a review, it had undertaken, into changes to the Probation Service.

Members noted that the Commissioner had been involved in a Local Area Partnership Board, working with the MoJ to determine what element should be taken into consideration as part of the assessment process.   As part of the requirements for Durham and Tees Valley he had indicated the following areas as key characteristics, which need to be considered within each bid:

- the retention of Community Payback
- the delivery of Integrated Offender Management (IOM) across Teesside
- the development and sustainability of Restorative Practice.

Members noted some of the issues that had arisen during the Group's consideration of the matter, including:-

-   the role of the PCP in holding the PCC to account for the commissioning of services and how successful they were to achieving objectives.

- It was felt that the PCP and community safety partnerships should be active in

questioning the delivery of plans and services by the CRC. CRCs would be represented on the partnerships and the partnerships had a statutory duty to scrutinise and challenge.

- Concern was expressed about the winning bidder if they were not currently based in the region and lack local knowledge and experience. An additional worry was the profit incentives that some of the bidders may take from the service if successful.

RESOLVED that;-

1. the report be noted.

2. a further report from the Commissioner be provided to the Panel following the conclusion of the bidding process.

3. the Chief Executive of the CRC and the new provider be invited to a meeting of the Panel in early 2015 to outline their plans for the future along with the challenges and opportunities for the service over the terms of the contract.

PCP 27/14 **Scrutiny Work Programme**

Members considered proposals for the PCP Scrutiny Work Programme for 2014/15.   The programme was agreed as follows.

Task and Finish Groups comprised of 5 members from the Full Panel - 1 member from each authority plus 1 independent member.

Overall Budget Strategy - Cllr Charles Rooney, Cllr Ian Jeffrey, Cllr Terry Laing, Cllr Christopher Akers-Belcher, Geoff Baines

Shared Services - Cllr Bernie Taylor, Cllr Chris Abbott, Cllr Norma Stephenson, Gwen Duncan and a member from Hartlepool BC.

Commissioner Priorities - Cllr Charles Rooney, Cllr Ian Jeffrey, Cllr Steve Nelson, Geoff Baines and a member from Hartlepool BC.

Victims' Services - Cllr Brenda Thompson, Cllr George Dunning, Cllr Ken Dixon, Gwen Duncan and a member from Hartlepool BC.

RESOLVED that the Work Programme for 2014/15 as detailed above be approved.

PCP 28/14 **Public Questions**

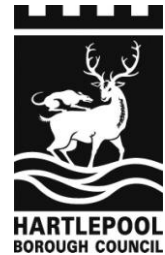The Panel received a report relating to Public Questions.

Members were reminded of the agreed procedure for considering questions, on notice, and noted that no such questions had been received for this meeting

RESOLVED that the report be noted.

PCP   **Forward Plan**
29/14

The Panel considered its current Forward Plan.

RESOLVED that the Forward Plan be approved.

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│           18 December 2014               │
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HARTLEPOOL BOROUGH COUNCIL

Report of: FINANCE & POLICY COMMITTEE

Subject: REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS

1.   PURPOSE OF REPORT

1.1   For Council to approve the recommendations made through Finance and Policy Committee on 24 November, 2014, in line with the 'proposals' document as appended to this report at **Appendix 1**. The Committee had previously received a report on the 18th August, 2014, with a request to determine a timetable for this review and to authorise the Chief Solicitor to take necessary steps to implement that review and undertake appropriate consultations. A consultation process was therefore undertaken from 1 September through to 31 October and the results of that consultation are also outlined within the confines of this report

2.   BACKGROUND

2.1   The Electoral Registration and Administration Act, 2013 revised the timing of compulsory reviews of UK Parliamentary Polling Districts and Polling Places. Whereas the Electoral Administration Act 2006 previously required that polling districts, polling places and polling stations be reviewed by the end of 2007 and at least every 4 years thereafter, the 2013 Act requires a compulsory review within a period of '16 months beginning with 1 October 2013 and the same period, beginning with 1 October of every fifth year after that.' As previously reported, this does not prohibit a Council from carrying out periodic reviews 'of some or all' of polling districts or places at other times.

2.2   The Council have under taken previous reviews in line with this earlier legislation in 2007 and 2011 and this present review requires completion by no later than 31January, 2015. In addition to earlier reviews in 2007 and 2011, interim reviews also took place in 2009, 2010, 2012 and 2013 as the Council electoral scheme based on 'thirds' allows an element of feedback which can itself initiate incremental reviews taking place.

3. STATUTORY CRITERIA

3.1 Under the statutory requirements all electors should have reasonable facilities for voting as are practicable. Local Authorities are required to divide their area into polling districts for the purpose of Parliamentary elections and to designate polling places for these polling districts. A polling place within a polling district must be designated so that polling stations are accessible to all electors from across the polling district. Of note, although it is the local authority which determines the polling districts and polling places, the polling stations are chosen by the Returning Officer.

3.2 Through conduct of the statutory review local authorities must demonstrate that they have, as far as is practicable, met the statutory criteria set out below:

    i)   seek to ensure that all the electors in the constituency have such reasonable facilities for voting as are practicable in the circumstances.

    ii)   seek to ensure that so far as is reasonable and practicable, the polling places they are responsible for are accessible to all electors, including those who are disabled.

4. CONSULATATION

4.1 The Committee previously determined the timetable for the consultation stage of this particular review and that commenced formally on the 1st September and concluded on 31 October, 2014. As previously represented consultation invites comments on the proposals for polling districts and places. This entails two parts, as follows:

- a compulsory submission from the Acting Returning Officer of the Parliamentary constituency;
- submissions from other persons and bodies. These can be referenced to the Acting Returning Officer proposed polling stations as well as the Authorities proposals on polling districts and polling places..

4.2 It is envisaged that the Authority should consult widely on a review and seek the views of interested groups. The outcome of this consultation exercise by way of responses received is outlined within **Appendix 2** to this report. Council will observe that a majority of responses indicate that there should be no change to current arrangements. It is noted that there is also commentary that the review is 'bureaucratic' in nature and the costs of such a review could be better expended in other areas of public service. While such comments are duly canvassed, this review of polling districts, polling places and polling stations is a statutory requirement and the Council have accorded with that requirement and also with the applicable statutory criteria in undertaking this review.

5. PROPOSALS

5.1 A review document of polling districts, polling places and polling stations is outlined within **Appendix 1.** In particular, the following proposals are brought to the specific attention of Council;

i)   Reconfiguration of Polling Districts KB and KD in the Victoria Ward.

A request was made for the reconfiguration of these polling districts. It was indicated that voting would be more accessible if electors could vote at the KB polling station located at the Supporters Club rather than the KD polling station located at Lynnfield School. The effect of such a change would involve the moving of the following streets/ electors from polling district KD namely;

- Welldeck Road
- Wilson Street
- Bright Street
- Welldeck Gardens
- Byron Street
- Cobden Street
- Roseberry Road
- Mulgrave Road

In total the potential movement of these streets / electors from polling district KD to KB would currently affect some 511 registered electors. Polling district KB has 1371 eligible and registered electors and through the proposed change would see an enlargement to this district to 1882. Conversely, polling district KD would be reduced in numbers from a figure of 1518 to 1007. **Appendix 3** illustrates the proposed reconfiguration.

ii)   Polling District AE – Burn Valley Ward

A number of representations were received as to the suitability of the premises known as the 'Epilepsy Centre' for the purposes of an election. It has been suggested that a much more suitable and accessible venue would be the Oxford Road Baptist Church (which is directly opposite the Epilepsy Centre) which has previously been used as a polling station. Although these two venues are proximate to each other they are in different Wards. The provisions of the Representation of the People Act, 1983, provides that the polling place for any polling district '*shall be an area in that district, except where special circumstances make it desirable to designate an area wholly or partially outside the polling district....*' In this particular case, alternatives within this Ward have been explored and none are available or are otherwise unsuitable for use. The concerns expressed over the continued use of the 'Epilepsy Centre' are so tangible that it is considered, having looked at other options, that this is a special circumstance justifying use of the Oxford Road premises. It has been confirmed through the Electoral Commission that such a situation does not prohibit the use of these alternative premises even if in a

different Ward, if such special circumstances exist and the premises are suitable and accessible to electors.

iii)   Polling District BD – De Bruce Ward

The polling place and polling station at St Thomas Mores Parish Hall has been previously been considered as being acceptable. There has been speculation as to the continued use of such church premises but it is envisaged that these premises would be available for the combined elections in May 2015. Representations did suggest the use of alternative premises and whilst alternatives have been explored (not least following the representations of the Committee at their meeting on 24 November), none are viewed as suitable, at the present time.

iv) Polling District CA – Fens and Rossmere

Although the polling station and polling place is considered to be generally suitable within polling district CA concerns have been expressed that this venue as a 'community pub' might not be conducive to the conduct of an election. This has been a venue deemed suitable in the past and there is also the potential for the use of a portable unit within the curtilage of these premises but the expense and nature of such portable accommodation does not obviously lend itself to the permanency of an established polling station and the cost of the use of a portable unit. Owing to its general accessibility it is envisaged that no change should be initiated, at the present time, in relation to this particular polling place/ station. It was also suggested the potential for a potable unit to serve as a polling station in the area known as Chichester Green. This was on the basis that the station at St Teresa's Church Hall or the Fens Primary School might be deemed to be inaccessible. Both the Fens Primary School and St Teresa's Church Hall are acceptable polling places / stations and for the reasons indicated above, it is not ideal to rely upon portable units, owing to their cost and the very nature of such units do lead to significant areas of complaint not only from electoral staff attending on the day but also from electors on issues of accessibility to such stations.

v) Miscellaneous

The majority of polling places and stations are considered to be acceptable and 'no change' is recommended. There is the reliance on the use of portable units (District EE – Merlin Way/Lapwing Road and Polling District KB – Supporters Club Car Park) only where suitable, permanent stations are not otherwise available. These matters are kept under review and the use of more permanent venues whilst desirable cannot always be achieved.

6.   EQUALITY AND DIVERSITY CONSIDERATIONS

7.1   An impact assessment has been undertaken in connection with this review.

7.   SECTION 17 CRIME AND DISORDER ACT 1998 CONSIDERATIONS

7.1   There are no Section 17 implications.

8.   RECOMMENDATION

8.1   That Council approves the proposals in accordance with the details provided at **Appendix 1** and delegates authority to the Chief Solicitor for publication of those proposals as approved by Council.

9.   REASONS FOR RECOMMENDATION

9.1   In conducting this review, officers have had due regard to the applicable statutory criteria and have investigated alternative polling places and polling stations as raised within the consultation exercise. For the avoidance of any doubt, all representations have been duly considered and evaluated against that criteria and also the practical requirements to ensure accessibility and promoting and engaging public participation in the forthcoming elections. The proposals as outlined are therefore placed before Council for consideration and approval.

POLLING DISTRICT	ELECTORATE (APPROX)	PROPOSED POLLING PLACE	EXISTING POLLING STATION	COMMENTS
AA	918	Eldon Grove Bowling Club	Eldon Grove Bowling Club	No Change – the polling station is considered to be acceptable
AB	1955	St. Matthews Community Centre	St. Matthews Community Centre	No Change – the polling station is considered to be acceptable
AC	1615	Walmsley Hall	Walmsley Hall	No Change – the polling station is considered to be acceptable
AD	857	Stranton Centre	Stranton Centre	No Change – the polling station is considered to be acceptable
AE	1035	Entrance Foyer, Oxford Road Baptist Church	Epilepsy Outlook, Oxford Road	Although outside of the Ward, this location is on the Ward boundary and offers the elector improved disabled access and provides polling station staff with suitable amenities.
BA	994	Barnard Grove Primary School	Barnard Grove Primary School	No Change – the polling station is considered to be acceptable
BB	2170	Northern Lights Academy	Northern Lights Academy	No Change – the polling station is considered to be acceptable
BC	1829	West View Community Centre, Miers Avenue	West View Community Centre, Miers Avenue	No Change – the polling station is considered to be acceptable
BD	924	St Thomas Mores Parish Hall	St Thomas Mores Parish Hall	No Change – the polling station is considered to ne acceptable.

POLLING DISTRICT	ELECTORATE (APPROX)	PROPOSED POLLING PLACE	EXISTING POLLING STATION	COMMENTS
CA	1821	Polling District CA	The Mowbray Community Pub	The polling district has limited, suitable accommodation for polling purposes. The Mowbray Community Pub was introduced in 2014 and no significant problems were experienced. However, some concerns were expressed about the size of the polling station. Polling District CA identified to accommodate alternative venue, if one becomes available, including, although not ideal, the potential use of portable unit in Mowbray car park.
CB/CF	2352	Fens Primary School	Fens Primary School	No Change – the polling station is considered to be acceptable
CC	1114	St Teresa's Church Hall	St Teresa's Church Hall	No Change – the polling station is considered to be acceptable and a larger room has been identified for use.
CD	841	Rossmere/Ardrossan Community Building	Rossmere/Ardrossan Community Building	No Change – the polling station is considered to be acceptable
CE	1037	Rossmere Centre	Rossmere Centre	No Change – the polling station is considered to be acceptable
DA	1217	Browning Avenue Baptist Church	Browning Avenue Baptist Church	No Change – the polling station is considered to be acceptable
DB	1199	Kingsley Children's Centre	Kingsley Children's Centre	No Change – the polling station is considered to be acceptable
DC	1053	Inspirations Garden Centre	Stranton Garden Centre	No Change (except in name) – the polling station is considered to be acceptable
DD	2046	St Cuthbert's Primary School – Nursery	St Cuthbert's Primary School – Nursery	No Change – the polling station is considered to be acceptable
DE	1104	Belle Vue Community Centre	Belle Vue Community Centre	No Change – the polling station is considered to be acceptable

POLLING DISTRICT	ELECTORATE (APPROX)	PROPOSED POLLING PLACE	EXISTING POLLING STATION	COMMENTS
EA	499	Hart Village Hall	Hart Village Hall	No Change – the polling station is considered to be acceptable
EB	1330	St Mark's Community Centre	St Mark's Community Centre	No Change – the polling station is considered to be acceptable
EC	1678	Bamburgh Court	Bamburgh Court	No Change – the polling station is considered to be acceptable
ED/EF	1935	Hartfields Manor	Hartfields Manor	No Change – the polling station is considered to be acceptable
EE	1275	Polling District EE	Portable Unit, Merlin Way/Lapwing Road	Currently, no suitable premises available in Polling District EE but a portable unit has been used and located at the junction of Merlin Way/Lapwing Road. This facility will remain in use until such time as a suitable, permanent polling station is available for use.
FA	1165	Phoenix Centre	Phoenix Centre	No Change – the polling station is considered to be Acceptable
FB	1516	St Helen's Primary School	St Helen's Primary School	No Change – the polling station is considered to be Acceptable
FC	1330	Borough Hall, Middlegate	Borough Hall, Middlegate	No Change – the polling station is considered to be acceptable and a larger room has been identified for use.
FD	897	Marketing Suite, Maritime Avenue	Marketing Suite, Maritime Avenue	No Change – the polling station is considered to be Acceptable
FE	899	Burbank Community Centre	Burbank Community Centre	No Change – the polling station is considered to be Acceptable

POLLING DISTRICT	ELECTORATE (APPROX)	PROPOSED POLLING PLACE	EXISTING POLLING STATION	COMMENTS
GA	1201	Throston Library	Throston Library	No Change – the polling station is considered to be acceptable
GB	1107	Throston Youth Project	Throston Youth Project	No Change – the polling station is considered to be acceptable
GC	694	Foundation Stage, Jesmond Gardens Primary School	Foundation Stage, Jesmond Gardens Primary School	No Change – the polling station is considered to be acceptable
GD	1904	Chatham House	Chatham House	No Change - the polling station is considered to be acceptable
GE	1493	Wharton Annexe	Wharton Annexe	No Change – the polling station is considered to be acceptable
HA	1536	Grange Primary School	Grange Primary School	No Change – the polling station is considered to be acceptable
HB	1367	Owton Manor Primary School	Owton Manor Primary School	No Change – the polling station is considered to be acceptable
HC	1064	Owton Manor Community Centre	Owton Manor Community Centre	No Change – the polling station is considered to be acceptable
HD	1665	St Columba Centre	St Columba Centre	No Change – the polling station is considered to be acceptable
HE	950	Masefield Road Centre	Masefield Road Centre	No Change – the polling station is considered to be acceptable
HF	838	Owton Manor Baptist Church	Owton Manor Baptist Church	No Change – the polling station is considered to be acceptable

POLLING DISTRICT	ELECTORATE (APPROX)	PROPOSED POLLING PLACE	EXISTING POLLING STATION	COMMENTS
IA	1024	Ward Jackson Bowls Pavilion	Ward Jackson Bowls Pavilion	No Change – the polling station is considered to be acceptable
IB	948	Cricket Club	Cricket Club	No Change – the polling station is considered to be acceptable
IC	2001	High Tunstall School	High Tunstall School	No Change – the polling station is considered to be acceptable
ID/II	242	Dalton Piercy Village Hall	Dalton Piercy Village Hall	No Change – the polling station is considered to be acceptable
IE	518	Elwick WI	Elwick WI	No Change – the polling station is considered to be acceptable
IF	314	Wynyard Woods Grange, Wynyard Woods	Wynyard Woods Grange, Wynyard Woods	No Change – the polling station is considered to be acceptable
IG/IH/IJ	886	Greatham Community Centre	Greatham Community Centre	No Change – the polling station is considered to be acceptable
JA	1892	The Schooner	The Schooner	No Change – the polling station is considered to be acceptable
JB	1642	Seaton Library	Seaton Library	No Change – the polling station is considered to be acceptable
JC	1727	Seaton Rugby/Cricket Club	Seaton Rugby/Cricket Club	No Change – the polling station is considered to be acceptable
JD	879	Jutland Road Community Centre	Jutland Road Community Centre	No Change – the polling station is considered to be acceptable
JE	741	Golden Flatts Community Resource Building	Golden Flatts Community Resource Building	No Change – the polling station is considered to be acceptable

| POLLING DISTRICT	ELECTORATE (APPROX)	PROPOSED POLLING PLACE	EXISTING POLLING STATION	COMMENTS
KA	1327	St Luke's Church Hall	St Luke's Church Hall	No Change – the polling station is considered to be acceptable
KB	1882	Polling District KB	Portable Unit, Supporters Club Car Park	No Change – Currently, no suitable premises available in Polling District EE but a portable unit has been used and located in the Supporters Club Car Park. This facility will remain in use until such time as a suitable, permanent polling station is available for use.
KC	1127	Mill House Leisure Centre	Mill House Leisure Centre	No Change – the polling station is considered to be acceptable
KD	1007	Lynnfield Community & Learning Centre	Lynnfield Community & Learning Centre	No Change – the polling station is considered to be acceptable
KE	588	Central Library	Central Library	No Change – the polling station is considered to be acceptable

Q1 Please complete your details and respond to the questionnaire below:

Answered: 43   Skipped: 1

Answer Choices	Responses	
Name:	100.00%	43
Organisation:	18.60%	8
Address 1:	88.37%	38
Address 2:	16.28%	7
City/Town:	88.37%	38
State/Province:	0.00%	0
Postal Code:	90.70%	39
Country:	0.00%	0
Email Address:	0.00%	0
Phone Number:	0.00%	0

Q2 Do you agree with the proposals for the Polling District areas?

Answered: 31   Skipped: 13
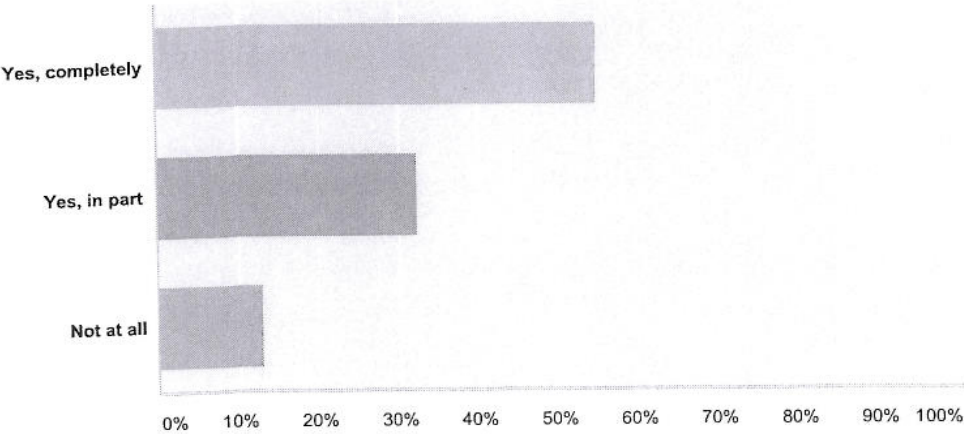
nswer Choices	Responses	
Yes, completely	54.84%	17
Yes, in part	32.26%	10
Not at all	12.90%	4
otal		31

Q3 If you do not agree completely, please explain why: (If your comments are about a particular ward, please tell us which one.)

Answered: 4   Skipped: 40
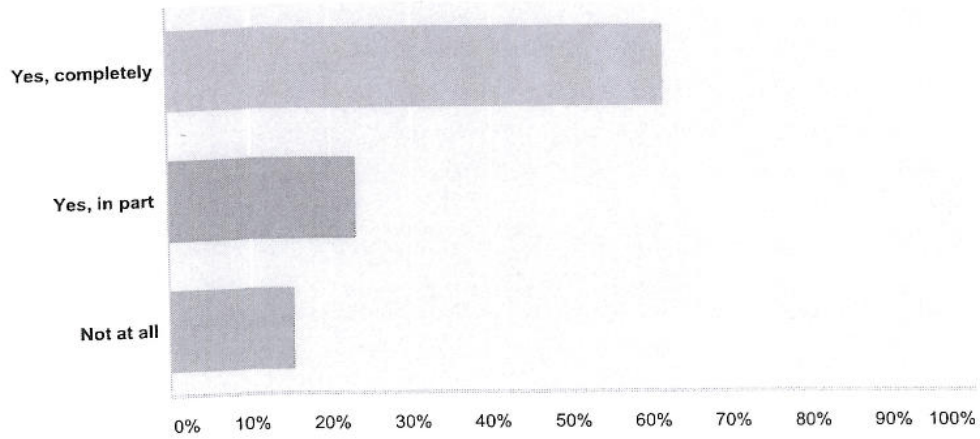
#	Responses	Date
1	I live in the Burn Valley ward and there does not appear to be any change. Have I missed something?	10/21/2014 3:02 AM
2	Well, the Burn Valley ward (where I live) looks OK.	10/8/2014 6:50 AM
3	There is nothing wrong with the present system any money used to change to a new system would be better spent on the NHS And Keeping Hartlepool General Hospital open.	10/2/2014 11:49 AM
4	It is ridiculous changing the current wards money could be spent elsewhere instead of paper rehashing. People don't vote because they are apathetic not because the wards are wrong.	10/2/2014 9:36 AM

Q4 Do you agree with the proposals for Polling Places?

Answered: 26   Skipped: 18

Answer Choices	Responses	
Yes, completely	61.54%	16
Yes, in part	23.08%	6
Not at all	15.38%	4
Total		26

Q5 If you do not agree completely, please explain why: (If your comments are about a particular ward or polling place, please tell us which one.)

Answered: 5   Skipped: 39

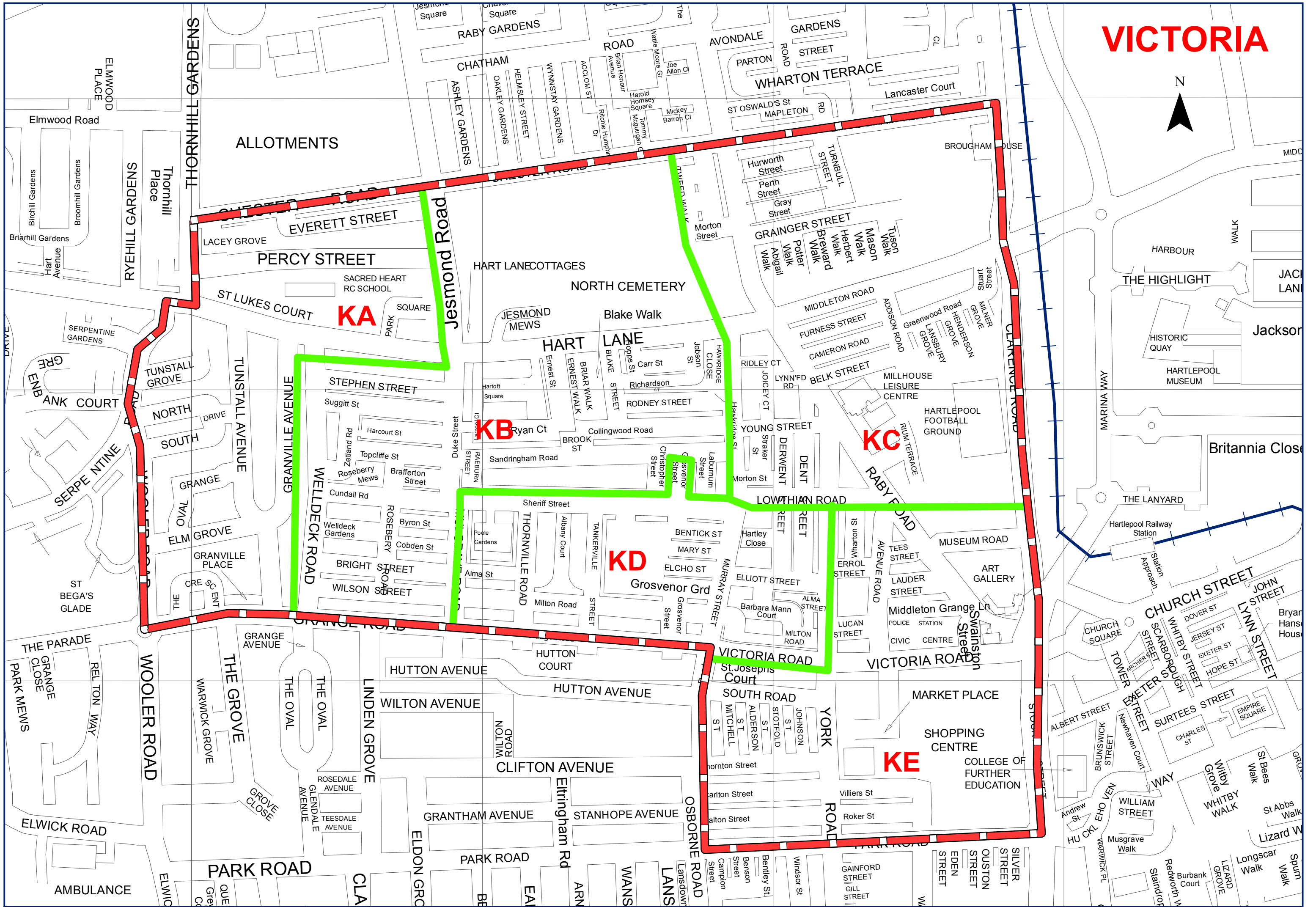| #	Responses	Date
1	There appears to be no change in the Burn Valley ward	10/21/2014 3:05 AM
2	Well, the Burn Valley ward, where I live, looks OK.	10/8/2014 7:00 AM
3	Just trying to make more bureaucrats and spend more public money needlessly	10/3/2014 5:31 AM
4	again there is nothing wrong with the present system any moony earmarked for this wood be better spent on the NHS or improving Hartlepool's image	10/2/2014 11:51 AM
5	the headland document does not show the new proposed sites. Where are they?	10/2/2014 9:36 AM

Q6 Do you have any other comments that you would like to make about the review of polling districts, polling places and polling stations and the proposals?

Answered: 8   Skipped: 36

#	Responses	Date
1	No	10/13/2014 8:43 AM
2	no	10/6/2014 8:40 AM
3	waste of money like all reviews, someone organises a committee to look into something, they get paid and 99 times out of a 100 nothing worthwhile gets done	10/5/2014 2:52 PM
4	Ensure all are accessible.	10/3/2014 12:10 AM
5	Yes abandon thins stupid idea and spend money where its needed	10/2/2014 11:53 AM
6	Everyone should be fined if they don't vote.	10/2/2014 9:37 AM
7	No	10/2/2014 9:20 AM
8	It appears to be a completely pointless consultation as there are few changes, none in my ward, and those that do change are for obvious reasons of access.	10/2/2014 4:02 AM

VICTORIA

N

KA
KB
KC
KD
KE

ELMWOOD PLACE
Elmwood Road
THORNHILL GARDENS
RABY GARDENS
CHATHAM ROAD
AVONDALE
GARDENS
PARTON
STREET
WHARTON TERRACE
Lancaster Court
ALLOTMENTS
ASHLEY GARDENS
OAKLEY GARDENS
HELMSLEY STREET
WYNNSTAY GARDENS
ACCLOM ST
Brian Honour Avenue
Harold Hornsey Avenue
Mickey Barron Ct
Joe Allon Ct
Ritchie Humphrey Dr
Tommy Mcgurgan Walk
Wattie Moore Gr
St OSWALD'S St
MAPLETON RD
BROUGHAM HOUSE
Birchill Gardens
Broomhill Gardens
Hart Avenue
Briarhill Gardens
RYEHILL GARDENS
Thornhill Place
CHESTER ROAD
EVERETT STREET
LACEY GROVE
PERCY STREET
St LUKES COURT
SACRED HEART RC SCHOOL
PARK SQUARE
Jesmond Road
HART LANE COTTAGES
NORTH CEMETERY
JESMOND MEWS
Blake Walk
HART LANE
Hurworth Street
Perth Street
Gray Street
TURNBULL STREET
GRAINGER STREET
Herbert Walk
Breward Walk
Abigail Walk
Potter Walk
Mason Walk
Tuson Walk
MILNER GROVE
Henderson Grove
Lansbury Grove
Greenwood Road
MIDDLETON ROAD
FURNESS STREET
CAMERON ROAD
ADDISON ROAD
BELK STREET
MILLHOUSE
HARTLEPOOL FOOTBALL GROUND
CLARENCE ROAD
THE HIGHLIGHT
HARBOUR
JACKSON LANE
HISTORIC QUAY
HARTLEPOOL MUSEUM
Jackson
SERPENTINE GARDENS
GREENBANK COURT
TUNSTALL GROVE
NORTH DRIVE
SOUTH
GRANVILLE AVENUE
TUNSTALL AVENUE
STEPHEN STREET
Suggitt St
Zetland Rd
Harcourt St
Topcliffe St
Roseberry Mews
Cundall Rd
Duke Street
RAEBURN STREET
Ryan Ct
BROOK ST
Collingwood Road
Sandringham Road
Hartoft Square
Ernest St
BRIAR WALK
ERNEST WALK
BLAKE STREET
Opps St
Carr St
Jobson St
Richardson
RODNEY STREET
HAWKRIDGE CLOSE
RIDLEY CT
JOICEY CT
LYNN'FD RD
Hawkridge St
YOUNG STREET
Straker St
Morton St
DERWENT STREET
DENT STREET
RUM TERRACE
LOWTHIAN ROAD
RABY ROAD
MUSEUM ROAD
Wharton St
TEES STREET
LAUDER STREET
ART GALLERY
SERPENTINE
WOOLER ROAD
OVAL
GRANGE
ELM GROVE
GRANVILLE PLACE
THE CRESCENT
WELLDECK ROAD
Welldeck Gardens
Roseberry
Byron St
Cobden St
BRIGHT STREET
WILSON STREET
Poole Gardens
Sheriff Street
THORNVILLE ROAD
Albany Court
TANKERVILLE STREET
Alma St
Milton Road
BENTICK ST
MARY ST
ELCHO ST
Grosvenor Grd
Christopher Street
Grosvenor Street
Laburnum Street
Hartley Close
Elliott Street
Barbara Mann Court
Milton Road
ALMA STREET
Lucan Street
ERROL STREET
AVENUE ROAD
Murray Street
MIDDLETON GRANGE LN
POLICE STATION
CIVIC CENTRE
Swainston Street
St BEGA'S GLADE
GRANGE ROAD
GRANGE AVENUE
HUTTON AVENUE
HUTTON COURT
HUTTON AVENUE
VICTORIA ROAD
St Josephs Court
SOUTH ROAD
VICTORIA ROAD
MARKET PLACE
CHURCH SQUARE
CHURCH STREET
JOHN STREET
LYNN STREET
THE PARADE
GRANGE CLOSE
PARK MEWS
RELTON WAY
WARWICK GROVE
THE GROVE
THE OVAL
THE OVAL
LINDEN GROVE
WILTON AVENUE
MITCHELL ST
ALDERSON ST
STOTFOLD ST
Johnson St
YORK ROAD
SHOPPING CENTRE
COLLEGE OF FURTHER EDUCATION
TOWER STREET
EXETER STREET
SCARBOROUGH STREET
WHITBY STREET
DOVER ST
Jersey St
HOPE ST
SURTEES STREET
EMPIRE SQUARE
CHARLES ST
Bryan Hanson House
ELWICK ROAD
AMBULANCE
PARK ROAD
GRANTHAM AVENUE
Eltringham Rd
STANHOPE AVENUE
CLIFTON AVENUE
ELDON GROVE
OSBORNE ROAD
Lansdowne Road
Carlton Street
Dalton Street
Villiers St
Roker St
PARK ROAD
GAINFORD STREET
GILL STREET
EDEN STREET
OUSTON STREET
SILVER STREET
BRUNSWICK STREET
ALBERT STREET
Newhaven Court
Andrew St
Musgrave Walk
WILLIAM STREET
WHITBY WALK
St BEES WALK
St ABBS WALK
Burbank Court
Longscar Walk
Spurn Walk
LIZARD WALK

Scale N/A

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DEPT REGENERATION & NEIGHBOURHOODS
HARTLEPOOL BOROUGH COUNCIL

+---+
| **COUNCIL** |
| **18th December 2014** |
+---+

Report of: Regeneration Committee

Subject: COMMERCIAL FRONTAGES AND SHOP
                        FRONT DESIGN GUIDANCE

1.   PURPOSE OF REPORT

1.1   To ask Council to adopt the Commercial Frontages and Shop Front
       Design Guidance Supplementary Planning Document (SPD).

2.   BACKGROUND

2.1   The Commercial Frontages and Shop Front Design Guidance SPD, if
       adopted, will form part of the Hartlepool Local Development
       Framework.

2.2   There are a number of relevant policies within the 2006 Hartlepool
       Local Plan which this SPD links to including Com2 (Primary Shopping
       Area), Com4 (Edge of Town Centre Areas), Com5 (Local Centres),
       Com6 (Commercial Improvement Areas), Com9 (Main Town Centre
       Uses) Com12 (Food and Drink), HE1 (Protection and Enhancement of
       Conservation Areas), HE2 Environmental Improvements in
       Conservation Areas, HE8 (Works to Listed Buildings) and HE12
       (Protection of Locally Important Buildings). Under Planning Law an
       SPD must link to adopted policies within the Local Plan.

2.3   The SPD has been subject to and eight week consultation beginning
       in February 2014. This finalised document takes account of
       representations made during those consultations from organisations
       such as statutory consultees as well as other local organisations and
       committees such as English Heritage, the Hartlepool Civic Society
       and the Conservation Area Advisory Committee.

3.   PROPOSALS

3.1   The Commercial Frontages and Shop Front Guidance Supplementary
       Planning Document is intended to encourage good design within retail

areas of Hartlepool. It is not intended as an undue burden on development. This is technical guidance that will be a material consideration in the determination of planning applications. Compliance with its contents will ensure that retail areas are vibrant and pleasant to visit.

3.2 During an 8 week consultation period earlier in 2014 the consultation was particularly targeted at individuals who are owners of commercial buildings in Hartlepool and those who provide guidance to owners and, or comment on planning applications for commercial properties.

3.3 Consultation responses were received from English Heritage and the Hartlepool Civic Society who offered their support for the document. The Conservation Area Advisory Committee have commented on the document offering support for the content but suggesting that the document be renamed to better reflect the broad range of commercial properties that the policies cover.

3.4 Despite the circulation of the document to the Economic Forum and individuals who have an involvement with commercial properties in Hartlepool there were no responses from anyone with a direct involvement in commercial properties. The document went through a lengthy development process prior to being taken out to public consultation. It is considered that the final draft document represents wide ranging guidance on works to commercial property.

3.5 A Consultation Statement has been prepared to outline the changes sought and officers comments on how or if they are included. This is attached as **Appendix 1.**

4. RISK IMPLICATIONS

4.1 The Hartlepool Compact Consultation and Policy code applied.

5. LEGAL CONSIDERATIONS

5.1 The document meets the requirements of the National Planning Policy Framework which states local planning authorities should, 'recognise town centres as the heart of their communities and pursue policies to support their viability and vitality' (paragraph 23).

5.2 Under the Planning (Listed Buildings and Conservation Area) Act 1990 section 71(1), 'It shall be the duty of the local planning authority from time to time to formulate and publish proposals for the preservation and enhancement of any part of their area which are conservation areas'. There are a number of shopping parades and individual shops located within conservation areas and this SPD fulfills that requirement.

6.   EQUALITY AND DIVERSITY CONSIDERATIONS

6.1   The consultation on the Commercial Frontages and Shop Front Design Guide was carried out in accordance with the Council's adopted Statement of Community Involvement (SCI). The SCI was prepared in compliance with the Hartlepool Compact and its associated documents.

7.   SECTION 17

7.1   The Crime and Disorder Act 1998 requires local authorities to consider crime and disorder reduction in the exercise of all their duties, activities and decision-making. The Council is committed to securing safe and secure environments within the borough.

7.2   Safety is a key consideration when considering the restoration or renewal of shop fronts. The issue is specifically addressed in the SPD in a chapter entitled 'Security'.

8.   RECOMMENDATIONS

8.1   That Council adopt the Commercial Frontages and Shop Front Design Guidance Supplementary Planning Document.

9.   REASONS FOR RECOMMENDATIONS

9.1   The Commercial Frontages and Shop Front Design Guidance Supplementary Planning Document will form part of the Hartlepool Local Plan. It will be a material consideration in the determination of planning applications and compliance with its contents will ensure that the authority encourages good design within the retail areas of Hartlepool.

10.   CONTACT OFFICER

Denise Ogden
Director Regeneration and Neighbourhoods
Civic Centre
Victoria Road
Hartlepool

Sarah Scarr
Landscape Planning and Conservation Team Leader
Civic Centre
Victoria Road
Hartlepool

<u>**CONSULTATION STATEMENT**</u>

<u>**Shop Front Design Guide Supplementary Planning Document and
Action Plan**</u>

<u>**Consultation Statement – 11th August 2014**</u>

<u>**Town and Country Planning (Local Development) (England) Regulations
2012**</u>

1.   Introduction

1.1   The Shop Front Design Guide, Supplementary Planning Document
(SPD) has been prepared by Hartlepool Borough Council. The draft
SPD was published for public consultation on the 24th February 2014
and ran for an 8 week period until 22nd April 2014.

1.2   Section 2 of this document outlines the consultation processes and
provides details of those people and organisations who were consulted
and how the consultation process was advertised.

1.3   Section 3 of the document gives a summary of the consultation
responses and provides the Council's response to each element i.e.
whether the suggestion has been accepted and the document
amended or whether the suggestion was not considered appropriate
and the reason why.

1.4   Section 4 gives a brief overview of the next steps in the process of
adopting the SPD.

2.   Consultation Process

2.1   As part of the process to shape the document it was taken to the
Conservation Area Advisory Committee. This committee considers
strategic conservation issues within Hartlepool on a quarterly basis.
The committee comprises representatives from residents groups, such
as the Park Residents Association and Hutton Avenue Residents
Association, Parish Councils from Elwick, Headland and Greatham,
and local and national amenity societies such as the Hartlepool Civic
Society and the Victorian Society. A number of the conservation areas
have commercial centres and / or commercial properties therefore the
feedback of this committee who have detailed knowledge of these
areas was considered valuable.

2.2   The initial document was taken to the committee on 26th July 2012 for
comment. The members of the committee suggested a number of
alterations including amendments to the format of the document to
include more illustrations to provide examples in Hartlepool that

interested parties could relate to. These amendments were made and the document was returned to the committee on 22nd November 2012 for further comment. The committee suggested further amendments to the document including good and bad examples of shop fronts. These amendments were made to the document with the final draft document taken to the committee on 28th November 2013.

2.3   The public consultation began on the 24th February 2014. It was advertised and the document made available in a range of ways, listed below:

- The document was made available as part of the Regeneration Committee meeting process on 16th January 2014 which approved the document for public consultation.
- The document was taken to Planning Committee on 19th February for information on the proposed consultation.
- A Public Notice was published in the Hartlepool Mail on 20th February 2014.
- The document was taken to the Conservation Area Advisory Committee on 26th February to make the committee aware the consultation was open.
- Copies of the document were made available at the Civic Centre, Victoria Road, Hartlepool.
- The Document was uploaded onto the Landscape Planning and Conservation element of the Council's Website.
- Press releases were issued at the opening of the consultation process and just before it ended to remind residents to submit any comments they had. This resulted in three articles in the Hartlepool Mail (8/3/14, 7/4/14 and 18/4/14).

2.4   A number of consultees (16 external) were sent letters and asked to comment on the document. This consultation was targeted at those individuals and organisations that had a particular interest in the subject. A full list of consultees is attached as Appendix 1.

2.5   There was no specific resident consultation carried out however it was felt that the information provided on the Council website, the public notice and newspaper coverage would sufficiently raised the profile of the consultation to enable any residents with an interest in the subject to comment.

2.6   As well as external organisations and individuals there were a range of individuals within the Local Authority contacted for their views including Economic Development, Regeneration and Property Services and Building Control.

3.   **Consultation Responses to 1st consultation and HBC Response**

3.1   During the consultation 3 responses were received. One of these was by letter from English Heritage and the other by email from the

Hartlepool Civic Society. A third response was recorded at a meeting of the Conservation Area Advisory Committee where feedback on the document was provided.

3.2   From the internal consultation that was carried out one response was received from the Building Control Section.

3.3   Table 1 lists the issues raised within the representations received during the consultation and notes where the Council amended the SPD to reflect the comment.

Table 1 – Comments Received and HBC Response

Consultee	Para/Section In SPD	Comment	HBC suggested response
English Heritage	Document	English Heritage welcomes the preparation of this Design Guide and is content with the manner in which the matters which may impinge on the historic environment and the Borough's heritage assets have been dealt with. In consequence we have no substantive comments to make on the document.	Comments noted.
Hartlepool Civic Society	Document	We wholeheartedly commend the work which has been put in to this proposal. At a time when 'shopping streets, etc' are under threat from supermarkets it is more important than ever that the shop front is the focal point of a business…The Committee were impressed with the thoroughness and inspiration of the submission and are pleased to endorse it. General comments regarding the appearance of shops within Hartlepool including Wilkinson and ASDA the action the Civic Society are taking to highlight the issue at a national level by contacting Civic Voice.	Comments noted.

Table 1 continued – Comments Received and HBC Response

Consultee	Para/Section In SPD	Comment	HBC suggested response
Conservation Area Advisory Committee	Document	The Committee welcomed the draft guidance and the coverage of commercial buildings other than retail premises. It was suggested that the title of the document should reflect this.	Title of the document amended to, 'Shop Front and Commercial Frontages Design Guide'
		The use of photographs of shops in Hartlepool that no longer exist was questioned.	Comment noted; there is a shortage of examples in Hartlepool to illustrate text in the document therefore they are considered acceptable to retain in the document as the alterations have only recently been carried out.
HBC Building Control	Section 6 - Doors	Text should state that if level access is already available this must be maintained to ensure compliance with buildings regulations.	An additional section has been added to the document entitled 'Section 15 – Practical Advice'. This addresses all of the issues covered by Building Control.
	Section 7 - Windows	Text should state windows must comply with the current Building Regulation Requirements.	
	Section 14 – Space above shops	Text should state that the use and design of space above the shop should in all cases meet the current Building Regulations.	
	Document	Could a paragraph be introduced to remind readers of the document that a Building Control Body should be consulted prior to starting any work to ensure that projects comply with current Building Regulations.	

4.   Next Steps - Adoption

4.1   It will be important following the adoption of the document to carry out publicity to make interested parties aware of the introduction of the new guidance. In addition officers using the document will be provided with in-house training on the content.

List of People/Organisations Consulted during Consultation

Contact Name (if any)	Name/Organisation
Alan Hunter	English Heritage
Secretary	Hartlepool Civic Society
Malcolm Arnold	Landlord / Agent Active in Hartlepool
ASP Services	Landlord / Agent Active in Hartlepool
Jamie Borthwick	Landlord / Agent Active in Hartlepool
Sean McNicholas	Landlord / Agent Active in Hartlepool
Jon Whitfield	Landlord / Agent Active in Hartlepool
Darab Rezai	Landlord / Agent Active in Hartlepool
Mr Dunkley	Landlord / Agent Active in Hartlepool
Simon Cavey	Landlord / Agent Active in Hartlepool
Louise Nicholson	Vela Group / Thirteen
Chris Barnard	NDC Trust
George Shields	Landlord / Agent Active in Hartlepool
Lloyd Nichols	Landlord / Agent Active in Hartlepool
Tim Carter	Sanderson Weatherall
Hartlepool Economic Regeneration Forum	
Israr Hussain / Antony Steinberg	HBC Economic Development
Garry Hutchinson	HBC Building Control
Rob Smith	HBC Property Services

Hartlepool Local Development Framework

Shop Front and Commercial Frontages Design Guide

Supplementary Planning Document

DRAFT

2014

Contents

DRAFT

1. Why is shop front design important?

Shops and their frontages have an important role in making our town and local centres vibrant, pleasant to visit, and safe. In the same way that a theatre or film set creates a back drop for the performance, a shopping parade made up of distinctive shop frontages creates a stage for economic action.

2. How to use this document

The purpose of this document is to encourage good design within the retail areas of Hartlepool. All guidelines should be balanced with the constraints and opportunities presented by each scheme.

In this guidance, the term 'shop front' refers to the full range of commercial premises found in town centres including banks, public houses and restaurants, as well as food and non-food retail.

3. Setting

Removing and replacing shop fronts over time is not a new trend. The key to retaining a vibrant shopping area is to ensure that the standard of shop fronts does not decline and that each design is appropriate to its particular circumstances. For example the design of a shop front in a town centre location, such as York Road or Church Street, will be different from one located in a village such as Greatham or Elwick.

TOWN

COUNTRY

The decision over whether to repair or replace a shop front will depend upon the age, quality and condition of the existing building and shop front. If the existing shop front is inappropriate to the building or the locality, or is beyond repair; then a new or re-placement shop front may be the most suitable solution.

In some instances it will be desirable to maintain the original design of a shop front or re-instate traditional features when lost, however this will not always be the best solution and a modern scheme may be appropriate. Modern shop fronts should respond to the local area and the overall design of the development through consideration of proportions, location, extent and detailing of advertising and materials.

> **Guideline**
>
> *Replacement shop fronts should respond to the context, reinforcing or improving the wider appearance of the street.*

4. Shop front designs

Shop fronts are key elements in town and local centres and their appearance can contribute significantly to visual interest and add vitality to the street scene. Assessing buildings in the area will help to identify the characteristic of the area and individual details of the host building will help to inform the final design.

There will be times when a shop stretches across two or more properties. When considering a shop front in this situation it is desirable for the buildings to be seen as two units with a shop front designed specifically for each one. A unified approach to paint colours or advertising will assist in ensuring the business is seen as a single unit.

Corner shop fronts have an important visual and practical role to play in shopping areas. Special care is required for shops of 'double' aspect and window displays to ensure that these provide interest on both elevations.

Where historic shop fronts exist, these should be refurbished.

When planning a new shop front the age and architecture of the building should be taken into consideration.

Guidelines

- *Where historic shop fronts exist, these should be refurbished as original detailing can not only enhance the individual building, but also contributes to the character of the area.*

- *The age and architecture of the building should be taken into consideration in any new design or alterations.*

- *Account should be taken of the scale and proportions of the building when considering a new shop front.*

- *The street scene and the design solutions adopted at adjoining buildings should be noted so that the new shop front fits into the street scene.*

- *The finishing materials should be chosen to complement the design of the host building and surrounding property.*

- *Where a shop front occupies the ground floor of more than one building, the design and proportions of each shop front should relate to each individual building. A single shop front that spans two or more buildings disregarding architectural detail and decoration will not be acceptable.*

- *Where a building is located on a corner site it should aim to address both elevations.*

5. Creating a new shop front

A traditional shop front is made up of a number of elements. Each of these elements contributes to the overall appearance of the shop front and the character of the building. These elements are:

Fascia

This is the flat or inwardly sloping section above the shop window traditionally where the shop sign is sited. Care is needed with the proportions and detailing. In particular, fascias should not be too deep, should not obscure architectural features or first floor window cills, and should never run uninterrupted for excessive lengths across two or more individual buildings, especially when they are of differing designs.

Pilasters and corbels

These are vertical columns situated at each side of the shop front, and adjacent to doors to upper floors. Pilasters usually have a wide base or plinth at the bottom and a decorative corbel at the top which sits at the side of the fascia.

Stall riser

This is the vertical panel beneath the shop window extending downwards to the ground. It provides protection to the glass from dirt, kicks and knocks and can be reinforced to assist in providing additional security against ram raiding.

Stall risers should be either painted timber paneling (properly detailed rather than beading fixed to a plain surface), rendered, glazed tiles or marble depending on the materials used on the building. The use of plastic paneling, glossy ceramic tiles without any relief and textured paints are usually inappropriate.

In some instances, where the building and shop front is contemporary in style, the incorporation of a traditional stall riser may be inappropriate. Where the location and style of the building allows, a large expanse of plate glass with the emphasis on the interior of the shop providing the display can be an attractive solution.

As with traditional design, a modern shop front should generally comprise three elements, each of which can be modernised and adapted to function appropriately.

Fascia

Shop window

Stallriser

Guidelines

- *For a shop front design to be successful three elements, the stall riser, fascia and shop window should be in proportion.*
- *Consider shop fronts on neighbouring properties. It may be appropriate to line up the fascia and stallriser with adjoining buildings, particularly in new developments. This can help unify a street.*
- *Ensure that the position or size of the fascia does not obscure any existing architectural features on upper floors.*

Cash machines

Where a new cash machine is to be installed it should be sensitively sited in a well lit area where the machine can be surveyed by passing pedestrians. Existing decorative detailing on the host building should not be compromised.

6. Doors

The entrance to the shop was designed to entice customers in and still serves that purpose today. Traditional shop fronts often have two points of entrance as shown below.

1. A main door to the shop, often set in a recessed lobby in the centre of the building

2. A side door providing access to the upper floor of the building.

The design of the shop door should take into consideration the shop front and be clearly identified as the main entrance to the premises.

Wherever it is practicable, alterations should ensure access for all through the main entrance by creating a clearly defined, well lit, unobstructed and level approach.

Over time shop fronts change and very often the side entrance door is removed on traditional shop fronts, effectively abandoning the upper floors. Besides the loss of valuable space, which could contribute to the up-keep of the building by providing another income from a flat or office, the floor to the building tends not to be maintained and deteriorates undermining the long term future of the whole building.

If restoring a shop front a side access door should be included in the design and alteration. Even if there is no access created immediately as part of a development scheme, the provision of the door will allow this to happen at a later date.

Guideline

The design of all doors should be of a style and material that relate to the shop front and building as a whole.

7. Windows

The shop window and its detailing display the shop inside and are the invitation to encourage shoppers to enter. They also serve a secondary purpose in ensuring that the street scene is active and vibrant.

The window framing and its glazing should be the dominant visual element in the overall design. Advanced manufacturing techniques allow for the use of large areas of glazing however this is usually not appropriate for more traditional shop front designs. In these instances glazing should be subdivided with mullions and transom bars to provide increased strength and support for security purposes. When used in conjunction with toughened or laminated glass (which remains intact when cracked), such approaches can improve shop front security as well as having a safety benefit.

Transom

Mullion
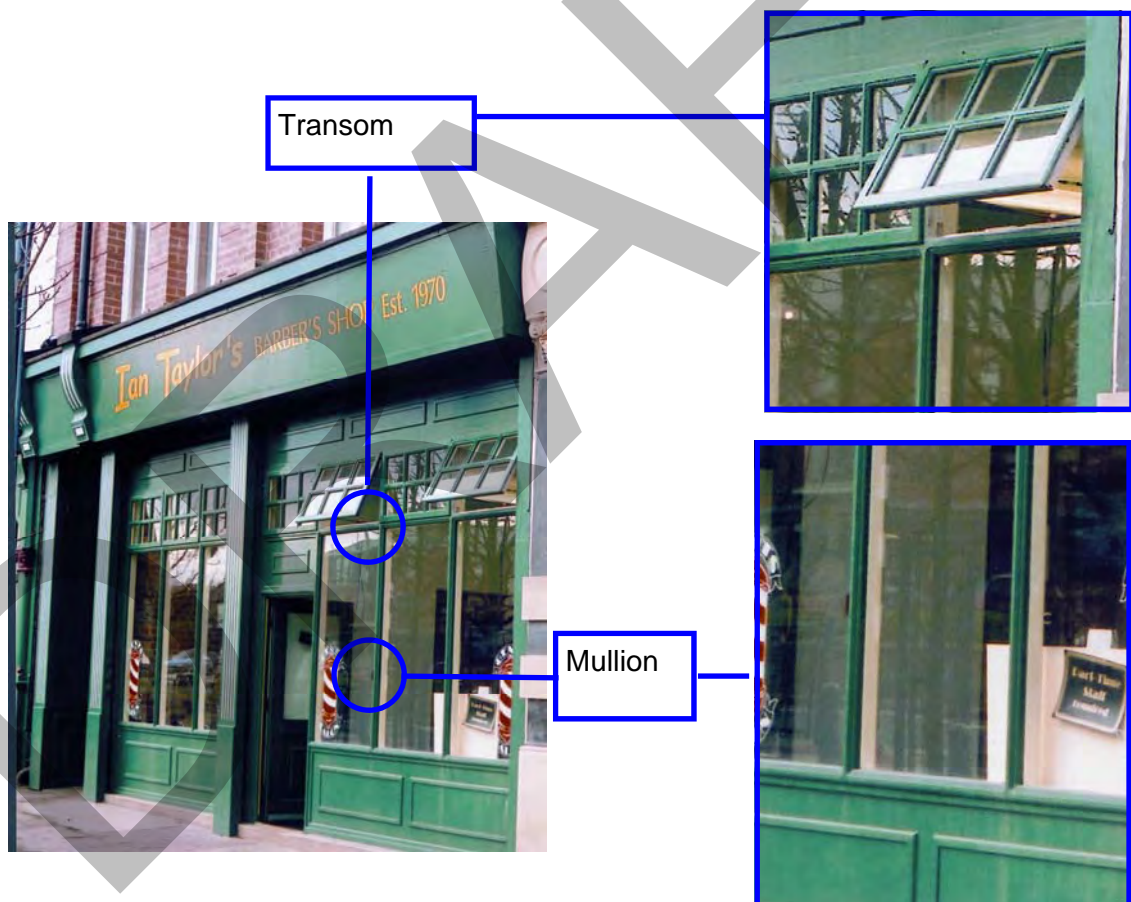
Guidelines

- *Ensure that proportions of glazing are appropriately balanced with the shop front frame and any other windows on the building.*

- *Avoid using large areas of glass. Subdivided windows provided increased security and lower the cost of any replacement.*

8. Security

Solid external shutters can impact on the vitality of a shopping area, particularly after shop opening hours, when the area will be less busy and for most of the year largely dark. Illuminated shop window displays, combined with a perforated shutter, throw light onto the street. This supplements the normal street lighting and allows views into the shop creating a more inviting street scene at night.

There are alternatives to solid roller shutters including

- Security glass (see section on windows)
- Internal lattice grilles or shutters
- Removable external shutters and
- External open weave shutters

Open weave shutters allow window shopping and passive surveillance during closed hours. They also have the advantage of being less visually intrusive on the shop front and surrounding area.

Shutter box housings should always be integrated within the shop front or be recessed and flush with the shop front. Removable external shutters can be acceptable if they are appropriately designed to respect the architectural character of the shop front.

Protection of the whole of the building should be considered as an integral part of the overall security. Solutions for both windows and doors to the rear or side of the property should be of an appropriate design and style which will not detract from the area.

Guidelines

- *Ensure that all security measures are designed as an integral part of the shop front and / or building and not as an afterthought.*
- *Where possible consider using laminated or toughened glass as it is shatterproof.*
- *Avoid using external roller shutters. If there is no alternative to an external roller shutter ensure that it is open weave and the shutter box is contained behind the fascia. Solid external roller shutters will be refused in most circumstances.*
- *If appropriate consider using a security gate to protect a recessed doorway.*

9. Materials

The choice of materials and finishes is a major factor in determining the style of a shop front. Traditional shop fronts generally use materials such as painted timber, glass, render, stone and glazed tiles. Modern designs tend to be simpler in their design and allow the use of an extended palette of materials such as aluminium or stainless steel.

Materials are often dictated by the design of the shop front. Consider the age and architecture of the building itself, those immediately adjacent, and in the wider street scene. This will ensure that the choice of materials is compatible with the design of the shop front and the wider area, contributing to the local sense of place which can be created in commercial areas.

Guidelines

- *The finishing materials should be chosen to complement the design and surrounding property.*
- *Ensure that materials used for shop fronts in or near the Borough's heritage assets are sympathetic to the location.*

10. Awnings and blinds

Textile or canvas retracting roller blinds are part of traditional shop fronts and were designed to protect goods in the shop from damaging sunlight or if perishable from heat. They also protect customers and window shoppers from the rain and in some instances protect goods displayed on a forecourt outside a shop.

A **roller blind** is contained within the fascia of the shop window frame. When retracted back into the shop front the blind is effectively hidden away as part of the overall design allowing the shop front to be seen.
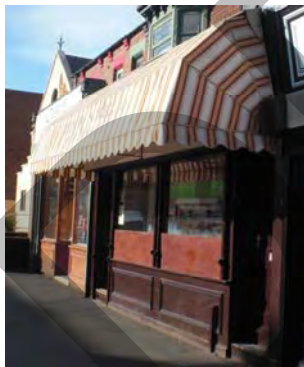
Dutch blinds are usually fixed to the front of a shop and can obscure parts of a shop front when closed.

Guidelines

- *Blinds should be formed as an integral part of the shop front design with the roller blind contained within the fascia either at the junction of the shop window frame and the fascia or within the cornice. When retracted away it should effectively become part of the overall design of the shop front.*

- *Dutch blinds consist of a frame over which a plastic material is stretched. This type of blind is capable of being folded back but can often obscure the shop front and should be avoided.*

11. Signs and adverts

Signs and advertisements can have a significant impact on the street scene. External advertising is important for commercial activity, their main purpose being to attract attention. Well designed signs can greatly enhance the environment whereas poor design can detract from it.

The **fascia** to a traditional shop front is intended to provide a location for advertising the business within. Such signs can come in a variety of designs including hand painted signs or individual lettering created in Perspex or metal.

Window signage can be applied to the shop window, fanlights over doors or windows on upper floors of the property. This is often useful if a different business is using the floors over a shop. Where the upper floor of a property is used by a separate business a name plate, adjacent to the door can assist visitors in identifying the entrance. It should be modest and in proportion with other signs on the building.

Projecting or hanging signs are usually located at first floor level or to the side of the shop front at fascia level and can increase the recognition of the business within the street. **Banner signs** can be used on buildings in a similar fashion where fascias signs cannot be incorporated. Such signs should be carefully located and attached not to obscure or damage architectural details on the building.

Menu boards and blackboards advertising special offers can often be found on restaurants, pubs and clubs. These should be modest and in proportion with other signs on the building. Care should be taken not to introduce too many on the property as this creates clutter and dilutes the messages on the signs.

In some areas there are **advertisements on gable ends or signs above first floor windows**. These come in the form of adverts painted directly onto masonry gables or individual letters fixed to elevations. Such proposals should be considered in the context of both the building and the wider area it is located in.

Very often a business will create its own **corporate identity** and wish to display this message consistently on all of its premises using a pallet of specific colours and / or signs. In such instances, consideration should be given to where the branding will be placed, along with the surrounding street scene, to ensure that it will be appropriate to both the host building and the surrounding area.

Signs on pavements or business forecourts often come in the form of A-boards. Such signage should be located where it will not cause an obstruction to those using the highway and have appropriate licences and insurance in place prior to it being displayed.

Guidelines

- *Where new shops fronts are proposed all advertisements should be designed as an integral part of the shop front and/or building.*

- *New signs on existing shop fronts should be in proportion and scale with the whole of the building as well as the shop front itself.*

- *Site signs carefully on the property to ensure that they do not obscure architectural features on the shop front or building.*

- *Choose signage which will reflect the character of the building and the wider area.*

- *As with all signage restraint is the key as excessive amounts can reduce the individual message and introduce unnecessary clutter.*

- *Lettering and graphics should be clear, simple and in proportion to the type of sign.*

12. Illumination

The lighting of shopping streets is key to creating a vibrant and safe night-time environment. Seeing into shops is important for natural surveillance with subtle external illumination assisting with views into the property after it has closed.

On shop fronts the main external illumination is often to the signage. To fascia signs this can be in the form of picture lights or swan neck lights fixed above the fascia. Such lights should be kept to the minimum required to illuminate a sign as multiple lights can cause clutter.

Alternatively more integral lighting can be provided such as lighting within the cornice of a shop front down-lighting the fascia sign or illumination of individual lettering with lighting to the rear giving a subtle halo effect.

Subtle illumination of the building elevation by up-lighting from a ground floor cornice or from above at the eaves can, with the right building, emphasise its architectural details
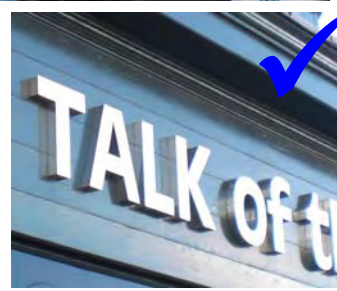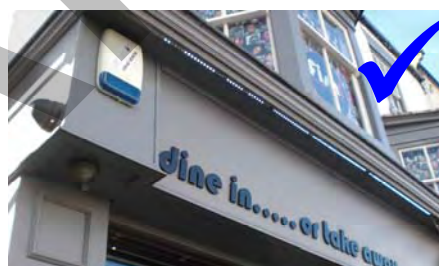
Guidelines

- *Lighting of signs should be considered in conjunction with the lighting of window displays and door lobbies to achieve a maximum overall effect.*

- *Where possible illumination should be integrated into the design of the shop front. In all cases the size and number of fittings should be kept to a minimum to avoid unnecessary visual clutter or obtrusive additions.*

- *Avoid using completely internally illuminated box signs or fascias. Individually mounted and lit letters or symbols on a background made of appropriate materials are usually more acceptable.*

13. Vacant shop units

The accumulation of vacant shop units can have a negative impact on a retail area. Where such properties exist the continued maintenance of the shop front not only contributes to the enhancement of the wider street scene, but can also make the property a more attractive prospect to a potential occupier.

Pop-up shops can provide a short term use of an empty building. The advantage of this is that the building remains actively occupied and new uses, even on a temporary basis, can invigorate shopping areas bringing in new customers.

In some locations it is desirable to retain an active frontage to a shop front. This can be done by providing advertisements to shop windows. These displays can add colour and interest to a street scene which may otherwise have blank windows.

Guidelines

- *If the shop is vacant consider how the window space could be used to assist in maintaining the vitality and attractiveness of a shopping area and attract potential tenants. For example the window could be used for exhibitions by artists, schools or community groups.*

- *The short term use of vacant commercial buildings in shopping parades as pop-up shops will be encouraged.*

- *The use of advertisements and other treatments to vacant shop premises will be encouraged where it will enhance the surrounding area by creating an interesting shop front.*

14. Space above shops

Space above shops is just as important as the shop front itself. The condition and appearance of upper floors contributes to the general appearance of the street scene. Very often these spaces can lie vacant as a shop continues to trade below.

These floors can provide useful space for the shop unit itself or can be utilised to provide additional income for the property owner in the form of a flat or a business use.

Guidelines
- *The occupation of floors over commercial buildings will be encouraged.*
- *The treatment of floors above shops, including windows, elevations and signage should be of a style and design which is appropriate to the character of the host building.*

15. Practical Advice

Before starting any work to a shop front or alterations to the building you should consult a Building Control Body. In particular the following areas of the building should meet the current Building Regulation requirements.

Space above shops including storage areas, offices and residential uses.

All windows including shop display windows, windows at first floor level and any windows in a roof such as skylights or dormers.

All doors including the main access door to a shop and any side or rear entrances.

If level access is already available this must be maintained.
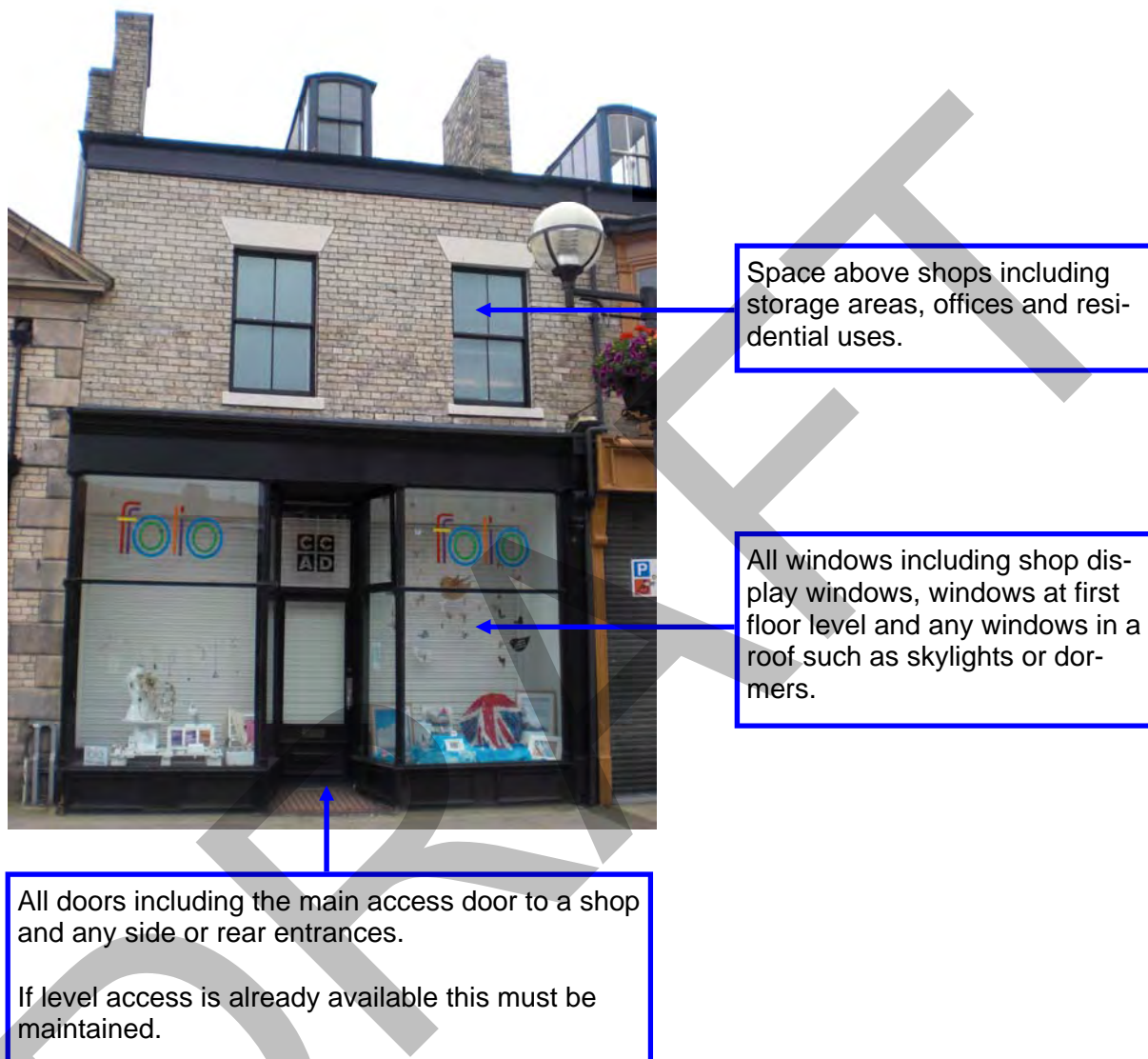
Hartlepool Local Authority Building Control will be happy to assist you with your proposals and offer a full Building Control Service to ensure your project compiles with the current Building Regulations.

Building Control Section, Regeneration and Neighbourhoods,

Civic Centre, Victoria Road, Hartlepool TS24 8AY

Tel: 01249 523289

Email: buildingcontrol@hartlepool.gov.uk

16. Policy Context

The relevant policies from the 2006 Hartlepool Local Plan, for all shop front applications are as follows.

Policy reference	Policy title	Description of policy
GEP1	General Environmental Principles	A framework of guidance over a complete range of planning issues such as the appearance of development, its effect on the area and the need to conform to a range of standards and requirements. The policy does not refer to specific types of development or uses, other policies within the plan do this.
GEP2	Access For All	Sets requirements to ensure that developments are accessible by all residents and visitors.
GEP3	Crime Prevention	Sets requirements that development should seek to reduce or crime and/or the fear of crime.

Depending on the location of the development then the following policies may be relevant:

Policy reference	Policy title	Description of policy
GEP7	Frontages of Main Approaches	The policy states that when considering development proposals adjoining the major corridors listed in the policy development will be required to be of a high standard of design.
Com1	Development of the Town Centre	The policy states that proposals for revitalisation and redevelopment within the town centre should, where possible, provide improvements to the overall appearance of the area. It also outlines policy in relation to the reuse of vacant buildings and proposals for A3, A4 and A5 uses.

Policy Context Continued

Policy reference	Policy title	Description of policy
Com2	Primary Shopping Area	States that in this area retail development of an appropriate design and scale in relation to the overall appearance and character of the area will be approved.
Com4	Edge of Town Centre Areas	Defines 10 edge of town centre areas and indicates generally which range of uses are either acceptable or unacceptable within each area particularly with regard to A1, A2, A3, A4, A5, B1, B2, & B8 and D1 uses.
Com5	Local Centres	States that proposals for shops, local services and food and drink premises will be approved within this local centre subject to effects on amenity, the highway network and the scale, function, character and appearance of the area.
Com6	Commercial Improvement Areas	The policy outlines that the borough council will encourage environmental and other improvement and enhancement schemes in designated commercial improvement areas as outlined in the local plan.
Com9	Main Town Centre Uses	States that main town centre uses likely to attract large numbers of visitors should be located in the town centre. Proposals for such uses outside the town centre must justify the need for the development and demonstrate that the scale and nature of the development are appropriate to the area and that the vitality and viability of the town centre and other centres are not prejudiced.
Com12	Food and Drink	States that proposals for food and drink developments will only be permitted subject to consideration of the effect on amenity, highway safety and character, appearance and function of the surrounding area.

Policy Context Continued

Policy reference	Policy title	Description of policy
Com16	Headland – mixed uses	Aims to strengthen tourism and established economic activities to increase local employment and prosperity for this area, widen the mix of housing and conserve the environmental heritage of the Headland. Proposals for small scale retail, office and workshops, leisure and educational uses and housing developments of an appropriate scale and complementing the historic and cultural character of the area will be approved in mixed use areas identified in the policy subject to a set of criteria.
HE1	Protection and Enhancement of Conservation Areas	The policy sets out that development within the conservation area should either preserve or enhance the area and its assets.
HE2	Environmental Improvements in Conservation Areas	policy outlines that the borough council will encourage environmental improvements to enhance conservation areas
HE3	Developments in the Vicinity of Conservation Areas	The policy informs that design and materials use in development that would affect the setting of a conservation area should have regard to the character of the area and the neighbouring area.
HE8	Works To Listed Buildings (Including Partial Demolition)	The policy indicates that traditional materials and sympathetic design should be retained and/or used when carrying out works to listed buildings and buildings which affect the setting of a listed building to ensure that the integrity of such assets is preserved.
HE12	Protection of Locally Important Buildings	The policy sets out the factors to be considered in determining planning applications affecting a listed locally important building.

Policy Context Continued

Relevant paragraphs from the National Planning Policy Framework are summarised below.

1. The National Planning Policy Framework sets out the Government's planning policies for England and how these are expected to be applied.

2. Planning law requires that applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise. The National Planning Policy Framework must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning decisions.

7. There are three dimensions to sustainable development: economic, social and environmental. These dimensions give rise to the need for the planning system to perform a number of roles:
●an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
●a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
●an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

9. Pursuing sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people's quality of life.

10. Plans and decisions need to take local circumstances into account, so that they respond to the different opportunities for achieving sustainable development in different areas.

17. Within the overarching roles that the planning system ought to play, a set of core land-use planning principles should underpin both plan-making and decision-taking. The relevant principles are that planning should…
always seek to secure high quality design and a good standard of amenity for all existing and future occupants of land and buildings;
conserve heritage assets in a manner appropriate to their significance, so that they can be enjoyed for their contribution to the quality of life of this and future generations;

56. The Government attaches great importance to the design of the built environment. Good design is a key aspect of sustainable development, is indivisible from good planning, and should contribute positively to making places better for people.

Policy Context Continued

60. Planning decisions should not attempt to impose architectural styles or particular tastes and they should not stifle innovation, originality or initiative through unsubstantiated requirements to conform to certain development forms or styles. It is, however, proper to seek to promote or reinforce local distinctiveness.

61: Although visual appearance and the architecture of individual buildings are very important factors, securing high quality and inclusive design goes beyond aesthetic considerations. Therefore, planning policies and decisions should address the connections between people and places and the integration of new development into the natural, built and historic environment.

63. In determining applications, great weight should be given to outstanding or innovative designs which help raise the standard of design more generally in the area.

64. Permission should be refused for development of poor design that fails to take the opportunities available for improving the character and quality of an area and the way it functions.

67. Poorly placed advertisements can have a negative impact on the appearance of the built…Control over outdoor advertisements should be efficient, effective and simple in concept and operation. Only those advertisements which will clearly have an appreciable impact on a building or on their surroundings should be subject to the local planning authority's detailed assessment. Advertisements should be subject to control only in the interests of amenity and public safety, taking account of cumulative impacts.

70. To deliver the social, recreational and cultural facilities and services the community needs decisions should:
● plan positively for the provision and use of shared space, community facilities (such as local shops, meeting places, sports venues, cultural buildings, public houses and places of worship) and other local services to enhance the sustainability of communities and residential environments;
● guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;
● ensure that established shops, facilities and services are able to develop and modernise in a way that is sustainable, and retained for the benefit of the community; and
● ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

Policy Context Continued

131: Viable uses consistent with the conservation, positive contribution to sustainable communities and local character and distinctiveness
In determining planning applications, local planning authorities should take account of:
●the desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation;
●the positive contribution that conservation of heritage assets can make to sustainable communities including their economic vitality; and
●the desirability of new development making a positive contribution to local character and distinctiveness

132: When considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation. The more important the asset, the greater the weight should be. Significance can be harmed or lost through alteration or destruction of the heritage asset of development within its setting. As heritage assets are irreplaceable any harm or loss should require clear and convincing justification. Substantial harm to or loss of a grade II listed building, park or garden should be exceptional. Substantial harm to or loss of designated heritage assets of the highest significance, notably scheduled monuments, protected wreck sites, battlefields, grade I and II* listed buildings, grade I and II* registered parks and gardens, and World Heritage Sites, should be wholly exceptional.

17. Glossary

Advertisement - any letter, model, sign, awnings or blind.

Cill - horizontal piece of timber at the base of a window opening projecting slightly to throw water away from the building.

Corbel Bracket - a decorative timber piece usually found above a pillaster.

Down lights - lighting typically recessed into a projecting cornice to light a fascia board.

Façade - the exterior face of a building.

Fanlight - glazed area above a door.

Fascia - horizontal board over a shop front which usually carried the name of the shop.

Finishing Materials - the materials used to construct the shop front.

Halo lighting - typically used for back-lit letters to create a glow of light around the letters by illuminating the wall surface from within the letter.

Heritage Asset - a building, monument, site, place, or area of landscape positively identified as having a degree of significance meriting consideration in planning decisions. Heritage assets are the valued components of the historic environment.

Mullion - a vertical element (glazing bar) that divides a window in two.

Pilasters - pillars framing the shop front.

Roller shutter - this is made up of horizontal slats hinged together which roll down over a shop front on guides located at either side of the shop front.

Shop Door - this is the main entrance door to the shop.

Shop Window - the main window to the front of the shop.

Street scene - the environment that you see around the shop.

Swan lighting - curved single metal lights that shine light typically to the fascia board.

Stall riser - the plinth on which the shop front sits.

Transom - a horizontal bar across a window.

COUNCIL
18 December 2014

Report of: Director of Child and Adult Services

Subject: HARTLEPOOL EDUCATION IMPROVEMENT
                     STRATEGY 2014-2015

1.   PURPOSE OF REPORT

1.1   The purpose of this report is to present for discussion and approval the Hartlepool Education Improvement Strategy 2014-2015 (*Title: School Improvement Strategy – A First Class Education for Every Hartlepool Learner*) (attached as **Appendix 1**) which was considered by the Children's Services Committee in July 2014.

2.   BACKGROUND

2.1   Previously presented reports to the Children's Services Committee have highlighted the fact that whilst educational standards have been improving in Hartlepool in recent years, they are not yet good enough. The gap between low income learners and all learners at all stages of education, progress from Key Stage 2 to Key Stage 4 and wide variation in pupil achievement across secondary schools have all been highlighted as limiting factors.

2.2   The report, 'Shaping an Education Improvement Strategy for Hartlepool' was presented to the Children's Services Committee on the 11th February 2014. It was agreed at the meeting to establish an Education Commission in Hartlepool that would develop a five year plan to improve education in the town, covering the period 2015-2020.

2.3   Prior to the full report of the Hartlepool Education Commission being implemented, the Hartlepool Education Improvement Strategy is the key strategic document to guide the educational improvement work of the Local Authority over the next 18 months. It builds upon consultation with Headteachers in January and May 2014 and the early work of the Hartlepool Education Commission following meetings in Summer 2014.

3. THE EDUCATION IMPROVEMENT STRATEGY

3.1 Following a detailed analysis of the current position, the overarching approach of the Hartlepool Education Improvement Strategy is based around six aims:
- Establishing ambitious and effective leadership and governance at every level
- Providing a good and great school for every Hartlepool learner
- Raising standards at every key stage
- Closing the gap in achievement between learners from low-income families and children in care and all children and young people nationally
- Raising expectations and broadening horizons through effective partnerships between schools, wider children's services and employers
- Strengthening school capacity and alternative and specialist education provision to meet a wider range of need.

3.2 To build upon the findings of the Hartlepool Education Commission and to ensure that the six aims detailed above are pursued rigorously, it is proposed that a Hartlepool Education Improvement Board be established to oversee the delivery and impact of the Education Improvement Strategy.

3.3 This strategy will be reviewed in July 2015 in order to embed the final recommendations of the Hartlepool Education Commission.

4. MONITORING AND EVALUATION

4.1 The impact of the Hartlepool Education Improvement Strategy will be monitored and evaluated across a number of key success measures within each of the six aims as detailed within the strategy. The monitoring and evaluation will be led by Assistant Director of Education and officers from the Education Division Senior Leadership Team.

4.2 Regular quarterly reports will be made to the Hartlepool Education Improvement Board and, every six months, to the Hartlepool Children's Services Committee.

5. FINANCIAL IMPLICATIONS

5.1 Non-recurring budgets have been earmarked from both the Council's General Fund (£287,000) and the Dedicated Schools Grant (£870,000) to improve educational standards in Hartlepool. Investment will, therefore, be available to take forward the urgent priorities identified in this 18 month strategy and the medium and long-term priorities identified through the Hartlepool Education Commission.

5.2 Further detail will be taken to the Children's Services Committee in relation to the five year investment in the educational priorities identified by the Hartlepool Education Commission.

6.   LOCAL AUTHORITY CAPACITY

6.1   The Local Authority will need sufficient capacity to provide strong leadership and credible expertise to provide the analysis, challenge, support and brokerage to deliver on its school improvement role.

6.2   A review of core capacity within the Local Authority has taken place and a minor restructure has clarified roles and responsibilities against the strategic priorities. In addition, where additional capacity is needed for short periods, the Local Authority will commission support from an established list of associates, system leaders and expert practitioners with a recognised track record in delivering educational improvement.

7.   RECOMMENDATIONS

7.1   Members are recommended to:
   • note the contents of this report and the Hartlepool Education Strategy and its appendices;
   • approve the Hartlepool Education Improvement Strategy and its appendices and note that a further report will be submitted to the Children's Services Committee to detail the financial investment needed to drive up educational standards in Hartlepool.

8.   CONTACT OFFICER

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A First Class Education for
Every Hartlepool Learner

EDUCATION IMPROVEMENT STRATEGY

Child & Adult Services 2014-2015

Section One: Our Vision and Goals

Our ambition is to establish a reputation for Hartlepool as a town that provides a first class education for every learner. As a minimum we will make sure that every child or young person can attend a good or outstanding school by December 2015 and that we rapidly improve standards at every Key Stage to be well above national averages.

Our vision is that Hartlepool will be a place where:

- All children and young people find their talents and experience good and inspirational teaching every day in a climate that expects the highest standards;

- The gap is closed between the achievement of children and young people from low income families and children in care and all children and young people nationally;

- Young people achieve the best qualifications possible, particularly in the globally important subjects of English, science, mathematics, technology, engineering and modern foreign languages, so that they can compete for the best jobs, best university places and high level apprenticeships;

- Children are supported from birth and throughout their childhood and adolescence by strong families and communities so that they start school with a zest for learning and grow up to have high expectations of themselves and their schools, and the optimism, confidence and resilience to succeed;

- Young people are prepared for life and work in an increasingly complex world and globally competitive economy.

A shared responsibility

We know that making a reality of this vision is the right thing to do, but it is also a challenge.

It is the right thing to do because we have a responsibility to harness the power of education and learning to transform the lives and life chances of our children and young people. It is also the right thing to do for the future of Hartlepool as a thriving town and community and for the developing sub-regional economy.

Economic forecasts anticipate that the shifting economic base within the Tees Valley will require higher level skills for high value jobs at an unprecedented level. Ensuring that our young people can rise to this challenge is important for creating the conditions in which both they and the regional economy can prosper; it is also crucial to establishing the reputation of Hartlepool as a destination town for new industry and for families within the sub region.

A first class education system, however, isn't just important in terms of the economic prosperity of the town. We live in an increasingly complex world in which young people will need to form fulfilling relationships, make difficult life choices and be active citizens who make a positive contribution to their community. This means making sure our education system enables our young people to develop as healthy, confident, resilient and compassionate people.

A strong education system is fundamental to the transformation of our young people's life chances, the town and sub region's economic prospects and the health, wellbeing and cohesion of our community. Building a strong education system across the town is therefore our shared and moral responsibility.

Our Approach

Achieving our ambitious goals will require genuine and effective collaboration and strong partnership working involving political leaders, local authority services, headteachers, college principals, governors, Academy sponsors, Diocesan Authorities, the teaching school alliance, teacher unions, Tees Valley Unlimited, employers, community and voluntary sector providers, parents and young people.

There is a strong tradition of partnership working across Hartlepool and we have already sustained significant improvements over the last 12 months across the town. We therefore have good foundations for moving forward. However we need to establish a fresh momentum because we have much to achieve in a short space of time.

Our urgent and immediate priority is to help every school achieve the maximum positive impact on our children, young people and their learning so that every Hartlepool learner can attend a good school as a basic entitlement.

Our approach will need to be characterised by pace, focus, impact and keeping things simple. In the short term this will mean:

- Developing a sharp and forensic focus on getting every school to good and great;
- Strengthening leadership, management and governance at every level with a clear focus on improvement and sustaining a self improving system;
- Effective, open and transparent performance monitoring of standards across early years settings, schools, academies and colleges based upon data sharing protocols;
- Productive and purposeful partnership working across the town and the region;
- Harnessing the expertise of headteachers, governors and leading practitioners in confidently good and outstanding schools as system leaders and, alongside this, strategically targeting the available resources within the Local Authority, Tees Valley Unlimited and the new education landscape.

To help develop a shared understanding of the challenges we face and to shape new and creative solutions to common problems, the Local Authority (LA) has established the Hartlepool Education Commission. Chaired by Professor Stephen Higgins from the University of Durham, the Commission comprises representatives from across the education and skills system and is currently receiving evidence. The Commission will consult on and set out recommendations that will form the basis of a five year plan in Autumn 2014.

This strategic document sets out the direction of travel over the next 18 months by increasing the pace, getting the basics right and sharpening our approach to rising to the Hartlepool Education Challenge. It builds upon initial consultation with Hartlepool Headteachers and the early work of the Hartlepool Education Commission. The document provides a high level analysis of the nature of the challenges we face, our urgent priorities and, in particular, our approach to fulfilling the Local Authority's role in providing challenge and support to the Hartlepool education system. The document will be reviewed in late 2015 following the Commission's report in order to translate the Commission's recommendations into action.

Section Two: The Starting Point
- Our Strengths and Challenges

Annex A provides a detailed analysis of the performance of pupils at every Key Stage and the performance of schools in relation to Ofsted judgements and attendance.

Overall the analysis highlights that whilst educational standards have been improving in Hartlepool, they are not yet good enough. The gap between low income learners and all learners both locally and nationally is significant at almost every Key Stage, the progress of learners from Key Stage 2 to GCSE and Key Stage 5 (A level or equivalent) is below the national average, as are the levels of participation and achievement in some subject areas such as English, science, mathematics, and modern foreign languages at GCSE and Key Stage 5 (A levels or equivalent). Overall outcomes for young people by the age of 19 are an area of concern, particularly in relation to higher education and employment pathways.

Standards of attainment and achievement

Key issues in relation to the performance of pupils at each Key Stage (2013) are as follows:

■ There is evidence from the Early Years and Foundation Stage Profile that children in their early years, particularly between 0-3 years, are not making good enough progress in terms of their early development and are performing below the national average with the largest gaps being in personal, social and emotional development, expressive arts and mathematics;

■ Notwithstanding this, Hartlepool primary schools sustained improvements at Key Stage 1 from 2012 to 2013 in reading, writing and mathematics and in the narrowing of the pupil premium gap. Maintaining this improving trend and, in particular, increasing the percentage of children achieving a standard in mathematics at the level necessary to successfully access the Key Stage 2 curriculum (Level 2B) remains a priority;

■ There has been a strong improvement trend at Key Stage 2 with attainment at Level 4+ in reading, writing and maths standing at 80% which ranks as the highest in the region and 18th in the country. This masks, however, a large gap in Key Stage 2 between pupils who are entitled to the pupil premium and non pupil premium pupils. The 24% gap in Hartlepool is in the bottom quartile nationally. In addition, progress in reading at Key Stage 2 is not progressing as rapidly as in writing and maths;

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- In 2013, Hartlepool secondary schools sustained one of the largest increases in the country in relation to students achieving 5 A*-C at GCSE including English and maths, and one of the town's schools was the most improved secondary school in the country on this indicator. Performance on this important indicator overall is now in line with the national average;

- There are, however, a number of areas for concern at Key Stage 4. There is wide variation in the GCSE performance between schools in the town and the proportion of young people achieving a GCSE pass in English is significantly below the national average, as is the proportion of young people making the expected level of progress from Key Stage 2 to Key Stage 4. In addition, achievement in science is significantly below the national average and progress in science from Key Stage 2 to 4 is in the bottom 10% nationally. Alongside this, participation and achievement in modern foreign languages is significantly below the national average. Importantly, the gap in achievement between pupil premium students and non pupil premium students is significantly worse than the national average at Key Stage 4;

- Participation rates for 17 and 18 year olds in education, training and employment have been significantly improving and are currently above the national average, as is the percentage of young people engaged in Level 2 apprenticeships. However, at Key Stage 5 (A level or equivalent), whilst the percentage of students achieving 2 passes at A level is above the national average, the grades achieved are below the national average, and the percentage of young people achieving the equivalent of a Level 3 qualification at age 19 is below the national average. In addition, both participation and achievement in STEM (science, technology, engineering and mathematics) related subjects are below the national average;

- The relatively poor performance in post-16 education underpins a lower proportion of young people progressing to university from Hartlepool with a significantly lower percentage than the national average of young people from low income backgrounds progressing to higher education. Alongside this, Hartlepool has the highest percentage of 18-24 year olds seeking job seekers allowance in the region and the third highest level in the UK.

Proportion of Good and Outstanding Schools

Key Issues in relation to the quality of school provision in Hartlepool are as follows:

- Across Hartlepool, a high proportion of primary pupils attend a school judged by OFSTED to be good or outstanding. At 87.1% Hartlepool performs well above the national average on this indicator and is one of the highest performing authorities in the region. However, the proportion of good and outstanding primary schools has remained static against an improving trend regionally and nationally. Four primary schools and one nursery school are currently Grade 3 satisfactory/requires improvement and LA/school improvement plans are in place to create an impetus to get every primary school to good as rapidly as possible. We are also focussed on increasing the proportion of outstanding primary schools.

- Only two out of six of the town's secondary schools have been judged good or outstanding. Consequently, the proportion of young people attending good or outstanding secondary schools in Hartlepool is significantly lower than the national average. In addition the Pupil Referral Unit within Hartlepool has been judged as requiring improvement. Significant improvements have been sustained in relation to these schools over the last 12 months and intensifying the impetus to get to good across the secondary and alternative education system is our number one priority.

Attendance

Attendance in Hartlepool has improved by 1% over the last 10 years against a national improvement of 1.5%. As a consequence, overall attendance in Hartlepool is below the national average with the persistent absence rate being higher than the national rate. Attendance in primary schools has improved at a much slower rate than the national improvement rate. Attendance in secondary schools in Hartlepool has increased at a much quicker rate than in primary but still remains below the national average.

Section Three: Our strategy

Given our starting point and the challenges we need to overcome, our overarching strategic approach is based around six aims:

1. Establishing ambitious and effective leadership and governance at every level

Strong, effective and ambitious governance and leadership is the hallmark of a self improving education system. We will build upon the work already undertaken to strengthen school leadership and governance and create a climate in which political, school and community leaders, who are already ambitious for children's achievements, can work together to harness resources to achieve a consistent approach across Hartlepool to delivering a first class education system. This will involve:

■ Building upon the work of the Hartlepool Education Commission, the Children's Services Policy Committee will create an Education Improvement Board involving political and local authority leaders, headteachers, governors and employers to oversee the delivery and impact of our education improvement strategy and provide the confident and ambitious leadership that will be needed to overcome the challenges we face;

■ Taking appropriate and proportionate action to strengthen governing bodies when necessary;

■ Extending and sustaining our highly successful governor development programme;

■ Developing a co-ordinated Hartlepool school leadership development programme for existing and aspiring senior and middle school leaders.

2. Providing a good and great school for every Hartlepool learner

At the heart of our approach to school improvement will be our Getting to Good and Great programme. We will revise our protocol for the role of the Local Authority in providing challenge and support for schools and for intervening in schools causing concern. We will also formalise a protocol which builds upon our strong relationships with academies to ensure they play a full role in our Getting to Good and Great programme. This will involve:

■ Revising our approach to the identification of risks and strengths in the school system through the effective use of data and agreeing with each school an annual pre-inspection assessment. This will identify both schools where there is a cause for concern and schools that are confidently good or outstanding and from where system leaders could be deployed to help drive improvements elsewhere;

■ Strengthening our approach to the diagnosis of risks and implementing and monitoring the impact of interventions into schools where there is a cause for concern;

■ Formalising a protocol and information sharing agreement with the town's academies that establishes a strategic relationship with the Local Authority;

■ Re-shaping the Local Authority core school improvement capacity and developing an approved list of associates, system leaders, expert practitioners and School Improvement Partners who can be commissioned to deliver town-wide initiatives and who will support a more systematic approach to school to school support.

3. Raising standards at every key stage

Ensuring every Hartlepool learner can be inspired by consistently good and outstanding teaching and learning is central to our approach to making sure pupils perform above the national average at every Key Stage. At its heart, this will be dependent upon our ability to recruit, develop and retain excellent teachers and to ensure that we have a workforce that is well respected, well rewarded and well supported.

Raising standards at every Key Stage will also be dependent upon tackling challenges in relation to continuity and progression across Hartlepool's education system, particularly at points of transition between primary and secondary school schools and secondary and post 16 provision. Better preparing young people for these important transitions will require a more consistent approach across the town to both the 2-14 curriculum and the 14-19 curriculum. This will need to be underpinned by a shared and consistent framework for assessment without levels. Our approach to raising standards will therefore involve:

■ Giving a high priority to stabilising the Hartlepool Excellence in Teaching and Learning programme which will involve a range of partner agencies, schools and leading universities;

■ Commissioning a support programme to improve the use of ICT and digital technology in supporting learning and assessment;

■ Improving the recruitment of new teachers and, in particular, newly qualified teachers to the borough, especially in premium subjects such as science, mathematics and English, through improved marketing and incentive schemes;

■ Investing in a 'grow our own' programme through a work experience and bursary programme targeting Hartlepool young people with a talent in skill shortage subjects;

■ Working with the Hartlepool Teaching School Alliance to establish a consistent approach to the 2-14 curriculum and assessment without levels across the town;

■ Piloting new approaches to supporting pupil transition between primary and secondary school;

■ Establishing a strategic leadership group to focus on the development of the 14-19 provision across the town.

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4. Closing the gap in achievement between learners from low income families and children in care and all children and young people nationally

Ensuring that children from low income families and those in care can achieve the same high standards as all children nationally is one of the core challenges facing Hartlepool. Given the extent of this problem, we cannot achieve our ambitions for our children and our town without overcoming this challenge. There is no easy solution and the Education Commission is currently considering evidence from across the country from schools and areas that have 'bucked the trend'. We will therefore make sure that the research evidence is fed into school practice wherever possible. Our approach over the next 18 months will involve:

- Ensuring that no child becomes invisible by developing a data tracking system across the borough to monitor the progress of pupils entitled to the pupil premium to ensure that they are making good progress, with the Local Authority providing challenge and support to schools where this is not the case;

- Providing master classes and in-school professional development to share best practice in understanding and meeting the needs of vulnerable learners;

- Commissioning research, informed by the conclusions of the Hartlepool Education Commission, to develop innovative approaches that can be scaled up across the system.

5. Raising expectations and broadening horizons through effective partnerships between schools, wider children's services and employers

There is a recognition that creating a climate where families, communities and schools expect our young people to achieve at the highest levels is fundamental to realising the aspirations and broadening the horizons of our young people. This will require cradle-to-career working across the system to make sure that children can grow up in strong families that have the capacity to provide the stimulus and opportunities their children need to achieve their hopes for their futures. Tackling this issue more than any other will be dependent upon integrated and joint working across schools, wider child health and social care services and employers. Our approach in the first 18 months will involve:

- Establishing a targeted approach to the early identification of families where children aged between 0-7 years are at risk of making poor progress in their early language development and providing support to those parents to ensure their children can experience the right stimulus in order to make good progress in their earliest years;

- Revising our early family help services so that they establish a multi-professional approach to the early identification and support of children at risk of poor education, health and care outcomes;

- Strengthening education, employment and university partnerships by focussing on improving access to high quality work experience, project challenges and careers education that will enable children and young people to aim high and make better career and subject choices.

- Working with schools to review the current research and develop new approaches to supporting the emotional and physical wellbeing of children and young people both through the curriculum and wider school support services

6. Strengthening school capacity, alternative and specialist education provision and behaviour and attendance support services to meet a wider range of need

Ensuring our children and young people can receive the right support that they need will also require us to make sure that we are effective in identifying and assessing the education, health and care needs of students with additional educational needs. We must also ensure that we have the right continuum of provision to meet those needs from within our behaviour, attendance and alternative education provision. Our priorities over the next 18 months will therefore be:

■ To review and re-commission our behaviour, attendance and alternative education provision so that children with challenging behaviour can re-engage in their education as a result of high quality support and teaching;

■ To better integrate education, health and care assessment, planning and resource allocation for young people with special educational needs and disabilities across the 0-25 age range;

■ To improve attendance and reduce persistent absence.

Section four: monitoring and evaluation

We will monitor and evaluate the impact of this improvement plan across a number of key success measures. Regular quarterly reports will be made to the Education Improvement Board every six months to the Hartlepool Children's Services Committee.

The specific targets we aim to achieve by 2015/16 are set out in chart 1 on the next page:

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Chart 1 – Measuring Success

SUCCESS CRITERIA	BASELINE (May 2014)	TARGET
Establishing Ambitious and Effective Leadership and Governance at Every Level		
Leadership and Management judged Good / Outstanding by OFSTED	27 primary schools (87%) judged to have Good / Outstanding Leadership and Governance; 4 secondary schools (57%) judged to have Good / Outstanding Leadership and Governance	December 2015: all primary, secondary and special schools judged to have Good / Outstanding Leadership and Governance
Providing a Good and Great School for Every Learner		
Every school to be judged as Good or Outstanding with increased proportion of Outstanding schools	27 primary schools (87%) judged to be Good / Outstanding. 3 secondary schools (43%) judged to Good / Outstanding. All schools: 79% Good / Outstanding	December 2015: all primary, secondary and special schools judged to be Good or Outstanding.
Raising Standards at Every Key Stage		
Raise achievement in EYFS	2013 Good Level of Development 47.6% (national average: 52.0%)	In-line with 2015 GLD national average; exceed 2016 national average
Raise attainment at KS1 L2B+ in mathematics	2013: Maths L2B+ 74% (national average 78%)	In-line with 2014 national average; exceed 2015 national average.
Reading – improve rate of progress between Key Stage1 and Key Stage 2	2013: Two levels progress in Reading 90% (2011 94%; 2012 93%)	2014: 94% pupils achieve expected progress in reading; 2015 96% achieve expected progress.
Improve achievement in GCSE English	2013: 65% GCSE English Grade A*-C (national 67%) 2013: 63.6% pupils making expected progress in KS2-KS4 English (national 71.6%)	2014: GCSE English Grade A*-C 68%; 2015 70% 2014 KS2-KS4 Progress 70%; 2015 73%
Improve achievement and participation in GCSE science	2013: 63% GCSE Science Grade A*-C (national 74%). 2013 Participation 65%; Pupil Premium participation 44%	2014: GCSE Science Grade A*-C 68%; 2015 74% 2015 Participation 75%; Pupil Premium participation 65%
Key Stage 5: raise achievement at A-Level and Level 3 at age 19.	2013: A/AS level average point score (APS) per entry 206.6; national APS 213.7 2013: Level 3 by age 19 51.9% (national 57.3%).	July 2015: achievement in top quartile – A/AS APS per entry 220.0+; Level 3 by age 19 – 65%+
Improve achievement and participation in GCSE Modern Foreign Languages	2013: 53% GCSE MFL Grade A*-C (national 72%). 2013 Participation 40%; (national 49%)	2014: GCSE MFL Grade A*-C 68%; 2015 72% 2015 Participation 50%; 2016 participation 55%

SUCCESS CRITERIA	BASELINE	TARGET
Closing the Gap in Achievement Between Learners from Low Income Families and Children in Care and All Children and Young People Nationally		
Reduce the KS2 achievement gap between pupils in receipt of Pupil Premium and all others	2013 L4B+ Reading, Writing & Maths combined: 20% gap - Pupil Premium pupils 68%/ other pupils 88%	In-line with 2014 national Pupil Premium gap (16%); further reduce gap to 10% by 2015.
Reduce the KS4 GCSE achievement gap between pupils in receipt of Pupil Premium and all others	Pupil Premium GCSE 5A*-C including maths and English 39%; other pupils 69%; gap 30% (national 27%)	Pupil Premium GCSE 5A*-C including maths and English 60% Pupil Premium Gap Target December 2015: 23%
Raising Expectations and Broadening Horizons Through Effective Partnerships Between Schools, Wider Children's Services and Employers		
Improve early language development baseline on entry to school	2013 EYFS Communication & Language 70% (national 72%) 2013 EYFS Literacy 59% (national 61%)	2015 EYFS Communication & Language 80% 2015 EYFS Literacy 70%
Improve achievement for Children In Need (CIN)	CIN attaining KS2 L4+ RWM 51.2% (national 42.3%); CIN attaining GCSE 5A*-C inc EM 13% (national 16.1%)	CIN attaining KS2 L4+ RWM 76% CIN attaining GCSE 5A*-C inc EM 20%
Key Stage 5+: increase participation in education, employment and training at age 18+	2013: non-participation at age 18 – 14.8% (national 7.0%) Job Seekers Allowance age 18-24 – 11.5% (national 5.0%).	September 2015: non-participation 10%; September 2015: Job Seekers Allowance 8%
Reduce the number of teenage conceptions per 1000 15-17 years girls	2013: 36.3 births per 1000 15-17 years girls (national 27.7)	2015 27.0 births per 1000 15-17 years girls
Hospital Admissions due to substance misuse 15-24 year olds	2008-2011 (pooled) 111 per 100,000 of population (national 62 per 100,000 of population)	2013 - 2015 (pooled) 62 per 100,000 of population
Strengthening School Capacity and Alternative and Specialist Education Provision and Behaviour and Attendance Support Services		
Improve attendance in both primary and secondary schools and reduce Persistent Absence	Primary attendance 95.0% (national 95.3%). Secondary attendance 93.8% (national 94.2%). All attendance 94.5% (national 94.8%) Persistent Absence (all schools) 4.7%	July 2015: Primary 95.4% Secondary 94.3% All schools 94.9% Persistent Absence (all schools) 4.0%

Section five: resourcing the programme

Delivering on our ambitions for our children and young people has the highest priority within the Local Authority and wider partners. To this end, provision has been made within the Council General Fund and the ring-fenced Dedicated Schools Grant (DSG) to invest additional resources in delivering on our improvement priorities. Within the DSG, a reserve of £870,000 has been earmarked. In addition the Local Authority has created a reserve of £287,000 to further invest in delivering our ambitious programme, to pump prime new initiatives and to tackle urgent priorities. This strategy sets out the short term investment priorities and the Hartlepool Education Commission will recommend priorities for investment for the medium to longer term.

We will also need to make sure that we make best use of existing resources within the system by co-ordinating effort and avoiding duplication.

Local Authority Capacity

We will adapt a hub and spoke approach to taking this programme forward. The Local Authority will need sufficient core capacity to provide strong leadership and will need credible expertise to provide the level of analysis, challenge, support and brokerage required to deliver our school improvement role.

We have a strong core team already in place, and it is not our intention to replicate former local education authority inspection and advisory service models. We recognise that whilst we need core capacity, we also need to be able to act flexibly to draw upon and commission expertise from within schools and elsewhere.

However we have reviewed the core capacity within the Local Authority and a minor restructure will add a small level of additional capacity and clarify roles and responsibilities against our strategic priorities. The core school improvement operating model will be as follows.

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                    │ Assistant Director Education │
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Senior School Improvement Officer Primary and Early Years	Senior School Improvement Officer Secondary	Senior School Improvement Officer/ Virtual Headteacher	Raising Expectations/ Aiming High	Principal Educational Psychologist	Head of Children Services Commissioning
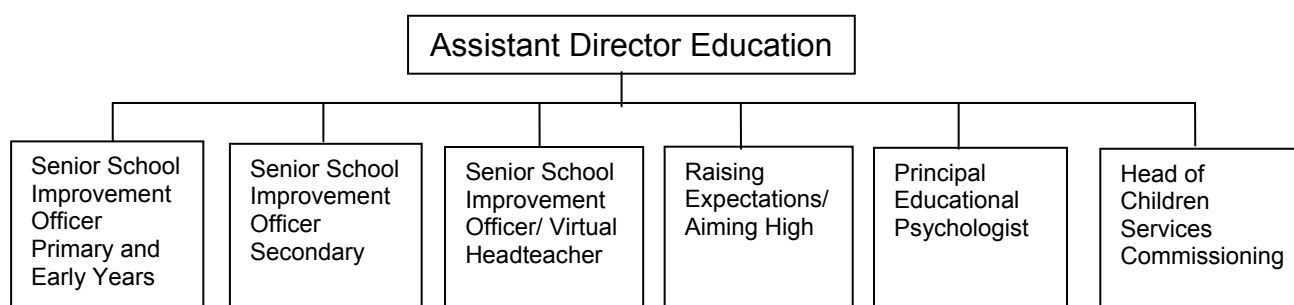
This will be supplemented by a remodelling of our approach to working on a multi agency basis to support families and to identify, assess and allocate additional resource to support 0-25 year olds with special educational needs and disabilities.

Commissioning role

The core Local Authority team will establish a list of associates, system leaders and expert practitioners with a recognised track record in delivering improvement. The LA will work strategically to commission additional capacity from this accredited list to work with individual schools and take forward town wide work

A joined up approach

Within the new education landscape, additional national resources are being directed into our school improvement initiatives through, for example, teaching schools, the National College of School Leadership and academy sponsors and through national agencies such as Ofsted, Teach First and Schools Direct. In addition, investment is being directed into the skills agenda via the Tees Valley Local Enterprise Partnership. We will work collaboratively with those agencies to facilitate a joined up approach to co-ordinate effort, clarify the impact of programmes and to avoid duplication within the context of the plan for delivering a first class education for every Hartlepool learner.

COUNCIL
18th December 2014

Report of: Licensing Committee

Subject: MINIMUM UNIT PRICE OF ALCOHOL

1.   PURPOSE OF REPORT

1.1   To update Council on the outcome of the Licensing Committee's meeting on 6th November 2014 where consideration was given to the introduction of minimum unit pricing for alcohol.

2.   BACKGROUND

2.1   The abuse and misuse of alcohol has a significant detrimental impact on public health in Hartlepool and Council has previously expressed its support for various initiatives aimed at reducing alcohol harm.

2.2   Establishing a minimum unit price of alcohol is a stated aspiration for Hartlepool Borough Council and at full Council on 7th August 2014 a motion was passed that consideration of the introduction of a minimum unit price be referred to the Licensing Committee.

3.   DETAILS

3.1   At its meeting on 6th November 2014 the Licensing Committee was advised that in 2013 the coalition Government dropped its proposal to introduce minimum unit pricing for alcohol and, as a result, a number of Local Authorities have been exploring how the principle could be introduced another way – focussing specifically on the potential for the adoption of a local by-law.

3.2   The Committee was informed by the Council's solicitor that there is no legal framework upon which a by-law can be founded and, as such, there is no potential in pursuing such an approach for Hartlepool.

3.3   The Committee recognised the significant broader health issues associated with the cheap availability of alcohol and, taking into account the legal advice received, asked for minimum unit pricing to be included in the drafting of the

next Licensing Policy which will be consulted on during 2015 prior to adoption and publication in December 2015. Inclusion in the Licensing Policy would not create a legally binding obligation on licensees to sell alcohol at a specified minimum price but would highlight the Council's commitment to reducing alcohol harm and stress to licensees the relationship between price, alcohol consumption and alcohol misuse.

3.4   The Committee also asked for the principle of minimum unit pricing to be referred to the Health and Wellbeing Board as part of the broader public health debate.

4.   RECOMMENDATIONS

4.1   That Council notes the contents of this report and endorses the views of the Licensing Committee that minimum unit pricing of alcohol should be referred to the Health and Wellbeing Board.

5.   CONTACT OFFICER

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│                 COUNCIL REPORT                        │
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│                 18 December 2014                      │
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Report of: Finance and Policy Committee

Subject: MEDIUM TERM FINANCIAL STRATEGY 2015/2016
                      TO 2018/2019

1.   PURPOSE OF REPORT

1.1   To present details of the proposed Medium Term Financial Strategy (MTFS)
         2015/16 to 2018/19.

2.   BACKGROUND

2.1   In accordance with the Constitution the Finance and Policy Committee is
         responsible for preparing the final MTFS proposals to be referred to Council,
         which reflect feedback from individual Policy Committees on the initial
         budget proposals and feedback from 'face the public' budget consultation
         meetings. The final MTFS proposals also include the proposed Council Tax
         level for 2015/2016. These details were considered by the Finance and
         Policy Committee on 24th November 2014.

2.2   Following consideration of the recommendations proposed by the Finance
         and Policy Committee in relation to the Council's own 2015/16 Budget and
         Council Tax level further reports will be submitted to Council to complete the
         necessary statutory calculations as follows:

         • Council 5th February 2015 – approve statutory budget and Council Tax
           calculations for 2015/16 for the Council reflecting the local decisions
           approved by Council on 18th December 2014 and the final 2015/16 Local
           Government Finance Settlement issued by the Government;

         • Council 26th February 2015 – approve the overall Council Tax levels for
           2015/16, incorporating the Fire and Police Authority precepts approved
           by Cleveland Fire Authority and the Police and Crime Commissioner
           respectively.

**3.   2015/16 BUDGET AND COUNCIL TAX PROPOSALS REFERRED BY
         THE FINANCE AND POLICY COMMITTEE FOR CONSIDERATION BY
         COUNCIL**

3.1   A copy of the Medium Term Financial Strategy 2015/16 to 2018/19 report considered by the Finance and Policy Committee on 24th November 2014 is attached to this report as a separate booklet for Council's consideration. The MTFS report covers the following areas:

- Background
- Reserves Review and 2014/15 General Fund Forecast Outturn
- Local Council Tax Support Scheme 2014/15 Forecast Outturn
- 2015/16 General Fund Budget
- Potential Legislative Changes
- General Fund Budget 2016/17 to 2018/19
- Capital Programme 2015/16
- Public Health Funding
- Robustness of Budget Forecasts – Chief Finance Officer's Professional Advice
- Consultation Feedback
- Equality Impact Assessments
- Conclusion and Recommendations

3.2   The Chief Finance Officer specifically highlighted the following issues when the MTFS report was considered by the Finance and Policy Committee and this advice is equally relevant to Council when considering the budget:

- Robustness of Budget Forecasts – Chief Finance Officer's Professional Advice

  As detailed in section 11 of the MTFS report the Local Government Act 2003 introduced a new requirement on an Authority's Chief Finance Officer (CFO) to advise Members on the robustness of the budget forecasts and adequacy of the proposed level of reserves. The CFO advised Members that in his professional opinion the budget proposals for 2015/16 are robust and this advice is based on a range of factors being in place as detailed in paragraphs 11.3 and 11.4 of the MTFS report.

- Arrangements for managing any final variation to the actual 2015/16 Core Grant allocation and / or final Collection Fund balance.

  As detailed in the report it is not anticipated that there will be any significant changes (i.e. plus/minus £100,000) in the provisional figures detailed in the MTFS. Therefore, as detailed in paragraph 15.15 it is recommended that any changes in these factors is managed by a corresponding increase/decrease in the use of the Budget Support Fund. Details of any necessary changes will be reported within the Council Tax setting report to be considered by Council on 5th February 2015.

3.3   The Finance and Policy Committee approved the following changes to the recommendations detailed in the MTFS report:

Initial MTFS report recommendation	Proposal approved by Finance and Policy Committee
Recommendation 15.3 To allocate one-off funding from the 2014/15 outturn to provide 2015/16 Ward Member budgets of £3,000 per Councillor.	Revised Recommendation 15.3 To allocate one-off funding from the 2014/15 outturn to provide 2015/16 Ward Member budgets of £4,000 per Councillor (noting that the additional cost will be funded from the forecast uncommitted outturn of £85,000).
Recommendation 15.14 Determine whether the permanent saving of £30,000 on the Coroners Service should be allocated to continue free summer swims on a permanent basis.	Recommendation 15.14 Approved the allocation of the permanent saving of £30,000 on the Coroners Service be allocated to continue free summer swims on a permanent basis.

4.   Morrison Hall Update

4.1   On the 5th December 2013 the Council considered a report on the proposed refurbishment of Morrison Hall by the NDC Trust. The report advised Members that the estimated refurbishment cost of the scheme was £850,000 and grant funding of £400,000 had been secured by the NDC Trust. Councils were not eligible to bid for this specific funding stream.

4.2   Council considered the business case prepared by the NDC Trust and approved the request for a loan of £450,000, which would be repaid over a 40 year term. Members were advised that the Chief Finance Officer had examined the business case and the underpinning financial planning assumptions for this development which demonstrated a small annual surplus.

4.3   Council approved the proposal to provide a loan and delegated authority to the Chief Finance Officer and Chief Solicitor to action the necessary financial and legal documents, including the following guarantees to protect the Council's financial position:

- The loan agreement will be subject to a first charge against the property.

- Loan advances will be paid by instalments after the completion and valuation of the grant funded works. This will reduce financial risk to the Council as significant refurbishment works will be completed before the loan is drawn down;

- The annual contributions to the Major Repairs Fund will be paid over to the Council to oversee the fund. This arrangement gives assurance that the value of the property is protected, as it will be used as security in the event of a loan default.

4.4 At this stage no Council funding has been drawn down as the legal agreement has not been signed by the Council, as discussions are still ongoing to finalise the loan agreement.

4.5 As part of these discussions the Chief Finance Officer was advised on 26th November 2014 that significant structural works have been completed and this works removes a significant element of financial risk owing to the nature of the works completed. However, these works have cost more than anticipated and there is therefore not sufficient funding available to complete this scheme. The Trust has tried to secure additional grant funding to cover the increased costs. This has been unsuccessful and owing to the timescale for spending the existing grant funding an alternative funding source is required for the additional costs. The Council has therefore been approached (via the meeting with the Chief Finance Officer) to provide additional funding of £160,000, which would increase the loan from £450,000 to £610,000.

4.6 The Chief Finance Officer has reassessed the business case and can confirm that an increased loan of £610,000 is affordable, although the loan term will need to increase from 40 years to 50 years. On this basis the Chief Finance Officer can advise Council that the request for a higher loan over a longer repayment period can be supported. In addition, as indicated in the original report to Council, in the event of the Trust defaulting on the loan the property will transfer to the Council and the annual loan repayments will be paid from the continuing rental income.

4.7 It is anticipated that as the schemes becomes fully established it may be possible to repay the loan over the original term of 40 years, although this should not be relied upon at this stage.

4.8 As Members are aware this building has been vacant and unused since 2005 and identified by the Abandoned Properties and Derelict Land Group as key property for redevelopment. The proposed developed aims to bring this property back into use and provide low cost rented housing. As indicated in the previous paragraphs significant progress has been made. However, additional funding is required to complete this project and the Council has been asked to increase the loan for this project.

4.9 The NDC Trust has requested that the loan agreement with the Council is taken out with Hartlepool Revival Limited, which is a subsidiary of the NDC Trust. The Chief Finance Officer and Chief Solicitor can confirm that this request can be approved as the contract with Hartlepool Revival Limited will provide the same safeguards for the Council.

4.10   In addition, to the regeneration and social benefits of completing this scheme, the Council will also benefit from increased Council Tax and New Homes Bonus.   The annual Council Tax benefit will be in the order of £6,000 and New Homes Bonus income will be £42,000 over 6 years.

5.   PROPOSALS

5.1   Details of the proposals approved by the Finance and Policy Committee and referred to Council are provided in section 15 of the MTFS report which is included in the separate booklet issued with the agenda papers. For Members convenience these issues are detailed below and for ease of reference the paragraph numbers detailed are the same as the MTFS Report. Where reference is made in the following paragraphs to an Appendix or a paragraph number this is referring to the MTFS report.

5.2   An additional proposal is included at paragraph 15.35 in relation to Morrison Hall.

Extract from Finance and Policy Committee Report

(Recommendations 15.3 and 15.14 have been updated to reflect the issues detailed in paragraph 3.3 of this report).

15.2   General Fund 2014/15 Final Outturn (including impact of Reserves Review)

15.3   Approve the updated forecast outturn position detailed in Appendix A (including the outcome of the Reserves Review detailed in Appendix B) and the reserves recommended in table 4 to Appendix A, including:

- the proposal from the Trade Unions to allocate the saving from the day of industrial action of £40,000 to support the apprenticeship scheme; and

- one-off funding to provide 2015/16 Ward Member budget of £4,000 per Councillor.

15.4   To note that after reflecting the above proposal the uncommitted forecast 2014/15 General Fund outturn is between £1.457m to £1.542m and to approve that

- the lower forecast of £1.457m is allocated to supplement the existing Budget Support Fund available to support the MTFS. Proposals for using the Budget Support Fund are detailed in the recommendation at paragraph 15.23;

- the additional forecast uncommitted forecast outturn of £52,000 (i.e. £1.542m less £1.457m less £33,000 to reflect increase in Ward Member budgets from £3,000 to £4,000) is not committed until the final outturn is known.

15.5   Local Council Tax Support Scheme 2014/15 Forecast Outturn.

15.6   To note the detailed Local Council Tax Support (LCTS) scheme report to be referred to Council on 18th December 2014 will recommend that the 2014/15 underspend of £0.328m is allocated to supplement the LCTS Reserve, which will enable a lower reduction in LCTS support to be achieved in 2017/18.

15.7   **2015/16 General Fund Budget**

15.8   Approve the implementation of the following corporate savings:
   • Additional ICT contract saving - £0.150m
   • Terms and Conditions Review - £0.200m
   • Centralised estimates saving - £0.270m

15.9   Note the risk in achieving the Terms and Conditions savings from 1st April 2015 and consequential impact on funding available to implement the increase in the Hartlepool Living Wage;

15.10   Approve the following package of measures to fund the 2015/16 budget deficit, which includes the corporate savings recommended in paragraph 15.8 and a contribution from the Budget Support Fund:

	£'000	Percentage
Departmental Budget Savings	5,406	73%
Use of the Budget Support Fund	1,116	15%
Corporate Budget Savings	620	8%
Use of one off resources to defer proposed savings in relation to Lifeguards, School Crossing Patrols and Advice and Guidance services	305	4%
	7,447	100%

15.11   Approve the Departmental savings options detailed in Appendix C.1 to C.7 and summarised below:

	£'000	Percentage of 2014/15 budget
Chief Executive's Department (1)	515	13%
Child and Adult Service - Use of grants (2)	1,700	4%
Child and Adult Services – Budget reductions	1,164	3%
Regeneration and Neighbourhoods (3)	1,860	8%
Public Health (General Fund budgets)	167	14%
Total Department budgets	**5,406**	

15.12   Note the information provided in paragraph 6.6 in relation to the impact of either accepting the Council Tax freeze grant, or increasing Council Tax by 1.9%;

15.13   Approve a 2015/16 Council Tax freeze for Council services;

15.14   Approve the allocation of the permanent saving of £30,000 on the Coroners Service to continue free summer swims on a permanent basis;

15.15   Approve the proposal that any final variation to the actual 2015/16 Core Grant allocation and / or final Collection Fund balance is managed by a corresponding increase/decrease in the use of the Budget Support Fund in 2015/16 and to note details of any necessary change will be reported within the Council Tax setting report.

15.16   **Potential Legislative/funding changes**

15.17   Note the potential legislative changes detailed in section 7 in relation to the Care Act and the Independent Living Fund, which it is anticipated will be budget neutral for 2015/16 and note further details will be reported when known.

15.18   Note the potential changes detailed in section 7 in relation to Local Welfare Support, which may require the Council to review the previous local decisions regarding funding for this service for the period 2014/15 to 2016/17 and note further details will be reported when known.

15.19   Note the potential for additional Local Council Tax Support scheme new burdens funding continuing in 2015/16 detailed in section 7. The Council received £110,000 for 2014/15.

15.20   Note the additional grant cut in relation to the Carbon Reduction Commitment funding detailed in section 7 and this amount has been reflected in the updated MTFS forecasts for 2015/16.

15.21   **General Fund 2016/17 to 2018/19**

15.22   Approve indicative annual Council Tax increases for Council Services for the period 2016/17 to 2018/19 of 1.9% and to note that the actual level of Council Tax will be considered on an annual basis to reflect the Council Tax referendum regime and Council Tax freeze arrangements applying at the time.

15.23   Approve the phased used of the increased Budget Support Fund as follows (original phasing included for information):

Forecast use of Budget Support Fund

	Original Phasing £'000	Latest Recommended Phasing £'000
2015/16	1,626	1,116
2016/17	1,648	2,700
2017/18	0	915
2018/19	0	0
Total	3,274	4,731

15.24   Note the revised forecast deficits after reflecting the revised phasing of the Budget Support Fund as follows (original forecasts included for information):

Forecast Annual Budget Deficits

	Original Forecast £'000	Revised Forecast £'000
2016/17	7,600	5,100
2017/18	6,018	5,190
2018/19	3,890	4,518
Total	17,508	14,808

15.25   **Capital Programme 2015/16**

15.26   Approve the use of Prudential Borrowing for the purchase of 7 bungalows, as detailed in paragraph 9.5, subject to the Homes and Communities Agency grant being secured towards the cost of this scheme.

15.27   Approve the capital budget for the replacement of the depot, which will enable CCAD to relocate to this site, of between £3.065m to £3.75m (noting that the higher figure includes a contingency which it is recommended is included owing to the complexities and short time scale for designing and preparing the cost estimates for this scheme. Officers will work to limit costs to the lower figure) and the following funding:

- £1.065m contribution from 2014/15 Regeneration and Neighbourhood Services General Fund outturn;
- Prudential Borrowing £2m #
- Prudential Borrowing £0.685m. This amount will only be used if the scheme costs £3.75m##

    # The repayment costs will be funded from a combination of efficiency/operational savings arising from relocating the depot and

increased income generated from new opportunities, which cannot currently be delivered from the existing depot. Therefore, there will be no cost to the General Fund budget in 2015/16.

Allocating the revenue savings/increased income will mean that this amount is not available towards achieving the Regeneration and Neighbourhood Services revenue savings in 2016/17, which will mean that more difficult savings will need to be implemented in 2016/17. Proposals to potentially mitigate this impact are detailed in recommendation 15.28.

The part year loan repayment costs in 2015/16 will be approximately £14,000 and can be funded from the existing capital financing budget. The full year costs in 2016/17 will be approximately £50,000 and this will be a budget pressure in 2016/17.

15.28 Approve the proposal that any one-off resources released or any additional capital receipts (i.e. in excess of the existing target) which can be achieved over the next few years are considered to be used to reduce the borrowing required to fund the depot relocation. This would be the subject of consideration as part of the following years (i.e. 2016/17) Medium Term Financial Strategy report. These proposals will then enable the revenue savings allocated to fund loan repayment costs to be taken in future years as part of the Regeneration and Neighbourhoods savings plan.

15.29 Approve the use of Prudential Borrowing for the replacement of Operational Equipment as detailed in Appendix E, table 3 and note the annual repayment costs are already included within existing operational and trading accounts budgets.

15.30 **Power Station Business Rates**

15.31 Approve the proposal that as soon as the outcome of the current application by the Power Station for a reduction in Business Rates is known to seek a meeting with the Local Government Minister to again highlight the financial impact of the Power Station and to request that this exceptional and volatile risk is excluded from the standard safety net arrangements.

15.32 Robustness of Budget Forecasts

15.33 Note the detailed advice provided by the Chief Finance Officer and Corporate Management Team in section 11.

15.34 Approve an increase in the temporary Prudential Borrowing pending the achievement of planned capital receipts from £1.128m to £1.221m for 2014/15, and note that it is anticipated this amount will be repaid early in 2015/16 when capital receipts are forecast to be achieved.

15.35 Morrison Hall

15.36 Approve the request from Hartlepool Revival Limited to increase the loan for the redevelopment of Morrison Hall to £610,000 to be repaid over a maximum period of 50 years.

15.37 To note that in accordance with the original loan approved by Council on 5th December 2013 the Council's financial position will be protected by the following contractual conditions:

- The loan agreement will be subject to a first charge against the property.

- Loan advances will be paid by instalments after the completion and valuation of the grant funded works. This will reduce financial risk to the Council as significant refurbishment works will be completed before the loan is drawn down;

- The annual contributions to the Major Repairs Fund will be paid over to the Council to oversee the fund. This arrangement gives assurance that the value of the property is protected, as it will be used as security in the event of a loan default.

7. CONTACT OFFICER

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COUNCIL 18TH DECEMBER 2014

MEDIUM TERM FINANCIAL STRATEGY
2015/16 TO 2017/18
SUPPORTING INFORMATION

(DETAILS REPORTED TO FINANCE AND POLICY
COMMITTEE 24TH NOVEMBER 2014)

FINANCE AND POLICY COMMITTEE
24 November 2014

HARTLEPOOL BOROUGH COUNCIL

Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2015/16 TO 2018/19

1.   TYPE OF DECISION/APPLICABLE CATEGORY

1.1   Budget and Policy Framework Decision.

2.   PURPOSE OF THE REPORT

2.1   The purposes of the report are to:-

   i)   Update the MTFS; and

   ii)   Enable Members to finalise the detailed 2015/16 budget proposals, including the proposed Council Tax level (excluding Police and Fire precepts) to be referred to Council on 18th December 2014.

3.   BACKGROUND

3.1   The budget timetable for 2015/16 was approved by this Committee on 30th June 2014 and Council on 3rd July 2014. In accordance with the approved budget timetable this is the final budget report and enables the Committee to approve the final 2015/16 budget proposals to be referred to full Council on 18th December 2014.   The report therefore provides a comprehensive analysis of the financial issues affecting the Council, including information previously reported to this Committee, to ensure all Members have the detailed information to support the budget recommendations.

3.2   As detailed in previous MTFS reports the Council faces an increasingly challenging financial position which is driven by four key issues:

   • Continuing significant Government grant cuts in 2015/16 and future years;

   • The impact of financial risks transferred to Local Authorities from April 2013 arising from the implementation of the Business Rates Retention system and the transfer of responsibility for the Local Council Tax Support Scheme;

• The impact of demand led pressures – particularly in relation to Older People demographic pressures and increases in Looked After Children;

• Continued restriction of Council Tax increases.

3.3   Whilst, these factors have applied in previous years and the position has been managed effectively by the Council over the period 2011/12 to 2014/15, it will become increasingly difficult as each year passes to manage these issues.   In common with local authorities across the country the Council has managed the cuts to date extremely effectively and without a significant and visible adverse impact on front line services.

3.4   It will become significantly more difficult to balance future years' budgets. The Council's ability to manage the impact of significant Government grant cuts over the last four years is not a guarantee this position will continue as the local cuts implemented to date cannot be repeated. Therefore, the actions which will be required to balance the 2015/16 budget and future years' budgets will become significantly more difficult to achieve. Increasingly cuts will have a visible impact on the services the Council continues to provide and those services which will either need to be scaled back or stopped completely.

3.5   The Council is not in a unique position and a recent Local Government Association (LGA) report – *"Under pressure – How Councils are planning cuts"* highlights the financial challenges facing Councils in 2015/16. The report indicated:-

• There is no single reason why 2015/16 should be such a difficult year (although nationally the cut in Government support to local authorities will be the largest since 2012/13), but rather the squeeze is a result of an accumulation of funding reductions, expenditure pressures, which have been building over a number of years, and a series of other risks;

• That cost pressures include care service reforms (deferred payment scheme, social care cost cap), additional public health duties, an ageing population, increasing costs of concessionary fares schemes, pressures on social housing services and inflation;

• Councils face new financial risks, including business rate appeals, welfare reform (including the benefit cap and Universal Credit) and potential changes to interest rates.

3.6   Members will recognise these issues from previous MTFS reports and in particular the continued disproportionate impact of Government grant cuts on Councils (including Hartlepool) with the greatest dependency on Government funding and those suffering from higher levels of deprivation. This position is highlighted in the following charts. The first chart shows that only a few councils in 2014/15 saw their spending power reduce at the level of the national average of -3% (horizontal line), with some councils (mainly the wealthiest and least deprived councils) seeing increases in spending

power. The second chart shows the cumulative spending power changes for 2014/15 and 2015/16, which shows the continuation of the trend which commenced in 2011/12 i.e. disproportionate spending power cuts for areas with greatest dependency on grant funding, low Council Tax bases and higher levels of deprivation.
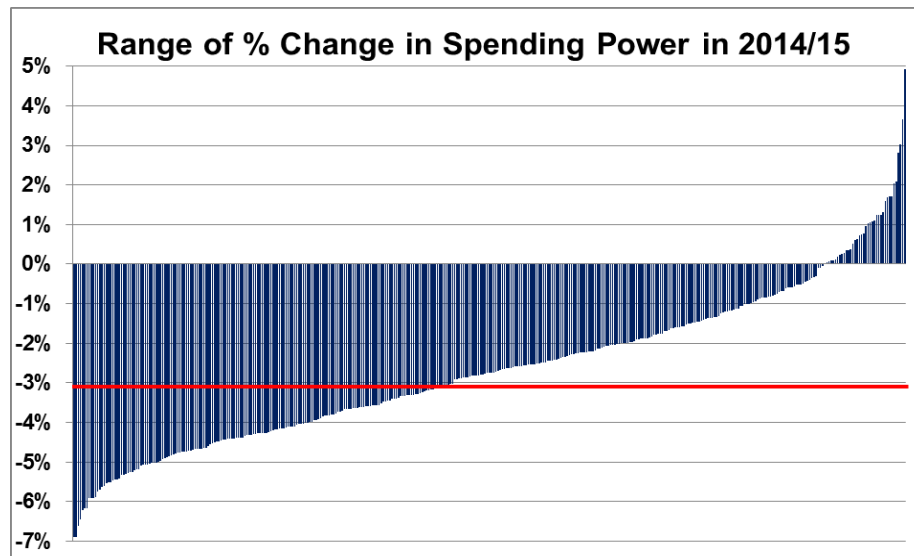
Changes in Spending Power 2014/15 and 2015/16
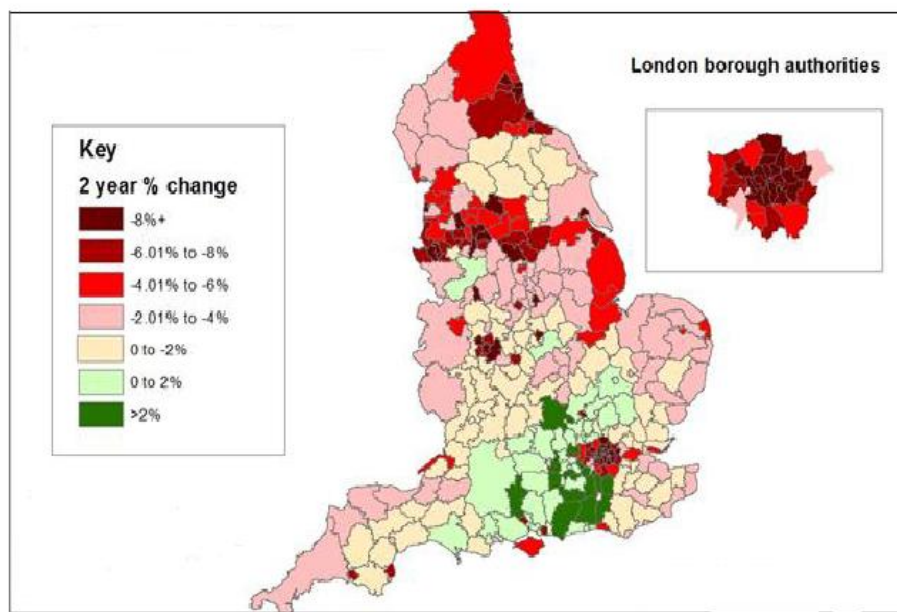
3.7   The level of Government funding received by the Council in 2015/16 will be approximatley **£30.6m (39%)** less than it was in 2010/11. £8.2m of this grant cut is being implemented in 2015/16, which is the main reason for the budget deficit next year.

3.8   Further public spending cuts are anticipated after the General Election whichever party(s) form the next Government.   Announcements made by the main politial parties during the recent party conferences suggest that Health and Education will continue to be priorities, which will mean that higher cuts are required in other parts of the public sector, including Councils.

3.9   The impact of the previously announced grant cut in 2015/16 and further cuts in future years underlines the continued need for a robust local multi-year financial strategy to manage this position. The following sections and detailed recommendations are designed to provide a robust financial strategy for 2015/16 to 2018/19.

4.   RESERVES REVIEW AND 2014/15 GENERAL FUND FORECAST OUTTURN

4.1   A comprehensive review of Reserves held at 31st March 2014 and the risks reserves are held for was reported to the Committee in September. This is an annual review undertaken by the Corporate Management Team which is recognised good practise and this issue was referred to in the External Auditor's (Mazars) Annual Audit Letter circulated to all Members in October 2014. The detailed review addressed five key areas recommended by the Audit Commission in their 2013 national report on Council reserves covering:

   i) How much is held in reserves;
   ii) What are reserves held for, including information provided to Members;
   iii) Does the Authority hold any contingency fund other than reserves to protect against unplanned costs;
   iv) The relationship between reserves and Council Tax;
   v) Unplanned movements on reserves.

4.2   The reserves review highlighted the key priorities and risks these monies are held to fund. This includes significant support for the budget over the next few years, support for the Local Council Tax Support scheme, funding for redundancy/early retirement costs over the period of the MTFS and the Power Station Business Rates risk. The review also identified a limited number of areas where risk has reduced and reserves of £1.870m can be released, as detailed in Appendix B.

4.3   At the meeting on 15th September 2014 Members approved proposals for using these resources, plus the previously forecast 2014/15 outturn to:
   - enable a limited number of the 2015/16 proposed savings to be deferred - total one-off commitment of £0.455m;
   - to fund protection costs arising from the Terms and Conditions review – initial assessment £0.75m; and
   - Support for the MTFS – which is detailed in paragraphs 4.5 and 4.6.

4.4   The 2014/15 forecast outturn has been updated to reflect experience for the first six months of the financial year and the anticipated outturn position. The latest forecast outturn indicates that the Corporate Management Team continues to take robust management action to achieve budget under spends to address future financial challenges and one-off commitments, as detailed in Appendix A. Key proposals include earmarking one-off resources to partly fund potential depot relocation costs and the use of one-off resources in 2014/15 to offset the reduction in Business Rates received from the Power Station arising from the unplanned shut down. This issue is covered in more detail later in the report.

4.5   After reflecting one-off commitments the forecast uncommitted resources available from the reserves review and the 2014/15 outturn is between £1.457m and £1.542m (previous forecasts £0.975m to £1.090m). The range reflects seasonal and demand led factors.

4.6   For planning purposes it is recommended that the lower amount is used to update the MTFS forecasts for 2015/16 to 2018/19 and allocated to supplement the previously identified Budget Support Fund. Proposals for re-phasing the use of the revised Budget Support Fund are detailed later in this report and are designed to provide more manageable annual budget positions over the period of the MTFS.

5.   **LOCAL COUNCIL TAX SUPPORT (LCTS) SCHEME 2014/15 FORECAST OUTTURN**

5.1   There is a separate report elsewhere on the agenda on the LCTS scheme which informs Members that the net cost of the scheme in 2014/15 is less than anticipated. This is owing to a reduction in claimant numbers from the level experienced in 2013/14, both working age households and pensioners. In addition, the level of Council Tax income generated from policy changes in relation to Council Tax exemptions and discounts implemented to partly fund the LCTS scheme is more favourable than anticipated.

5.2   The lower net cost in 2014/15 means that the Council resources (i.e. budget pressures and LCTS Reserve) allocated to partly offset the LCTS grant cut will not be needed in 2014/15. It is therefore, recommended that the uncommitted outturn of £0.328m is allocated to supplement the LCTS Reserve.

5.3   It is anticipated that the combination of lower forecast LCTS cost and increase in the LCTS Reserve should enable the 2016/17 LCTS cut to be maintained at 12% and the cuts for 2016/17 and 2017/18 LCTS limited to 20%. A 35% cut was previously forecast for 2017/18. This would provide a more robust 2017/18 LCTS scheme, both for individual households by reducing the Council Tax liability for the year and the Council by reducing the amount to be collected from low income working age households. This opportunity is dependent on continuing to adopt a multi-year approach to the LCTS scheme and enables the Council to support low income households

for as long and possible, whilst phasing increases in the amount of Council Tax to be paid over a number of years.

5.4 LCTS scheme proposals for future years will need to be updated to reflect changes in claimant numbers, particularly if the economic position deteriorates and future grant allocations.

5.5 The proposal to freeze Council Tax for 2015/16, the fifth successive year, supports households paying full Council Tax.

6. 2015/16 GENERAL FUND BUDGET

6.1 In January 2014 the Government provided a two year Local Government Finance Settlement. For Hartlepool the 2014/15 grant cut was 9.6% (£5.984m) and for 2015/16 is 14.6% (£8.213m).

6.2 After reflecting the 2015/16 grant cut, the impact of inflation and the planned use of the Budget Support Fund to partly mitigate cuts in services the net budget deficit forecast in June 2014 was £6.246m. A number of corporate savings, including proposed savings from a review of Terms and Conditions, were identified which reduced the forecast budget gap to £5.626m, as summarised below:

	2015/16 £'000
Budget Deficit reported to Council February 2014	6,246
Corporate Savings	
Additional ICT Contract Savings	(150)
Terms and Conditions Review	(200)
Centralised Estimates saving	(270)
	5,626

6.3 The Corporate Management Team identified initial options for achieving savings of £5.536m, which was £90,000 less than the revised 2015/16 budget deficit. The savings proposals were then considered in detail by individual Policy Committees over the summer.

6.4 Following the identification of one-off resources from the Reserves Review and the initial 2014/15 Outturn forecast Members determined to allocate part of these resources to defer the following savings proposals:

Items to be funded for a one year period
- Continuation of Advice and Guidance services of £0.11m. This will be funded by a £55,000 contribution from the 2014/15 'Local Council Tax Support scheme New Burdens Funding' and £55,000 from the 2014/15 outturn/reserves review.

Items to be funded for a two year period
- School Crossing Patrol saving of £120,000;
- Lifeguards savings £75,000 (maintains current service level).

6.5   The June MTFS report identified a number of planning assumptions which needed to be reviewed. Where these issues are not already covered elsewhere in this report, or have been reported separately (i.e. Reserves Review and Local Council Tax Support scheme reports), they are detailed in the following paragraphs.

6.6   **Council Tax 2015/16** - Members previously approved an indicative 2015/16 Council Tax freeze and recognised that a final decision would not be made until February 2015 after the Government issue details of the actual 2015/16 Council Tax freeze arrangements and referendum thresholds.

The final decision on the 2015/16 Council Tax level will need to consider:
- o   The impact on households;

- o   The additional income generated to support services from increasing Council Tax compared to accepting a Council Tax freeze grant - estimated at £0.2m based on the continuation of the 2014/15 arrangements;

- o   The sustainability of income from either accepting a Council Tax freeze grant, or increasing the level of Council Tax;

     In terms of the sustainability of the Council Tax freeze grant the Department of Communities and Local Government wrote to Councils in January 2014 and stated – *"Ministers have agreed that the funding for 2014/15 (including 2015/16) freeze grant should be built into the spending review baseline. This gives as much certainty as possible at this stage that the extra funding for freezing Council Tax will remain available".*

- o   With regard to the sustainability of additional income generated from a Council Tax increase this is guaranteed as sustainable as the Council has permanently increased the level of Council Tax charged.

The implications of either approving a Council Tax freeze for 2015/16, or an increase below the referendum threshold, are summarised in the following table:

Comparison of Council Tax Freeze and 1.9% Council Tax increase

	Council Tax freeze	**1.9% Council Tax increase**
Impact on households	None	Increased annual Council Tax payments Band A increase - £17.97 (57%) households) Band B increase - £20.97 (17% households)
Additional income available to support services	£0.4m	£0.6m
Sustainability of income	Not guaranteed. However, the Government has stated "*should be built into the spending review baseline. This gives as much certainty as possible at this stage that the extra funding for freezing Council Tax will remain available*".	Guaranteed as Council Tax level is permanently increased.

The forecasts in this report are based on Members confirming a Council Tax freeze for 2015/16.

6.7   **Corporate income - Council Tax Base and New Homes Bonus** – the previous MTFS forecast did not include any additional income arising from an increase in the Council Tax Base and additional New Homes Bonus (NHB). This position reflected the prudent approach adopted in previous years which reviewed these factors annually towards the end of the budget process. As Councils now benefit from any increase in the local Council Tax base an earlier multi-year assessment has been adopted for the current MTFS.   Councils also benefit from the NHB which is paid for 6 years and is funded by top slicing the national Local Government funding allocation. NHB is therefore not additional funding and the Council has allocated this funding to partly offset cuts in core grants. In 2014/15 the Council will receive £1.3m of NHB, compared to a core grant cut since 2010/11 of £22m.   The Government has not yet determined what will happen in 2017/18 after the initial 6 year period has expired for the year 1 NHB allocation. As a minimum it will be essential that this funding stream continues, although it would be preferable if the NHB regime was abolished and the funding allocated to reflect spending need of individual authorities.

6.8   Significant work has been completed to provide a robust forecast based on an assessment historic trends and growth projections. The following tables detail historic growth in the Council Tax Base over the period 2000/01 to 2014/15:

Overview of changes in make-up of Council Tax Base 2000/01 to 2014/15

	2000/01	2014/15
Band A to D	93%	89%
Band E to H	7%	11%
Total	100%	100%

Key changes in Council Tax Base between 2000/01 and 2014/15

	Band D Properties
Growth Tax Base 2000/01 To 2014/15	3,441
Average Annual Growth 2000/01 To 2014/15	229
Average Annual Growth 2010/11 To 2014/15	116
Highest Annual Growth 2001/02	680
Lowest Annual Growth 2008/09	9
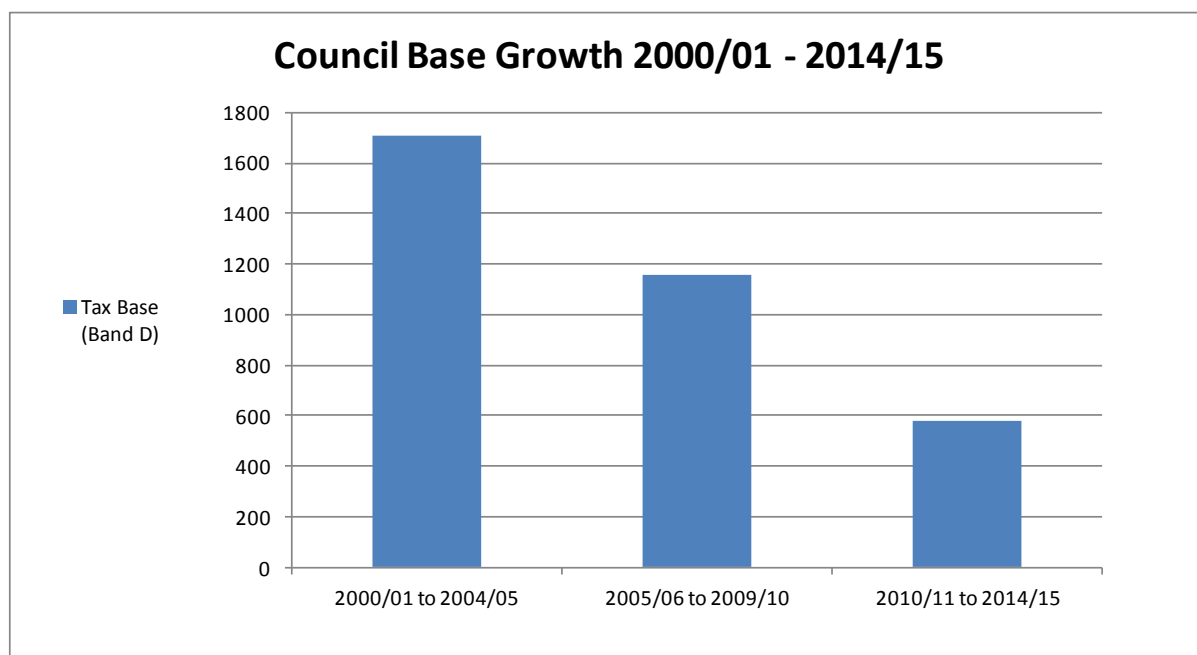
6.9   Potential growth over the next few years has been assessed on the basis of historic trends and more importantly future potential house building information.   For planning purposes it is recommended that for the period 2015/16 to 2018/19 annual growth in the Council Tax Base of 250 Band D equivalent figures is appropriate. This forecast is slightly higher than the long term average of 229.   These forecasts will need to be monitored closely and updated annually as part of the MTFS. On the basis of this growth being achieved additional ongoing Council Tax income and New Homes Bonus of £2.7m is forecast by 2018/19.   The breakdown of this income

between increasing Council Tax and New Homes Bonus will depend on the phasing of housing completions (as different dates are used for assessing growth for Council Tax and NHB purposes) and the Council Tax band individual houses fall in.

6.10   The achievement of the above income will significantly reduce the previously forecast budget deficits. The impact on individual financial years is detailed later in the report, alongside the impact of other budget changes, including proposals to re-phase the planned use of the Budget Support Fund to provide a more manageable financial position each year.

6.11   **Corporate Income - Business Rates -** previous MTFS reported highlighted the significant uncertainties in relation to the Business Rates Retention system changes implemented from 1st April 2013. The major areas of uncertainty include the arrangements for the first year's national close down for 2013/14, as the Government would not receive information from all Councils until autumn 2014, and confirmation of final regulations regarding key aspects of the new system. In relation to this second point we have maintained regular contact with Department for Communities and Local Government (DCLG) officials and at one stage they asked if we could email our understanding of how specific elements of the system should work.

The position is becoming clearer and an updated assessment of the local Business Rates income has recently been completed.   The starting point for this review is the budgeted level of business rates for 2014/15, which was based on the assessment provided by the DCLG as part of the two year financial settlement covering 2013/14 and 2014/15. This figure was used when the 2014/15 budget was set as it was the most robust estimate at the time. This figure made an allowance for the forecast impact of successful Rateable Value appeals. If this reduction had not been made the Council would have had to make the adjustment locally, to avoid an unbudgeted cost when appeals are successful.

The second stage of this review is to assess the estimated cash outturn for 2014/15 based on the value of Business Rates billed for the year, which is estimated to be £950,000 higher than the budget level.

The third stage is to assess the forecast reductions in the cash outturn to reflect the impact of the temporary reductions in Business Rates for the Power Station and any other changes which occur before the year end. Based on the most recent information a total reduction for 2014/15 Power Station Business Rates of between £840,000 and £900,000 is forecast (i.e. two months 100% reduction of £300,000 per month, plus four months with reductions of between 20% and 25%, which equates to £60,000 to £75,000 per month).

After reflecting the above factors it is anticipated that there will be a one-off Business Rates Benefit of £50,000 to £110,000 for 2014/15. Assuming the above forecasts materialise this amount will feed through in 2016/17, the timing delay reflects detailed Collection Fund and accounting arrangements.

As this amount is not certain it is recommended that this position is reviewed as part of the 2016/17 budget, before this potential funding is committed.

The financial risk of temporary Power Station closures has previously been recognised and a specific risk reserve set aside of £1.9m. However, it had been hoped that this reserve would not be called upon within the first 20 months of the Business Retention scheme. Avoiding a call on this reserve in the current year will maintain the existing risk reserve and help manage this risk over the period 2015/16 to 2018/19 when the Council already faces having to make significant budget cuts and will have significantly less ability to manage further in-year reductions in this income. Further detail on this risk is provided in paragraph 11.3 (iv).

The Valuation Office has indicated that a decision on the current Power Station application for a reduction in business rates will be made after Christmas. As soon as this decision is made it is recommended that a meeting is requested with the Local Government Minister to again highlight the financial impact of the Power Station and to request that this exceptional volatility risk is excluded from the standard safety net arrangements.

In relation to the ongoing impact of the of the 2014/15 billed Business Rate income exceeding the 2014/15 DCLG figure by £950,000 part of this amount i.e. £498,000 has already been built into the previously reported forecasts for 2015/16. With regard to the remaining £452,000 this amount cannot be relied upon for the 2015/16 budget and needs to be set aside to offset reductions in Business Rates income arising from successful Rateable Value appeals, as there is no other provision to meet these ongoing income reductions. In the event that the whole of this amount is not needed to fund the cost of appeals any uncommitted resources can be allocated to offset 2015/16 reductions in Business Rates paid by the Power Station arising from operating at 75% to 80% capacity. This will reduce the call on Power Station Risk Reserves in 2015/16 and therefore help manage this ongoing risk in future years.

Corporate Income – Council Tax Collection Fund - an initial assessment of the 2014/15 outturn has been completed, which is two months earlier than in previous years to fit in with the revised budget timetable. This indicates that a one-off 2014/15 surplus of £0.191m, which is £0.091m more than forecast 10 months ago and is available to support the 2015/16 budget. This position reflects a lower cost of the Local Council Tax Support (LCTS) scheme, in-year additions to the Council Tax base as a result of housing completions and increased income from the local exemptions/discounts policy (implemented to partly fund the LCTS scheme). Where these trends will continue they are reflected in the forecast Tax Base for 2015/16 detailed later in the report.

6.12   **Expansion of Town costs** – linked to the forecast house building growth the Council will at some stage need to consider 'expansion of the town' costs in relation to existing services. This will be dependent on the nature and speed of housing development. In many instances the additional need will be able to be absorbed within existing services/budgets. However, there will

be threshold levels for each service which when triggered will mean additional budget provision is required.   In the period up to 2017/18 this is unlikely to be a significant issue and the position will need to be reviewed carefully on an annual basis as part of the budget process.

6.13   **Ward Member Budgets** – one off funding is provided within the recommended 2014/15 outturn to provide Ward Member budgets of £3,000 per Member for 2015/16. This funding proposal is designed to provide a longer lead time to develop an alternative funding strategy for continuing Ward Members budgets beyond 2015/16 without there being a General Fund budget pressure, or call on the outturn position.

6.14   **Update of planning assumptions** – the initial planning assumptions reported in June 2014 have been updated to reflect a number of minor changes. In overall terms these changes are neutral. The budget pressures include the unfunded budget deficit reported in June, the impact of the forecast additional grant cut for 2015/16 arising from the removal of the Carbon Reduction commitment funding and the repayment costs of maintaining a Council Capital Fund for 2015/16. The budget reductions include the planned achievement of the gross Regeneration and Neighbourhood Services savings. The June MTFS excluded planned savings in this area of £0.26m as further work needed to be completed to ensure these savings could be relied upon.

6.15   The updated forecast also includes the saving arising from revised arrangements for the Coroner service. This saving provides the opportunity to enable Members to consider permanent funding for free summer swims for children during the summer holidays.

6.16   **Updated General Fund 2015/16** – After reflecting the factors detailed in the previous paragraphs the net budget deficit arising from the further significant cut in Government grant can be bridged from a combination of factors as summarised below. The table shows how the use of one of resources and the achievement of corporate savings reduces the impact on Departmental budgets and services, which underlines the benefits of the continued multi-year approach:

<u>Summary of 2015/16 Savings and Resources to bridge budget deficit</u>

	£'000	Percentage
Departmental Budget Savings	5,406	73%
Use of the Budget Support Fund #	1,116	15%
Corporate Budget Savings	620	8%
Use of one off resources to defer proposed savings in relation to Lifeguards, School Crossing Patrols and Advice and Guidance services	305	4%
	7,447	100%

reflects phasing recommended in paragraph 8.11.

6.17   Details of the Departmental Budget savings for 2015/16 are provided in Appendix C1 to C7 and are summarised below. These reports have been updated to reflect feedback from the individual Policy Committees.

Summary of 2015/16 proposed Savings

	£'000	Percentage of 2014/15 budget
Chief Executive's Department (1)	515	13%
Child and Adult Service - Use of grants (2)	1,700	4%
Child and Adult Services – Budget reductions	1,164	3%
Regeneration and Neighbourhoods (3)	1,860	8%
Public Health (General Fund budgets)	167	14%
Total Department budgets	**5,406**	

1. The Chief Executive's Department will need to identify additional savings to offset the impact of the forecast 2015/16 Housing Benefit Administration Grant, currently forecast to be up to £0.1m.

2. The flexible use of grant regimes for Child and Adult Services is designed to partly mitigate the impact on services arising from the core grant cut. The proposals include achieving efficiencies through utilising grant funding, such as the Better Care Fund to integrate and protect services and reduce demand through early intervention where this is possible and in line with grant conditions.

3. The Regeneration and Neighbourhoods Department has identified gross saving of £2.050m of which £0.190m is allocated to offset departmental budget pressures and £1.860m allocated towards the overall budget deficit.   The net saving of £1.860m excludes the proposed reductions to the Lifeguard Service and School Crossing Patrols which will be funded from one off resources for two years. Also excluded is the Advice and Guidance service reduction which will be funded for one year from one-off resources.

6.18   **Risk Assessment of recommended 2015/16 savings**

6.19   **Corporate savings** - There is no risk in relation to the Corporate ICT saving as work has been completed to manage out the contingency provision and the inflation indexation for September 2015 is low risk. Similarly the additional saving in interest rates is considered to be low risk owing to the outlook in relation to interest rates. There is a potential risk in achieving the Terms and Conditions saving from the 1st April 2015 as negotiations are still ongoing with the Trade Unions. If these changes are not agreed there will be a budget shortfall for 2015/16 and the Council will not be able to implement the Living Wage increase, which is funded from the Terms and Conditions saving.

6.20   **Departmental savings** – The detailed savings reports include a risk assessment section detailing financial and non financial risks of achieving the proposed savings. A corporate financial assessment of the sustainability of the proposed savings will be completed based on analysing savings between pay, non-pay and income budgets.   Action taken during the current year to achieve 2015/16 savings early where this is possible has achieved savings of approximately £0.95m, which equates to 25% of the 2015/16 Departmental savings target (excluding the use of grant regimes). This amount is reflected in the 2014/15 forecast outturn.

6.21   **Staffing impact of proposed saving**

6.22   As reported previously a 'continuous ER/VR' process commenced earlier in the year to help manage the budget position and to maximise the opportunity for retraining and redeploying staff where service need allows. This will not avoid the need for compulsory redundancies, although it does reduce the numbers.

6.23   The following table provides a breakdown of the forecast staffing implications of the recommended savings and reflects the current position but does not take into account the potential and likely impact of the redeployment arrangements which generally have a positive effect on the number of compulsory redundancies reported at this stage of the budget process.

	Number of posts
Deletion of vacant posts	13
Voluntary Redundancies/Retirements	22
Forecast Compulsory Redundancies	12 to 17

6.24   Functional structures are provided at Appendix D.

7.   POTENTIAL LEGILSATIVE/FUNDING CHANGES

7.1   The Government made a number of announcements over the last few months regarding proposed legislative/funding changes which may impact in 2015/16. It is anticipated final details will be confirmed in the Local Government Finance Settlement announcement in December 2014. These issues are detailed in the following paragraphs, together with an assessment of the financial impact on the 2015/16 budget where this can determined on the basis of available information.

7.2   **Care Act** – Nationally funding of £470 million will be provided for implementing the Care Act in 2015/16. This will be paid through a combination of a new burdens grant within the Better Care Fund and separate specific grants. Actual funding allocations will be provided in early December, either as part of the Local Government 2015/16 Funding Settlement, or separate grant announcements.

The Government has consulted on the basis for allocating 'new burdens' funding (i.e. the non Better Care Fund proposed allocations) to Councils in 2015/16 towards the additional costs arising from the Care Act. The first element provides funding "for the additional assessments, including the costs of capacity building and local awareness-raising". The second element relates to the costs of implementing a Universal Deferred Payment Scheme for care costs.

Figures issued by the Government as part of the summer consultation arrangements provided a revised indicative allocation for Hartlepool of between £0.458m and £0.470m, compared to an indicative allocation of £0.595m provided in February 2014. National comparisons are summarised below, which shows a small national reduction in funding, but a significant potential redistribution to shire county councils, with all other areas losing out. The position for North East Councils compared to the English Unitary average changes is also detailed.

<u>Summary of proposed funding allocations</u>

	Increase/(decrease) from Feb. 2014 provision allocation – **Option 1**	Increase/(decrease) from Feb. 2014 provision allocation – **Option 2**
Hartlepool	(21%) (£125k)	(23%) (£137k)
North East Councils	(18%) (£2.9m)	(20%) (£3.2m)
National figures		
English Unitary	(0.1%) (£0.1m)	(0.4%) (£0.3m)
London Boroughs	(29%) (£12.8m)	(28%) (£12.3m)
Met Districts	(19%) (£13.0m)	(21%) (£14.5m)
Shire County	23% £24.4m	24% £25.6m
Total	(0.5%) (£1.5m)	(0.5%) (£1.5m)

Further national information was issued in late October by the Government which builds upon the consultation stage impact assessment and takes account of evidence gathered through public consultation, additional financial modelling and evidence on uptake of disability and other social security benefits. As a result of this work the Government has revised the cost estimates for the Care Act in 2015/16 and key proposed changes are as follows:

- Revised the costs relating to new carers' rights in 2015/16 to £104.6m (an increase of £35.2m), with consequent increases in subsequent years;
- Removed the previously assumed savings arising from legal reform in 2015/16, increasing overall costs by £13.6m;
- Reduced costs related to deferred payment agreements in 2015/16 to £83.5m (a decrease of £25m), reflecting an updated assessment of take up; and
- Reduced costs relating to self funder assessments in 2015/16 to £116m (a decrease of £29m).

Clearly, this is an extremely complex area and the service and financial impacts will need to be fully assessed once actual 2015/16 funding allocations are known. For 2015/16 planning purposes it is currently anticipated the changes will be budget neutral.   The position in 2016/17 and future years will need to be assessed when funding allocations for these years are known. This will include assessing the impact of the base line funding for 2015/16 potentially being mainstreamed, which is a potential risk for Hartlepool.

The funding in relation to a Universal Deferred Payment scheme will need to be considered in the context of the impact on the annual departmental budget from any increase in deferred payments. This includes the increased risk that deferred payments are not fully recovered at a future date when an individual's property is sold. The corporate impact on cash flows will also need to be assessed as there will be an unbudgeted interest cost arising from increased deferred payments.

Further details will be reported as soon as more information is available and the local impact has been assessed.

7.3 **Independent Living Fund** - From 1st July 2015 the Government is transferring responsibility for care and support needs relating to the Independent Living Fund (ILF) to local authorities. The ILF delivers financial support to disabled people so they can choose to live in their communities rather than residential care. It is currently a directly funded Government scheme which provides funding directly to disabled people.

Hartlepool ILF payments currently total £0.67m per annum (net of any individual contributions). From 1st July 2015 the DCLG will allocate this funding to individual Councils as a section 31 non-ring fenced grant (pro-rata for 9 months of the year). No additional funding will be received for administrative costs and a 5% 'attrition' reduction will be deducted to reflect the national average annual reduction in users.

The Government has not provided guidance on how the ILF will be funded in 2016/17.   It would be preferable if this funding continued as a separate grant allocation as this would provide ongoing transparency for this new responsibility. There is a risk this funding may be mainstreamed and included in the Core Revenue Grant from 2016/17, which would lead to a funding reduction and local budget pressures.

The service and financial implications of this transfer are still being assessed and will be reported to Members once they have been fully determined and further information has been received from the Government on future years funding. For planning purposes it is assumed the change will be cost neutral in 2015/16, although this may not be the case in future years.

7.4 **Local Welfare Support** – following settlement of a judicial review of the Local Welfare Support arrangements the Department for Communities and Local Government wrote to Councils on 30th September stating that they are reconsidering how Local Welfare provision should be funded in 2015/16.

The judicial review considered the impact of the Government's decision to transfer responsibility for Local Welfare Support to Council from 1st April 2013 and subsequent decision to withdraw funding after 2014/15.

In response to the Government's withdrawal of this funding the Council approved a three year funding strategy covering the period 2014/15 to 2016/17 using the available Local Welfare Support funding (i.e. 2013/14 uncommitted outturn and 2014/15 grant allocation). This strategy was designed to continue local support for 3 years at the same level as 2013/14.

The Government has indicated final proposals for funding Local Welfare provision will be included December 2015 Local Government Finance Settlement. If this funding is reinstated it is anticipated this will be funded from within the overall Local Government funding allocation. Therefore, at best this position will be funding neutral. However, there is a risk that these proposals have a negative funding impact as the local top slice of the Core Revenue grant may exceed the amount of funding allocated for Local Welfare Support. This position and the previously approved local strategy will need to be reviewed when more information is available and details reported to Members.

7.5   **Local Council Tax Support (LCTS) and New Burdens Funding –** it is anticipated that the December 2015 Local Government Funding Settlement will address whether the new burdens funding provided in 2014/15 will continue, or whether this was a one-off grant.   The funding in 2014/15 was provided to address the significant workload impact of collecting Council Tax from an increased number of households as a result of LCTS changes.

7.6   **Carbon Reduction Commitment funding –** the Local Government Finance Settlement consultation issued in the summer proposes removing this funding from the initial 2015/16 grant allocation announced in February 2014. The updated forecast for 2015/16 assumes this proposal will be implemented which will reduce the 2015/16 Government grant by a further £95,000.

8.   GENERAL FUND 2016/17 TO 2018/19

8.1   This report concentrates on the short-term financial challenges facing the Council in 2015/16 from the grant cut already announced by the Government to ensure a robust strategy is implemented to balance next year's budget.

8.2   With regard to the budget position for 2016/17 to 2018/19 an assessment of available information has also been completed to update the budget forecasts.   A report from the Office for Budget Responsibility (OBR) indicates that only 40% of the Government's total planned deficit reduction has been achieved. Further reduction in planned Government spending will be even harder to achieve and will have to be made against a background of continued subdued international growth, particularly in the European economy.   The challenges facing the UK national Government are also underlined by the contradictory direction of falling unemployment and lower income tax receipts. This indicates that whilst employment has grown this

has been in lower paid jobs/part time work. If this trend continues there will be a negative impact on both future Government tax receipts and economic growth.

8.3   OBR forecasts indicate that pressure on Public Finances will increase over the next few years and by 2018/19 there will be a 4% increase in GDP (Gross Domestic Product) spent on welfare (owing to an ageing population) and debt interest (owing to continued Government deficits and higher forecast interest rates for this debt).   This pressure will be on top of the existing deficit and will also need to be addressed by implementing spending reductions or increasing tax.

8.4   It will be difficult for the next Government to increase taxes owing to the negative impact this will have on the economy. In addition commitments already made by some parties to increase tax to invest in the NHS if they form the next Government will make it more difficult to increase taxes in other areas to address the deficit. It is therefore anticipated that the majority of the national budget deficit will continue to be bridged from spending cuts. The key difference between the parties seems to be the speed the cuts are implemented and how they are shared across the public sector.

8.5   It is also anticipated that after the General Election Health and Education will continue to be given priority by whichever party(s) form the next Government. Consequently future cuts in public spending will continue to fall on other Government Departments, which includes Local Authorities. From Hartlepools perspective the best we can hope for is a fairer settlement and an end of disproportionate cuts for Councils with the greatest dependency on Government grant, low Council Tax bases and higher levels of deprivation. The Council's views on a fairer Local Government funding system have been feed into the Local Government/CIPFA (Chartered Institute of Public Finance and Accountancy) Independent Commission on Local Government Finance.   At a meeting with the 12 North East Councils Director of Resources the chair of the Independent Commission, Darra Singh, made reference to Hartlepools dependency on the Power Station for a significant percentage of Business Rates income.

8.6   Locally the budget position for 2016/17 to 2018/19 will to be driven by the combined impact of:-

• Continuing Government Grant cuts – forecast at 10% per year. The actual level of cuts will be determined after the General Election and the next Government has determined their spending priorities;

• Inflation (including pay awards) and demographic/service pressures – the future forecasts include an annual pressure of 2.5% of the existing departmental budget for these issues. This position will need to be reviewed on an annual basis as more information becomes available.

• The impact of using the one-off Budget Support Fund and the strategy for managing the phased withdrawal of this funding to avoid a financial 'cliff edge' when this funding is no longer available ; and

- Continuing income restrictions either from limits on Council Tax increases, or the receipt of Council Tax Freeze Grant if this regime continues. For planning purposes the previous MTFS report recognised that continuing to freeze Council Tax beyond 2015/16 would become unstable and require higher cuts. Therefore, annual increases of 1.9% are built in to the forecast from 2016/17. Over a three year period this increases sustainable income by £0.6m, compared to the amount which may be received in Council Tax freezes continues to be paid at the current rate.

8.7   Against this background it is clear the Council will continue to face significant financial challenges for the foreseeable future. The strategy recommended for managing the 2014/15 outturn/reserves review and to balance the 2015/16 budget is designed to provide the best possible financial foundations for future years. However, significant additional budget cuts will need to be made over the period 2016/17 to 2018/19. Further cuts will become increasingly difficult to achieve and will have a more visible impact on services than has been the case so far.

8.8   The financial forecasts reported in June 2014 have been updated to reflect the following key local issues:

- Forecast Council Tax Growth and additional New Homes Bonus

    As detailed earlier in the report it is anticipated that planned house building will increase future Council Tax income and achieve additional New Homes Bonus.   The growth in the tax base will need to be reviewed on an annual basis.

    Similarly, future New Homes Bonus allocations will need to be reviewed after the General Election in light of any changes in this regime. As this funding has been top sliced from the national Local Government grant it is hoped that if this regime is abolished the change is at worst budget neutral. At best a change in this regime may potentially provide a positive benefit if the available funding is reallocated to address the significant erosion of resource equalisation since 2010/11. The worst outcome would be a change which increased New Homes Bonus allocations by increasing the top slide of the Core Revenue grant.

- Budget Support Fund

    As part of the 2014/15 outturn strategy it is recommended that an additional £1.457m is allocated towards the Budget Support Fund. This will increase the one-off resources available to support the budget in 2016/17 and future years from £3.274m to £4.731m.

8.9   The above issue have a positive impact on the budget deficits previously reported for 2016/17 to 2018/19.   It is anticipated that by 2017/18 the forecast additional Council Tax income and New Homes Bonus should reduce the previously forecast budget deficit by £2.7m.

8.10   It was previously anticipated that half of the cuts over the period 2016/17 to 2018/19 (approximately £7.6m) would need to be made in 2016/17. This would have been the highest level of cuts in a single financial year which the Council has had to make.   The increase in the Budget Support Fund and phased forecast increases in Council Tax/New Homes Bonus income provide the opportunity to re-phase budget cuts required over the period 2016/17 to 2018/19.   The recommended strategy is designed to achieve two key objectives:

- To avoid a significant peak in savings required in any one financial year over the period 2016/17 to 2018/19; and

- To phase out dependency on the Budget Support Fund by 2018/19, this will avoid carrying forward an unfunded budget deficit to 2019/20.

8.11   Based on achieving the above objectives the recommended phased use of the increased Budget Support Fund is as follows. Details of the previous forecast are included for information:

Forecast use of Budget Support Fund

	Original Phasing £'000	Latest Recommended Phasing £'000
2015/16	1,626	1,116
2016/17	1,648	2,700
2017/18	0	915
2018/19	0	0
Total	3,274	4,731

8.12   The revised annual deficits based on forecast annual grant reductions, the forecast increase in Council Tax/New Homes Bonus income, annual Council Tax increases from 2016/17 of 1.9% and the recommended use of the increased Budget Support Fund are summarised below. Details of the previous forecasts are included for information.   The table shows a £2.7m reduction in the forecast deficit and a more even phasing of budget deficits, including the removal of the peak in 2016/17.

Forecast Annual Budget Deficits

	Original Forecast £'000	Revised Forecast £'000
2016/17	7,600	5,100
2017/18	6,018	5,190
2018/19	3,890	4,518
Total	17,508	14,808

9.   CAPITAL PROGRAMME 2015/16

9.1   There are two elements to the capital programme, namely schemes funded from specific Government capital allocations and locally funded schemes .

9.2   **Schemes funded from Specific Government capital allocations** – details of specific capital allocations had not been issued when this report was issued. Indicative figures are included in Appendix E. In line with the procedures adopted in previous years it is recommended that when these ring fenced allocations are known that the detailed proposals for using these resources are reported to the relevant Policy Committee for approval.

9.3   **Locally Funded schemes** – these schemes contribute to the continued development and/or well being of the town and include self funding business cases for specific projects which will be funded using Prudential Borrowing. Details of individual proposal are provided in the following paragraphs.

9.4   **Schemes funded from the Council Capital Fund** – the 2015/16 General Fund budget includes a recommended General Fund pressure of £50,000 to support capital expenditure of £600,000. Whilst, there are a range of priorities which could be funded it is recommended that this funding is allocated towards the Depot project, as detailed in paragraph 9.8.

9.5   **Housing Investment -** Members have previously approved the purchase of 5 properties on the Tanfield Road Development as part of the MTFS Report to Finance and Policy Committee on 30th June 2014. In addition, on the 7th August, 2014, the Council approved the Empty Homes Phase 2 scheme, which included an additional 6 units as part of a total of 67 units, specifically funded from the rental income generated by the 5 properties at Tanfield. Since then, circumstances have changed and the developer has reduced the number of properties which the Council can purchase to 3 units.

The Council has also been approached by another developer to consider the purchase of 7 bungalows on a key regeneration site in Hartlepool. The Council will be eligible to bid for Homes and Communities (HCA) funding which will offset most of the additional cost of purchasing these units, resulting in an overall net cost increase of between £35,000 to £70,000, depending on the level of HCA grant secured, which can be met by prudential borrowing funded from the additional rent income these properties will generate. The business case for these properties has shown that they will generate an additional surplus which can be reinvested and considered as part of a future property purchasing scheme. Members should note that this will increase the number of new build properties in the original proposal from 5 to 10, which will improve the asset base of the Council and help to fund future housing investment, in addition to helping to address a significant need in the town for bungalow accommodation.

A further report outlining a proposed phase 3 for the Housing Investment initiative will be reported during 2015, once the previous phases have been implemented. It is recommended that the income to be received in 2014/15 from Housing Hartlepool from the sale of former Council houses is allocated

to support the phase 3 this. It is currently anticipated that this income will be £80,000.

9.6   **Capital receipt from the sale of Throston Community Centre -** this one-off resource will be allocated to support Community Centre revenue spending in 2015/16, together with a one-off contribution from the 2014/15 outturn. This funding will provide a longer lead time to develop an alternative funding strategy for Community Centre's for consideration as part of the 2016/17 budget. As capital receipts can only be used for capital expenditure a 'funding swap' will be undertaken with another scheme funded from a planned revenue contribution to transfer revenue funding for Community Centre revenue costs in 2015/16.

9.7   **Operational Equipment replacement** - these schemes will be funded from Prudential Borrowing and the loan repayment costs repaid from existing revenue budgets, including Trading Accounts. These schemes cover the following issues:

- Vehicle Replacement Programme – 2015/16 capital expenditure of £0.470m as detailed in Appendix E Table 3;
- Replacement of Wheelie Bins – 2015/16 capital expenditure of £60,000

9.8   **Depot Relocation** – this proposal will enable Cleveland College of Art and Design (CCAD) to relocate to the existing depot site, which provides a further major investment in this area and compliments recent developments by Hartlepool College, investment by Housing Hartlepool/CCAD in student accommodation and the relocation of Northgate to Hanson House.

The outline business case for the current recommended site has identified that the cost of this scheme will be between £3.065m and £3.750m (including land purchase). The higher figure includes a contingency which it is recommended is included owing to the complexities and short time scale for designing and preparing the cost estimates for this scheme. Officers will work to limit costs to the lower figure. The following funding has been identified for this project:
- The Director of Regeneration and Neighbourhood Services has identified one-off funding from the 2014/15 outturn towards this project of £1.065m;
- Prudential Borrowing £2m #
- Prudential Borrowing £0.685m. This amount will only be used if the scheme costs £3.75m##

\# The repayment costs will be funded from a combination of efficiency/operational savings arising from relocating the depot and increased income generated from new opportunities, which cannot currently be delivered from the existing depot. Therefore, there will be no cost to the General Fund budget in 2015/16.

Allocating the revenue savings/increased income will mean that this amount is not available towards achieving the Regeneration and Neighbourhood Services revenue savings in 2016/17, which will mean that more difficult savings will need to be implemented in 2016/17. To

mitigate this impact it is recommended that any one-off resources released or any additional capital receipts (i.e. in excess of the existing target) which can be achieved over the next few years are considered to be used to reduce the borrowing required to fund the depot relocation. This would be the subject of consideration as part of the following years (i.e. 2016/17) Medium Term Financial Strategy report. These proposals will then enable the revenue savings to be taken in future years as part of the Regeneration and Neighbourhoods savings plan.

The part year loan repayment costs in 2015/16 will be approximately £14,000 and can be funded from the existing capital financing budget. The full year costs in 2016/17 will be approximately £50,000 and this will be a budget pressure in 2016/17.

The Business Case for relocating the depot also indicates that this proposal will avoid future expenditure on the existing depot which would have been required over the next few years to sustain this facility.

10.   PUBLIC HEALTH FUNDING

10.1   The Government has confirmed that the Council's Public Health funding allocation for 2015/16 will be the same as 2014/15 – i.e. £8.486m. Whilst, this is a cash freeze the Government's decision not to apply a 'pace of change' next year to equalise Public Health funding is welcomed as the Council continues to face significantly greater Public Health challenges than more affluent areas.   As reported previously the potential for a 'pace of change' reduction may impact in 2016/17, or future years, which would impact on the sustainability of services.

10.2   The recommendation early in this report to carry forward the current year's Public Health underspend to future years will help the Council manage the impact of a 'pace of change adjustment' being applied after the General Election over more than one financial year. This strategy will need to be reviewed as part of the 2016/17 budget process when it is hoped there will be a multi-year Public Health funding settlement, which is essential if long standing public health inequalities are to be addressed and future cost pressures to the public sector (including the Council) arising from these issues are to be avoided.

10.3   Confirmation of the 2015/16 Public Health funding means that funding will be available next year to continue to address Public Health priorities and to provide funding of approximately £1.1m for existing Council services which contribute towards delivering the Public Health agenda.   As reported previously if future Public Health Funding is reduced the approach will not be sustainable and will increase the General Fund deficits detailed earlier in the report.

11. ROBUSTNESS OF BUDGET FORECASTS – CHIEF FINANCE OFFICER'S PROFESSIONAL ADVICE

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

11.2 In response to the continuing financial challenges facing councils CIPFA (Chartered Institute of Public Finance and Accountancy) issued guidance reminding Chief Finance Officers and their authorities of the statutory responsibilities when setting budgets. This advice reinforces statutory requirements and provides practical guidance to help Chief Finance Officers discharge their responsibilities.

11.3 The Chief Finance Officer can advise Members that in his professional opinion the budget proposals for 2015/16 are robust and this advice is based on the following factors being in place:

- The overall strategic approach being adopted to develop and implement a robust multi-year approach to managing the Council's financial position. This includes the approach to achieving in-year managed budget under spends in the current year and the review of reserves to identify resources to fund additional one-off expenditure commitments over the next few years and to increase the Budget Support Fund. This approach provides a sound financial basis for managing ongoing annual grant cuts and will help avoid even higher budget cuts in future years when one-off unavoidable expenditure commitments need to be funded;

- The assumption that Members will approve the proposals for bridging the 2015/16 budget deficit detailed in the report. The proposed savings are the key issue affecting the robustness of the proposed budget. If Members do not approve these proposals the budget forecasts will not be robust as overall expenditure will inevitably exceed available resources;

- The assessment by the Corporate Management Team of the achievability and sustainability of proposed budget reductions for 2015/16. The assessment of the proposed savings reflects the process adopted for identifying, managing and implementing these measures. This includes action taken in the current year to implement proposals earlier to ensure a full year saving is achieved in 2015/16. It also reflects a risk assessment of proposed savings based on an assessment of the level of pay, non-pay savings and increased income savings. In relation to the level of pay savings achieved for 2015/16 this reflects management action taken to hold posts vacant where possible to reduce the need for compulsory redundancies. This action is not sustainable over the period of the MTFS and in future years the number of compulsory redundancies will increase

as it will not be possible to hold posts vacant to the same extent as it was in previous years;

- The detailed work undertaken by individual Directors (and their senior managers) in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;

- Prudent provision for the cost of living pay award impacting in 2015/16;

- A prudent provision for inflation on non pay budgets and income budgets during 2015/2016;

- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;

- The comprehensive review of reserves and risks, which has enabled some resources to be released towards managing additional risks and to support the General Fund budget over the period of the MTFS;

- An assessment of financial risks and the measure to mitigate these risks as detailed in Appendix F;

- An assessment of the key financial assumptions underpinning the 2015/16 budget as detailed in Appendix G;

11.4   Previous reports identified a number of significant financial risks over the period of the MTFS and indicated that there may need to be flexibility around the timing of funding for individual risks. These risks remain and strategies adopted for managing these issues also underpin the Chief Finance Officers advice on the robustness of the budget. These issues cover the following:

i)   Redundancy and Early Retirement costs

This risk reflects the scale of the budget deficits over the MTFS period and the impact these cuts will have on staffing levels. For the 2015/16 budget it has been possible to minimise the numbers of potential compulsory redundancies through careful management of vacancies, which will reduce redundancy and early retirement costs for this year. However, this is not sustainable and given the scale of budget cuts which will be required over the period of the MTFS there will be significant redundancy and early retirement costs in future years. Therefore, the existing provision for redundancy and early retirement costs is still the level recommended by the Chief Finance Officer and the Corporate Management Team.

ii)   Capital Receipts target of £6.5m (includes £2m for Brierton Developments)

The achievement of the capital receipts target continues to be extremely challenging and there remains a risk that this target takes longer to achieve than forecast, which would result in an unbudgeted revenue pressure in 2015/16.

As at 31ˢᵗ March 2014 a total of £2.1m has been achieved, leaving £4.4m of the £6.5m target to be achieved to fund forecast expenditure commitments. Owing to the different phasing of capital expenditure commitments and the phasing of capital receipts there was a temporary funding shortfall in 2013/14 of £1.128m. This was funded from Prudential Borrowing. The cost of using Prudential Borrowing was accommodated within existing budgets.

It is currently anticipated that a further £2m of capital receipts will be achieved in 2014/15 towards the remaining target of £4.3m. This is lower than previously reported as one of the 2014/15 anticipated receipt's is now forecast to complete in 2015/16.

As reported previously forecast capital receipts are earmarked to fund the Housing Market Renewal capital scheme and development on the former Brierton School site. An analysis of the expenditure phasing has been undertaken and it is expected that the combined spend on these two schemes will total £2.120m in 2014/15 and £1.127m in 2015/16. The position is summarised in the table below.

	2014/15 £m	2015/16 £m	Total £m
Forecast capital expenditure commitments	2.120	1.127	3.247
Temporary Prudential Borrowing from 2013/14	1.128	0.000	1.128
Forecast capital receipt	(2.027)	(2.348)	(4.375)
(Funding shortfall funded from temporary Prudential Borrowing)/Repayment of Prudential Borrowing	**(1.221)**	**1.221**	**0.000**
Shortfall in funding	0.000	0.000	0.000

The table demonstrates that the anticipated capital receipt for 2014/15 is not sufficient to fund in-year capital expenditure and to repay the temporary prudential borrowing required in the previous year. This results in a total temporary funding shortfall of £1.221m (i.e. £0.093m in addition to the £1.128m shortfall in 2013/14).

It is recommended that members approve additional prudential borrowing of £0.093m to fund the temporary funding shortfall increasing the total temporary borrowing in relation to the phasing of capital receipts to £1.221m. In the short term this can be funded by a slight increase in the netting down of investments. It is expected that this will be repaid in 2015/16 when additional capital receipts are achieved.

If the £2.348m capital receipt forecast for 2015/16 is not achieved this would result in an unbudgeted revenue pressure in 2016/17 of £0.188m.

The achievement of the additional receipts remains extremely challenging and there remains a risk that the required target is not achieved, or takes longer than anticipated to achieve. Achieving capital receipts will be conditional upon converting expressions of interest and tender submissions into contractual sales, which will be dependent on developers completing site investigations, there being no land contamination issues and the

achievement of planning permission. The position will continue to be monitored closely and the position should become clearer in the earlier part next financial year (2015/16). Regular updates will continue to be reported.

iii) **Jacksons Landing Development**

The previous MTFS report advised Members that the Council had secured a 2 year interest free 'Growing Places' loan which is repayable in October 2015. To partly mitigate the impact of this development being delayed one-off resources of £0.894m (including the funded Prudential Borrowing approval for 'Major Regeneration Projects' of £393,000) have previously been allocated to partly fund repayment of the 'Growing Places' loan.

It has also been recommended that the monies from the Domes receipt are also allocated towards the repayment of the 'Growing Places' loan, which will fully fund this potential phasing risk. As soon as the Jacksons Landing development is secured the one-off funding allocated to manage the phasing risk can be released. It is recommended that when this occurs these resources are allocated towards the Depot relocation project to either reinstate the one-off resources allocated towards this project, or to reduce the level of borrowing.

As a fall-back position for 2015/16 the outturn strategy recommends allocating £25,000 to fund the part year cost of using Prudential Borrowing to partly fund the repayment of the 'Growing Places' loan. This recommendation will remove any financial risk of the Jacksons Landing development being delayed until March 2016. At this stage there is no suggestion that this will be the case and the recommended strategy is designed to protect the Council's financial position in 2015/16.

iv) **Business Rate Retention – Power Station financial risks**

Following the phased withdrawal of 'Transitional Business Rates Relief', which is provided to phase increases in Business Rates arising from the 2010 Rateable Value assessment, the Power Station now accounts for 24% Business Rate income (17% in 2013/14).   This increases the financial impact of unplanned shut downs at the Power Station.

There has been an extended shut down over the summer and it is anticipated that electricity generation will commence in November/December and then remain at 75% to 80% capacity until late summer 2015. Remedial works to one of the reactors is scheduled to be completed in summer 2015 and to the second reactor in 2016.

The Power Station has indicated they will be seeking reductions in their Business Rates for both the extended summer shut down and until both reactors are operating at 100% capacity.

Information from the Valuation Office indicates that at best a decision on the application to reduce the Power Station Business Rates will be made towards the end of March 2015.

An assessment of the forecast income loss in 2014/15 has been made and is reflected in the 2014/15 Outturn Strategy. Whilst this reduction in income is forecast to be significant it is below the £1.9m 'safety net limit'. Therefore, the Council will not receive Government 'safety net' grant in 2014/15.

An assessment of the forecast income losses for both 2015/16 and 2016/17 has also been made. Over this period a reduction of £1.1m is forecast (£0.7m in 2015/16 and £0.4m in 2016/17). These forecasts will be updated as more information becomes available. The Council will not receive any 'safety net' grant toward these shortfalls and this will commit more than half the available Power Station Business Rates risk reserve of £1.9m.

As this is a continuing financial risk, which may increase as the Power Station reaches the end of its currently approved operating license in 2019, the level of the risk reserve will need to be reviewed as part of the 2015/16 outturn and 2016/17 budget process.

v)   **Business Rates Retention – Impact of Rateable Value appeals**

Councils are required to fund 49% of the backdated cost of successful rateable value appeals. Provision for these forecast liabilities has been made within the outturn strategies for 2013/14 and 2014/15. Provision for the ongoing liabilities for 2015/16 has been made within the forecast for this year. These forecasts will need to be reviewed when the outcome of appeals is know.

The Government has given a commitment to resolve 95% of appeals by July 2015, which makes financial planning difficult as the financial outcome of appeals in unknown. The situation is particularly challenging for Hartlepool as information recently provided by the Valuation Office confirms that the more complex and higher value appeals will not be within the 95% resolved by July 2015, which includes appeals from the Power Station and Supermarkets, respectively 24% and 10% of Hartlepools Business Rates income.

Members will be updated as soon as more information is available.

vi)   **Looked After Children costs and Social Work capacity**

As part of the Director of Child and Adult Services multi-year approach to managing service demands in this area the existing risk reserve will be allocated to support a higher level of expenditure in 2015/16 than can be supported from the 2015/16 base budget. This strategy provides a longer lead time to achieve service transformation and reduce costs. The proposal within the 2014/15 outturn strategy to increase this risk reserve will help manage this position in 2015/16. The achievement of this strategy will need to be reviewed as part of the 2016/17 budget process to ensure the necessary permanent cost savings will be achieved.

vii) **Older People Care costs**

A similar strategy for managing increasing Older People Care costs is also being implemented and this links into the Better Care Fund. This strategy will also need to be reviewed as part of the 2016/17 budget process.

12. CONSULTATION FEEDBACK

12.1 Budget consultation meetings have been held with the Trade Unions and Business Sector. Minutes of the meeting are included at Appendix H.

13. EQUALITY IMPACT ASSESSENTS

13.1 Members are aware from previous MTFS reports that in making financial decisions the Council is required to demonstrate that those decisions are made in a fair, transparent and accountable way, considering the needs and the rights of different members of the community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different equality groups. The Equality & Human Rights Commission has published a guide for decisions-makers which has been used by Officers assessing the impact of individual savings proposals.

13.2 Equality Impact Assessments (EIA) have therefore been undertaken where required and are attached at Appendix I to enable Members to satisfy themselves that they are able to consider fully the potential impact of the proposed changes when making their decisions.

13.3 Each EIA has been independently reviewed and subject to internal challenge together with an overall central assessment to determine the cumulative impact on each individual "protected characteristic" to identify where specific consultation requirements are needed. Each EIA has identified whether:

- there is no major change to the service if the proposal is implemented;
- adjustments or changes should be made to the proposal;
- the proposal should continue even though there may be an impact, or;
- the proposal should be stopped or removed.

13.4 It is believed that the savings proposals do not have an overall potential impact on any one area and there is no requirement to arrange further corporate consultation in relation the budget proposals.

14. CONCLUSION

14.1 The 2015/16 budget will be the last budget before the General Election in May 2015. In 2015/16 the Council's grant will be approximately **£30.6m lower than it was in 2010/11, which is a cumulative cut of 39%.**

14.2 In relation to the budget position for **2015/16** the Government previously announced a grant cut in January 2014 of **14.6%** (2014/15 cut 9.6%) and it is anticipated this will be confirmed in December.

14.3   It is anticipated that grant cuts will continue after the election. In addition, unless there is a fundamental change to the existing Business Retention system and Local Council Tax Support system Councils will continue to face significant ongoing financial risks which did not exist prior to April 2013 when these changes were implemented. These are particularly challenging issues for Hartlepool owing to the impact of the Power Station on Business rates income and higher levels of deprivation on the costs of the LCTS scheme.

14.4   These issues make a multi-year financial strategy even more important than in previous years. The recommendations in relation to the **2014/15** outturn strategy provide the financial foundations for the 2015/16 to 2018/19 MTFS. Without these resources the future financial position would be significantly more difficult to manage and the impact on services greater.

14.5   The budget proposals for 2015/16 include significant benefits from the use of the Budget Support Fund, corporate budget savings and maximising the benefits of grant regimes. These measures account for approximately half (i.e. £3.7m) of the recommended measures to balance the 2015/16 budget. Without these measures Members would have faced even more difficult decisions in relation to services.   The other half comes from reductions in existing departmental budgets.

14.6   Assuming the recommendation to increase the Budget Support Fund is approved phased contributions can be relied upon in future years, until this fund is used up. The other measures used to protect services 2015/16 (i.e. achieving corporate saving and maximising the benefits of grant regimes) cannot be repeated in future years. Therefore, there will be a greater impact on Departmental budgets and services from 2016/17 onwards.

14.7   On the upside the Council should benefit from future increases in Council Tax income and New Homes Bonus as a result of forecast house building over the period or the MTFS. These increases are forecast to reduce the total 2016/17 to 2018/19 deficit from £17.5m to **£14.8m**, a reduction of £2.7m.

14.8   The phased use of the Budget Support Fund will also help the Council smooth the profile of annual savings for the period 2016/17 and 2018/19, including removing the significant peak previously forecast in 2016/17. These proposals also avoid carrying forward an unfunded deficit after 2017/18, when the Budget Support Fund is used up.

14.9   Whilst, the overall deficit for future years reduces and annual deficits are more even the Council still faces significantly greater financial challenges after 2015/16. The cuts which will be required for these years will be even more difficult to achieve and have a more visible impact than has been the case so far. It is therefore recommended that work commences early in the new year on the development of a savings plan for 2016/17.

14.10   The Council will continue to face potential reductions in Business Rates income from the impact of appeals, which will permanently reduce income. There will also be temporary risks in relation to the Business Rates paid by

the Power Station, which will reduce income in 2015/16 and 2016/17. The recommendations within the report are designed to address these risks, as far as this is possible on the basis of existing information. These areas will continue to be monitored closely and Members will be updated when more information is available and the impact can be assessed.

15.   RECOMMENDATIONS

15.1   It is recommended that Members consider and approve the following detailed recommendations for submission to Council:

15.2   General Fund 2014/15 Final Outturn (including impact of Reserves Review)

15.3   Approve the updated forecast outturn position detailed in Appendix A (including the outcome of the Reserves Review detailed in Appendix B) and the reserves recommended in table 4 to Appendix A, including:

- the proposal from the Trade Unions to allocate the saving from the day of industrial action of £40,000 to support the apprenticeship scheme; and
- one-off funding to provide 2015/16 Ward Member budget of £3,000 per Councillor.

15.4   To note that after reflecting the above proposal the uncommitted forecast 2014/15 General Fund outturn is between £1.457m to £1.542m and to approve that

- the lower forecast of £1.457m is allocated to supplement the existing Budget Support Fund available to support the MTFS. Proposals for using the Budget Support Fund are detailed in the recommendation at paragraph 15.23;
- the additional forecast uncommitted forecast outturn of £85,000 (i.e. £1.542m less £1.457m) is not committed until the final outturn is known.

15.5   Local Council Tax Support Scheme 2014/15 Forecast Outturn.

15.6   To note the detailed Local Council Tax Support (LCTS) scheme report to be referred to Council on 18th December 2014 will recommend that the 2014/15 underspend of £0.328m is allocated to supplement the LCTS Reserve, which will enable a lower reduction in LCTS support to be achieved in 2017/18.

15.7   2015/16 General Fund Budget

15.8   Approve the implementation of the following corporate savings:
- Additional ICT contract saving - £0.150m
- Terms and Conditions Review - £0.200m
- Centralised estimates saving - £0.270m

15.9   Note the risk in achieving the Terms and Conditions savings from 1st April 2015 and consequential impact on funding available to implement the increase in the Hartlepool Living Wage;

15.10   Approve the following package of measures to fund the 2015/16 budget deficit, which includes the corporate savings recommended in paragraph 15.8 and a contribution from the Budget Support Fund:

	£'000	Percentage
Departmental Budget Savings	5,406	73%
Use of the Budget Support Fund	1,116	15%
Corporate Budget Savings	620	8%
Use of one off resources to defer proposed savings in relation to Lifeguards, School Crossing Patrols and Advice and Guidance services	305	4%
	7,447	100%

15.11   Approve the Departmental savings options detailed in Appendix C.1 to C.7 and summarised below:

	£'000	Percentage of 2014/15 budget
Chief Executive's Department (1)	515	13%
Child and Adult Service - Use of grants (2)	1,700	4%
Child and Adult Services – Budget reductions	1,164	3%
Regeneration and Neighbourhoods (3)	1,860	8%
Public Health (General Fund budgets)	167	14%
Total Department budgets	**5,406**	

15.12   Note the information provided in paragraph 6.6 in relation to the impact of either accepting the Council Tax freeze grant, or increasing Council Tax by 1.9%;

15.13   Approve a 2015/16 Council Tax freeze for Council services;

15.14   Determine whether the permanent saving of £30,000 on the Coroners Service should be allocated to continue free summer swims on a permanent basis;

15.15   Approve the proposal that any final variation to the actual 2015/16 Core Grant allocation and / or final Collection Fund balance is managed by a corresponding increase/decrease in the use of the Budget Support Fund in 2015/16 and to note details of any necessary change will be reported within the final Council Tax setting report.

15.16   **Potential Legislative/funding changes**

15.17   Note the potential legislative changes detailed in section 7 in relation to the Care Act and the Independent Living Fund, which it is anticipated will be

budget neutral for 2015/16 and note further details will be reported when known.

15.18   Note the potential changes detailed in section 7 in relation to Local Welfare Support, which may require the Council to review the previous local decisions regarding funding for this service for the period 2014/15 to 2016/17 and note further details will be reported when known.

15.19   Note the potential for additional Local Council Tax Support scheme new burdens funding continuing in 2015/16 detailed in section 7. The Council received £110,000 for 2014/15.

15.20   Note the additional grant cut in relation to the Carbon Reduction Commitment funding detailed in section 7 and this amount has been reflected in the updated MTFS forecasts for 2015/16.

15.21   **General Fund 2016/17 to 2018/19**

15.22   Approve indicative annual Council Tax increases for Council Services for the period 2016/17 to 2018/19 of 1.9% and to note that the actual level of Council Tax will be considered on an annual basis to reflect the Council Tax referendum regime and Council Tax freeze arrangements apply at the time.

15.23   Approve the phased used of the increased budget support fund as follows (original phasing included for information):

Forecast use of Budget Support Fund

	Original Phasing £'000	Latest Recommended Phasing £'000
2015/16	1,626	1,116
2016/17	1,648	2,700
2017/18	0	915
2018/19	0	0
Total	3,274	4,731

15.24   Note the revised forecast deficits after reflecting the revised phasing of the Budget Support Fund as follows (original forecasts included for information):

Forecast Annual Budget Deficits

	Original Forecast £'000	Revised Forecast £'000
2016/17	7,600	5,100
2017/18	6,018	5,190
2018/19	3,890	4,518
Total	17,508	14,808

15.25 **Capital Programme 2015/16**

15.26 Approve the use of Prudential Borrowing for the purchase of 7 bungalows, as detailed in paragraph 9.5, subject to the Homes and Communities Agency grant being secured towards the cost of this scheme.

15.27 Approve the capital budget for the replacement of the depot, which will enable CCAD to relocate to this site, of between £3.065m to £3.75m (noting that the higher figure includes a contingency which it is recommended is included owing to the complexities and short time scale for designing and preparing the cost estimates for this scheme. Officers will work to limit costs to the lower figure) and the following funding:

- £1.065m contribution from 2014/15 Regeneration and Neighbourhood Services General Fund outturn;
- Prudential Borrowing £2m #
- Prudential Borrowing £0.685m. This amount will only be used if the scheme costs £3.75m##

The repayment costs will be funded from a combination of efficiency/operational savings arising from relocating the depot and increased income generated from new opportunities, which cannot currently be delivered from the existing depot. Therefore, there will be no cost to the General Fund budget in 2015/16.

Allocating the revenue savings/increased income will mean that this amount is not available towards achieving the Regeneration and Neighbourhood Services revenue savings in 2016/17, which will mean that more difficult savings will need to be implemented in 2016/17. Proposals to potentially mitigate this impact are detailed in recommendation 15.28.

The part year loan repayment costs in 2015/16 will be approximately £14,000 and can be funded from the existing capital financing budget. The full year costs in 2016/17 will be approximately £50,000 and this will be a budget pressure in 2016/17.

15.28 Approve the proposal that any one-off resources released or any additional capital receipts (i.e. in excess of the existing target) which can be achieved over the next few years are considered to be used to reduce the borrowing required to fund the depot relocation. This would be the subject of consideration as part of the following years (i.e. 2016/17) Medium Term Financial Strategy report. These proposals will then enable the revenue savings allocated to fund loan repayment costs to be taken in future years as part of the Regeneration and Neighbourhoods savings plan.

15.29 Approve the use Prudential Borrowing for the replacement of Operational Equipment as detailed in Appendix E, table 3 and note the annual repayment costs are already included within existing operational and trading accounts budgets.

15.30   **Power Station Business Rates**

15.31   Approve the proposal that as soon as the outcome of the current application by the Power Station for a reduction in Business Rates is known to seek a meeting with the Local Government Minister to again highlight the financial impact of the Power Station and to request that this exceptional and volatile risk is excluded from the standard safety net arrangements.

15.32   Robustness of Budget Forecasts

15.33   Note the detailed advice provided by the Chief Finance Officer and Corporate Management Team in section 11.

15.34   Approve an increase in the temporary Prudential Borrowing pending the achievement of planned capital receipts from £1.128m to £1.221m for 2014/15, and note that it is anticipated this amount will be repaid early in 2015/16 when capital receipts are forecast to be achieved.

16.   REASON FOR RECOMMENDATIONS

16.1   To enable the Finance and Policy Committee to approve the 2015/16 budget proposals to be referred to Council for approval.

17.   BACKGROUND PAPERS

Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee 6th February 2014.
Medium Term Financial Strategy 2014/15 to 2016/17 report to Finance and Policy Committee 30th June 2014.
Medium Term Financial Strategy Review of Reserves as at 31st March 2014 report to Finance and Policy Committee 15th September 2014.

18.   CONTACT OFFICER

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Table 1 - Summary of Forecast Outturn 2014/15
(details provided in table 2)

Reported Previously			Latest Forecast	
Worst Case £'000	**Best Case £'000**		**Worst Case £'000**	**Best Case £'000**
(222)	(287)	Departmental Budgets	(1,527)	(2,047)
(540)	(590)	Corporate Budgets	(1,303)	(1,203)
0	0	Lower Core Grant reduction/Business Rates income	(1,420)	(1,420)
(1,870)	(1,870)	Reserves Review	(1,870)	(1,870)
(923)	(1,100)	Departmental Ring-fenced Grants	(1,465)	(1,695)
(240)	(240)	Departmental Business Case	(240)	(240)
(3,795)	(4,087)	Sub Total to be shown in Statement of Accounts	(7,825)	(8,475)
2,820	2,997	Recommended Reserves (details table 2)	6,368	6,933
(975)	(1,090)	**Recommended 2017/18 Budget Support Fund Contribution**	(1,457)	(1,542)

Table 3 - Contribution to Reserves (includes impact of Reserves Review reported 15.09.14)
(details provided in table 4)

Reported Previously			Latest Forecast	
Worst Case £'000	Best Case £'000		Worst Case £'000	Best Case £'000
923	1,100	Ring-fenced Grant Reserves	1,465	1,695
240	240	Business Case Reserves	240	240
215	215	General Fund Budget Reserves	3,221	3,556
1,442	1,442	Reserves approved following Reserves Review as report to Finance and Policy Committee 15.09.14	1,442	1,442
2,820	2,997	TOTAL	6,368	6,933

Table 4 - Detailed Contributions to Reserves (includes impact of Reserves Review reported 15.09.14)

Reported Previously			Latest Forecast	
Worst Case	**Best Case**		**Worst Case**	**Best Case**
£'000	**£'000**		**£'000**	**£'000**
		Ring-fenced Grant Reserves		
375	375	**Children's - Local Welfare Support Grants** This creation of this reserve was included in the MTFS and approved by full Council on 4th February 2014 to use the balance of grant funding and the existing reserve to continue provision through to 2017/18.	375	375
548	725	**Public Health Ring-fenced Grant** Reserve created in line with grant conditions for repayment or use as initially intended.	720	950
0	0	**Troubled Families Grant** Reserve created to continue services in 2015/16	370	370
		Business Case Reserves		
240	240	**Social Housing - Creation of Reserve** Contribution to the Major Repairs Fund in line with the approved business model for the Empty Homes Project.	240	240
		General Fund Budget Reserves		
190	190	**CCTV Relocation Reserve** One-off funding required to fund the relocation of the CCTV service following the closure of Greenbank as reported to the Finance and Policy on 18.08.14.	190	190
25	25	**NEPO Rebates Reserve** Reserve created to manage the risk that income from NEPO rebates will reduce in future years following the introduction of a new recharge methodology.	25	25
0	0	**Depot Relocation** Reserve created to part fund relocation of depot costs to enable Hartlepool College of Art and Design to build on this site.	1,065	1,065
0	0	**Looked after Children Risk Reserve** Reserve created to manage increased costs of Looked after Children and to avoid an in-year budget pressure in 2015/16, pending implementation a strategy to reduce costs	0	275
		High Needs Risk Reserve Reserves created to manage in-year risks of high educational needs placements exceeding base budget, which will avoid an in-year budget pressure in 2015/16.	300	300
0	0	**Power Station** As indicated in the updated MTFS report it is recommended that the reduction in Business Rates arising from the closure in 2014 and subsequent operation at reduced capacity is funded from the 2014/15 outturn. This will maintain the existing risk reserve which will be needed in 2015/16 to fund the continued impact of the power station operating at reduced capacity and this ongoing risk in future years.	840	900
0	0	**2017/18 Local Council Tax Support Scheme Reserve** Reserves created to reduce forecast 2017/18 LCTS cut of 35%	328	328
0	0	**Section 31 (Local Council Tax Support Scheme) Reserve** Part of grant (£55k) allocated to support Advice & Guidance contract in 201516 and balance (£50k) to provide increased Council recovery capacity for 18 months up to 31.03.16 to deal with LCTS impacts.	105	105
0	0	**Health and Safety Reserve** Reserve created to manage the risk that increased income from Health and Safety may reduce in future years if contracts not retained.	24	24
0	0	**Hartlepool Connect Capital** Reserve created to fund works to support online access in relation to Universal Credit and other new developments as part of the provision through the Contact Centre.	50	50
0	0	**2015/16 Ward Member Budget** Reserve Reserve created to provide Ward Member budget of £3,000 per Member in 2015/16.	99	99
0	0	**2015/16 Community Centres Reserve** Reserve created to retain Community Centres in 2015/16 to provide a longer lead time to develop alternative funding/ operational arrangements	30	30
0	0	**2015/16 Pay Costs Reserve** To fund impact of higher pay award than forecast.	100	100
0	0	**2015/16 Jacksons Landing Reserve** Provision to fund part year interest costs in 2015/16 of using Prudential Borrowing to repay interest free Growing Places loan if sale / redevelopment is not achieved by October 2014, when the interest free loan is repayable.	25	25
0	0	**2015/16 Apprenticeship Reserve** Reserve funded from Strike Day saving and proposal from Trade Unions to use these one off resources to continue the existing Apprenticeship scheme.	40	40
		Reserves approved following Reserves Review as report to Finance and Policy Committee 15.09.14		
220	220	**Support 2015/16 budget** Reserve to offset clarification of Better Care funding regime	220	220
27	27	**Support Free Swims 2014** Contingency provision pending receipt of Domes monies	27	27
445	445	**Support 2015/16 budget** Covers deferment of Advice and Guidance (£55k), School Crossing Patrols (£240k) and Lifeguard services proposed savings (£150k).	445	445
750	750	**Protection Costs Reserve** Provision to fund protection costs arising from implementation of changes to Terms and Conditions.	750	750
2,820	2,997	**TOTAL**	6,368	6,933

CORPORATE RESERVES

Cost Centre	Reserve	Balance as at 31st March 2014	Planned Use of Reserve					Estimated Balance at 31/03/18	Reason for/purpose of the Reserve	Total Value of Reserve to be Released	Value of Reserve to be Retained to fund commitments 2014/15 to 2017/18	Reason for Release of Reserve
			2014/15	2015/16	2016/17	2017/18	Total Planned Use of Reserves					
		£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	
25959	Redundancies and Early Retirements Reserve	7,132	(750)	(3,200)	(1,800)	(1,382)	(7,132)	0	This reserve has been created to fund the estimated costs of redundancy /early retirement over the period of the MTFS and reflects experience of these costs over the last 4 financial years. Phasing is indicative based on the forecast budget deficits and will be reviewed annually.	0	7,132	
25999	General Fund	5,153	(215)	(280)	(620)	0	(1,115)	4,038	This balance includes funding allocated by Council on 3rd July 2014 for the Social Housing scheme (£0.215m) which it is anticipated will be used in 2014/15 and Budget Support Fund 2015/16 (£0.28m). The balance also includes Public Health Funding (£0.62m) allocated within the February 2014 MTFS to manage potential risk of a reduction in Public Health funding in 2016/17 When account is taken of these commitments the net uncommitted General Fund reserve is £4.038m.	0	5,153	
25804	Insurance Fund	4,023	0	0	0	0	0	4,023	The Insurance Fund has been established to provide for all payments that fall within the policy excess claims. Most policies provided by the Council are subject to an excess. Phasing is not provided as the timing and settlement of individual claims is uncertain.	0	4,023	
25290	Local Council Tax Support Scheme Reserve	2,057	(10)	(1,236)	(504)	0	(1,750)	307	This reserve will be used to support the Local Council Tax Support scheme as detailed in the report to the Finance and Policy Committee on 21st July 2014. The report recommended retaining £0.307 of this reserve as uncommitted to manage potential LCTS demand risks to avoid an unbudgeted General Fund budget pressure.	0	2,057	
25972	Strategic Risk Reserve	2,028	0	0	0	0	0	2,028	The risk reserve was set up to cover one-off equal pay costs and reflected the risk assessment at the time. Phasing for the use of this reserve is not provided as the timing on the use of this reserve will be driven by external events.	1,000	1,028	These risks are reviewed on a 6 monthly basis by the Corporate Management Team and the most recent review has identified a number of risks which have reduced or no longer exist. Therefore, a reduction in this reserve can be made. This area will continue to be reviewed on a regular basis.
25297	Business Rates Risk Reserve	1,900	0	0	0	0	0	1,900	This reserve has been established to address the ongoing annual financial from Business Rates being relocalised in April 2013 and the implementation of the 'safety net' arrangements. Under these arrangements the council will only receive 'safety net' grants for shortfalls above £1.9m. This is a significant risk to the Council owing to the potential loss of Business rates income from unplanned shutdowns at the Power Station. Phasing for the use of this reserve is not provided as the timing on the use of this reserve will be driven by external events.	0	1,900	
New Code	Treasury Management Risk Reserve	870	0	0	0	0	0	870	This reserve was created as part of the 2013/14 MTFS to manage the risk of interest rates increasing sooner and / or to a higher level than anticipated. The reserve is designed to ensure that the occurrence of these events does not result in an in year budget pressure against the reduced 2014/15 base budget and proposed additional savings for 2015/16. Phasing of the use of this reserve is not provided as the timing on the use of this reserve will be driven by external events.	0	870	
25326	Business Rates Equalisation Reserve	750	0	(750)	0	0	(750)	0	This reserve was created to fund Business Rates Risks. £0.250m covers the unbudgeted 2013/14 Business Rates Collection Fund deficit. £0.500m will cover the forecast reduction in Business Rates retained by the Council as a result of forecast successful appeals. Both liabilities are anticipated to arise in 2015/16 owing to the accounting requirements in relation to the Collection Fund and the timing of appeal outcomes.	0	750	
25321	Capital Risk Strategy	501	0	0	0	0	0	501	This reserve is earmarked to manage potential phasing risks in relation to the Jackson's Landing Development.	0	501	
25298	Income Risk Reserve	500	(250)	(250)	0	0	(500)	0	This reserve was created to fund potential income shortfalls in 2014/15 and 2015/16 in relation to the Shopping Centre and Land Charges.	0	500	
25959	Council Capital Fund Reserve	496	(496)	0	0	0	(496)	0	This reserve relates to the 2013/14 Council Capital Fund which was funded from one-off resources, rather than Prudential Borrowing. This reserve is earmarked to fund commitments arising over more than one year which have not yet been implemented. A number of these projects are currently being reviewed and if this releases uncommitted resources a separate report will be prepared for Members consideration.	0	496	
	Regeneration Projects	400	0	0	0	0	0	400	This reserve was created from one-off funding to support Regeneration Priorities. Phasing of this reserve will be linked to the Hartlepool Vision and the approval of individual projects.	0	400	
25292	Support 12/13 Loss of Council Tax Freeze Grant	379	(379)	0	0	0	(379)	0	This reserve was created to mitigate the loss of the 2012/13 Council Tax Freeze Grant in 2014/15.	0	379	
25294	Academies Reserve	363	0	(363)	0	0	(363)	0	This reserve has been established to manage the impact of schools becoming academies in 2013/14 and future years. As part of the approved 2014/15 MTFS it is planned to use the balance of this reserve in 2014/15.	0	363	

Code		Opening					Total	Closing	Narrative			Narrative
25865	Pension Actuarial Reserve	312	0	0	0	0	0	312	This reserve was created to manage the impact of the actual employers pension contributions being less than anticipated owing to the implementation of budget cuts and the Council having to make a one-off contribution to the Pension Fund.	312	0	The Actuarial Valuation was completed as at 31/03/14 and has set the Council contributions for the 3 years commencing 2014/15, reflecting the revised Pension arrangements from 1st April 2014 and the value of Pension Fund assets. As a result of these changes an ongoing saving in Pension contributions was built into the 2014/15 base budget and this reserve is no longer required.
25875	Emergency Planning	261	0	0	0	0	0	261	Reserve held on behalf of 4 authorities for Emergency Planning and only a proportion contributed by Hartlepool. This reserve is held to enable Emergency Planning to manage the budget over more than one financial year and avoid in-year additional financial demands on the 4 authorities.	0	261	
25853	Local Plan Reserve	250	(125)	(125)	0	0	(250)	0	This reserve will cover estimated costs over the period 2014/15 to 2015/16.	0	250	
25992	Development Control /Building Control Income Shortfall	204	(204)	0	0	0	(204)	0	This reserve was created to cover income shortfalls owing to the weakness in the economy.	0	204	Fully committed in 2014/15.
25293	ICT Contract	200	0	0	0	0	0	200	This Reserve is to cover the estimated one costs of implementing the new ICT contract, which provides significant ongoing revenue savings, which have been built into the base budget from 2014/15.	100	100	Officers are continuing to review the need for this reserve and the most recent assessment indicates the whole of this reserve will not be needed. Therefore, part of this reserve can now be released.
25291	Members Ward Issues	186	(186)	0	0	0	(186)	0	Used to fund ward issues for Members	0	186	Fully committed.
25288	Supporting Family Poverty	149	0	(149)	0	0	(149)	0	This Reserve was created to support Family Poverty Initiatives in the town. Members agreed to allocated this funding to support the Local Council Tax Support Scheme in 2015/16.	0	149	
25316	Carbon Reduction	137	0	0	0	0	0	137	The Carbon Reduction Commitment was a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations. This reserve was set aside to fund the payment of Carbon Allowances in 2013/14 and 2014/15	137	0	Reserve no longer required following national changes to this regime which have removed liabilities previously anticipated based on the original national scheme.
25953	Business Transformation Set Up Costs	135	0	0	0	0	0	135	Funds set aside for Implementation costs of Business Transformation Programme and reallocated to fund potential one-off costs associated with the 3 borough collaboration project and the achievement of ongoing savings.	135	0	Owing to the scale and speed of the Government grant cuts individual authorities had to concentrated achieving their own budget reductions. Therefore, this reserve is no longer needed.
25286 &252	Salary Sacrifice	62	0	0	0	0	0	62	This reserve was created to capture NI and Pension Savings generated by the Salary Sacrifice for Cars scheme to fund potential future pensions liabilities, pending the outcome of the Pension Fund Valuation and the determination of Employers Pension contributions for the three years commencing 2014/15.	62	0	The Actuarial Valuation was completed as at 31/03/14 and has set the Council contributions for the 3 years commencing 2014/15, reflecting the revised Pension arrangements from 1st April 2014 and the value of Pension Fund assets. As a result of these changes there is no requirement to make pension contributions in relation to Salary Sacrifice schemes.
25323	WW1 Commemoration Reserve	60	0	0	0	0	0	60	This reserve was created to fund costs in relation to this event and will be only be used if sponsorship for this event cannot be achieved. At this stage it is prudent to show this reserve as committed. As soon as sponsorship is certain this reserve can be released.	0	60	
25984	Funding for Modern Apprentices	50	0	(25)	(25)	0	(50)	0	This reserve was originally allocated to train staff on the redeployment register. The Finance and Policy Committee and Council determined to reallocate this reserve to provide funding for Modern Apprentices. The phasing reflects the use of the temporary Chief Executive Pensions saving in 2014/15 to fund apprenticeship costs and the use of this reserve in 2015/16 ad 2016/17.	0	50	
25325	Living Wage Reserve	49	(49)	0	0	0	(49)	0	This reserve was created to partly fund the cost of introducing the Hartlepool Living Wage in 2014/15.	0	49	
25990	Concessionary Fare	38	(38)	0	0	0	(38)	0	This reserve covers the tri-annual cost of replacing concessionary fares passes.	0	38	
25295	Vodafone	37	(37)	0	0	0	(37)	0	This reserve was created from previous savings and held to pump prime further initiatives which will provide additional ongoing savings in relation to telephony costs.	18	19	Part of reserve to be allocated to replace existing equipment, which will provide and ongoing saving from 2015/16 of £19,000 (not yet reflected in MTFS as business case has only been completed recently. Residual balance of £18,000 can be released.
25322	Environmental Apprenticeships Scheme	34	(34)	0	0	0	(34)	0	This reserve was created at 2013/14 outturn to fund this imitative in 2014/15	0	34	
25289	Works in Default Empty Homes	19	(19)	0	0	0	(19)	0	This reserve was created to fund works in Default Empty Homes. Phasing of the use of this reserve is not provided as the timing on the use of this reserve will be driven by external events.	0	19	
	Public Relations Reserve	10	(10)	0	0	0	(10)	0	This reserve was created for Corporate Communications.	10	0	Reserve no longer required as costs funded from base budget.
25962	NDC Fund	8	(8)	0	0	0	(8)	0	Reserve established from NDC under spend and will be transferred to the NDC Trust.	0	8	
25319	Public Enquiry	3	0	0	0	0	0	3	Reserve allocated to fund estimated Public Enquiry costs.	3	0	The actual costs were lower than forecast, therefore the residual amount is no longer needed.
	Total Departmental Reserve	**28,756**	**(2,810)**	**(6,378)**	**(2,949)**	**(1,382)**	**(13,519)**	**15,237**		**1,777**	**26,979**	

CHILD AND ADULT SERVICES RESERVES   **Appendix B**

Cost Head	Reserve	Balance as at 31st March 2014	Planned Use of Reserve - £000				Total Planned Use of Reserves	Estimated Balance at 31/03/18	Reason for/purpose of the Reserve	Value of Reserve to be Released	Value of Reserve to be Retained to fund commitments 2014/15 to 2017/18	Reason for Release of Reserve
			2014/15	2015/16	2016/17	2017/18						
		£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	
25986	Children's Social Care & Early Intervention (previously known as Early Intervention Grant Reserve)	1,000	(167)	(320)	(300)	(213)	(1,000)	0	To support remodelling of early help and social care and potential costs arising from TUPE in event universal youth provision is commissioned from independent sector. As the timing of these commitments is uncertain the phasing is an initial assessment and will be reviewed on an annual basis.	0	1,000	
25960	Children & Families - Looked After Children (includes former Care Matters, Think Family, Child Poverty Local Duties and C&F Donations Reserves)	947	(340)	(400)	(207)	0	(947)	0	This reserve is held to fund pressures of increasing demand and costs within Looked After Children. As the timing of these commitments is uncertain the phasing is an initial assessment and will be reviewed on an annual basis.	0	947	
25327	Demographic Pressures in Adult Social Care - SRR (previously Older People Reserve)	421	0	(140)	(140)	(141)	(421)	0	This reserve is held to fund increasing demographic pressures within Adult Social Care. As the timing of these commitments is uncertain the phasing is an initial assessment and will be reviewed on an annual basis.	0	421	
25857	Youth Offending	227	0	(50)	(50)	(127)	(227)	0	Created from planned underspends in previous years to fund Youth Offending Service initiatives. Discussions are currently on-going with the Partnership Board to determine how these reserves will be used over future years to support the service.	0	227	
25327	Social Inclusion & Lifestyles Contract Extension	125	(125)	0	0	0	(125)	0	Created in 13/14 to fund the additional six months of contract extensions within Low Level Support Services.	0	125	
25856	Children & Families - Local Safeguarding Board (Partnership Funding)	44	0	0	(22)	(22)	(44)	0	This is Partnership Funding with other bodies so not all HBC funding; relates to underspends carried forward to support the work of the Board and any serious case reviews over the next few years. As the timing of these commitments is uncertain, the phasing is an initial assessment and will be reviewed on an annual basis.	0	44	
25327	Community Pool 14/15 Contribution	22	(22)	0	0	0	(22)	0	Finance and Policy Committee (24th April 2014) approved a one off contribution from the Child and Adult Social care outturn to support additional VCS organisations with core costs in 2014/15.	0	22	
	TOTAL CHILD & ADULT (EXC EDUCATION)	**2,786**	**(654)**	**(910)**	**(719)**	**(503)**	**(2,786)**	**0**		**0**	**2,786**	

EDUCATION SERVICES RESERVES

Cost Centre	Reserve	Balance as at 31st March 2014	Planned Use of Reserve - £000				Total Planned Use of Reserves	Estimated Balance at 31/03/18	Reason for/purpose of the Reserve	Total Value of Reserve to be Released	Value of Reserve to be Retained to fund commitments 2014/15 to 2017/18	Reason for Release of Reserve
			2014/15	2015/16	2016/17	2017/18						
		£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	
25997	School Improvement	805	(167)	(563)	(75)	0	(805)	0	Reserve created to enhance and develop school improvement within Hartlepool. The Education Improvement Strategy was approved at Children Services Committee 8th July. The timing of commitments is uncertain and the phasing is based on initial assessment.	0	805	
25997	Academy Risk Reserve	217	(10)	(50)	(80)	(77)	(217)	0	Reserve created to ensure sustainability of services in future years as schools convert to Academy. Retained funding to manage the on going delivery of Education Services to Schools. The timing of the use of this reserve is uncertain and the phasing is based on the initial assessment of need.	0	217	
	TOTAL CHILD EDUCATION SERVICES	1,022	(177)	(613)	(155)	(77)	(1,022)	0		0	1,022	

REGENERATION AND NEIGHBOURHOODS RESERVES

Cost Centre	Reserve	Balance as at 31st March 2014	Planned Use of Reserve - £000					Estimated Balance at 31/03/18	Reason for/purpose of the Reserve	Total Value of Reserve to be Released	Value of Reserve to be Retained to fund commitments 2014/15 to 2017/18	Reason for Release of Reserve
			2014/15	2015/16	2016/17	2017/18	Total Planned Use of Reserves					
		£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	
25988	Social Housing New Build	293	0	0	0	0	0	293	Ring-fenced reserve created from rental income which represents a contribution to the Major Repairs Fund. This funding is set aside to fund repairs over the lifetime of the housing stock. Phasing not provided as major repairs will commence after 2017/18 in line with the approved Business case.	0	293	
25954	Selective Licensing	109	(109)	0	0	0	(109)	0	Income generated from fees required to fund staffing costs of the scheme over a five year period.	0	109	
25942	Seaton CC 'Management'	108	0	(108)	0	0	(108)	0	Balance carried forward from previous years and represents surpluses generated by the Community Centre over years. This funding is managed by the overseeing board. Committed as part of the Seaton Master Plan.	0	108	
25994	Engineering Consultancy Reserve	100	0	(100)	0	0	(100)	0	Reserve created to manage Trading Activities over more than one year. This is earmarked to manage potential income shortfalls to provide funding for staff costs and allow time to react to changes in this market. The reserve also covers potential bad debts in this area. Phasing for the use of the reserve is an initial assessment and will vary depending upon the impact of external events.	0	100	
25994	Fleet Reserve	100	(40)	(20)	(40)	0	(100)	0	Reserve needed to fund future repairs and maintenance costs over the whole life of the fleet so that annual charges to clients can remain static over the lifetime of the vehicle. The use of vehicles is currently under review and this work is contributing to the savings programme for the department. The risk on maintenance still exists and this reserve is therefore still required.	0	100	
25981	Winter Maintenance	50	(50)	0	0	0	(50)	0	Funding to cover additional costs incurred during a bad Winter. Ongoing revenue budget is sufficient to cover normal weather conditions and this reserve provides a contingency for additional works which may be required.	0	50	
25994	Passenger Transport Reserve	45	(45)	0	0	0	(45)	0	Reserve created to manage the risk of income shortfalls in future years in a developing trading area of private hire. Risk remains on income budgets and new contracts are in place in this area therefore this reserve is still required.	0	45	
25994	Plant Replacement Reserve	40	(40)	0	0	0	(40)	0	Reserve created to fund the costs associated with Plant Equipment over more than one year e.g. repairs and maintenance or replacement costs.	0	40	
25850	Community Grants Pool	34	(34)	0	0	0	(34)	0	Reserve created year on year from the underspend on the Community Grants Pool budget as this expenditure is 'ring-fenced' by Members for contributing towards the community.	0	34	
25981	Bikeability	25	0	(25)	0	0	(25)	0	Contribution received to fund projects which are underway and is committed to match fund the LSTF funding awarded for 2015/16..	0	25	
25941	Archaeology Projects (incl Monograph Series)	23	(23)	0	0	0	(23)	0	Reserve to be used for specific archaeology projects over more than one year and ensure the completion of projects which are not covered by the annual revenue budget.	0	23	
25982	Health & Safety Training	20	0	0	0	0	0	20	Legislative requirements for operational staff to be trained to Health & Safety Executive set standards.	20	0	Reserve no longer needed as Department will fund from annual revenue budget.
25981	Speed Cameras	16	(16)	0	0	0	(16)	0	Relates to the funding ring-fenced for the Tees Valley Camera Partnership and future use is determined by the Partnership Board	0	16	
25982	Right to Challenge	9	0	0	0	0	0	9	Funding allocated late in 2012/13 to fund the costs associated with the additional legislative requirements.	9	0	Reserve has been offered up as no challenges received to date and any costs will be met from the revenue budget.
25982	Right to Bid	5	0	0	0	0	0	5	Funding allocated late in 2012/13 to fund the costs associated with the additional legislative requirements.	5	0	Reserve has been offered up as no challenges received to date and any costs will be met from the revenue budget.
	TOTAL REGENERATION & NEIGHBOURHOODS	**977**	**(357)**	**(253)**	**(40)**	**0**	**(650)**	**327**		**34**	**943**	

PUBLIC HEALTH RESERVES　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　**Appendix B**

Cost Head	Reserve	Balance as at 31st March 2014	Planned Use of Reserve - £000				Total Planned Use of Reserves	Estimated Balance at 31/03/18	Reason for/purpose of the Reserve	Value of Reserve to be Released	Value of Reserve to be Retained to fund commitments 2014/15 to 2017/18	Reason for Release of Reserve
			2014/15	2015/16	2016/17	2017/18						
		£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	
25844	Public Health Grant Reserve	500	0	(500)	0	0	(500)	0	This is ring-fenced funding and can only be spent on Public Health initiatives. The reserve is held to manage the potential risk of a significant reduction in Public Health funding in future years if the government introduce the Pace of Change reforms. As the timing is uncertain the phasing is an initial assessment and will be reviewed on an annual basis.	0	500	
	TOTAL PUBLIC HEALTH	500	0	(500)	0	0	(500)	0		0	500	

CHIEF EXECUTIVE DEPARTMENT RESERVES

Appendix B

Cost Centre	Reserve	Balance as at 31st March 2014	Planned Use of Reserve - £000				Total Planned Use of Reserves	Estimated Balance at 31/03/18	Reason for/purpose of the Reserve	Total Value of Reserve to be Released	Value of Reserve to be Retained to fund commitments 2014/15 to 2017/18	Reason for Release of Reserve
			2014/15	2015/16	2016/17	2017/18						
		£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	
25943	Corporate Strategy - ICT System Development	74	(37)	(37)	0	0	(74)	0	Created to fund temporary development resources for enhancements of current ICT and, Website/system upgrades. This reserve to be spent equally over 14 / 15 and 15 / 16 and will be utilised (based on there being no corporate budgets to support such changes) to fund transition costs in realtion to technology and mobile working, support the development/delivery of the Digital First strategy and any costs attributable to keeping the authority compliant in respect of PSN compliance.	0	74	
25948	Finance - IT Investment	39	(20)	(19)	0	0	(39)	0	Created to fund a number of IT projects and will be used to support MyView and Resourcelink across 2014-15 and 2015-16.	0	39	
25949	Legal	36	(36)	0	0	0	(36)	0	Legal Reserve to fund temporary staffing arrangements in 2014-15.	0	36	
25948	IT Investment Shared Services	30	(30)	0	0	0	(30)	0	Shared Services Reserve for Project Development Work in 2014-15.	0	30	
25943	Corporate Strategy - Performance Management	29	(6)	(6)	(6)	0	(18)	11	To support related costs for performance management e.g. covalent charges over a 3 year period.	11	18	Part of reserve no longer needed as costs funded from revenue budget.
25946	People Framework Development	18	(18)	0	0	0	(18)	0	There is no budget set aside for any costs in relation to the implementation of the previously agreed Workforce Strategy. In order to not have to draw on departmental resources for any costs this will be utilised to fund any identified and agreed costs.	0	18	
25944	Contact Centre	15	0	0	0	0	0	15	Identified for staff training to ensure that they meet the revised essential criteria for posts.	15	0	No longer needed as costs funded from revenue budget.
25945	Registrars	15	(15)	0	0	0	(15)	0	To be used for redecoration of marriage room and replacement software for certificate production/online certificate requests and contribution to corporate booking system	0	15	
25943	Corporate Strategy - Working from Home Surplus	13	0	0	0	0	0	13	Created to manage the costs of home working key fobs between financial years	13	0	No longer needed as costs funded from revenue budget.
25943	Hartlepool Partnership	10	0	0	0	0	0	10	To support the Household Survey costs due in 2013/14.	10	0	No longer needed as costs funded from revenue budget.
25943	Corporate Strategy - Corporate Consultation	8	0	0	0	0	0	8	To support the viewpoint panel, online survey system costs .	8	0	No longer needed as costs funded from revenue budget.
25945	Registrars Marriage Room	6	(6)	0	0	0	(6)	0	This reserve has been committed already in year in terms of the developments identified.	0	6	
25949	Reserve for Civic Responsibilities	2	(2)	0	0	0	(2)	0	This reserve has already been committed in year.	0	2	
25944	Contact Centre	2	0	0	0	0	0	2	Reserve for Public Access to ICT in the Customer Service Centre.	2	0	No longer needed as costs funded from revenue budget.
	TOTAL Chief Exec.	**297**	**(170)**	**(62)**	**(6)**	**0**	**(238)**	**59**		**59**	**238**	
	TOTAL ALL DEPARTMENTS	**34,338**	**(4,168)**	**(8,716)**	**(3,869)**	**(1,962)**	**(18,715)**	**15,623**		**1,870**	**32,468**	

FINANCE AND POLICY COMMITTEE
21ST July 2014

HARTLEPOOL
BOROUGH COUNCIL

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 17.2days 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   £220K
         in operations and management arrangements**

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 Adminstration 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 potions 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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ADULT SERVICES COMMITTEE

12 August 2014

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HARTLEPOOL
BOROUGH COUNCIL

Report of: Director of Child & Adult Services

Subject: SAVINGS PROGRAMME 2015/16 –
ADULT SERVICES

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1.   TYPE OF DECISION

Budget and Policy Framework

2.   PURPOSE OF REPORT

2.1   The purpose of this report is to identify proposals for the delivery of savings in adult services 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 budget process 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   The report identifies the areas where savings are expected to be achieved, the risks associated with achievement of savings and the considerations which have been taken into account in developing proposals.

3.3   Scope
The areas of expenditure under consideration within this review are:

Assessment & Care Management
• Care Management Teams (Social Work & Occupational Therapy)
• Adult Safeguarding

Residential Placements

Personal Budgets
- Home Care
- Equipment
- Day Services
- Supported Accommodation
- Direct Payments

3.4   Aims

The focus of adult services is to support people to remain independent and to exercise choice and control regarding how their support needs are met. Some services are provided by the department (including assessment and care management and disability day services) and others are commissioned (such as residential placements and day services for older people).

3.5   Service Users

People who use adult social care services in Hartlepool are over 18 and assessed against the Fair Access to Care Services (FACS) criteria as having a substantial or critical level of need. Services support older people, people with learning disabilities, sensory loss or a physical disability, people with mental health needs, people who have alcohol dependency or substance misuse issues and carers.

3.6   Engagement

The department engages with people who use services through a range of methods including:
- Carers Strategy Group
- Learning Disability Partnership Board
- Mental Health Forum
- Champions of Older Lifestyles Group
- Service User Focus Groups; and
- Family Leadership Courses.

Feedback is also obtained through the annual Adult Social Care User Survey, a national Carer's Survey and through complaints and compliments.

There has been a requirement since 2012 for Local Authorities to publish a Local Account for adult social care to inform local residents about:
- how well adult social care has performed
- the challenges faced; and
- plans for future improvements

Hartlepool's Local Account for 2013/14 was approved by Adult Services Committee in March 2014.

3.7   Inputs / Expenditure

The total expenditure on adult social care is £45m, of which £16.5m is income from people's personal contributions and other sources (primarily NHS funding).

The breakdown of spend on adult social care is as follows:

Area of Expenditure	Spend
Assessment & Care Management	£5.3m
Residential Placements	£18.4m
Personal Budgets	£18.4m
Housing Related Support	£2.5m

The breakdown of spend on personal budgets is as follows:

Area of Expenditure	Spend
Home Care	£6.6m
Direct Payments	£5.2m
Supported Accommodation (including Extra care)	£2.9m
Day Services	£1.8m
Equipment	£0.9m
Other	£1.0 m

3.8   Outputs / Outcomes

The Care Quality Commission no longer assess or rate adult services but the last two assessments that were undertaken rated Hartlepool's services as excellent – the best rating that could be achieved. Since the last assessment, services have continued to perform well and most performance indicators for adult services have been achieved or exceeded.

Some of the outputs achieved are as follows:
- Over 5,700 people receive support from adult social care services.
- Over 2,000 carers had an assessment during the last year and received support to maintain their caring role.
- The number of people using telecare continues to grow with over 1,600 people currently being supported.
- People received over 5,600 pieces of equipment to help them stay at home and over 95% were received within 7 working days.

Some areas where particularly positive outcomes have been achieved include:
- Over 95% of people who have ongoing needs and are eligible to receive a personal budget have their support provided through a personal budget and exercise choice and control over how their support needs are met.
- Over 13% of adults with a learning disability and adults receiving mental health services are in paid employment.
- 76.3% of service users surveyed reporting that they are satisfied with adult services (the third highest satisfaction rating in the country).

- 81.3% of people who use services and carers who were surveyed reporting that they find it easy to access information about services.
- 92.1% of carers surveyed reporting that they have been included or consulted in discussions about the person they care for.

3.9   Savings Target

The savings target for Child & Adult services for 2015/16 is £2.860m.

The departmental approach to identifying savings was to focus on three key areas:

- Integration and service remodelling across functional areas
- Reducing cost of high end demand through prevention, early intervention and reducing unit costs; and
- Increasing income.

All areas of spend were reviewed under these headings, taking into account savings achieved in previous years and statutory responsibilities, and areas were identified where savings could be achieved with least impact on front line services for local people.

Within adult services, the following savings have been made over the last three financial years:

- 2012/13   -   £1,540,000
- 2013/14   -   £860,000
- 2014/15   -   £1,520,000

Reducing budgets by this level on an ongoing basis cannot be achieved without an impact on frontline services and on people who use adult social care services, although proposals have sought to minimise this impact as far as possible. It is inevitable that further savings proposals will have an increasing impact on frontline services, as it is not possible to sustain current levels of service and performance with reducing budgets and increasing demands on services.

There is no scope to further increase income following the decision by Adult Services Committee in January 2014 to implement a revised Contributions Policy requiring people to contribute up to 100% of the costs of their support.

The proposed savings within adult services therefore focus primarily on integration and reducing high end demand (through the Better Care Fund work) and a small element of reducing unit costs through a review of contracts and management structures.

The proposed contribution to the departmental target from adult services is £1.075m.

4.   PROPOSALS

4.1   Review of Contracts

4.1.1   A range of services are commissioned by the Council to support adults with social care needs.

These include:
- low level support;
- housing related support;
- support for people with sensory loss;
- day services for older people; and
- support for people with dementia.

The total value of these contracts is approximately £3.3m.

4.1.2   A saving of £915,000 has been made against these contracts over the past three years through renegotiation of existing contracts and retendering where appropriate to achieve better value for money, leaving little scope to achieve further savings in this area without a significant detrimental impact on people using services.

4.1.3   It is proposed that inflationary uplifts are not offered on these contracts from April 2015, which would achieve a saving of approximately £75,000.

4.2   Review of Management Structure

4.2.1   Following significant reductions in management capacity over recent years, a further review has been undertaken which has identified two posts that can be deleted, subject to voluntary redundancy applications being approved for the current post holders.

4.2.2   The posts identified for deletion are Head of Service (Band 15) and Modernisation Lead - Older People, Dementia, Carers and Dignity (Band 13). Deleting these posts will achieve a saving of approximately £100,000 but will have a significant impact on management capacity within adult services.

4.3   Further Integration of Health and Social Care

4.3.1   Local Authorities were notified in June 2013 of the launch of the Better Care Fund (BCF), a £3.8bn pool of funding identified nationally to promote the integration of health and social care services that support some of the most vulnerable population groups.

4.3.2   The guidance states that the BCF is a genuine catalyst to improve services and value for money and a real opportunity to create shared plans that integrate services to provide improvements for local communities.

4.3.3 The BCF allocation for Hartlepool is £7.476m which is made up as follows:

Funding Stream	Funding
Existing NHS Transfer to Social Care (2013/14)	£1.8m
Existing Reablement Funding	£0.61m
Existing Carers Funding	£0.2m
Additional NHS Transfer to Social Care (2014/15)	£0.5m
Capital Grants (including Disabled Facilities Grant)	£0.83m
Funding from CCG baseline budget	£3.536m

4.3.4 The BCF Plan for Hartlepool, which was approved by the Health & Wellbeing Board in March 2014, is based on a shared vision across health and social care:

'To develop outstanding, innovative and equitable health and social care services, ensuring excellence and value in delivery of person centred care working across both health and social care'.

4.3.5 The plan is focused on three key areas:
- Low Level Support and Management of Long Term Conditions
- Intermediate Care
- Improved Dementia Pathways

4.3.6 In each of these areas, services will be delivered in a more integrated holistic way across health and social care, improving outcomes for people using services and reducing duplication, inefficiency and waste at the interface of care.

4.3.7 The aims of the Hartlepool BCF Plan are to:
- Reduce the number of people aged 65 and over who are permanently admitted to residential care;
- Maintain current excellent performance in relation to delayed discharges attributable to social care;
- Reduce the number of delayed discharges and lost bed days from acute settings for people aged 65 and over who are medically fit for discharge;
- Reduce avoidable emergency admissions of people aged 65 and over;
- Increase the diagnosis rate of dementia;
- Increase the number of people supported by assistive technology; and
- Increase the number of people accessing reablement services.

4.3.8 By moving to new models of service delivery, reorganisation of pathways and removal of professional boundaries, reliance on intensive, high cost interventions will be reduced which will achieve savings across the health and social care economy.

4.3.9 It is highlighted within the guidance that the BCF is intended to provide protection for social care services that would otherwise be at risk.

4.3.10   The Hartlepool BCF plan identifies that funding currently allocated through the NHS Transfer to Social Care has been used to enable the local authority to sustain the current level of eligibility criteria and to maintain existing integrated services that support timely hospital discharge, delivery of reablement and telecare services, commissioning of low level support services and support for carers.

4.3.11   The plan states that investment in these services will need to be sustained to maintain this as the social care offer for Hartlepool and to maintain current eligibility criteria and will need to be increased in order to deliver 7 day services and to address the implications of the Care Bill, which will require additional assessments to be undertaken for people who did not previously access social care and provision of further support for carers.

4.3.12   It is also proposed that additional resources are invested in social care to deliver enhanced reablement and step up services, which will reduce hospital admissions and readmissions as well as permanent admissions to residential and nursing home care.

4.3.13   Prior to the changes to the national guidance regarding BCF it was anticipated that, through a combination of reducing the need for intensive, high cost services and additional investment in social care services that have a health benefit, a saving of £900,000 could be achieved through further integration of health and social care.

5.   RECENT ANNOUNCEMENTS REGARDING THE BETTER CARE FUND

5.1   The Department of Health and Department for Communities and Local Government sent two letters to all Health and Wellbeing Board Chairs on 11 July 2014 outlining proposed changes to the BCF assurance and planning processes, including changes in relation to the performance and finance metrics.

5.2   The key points relating to pay for performance and risk sharing are as follows:
- Up to £1 billion of the Better Care Fund allocated to local areas is to be spent on out-of-hospital services according to the level of reduction in emergency admissions they achieve.
- Health and Wellbeing Boards will propose their own performance pot based on their level of ambition for reducing emergency admissions (with a guideline reduction in emergency admissions of at least 3.5%) and they will be allocated a portion of the £1 billion performance money in the fund in accordance with the level of performance against this ambition.
- Where local areas do not achieve their target reduction in emergency admissions the money not released will be available to CCGs, principally to pay for the unbudgeted acute activity
- The remaining money from the performance pot not earned through reducing emergency admissions will be available upfront to be invested

in out of hospital NHS commissioned services (including joint services), agreed by Health & Wellbeing Boards.

• Reduction in unplanned admissions will now be the sole indicator underpinning the pay for performance element of the BCF. The other existing performance metrics will not be linked to payments but must still be included within plans.

5.3 The key points relating to plan improvement and assurance are as follows:
• A revised planning template will be issued by NHS England, requesting additional financial data around metrics, planned spend and projected savings
• Revised plans to be submitted at the end of the summer, ahead of a further process of national assurance and ministerial sign off
• NHS England will provide revised guidance to shape the further development of local BCF plans, including information on the revised pay for performance and risk sharing arrangements
• Plans will be reviewed later in the summer to ensure they are ambitious enough to achieve improvements in care and that every area is on track to begin in April 2015. A new national BCF Programme Team will be established working across Whitehall, local government and the NHS.

5.4 An initial analysis of impact on the Hartlepool BCF plan has been undertaken based upon the information received to date:
• The amount of funding to be held back in the Hartlepool BCF performance pot, dependent on the achievement of the target reduction in emergency admissions, will be between £776k (3.5% of spend on emergency admissions for Hartlepool) and £1.8m (based on a pro rata share of £1bn nationally).
• The Hartlepool BCF plan sets an ambition of a 6.4% reduction in emergency admissions with expected savings of £1.4m.
• Work is underway to determine which parts of the plan will be affected by the described funding changes and determine the overall impact on delivery of the outcomes.

5.5 Further guidance issued by NHS England and the Local Government Association on 25 July 2014 sets out the requirements for BCF plans to be revised and re-submitted by 19 September 2014 following sign off by Health & Wellbeing Boards.

5.6 The planning templates have been revised to provide added emphasis on the following:
• A clearer articulation of the analysis and evidence that underpins the BCF plans.
• A clearer articulation of the delivery chain that will underpin the shift of activity away from acute activity.
• A tighter description of the schemes underpinning the plan schemes and the underlying success factors.
• A much clearer focus on the risks, the risk sharing arrangements and the contingency plan in case the target reduction in admissions are not met.

- A clearer articulation of the alignment between the BCF and other plans and initiatives within a locality across NHS and social care.
- Ensuring that the potential impact of proposed schemes on providers are understood, and providers are fully engaged.

5.7   Further detail is also required regarding the protection of social care services, with the following information required:
- the total amount from the BCF that has been allocated for the protection of social care services.
- the total level of resource that will be dedicated to carer-specific support, and the nature of that support.
- Confirmation that at least the local proportion of the £135m has been identified from the NHS £1.9bn funding for implementation of new Care Act duties on councils (including new entitlements for carers, national minimum eligibility threshold, advocacy, safeguarding and other measures in the Care Act).
- The financial impact on local authority's budgets resulting from changes to the BCF policy since April 2014.

5.8   Work is underway with the CCG to further assess the impact of the revised guidance on the Hartlepool BCF plan and to complete the revised planning templates. Once this work is complete, the impact on the proposed savings in adult services will also be re-assessed, and further reports to Adult Services Committee may be required if there is a need to develop alternative savings proposals.

6.   OPTIONS ANALYSIS

6.1   A range of options to achieve the required savings have been explored across adult services and been discounted, primarily due to the level of risk involved. These include:

6.1.1   Reducing Capacity in Care Management Teams

This is considered too high risk due to the significant impact on people using services, impact on caseloads for social workers and the new requirements in relation to Deprivation of Liberty Safeguards. Reducing social work and occupational therapy capacity would also result in significant increases in waiting times for people who are referred for assessment and support and would have a negative impact on performance against key indicators, such as assessments completed within 28 days of referral, completion of annual reviews and people supported to access services using personal budgets.

6.1.2   Reducing Spend on Residential Placements
This is not possible in light of the fair cost of care and increased pressure on residential provision. A number of providers have already contacted the Council requesting an increase in fees due to the financial pressures on

providers associated with increases in the National Minimum Wage and increasing costs of food and utilities.

6.1.3   Reducing Spend on Personal Budgets
It is not possible to reduce spend on personal budgets without a fundamental review of the Council's approach to personalisation and the Resource Allocation System. Any attempt to reduce spend without a full consultation exercise and a clear rationale for change would result in significant risk of juridical review, as has been seen elsewhere in the country. People who already have services could not have their personal budget reduced without evidence of a reduction in their assessed level of need as the Council has a statutory duty to meet assessed need. A reduction in assessed need is difficult to evidence when the majority of people that are supported by the department have an ongoing need or condition which is likely to result in increasing needs over time and with age.   This issue will be revisited when considering savings for 2016/17 but is not expected to make a significant contribution to future savings targets.

6.1.4   Increasing Income
There is no scope to further increase income from contributions of people using services following the implementation in April 2014 of a revised Contributions Policy requiring people to contribute up to 100% of the costs of their support, dependent upon their ability to pay for services.

The savings proposals identified for 2015/16 take into account use of NHS funding via the Better Care Fund to support and protect social care services which would otherwise be at risk. Services already funded from the Better Care Fund allocation include reablement services, telecare, transitional care beds that support people after a hospital stay, support for carers, low level services, support services and equipment for older people in their own homes and day services for people with dementia.

7.   **RISK IMPLICATIONS**

7.1   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.

7.2   The risks considered in relation to the review of contracts are:
   • Management of provider relationships.
   • Implications of an increase in the National Minimum Wage and changes in Employment Law which may impact on the ability of providers to maintain current levels of service based on current contract values.

7.3   There are significant risks associated with the successful delivery of the BCF Plan which are logged in a BCF risk register and will be developed further as detailed plans for BCF implementation are agreed. The risks include:
   • There is insufficient time to implement the schemes to have the impact in the short term on performance and savings.

- The schemes identified in the BCF fail to deliver the required reduction in acute and care home activity by 2015/16, impacting on the funding available to support core services and future schemes.
- Partners can't agree the best model of service delivery and / or the implementation of the model.
- Introduction of the Care Act results in significant pressures for social care services with resulting impacts on the delivery of the BCF plan.
- Workforce skill mix and availability to deliver the new pathways of care is not adequate.
- The focus is on performance and savings rather than being person-centred.
- Shifting resources to fund new integrated services destabilises current providers, particularly in the acute sector.

8.   FINANCIAL CONSIDERATIONS

8.1   It has been highlighted in previous reports that failure to take savings identified as part of the 2015/16 savings programme will result in the need to make alternative unplanned cuts and redundancies elsewhere in the Authority to balance next year's budget.

8.2   The proposals outlined will deliver the following savings:-

Proposal	Proposed Savings
Review of Contracts	£75,000
Review of Management Structure	£100,000
Further Integration of Health & Social Care	£900,000
Total Proposed Savings	**£1,075,000**

9.   EQUALITY AND DIVERSITY CONSIDERATIONS

9.1   An Equality Impact Assessment will be undertaken as more detailed proposals to deliver the Better Care Fund are developed.

9.2   By definition, all of the savings proposals in adult services will affect the people who access adult services – those who are over eighteen and assessed against the Fair Access to Care Services (FACS) criteria as having a substantial or critical level of need (older people, people with learning disabilities, sensory loss or a physical disability, people with mental health needs, people who have alcohol dependency or substance misuse issues and carers).

10.   STAFF CONSIDERATIONS

10.1   Informal consultation with Trade Unions regarding any staffing implications associated with the savings proposals will be undertaken if needed as more detailed proposals to deliver the Better Care Fund are developed. Any staff

affected by the proposals will be informally notified and formal consultation will be undertaken in line with agreed HR policies and procedures, if the proposals are accepted.

10.2 At this early stage, it is anticipated that two posts will be deleted to support achievement of the adult services saving proposals, both of which are linked to expressions of interest in voluntary redundancy which will allow staff restructures and re-allocation of work to other team members.

11.   RECOMMENDATIONS

11.1 It is recommended that Members of the Committee
   - note the content of this report and formulate a response to be presented to Finance and Policy Committee; and
   - note that further reports may need to be considered by the Adult Services Committee as the position regarding the changes to the Better Care Fund become clearer.

12.   CONTACT OFFICER

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CHILDREN'S SERVICES COMMITTEE 12 August 2014	HARTLEPOOL BOROUGH COUNCIL

Report of: Director of Child and Adult Services

Subject: SAVINGS PROGRAMME

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1.   TYPE OF DECISION / APPLICABLE CATEGORY

1.1   Budget and Policy Framework

2.   PURPOSE OF REPORT

2.1   The purpose of this report is to identify proposals for the delivery of savings across Children and Education Services as part of the 2015/16 budget process.

3.   BACKGROUND INFORMATION

3.1   The overall reduction in the council revenue budget is currently forecast to be £5.65m. All Council Departments have, therefore, been considering potential options for achieving savings. Across Child and Adult Services the potential impact of the overall reduction in council budgets is currently forecast at £2.86m. In addition the Department is facing ongoing pressure for demand-led services as a result of increasing and high levels of need within families.

3.2   As part of the 2015/16 savings programme a number of options have been identified where savings could be made. As part of the process for setting the 2015/16 budget it has been agreed that individual policy committees will consider savings options prior to consideration by Finance and Policy Committee and then Council.

3.3   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
ii)   Financial considerations taken into account in developing the proposals.

3.4   The savings options under consideration involve: the integration of some service teams across the Children's Services Division and the Education Services Division; reducing high-end demand through prevention, early intervention; reducing unit costs; increasing traded services and reviewing the balance between directly provided services and those commissioned from the voluntary sector. Since the services across both these divisions deliver the statutory and non statutory duties of the Council as a Children's Services Authority and include the integration of teams across both Divisions the proposals are outlined in one report.

3.5   **Scope**

The services in scope are focussed on addressing the social care and education needs of all children and young people in Hartlepool, including the most disadvantaged and vulnerable, and their families and carers. In so doing the Department is also responsible for working closely with local partners to jointly plan and commission services that improve outcomes and the well being of children and young people in relation to their safety, health and education.

3.6   As a children's services is responsible for:

- Social care services for children in accordance with the Children Act 1989, this includes provision for children in need (including those in need of protection) children looked after and care leavers;
- The Youth Offending Service in accordance with the Crime and Disorder Act 1998;
- Early intervention services for children, young people and their families including the provision of children's centres, family support and the families information service;
- The Youth Support Service including the provision of youth clubs and services for young people not in education, employment or training;
- Hartlepool Safeguarding Children Board;
- Strategic commissioning for children.

3.7   Education Services Division is responsible for the delivery of:

- All Schools and the National Primary and Secondary Curriculum;
- 14-19 Strategy, Education for 14-19 age group;
- Schools Capital Strategy, Schools Innovation and Health And Safety;
- Social and Educational Inclusion, Vulnerable Pupils and the Pupil Referral Unit;
- Special Educational Needs;
- E-Learning and ICT in schools;
- Governor Support, School Governor Services and training;
- Performance Management/Management Information relating to service area responsibilities;
- School Admissions and School Place Planning;

- Brokering and commissioning general School improvement monitoring, challenge and support and for Schools causing concern;
- Continuing professional development for all school staff;
- Extended Schools and Early Years strategy development and performance;
- Educational Psychology.

3.8   In addition both Divisions contribute to the Council's Public Health responsibilities in relation to children, young people and families.

3.9   **Service Users**

The Department is responsible for securing universal early years services, statutory education and youth services for all children and young people in Hartlepool aged 0-19 and specialist support for those in need of protection, care and additional care and education services for those aged 0-25.

3.10   **Engagement and Feedback**

The Department engages with children, young people and their families through a range of methods including:

o Youth Council
o Engagement with the council's Children's Services Committee
o Corporate Parenting Forum
o Young Inspectors
o Service user focus groups.

Feedback on the performance of services is also obtained from external inspections and reviews, and an analysis of compliments and complaints. Consideration of savings options has taken account of the feedback we have received from service users and OFSTED.

3.11   **Current Budget**

The net General Fund expenditure on Children's social care and education is £19.7m with £4.75m of income generated.

The breakdown of how the £19.7m is spent is as follows:

Children & Families inc. Looked after Children	£12.1m
Early Intervention Services	£4.8m
Education / Raising Educational Achievement	£1.3m
Other (including Integrated Youth Support Service and Youth Offending)	£1.5m
TOTAL	**£19.7m**

3.12   **Budget Pressures**

Across Children's Social Care the Department is currently facing significant pressure as a result of increasing demand for high- cost specialist services in relation to child protection and Looked After Children. Over the past three years there has been a 30% increase in demand for children's social care services. As a consequence the Department is managing a £400k pressure in relation to looked after placement costs and £175k in relation to social worker posts required to meet the demand in relation to child protection.

3.13   These are funded from Departmental Reserves in 2014/15 and 2015/16 however there will be a pressure relating to these in 2016/17 and this will need to be included in the updated Medium term Financial Strategy Report. The remodelling of early help services will be focussed on ensuring interventions are effective in reducing the demand for placements and statutory social work intervention over the next two years within the context of the Medium Term Financial Strategy.

4.   **SAVINGS PROPOSALS**

4.1   The following services are within the scope of the proposals under consideration in this report:

- Early Help and targeted support across social care, education and health
- Youth Offer
- Looked After children costs
- SEND assessment and resource allocation across pre and post 16 education and care assessments 0-25
- Complex Needs Services
- Premature retirement costs
- Strategic Planning and asset management

4.2   The savings target for Children's Social Care and Education Services is £1,789,000.

4.3   **Details**

4.3.1   **Integration of Early Help and Intervention Services across social care, education and public health 0-19**

Saving £1m

It is proposed that we build upon our approach to family support and to Think Family, Think Community and remodel our early help and intervention services to achieve greater integration across social care, education and public health in order to identify need early and provide support to families as soon as possible. This will achieve a more efficient use of resource through the integration of teams, improve the co-ordination of help for families and will be central to our approach of a more focused model to manage high end

demand. In order to maintain, protect and improve existing services Public Health will contribute £0.5m towards this budget area. In addition, £0.5m of savings will be required. Changes to service provision will result in 2 staff leaving on ER/VR, a number of existing vacant hours being deleted within the Teams and approximately 9 redundancies across early intervention services. Other savings within this area will be achieved from contract savings within the Activities and Mentoring contracts and savings and non-inflationary increases across various non-pay budgets.

4.3.2 **Looked After Children Costs**

Proposed saving £440k

In order to achieve the departmental target of £1.79m, the department will need to achieve a saving of £800k in relation to the placement costs of children in care and this will be delivered over a three year period. This £800k is made up of a £400k pressure to be managed down (see paragraph 3.12) and a further £400k saving. Priority will be given to reducing numbers of looked after children and the costs of placements.

The strategy to manage this pressure is to reduce the number of children in care during 2015/16 by 10% (20 children) which will bring the budget spend back in line with budget allocation. Coupled with this , there will be a review of the policy on Child Arrangement (residence) and Special Guardianship Allowances and the use of section 17 budgets to try to reduce the number of looked after children. To achieve the balance of the savings in the following two years, this will be delivered through the remodelling of early help and intervention services and children's social care with a focus on demand reduction leading to fewer children in care. This will strategy be managed over a two year period to phase out the use of reserves and reduce the high levels of demand currently within the system through early intervention.

4.3.3 **Review of 0-25 Special Educational Needs and Disability (SEND) Assessment Arrangements and Complex Needs Services**

Proposed Saving £300k

A review of Complex Needs Services will be undertaken to ensure an appropriate balance in meeting the costs of providing for the care, health and education needs of children and young people receiving support from the small steps service, residential schooling for Looked After Children and assessment capacity. We will also integrate our SEND assessment and planning teams to develop a joined up approach to the one Education, Health and Care plans.

4.3.4 **Pre Retirement Costs**

Proposed reduction £11,000

This budget predominantly covers pre retirement costs relating to former Cleveland County Council. Savings from this budget can only be made when the number of former employees reduces. A review of this budget has identified savings of £11,000. The budget will be kept under annual review.

4.3.5 **Strategic Planning and Asset Management**

Proposed reduction £38,000

Education services currently hold a revenue budget to support feasibility studies in relation to asset management. A review of the budget has identified a £20,000 saving. Deleting this budget will mean that initially feasibility work will where possible be charged to the education capital programme. In addition a residual budget of £10k is currently held to support the development of the Children's Trust Plan and £8k in relation to the former children's services grant. It is proposed to delete these budgets and support the work through existing strategic commissioning capacity.

5. OPTION ANALYSIS

5.1 A range of options to achieve the required savings have been explored and discounted because of the level of risk involved. These include:

- Reducing capacity in social work teams which is considered to be too high a risk due to impact on case loads and the risk to child protection.
- Reducing capacity in school improvement which is considered to be too high a risk in relation to meeting the Council statutory responsibility for school improvement and the priority to ensure every school in Hartlepool is a good school
- Reducing Foster Carer Allowances which is considered to be too high a risk given the need to avoid expensive placements in the independent sector
- Closure of Children's Centres which would compromise the Council's ability to provide early community- based support to families
- Deletion of funding to support short breaks which would compromise the Council's ability to meet the needs of vulnerable families with disabled children
- Reduction in commissioned services to the voluntary and community sector which would compromise the council's ability to reduce high end demand through community based services.

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 the decision making process.

6.2   The risks relate to

- The need to accelerate service and system change in the reorganisation of services
- The early intervention services will need to bring about sufficient change to reduce high end demand
- Partners will need to fully engage in the process and agree the best ways of working together to achieve the necessary improvements and efficiencies
- Shifting resources to prevention from acute services could destabilise acute services.

6.3   Risk can be mitigated through

- Effective project management and governance
- Commencing the redesign process as early as possible
- Providing effective workforce development to support the change
- Planned short term use of reserves to support the shift from acute spend to prevention.

7.   FINANCIAL CONSIDERATIONS

7.1   Failure to progress the proposals outlined in this report will result in the need to make alternative unplanned saving and redundancies elsewhere to balance the 2015/16 budget. The proposals outlined will deliver the following savings:

Service	Proposed Savings
Integration of early help and intervention services across social care, education and public health 0-19	£1,000,000
Looked After Children	£440,000
SEND and Complex Needs Services	£300,000
Premature Retirement Costs	£11,000
Strategic Planning & Asset Management	£38,000
Total Proposed Savings	**£1,789,000**

8.   EQUALITY AND DIVERSITY CONSIDERATIONS

8.1   A full Equality Impact Assessment will be undertaken as detailed proposals are developed. By definition all the savings proposals will affect people who access children's services. The proposals will be developed to protect services to the most vulnerable and ensure equality of access to universal provision.

9.   STAFF CONSIDERATIONS

9.1   At this early stage it is anticipated that six to eight posts will be deleted in support of the proposals and a further six will be subject to TUPE. Every effort will be made to achieve the deletions through deletion of vacant posts, turnover management and voluntary redundancy.

9.2   Informal consultation with Trade Unions will be undertaken as the proposals develop. Any individual staff affected by the proposals will be informally notified and formal consultation will be undertaken in line with Council policies and procedures.

10.   RECOMMENDATIONS

10.1   It is recommended that members of the Committee note the contents of this report and formulate a response to be presented to Finance and Policy Committee

11.   CONTACT OFFICERS

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REGENERATION SERVICES COMMITTEE

24th July 2014

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HARTLEPOOL BOROUGH COUNCIL

Report of: Director of Regeneration and Neighbourhoods

Subject: SAVINGS PROGRAMME 2015/16 – REGENERATION DIVISION

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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 Regeneration Division (excluding Estates and Regeneration) 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 services within the Division is included in the report.

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

Appendix C4 - RND Savings Programme 2015-16 - Regeneration Services Divi...

1   HARTLEPOOL BOROUGH COUNCIL

3.5   **Economic Regeneration** – The Economic Regeneration Team provides the Council lead on the Jobs and Economy Theme and offers services to residents and businesses.

3.5.1   The Business Team is responsible for Hartlepool's Business Incubation System and providing business infrastructure such as Queens Meadow, Incubation Units at Hartlepool Enterprise Centre and working with key partners including UKSE to develop high quality business units. The Team has established Enterprise Zones at Queens Meadow, Port Estates and Oakesway. At the same time the team works with growth companies to ensure they can maximise financial assistance available through, for example, Regional Growth Fund where the team has a successful track record. The service works closely with the Regeneration Team and is driving forward the Hartlepool Vision and Master Plan and regeneration plans for Seaton Carew, based on mixed development opportunities. The Team is supporting housing regeneration and is also driving forward the Innovation and Skills Quarter initiative.

3.5.2   The Tourism Team undertakes specialist business support for the visitor economy and is actively involved in the development of a range of activities including the EAT Initiative. The service is also at the forefront of e-marketing activities. Hartlepool Working Solutions offers employability services to get residents back into training and employment with a particular focus on young people. The service has been successful in drawing down external funding to support key initiatives and has also launched the Hartlepool Youth Investment Project which provides the key framework for youth intervention

3.6   **Culture and Information** – The Culture and Information Section is responsible for the museums and galleries, libraries, heritage attractions, community centres, theatre and events programme across the Borough. These venues include:

- Museum of Hartlepool.
- Hartlepool Maritime Experience.
- Hartlepool Art Gallery.
- Sir William Gray House.
- Central Library.
- Owton Manor Library.
- Seaton Library.
- Headland Library.
- Owton Manor Community Centre.
- Burbank Community Centre.
- Masefield Centre.
- Throston Library

3.6.1   The Service also operates a mobile library and home delivery service. Oversees events across the Borough and supports the Independent Safety

Appendix C4 - RND Savings Programme 2015-16 - Regeneration Services Divi...

2   HARTLEPOOL BOROUGH COUNCIL

Advisory Group (ISAG). The Service is involved in a number of Tees Valley and Hartlepool projects such as the First World War Project, Enterprising Libraries, 999:What's Your Emergency, Young Cultural Ambassadors and the Summer Reading Challenge to name but a few.

3.7 **Planning Services** – The Planning Service consists of four discrete teams: Development Control Team focuses on assessing proposals for new development and their impact on their surroundings, particularly in the form of planning applications and informal planning submissions. The section is also responsible for monitoring development and, where necessary, implementing enforcement action against unauthorised development, including derelict untidy buildings and land.

3.7.1 Planning Policy is responsible for spatial planning policy and sustainable development policy, this includes the preparation, monitoring and review of the statutory Local Development Framework including the Local Plan, which will establish the overarching planning policy framework for the Borough and will eventually replace the adopted Hartlepool Local Plan 2006.

3.7.2 Landscape Planning and Conservation provides professional and technical expertise aimed at the conservation, protection and enhancement of the natural and built environment of Hartlepool.

3.7.3 Tees Archaeology is a shared service between Hartlepool and Stockton Borough Councils based in Sir William Gray House. The section provides the Local Planning Authorities and other relevant organisations with advice on the archaeological implications of planning proposals and, maintains and updates a Heritage Environment Record (HER).

3.8 **Housing Services** – The Housing Services Team is responsible for administering and undertaking the Council's strategic housing functions, together with Housing Market Renewal activity and the Housing Options Service. Activity also includes managing bids for associated housing and regeneration funds, together with funding for the provision of affordable housing, housing advice and homeless services, tenancy advice and assistance. This section works with Registered Providers to build affordable housing in the town and with other developers to improve and increase the affordable housing options available to the market in Hartlepool. The role is also to support and assist in the progression of the Housing Partnership. In addition, the team co-ordinates and works with housing delivery services teams to ensure an integrated Housing Service across the Authority.

3.8.1 The Private Sector Housing team is involved in the current problems associated with low demand in the private housing sector, working with landlords regarding empty homes and selective licensing. The team also provides financial help for adaptations to houses for disabled persons and to owners to improve the condition of private houses.

Appendix C4 - RND Savings Programme 2015-16 - Regeneration Services Divi...

3   HARTLEPOOL BOROUGH COUNCIL

3.8.2   The Housing Advice Team runs the Choice Based Lettings Service, maintains the Housing Register (waiting list), gives free advice and, where appropriate, assistance in obtaining and keeping accommodation. The team operates a Landlord Tenants Service to give advice and assistance to landlords and tenants in the conduct of tenancies.

3.9.   Other services within the Division include Estates and Regeneration, Learning and Skills (Adult Education) and Building Control. Savings proposals relating to Estates and Regeneration will be reported through the Finance and Policy Committee. There are no savings being proposed at this stage for the Learning and Skills and Building Control Services.

3.10   **Scope of Proposed Savings**

3.10.1   The savings proposed can be bundled into four discrete packages as follows:-

   i)   Divisional Management Structure
   ii)   Cross Departmental Management Structure
   iii) Specific Operational Service Proposals
   - Economic Regeneration
   - Planning
   - Housing
   - Culture and Information

3.11   **Service Users**

3.11.1   The range of services covered by this report are delivered across the whole of the Borough dealing with people across all age groups, however, within these functions there are many discreet services which have been tailored for particular user groups. Some examples are listed below for illustrative purposes and are by no means exhaustive.

   - Going Forward project – 16 to 24 year olds (NEETS).
   - Family Wise – Supporting residents with multiple problems.
   - Selective Licensing – targeted towards areas of the town with a high proportion of private rented housing.
   - Housing Adaptations service – targeted towards people with disabilities.
   - Housing Advice – targeted towards people in need of housing or who are homeless or at risk of becoming homeless.
   - The Business Team – supports the business community from new start ups right through to large scale inward investors.
   - Adult Education – providing a wide range of services and learning opportunities to people aged over 16.
   - Planning One Stop Shop – providing comprehensive planning advice and guidance to residents, architects, consultants, developers and businesses.
   - Book Trust Programme – aimed at children from 9 months to 5 years.

- Home Library Service – delivering books directly into the homes of library members who are in ill health or have mobility issues.
- Arts for Team – programme using art as a mechanism to inspire, develop and train young people.
- Museum of Hartlepool – 132,067 visitors 2014/14.
- Learning: School Visits – 1146 facilitated school visits by people to the Museum and Art Gallery in 2013/14.

3.12   **Engagement**

3.12.1 Feedback from service users is obtained in a variety of different ways and this is often determined by the type of service, the target audience, the way in which services are delivered. Examples include:

- Updating of the the Economic Regeneration Strategy involving consultation through the Economic Forum.
- Hartlepool Vision launch and engagement in January 2014 involving over 150 businesses and a similar number of residents.
- Following the launch of the Vision, the commencement of the Waterfront Masterplan process will see ongoing consultation over the next 6 – 9 months as the plan is developed. This will involve Members, the public, businesses and other interested groups.
- Training and Employability Programmes – all trainees are regularly consulted for satisfaction ratings.
- Housing Regeneration Carr and Hopps – regular one-to-one engagement with residents who remain in the area as the project moves forward.
- Regular attendance at resident group meetings to discuss, for example, housing standards, Selective Licensing, Empty Homes etc.
- Visitor surveys for specific events and festivals including, for example, Golf Week, to evaluate the success of the event and to learn from the experience.
- Annual satisfaction survey for tenants at the Hartlepool Enterprise Centre.
- Home Library User surveys – 394 in 2011.
- Cathy Cassidy – Author Event evaluation - 378 responses – February 2014.
- Local History lecture – 22 responses – March 2014.
- Library Services Review – Mobile Survey evaluation – 154 responses – September 2013.

3.13   **Inputs**

3.13.1 The current cost to the Council of providing the services relevant to the Regeneration Committee are as follows:-

Economic Regeneration	£950,000
Planning Services	£355,000

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Housing Services	£640,000
Culture and Information	£1,700,000
Building Control	£60,000
Learning and Skills (100% grant funded)	£Nil
Total	**£3,705,000**

3.14 Outputs and Outcomes

3.14.1 The services provided within the Regeneration Division are so broad and varied that it would be difficult to list all outputs and outcomes across all areas of delivery, however, the following is a summary of some of the key highlights: -

3.14.2 **Economic Regeneration**

- The service contributes to a range of key economic performance outcomes including unemployment and employment rates, business start up and business stock levels, provision of key business infrastructure including business park development and managed workspace. Whilst not the focus of the service, the health and wellbeing of local residents is positively impacted on through meaningful employment and economic engagement. As an example youth unemployment rate has decreased from 17% in September 2012 to 9.7% in June 2014.

- To date the employability services of Family Wise, Going Forward and Connect 2 Work have achieved 221 employment outcomes for mainly young people.

- Hartlepool achieved 33% of the land allocation within the Tees Valley Enterprise Zone with Port Estates achieving ECA status, Queens Meadow achieving NDR discount status and Oakesway Industrial Estate achieving local Enterprise Zone status. To date 8 projects have been delivered at Queens Meadow and the Port, the highest number of projects achieved across the Tees Valley Enterprise Zone to date, attracting £1.7M of private sector investment and creating or safeguarding 115 jobs.

- Hartlepool's business start up rate per 10,000 head of population has been consistently higher than the Tees Valley and North East rate and the gap between Hartlepool and the Great Britain figure has narrowed from 27 per 10,000 per head of population to 15.

3.14.3 **Planning Services**

- The service contributes to key outcomes including supporting the long term sustainable development and growth of the town which in turn impacts on the health and wellbeing of local residents.

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- The determination of planning applications which supports the development and growth of the town and also carries out appropriate planning regulation enforcement which supports appropriate development and growth. Planning plays a key role in a comprehensive and coordinated approach of action against untidy and derelict buildings and land and also deals extensively with the control of waste sites.

- Production of the Local Plan which provides a long term plan to support the development of the town and at the same time supporting the Council's priorities.

- Development of planning and development briefs for key sites including master planning which helps deliver growth through the allocation of sites.

- Provision of the One Stop Shop advisory service which helps to ensure better quality applications are submitted.

- Conservation provides specialist advice aimed at the protection and enhancement of the natural and built environment of Hartlepool including advice and guidance to owners of listed buildings and other historic assets and has supported conservation areas by providing grant support. The service includes ecology and arboricultural advice and the service has undertaken paid for consultancy work. Current key projects include the Limestone Landscape project in Hart and Elwick, the Village Atlas for Elwick and the delivery of greater public access and connectivity in the area supported by Heritage Lottery Funding.

3.14.4 Housing Services

- The service contributes to key performance outcomes including the reduction in empty homes, improved residential accommodation including HMR and reducing and preventing homelessness, which in turn contributes to the health and wellbeing of local residents.

- Empty Homes initiatives are a key activity within this service, including a pilot programme with Housing Hartlepool and the Empty Homes purchase scheme, to date 132 empty properties have been acquired for refurbishment and re-let.

- The service proactively uses Section 215 planning powers to improve housing conditions and at the same time undertakes statutory enforcement where appropriate.

- A range of grant assistance is delivered to help owners carry out essential repairs and also offers the disabled facilities grant, for 2013/14 a total of 244 properties have benefited from this scheme.

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- Housing and homelessness advice is provided and specific targeted support is given to many vulnerable groups and clients which allows individuals to maintain independent living. During 2013/14 homelessness was prevented in 326 cases.

- The service also develops strategies and provides specialist advice on the development of appropriate Council policies in relation to the housing market and at the same time liaises with external partners and developers to ensure the appropriate provision of residential accommodation. A developing area of work is around welfare reform and there is extensive liaison with partners to ensure that local residents are fully supported through major reform processes.

- Housing Regeneration remains a key issue for the town with several sites including Perth/Hurworth and Carr/Hopps Street seeing significant investment in improving homes and housing stock. 84 properties are being built in Perth/Hurworth areas whilst 85% of the properties in Carr/Hopps Street have been acquired for demolition.

- Choice based letting allocations has been successfully implemented in the town and is very popular with clients and service partners.

- Selective Licensing has been introduced to improve standards in properties in low demand areas. This tool is proving useful in conjunction with other measures to improve housing management and plans are being prepared to propose an extension to the scheme to other areas of the town.

3.14.5 **Building Control**

- The service significantly impacts on key outcomes by the enforcement of the Building Regulations, contributing towards the health, safety and wellbeing of Hartlepool residents and visitors alike by ensuring their safety in and around buildings. The service also has a positive key impact on sustainability in regard to climate change issues and at the same time contributes to the health and wellbeing of local residents.

- Hartlepool Building Control service enforces the national Building Regulations by way of plan appraisals, site inspections, and contravention inspections. This ensures that buildings and developments are built to agreed national building regulation standards.

3.14.6 **Culture and Information**

- Over 38,852 hours of usage was achieved for the Library Peoples Network computer scheme against a target of 30,000 for 2013/14.

- 18,862 engagements with children aged 0-19 were achieved through library delivered literary and learning activities against a target of 12,000.

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- 244,768 visits to the Museum of Hartlepool, Hartlepool maritime Experience and Hartlepool art Gallery against a target of 202.000.

4. PROPOSALS

4.1 The savings target for the Regeneration and Neighbourhoods Department is £1.860m 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 £2.030m 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. The contribution towards this form the service which fall under the remit of the Regeneration Committee equates to £380,000. The remainder will be considered by Finance and Policy Committee £540,000 and Neighbourhoods Committee £940,000.

4.2 **Divisional Management Structure**

Further to the management reconfigurations that have taken place year on year for the last 4 years, a further proposal to slim down the strategic management structure is being proposed. However, this will not result in any savings directly as it is purely to put in place a more streamlined strategic management structure.

Specifically the proposal is to merge the Building Control service into the Planning Service.

4.3 **Cross Departmental Management Structure**

Illustrating the theme of addressing the budget savings in a cross departmental way, a proposal is being put forward to merge two service areas through a reconfiguration of the two services, one within the Regeneration and one within the Neighbourhoods Division. This saving will be reported to the Neighbourhood Services Committee as part of the 2015 / 16 savings programme. This will result in a new service area under the Assistant Director for Regeneration which combines elements from the Parks and Countryside Service along with elements from the Landscape and Conservation Service.

4.4 **Economic Regeneration £50k**

Through a further reconfiguration of services related to marketing and the visitor economy, it is anticipated that savings in the order of £50,000 can be made. This will be achieved with the deletion of a currently vacant post plus savings made across various budget lines.

4.5 **Planning £50k**

Savings in the order of £50,000 are being proposed which would be a combination of efficiencies related to bringing various budgets together as a consequence of the merger of Building Control into the Planning Service.

4.6 **Housing Services £85k**

Savings of approximately £85,000 are being proposed from Housing Services through a combination of bringing services back into the Council which were previously delivered externally via a management agreement and was considered by Members at Finance and Policy Committee in December 2013 and subsequently approved in April 2014. Further anticipated income streams from for example, the setting up of a Social Lettings Agency which was agreed by Members at Finance and Policy Committee in June 2014.

4.7 **Culture and Information £195k**

4.7.1 The following proposals are being considered as savings from within Culture and Information:-

- Restructure library management and operational structure – with the loss of one post by early retirement/voluntary redundancy.
- Reduce various operational budgets.
- Reduce library staff hours and reduce by one further post by way of early retirement/voluntary redundancy.

4.7.2 The above proposals will achieve overall savings in the order of £195,000.

4.7.3 With regard to proposed savings related to the library services, consideration had been given to the closure of all or some of the branch libraries and whilst this proposal has not been ruled out entirely, it has been deferred for consideration for 2016/17 on the basis that if it is to be considered, a full review of the branch libraries will need to be undertaken. This will look at closure, community asset transfer, alternative delivery models etc, and will require full community consultation in order to ensure the decision, if it is made, is not subject to legal challenge.

4.8 **Impact**

The above proposals will potentially have the following impacts:-

- The weakening of the strategic management capability of the Regeneration Division.
- Direct impact to service users, either through the closure of community centres, the closure of some community centres or the reduction in the opening hours.
- The ability to meet performance targets in the Planning Service by deleting one post and spreading those duties across other members of the Planning Service. This could ultimately put pressure on the service with the ultimate risk of being place in special measures.

- Direct impact on the service users by weakening of the front line services in the case of Planning, Economic Regeneration, Housing and Culture and Information staffing reductions.

5.   OPTIONS ANALYSIS

5.1   A variety of options have been considered across all of the service areas within the Division, including the following:-

- Reducing staffing levels to only provide statutory services, however, this would prevent the Council from delivering on socio-economic wellbeing for its residents.
- Ceasing or reducing the delivery of services. This would specifically affect the Council's ability to deliver on key policy areas, weakening outcomes which can be achieved.
- Reducing Management capacity, at the strategic management level both within and across the two Divisions within the Department. This will affect management capacity, resilience and potentially effectiveness.
- Outsourcing key services. No obviously beneficial efficiencies have been identified with this option.

6.   RISK IMPLICATIONS

6.1   There are a number of risks implicit in the delivery of any package of savings in the magnitude of those being proposed across the Department and it is important to highlight these clearly as part of the decision making process.

- Reduced staff morale. Where restructuring has a continuing impact as the level of staff left to deliver services, it is essential to engage fully with those staff in order services are delivered in an effective and efficient way.
- Loss of expertise. The proposed staffing restructures and reorganisation will ensure, as best as is possible in the circumstances, that the management and operational skill sets are maintained at an appropriate level and that training will be provided to staff to support them where appropriate.
- Reduced operational budgets can lead to a reduced ability to deliver key targets, outputs and outcomes.
- Reputational damage for the Council. With the continued reduction in budgets and the ability to deliver frontline services through reduced staffing capacity, there is a real danger the Council's reputation will suffer. There may be an increase in the number of complaints or a reduction in the level of customer satisfaction.

7.   FINANCIAL CONSIDERATION

7.1   The proposals deliver the following savings options

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Service	Proposed Savings
Economic Regeneration	£50,000
Planning	£50,000
Housing Services	£85,000
Culture and Information	£195,000
Total	**£380,000**

7.2   An impact Assessment has been undertaken and is attached at **Appendix A**

8.   EQUALITY AND DIVERSITY CONSIDERATIONS

8.1   An Equality Impact Assessment has been completed assessing the impact of the Savings Programme proposals on those groups with protected characteristics, options to mitigate, avoid or reduce impact have been considered as part of the proposal. It is clear that there is no potential for discrimination or adverse impact on any Protected Characteristics groups. All opportunities to promote Equality have been taken and further Equality Impact Assessments have been identified to assess the impact on future savings proposals.

9.   RECOMMENDATIONS

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

10.   STAFF CONSIDERATIONS

10.1   Initially informal communication will be undertaken with Trade Unions and staff regarding the staffing implications as a consequence of these proposals being accepted. Formal consultation with staff and Unions in line with Council policies.

11.   CONTRACT OFFICER

11.1   Denise Ogden
         Director of Regeneration and Neighbourhoods
         Level 3
         Civic Centre
         Hartlepool
         TS24 8AY

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Department	Division	Section	Owner/Officer
Regeneration & Neighbourhoods	*Regeneration*		*Denise Ogden / Damien Wilson*
Function/ Service	SAVINGS PROGRAMME 2015/16 REGENERATION DIVISION		

SAVINGS PROGRAMME 2015/16
REGENERATION DIVISION

The aim of this impact assessment is to ensure that any potential impact on equality is assessed and considered prior to decisions being made that impact on people and services.

The savings proposed can be bundled into four discrete packages as follows:-
- Divisional Management Structure
- Cross Departmental Management Structure
- Specific Operational Service Proposals
  - Economic Regeneration
  - Planning
  - Housing
  - Culture and Information

Divisional Management Structure

A proposal to slim down the strategic management structure is being proposed, specifically the proposal is to merge the Building Control service into the Planning Service. There is no direct impact on Equality.

Cross Departmental Management Structure

Reconfiguration of two services, one within the Regeneration and one within the Neighbourhoods Division. This will result in a new service which combines elements from the Parks and Countryside Service along with elements from the Landscape and Conservation Service. There is no direct impact in Equality.

Economic Regeneration

Further reconfiguration of services related to marketing and the visitor economy. There is no direct impact on Equality.

Planning

The savings proposal includes a combination of efficiencies related to bringing various budgets together. There is no direct impact on equality.

Housing

Savings of approximately £85,000 are being proposed from Housing Services through a combination of bringing services back into the Council which were previously delivered externally via a management agreement. Further anticipated income streams from for example, the setting up of a Social Lettings Agency which

	was agreed by Members at Finance and Policy Committee in June 2014. **Culture & Information** Savings proposal includes, restructure library management and operational structure; reduction of operational budgets; staffing reductions due to voluntary redundancy/early retirement; reduce library staff hours and potential redundancies. The voluntary redundancy/early retirement opportunities are in line with HR policy and staff have been appropriately advised and will be supported throughout the process. No direct impact on Equality. With regard to proposed savings related to the library services and community centres, consideration had been given to the closure of all or some of the branch libraries and community centres and whilst this proposal has not been ruled out entirely, it has been deferred for consideration for 2016/17 on the basis that if it is to be considered, a full review of both services will need to be undertaken. This will look at closure, community asset transfer, alternative delivery models etc, and will require full community consultation in order to ensure the decision, if it is made, is not subject to legal challenge. A full Equality Impact Assessment will be completed at the appropriate time.
Information Available	The range of services considered as part of the savings programme are delivered across the whole of the Borough dealing with people across all age groups, however, within these functions there are many discreet services which have been tailored for particular user groups. Some examples are listed below for illustrative purposes and are by no means exhaustive. Feedback from these groups is used to inform the delivery of services. - Going Forward project – 16 to 24 year olds (NEETS). - Family Wise – Supporting residents with multiple problems. - Selective Licensing – targeted towards areas of the town with a high proportion of private rented housing. - Housing Adaptations service – targeted towards people with disabilities. - Housing Advice – targeted towards people in need of housing or who are homeless or at risk of becoming homeless. - The Business Team – supports the business community from new start ups right through to large scale inward investors. - Adult Education – providing a wide range of services and learning opportunities to people aged over 16. - Planning One Stop Shop – providing comprehensive planning advice and guidance to residents, architects, consultants, developers and businesses. - Book Trust Programme – aimed at children from 9 months to 5 years.

	• Home Library Service – delivering books directly into the homes of library members who are in ill health or have mobility issues. • Arts for Team – programme using art as a mechanism to inspire, develop and train young people. • Museum of Hartlepool – 132,067 visitors 2014/14. • Learning: School Visits – 1146 facilitated school visits by people to the Museum and Art Gallery in 2013/14. **Engagement** - Feedback from service users is obtained in a variety of different ways and this is often determined by the type of service, the target audience, the way in which services are delivered. Examples include: • Updating of the Economic Regeneration Strategy involving consultation through the Economic Forum. • Hartlepool Vision launch and engagement in January 2014 involving over 150 businesses and a similar number of residents. • Following the launch of the Vision, the commencement of the Waterfront Masterplan process will see ongoing consultation over the next 6 – 9 months as the plan is developed. This will involve Members, the public, businesses and other interested groups. • Training and Employability Programmes – all trainees are regularly consulted for satisfaction ratings. • Housing Regeneration Carr and Hopps – regular one-to-one engagement with residents who remain in the area as the project moves forward. • Regular attendance at resident group meetings to discuss, for example, housing standards, Selective Licensing, Empty Homes etc. • Visitor surveys for specific events and festivals including, for example, Golf Week, to evaluate the success of the event and to learn from the experience. • Annual satisfaction survey for tenants at the Hartlepool Enterprise Centre. • Home Library User surveys – 394 in 2011. • Cathy Cassidy – Author Event evaluation - 378 responses – February 2014. • Local History lecture – 22 responses – March 2014. • Library Services Review – Mobile Survey evaluation – 154 responses – September 2013.

Relevance	Age	
Identify which strands are relevant to the area you are reviewing or changing	**Disability**	
	Gender Re-assignment	
	Race	
	Religion	

	Gender	
	Sexual Orientation	
	Marriage & Civil Partnership	
	Pregnancy & Maternity	
Information Gaps	*An Equality Impact Assessment is required for Housing to assess the impact of bringing services back into HBC.* *Future Impact Assessment will be required as part of decisions and planning around the future of the library service.*	
What is the Impact	Equality Impacts on those groups with protected characteristics have been considered as part of the Savings Programme proposals. Impact are deemed to be minimal and options to mitigate, avoid or reduce impact have been considered as part of the proposal, inc: • Increased pressure on staff to deliver services and potential to reduce flexibility and effectiveness of services. • Impact on the service users by weakening of the front line services in the case of Planning, Economic Regeneration, Housing and Culture and Information staffing reductions. • Early Retirement/Voluntary Redundancy opportunities are in line with HR policy and staff have been advised appropriately.	
Addressing the impact	*The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.* **1. No Impact- No Major Change -** *It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.*	

Actions

It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.

Action identified	Responsible Officer	By When	How will this be evaluated?

Date sent to Equality Rep for publishing	00/00/00	
Date Published	00/00/00	
Date Assessment Carried out	00/00/00	

NEIGHBOURHOOD SERVICES COMMITTEE

19ᵗʰ August 2014

Report of: Director of Regeneration and Neighbourhoods

Subject: SAVINGS PROGRAMME 2015/16 –
                   NEIGHBOURHOODS DIVISION

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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 Neighbourhood Services Division 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 have been 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   The services under consideration as part of this report are as follows:-

3.4.1   **Building Design and Construction** - The Building Design & Construction section provides an integrated property service comprising:

A complete building design consultancy service including feasibility studies, building surveying, condition surveying, design, advice, energy management, project management and a procurement service for construction schemes. It comprises Architects, Clerk of Works, Landscape Architects, Quantity Surveyors, Mechanical & Electrical Engineers and CDM Coordinators. A full CCTV design service is also available.

Full inspection compliance services, in accordance with current legislation including electrical test and inspection, Part 'P' inspections, Legionella control and management, gas safety inspections, asbestos management and accessibility/access audits.

Operational support services including stores provision and purchasing, depot operations, depot security, small plant and tool hire and a cutting facility for the manufactured joinery items.

Construction services including general building and mechanical and electrical services. To provide a full planned and cyclical building/property maintenance service, together with a 24 hour 7 day per week reactive and emergency call out service.

The combined services above enable the section to provide a one stop shop service for a full range of property/construction related projects and services ranging from the very small to the very large and complex. The section are focussed on creating long term value and long lasting relationships and the culture is one of continuous improvement and workforce development.

3.4.2 **Community Safety and Engagement**

Responsible for the development and activities of the Safer Hartlepool Partnership including the town's 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. This element of the section reports to the Finance and Policy Committee.

The team is 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.

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.

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

3.4.3 Emergency Planning

Hartlepool Borough Council is the lead Authority for Emergency Planning Unit.

The EPU co-ordinates the planning, training and documentation of emergency related requirements for the Tees Valley authorities of Hartlepool, Stockton, Middlesbrough and Redcar & Cleveland.

3.4.4 Parks and Countryside

The Parks and Countryside Section is responsible for the care, development and promotion of green spaces and the services that are dependent upon them. These include:

• Parks and Country Park areas
• Town wide Horticulture work
• Countryside Wardens and Nature Conservation areas
• Coast and associated Beach Safety provision
• Public Rights of Way and the Countryside Access Network
• Cemeteries and the Crematoria
• Children's outdoor play spaces and fixed play equipment
• Football pitches, games spaces and bowling greens

The team includes the experienced and flexible green space grounds maintenance staff out on sites and the support teams that co-ordinate this work. The section also has an important development role and the team, as part of its work, looks through partnerships with other agencies and the local community to access funding, support and educational opportunities to develop and enhance the value of Hartlepool's green spaces.

3.4.5 Services Direct

Services Direct operates and delivers a number of key service areas both within Hartlepool Borough Council and to the private sector, including:

• School Meals Service
• Function Catering
• Building Cleaning
• Security Contract

- Inspirations Café and Garden Centre
- Services Direct

The fundamental aim is to provide a value for money efficient service for our customers, ensuring continuous improvement within Service Level Agreements and workforce development and training for the 600 staff. Where it is feasible the section will endeavour to seek out new opportunities for growth, with particular attention to income generation and sustainability.

3.4.6 Street Care

The Street Care section provides a 'one-stop-shop' for a range of front-line services delivered across the town. 'Working for a safer, cleaner environment' is our key aim and we achieve this through a combination of on-street service delivery, co-ordinated education campaigns and enforcement activities when the need arises.

Services within Street Care include:

- Waste Disposal
- Street Cleansing
- Grounds Maintenance
- Refuse and Recycling Collection
- Highways (Repair and Maintenance)
- Street Lighting
- Environmental Enforcement
- Civil Enforcement
- Dog Warden Service
- Allotments

Scheduled day to day activities ensure that roads and back streets are kept clean and safe, domestic and street litter bins are emptied regularly, street lights are working and roadside verges are kept trimmed and free from litter.

The section also provides fast response teams to deal with emergencies ranging from horses straying on the highway to clean-up operations following road traffic accidents.

Education campaigns around litter, responsible dog ownership and recycling are carried out amongst schools and the wider community and these play an important part in changing people's attitudes. Partnership working is also at the heart of our section, which enables us to provide a multi-agency approach to service delivery.

3.4.7 Technical Services

The Technical Services Section provides a range of services across Traffic & Transport, Engineering Design and Integrated Transport.

Areas of responsibility include the management and co-ordination of the highway network, the provision of a safe and effective transport system, road safety and maintaining safe, smooth traffic flows.

The section also provides civil, structural and environmental engineering services for the Council, with areas of responsibility which encompass coast protection, land drainage, contaminated land, bridge maintenance, dangerous structures and demolition.

The integrated transport service includes road safety, this includes the school crossing patrol service, passenger transport and fleet services, aiming to provide a fully integrated single transport service, offering good links to fully accessible 'mainstream' public transport, regardless of mobility needs.

3.5   Service Users

3.5.1   The range of services covered by this report are delivered to all residents across the whole of the borough, agencies working in Hartlepool from the statutory, voluntary and community as well as providing commercial services to external organisations and schools via Service Level Agreements and contracts.

3.6   Engagement

3.6.1   Services provided include delivery to internal and schools clients but some service portfolios have by necessity significant external public sector, commercial and private cliental. To meet the Councils client service expectations some service portfolio are already operating under the parameters of a public sector charging and trading arm to assist revenue streams.

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, and the way in which it is delivered. Examples include: -

- Satisfaction questionnaires
- Regular progress and liaison meetings with users and providers
- Attending Neighbourhood Forums, resident groups and associations
- Transport Champions Group
- Transport Liaison Groups

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.
- 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.

3.7 **Inputs**

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

Service Area	2014/15 Net Budget £'000
Building Design and Construction	(200)
Community Safety and Engagement	1,110
Emergency Planning	60
Parks and Countryside	340
Services Direct	940
Street Care	8,000
Technical Services	6,500
	16,750

3.7.2 The cost of these services to the Council, in line with many other service areas in the Council, reduced significantly over the last 4 years. In addition, many of the areas in question are "trading activities" and have, as an integral part of their budget, income generation requirements. Some areas, as can be seen from the table, are budgeted to make a surplus. Some areas do not have budgets and rely on fees and income.

3.8   **Outputs/Outcomes**

- Delivery of technical, support and frontline services to internal Council departments, external organisations and schools.
- Delivery of the Council's Neighbourhood Management and Empowerment Strategy and the Voluntary and Community Sector Strategy.

4.   PROPOSALS

4.1   The savings target for the Regeneration and Neighbourhoods Department is £1.860m 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 £2.030m 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   The scale of budget savings on service delivery now has reached a point where difficult and unpalatable decisions have to be considered by officers and Members. Where consideration to 'part service reduction' was exercised in previous saving programmes, unfortunately it is necessary to consider 'full service reduction' in some areas as part of a 'non statutory service cessation strategy'.

4.3   To achieve the departmental savings it has become apparent we will have to cut some services further and for some, consider cessation of service altogether. The best approach to selection of service reduction has been to list all non-statutory services and undertake a prioritisation exercise for cessation of same.

4.4   Non-statutory service areas that have absorbed budget cuts previously and that now need to be considered for full cessation of service delivery are as follows:-

Road Safety - £90K

The proposed saving of approximately £90K will be achieved by the removal of initiatives such as 'Bikeability' and other road safety educational programmes.

Stopping contributing towards child injury initiatives is also proposed as part of the core budget reduction. Officers, over the course of the coming months, will look to re-establish as a 'buy-back' service for Schools and other groups to purchase.

The Department continues to bid for Government grant funding to assist in road safety initiatives such as the recent Local Sustainable Transport Fund (LSTF) which may reduce the financial impact on the service cuts. Officers are presently working on this as a possibility.

4.5   Other section functions identified which can accommodate savings in non-   statutory service areas include:-

4.5.1   **Community Safety & Engagement - £50K**

The transfer of operational services from Neighbourhood Management to Street Care the Community Development and Engagement Service can be reconfigured. This together with the potential reduction to the Community Pool and potential cessation of Community Pool grants, savings can be made by further reconfiguring the level of service provided. It is envisaged savings in the region of £50K can be achieved.

4.5.2   **Departmental Reconfiguration - £85K**

It is proposed to merge some function elements between the Neighbourhoods division and the Regeneration division. The proposed merger of services will enable efficiencies to be identified across the department and allow for growth of some functions by way of new and emerging potential market opportunities as well as a broader portfolio of responsibilities.

This departmental function configuration should provide savings circa £85K.

4.5.3   **Parks and Countryside - £90K**

Services will be reconfigured to provide a saving of £90K. Savings will be achieved through the acceptance of two ER/VR requests and the deletion of one vacant post from the structure.

4.5.4   **Building Cleaning - £20K**

Building cleaning continues to be a valuable and well sought after service. Schools continue to buy back and have, in some cases this year signed up for 2 or 3 year contracts, providing a level of security within this service area. Additional savings will be achieved through the realignment of budgets and services as buildings close, income generation and the acceptance of an early retirement / voluntary redundancy.

4.5.5   **School Catering - £140K**

Take up continues to increase on school meals year on year and take up reached 62% last year. As a result it is possible to increase the income budget in this area and remove any general fund subsidy for 2015/16.

4.5.6 **Street Care Operations - £180K**

Reconfiguration of service and staffing across the services identified in Section 3.4.6.

Street Care services are a combination of front line operational services. The bringing together of operational services under one Manager has enabled the services to be scrutinised as a whole with respect to all working practices, supervision and overtime arrangements in delivering services to a similar standard.

Reduction in out of hour provision coupled with productivity measures, together with highly labour maintenance intensive features will all contribute to the savings identified. All services will be subjected to a process mapping exercise which will in turn provide efficiencies in staffing and supervision across all operational services.

4.5.7 **Fleet £100K**

Following the changes taking place regarding Street Care operational services, it is anticipated there will be a reduction in fleet costs in the region of £100K. A comprehensive analysis utilising Fleetmaster and the tracker system has identified a more efficient use of our fleet which together with a review of fleet financing arrangements will enable savings in the region of £100K to be achieved.

4.5.8 **Waste and Environment – 50K (Green Waste Collection)**

It is proposed to introduce the suspension of green waste collection during the winter period from November to March. Operational data would dictate the finding of very little green waste deposited in the brown bins over this period which in turn would suggest the operational element of this collection service and the associated costs are not best utilised in terms of effective deployment of the Department's resources.

4.5.9 **Income Generation £100K**

Although never guaranteed, the two areas of Engineering Design and Management and Building Design and Management both operate without core budget provision through the arrangement of Technical Officers' Salaries (TOS). This arrangement, in essence, dictates all staff to generate their own salary via fee income both from the internal and external market place.

Targets have been set for both sections to deliver a minimum income stream of:-

Engineering Design and Management   £50K

Building Design and Management   £50K

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.

4.5.10 **Cemeteries and Crematorium - £30K**

Fees and charges will be reviewed in line with other providers and it is anticipated that this will generate an additional Tees Valley £30K income per annum.

4.5.11 **Emergency Planning Unit (EPU) - £5K**

The EPU is funded by the 4 former Cleveland Authorities of which Hartlepool Borough Council is the lead Authority. A 5% reduction year on year for the next 3 years has been agreed by TV CEX. Hartlepool's reduction in the level of subsidy will be achieved by an inflation freeze on our contribution. The EPU continues to bring in income through the training and development of Emergency Service agencies.

5. OPTIONS ANALYSIS

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

5.1.1 **Integrated Transport Unit (ITU)**

Cessation of some transport services of the ITU, this however is not recommended as the unit is in a gradual growth trend for external works and vehicle acquisitions will require a return from income to enable spend profiles to be achieved.

Direct cuts to service provision at this point in time would be detrimental to any collaborative or partnership working progression therefore no further reduction on the transport provision is proposed.

5.1.2 **Community Safety and Engagement**

The changes which took place within the neighbourhood management service are still being embedded, however it is important to note this is a non-statutory service and as such further savings can be achieved by stopping the service completely or in part. £50K has been proposed from existing arrangements within the service as outlined in 4.5.1 in addition to a further £50K CCTV saving being considered at Finance and Policy Committee.

There may also be opportunities to merge the service with another service either in the Regeneration Division or the Public Health Department. The operational engagement element could be managed by the existing Street

Care function. All options will be further considered as part of future efficiency initiatives.

5.1.3 Garden Waste Collection

Consideration has been given to charge for the Council's Garden Waste Collection service, i.e. provide a subscribed service, which could generate an income stream of circa £300K depending upon the level or participants. i.e. if 20% of residents took up the scheme income in the region of £150K could be generated. However, it is recognised that this would place additional pressures on residents. A part reduction of seasonal collection has been suggested as outlined in 4.5.8.

5.1.4 Bowling Greens

Self management of Bowling greens (town wide) could generate a saving of £64K. It must be noted however that leasing agreements may determine further dialogue with the Bowling Consortium to progress this saving in part of whole and will be progressed but at this stage have not been accounted for as part of the savings proposed.

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

- 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	£ 000
Road safety (part service)	90
Community Safety & Engagement	50
Dept function reconfiguration	85
Parks and Countryside	90
Building Cleaning	20
Schools catering	140
Street Care operations	180
Fleet	100
Suspension of garden waste collection service for a prescribed period (seasonal)	50
Engineering Design and Management	50
Building Design and Management	50
Cemeteries & Crematorium	30
Emergency Planning Unit	5
Total Proposed Savings	£940K

7.3   Some of the savings proposals included in this report involve Trading Accounts which do not have a General Fund Budget. Instead these services rely on fees and charges generated from services provided to clients to cover their operating costs.

8.   **EQUALITY AND DIVERSITY CONSIDERATIONS**

8.1   An Impact Assessment has been completed and identifies that for the majority of changes expected as a result of the savings programme it is clear that there is no potential for discrimination or adverse impact on those with protected characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required. Where there is potential for adverse impact options to mitigate, avoid or reduce the impact have been considered as part of the proposals and are detailed in the Equality Impact Assessment.

9.   **RECOMMENDATIONS**

9.1   That Members of the Committee note the content and formulate a response to be presented to Finance and Policy Committee at a later date.

10.   **CONTACT OFFICER**

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Department	Division	Section	Owner/Officer
Regeneration & Neighbourhoods	*Neighbourhoods*		*Denise Ogden /Alastair Smith*
Function/ Service	SAVINGS PROGRAMME 2015/16 NEIGHBOURHOODS DIVISION		

SAVINGS PROGRAMME 2015/16 NEIGHBOURHOODS DIVISION

The aim of this impact assessment to is ensure that any impact on equality is assessed and considered prior to decisions being made about the reduction of services.

Non-statutory service areas that have absorbed budget cuts previously and that now need to be considered for full cessation of service delivery are as follows:-

Road Safety – Removal of initiatives such as 'bikeability' and other educational programmes.To mitigate any impact these functions will be offered as a package to buy back

Community Safety & Engagement – Transfer of operational services from Neighbourhood Management to Street Care operations will enable the Community Development and Engagement Service to be reconfigured and reductions to the Community Pool will enable further reconfiguring of the level of service provided. (A separate EIA has been completed to address the changes to the Community Pool)

Departmental Re-configuration – Merging of some functions elements between the Neighbourhoods division and the Regeneration division. No direct impact on Equality

Parks & Countryside - Two ER/VR requests approved and one vacant post deleted from the structure. No direct impact on Equality.

Building Cleaning - Realignment of budgets and services as buildings close and the acceptance of an early retirement / voluntary redundancy. No direct impact on Equality.

School Catering – Increase the income budget – No direct impact on Equality.

Street Care Operations - Reconfiguration of service and staffing – No direct impact on equality

Fleet – A new system has been introduced which has identified more efficient use of the Fleet.

Waste & Environment - suspension of green waste collection during the winter period from November to March. Operational data tells us that very little green waste is deposited in the brown bins over this period which in turn suggests the operational element of this collection service and the associated costs are not best utilised in terms of effective deployment of the Department's resources. It has also been considered to replace this service with

	a paid for service, this has been assessed and dismissed due to the impact on elderly and disabled users of the service
	Cemeteries – Review of fee and charges to bring in-line with other providers.
	Emergency Planning - Reduction in the level of subsidy will be achieved by an inflation freeze on our contribution.
Information Available	Information available that has been used to inform these proposed changes: • Current structures and proposed structures. • Staffing profiles across all areas. • Established HR Procedures (Selection criteria is based on objective matters which are not related to any protected groups). • Job Descriptions. • Job evaluation process. • Information on service users - Satisfaction surveys and questionnaires - Regular progress and liaison meetings with users and providers - Neighbourhood forums - Ward Councillor feedback

Relevance *Identify which strands are relevant to the area you are reviewing or changing*	**Age**	**x**
	Disability	**x**
	Gender Re-assignment	
	Race	
	Religion	
	Gender	
	Sexual Orientation	
	Marriage & Civil Partnership	
	Pregnancy & Maternity	

Information Gaps	none
What is the Impact	Proposals have a minimal impact on equality and statutory services will not be affected. Equality impacts on particular groups and staff have been considered as part of the Savings Programme proposals. Equality impacts are deemed to be minimal and options to mitigate, avoid or reduce the impact have been considered as part of the proposals, inc:

	• Early Retirement/Voluntary Redundancy opportunities are in line with HR policy and staff have been appropriately advised and will be supported throughout the process • Reconfiguration of services and merging of functions – No specific impact on people and communities identified. However it is noted that there will be increased pressure on staff to deliver services and potential reduced flexibility and effectiveness of service • Reduction in the Community Pool – Separate EIA completed • Reduction in Road Safety functions – The impact of withdrawing functions within the Road Safety Service have been mitigated by offering this service as a buyback package which will be promotes to schools, academies and other organisations.
Addressing the impact	*The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.* **1. No Impact- No Major Change –** *For certain aspects of the savings programme it is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.*
	3. Adverse Impact but Continue – *Withdrawal of funding and reducing service functions have the potential to reduce the flexibility and effectiveness of the service*

Actions			
It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.			
Action identified	**Responsible Officer**	**By When**	**How will this be evaluated?**

Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	00/00/00

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FINANCE AND POLICY COMMITTEE

21st July 2014

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HARTLEPOOL
BOROUGH COUNCIL

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Report of: Director of Regeneration and Neighbourhoods

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

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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   <u>Scope</u>

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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**

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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 Councils 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: -

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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 £1.860m 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 £2.030m 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.

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4.2   **Community Pool – £110K**

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.

Members subsequently determined to provide one-off funding of £110,000 to support the Advice and Guidance service in 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

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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	£110,000
Property Management	£265,000
Community Safety	£50,000
Support Services	£115,000
Total Proposed Savings	**£540,000**

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. EQUALITY AND DIVERSITY CONSIDERATIONS

8.1 For the majority of functions included within the savings proposal it is clear that there is no potential for discrimination or adverse impact on those within Protected Characteristic groups. All opportunities to promote Equality have

Appendix C6 - RND Savings Programme 2015-16 - Regeneration and Neighbour...

9   HARTLEPOOL BOROUGH COUNCIL

been taken and no further analysis or action is required. The changes to the Community Pool budgets and grants will impact particular groups that are supported by the VCS by way of reduce levels of service. To mitigate the impact officers will work with organisations affected to support them in seeking alternative solutions to sustain services and comprehensive equality Impacts Assessments have been completed for each category affected.

9. BACKGROUND PAPERS

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

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

10. RECOMMENDATIONS

10.1 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.

11. CONTACT OFFICER

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Department	Division	Section	Owner/Officer
Regeneration & Neighbourhoods			*Denise Ogden*
Function/ Service	**SAVINGS PROGRAMME 2015/16 – REGENERATION AND NEIGHBOURHOODS DEPARTMENT**		

SAVINGS PROGRAMME 2015/16 – REGENERATION AND NEIGHBOURHOODS DEPARTMENT

This Equality Impact Assessment aims to show that impact on equality has been assessed and considered as part of the Savings Programme process.

As part of the 2015/16 Savings Programme, a number of service areas were identified where potential savings could be made, including:

Community Pool

Reduction in budget and grant contributions that support the Voluntary and Community Sector (VCS), including; grant reductions towards running the Hartlepool Credit Union, Cessation of grant and budgets for capacity and resource building in VCS and provision of development, investment and emergency grants.

EIA's have been completed for each individual category affected by the proposals to assess the impact and feed into the decision making process. The changes that will impact particular groups that are supported by the VCS are in terms of service levels that will reduce as a result of reducing budgets and grants. To mitigate the impact officers will work with organisations affected to support them in seeking alternative solutions to sustain services.

Property Management

The savings proposal is to increase the income budget and transfer resources onto more fee earning projects. No Impact on Equality.

Support Services

Reconfiguration of structures and service provision. This will involve the removal of vacant posts and voluntary 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. No impact on Equality, any changes that impact on staff will be in-line with HR Policy.

Community Safety

Review of CCTV Community Monitoring services. No impact on Equality.

Information Available	Ways in which the service engages with communities, has helped to inform the proposals, including:	
	• 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.	
	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 | |
| **Relevance**

Strands are relevant to changes proposed within the Community Pool | **Age** | x |
	Disability	x
	Gender Re-assignment	X
	Race	X
	Religion	X
	Gender	X

	Sexual Orientation	**x**
	Marriage & Civil Partnership	
	Pregnancy & Maternity	
Information Gaps	*No Gaps*	
What is the Impact	• *Reduction of budgets, grants and cessation of funding will impact on the levels of service delivered which in-turn will impact on people who access support provided by the VCS.*	
Addressing the impact	*The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.* **1. No Impact- No Major Change** *(For the majority of functions included within the proposal) It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.* **3. Adverse Impact but Continue -** *Reduction of budgets, grants and cessation of funding will impact on the levels of service delivered which in-turn will impact on people who access support provided by the VCS.*	

Actions

It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.

Action identified	Responsible Officer	By When	How will this be evaluated?

Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	00/00/00

REGENERATION COMMITTEE
24th July 2014

Report of:　　　　Director of Public Health

Subject:　　　　SAVINGS PROGRAMME 2015/16 – PUBLIC HEALTH DEPARTMENT

1.　　TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework.

2.　　PURPOSE OF REPORT

2.1　　The purpose of this report is to identify proposals for the delivery savings in relation to public health core revenue grant funded services for consideration as part of the 2015/16 budget process.

3.　　BACKGROUND

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 budget process 2015/16 it has been agreed that individual policy committees will consider savings proposals prior to consideration by Finance and Policy Committee and full Council.

3.2　　There are two core revenue grant funded services in public health - Sport and Recreation and Public Protection. These services contribute to the Council's Strategic aims to protect and improve the health of the population.

3.3　　Sport and Recreation services include:

- Mill House Leisure Centre
- Brierton Community Sports Centre
- Headland Sports Hall /Borough Hall
- Summerhill Outdoor Centre and Country Park
- Carlton Outdoor Education Centre (leased from Carlton Trustees)
- Grayfields Pavilion and Recreation Ground

Within the service structure, there is also a Learn to Swim Team, GP Referral Team and Sport and Physical Activity Team. In addition, the

service also manages sports pitch bookings at all Council sites and has a strategic role around sports provision in general across the Borough and works in partnership with clubs, national governing bodies of sport and national agencies such as Sport England to ensure that the town has the relevant local offer. It is also responsible for delivery on regional and national priorities for sport.

3.4   Public Protection services are regulatory and statutory and include:

- Commercial services including environmental health, food inspections, water testing, animal welfare, health and safety.
- Environmental protection including noise, pollution, air quality and pest control
- Trading standards including weights and measures, licensing and retail inspections and product safety.

3.5   Users of Sport and Recreation services - The people who use the sport and recreation services are members of the public both in Hartlepool and out of area. Competitive sports and clubs participating in official leagues play at the sites as well general members of the public wishing to access the services to improve health and well being. National governing bodies of sport also use the sites to run club and coaching workshops. Other people may use the services for formal events or recreational activities such as those hosted at the Borough Hall.

3.6   Users of Public Protection services – There are a range of users of public protection services including the general public in relation to complaints and environmental issues. Other users of the service include businesses and people who are self employed.

3.7   As both Sport and Recreation and Public Protection are public facing front line services they engage with those who use the services on a regular basis. They do this through feedback questionnaires, satisfaction surveys, meeting users of the service directly to deal with any issues raised.

3.8   The Sport and Recreation Service budgets for 2014/15 are as follows:-

Gross budget £2.914m
Income Target £1.545m
Overall net budget (and cost to HBC) £1.369m
These figures include all centralised premises costs

The Public Protection service budgets are:

Environmental protection	£ 2,388
Consumer services	£ 576,270
Environmental standards	£ 182,175
Outdoor markets	£ (87,051)
Licensing Act 2003	£ (158,224)
Total	£ 515,558

3.9   The outputs and outcomes 2013/14 for the Sport are recreation Service are as follows in table below:

Leisure Centre attendances	351,483
Summerhill attendances	92,615
Attendance at sport & physical activity programmed sessions	30,780
Carlton residential attendances	2,146
Carlton day visits	1,251
GP Referral Programme – participants continuing with sport & physical activity 6 months after referral	79%
Primary School swimming – 25m attainment from HBC programme	49%
Number of volunteers actively engaged for one hour per week on sport & physical activity delivery	364
Level of external partnership funding attracted to deliver new initiatives/commissioned work in sport & physical activity	£734,968

The outputs and outcomes for the Public Protection Service are:

- 1671 programmed interventions including 100% of all food premises in accordance with risk rating & 100% of prescribed processes.
- Outcome 97.7% food businesses broadly compliant.
- 691 Smoke free visits
- 647 Samples taken
- 2375 service requests responded to
- 1351 licenses processed
- 85% customers satisfaction result up from 81% previous year.

3.10   The savings target for Public Health in 2015/16 is £150k but the proposals exceed this target by £17k and propose to achieve £167k.

3.11   The report identifies areas where savings might be achieved, the risks associated with achievement of savings and the financial considerations which have been taken into account in developing the proposals.

4.   **PROPOSALS** *[Updated to Reflect Regeneration Services Committee Decisions on 18th September 2014]*

4.1   The savings target for Sport and Recreation for 2015/16 is £150,000. In addition to this, a further £37,500 of additional income needs to be achieved to allow for the 2.5% inflation uplift of income targets that is applied each year corporately. As a result, this report considers a strategy for achieving an overall savings target of £204,500 (of which £187,500 is from Sport & Recreation).

4.2   In addition, savings may need to be made to offset any income shortfall that there has been historically with the Borough Hall if the situation cannot be improved during the current financial year.

4.3   Officers have considered two alternatives to achieve the savings required, the first being to look at different management options available to the Council as an alternative to delivery "in-house" delivery and identify the potential benefits and savings that could be made.

4.4   The second option considered has been to assess whether the savings for 2015/16 can be achieved with the continuation of the existing in-house provision purely through internal improvements to service delivery resulting in additional income generation.

4.5   The following sections of this report therefore consider these two savings options.
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5.   **OPTION A – CONSIDER ALTERNATIVE MANAGEMENT ARRANGEMENTS FOR THE DELIVERY OF SPORT AND RECREATION SERVICES TO ACHIEVE SAVINGS**

5.1   As agreed by the Regeneration Services Committee at a meeting on May 8th 2014, Consultants were commissioned to undertake an assessment and appraisal of the Sport and Recreation service. This was to determine whether savings could be achieved through the alternative delivery models of:-

- Continuing with in-house operated services;
- Developing a locally established Trust for management and delivery of the services; or
- Commissioning in an established Trust / Private Sector partner

5.2   The assessment work has now been completed by the Consultants and involved:-

- a full operational review of the scope of the services;
- a consideration of the potential management options open to the Council;
- an evaluation of these options given the Council's strategic and financial objectives;

- an evaluation of each of the options against the current in-house service delivery model; and
- an assessment of potential revenue savings.

5.3   The Consultants report identifies potential savings opportunities in National Non Domestic Rates (NNDR), VAT and increased income generation and these have been reviewed to reflect local circumstances.

5.4   In relation to the NNDR saving identified, this is the gross saving to the service. However, owing to the impact of the Business Rates retention system, 50% of the gross saving will need to be earmarked to offset a corresponding reduction in the Council's share of retained Business Rates income.

5.5   The position in relation to VAT has also been assessed and a range of potential savings identified reflecting a more detailed assessment of potential VAT savings.

5.6   The Consultants assessment of the potential to increase income generation has also been examined. Given local circumstances again, this has been recalculated to better reflect these factors as well as the likelihood of additional income being achieved.

5.7   An assessment of the need for a Client function as well as a retained strategic core sport and physical activity function also needs to be allowed for and based on current service budgets (2014/15) the estimated cost of this is circa £250k per annum.

5.8   After reflecting all of these issues therefore, it is anticipated that this option provides a potential net saving to the Council of £114k to £194k.

5.9   If the Council ultimately decides to take this option and commission an alternative delivery partner, there would be a one-off cost element to consider as well. Taking into account other Local Authority experiences, a procurement process of this nature would normally take a minimum of 12 months and would need to be supported by additional external specialist support as well as a Project Manager. The cost of this is estimated to be in the region of £100k.

6.   OPTION B – ACHIEVE SAVINGS THROUGH ADDITIONAL INCOME GENERATION BY THE EXISTING IN-HOUSE TEAM

6.1   The Consultants highlighted the potential for the service to increase income and this was therefore explored as a second option to achieve the savings target for 2015/16 of £187,500. Given some contributory research work commissioned by ourselves that was carried out by an independent leisure database company utilising Mosaic, latent demand does appear to exist for gym/fitness use and swimming lessons thus there is the potential for

achieving additional income.

6.2   Members will already be aware that the service has an excellent track record of delivery and improved performance through previous reports presented to Regeneration Services Committee. Officers have therefore examined the option of achieving additional income and it is believed that the potential for this exists in the following key areas:-

Aquatics Programme - £40k
The additional income will be achieved through increased numbers as a result of a re-launched programme aided by a new web-based software package. This will significantly improve course management but more importantly, the ability to offer participants continuous enrolment and progression mid-course.

Fitness/Gym Membership - £100k
An option of monthly payments by direct debiting was introduced at the Leisure Centres at the beginning of 2014 and so far, with little promotion of this has proved successful with 264 participants already using this option. It is envisaged with further work therefore that the additional take-up can be achieved.

Fees and Charges Revamp - £38k
We have commenced benchmarking fees and charges and the work completed so far has revealed that our existing charges are low in comparison with regional and national averages. We are already required to achieve an additional 2.5% income uplift therefore will revise our current pricing structure, pricing policy and leisure card scheme (Active Card) to achieve this additional income.

Sponsorship - £10k
Work will be undertaken on securing sponsorship income for different areas across the services. This includes such things as providing advertising space within our facilities and on our vehicles (minibuses) to staff uniform.

6.3   The ability to income generate to the levels envisaged will be dependent upon our ability to become more commercially and sales orientated and to be able to generate business opportunities in order to increase market share.

6.4   External operators have "Head Offices" with dedicated specialist leisure staff in the areas of sales (and e-sales), sponsorship, branding, market research, marketing and promotion. Some additional capacity will therefore be provided to complete the required skill set and expertise of the in-house management team which will be time limited.

6.5   Income generation will also be dependent on providing technology improvements that will be required to make facilities and services more accessible, customer facing and in accordance to users wishes, for example, on-line bookings and payments.

6.6   This option therefore offers the delivery of the required savings of £187,500 for 2015/16 through increased income generation. However it is believed that the potential for further savings could be realised moving forwards (for example secondary spend through retail, café provision etc.) and into 2016/17. This will form part of an ongoing strategic review of services and facilities into the future.

7.   FINANCIAL CONSIDERATIONS

7.1   In summary, the financial implications of Option A which is to commission an alternative delivery partner for the services are as follows:-

- Savings forecast of between £114k and £194k (net cost of client and retained functions) compared to savings target for 2015/16 of £187.5k.
- It is unlikely that this can be achieved in full during 2015/16 due to procurement timescales which are estimated to take a minimum of 12 months.
- The cost of procurement is estimated to be in the region of £100k as a one-off payment.
- All income risk would be transferred to the new delivery partner

7.2   The financial implications of Option B which is to continue with the Council delivery of services and achieve savings through increased income generation are as follows:-

- It is anticipated that the savings target of £187.5k can be achieved by increasing income.
- The Council will have more control over the delivery of the increased income which it is anticipated can be achieved for 2015/16.
- Financial risk regarding income generation remains with the Council.

7.3   It is noteworthy that despite having a larger budget than Public Protection, Sport and recreation is taking a disproportionate share of the £167,000 savings target in 2015/16. This has been discussed by the senior management team within the Public Health Department and it was felt that for 2015/16 this was a realistic split to propose to Members. However, given the financial pressures and reduced budgets in 2016/17 it is anticipated that Public Protection will bear a greater share of the Departmental savings target in this year, ideally developing proposals for Members consideration seeking to increase public protection income.

8.   STAFF CONSIDERATIONS

8.1   To date, all staff have been kept informed via regular communication, briefings etc. of the work that has been ongoing over the past few months. We have also kept our Union colleagues advised.

8.2   Obviously under Option A, the vast majority of staff involved in the delivery of services would be transferred to a new management partner provider under the Transfer of Undertakings (Protection of Employment) Regulations

(TUPE) with terms and conditions of service and pension protected. Some staff however would be retained within the Council's employ to provide the client function as well as a strategic component of the Public Health Department.

8.3   Under Option B however, all staff would remain within the Council's employment.

8.4   Additional Proposal – Review of the Metrology Service. The staff implications of this proposal are unknown at this stage but will be identified as part of the service review. As Hartlepool Borough Council does not directly employ staff working in the metrology service then any staffing implications will fall to Middlesbrough Council as the host authority for this service.

9.   Additional Proposal – Review of the Metrology and Testing Service.

9.1   The Metrology and Testing Service carries out a number of functions including:

- Maintaining statutory Local Standards of Mass and Length and calibrating the Working Standards used by staff in each local authority to carry out their statutory retail inspections. The service also carries out commercial calibration, predominantly for local business.
- Specialist inspectors from the service ensure that local industrial manufacturing processes operate within the statutory weights and measures requirements to ensure commodities such as petrol, diesel and domestic heating fuel are accurately measured when supplied to the public. The service also provides comprehensive sampling testing facilities to assist partner authorities in enforcing the Consumer Protection and Food legislation.

9.2   The proposal to review the Metrology Laboratory is fairly complex as it is to some extent interdependent on other local authorities. The Metrology and Testing Service is delivered through a joint arrangement led by Middlesbrough Council on behalf of the four contributing local authorities (Middlesbrough, Redcar and Cleveland, Stockton and Hartlepool).It was established at the time of the Local Government Reorganisation when it was agreed that it would be more efficient to provide the service across Councils rather than by individual Councils. The service was subject to a review in 2007.

9.3   Officers in Hartlepool Borough Council Public Protection Service propose that it is now timely to review whether this is still the case that the Metrology and Testing Service should continue to be provided across Councils. Officers recommend the service is reviewed as initial estimates by Hartlepool Officers is that there may be approximately £17,000 savings for Hartlepool if alternative options for providing the service are considered. The current contribution to the service from Hartlepool is £42,000 and so a £17,000 saving would not be insignificant.

9.4   The Directors of Place based services (for Hartlepool the Director of Regeneration and Neighbourhoods) across the four authorities have had initial discussions as to the value of reviewing the Metrology and Testing Service. They have concluded that given the pressure on all local authorities' budgets this is worthy of further exploration. The Directors of Place have commissioned a review. The review will consider the following:

- Alternative delivery models and their respective merits.
- Impact of ceasing elements of the service or outsourcing non statutory elements of the service.
- Feasibility and Implications if each local authority had their own in house service including the cost of the equipment.
- Impact of any of the above options on other users of the service aside of local authorities and impact on consumers of service.

9.5   The outcome of the review is due to be presented to the Directors of Place later in the year and this will then be reported to Committee for a decision on the implications for Hartlepool and how the proposed savings of £17,000 are realised.

9.6   The risk of realising savings in 2015/16 in relation to the Metrology and Testing Service is the reliance on the other Local Authorities to ensure the review is undertaken efficiently. The savings in 2015/16 may only have a part year effect as the existing contract with Middlesbrough Council requires one year notice.

10.   RISK IMPLICATIONS

10.1   As previously highlighted, if an alternative delivery partner was commissioned, all financial risks associated with income generation would transfer to the new operator. However, if the service remains in-house this obviously remains too.

10.2   The service is already required to generate income of £1.545m and this is closely monitored and managed throughout the year. Achieving the savings target by increasing the income by a further £187.5k will require even closer monitoring and management therefore to ensure the proposed new income streams are achieved and sustained.

10.3   Whilst the existing in-house operation is relatively successful and over the past has delivered consistently high levels of service, whilst the potential for additional income generation appears to be possible, there will be great pressure placed on all staff within the service to achieve this.

10.4   If the Council decided to pursue contract management, whilst the fixed subsidy payment would be known for the length of the contract, the flexibility of being able to renegotiate this if future savings were required may be limited. In the current financial climate, this is a significant risk for a non-statutory service.

10.5   There could also be a very real staff morale issue for the Council in trying to keep existing staff working to their full potential whilst any procurement of a different delivery partner was pursued (which could take as a minimum 12 months). This could have significant implications for the existing revenue performance required.

10.6   The Council continues to face a period of massive change and there is a risk that this uncertainty may not necessarily be a good basis for major change in the management of the services.

11.   LEGAL CONSIDERATIONS

11.1   As highlighted in paragraph 8, TUPE will apply to existing staff if an alternative delivery partner was commissioned. This will need to be taken into account in any decision making process, contractual documentation and negotiations as part of the procurement process.

12.   CONCLUSIONS

12.1   In conclusion, Officers have examined two options available to the Council to achieve a savings target of £187,500 with the Sport and Recreation service area for the financial year 2015/16.

12.2   Option A is for the Council to consider alternative management arrangements for the delivery of the services but as identified in paragraph 7.1:-

- The savings target would not be achieved in full during 2015/16 due to the timescales required for a procurement exercise.
- There would be an additional budgetary pressure of approximately £100k to fund the procurement process.
- There would be a lack of flexibility in the Council being able to find additional savings during the lifetime of the contract.

12.3   Option B is for the Council to continue delivering the services and based on our assessment, the savings target for 2015/16 can be achieved.

12.4   Our assessment therefore is that the service should be continued to be delivered by the Council as there appears to be no justifiable reason to consider alternatives at this present time.

12.5   This would demonstrate the Council's commitment to the staff working in this area and would serve as a further endorsement of their work where services continue to be delivered to a high standard.

13.   RECOMMENDATIONS

13.1   Officers would recommend that Committee approves the adoption of Option B that is to continue with the existing in-house Council delivery of services.

13.2   Given that Committee approves adoption of Option B that Members of the Committee formulate a response on the savings to be achieved that will be presented to Finance and Policy Committee at a later date.

13.3   That Members of the Committee note the content of the report

14.   REASONS FOR RECOMMENDATIONS

14.1   To ensure Members are fully aware of the proposed core revenue grant funded Public Health Department savings proposals.

15.   BACKGROUND PAPERS

15.1   Regeneration Committee – Sport and Recreation Service – Options Appraisal Update – 8ᵗʰ May 2014.

15.2   Regeneration Committee – Sport and Recreation Service Options Appriasal Review – 18ᵗʰ September 2014

16.   CONTACT OFFICER

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CHIEF EXECUTIVE'S DEPARTMENT

Chief Executive (Dave Stubbs)		
Corporate Strategy (Andrew Atkin)	**Legal (Peter Devlin)**	**Finance (Chris Little)**

Corporate Strategy	Legal	Finance
Policy / Performance . Partnerships	Legal	Audit and Governance
Consultation	Elections	Accountancy
Corporate Complaints	Land Charges	Financial Management (Corporate)
ICT	Member Services	Benefits (inc fraud and control) and means tested services
Public Relations	Scrutiny	Revenues Collection
Personal Assistants	Democratic Services	Payments/ Payroll
Departmental Administration function		Insurances
Workforce Development		Social Fund
Human Resources - Business Partners & Teams		
Health, Safety & Wellbeing	**Monitoring Officer**	
Organisational Development	Monitoring Officer	
Customer Services/ Hartlepool Connect		**S151 Officer**
Registrars		
Equality / Diversity		

CHILD & ADULT SERVICES DEPARTMENT

Director of Child & Adult Services (Gill Alexander)

Assistant Director **Children's Services** (Sally Robinson)	**Assistant Director** **Education** (Dean Jackson)	**Assistant Director** **Adult Services** (Jill Harrison)
Safeguarding, Assessment & Support Children looked after and leaving care Children with disabilities Fostering and adoption Safeguarding and Review/ Independent Reviewing Officers Local Safeguarding Children Board Children's Strategic Commissioning Youth Support Services Youth Offending Service Early Intervention and Prevention Services Principal Social Worker (Child and Adults) Workforce Development and Training Advice and Guidance Hub	School improvement monitoring, challenge and support Governor Support ICT in schools Priority Schools Building Programme Social and Educational Inclusion School Transformation Special Educational Needs Educational Psychology Early Years Foundation Stage School Data School Capital (in partnership with R&N) School Admissions and School Place Planning Departmental Administration	Strategic Commissioning Adult Care Management Teams • Older People • Learning Disabilities • Mental Health • Physical Disabilities • Sensory Loss Safeguarding Vulnerable Adults Occupational Therapy Early Intervention and Reablement Provider Services (Direct Care and Support & Day Services) Performance Management and Management Information Departmental Development and Complaints

REGENERATION AND NEIGHBOURHOODS DEPARTMENT

Director of Regeneration and Neighbourhoods
(Denise Ogden)

Strategic Procurement

Reprographics / Support Services

Assistant Director (Regeneration)
(Damien Wilson)

Planning Services

Building Control

Economic Regeneration

Housing Services

Strategic Asset Management including Schools

Culture and Information

Adult Education

Assistant Director (Neighbourhoods)
(Alastair Smith)

Technical Services

Waste & Environment

Parks and Countryside

Building Design & Construction

Community Safety & Engagement

Services Direct

Emergency Planning

October 2014

PUBLIC HEALTH DEPARTMENT

Director of Public Health
Health Protection / Population healthcare /
Tees Valley Shared Service
(Louise Wallace)

Health Improvement	**Commissioning & Clinical Quality**	**Drug & Alcohol Service Delivery**	**Public Protection**	**Sports and Recreation**
Sexual health	Public Health Contracts	Criminal Justice Intervention Team	Trading Standards	Mill House LC
Children's public health	Clinical Governance	Whitby Street Community Drug Centre	Environmental Health – Commercial Services	Headland Sports Hall & Borough Hall
Immunisations	Drug & Alcohol Commissioning	Drug treatment services	Environmental Health - Protection	Brierton Community Sports Centre
Screening	Primary Care Commissioning	Alcohol treatment services		Grayfields
Smoking / Tobacco Control/respiratory disease	Sexual Health Commissioning	National Drug/Alcohol Data Management and analysis		Summerhill & Outdoor Activities service
Obesity / physical activity/nutrition	CJIT Commissioning	Tier 4 service Delivery		Carlton Outdoor Education Centre
Cancer prevention & early intervention	Pharmacy Contracts			Sport & Physical Activity Team
Drugs & Alcohol	Performance Monitoring			Learn to Swim Team
Accident prevention				GP Referral Team
Workplace Health Improvement				Football Development
CVD primary prevention programme				Policy / Sports Strategy
Public mental health/suicide prevention				Sports facilities / Playing Field / Pitch development
Public health and community safety (domestic violence)				Public Health Grants / Community Activities Network
Oral Health				School / Clubs Links
Public health resource library and health Promotion				Educational Visits Coach / Volunteer Development

October 2014

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2015/16 TO 2017/18

TABLE 1 - FORECAST CAPITAL RESOURCES

	Forecast Resources 2015/2016 (Provisional)				Forecast Resources 2016/2017 (Provisional)				Forecast Resources 2017/2018 (Provisional)			
	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Service Specific Capital Grants												
Adult Social Services (Better Care Fund)	0	0	275	275	0	0	275	275	0	0	275	275
Devolved Formula Capital (Schools)*	0	0	178	178	0	0	147	147	0	0	147	147
Disabled Facilities Grant (Better Care Fund)	0	0	451	451	0	0	451	451	0	0	451	451
Local Transport Plan	0	0	1,556	1,556	0	0	1,556	1,556	0	0	1,556	1,556
Schools Capital Programme**	0	0	1,009	1,009	0	0	137	137	0	0	0	0
	0	0	3,469	3,469	0	0	2,566	2,566	0	0	2,429	2,429
Departmental Prudential Borrowing - Funded from Specific Business Cases												
Allotments (Table 2)	91	0	0	91	0	0	0	0	0	0	0	0
Empty Homes - Phase 2	70	0	0	70	0	0	0	0	0	0	0	0
Replacement Wheelie Bins	60	0	0	60	60	0	0	60	60	0	0	60
Vehicle Procurement (Table 3)	470	0	0	470	1,234	0	0	1,234	1,085	0	0	1,085
	691	0	0	691	1,294	0	0	1,294	1,145	0	0	1,145
Useable Capital Receipts and RCCO												
Schools Capital Programme (Dedicated Schools Grant)	0	628	0	628	0	628	0	628	0	628	0	628
	0	628	0	628	0	628	0	628	0	628	0	628
Specifically Funded Schemes												
Council Capital Fund (Table 4)	600	0	0	600	0	0	0	0	0	0	0	0
Depot Relocation***	2,685	1,065	0	3,750	0	0	0	0	0	0	0	0
	2,685	1,065	0	4,350	0	0	0	0	0	0	0	0
Total Forecast Resources	**3,376**	**1,693**	**3,469**	**9,138**	**1,294**	**628**	**2,566**	**4,488**	**1,145**	**628**	**2,429**	**4,202**

* Devolved Formula Capital allocation for Schools is an estimate based on pupil numbers as the Government has not announced the allocation.

** Schools Capital Programme includes an estimate of £878k Capital Maintenance Grant for 2015/16 as it has not been announced by the Government. This is an estimate based on the current level of funding. However it is expected that the funding allocation method will change in 2015/16 and therefore this level of funding cannot be guaranteed. In addition the Council has received a Basic Need funding allocation for 2015/16 and 2016/17, this is reflected in the above figures.

*** The cost of this scheme will be between £3.065m and £3.750m (including land purchase). The higher figure includes a contingency which it is recommended is included owing to the complexities and short time scale for designing and preparing the cost estimates for this scheme. Officers will work to limit costs to the lower figure. Funding of £3.750m has been identified for this project from a combination of the Regeneration and Neighbourhood Services 2014/15 outturn (£1.065m), Prudential Borrowing £2m (loan repayment costs to be funded from efficiency savings/increased income) and further Prudential Borrowing (£0.685m) to fund the contingency if this is needed.

TABLE 2 - ALLOTMENT CAPITAL WORKS PROGRAMME

Allotment Site	Works Required	2015/16 £'000
Burn Valley	Security Fencing	31
Nicolson Field	Security improvements	25
Stranton	Drainage works	35
Grand Total		**91**

This is phase 2 of the scheme approved by Council on 6th February 2014.

TABLE 3 - VEHICLE REPLACEMENT PROGRAMME 2015/16 TO 2017/18

Type	Quantity	Service Area	£'000
Gritter body	2	Highways	60
15,000kg Gulley Emptier	1	Highways	80
Ashphalt hot box	1	Highways	30
Trailer	1	Highways	5
7,500kg Box body	1	Waste Management	45
ROM Cylinder Grinder	1	Grounds Maintenance	30
Garage Plant & Equipment			70
Phasing Contingency (Note 1)			150
			470

TABLE 3(B) 2016/17 VEHICLE REPLACEMENT PROGRAMME

Type	Quantity	Service Area	£'000
Box Trailer	3	Cleansing	21
Sweeper	1	Cleansing	50
Small Precinct Sweeper	1	Cleansing	50
Ride on Mower	4	Horticulture	68
Trailer	1	Horticulture	5
16s Welfare Bus	5	Passenger Transport	325
26,000kg RCV	4	Waste Management	515
Garage Plant & Equipment			50
Phasing Contingency (note 1)			150
			1,234

TABLE 3(C) 2017/18 VEHICLE REPLACEMENT PROGRAMME

Type	Quantity	Service Area	£'000
Medium sweeper	1	Cleansing	110
Sweepers	8	Cleansing	536
4x4 pick up	1	Parks & Countryside	15
Medium Panel Van	1	Parks & Countryside	14
Large 360° excavator	1	Waste Management	160
Garage Plant & Equipment			100
Phasing Contingency (note 1)			150
			1,085

Note 1

The above replacement programmme has been based on maximising the operational life of existing vehicles and the deferral of vehicle replacements where possible. This has significantly reduced the annual value of replacements. However in order to mitigate the risk that some vehicles may need to be replaced earlier than assumed for their extended life, a contingency has been added to allow for earlier replacements in cases where it becomes more cost effective to replace rather than repair.

TABLE 4 - COUNCIL CAPITAL FUND

Project	Description	Estimated Cost £'000
Aneurin Bevan House	Roof replacement.	111
Aneurin Bevan House	Accessibility works in compliance with Accessibility Code of Practice.	32
Borough Hall	Main hall lighting and wiring replacement.	40
Borough Hall	Structural works to external walls to ensure structural stability at this site.	27
Carlton Outdoor Centre	Replacement of hot water system installations.	13
CETL (Brierton)	Replacement of heating controls.	45
Hartlepool Art Gallery	Accessibility works in compliance with Accessibility Code of Practice.	40
Kitchen works	Three school kitchen replacements to ensure compliance with statutory obligations and operational requirements.	50
Mill House	Electrical distribution board replacement.	25
Mill House	Replacement Pool Covers - Energy efficiency.	20
Rossmere Youth Centre	Roof replacement.	117
Rossmere Youth Centre	Window Replacement.	33
Town Hall Theatre	Lighting and distribution board replacement.	25
Contingency	For any major capital works identified by our current round of conditions surveys.	22
		600

2015/16 FINANCIAL RISK MANAGEMENT

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

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

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

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

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

CORPORATE RISKS

Financial Risk	Risk Rating	2015/16 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Pay	Amber	54,634	68%	The MTFS includes provision for a 2.2% pay award from 1st January 2015. There is likely to be downward pressure on this area, owing to the impact of the recession.
Higher costs of borrowing and/ or lower investment returns	Green	5,100	6%	This budget covers annual principal repayments and net interest on the Councils borrowings and investments. Interest payable on Council's borrowings or interest earned on investments could be higher or lower than forecast. The Treasury Management Strategy details how these risks will be managed and establishes an appropriate framework of controls for managing these risks. This strategy is based upon the CFO's assessment of future interest rates, which is itself supported by the detailed interest rate forecasts and market intelligence provided by the Council's Treasury Management Advisors. There is still a risk that LOBO loans maybe recalled. However, as interest rates on these loans are now higher then prevailing market rates this risk has reduced in the short term. In the medium term this risk will increase as interest rates rise and this may be affected by the increase in PWLB rates. The Council also has a Treasury Management Risk Reserve to the risk of interest rate increases. The unprecedented low levels of interest rates have resulted in a significant reduction in investment income this change has not had a significant impact on the MTFS as the MTFS takes a prudent approach and only includes investment income on an annual basis. The Council has netted down investements to mitigate counterpary risk and avoid interest costs in relation to long term borrowing.
Planned Maintenance Budget	Amber	215	0.3%	Much of the Council's building stock is in poor condition and the Corporate Risk Register identifies this as a "red" risk. From 2002/03 the Council provided 2.5% real term growth for this budget to start addressing these issues. It was recognised that this would not be sufficient and at some point significant resources would need to be allocated to address these issues. The Revenue Budget Strategy includes £0.6m provision to support Prudential Borrowing.
Schools Buy-Back Income	Amber	1,461	1.8%	Buy back income underpins a range of services provided by the Council. This income budget is reliant on the Schools continuing to buy back the services. This excludes the services provided by Neigbourhood Services trading operations.
Education Services Grant	Red	725	0.9%	The grant is distributed between LA's and Academies pro-rata to the number of pupils for whom each is responsible. As schools in Hartlepool convert to Academy status in the future then the funding for education services received by the LA will reduce which could impact on service delivery.
Failure to comply with relevant local authority financial legislation/regulations, NI and taxation regulations.	Amber	0	N/A	The Council will take appropriate steps to ensure it keeps up to date with changing legislation and regulations. There is nothing to indicate that the Council faces any specific material risk in these areas.

CHILD & ADULT SERVICES

Financial Risk	Risk Rating	2015/16 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Increased Demand for Looked After Children Placements	Red	5,200	6.5%	There is a national trend of increasing numbers and increased costs for the placement of children looked after. This particular area is highly volatile and potentially subject to unexpected increases in the numbers of children. This area includes foster placements, special guardianship, residence order and adoption allowances as well as residential placements.
Home to School Transport Costs	Amber	1,432	1.8%	The Department's home to school transport contracts are regularly reviewed to ensure competitive prices and best value. Provision of transport is determined by the HTS Transport policy but costs are directly influenced by the needs of pupils which vary from term to term. The highest area of spending relates to the requirement to transport special needs pupils which is demand led, invariably requires escorts and is difficult to control other than to ensure all individual arrangements are procured as economically as possible by the Integrated Transport Unit (ITU).
Dedicated Schools Grant - High Needs Block	Amber	9,510	11.9%	This funding has been cash limited at 2012/13 levels. Schools are required to fund the first £6k of costs from their own budget and post-16 funding for all high needs students aged 0-25 years. There is a risk that insufficient funding exists to meet the needs of all high needs pupils.
Dedicated Schools Grant - De-Delegated Services	Amber	595	0.7%	There are a number of services provided by the LA which are funded from retained DSG. The LA delegates this funding into school budgets and then requesting approval from Schools Forum to de-delegate these budgets back to the LA for all non-Academy schools. Academy schools retain this funding although they would have the opportunity to 'buy-back' these services from the LA. As schools in Hartlepool convert to Academy status in the future then there is the potential for funding to be reduced which could impact on service delivery.
Demographic changes in Older People	Red	10,100	12.6%	Increasing number of elderly people, high percentage of chronic health problems and market pressures on price. The individual nature of contribution towards social care provision is such that the financial circumstances of each individual can differ substantially. The level of the value of people's assets and savings can differ significantly and demographic changes can impact on levels of contribution. Increased pressure on intermediate care services and ensuring discharge from hospital is not delayed. Older people needs becoming more complex due to increased life expectancy
Demographic changes in Working Age Adults	Red	7,900	9.9%	Increasing numbers of people with learning disabilities surviving into adulthood with increasingly complex needs. High numbers of frail elderly carers requiring increased levels of support and increasing levels of early on-set dementia and old-age; expectations of improved quality of life. The individual nature of contribution towards social care provision is such that the financial circumstances of each individual can differ substantially. The level of the value of people's assets and savings can differ significantly and demographic changes can impact on levels of contribution. The chnages reflect the increased demand from those moving from children's services through the transition process.
Non-achievement of income targets - CCG specific Income	Amber	-3,000	-3.8%	CCG (Clinical Commissioning Group) income is received to contribute to cover the costs of packages for individuals with social care needs, to contribute to specific services and most recently to invest in Social Care services that lead to a long term health benefit. Risks exist for joint packages whereby an individuals circumstances can change and the level at which the CCG are liable to contribute can decrease. Investment priorities can change year on year for CCG's and investment can reduce for certain services. Recent funding received is temporary in nature and therefore use to cover existing services can lead to a long term budget pressure.

REGENERATION & NEIGHBOURHOODS

Financial Risk	Risk Rating	2015/16 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Car Parking	Amber	1,460	1.8%	Budget forecasts are based on revised charges and actual income achieved in previous years. There is a risk that the planned level of income may not be achieved as car parking income is falling nationally. This risk has diminished after the car parking income budget was reduced by using £392k of permanent funding in 2012/13.
Fee Income - Planning & Building Control	Amber	720	0.9%	The fee income target must be achieved to fund part of the department's expenditure budget. This income cannot be controlled or easily estimated. Achieving the target depends on sufficient numbers/size of applications being received, national economic conditions such as interest rates being sufficiently favourable to encourage development and, in the case of Building Control, the section being able to successfully compete with the private sector. A specific reserve has been earmarked to address an anticipated shortfall in this income in 2013/14.
Highways Maintenance	Amber	1,500	1.9%	A lack of major investment from Central Government is leading to a deterioration in the network. This is a national position and funding is needed to raise conditions generally. Maintenance budgets are under pressure as a result and the position will be closely monitored each month. Conditions surveys will be used to support the Highways Five Year Maintenance Programme and Capital and Revenue budgets will be applied accordingly.
Non-achievement of income targets - Community Services	Amber	1,560	2.0%	The nature of Cultural Services budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced. Budget Forecasts are based on revised charges and trends from previous years. The actual position against budget will be monitored closely throughout the year.
Trading Accounts	Amber	28,000	35.1%	The department has a wide range of trading operations which generate income by charging clients both internal and external to the Council. This includes services such as school catering, highways, building maintenance, garage, passenger transport as well as professional fees which funds the salaries of staff in property and engineering related services. This income is not certain and depends on local and national economic conditions and can be volatile in response to reductions in client budgets and the Councils capital programme.

PUBLIC HEALTH

Financial Risk	Risk Rating	2015/16 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Non-achievement of income targets - Markets and Licensing	Amber	450	0.6%	Budget forecasts are based on historical charges with inflation applied. There is an expectation that this level of income may not be achieved particularly the income in relation to Markets. A report has been presented to Committee highlighting this issue and the position will continue to be monitored throughout the year.
Non-achievement of income targets - Sport, Leisure and Recreation	Amber	1,570	2.0%	The nature of Sport, Leisure and Recreation budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced. Budget Forecasts are based on revised charges and trends from previous years which indicate the budget should be achievable. Position will be monitored closely throughout the year.

SUMMARY OF KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET

Budget Assumption	Financial Standing and Management
The treatment of inflation and interest rates	The proposed resource allocations for 2015/16 include 2.5% for anticipated general inflation on non pay expenditure and 2.2% for pay expenditure. In addition, where it is anticipated that costs will increase by more than inflation these issues have been specifically reflected in the pressures included within the budget requirement. Interest exposure is managed through the Treasury Management Strategy.
The treatment of demand led pressures	Individual Policy Chairs and Directors are responsible for managing services within the limit of resource allocations and departmental Risk and Strategic Change Provisions. If these resources are inadequate the Council's Managed Under/Overspends Policy provides flexibility to manage the change over more than one financial year.
The treatment of planned efficiency savings/productivity gains	All Directors have a responsibility to deliver services within the approved resource allocations. Where departmental efficiencies are planned it is the individual Directors responsibility to ensure they are implemented. Any under achievement would be dealt with on a temporary basis through the managed overspend rules until a permanent efficiency is achieved. The main areas of efficiencies in 2015/16 are departmental savings. Work undertaken during 2014/15 to deliver these savings in advance makes the 2015/16 budget position more robust and sustainable.
The availability of other funding to deal with major contingencies and the adequacy of provisions	The Council's approved Managed Underspend and Strategic Risk and Change initiatives are well understood and provide departments with financial flexibility to manage services more effectively. These arrangements help to avoid calls on the Council's corporate reserves. The Council's insurance arrangements are a balance between external insurance premiums and internal self insurance. The value of the Council's insurance fund has been assessed and is adequate to meet known reserves on outstanding claims.
The strength of financial reporting arrangements and the Authority's track record of budget monitoring	The Council's financial reporting arrangements include the identification of forecast outturns for both revenue and capital areas. These arrangements ensure problems are identified and corrective action taken before the year end, either at departmental or corporate level. These arrangements have worked well and have enabled the Council to strengthen the Balance Sheet over the last few years.
Equal Pay / Equal Value Claims	The Council has completed the detailed evaluation of all jobs and developed a new pay and grading structure, which was implemented with effect from 1st April 2007. The Council has completed Job Evaluation Appeals. The Council is also facing the risk of Equal Value Pay Claims. Accordingly, the Council has set up a Single Risk Reserve to fund such risks.

BUDGET CONSULTATION MEETING WITH TRADE UNION REPRESENTATIVES - Minutes of Meeting held on 21 July 2014

Present: **Hartlepool Borough Council Officers**
Councillor Christopher Akers-Belcher, Leader of the Council
Councillor Peter Jackson
Councillor Chris Simmons
Councillor Robbie Payne
Dave Stubbs, Chief Executive
Gill Alexander, Director (Child & Adult Services)
Chris Little, Chief Finance Officer
Andrew Atkin, Assistant Chief Executive
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Assistant Director, Health Improvement

Trade Union Representatives
Edwin Jeffries
Malcolm Sullivan
Debbie Kenny

Apologies:
Councillor Carl Richardson
Lesley Hamilton
Steve Williams

Emma Armstrong, PA to CEMT (Minutes)

1.	**Presentation**

Councillor Christopher Akers-Belcher welcomed the group and provided a brief update on
- Proposals for Living Wage in Hartlepool
- Members Allowances 2014/15
- Family Poverty reserve / LCTS
- Bringing forward budget timetable
- Industrial Action.

Chris Little reported on Hartlepool's financial position for 2015/16 – 2018/19 and provided a brief summary of the MTFS Savings reports submitted to Finance & Policy Committee 30th June 2014.

- Final 2013/14 Outturn
- 2015/16 Budget
- 2015/16 Budget Timetable
- 2016/17 and 2018/19 Financial outlook

Comments Made	Response
The Trade Unions (TU) welcomed the early start of the budget process in July. TU recognised the difficulty and understand the position HBC face in relation to Council Tax. However have concerns in relation to Council Tax in the future. TU welcomed the Living Wage to Hartlepool and the continued assistance from HBC for the development of this. It was mentioned that it may be not just a one-off Industrial Action pay saving, as the action may continue until a compromise nationally is reached. TU noted the position Members have stated in relation to Members Allowances (allowances to only increase linked to pay awards for employees).	DS noted these responses and stated that HBC need to invest to enable growth for the town, even more so in the current difficult financial position at present.
TU acknowledged the need for growth within Hartlepool.	The Leader noted that it is an amalgamation of many projects needed to achieve the growth of the town. The Leader welcomed the TU to pose any queries to any of the Policy Chairs and welcomed any alternative suggestions.
TU raised the issue regarding skills of the workforce in the region / Hartlepool.	DO raised that the development of the whole town including transport links encourages people to come and live and work in Hartlepool and this work continues.

BUDGET CONSULTATION MEETING WITH BUSINESS REPRESENTATIVES

**Minutes of Meeting held on 19 September 2014
at 3.30pm in the Leader's Office, Level 2, Civic Centre**

Present: ***Hartlepool Borough Council***
Councillor Carl Richardson (Chair)
Councillor Robbie Payne
Councillor Chris Simmons
Chris Little, Chief Finance Officer
Andrew Atkin, Assistant Chief Executive
Louise Wallace, Director of Public Health

Business Representatives
Peter Olson
Adrian Liddell
Andrew Steel

Apologies:
Councillor Christopher Akers-Belcher
Councillor Peter Jackson
Dave Stubbs, Chief Executive
Denise Ogden, Director of Regeneration and Neighbourhoods
Gill Alexander, Director Child and Adult Services
S Cavey

1.	**Introduction and Presentation**

Councillor Richardson welcomed the group and highlighted key issues in relation to:

- The Living Wage proposals
- Members Allowances
- Family Poverty Reserve / Local Council Tax Support Service
- Budget timetable and the continuation of a multi – year financial year

Chris Little provided a detailed presentation covering:

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

It was emphasised that 2015/16 was the second year of a two year Government Grant Settlement, therefore there are no significant changes from position reported in February 2014.

2.	**Discussion and Questions**

Representatives from the Business Sector made a number of observations on the financial position of the Council and officers responded to a range of questions. Key issues included:

- The increasing challenge of addressing the impact of Government Grant cuts and the impact on services, employees and the local economy.
- Support for a 2015/16 Council tax freeze.
- Support of the strategy to retain the lifeguard service and school crossing patrols and recognition of the difficult budget decisions to be made in 2016/17 and future years.

Councillor Richardson thanked the Business Sector representatives for their continued input. Mr Steel stated that it was helpful to have an understanding of the financial challenges facing the Council.

BUDGET CONSULTATION MEETING WITH TRADE UNION REPRESENTATIVES - Minutes of Meeting held on 22 September 2014

Present: *Hartlepool Borough Council Officers*
Councillor Christopher Akers-Belcher, Leader of the Council
Councillor Chris Simmons
Councillor Robbie Payne
Councillor Carl Richardson
Dave Stubbs, Chief Executive
Chris Little, Chief Finance Officer
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
Gill Alexander, Director of Child & Adult Services

Trade Union Representatives
Edwin Jeffries
Malcolm Sullivan
Lesley Hamilton
Steve Williams
Tony Watson
Gill McDade

Apologies:
Councillor Peter Jackson
Andrew Atkin, Assistant Chief Executive
Debbie Kenny

Emma Armstrong, PA to CEMT (Minutes)

1.	**Presentation**
Chris Little provided a brief update following the presentation given to the Trade Union group on 21/07/14 (the first stage consultation meeting). He reported on Hartlepool's financial position for 2015/16 – 2018/19 and provided a brief summary of the Reserves Review and the updated MTFS Savings proposals submitted to Finance & Policy Committee 15th September 2014.	

Comments Made	Response
The Trade Unions queried "What representations to the MP have been made on the future budget positions, if it is a Labour victory in the next Election."	Officers and Leader have regular meetings with the MP, however nothing has been specifically discussed. The CFO (with ANEC colleagues) has recently attended a meeting with the LGA/CIPFA Independent Commission to highlight the issues raised by HBC in relation to the budget. The Leader indicated that HBC still have the ambition to implement a local Living Wage, which will need funding.
The Trade Unions noted that other authorities must be envious of HBC and the current financial position, as HBC are managing / planning for this better than some neighbours	Officers noted this and Members raised that Trade Union attendance was welcomed at Policy Committee meetings to encourage knowledge and working together with TU's.
The Trade Union's welcomed continued liaison with CMT and members. The Trade Union's questioned the position of the Power Station extra shut down.	Officers commented that the full position is unknown at present, but some reserve is put aside to assist with this. Once more information is known this will be circulated.

Impact Assessment Form

Department	Division	Section	Owner/Officer
CED	All	All	Andrew Atkin/Chris Little/Peter Devlin
Function/ Service	**Chief Executives Department – Budget Savings 2015/16** The Chief Executives Department provides a range of services both to internal and external customers. The majority of services are delivered internally. External customers include residents of Hartlepool and other local organisations e.g. the Fire Authority and schools. Where services are delivered to residents they are available borough-wide and to all potential users (across the diverse groups). This includes services such as the Customer Service Centre, Revenues and Benefits, Elections & Electoral registration, Local land searches etc. Where necessary access to services is tailored to reflect the needs of diverse groups – this includes having accessible buildings for disabled people, translation services for those whose first language is not English, front line Customer Services staff trained in British Sign Language, The proposed budget savings within the Chief Executives Department are as follows and mean the scaling back of some activities: **CED (0% staffing) –** Cross-cutting issues (£50k) - Achieved through review of workloads to allow the absorption of public health work by existing staff allowing saving to be made on public health grant previously allocated for overheads. No direct impact on services to the public but this will impact on existing staff. **Corporate Strategy (95% staffing) –** Removal of vacant post / Changes in operations and management arrangements (£220k) – Achieved through ER/VR request, deletion of vacant posts and compulsory redundancy which will be delivered through restructure and scaling back of services in non-public facing areas. The installation of an automated telephone solution within the Customer Service Centre will ensure service targets are not compromised and customer enquiries continue to be handled in a timely manner.

	Legal Services (100% staffing) – Staffing savings (£63k) – Achieved through ER/VR request with elements of work re-assigned within Division. Also, review of working arrangements with reduction of working hours following request from officers – change accommodated within respective roles without discernible impact on delivery of service. No direct impact on services to the public but will impact on existing staff. **Corporate Finance (92% staffing) –** Removal of vacant post / Changes in operations and management arrangements (£165k) – Achieved through staffing restructures and accepting ER/VR requests. No services to stop and the changes that will be implemented will be designed to avoid impacting on services. There is a risk that service standards (i.e. collection rates for Council Tax/Business rates and the processing time for benefit applications) will be harder to maintain, although this is not expected to have a major impact in 2015/16. There may be some impact on internal clients through changes to Central Finance but procedures are to be changed in order to mitigate against this. Extended processing times may delay the receipt of benefits for members of the public. Income (£15k) – Achieved through recovery of VAT on car mileage which is now possible due to improved IT systems making the process cost effective to implement.
Information Available	Information available that has been used to inform these proposed changes: • Current structures and proposed structures. • Job descriptions • Job Evaluation

Relevance *Identify which strands are relevant to the area you are reviewing or changing*	**Age**	**X**
	The potential for longer processing times for benefit claims may impact on this group.	
	Disability	**X**
	The potential for longer processing times for benefit claims may impact on this group.	
	Gender Re-assignment	
	Race	
	Religion	
	Gender	

	Sexual Orientation	
	Marriage & Civil Partnership	
	Pregnancy & Maternity	**X**
	The potential for longer processing times for benefit claims may impact on this group.	
Information Gaps	*None identified*	
What is the Impact	Proposals will have a minimal impact on equality. Equality impacts on particular groups and staff have been considered as part of the Savings Programme proposals. Equality impacts are deemed to be minimal and options to mitigate, avoid or reduce the impact have been considered as part of the proposals, inc: • Early Retirement/Voluntary Redundancy opportunities are in line with HR policy and staff have been appropriately advised and will be supported throughout the process; • There may be an impact on the length of time it takes to process benefit claims and although this will affect all claimants equally there are likely to be more claimants from the 3 groups identified above. Longer processing times may in turn may affect a tenants relationship with their landlord.	
Addressing the impact	**1. No Impact - No Major Change –** *it is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.*	

Action identified	Responsible Officer	By When	How will this be evaluated?
Monitor processing times to consider impact on claimants.	**John Morton**	**Dec 2015**	

Date sent to Equality Rep for publishing	
Date Published	
Date Assessment Carried out	

Department	Division	Section	Owner/Officer
Regeneration & Neighbourhoods	*Neighbourhoods*		*Denise Ogden /Alastair Smith*
Function/ Service	SAVINGS PROGRAMME 2015/16 NEIGHBOURHOODS DIVISION The overall savings figure is £2.420m for 2015/16.The scale of budget savings on service delivery now has reached a point where difficult decisions have to be considered. To achieve the departmental savings it has become apparent we will have to cut some services further and for some, consider cessation of service altogether. The best approach to selection of service reduction has been to list all non-statutory services and undertake a prioritisation exercise for cessation of same. The aim of this impact assessment to is ensure that any impact on equality is assessed and considered prior to decisions being made about the reduction of services. Non-statutory service areas that have absorbed budget cuts previously and that now need to be considered for full cessation of service delivery are as follows:- **Road Safety** – Removal of initiatives such as 'bikeability' and other educational programmes.To mitigate any impact these functions will be offered as a package to buy back **Community Safety & Engagement** – Transfer of operational services from Neighbourhood Management to Street Care enable the Community Development and Engagement Service to be reconfigured and reductions to the Community Pool will enable further reconfiguring of the level of service provided. (A separate EIA has been completed to address the changes to the Community Pool) **Departmental Re-configuration** – Merging of some functions elements between the Neighbourhoods division and the Regeneration division. No direct impact on Equality **Parks & Countryside** - Two ER/VR requests approved and one vacant post deleted from the structure. No direct impact on Equality. **Building Cleaning** - Realignment of budgets and services as buildings close and the acceptance of an early retirement / voluntary redundancy. No direct impact on Equality. **School Catering** – Increase the income budget – No direct impact on Equality. **Street Care Operations** - Reconfiguration of service and staffing – No direct impact on equality		

	Fleet – A new system has been introduced which has identified more efficient use of the Fleet.

Waste & Environment - suspension of green waste collection during the winter period from November to March. Operational data tells us that very little green waste is deposited in the brown bins over this period which in turn suggests the operational element of this collection service and the associated costs are not best utilised in terms of effective deployment of the Department's resources. It has also been considered to replace this service with a paid for service, this has been assessed and dismissed due to the impact on elderly and disabled users of the service

Cemeteries – Review of fee and charges to bring in-line with other providers.

Emergency Planning - Reduction in the level of subsidy will be achieved by an inflation freeze on our contribution. |
| **Information Available** | Information available that has been used to inform these proposed changes:

- Current structures and proposed structures.
- Staffing profiles across all areas.
- Established HR Procedures (Selection criteria is based on objective matters which are not related to any protected groups).
- Job Descriptions.
- Job evaluation process.
- Information on service users
  - Satisfaction surveys and questionnaires
  - Regular progress and liaison meetings with users and providers
  - Neighbourhood forums
  - Ward Councillor feedback |

| **Relevance**

Identify which strands are relevant to the area you are reviewing or changing	**Age**	**x**
	Disability	**x**
	Gender Re-assignment	
	Race	
	Religion	
	Gender	
	Sexual Orientation	
	Marriage & Civil Partnership	
	Pregnancy & Maternity	

Information Gaps	none
What is the Impact	Proposals have a minimal impact on equality and statutory services will not be affected. Equality impacts on particular groups and staff have been considered as part of the Savings Programme proposals. Equality impacts are deemed to be minimal and options to mitigate, avoid or reduce the impact have been considered as part of the proposals, inc: • Early Retirement/Voluntary Redundancy opportunities are in line with HR policy and staff have been appropriately advised and will be supported throughout the process • Reconfiguration of services and merging of functions – No specific impact on people and communities identified. However it is noted that there will be increased pressure on staff to deliver services and potential reduced flexibility and effectiveness of service • Reduction in the Community Pool – Separate EIA completed • Reduction in Road Safety functions – The impact of withdrawing functions within the Road Safety Service have been mitigated by offering this service as a buyback package which will be promotes to schools, academies and other organisations.
Addressing the impact	*The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.* **1. No Impact- No Major Change –** *For certain aspects of the savings programme it is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.* **3. Adverse Impact but Continue –** *Withdrawal of funding and reducing service functions have the potential to reduce the flexibility and effectiveness of the service*

Actions			
It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.			
Action identified	**Responsible Officer**	**By When**	**How will this be evaluated?**
Monitoring buy back levels and impact on the number of young people who can	**P Watson** **Road Safety Team**		**Increase in take up**

access road safety initiatives.			
Date sent to Equality Rep for publishing		00/00/00	
Date Published		00/00/00	
Date Assessment Carried out		00/00/00	

Department	Division	Section	Owner/Officer
Regeneration & Neighbourhoods			*Denise Ogden*
Function/ Service	**SAVINGS PROGRAMME 2015/16 – REGENERATION AND NEIGHBOURHOODS DEPARTMENT**		
	This Equality Impact Assessment aims to show that impact on equality has been assessed and considered as part of the Savings Programme process.		
	As part of the 2015/16 Savings Programme, a number of service areas were identified where potential savings could be made, including:		
	Community Pool		
	Reduction in budget and grant contributions that support the Voluntary and Community Sector (VCS), including; grant reductions towards running the Hartlepool Credit Union, Cessation of grant and budgets for capacity and resource building in VCS and provision of development, investment and emergency grants.		
	EIA's have been completed for each individual category affected by the proposals to assess the impact and feed into the decision making process. The changes that will impact particular groups that are supported by the VCS are in terms of service levels that will reduce as a result of reducing budgets and grants. To mitigate the impact officers will work with organisations affected to support them in seeking alternative solutions to sustain services.		
	Property Management		
	The savings proposal is to increase the income budget and transfer resources onto more fee earning projects. No Impact on Equality.		
	Support Services		
	Reconfiguration of structures and service provision. 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. No impact on Equality, any changes that impact on staff will be in-line with HR Policy.		
	Community Safety		
	Review of CCTV Community Monitoring services. No impact on Equality.		
Information	Ways in which the service engages with communities, has helped		

Available	to inform the proposals, including:	
	• 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. 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	
Relevance *Strands are relevant to changes proposed within the Community Pool*	**Age**	x
	Disability	x
	Gender Re-assignment	X
	Race	X
	Religion	X
	Gender	X
	Sexual Orientation	x

	Marriage & Civil Partnership
	Pregnancy & Maternity
Information Gaps	*No Gaps*
What is the Impact	• *Reduction of budgets, grants and cessation of funding will impact on the levels of service delivered which in-turn will impact on people who access support provided by the VCS.*
Addressing the impact	*The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.* **1. No Impact- No Major Change** *(For the majority of functions included within the proposal) It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.*
	3. Adverse Impact but Continue - *Reduction of budgets, grants and cessation of funding will impact on the levels of service delivered which in-turn will impact on people who access support provided by the VCS.*

Actions			
It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.			
Action identified	**Responsible Officer**	**By When**	**How will this be evaluated?**

Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	00/00/00

Department	Division	Section	Owner/Officer
Regeneration & Neighbourhoods	*Regeneration*		*Denise Ogden / Damien Wilson*

Function/ Service	SAVINGS PROGRAMME 2015/16 REGENERATION DIVISION
	
	The aim of this impact assessment is to ensure that any potential impact on equality is assessed and considered prior to decisions being made that impact on people and services.
	
	The savings proposed can be bundled into four discrete packages as follows:-
	• Divisional Management Structure
	• Cross Departmental Management Structure
	• Specific Operational Service Proposals
	    - Economic Regeneration
	    - Planning
	    - Housing
	    - Culture and Information
	
	Divisional Management Structure
	
	A proposal to slim down the strategic management structure is being proposed, specifically the proposal is to merge the Building Control service into the Planning Service. There is no direct impact on Equality.
	
	Cross Departmental Management Structure
	
	Reconfiguration of two services, one within the Regeneration and one within the Neighbourhoods Division. This will result in a new service which combines elements from the Parks and Countryside Service along with elements from the Landscape and Conservation Service. There is no direct impact in Equality.
	
	Economic Regeneration
	
	Further reconfiguration of services related to marketing and the visitor economy. There is no direct impact on Equality.
	
	Planning
	
	The savings proposal includes a combination of efficiencies related to bringing various budgets together. There is no direct impact on equality.
	
	Housing
	
	Savings of approximately £85,000 are being proposed from Housing Services through a combination of bringing services back into the Council which were previously delivered externally via a management agreement. Further anticipated income streams from for example, the setting up of a Social Lettings Agency which

	was agreed by Members at Finance and Policy Committee in June 2014. **Culture & Information** Savings proposal includes, restructure library management and operational structure; reduction of operational budgets; staffing reductions due to voluntary redundancy/early retirement; reduce library staff hours. The voluntary redundancy/early retirement opportunities are in line with HR policy and staff have been appropriately advised and will be supported throughout the process. No direct impact on Equality. With regard to proposed savings related to the library services, consideration had been given to the closure of all or some of the branch libraries and whilst this proposal has not been ruled out entirely, it has been deferred for consideration for 2016/17 on the basis that if it is to be considered, a full review of the branch libraries will need to be undertaken. This will look at closure, community asset transfer, alternative delivery models etc, and will require full community consultation in order to ensure the decision, if it is made, is not subject to legal challenge. A full Equality Impact Assessment will be completed at the appropriate time.
Information Available	The range of services considered as part of the savings programme are delivered across the whole of the Borough dealing with people across all age groups, however, within these functions there are many discreet services which have been tailored for particular user groups. Some examples are listed below for illustrative purposes and are by no means exhaustive. Feedback from these groups is used to inform the delivery of services. - Going Forward project – 16 to 24 year olds (NEETS). - Family Wise – Supporting residents with multiple problems. - Selective Licensing – targeted towards areas of the town with a high proportion of private rented housing. - Housing Adaptations service – targeted towards people with disabilities. - Housing Advice – targeted towards people in need of housing or who are homeless or at risk of becoming homeless. - The Business Team – supports the business community from new start ups right through to large scale inward investors. - Adult Education – providing a wide range of services and learning opportunities to people aged over 16. - Planning One Stop Shop – providing comprehensive planning advice and guidance to residents, architects, consultants, developers and businesses. - Book Trust Programme – aimed at children from 9 months to 5 years.

- Home Library Service – delivering books directly into the homes of library members who are in ill health or have mobility issues.
- Arts for Team – programme using art as a mechanism to inspire, develop and train young people.
- Museum of Hartlepool – 132,067 visitors 2014/14.
- Learning: School Visits – 1146 facilitated school visits by people to the Museum and Art Gallery in 2013/14.

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

- Updating of the Economic Regeneration Strategy involving consultation through the Economic Forum.
- Hartlepool Vision launch and engagement in January 2014 involving over 150 businesses and a similar number of residents.
- Following the launch of the Vision, the commencement of the Waterfront Masterplan process will see ongoing consultation over the next 6 – 9 months as the plan is developed. This will involve Members, the public, businesses and other interested groups.
- Training and Employability Programmes – all trainees are regularly consulted for satisfaction ratings.
- Housing Regeneration Carr and Hopps – regular one-to-one engagement with residents who remain in the area as the project moves forward.
- Regular attendance at resident group meetings to discuss, for example, housing standards, Selective Licensing, Empty Homes etc.
- Visitor surveys for specific events and festivals including, for example, Golf Week, to evaluate the success of the event and to learn from the experience.
- Annual satisfaction survey for tenants at the Hartlepool Enterprise Centre.
- Home Library User surveys – 394 in 2011.
- Cathy Cassidy – Author Event evaluation - 378 responses – February 2014.
- Local History lecture – 22 responses – March 2014.
- Library Services Review – Mobile Survey evaluation – 154 responses – September 2013.

Relevance	Age	
Identify which strands	**Disability**	
are relevant to the		
area you are reviewing	**Gender Re-assignment**	
or changing		
	Race	
	Religion	

	Gender	
	Sexual Orientation	
	Marriage & Civil Partnership	
	Pregnancy & Maternity	
Information Gaps	*An Equality Impact Assessment is required for Housing to assess the impact of bringing services back into HBC.* *Future Impact Assessment will be required as part of decisions and planning around the future of the library service.*	
What is the Impact	Equality Impacts on those groups with protected characteristics have been considered as part of the Savings Programme proposals. Impact are deemed to be minimal and options to mitigate, avoid or reduce impact have been considered as part of the proposal, inc: • Increased pressure on staff to deliver services and potential to reduce flexibility and effectiveness of services. • Impact on the service users by weakening of the front line services in the case of Planning, Economic Regeneration, Housing and Culture and Information staffing reductions. • Early Retirement/Voluntary Redundancy opportunities are in line with HR policy and staff have been advised appropriately.	
Addressing the impact	*The outcome of the impact assessment may be one or more of the following four outcomes; You must clearly set out your justification for the outcome/s.* **1. No Impact- No Major Change -** *It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.*	

Actions

It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.

Action identified	Responsible Officer	By When	How will this be evaluated?
Monitoring the impact on protected groups of bringing housing services back in house	**N Johnson**		
Undertake EIA when considering	**D Worthington**		

library proposals for 2016/17			
Date sent to Equality Rep for publishing		00/00/00	
Date Published		00/00/00	
Date Assessment Carried out		00/00/00	

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COUNCIL

18th December 2014

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Report of: Finance and Policy Committee

Subject: LOCALISED COUNCIL TAX SUPPORT 2015/16

1.   PURPOSE OF REPORT

1.1   To present details of the final proposals for the Localised Council Tax Support Scheme for 2015/16.

2.   CONSIDERATION OF SCHEME PROPOSALS BY COUNCIL

2.1   The agenda papers for this meeting include a copy of the report considered by Finance and Policy Committee on 24th November 2014 (attached as **Appendix 1**) to assist familiarisation by members of the issues and financial risks associated with the operation of the Local Council Tax Support scheme.

2.2   The former national Council Tax Benefit scheme was abolished on 31st March 2013 and local authorities are required by Government to establish their own Local Council Tax Support Schemes (LCTS). For 2013/14 the Government reduced its funding nationally to operate these new local schemes by 10% (over 13% In Hartlepool).

2.3   From 2014/15, the Government has ceased making a specific grant for LCTS schemes but instead has mainstreamed the grant paid to support LCTS schemes within the Core Revenue Grant paid to Councils. In addition, the Government's financial settlement for 2014/15 and 2015/16 included significant ongoing cuts in Revenue Grant funding.

2.4   In view of this position, the Council has had to consider how the available Core Revenue Grant is allocated between support for the LCTS scheme and support for the General Fund Budget. In approving the Council's Medium Term Financial Strategy, Members have agreed that the 2015/16 LCTS scheme will bear its proportion of the Government cuts in revenue grant to the Council.

2.5   Sustainability and affordability are key principles that underpin the operation of the LCTS scheme. The report to Finance and Policy Committee of 24th November 2014, set out financial analysis which confirmed that a 2015/16 LCTS scheme that maintains a level of award

cut at 12% (the same as in 2014/15) is viable. The Council has only been able to operate a 2013/14 LCTS scheme involving an 8.5% LCTS cut, a 12% cut for 2014/15, and a proposed 12% cut for 2015/16 as a result of previous decisions to earmark one off resources to assist with the implementation and operation of the Hartlepool LCTS scheme. The other four Tees Valley Authorities all implemented LCTS cuts of 20% in 2013/14 and 2014/15 and it is understood will continue with these arrangements into 2015/16.

3. PROPOSALS

3.1. The proposal put forward by Finance and Policy Committee is to maintain the LCTS scheme award cut at the same level as in 2014/15. The proposed 12% LCTS cut for 2015/16 is viable, reduces financial risk and defers an increase in the Council Tax liability of low income working age households at a time when households are adjusting to the impacts of the wider national welfare reforms.

3.2 The financial planning assumptions that underpin the LCTS scheme will require close monitoring to ensure that claimant numbers, scheme costs and collection of Council Tax are in line with forecasts, as any variances will either require the Council to revise the local scheme for future years, or will result in an additional General Fund budget pressure.

3.3 It is proposed that Council**:**

  i)   Approves the implementation of a 2015/16 LCTS scheme involving a 12% cut.

  ii)   Approves the re-phased application of LCTS reserves

  iii)   Approves the continuation in 2015/16 of the existing LCTS scheme Principles.

  iv)   Approves the passporting of about £5,000 of the 2015/16 Core Revenue Grant to Parish Councils in accordance with national regulations.

  v)   Notes that the approved Local Council Tax Support Scheme will be subject to close monitoring and annual review and approval by full Council;

4.   CONTACT OFFICER

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Finance & Policy Committee

24th November 2014

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Report of: **Chief Finance Officer**

Subject: **LOCAL COUNCIL TAX SUPPORT 2015/16**

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1.   TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Budget and Policy Framework Decision.

2.   PURPOSE OF REPORT

The purpose of the report is to:

i)   Update Members on the operation of the current 2014/15 Local Council Tax Support (LCTS) scheme;

ii)   Enable Members to determine a LCTS 2015/16 scheme to be referred to full Council for a final decision as required by statute.

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. This means

Councils face having to implement higher reductions in LCTS support, or limiting the LCTS cut by implementing higher General Fund budget cuts.

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 have higher levels of deprivation.

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.

3.4   Members approved the current 2014/15 LCTS scheme based on a 12% reduction for working age households (an increase from the 8.5% reduction in 2013/14). Hartlepool's 2014/15 LCTS scheme still provides 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 have been advised that significantly higher cuts in LCTS support are likely to be required in future years as Councils will find it increasingly difficult to balance supporting LCTS schemes and General Fund services if grant cuts continue.

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 June 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.
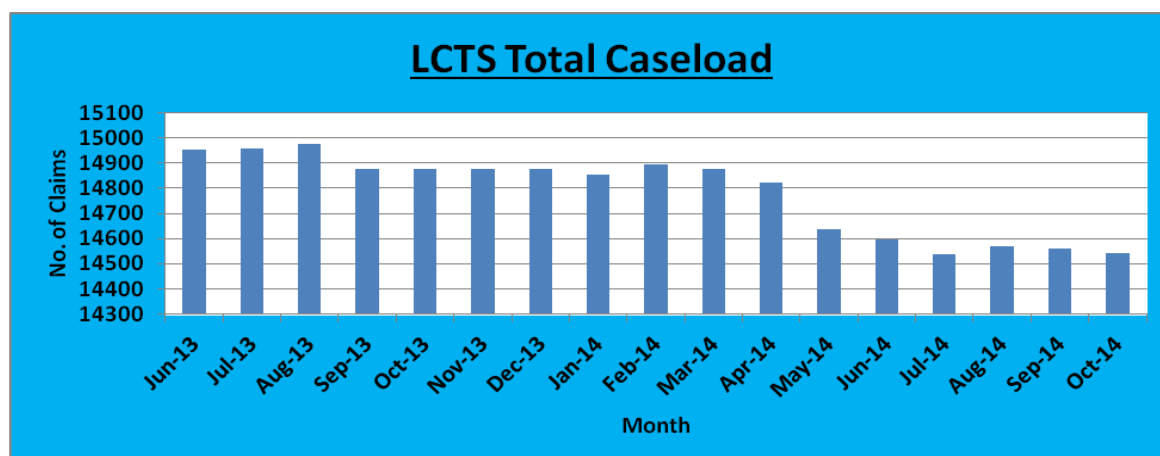
This trend was reflected in the 2014/15 LCTS scheme modelling, however the reduction in claimant numbers and the reduction in the cost of awards is in practice greater than forecast reflecting the gradual improvements in the general economic situation. It is anticipated that this caseload reduction will be maintained and this is reflected in the updated forecasts for 2015/16 to 2017/18 detailed later in the report. The LCTS scheme will continue to be closely monitored to ensure that the scheme underlying financial planning assumptions remain valid.

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. Using a range of data from operating the LCTS scheme for 18 months and latest caseload forecasts, the medium term LCTS financial model has been re assessed.

5.2 As previously reported to Members, the financial risk of un-forecast increased LCTS costs had previously been recognised via a risk reserve of £0.52m. The level of this risk reserve was reassessed to reflect actual experience of operating the LCTS in 2013/14 and 2014/15 and Finance and Policy Committee on 21st July 2014 agreed to reduce the value of this reserve to £0.3m and thereby release £0.22 m to support the LCTS scheme over the next few years. The retention of an uncommitted risk reserve of £0.3m will continue to enable the Council to manage this risk and hopefully avoid in year budget pressures from 2015/16 if actual LCTS scheme costs were to increase.

5.3 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 low income working age households. There is also a risk that increasing LCTS

scheme cuts will result in affected households seeking support from the Council for other forms of assistance.

5.4   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, a position mirrored nationally with the 2013/14 Council Tax collection rate falling by about 0.7% for metropolitan and unitary authorities as compared to 2012/13.

5.5   Recently published analysis from the New Policy Institute shows that for 2013/14 increases in arrears are greater in Councils with higher cuts in support:

National impacts on Council Tax Collection of LCTS schemes 2013/14

Level of LCTS cut	Number of Councils in Group	Proportion of Councils where arrears increased by at least 25%
8.5% or less	111	32%
20%	53	55%
Above 20%	43	84%

Source: New Policy Institute

Hartlepool LCTS Scheme 2013/14 involved LCTS cut of 8.5%. At the end of 2013/14 arrears had increased by 16%.

5.6.   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. The 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.

5.7   To enable Members to determine the final 2015/16 scheme, 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 continues to incrementally reduce.

ii) Members support the re-phased use of the LCTS Reserves (including the contribution from the lower 2014/15 LCTS cost) to partly mitigate the impact of the Government Grant cut on Working Age households;

iii) The retention of an un-committed LCTS Risk Reserve of £0.3m to manage LCTS financial risks. The availability of this uncommitted funding would not provide a permanent solution to a higher grant cut, or in-year increase in claimant numbers but it would provide a slightly longer lead time for the Council to respond.

iv) For 2016/17 an additional 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 continue to be undertaken to assess the implications of any changes in these planning assumptions which are inevitable and unavoidable, as the majority of factors are outside the Council's direct control.

5.8 Members of Finance and Policy Committee on 21st July agreed to continue with a 12% LCTS cut in 2015/16 on the basis that further financial modelling indicated that such was affordable.

5.9 Members recognised that continuing with a 12% LCTS cut for 2015/16 would defer an 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. This level of cut will increase the likelihood of the Council maintaining high levels of Council Tax collection.

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

- The increasing impact of the Government grant cut;

- The re-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 2017/18 if Government grant cuts continue as forecast in the MTFS. The table shows the impact of grant cuts continuing for 2016/17 to 2018/19. If the level of future government grant cuts is higher than modelled, the level of LCTS scheme cut will need to increase to ensure a balanced and viable scheme is approved.

LCTS Scheme Cost modelling 2014/15 to 2018/19

	14/15 £'000	15/16 £'000	16/17 £'000	17/18 £'000	18/19 £'000
LCTS scheme Govt Grant Shortfall	1,030	2,306	3,196	4,015	4,759
Less cut in LCTS to households	(870)	(870)	(1,450)	(1,450)	(3,030)
% LCTS cut	12%	12%	20%	20%	42%
Funding Required	160	1,436	1,746	2,565	1,729
Funding available					
MTFS Pressure	160	312	1,570	1,570	1,570
Family Poverty Reserve	0	375	0	0	0
LCTS Reserve	0	749	176	995	159
Funding available	160	1,436	1,746	2,565	1,729

5.11 Members have previously requested information regarding LCTS claimants covering those who are unemployed and those that are in work. Relevant data is set out in the following tables

Unemployed Working Age Households - who previously received 100% Council Tax Benefit

Estimated amount of Council Tax to pay by Band 2015/16 with 12% LCTS scheme cut

Band	Number of Households	Amount to pay 2015/16 £
A	5425	136
B	376	159
C	109	181
D	30	204
E	12	249
F	1	295
G	3	340
H	0	n/a
Total	5956	

NB The amount to pay will be reduced for those households with only one occupier.

There are also about 600 working age claimants who are unemployed but are receiving other welfare benefits eg. Employment and Support Allowance or Personal Independence Payments not included above.

Employed Working Age Households impacted by the 12% LCTS scheme cut

Band	Number of Households Impacted
A	1534
B	239
C	111
D	28
E	11
F	5
G	1
H	0
Total	1929

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.

7.3 If the Council had not taken this pro-active multi-year strategy, a 20% LCTS would have had to be implemented in 2013/14.   This is the level of cut implemented by the other Tees Valley Councils in 2013/14, 2014/15 and is expected to continue in 2015/16.

7.4 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 the Council needs to make General Fund budget cuts of £6m next year. The MTFS forecasts a budget deficit for the period 2016/17 to 2018/19 of £14.8m.

7.5. Against this background, Members need to determine a LCTS scheme for 2015/16 that is financially viable and supports the delivery of future year schemes that will help smooth the reduction in support to working age households. As reported previously it is recommended that the 2015/16 LCTS scheme reduction is maintained at 12%, the same level as 2014/15. On this basis, over the period 2013/14 to 2015/16 the Council's locally approved LCTS scheme will have provided the following financial support to low income working age households compared to annual LCTS cuts of 20%.

<u>Impact of Hartlepool's actual 2013/14 and 2014/15 LCTS scheme and proposed 2015/16 LCTS cut compared to annual cuts of 20%.</u>

	Band A	Band B
Council Tax Liability with a 20% LCTS cut in 13/14, 14/15 and 15/16.	£676	£789
Council Tax Liability with HBC phased LCTS cuts of 8.5 % in 13/14 and 12% in 14/15 and 15/16.	£366	£426
Cumulative Support to Households 13/14, 14/15 and 15/16	**£310**	**£363**
Number of Households Supported (i.e. previously received 100% Council Tax Benefit)	5,425	376
Percentage of LCTS Households (i.e. previously received 100% Council Tax Benefit)	91%	6%

7.6 The reductions in the number of LCTS claimants and the re-phasing of earmarked one-off resources should allow the Council to minimise the level of cut in LCTS support in 2016/17 and 2017/18 to 20%. (previous forecasts 2016/17 20% and 2017/18 35%). The revised forecast will depend on existing caseload trends continuing. Beyond 2017/18 a significantly higher cut in LCTS will be required if Government grant cuts continue as forecast.

8. EQUALITY IMPACT ASSESSMENT

8.1. An Equality Impact Assessment has been undertaken and is attached as Appendix A.

9. RECOMMENDATIONS

9.1 It is recommended that Members approve that the following are referred to Council :

i.   Approve that the LCTS scheme for 2015/16 is maintained at 12%, the same level as 2014/15;

ii.   Approve the re – phased application of LCTS Reserves and the Family Poverty Reserve of £0.226m (created from the 2013/14 final Local Welfare Support outturn) as shown in the table at section 5.10;

iii.   Approve the continuation in 2015/16 of the principles A to E as set out in section 6;

iv.   Approve the passporting to Parish Councils in accordance with national regulations of approximately £5,000 of the 2015/16 grant settlement;

v.   Note the forecast LCTS scheme cuts for future years as set out in Section 5.10.

10.   REASONS FOR RECOMMENDATIONS

10.1 To allow Finance and Policy Committee to approve a proposed Local Council Tax Support Scheme for 2015/16 to submit to full Council.

11.   BACKGROUND PAPERS

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

11.2 Local Council Tax Support 2015/16 report - Finance and Policy Committee 21st July 2014.

12.   CONTACT OFFICER

John Morton
Assistant Chief Finance Officer
01429 523093
John.morton@hartlepool.gov.uk

Department	Division	Section	Owner/Officer
Chief Executives	*Finance*	*Revenues & Benefits*	*John Morton*
Function/ Service	*Local Council Tax Support Scheme 15/16, Universal 12% reduction in LCTS Awards (excl. low income pensioners).*		
Information Available	*HBC data on caseload / awards, financial modelling of local scheme options savings, CLG full EIA, Family Resources 2009/10 Survey data, Census 2011, DWP*		

Relevance *Identify which strands are relevant to the area you are reviewing or changing*	**Age**	
	The Government considered the position of low income pensioners associated with the abolition of Council Tax Benefit and the introduction of LCTS. The Government determined that unlike most other groups, pensioners cannot reasonably be expected to seek paid employment to increase their income. Therefore the Government determined that as a specific vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform. The Government has not changed its position on this core principle for 2015/16. **In Hartlepool 6,120 low income pensioners account for 42% of all LCTS claimants and the Council is required by Government to continue to protect this group**.	
	Disability	
	It is difficult to quantify accurately either the number of disabled people living in Hartlepool or the number of households in receipt of LCTS and where an individual in that household is receiving a disability related benefit. Broad modelling analysis indicates that to protect those households from the LCTS scheme cut where individuals are in receipt of Employment and Support Allowance, Disability Living Allowance or Personal Independence Payments would cost about £333,000 pa or would increase the level of LCTS cut on non protected groups to 16%. **The 2015/16 Hartlepool LCTS scheme continues with the Principle that every working age household should pay something to towards Council Tax. The Council endeavours to minimise that impact but the LCTS scheme does not provide for protection / detriment for any specific working age group.**	
	Race / Gender / Gender Re-assignment	
	The Government does not believe 'that this nationally driven policy change will disproportionately affect any particular gender or ethnicity'. The Government has not changed its position on this core principle for 2015/16. However both nationally and locally, there are almost twice as many female as male council tax benefit claimants, reflecting the number of single female claimants with child dependants.	

	Only 2.3% of Hartlepool's population are non-white. It is not known how many of this group claim LCTS, as data within the LCTS system is incomplete for this group (claimants often do not complete this section of the application form). **The 2015 / 16 Hartlepool LCTS scheme does not provide for protection / detriment for any specific working age group**	
	Religion	
	No effect	
	Sexual Orientation	
	No effect	
	Marriage & Civil Partnership	
	No effect	
	Pregnancy & Maternity	
	No effect	
Information Gaps	*Nil.*	
What is the Impact	• *Every working age household will pay some Council Tax* • *Other non dependant adults in the household will be expected to contribute to council tax* • *The scheme will encourage work* • *The 2015/16 LCTS scheme will continue to be based on the key features of the former CTB scheme* • *A universal 12% reduction in the value of the award will be made for all working age low income households.* • *Low income pensioner households are protected in line with Central Government Policy.* • *The 2015/16 LCTS scheme will continue to comply with the Armed Forces Covenant.* • *The 2015/16 LCTS scheme will continue to fully disregard child maintenance when assessing LCTS awards. This is consistent with national Housing Benefit regulations.*	
Addressing the impact	**1. No Major Change** - The proposal is robust there is no potential for discrimination across working age claimants. (The council has no choice on the protection of low income pensioners).	
	The maintenance in the level of cuts to LCTS awards for 2015/16 at 12% reflects funding issues and is after the Council contributing £1.436m to support the scheme. The 2015/16 Hartlepool scheme continues to provide no protection/ detriment for any specific working age group and is centred on equality of impact.	

Actions	

The 2015/16 LCTS scheme has been developed with the aim of removing any potential for discrimination.

Action identified	Responsible Officer	By When	How will this be evaluated?
Scheme Principles review	**Liz Cook** **Principal Benefits Officer**	**Oct 15**	**Peer review by Chief Executive's Department Diversity Lead officer.**

COUNCIL
18th December 2014

Report of: Chief Executive

Subject: BUSINESS REPORT

1.   DCLG TRANSFORMATION CHALLENGE AWARD

The Council has been successful in its bid for funding under the Department for Communities and Local Government Transformation Challenge Award 2015-16. The Council has been awarded the full amount of £750,000. The bid was led by Child and Adult Services on behalf of the partnership of children's services, public health, economic development, NHS Hartlepool and Stockton-on-Tees Clinical Commissioning Group, Cleveland Police and North Tees and Hartlepool NHS Trust. The project is entitled The Better Childhood Programme and aims to transform processes, systems and service models to create new multi professional solutions for children and families by removing duplication from the system and maximising the expertise of the children's workforce. The programme has three key elements that will be delivered as follows:

- Establishing an integrated single point of access across north Tees (including Stockton Borough Council) through a multi professional triage and assessment hub to improve intelligence sharing, risk assessment and decision making ensuring families get access to the right early or specialist support.

- Redesigning our approach to early help and social care to establish multi professional teams of family partners utilising capacity within health, local authority and the voluntary sector.

- Achieving efficiencies within the NHS Trust in relation to avoidable presentation and admissions of children to hospital through Accident and Emergency by strengthening early help and clinical capacity to meet the health needs of children at a locality level.

2.   OUTSIDE BODY - FAMILY PLACEMENT PANEL

Council is informed that Councillor Payne has resigned from his position on the Family Placement Panel. A replacement nomination is sought for the remainder of the term of office which extends until 2017. Council's instructions are requested.

3. CATCOTE ACADEMY

Members will be aware of discussions at the Council meeting held on 30 October, 2014, when concern was expressed by a Member regarding facilities at Catcote School. It was moved "that a report be submitted to a future meeting of the Finance and Policy Committee to explore building and associated works required at Catcote school." Following the Council meeting the proposal was discussed with the Chair of Finance and Policy Committee and the Chair of Children's Services Committee. Council is requested to note that it was agreed that constitutionally, a report should be considered by the Children's Services Committee.

Subsequently a report was prepared for presentation to the Children's Services Committee on 9th December 2014. The report outlined that Catcote Academy is proposing to make two bids to the Department for Education Academies Capital Maintenance Fund in order to obtain central government funding to develop and improve the accommodation for both its Behavioural, Social and Emotional Difficulties provision and its Autism Spectrum Disorder (ASD) provision. Funding is being sought to replace the demountable classrooms that currently house the Behavioural, Emotional and Social Difficulties (BESD) provision, and which are now in poor condition, with an extension to the school building onto the south car park. This will provide three teaching rooms, staff and student toilets and an enclosed garden. Two existing rooms will be included in the BESD scheme with a separate entrance, reception and office. In addition, the north car park will be reconfigured to enable more parking in this area. The second bid for DfE capital maintenance funding is to replace the demountable building that currently houses the ASD provision with a modular building that will include autism specific teaching areas, sensory and social areas and both staff and pupil toilets. The deadline for the submission of both bids is19th December, 2014.

4. EXPENDITURE RELEVANT TO MEMBERS' INTERESTS

Further to requests by members this information has been compiled to provide the following:

a)   details of any contracts for works or services which were subject to the Council's tender process and awarded to a body/entity listed on the Member's Register of Interests during the last 3 months (Appendix A) and;

b)   details of any payments made to a body/entity listed on the Member's Register of Interests during the last 3 months Appendix B).

It should be noted that the information presented in Appendix B has been vetted to comply with the following requirements:

The report includes the following categories of member interest:
   Employment, Office Trade, Profession or Vocation
   Sponsorship
   Contracts with the Authority
   Land in the area of the Authority

Securities
Other interests
Interested parties

The following categories are excluded:
Licence to occupy land
Corporate tenancies

All payments relating to benefits are excluded.

Caveats:
The report does not include information on those bodies listed on members interests forms which either do not have a supplier number on Integra or which cannot be identified on Integra given the information provided.

Recommendation - Members are asked to note the contents of the report.

Appendix A – Contracts awarded to a body/entity listed on the Member's Register of Interests.

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Contract Value
NIL RETURN			

Appendix B - Details of payments made to a body/entity listed on the Member's Register of Interests.

Supplier Ref	Supplier Name	2014/2015		Member	Type of Interest (as at 1st September 2014)
		Current Quarter Payments (July-Sept 14) £	Cumulative Payments (April to Mar 2015) £		
700025200	Belle Vue Community Sports	42,950.64	67,836.89	Kevin Cranney Alan Clark Mary Fleet	Other Interests Other Interests Other Interests
750080500	Caparo Forging	0.00	2,500.00	Alan Clark	Other Interests / Employment, Office Trade, Profession or Vocation
700395100	Hartlepool Access Group	0.00	2,705.00	Kevin Cranney	Other Interests
700121300	Hartlepool Citizens Advice Bureau	900.00	900.00	Allan Barclay	Other Interests
701780000	Hartlepool Carers	46,347.39	99,181.11	Mary Fleet Stephen Thomas	Other Interests Other Interests
705354500	Hartlepool Credit Union Limited	24,049.95	37,325.92	Gerard Hall	Other Interests
701981200	Hartlepool Families First	37,699.24	68,346.36	Paul Thompson Jonathan Brash Pamela Hargreaves Peter Jackson	Employment, Office Trade, Profession or Vocation / Contracts with the Authority Other Interests Other Interests Other Interests
700122200	Hartlepool Voluntary Development Agency	147,326.08	259,763.77	Christopher Akers-Belcher Stephen Thomas	Employment, Office Trade, Profession or Vocation / Contracts with the Authority Employment, Office Trade, Profession or Vocation
705208300	Heugh Gun Battery Trust Ltd	75.00	75.00	James Ainslie	Other Interests
705413800	Leisa Smith (Liberty Catering Solutions)	1,621.00	2,209.00	Pamela Hargreaves	Employment, Office Trade, Profession or Vocation / Securities
701117200	Owton Rossmere Community Enterprise Limited	576.00	2,834.00	Allan Barclay	Other Interests
705144300	Rift House East Residents Association	1,500.00	1,865.00	Christopher Akers-Belcher	Other Interests

				Stephen Akers-Belcher	Other Interests
705237500	St Matthew's Hall Committee	516.00	**790.00**	Gerard Hall	Other Interests
750157400	The Rifty Youth Project	600.00	**600.00**	Allan Barclay	Other Interests
				Stephen Akers-Belcher	Other Interests
				Paul Beck	Other Interests
700300500	West View Advice & Resource Centre Ltd	34,291.00	**67,940.00**	Robin Cook	Other Interests
				Sheila Griffin	Other Interests
				Christopher Simmons	Other Interests / Employment, Office Trade, Profession or Vocation / Corporate Tenancies
700300600	West View Project	94,135.75	**183,961.50**	Rob Cook	Other Interests
				Sheila Griffin	Other Interests
				Christopher Simmons	Other Interests
750054000	Xivvi Limited	4,250.00	**4,250.00**	Pamela Hargreaves	Securities / Employment, Office Trade, Profession or Vocation / Contracts with the Authority
				Paul Thompson	Securities / Employment, Office Trade, Profession or Vocation / Contracts with the Authority

456,542.06	**852,482.42**

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│                  COUNCIL                      │
│              18th December 2014               │
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Report of: Chief Executive

Subject: BUSINESS REPORT (2)

4.   CHAIR OF NEIGHBOURHOOD SERVICES COMMITTEE

Members were informed that Councillor Jackson has resigned as Chair of Neighbourhood Services Committee but will remain a Member of the Committee. Councillor James has been nominated as Chair of the Committee with Councillor Barclay as Vice Chair.

As a result of the above change in membership, Councillor James will be appointed to the Finance and Policy Committee as a Policy Chair which has resulted in a vacancy for a Labour Member on this Committee and nominations for this position are sought from Council.

5.   EXTRAORDINARY COUNCIL MEETINGS

In accordance with the resolution of Council on 24 November 2014, all statutory health scrutiny functions were transferred to Full Council. Therefore, in order to consider the health scrutiny items (detailed in **Appendix C**), a schedule of dates for Extraordinary Council meetings is being discussed with the Ceremonial Mayor and will be reported to the Council meeting on 5 February 2015.

Health Scrutiny involves public participation; therefore, in order for members of the public to participate in discussions Council Procedure Rules will need to be suspended at the Extraordinary Council meetings.

6.   REVIEW OF THE INDEPENDENT RECONFIGURATION PANEL

The Department of Health reviews its arm's length bodies once every 3 years. There is currently a review of the Independent Reconfiguration Panel (IRP) being undertaken. The Independent Reconfiguration Panel, originally established in 2003, is an Advisory Non-Departmental Public Body of the Department of Health.

The IRP is the independent expert on NHS service change, and provides advice to the Secretary of State for Health on contested proposals for health service change in England. The IRP also offers ongoing support and advice to the NHS and other interested bodies on successful service changes. The Department of Health wants to know what people think of the IRP, including:

- whether the Panel needs to continue in its current form
- how the Panel is performing
- whether the Panel is providing good value

There are 11 questions and the review team are particularly interested in evidence in support of responses to the 11 questions. The questions are detailed in **Appendix D.**

The consultation closes on 19 December 2014, although an extension to this deadline has been offered until close of business on Monday 22 December 2014.

As the closing date for this review is before the first Extraordinary Council meeting, Council is asked to consider and respond to this review.

RECOMMENDATION

To formulate a response to the review and delegate authority to the Statutory Scrutiny Officer, in conjunction with the Ceremonial Mayor, to finalise that response.

7. CONSULTATION ON HOW THE CARE QUALITY COMMISSION (CQC) REGULATE DENTAL, AMBULANCE AND INDEPENDENT ACUTE HEALTHCARE SERVICES

Earlier this year the CQC sought views on the way they regulate, inspect and rate adult social care services, NHS acute hospitals, community health, specialist mental health services and NHS GP and Out of Hours services.

The CQC have launched a second consultation, on the 28 November 2014, to find out what people think about how they are planning to change the way in which they regulate, inspect and rate dental, ambulance and independent health services.

The consultation questions for each area are listed at the end of each of the provider handbooks which are attached to this report:-

Appendix E – Primary Dental Care Services
Appendix F1 and F2 – Ambulance Services
Appendix G – Independent Acute Health care

The consultation closes on 23 January 2015.

The Centre for Public Scrutiny are organising a teleconference (week commencing 12 January 2015) to gather views from Councillors on the consultation, especially in relation to the proposals for ambulance services. The views of any councillors who have been involved in joint scrutiny arrangements for ambulance services would be particularly welcomed.

As the closing date for this review is before the first Extraordinary Council meeting, Council is asked to consider and respond to this consultation.

RECOMMENDATION

1. To formulate a response to the review and delegate authority to the Statutory Scrutiny Officer, in conjunction with the Ceremonial Mayor, to finalise that response.
2. To nominate a representative to take part in the teleconference.

Items for consideration as part of the 2014/15 Municipal Year

Cardiovascular Disease Investigation

Activity / Evidence	Date
Visit to Health Bus	Group activity – outside formal Council meeting - TBC – early January 2015
Feedback from group activities Discussion with Cardiologist from North Tees and Hartlepool NHS Foundation Trust Discussion with NEAS regarding defibrillators / use in ambulances	Group activity – outside formal Council meeting - TBC – potentially 8 January 2015
Finalise and Approve Final Report	Extraordinary Council meeting

Dementia Investigation

Activity / Evidence	Date
Discussion with public health, NTHFT, Hartlepool and Stockton on tees CCG, TEWV, VCS organisations and family / carers of people with dementia	Group activity – outside formal Council meeting - TBC – January 2015
Finalise and Approve Final Report	Extraordinary Council meeting

Items remaining for consideration 2014/15 Municipal Year

Items	Date
North Tees and Hartlepool Foundation Trust Quality Accounts	Extraordinary Council meeting
Tees, Esk and Wear Valleys NHS Foundation Trust – Quality Accounts	Extraordinary Council meeting

North East Ambulance Service Quality Account (NEAS) – Quality Accounts	Extraordinary Council meeting
Health Inequalities	To be presented as part of the Director of Public Health Annual Report in the 15/16 Municipal Year – date TBC
HWBB Performance / HWB Strategy Performance	Extraordinary Council meeting
Requested information awaited from North Tees and Hartlepool Foundation Trust:- (timescale to be confirmed) - information on the take up of transport services provided by the Trust to define staff and patient usage - information regarding the average length of stay at the Holdforth unit - A brief explanation as to how the SHMI and HSMR statistics are calculated and what essentially they mean - ward statistical information collected on the nursing dashboard when making decisions on treatment through the Choose and Book System - figures in relation to the overall number of whistle blowing incidents - Details on the clinical performance of the Accident and Emergency Service at North Tees following the movement of the service from the University Hospital of Hartlepool including: • Waiting Times; and • Whether patients were presenting at North Tees Accident and Emergency Service via a referral from the One Life Centre, direct from their GPs or self-referral direct to the Unit.	Extraordinary Council meeting

Triennial Review of the Independent Reconfiguration Panel (IRP)

Call for Evidence

November 2014

Title: Triennial Review of the Independent Reconfiguration Panel -Call for Evidence	
Author: Adam McMordie, Assurance & Public Appointments Branch, 17152	
Document Purpose: Consultation	
Publication date: November 2014	
Target audience: Community groups, Civil society, Clinicians, Managers, Commissioners, Directors of Public Health, Pharmacists, Doctors, Midwives, Paramedics, Dentists, SHA, PCT, Foundation Trusts, NHS Commissioning Board, Clinical Commissioning Groups, Employer representatives, Employee representatives, Trade union, Royal Colleges, Local authority, Social care provider, General public, Patients, Patients, Service users.	
Contact details: Department of Health Richmond House 79 Whitehall, Room 220 London. SW1A 2NS Email: TR-IRP@dh.gsi.gov.uk	

Introduction

In recent years, the health and social care system in England has undergone substantial change. The Health and Social Care Act 2012 and the Care Act 2014 have devolved functions and powers away from the Department of Health to local and Arm's Length Bodies.

In this new system, the Department has the key stewardship and assurance function designed to ensure that the new system and the multiple new and reformed bodies within it, have the appropriate functions and are performing to a high standard.

To perform this stewardship function, the Department is putting in place Triennial Reviews of all its Arm's Length Bodies. This includes all Executive Non-Departmental Public Bodies (ENDPBs), Advisory Non-Departmental Bodies (ANDPBs), Executive Agencies (EA) and Special Health Authorities (SpHA). As an ANDPB, the Independent Reconfiguration Panel is subject to review in 2014-15.

The programme of reviews builds on the approach developed by the Cabinet Office as part of their work on Public Bodies Reform.

Purpose of the Review

This review is part of a wider programme the Department of Health has developed in support of its stewardship and assurance function. The review has two main aims which will be undertaken simultaneously:

- The first is to provide a robust challenge of the continuing need for the Independent Reconfiguration Panel, both in terms of the functions it performs and the model and approach in which these are delivered.
- The second will be consideration of the Independent Reconfiguration Panel's governance, performance and capability as well as exploring opportunities for efficiencies.

This Call for Evidence seeks views from respondents to assist its consideration of both of the above stages.

.

Responding to this Review

In order to conduct the review in an open and transparent manner and ensure that the findings are rigorous and evidence-based, the review team is seeking the views of a wide range of stakeholders. We are interested in the views of individuals and organisations that engage with the Independent Reconfiguration Panel or have a wider interest in its work. The key areas of enquiry, based on the five standard areas that apply to all Triennial Reviews are set out below.

Submissions should be uploaded at http://consultations.dh.gov.uk/ . The site is accessible, but alternatively responses can be sent to: TR-IRP@dh.gsi.gov.uk.

Email submissions should clearly state interest and interaction with IRP whether a member or other stakeholder.

Interested stakeholders are also invited to attend a workshop to share their views on this Call for Evidence:

8 December 2014   16:00-17:30 hours   London

                                                         (79 Whitehall, SW1A 2NS)

For further details and to register please click on the link below:

https://www.eventbrite.co.uk/e/independent-reconfiguration-panel-workshop-tickets-14191879293

Please note:

Places are limited and will be allocated on a 'first come first served' basis.

Only information directly relevant to the areas of investigation will be considered. Information where relevance is not demonstrable will not be taken as evidence. The review team is unable to respond to individual questions or complaints about contested proposals for health service change in England. Such questions or complaints should be directed to the IRP Secretariat (T. 020 7389 8045, E. info@irpanel.org.uk) Patient Identifiable information should be avoided.

 All submissions must be received by 18:00 hours on **Friday 19 December 2014**

Confidentiality

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 1998 (DPA).

If you want the information that you provide to be treated as confidential, please be aware that under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you

regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department of Health and a Ministry of State.

The Department will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Useful Links

Below are a few links that are being used by the review team as part of the review. These are not necessarily recommended reading but some respondents may find them of use.

- Independent Reconfiguration Panel – home page: https://www.gov.uk/government/organisations/independent-reconfiguration-panel
- Independent Reconfiguration Panel – terms of reference: https://www.gov.uk/government/organisations/independent-reconfiguration-panel/about/terms-of-reference
- Independent Reconfiguration Panel – membership: https://www.gov.uk/government/organisations/independent-reconfiguration-panel/about/membership
- Department of Health website: https://www.gov.uk/government/organisations/department-of-health
- Cabinet Office Triennial Review guidance: https://www.gov.uk/government/publications/triennial-reviews-guidance-and-schedule

Independent Reconfiguration Panel (IRP)

The Independent Reconfiguration Panel (IRP), originally established in 2003, is an Advisory Non-Departmental Public Body (ANDPB) of the Department of Health (DH).

The IRP is the independent expert on NHS service change, and provides advice to the Secretary of State for Health (SOS) on contested proposals for health service change in England. The IRP also offers ongoing support and advice to the NHS and other interested bodies on successful service changes.

The IRP is currently chaired by Lord Bernard Ribeiro and comprises 15 members. IRP members are experienced clinicians, managers and lay members who have wide-ranging expertise in clinical healthcare, NHS management, involving the public and patients, and handling and delivering successful changes to the NHS. The panel is supported by the IRP Secretariat.

The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 require NHS organisations to consult their Health Overview and Scrutiny Committees on any proposals for substantial changes to local health services. If a Health Overview and Scrutiny Committee is not satisfied that either a thorough consultation process has taken place or that the proposal meets the needs of the local community, it may refer the issue to the SOS. The SOS then asks the IRP for advice.

During a full review the IRP considers whether proposed changes to health services will ensure the provision of safe, sustainable and accessible services for local people. The focus of all reviews is the patient and the quality of care. As part of the review process the IRP considers written evidence, makes site visits and gathers information from all interested parties.

Following collection of evidence the IRP submits a report containing recommendations to the SOS. The IRP provides advice only. The final decision on changes is made by the SOS. The IRP's report and recommendations are published on the IRP website.

The Panel also offers informal advice to the NHS and other interested organisations involved in developing proposals for NHS service change.

Introduction to the Questions

Triennial Reviews are usually carried out in two distinct phases. However, this review will consider the questions from both of these simultaneously. This recognises the nature and scale of the IRP's work.

The review team are particularly interested in evidence in support of responses to the 11 questions set out in this Call for Evidence. Wherever possible, please provide evidence in support of your response.

The Review will be receiving a mixture of written evidence through this Call for Evidence as well as verbal submissions and testing through interview and a workshop.

The Review is considering evidence of stage one and two together. Stage one focuses on IRP functions and how they are delivered. Stage two considers the IRP performance and capability, opportunities for efficiency and the governance arrangements.

The questions below invite interested stakeholders to consider both together and feed in where they feel appropriate.

*** Please respond to **one or more** of the following 11 questions, in particular the Review is looking for evidence to inform considerations. ***

Questions

1   Are the functions the IRP undertakes in relation to providing formal advice to the Secretary of State on contested proposals for health service change in England necessary in the post-2013 health and care system?

Yes/No/Don't know?

Please give reasons for your answer.

2   Are there other organisations or mechanisms in the post-2013 health and care system that are better placed than the IRP to provide formal advice to the Secretary of State on contested proposals for health service change in England?

Yes/No/Don't know?

Please give reasons for your answer.

3   Does the IRP have the right level of independence to ensure its formal advice to the Secretary of State is impartial?

Yes/No/Don't know?

Please give reasons for your answer.

4   Do the composition and expertise of the IRP membership best support the provision of robust formal advice to the Secretary of State?

Yes/No/Don't know?

Please give reasons for your answer.

5   Could the IRP improve the process by which it gathers evidence to inform its formal advice to the Secretary of State?

Yes/No/Don't know

Please give reasons for your answer.

6   Are there other ways in which the IRP could perform more effectively in relation to providing formal advice to the Secretary of State?

Yes/No/Don't know?

Please give reasons for your answer.

7   Are there any criteria which should be added or removed from the IRP term of reference?

Yes/No/Don't know?

Please give reasons for your answer.

8   Does the advice giving service provided to the NHS and other organisations add value in the post-2013 health and care system?

Yes/No/Don't know?

Please give reasons for your answer.

9   Is the process through which the NHS and other interested organisations seek advice about successful NHS service change effective?

Yes/No/Don't know?

Please give reasons for your answer.

10   Are there other organisations or mechanisms that are better placed than the IRP to provide advice to the NHS and other interested organisations on successful service change?

Yes/No/Don't know?

Please give reasons for your answer.

11   Are there other organisations which could be used as a benchmark for the performance of the IRP?

Yes/No/Don't know?

Please give reasons for your answer.

If there is other evidence or further views on the IRP's role, functions, performance, efficiency or governance that you would like to submit as part of this Call for Evidence, please attach it and state what it relates to.

*** END ***

Care Quality Commission

Consultation

How CQC regulates:

Primary care dental services

Provider handbook

November 2014

The Care Quality Commission is the independent regulator of health and adult social care in England.

Our purpose

We make sure health and social care services provide people with safe, effective, compassionate, high-quality care and we encourage care services to improve.

Our role

We monitor, inspect and regulate services to make sure they meet fundamental standards of quality and safety and we publish what we find, including performance ratings to help people choose care.

Contents

Foreword

This consultation on how CQC will regulate dental care is really important to me, as I passionately believe that everyone in our society deserves safe, high-quality, accessible primary dental care regardless of their circumstances.

There are a number of organisations involved in monitoring the quality and safety of dental services and dental care professionals. We all have a mutual interest in ensuring that patients receive high-quality, safe dental services from professionals and organisations that are competent and meet national standards. I am extremely pleased that these organisations, including the General Dental Council (GDC), NHS England, NHS Business Services Authority and CQC have agreed to work closer together to review the approach to dental regulation and inspection across England, assess current arrangements and determine an effective model for regulation for the future.

In August 2014, we published a statement, *A fresh start for the regulation and inspection of primary care dental services*. Our statement set out our priorities for developing a new approach for primary care dental services. Our main priority is to ensure that we protect the public from unsafe care by continuing to inspect against the regulations and taking action when we identify concerns.

This consultation on our handbook for primary care dental providers sets out how we intend to do this, and how we will work with our partners.

We have asked a number of specific consultation questions and urge you to respond to these, and on any other issues relating to our proposed inspection approach.

Professor Steve Field CBE FRCP FFPHM FRCGP
Chief Inspector of Primary Medical Services

Introduction

In this document, we are consulting on our proposed new approach to regulating primary care dental services. This consultation will run from 28 November 2014 to 23 January 2015 – details on how to respond are at the end of this document.

The detail of the consultation is set out in this draft handbook for providers. The handbook sets out the details of how we propose to regulate and inspect services.

CQC's new approach builds on our 2013 consultation, *A new start*, which proposed radical changes to the way we inspect and regulate all health and social care services. We said that we would tailor our inspection methods to different types of health and care services and described how we would inspect and make judgements against five key questions:

- Are they safe?
- Are they effective?
- Are they caring?
- Are they responsive to people's needs?
- Are they well-led?

In August 2014, we published a statement, *A fresh start for the regulation and inspection of primary care dental services*. By primary care dental services, we mean those dental services that are predominantly provided by dentists on the 'high street', including services that may visit people in their home if access to a practice is difficult, and any out-of-hours emergency dental services. These services come under the regulatory remit of CQC's Chief Inspector of Primary Medical Services.

Our statement set out our priorities for developing a new approach for primary care dental services:

Priority 1: Working with partners to develop a shared view of risk, agree roles and responsibilities and identify gaps.

Priority 2: Improving our registration processes and ensuring that we adapt our model to meet forthcoming changes to regulations and our new enforcement powers.

Priority 3: Developing an approach to inspection that protects the public from unsafe care.

Priority 4: Adopting a thematic approach to explore particular themes in the quality of dental care.

Our overall priority is to ensure that we protect the public from unsafe care by inspecting against the regulations and taking action where we have concerns. This handbook therefore focuses on priority 3.

For primary care dental services, our approach to inspecting and regulating will assess whether or not a provider is meeting the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010. From April 2015, these regulations will be replaced by the new Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, which include the new fundamental standards.

Our inspection reports show our judgement about whether a provider is meeting the regulations. We will structure them in a way that addresses the five key questions that CQC asks of all services: are they safe, effective, caring, responsive to people's needs and well-led?

Unlike other sectors that CQC regulates, we will not be giving a rating to primary care dental services in 2015/16. However, we are interested in people's thoughts about rating in the future.

From December 2014, we will begin to test our new inspection approach in a small number of dental practices. The learning from these early inspections, along with feedback from this consultation, will further develop our approach, which we will implement from April 2015. We will update this handbook ready for the implementation of our new approach from April 2015.

Consistency

We engaged widely with stakeholders and dental providers when developing this draft handbook, and heard that there were some concerns about our ability to be consistent in making judgements. Consistency is one of our core principles that underpins all our work. We have put in place an overall approach across CQC to embed consistency in everything we do. The key elements of this are:

- A strong and agreed core purpose for CQC.
- A clear statement of our role in achieving that purpose.
- Consistent systems and processes to underpin all our work.
- High-quality and consistent training for our staff.
- Strong and consistent quality assurance processes.

In developing our new approach, we have sought feedback from the public, people who use services, providers and organisations with an interest in our work. We encourage providers to tell patients about our new approach and to get involved in the consultation.

1. Our framework

Our operating model

Although CQC inspects and regulates different services in different ways, there are some principles that guide our operating model across all our work. These include:

- Registering those that apply to CQC to provide services (see section 2).

- Continuous monitoring of local data, shared intelligence and risk assessment.

- Taking action against those who provide services but fail to secure registration before doing so.

- Involving specialist advisors to accompany our dental inspectors where we identify specific concerns.

- Using feedback from people who use services and the public to inform our judgements about services.

- Providing information for the public on our judgements about care quality, including a rating (where applicable) to help people choose services.

- The action we take to require improvements and, where necessary, the action we take to make sure those responsible for poor care are held accountable for it. Our enforcement policy sets out how we will do this.

- Using our independent voice, to speak about what we find on behalf of people who use services.

Our model is underpinned by the new fundamental standards, which come into force in April 2015. We will publish guidance to help providers understand how they can meet these fundamental standards.

The diagram on the next page shows an overview of our overall operating model. Although we will not rate dental providers when we start our new approach in 2015/16, we are seeking views as to whether we rate in the future.

Figure 1: CQC's overall operating model
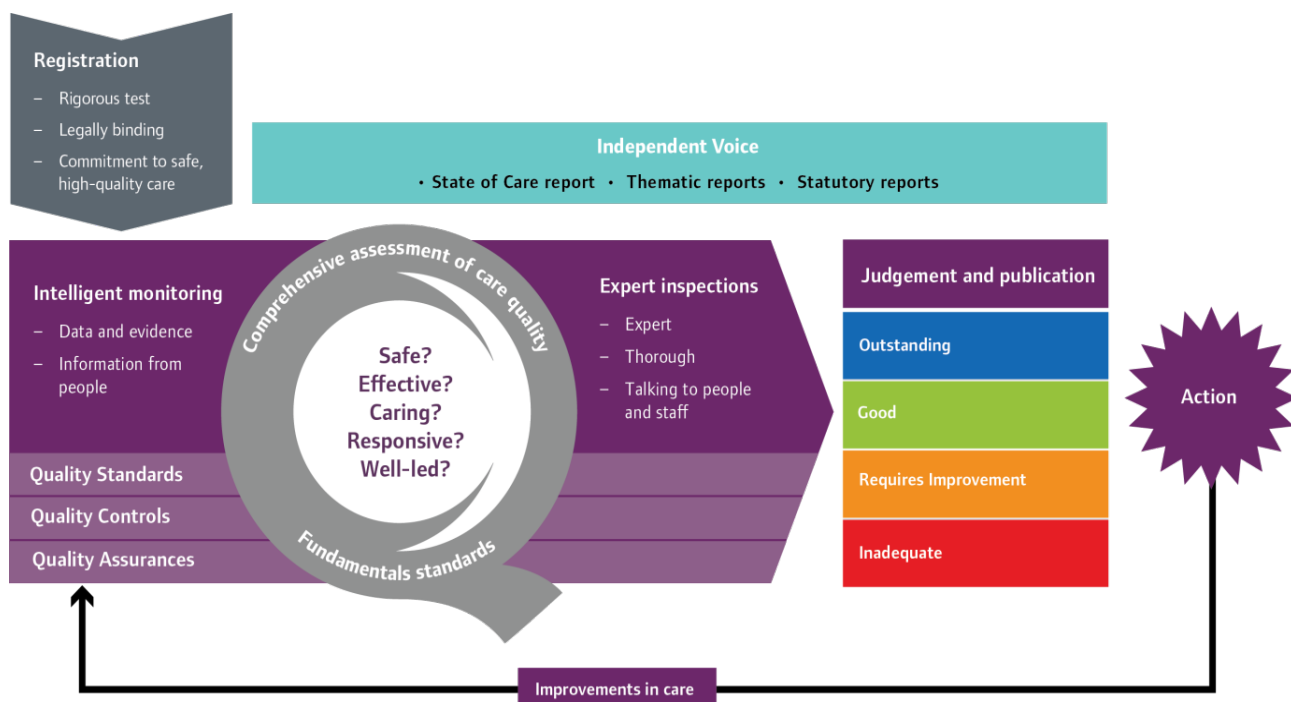
Our framework for dental inspections

Our priority is to ensure that we protect the public from unsafe care by continuing to inspect against the regulations and taking action when we identify concerns.

Therefore our approach to inspecting and regulating primary care dental services will be to assess whether or not a provider is meeting the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010, and from 1 April 2015, the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, which replace them.

The five key questions we ask

To get to the heart of people's experiences of care, the focus of our inspections is on the quality and safety of services, based on the things that matter to people.

Our inspection reports show our judgement of whether a provider is meeting the regulations, and will be structured in a way that addresses the following five key questions that CQC asks of all services:

- Are they safe?
- Are they effective?
- Are they caring?
- Are they responsive to people's needs?
- Are they well-led?

For all health and social care services, we define these five questions as follows:

Safe	By safe, we mean that people are protected from abuse and avoidable harm.
Effective	By effective, we mean that people's care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence.
Caring	By caring, we mean that staff involve and treat people with compassion, kindness, dignity and respect.
Responsive	By responsive, we mean that services are organised so that they meet people's needs.
Well-led	By well-led, we mean that the leadership, management and governance of the organisation assures the delivery of high-quality person-centred care, supports learning and innovation, and promotes an open and fair culture.

Inspection prompts and evidence to demonstrate standards are being met

To help inspection teams to make a judgement against the regulations and ensure consistency in our inspection approach, we have developed a set of inspection prompts, which are listed in the appendix. These also include examples of evidence that we would expect to see to demonstrate that standards are being met.

The inspection prompts and examples of evidence are not an exhaustive list, or a 'checklist'. We will consider the amount and depth of evidence that we need to assess whether the standards are being met, and will gather sufficient evidence to be able to reach a robust judgement.

Encouraging improvement

CQC has a role in encouraging services to improve. In the primary care dental sector, one way of doing this is by being clear about our expectations of practices through the guidance that underpins our regulations. Another important way to do this is by sharing good practice. We will develop this aspect of our new approach by working with our stakeholders to develop a clear view and common understanding of what constitutes good practice. We will also work directly with dental providers through our test inspections to identify this.

Good practice means doing more than what the regulations require. When we inspect a practice, as well as gathering evidence against the regulations we will also look for evidence of good practice. We will ask the provider at the start of an inspection to tell us about any good practice measures they have adopted. As well as setting out breaches of regulations in our reports, we

intend to report on examples of good practice that we find. These will be verified by our specialist dental advisor as part of our quality assurance processes to ensure accuracy and consistency, and enable us to build up a portfolio of examples.

Figure 2: How we will encourage improvement

Look at whether dental practices are meeting regulations (fundamental standards)

Provide clear guidance and prompts

Share good practice and promote learning between providers

Report on examples of good practice within the narrative of our inspection reports
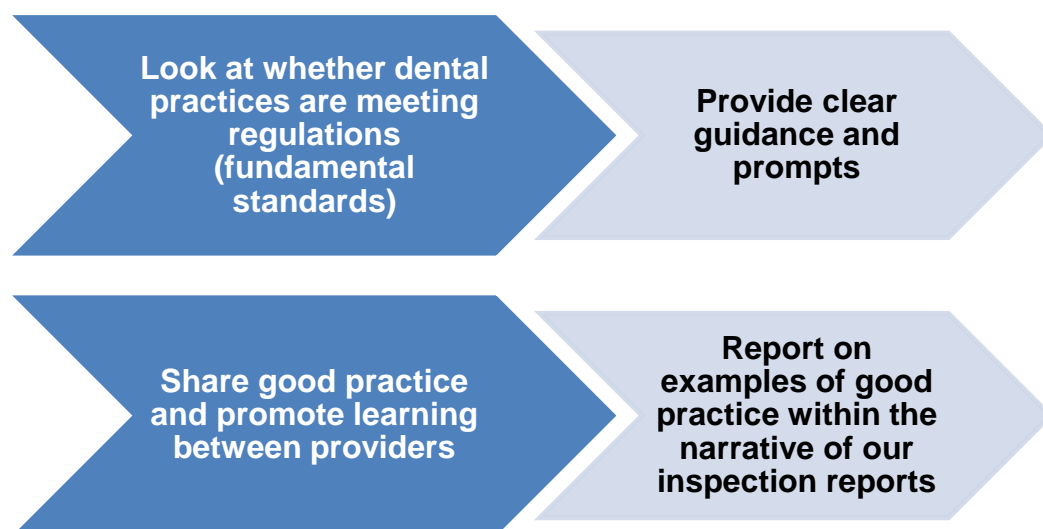
We do not currently intend to rate primary care dental services when we start our new approach in 2015/16, but are seeking views as to whether we rate in the future.

Consultation question:

1. CQC has a role in encouraging services to improve. For primary care dental services we intend to do this by:

   - Setting clear expectations (current Guidance about compliance and from April 2015, new guidance on meeting the fundamental standards).

   - Requiring providers that are not meeting the regulations to improve to the level of these standards (for example, by taking enforcement action).

   - Sharing information on good (and poor) practice.

   - Carrying out themed inspections to raise issues at a national level and gather evidence of what good care looks like to set clear expectations about good care.

   Do you think this will help providers to improve?

Equality and human rights

One of CQC's principles is to promote equality, diversity and human rights. This is a means to an end and not an end in itself. The end is good quality care for all. Respecting diversity, promoting equality and ensuring human rights will mean that everyone using health and social care services receives good quality care.

To put this into practice, we have developed a human rights approach to regulation. This looks at a set of human rights principles in relation to the five key questions CQC asks of services. These principles are: fairness, respect, equality, dignity, autonomy, right to life and rights for staff. We have developed definitions of these principles through public consultation and linked these to the Human Rights Act 1998 and the Equality Act 2010.

People who use services have told us that these principles are very important to them. Using a human rights approach that is based on rights that people hold, rather than what services should deliver, also helps us to look at care from the perspective of people who use services.

Our human rights approach is integrated into our approach to inspecting and regulating primary care dental services, as this is the best method to make sure we promote equality and human rights in our work. We have identified the most important fundamental standards relating to equality and human rights and have integrated the human rights principles into our inspection prompts, inspection methods, learning and development for inspection teams and into our policies around making judgements and enforcement.

Monitoring the use of the Mental Capacity Act

The Mental Capacity Act (2005) is a crucial safeguard for the human rights of people who might (or might be assumed to) lack mental capacity to make decisions, in particular about consenting to proposed care or treatment interventions. The Mental Capacity Act (MCA) provides the essential framework for balancing autonomy and protection when staff are assessing

whether people aged 16 and over have the mental capacity to make specific decisions at the time they need to be made. This refers specifically to the capacity to consent to, or refuse, proposed care or treatment.

The MCA clearly applies where a service works with people who may have cognitive difficulties due to dementia, an acquired brain injury or a learning disability, but providers must also recognise that a person may lack mental capacity for a specific decision at the time it needs to be made for a wide range of reasons, which may be temporary, and know how they should then proceed.

In particular, we will look at how and when mental capacity is assessed and, where people lack mental capacity for a decision, how that decision is made and recorded in compliance with the MCA.

We will look for evidence that restraint, if used to deliver necessary care or treatment, is in the best interests of someone lacking mental capacity, is proportionate and complies with the MCA.

Primary care dental services are unlikely to be responsible for seeking authorisation of a deprivation of liberty. However, staff must be aware that if they are providing care or treatment to a person who is subject to an authorisation for deprivation of liberty, this authorisation does not authorise specific treatment, which must be given using the wider provisions of the Mental Capacity Act. Where it is likely that a person is deprived of their liberty to enable them to receive essential care or treatment, we will look for evidence that efforts have been made to reduce any restriction so that the person is not deprived of their liberty. Where this is not possible we will check that the deprivation of liberty has been authorised as appropriate, by use of the Deprivation of Liberty Safeguards, the Mental Health Act 1983, or by an order of the Court of Protection.

The importance of this is reflected in our inspections. We have a specific prompt about consent, which takes account of the requirements of the Mental Capacity Act and other relevant legislation, such as the Children Acts 1989 and 2004.

Concerns, complaints and whistleblowing

Concerns raised by people using services, those close to them, and staff working in services provide vital information that helps us understand the quality of care. We will gather this information in three main ways:

- Encouraging people who use services and staff to contact us directly through our website and by telephone, and providing opportunities to share concerns with inspectors when they visit a service.

- Asking national and local partners (for example, NHS Area Teams and Healthwatch) to share with us concerns, complaints and whistleblowing information that they hold.

- Requesting information about concerns, complaints and whistleblowing from providers themselves.

We will draw on different sources of evidence to understand how well providers encourage, listen to, respond to and learn from concerns. Evidence sources may include complaints and whistleblowing policies and procedures, reviewing indicators such as a complaints backlog and speaking with people who use services, carers, families and staff.

2. Registration

Before a provider can begin to provide services, they must apply to CQC and secure registration for the regulated activities they intend to deliver. They must satisfy CQC that they will be able to meet a number of registration requirements.

Registration assesses whether all new providers, whether they are organisations, individuals or partnerships, have the capability, capacity, resources and leadership skills to meet relevant legal requirements, and are therefore likely to demonstrate that they will provide people with safe, effective, caring, responsive and high-quality care.

The appendices to this handbook will help registration inspectors to gather and consider comprehensive information about proposed applicants and the services they intend to provide, including where providers are varying their existing registration. They will also help them to make judgements about whether applicants are likely to meet these legal requirements.

Judgements are about, for example, the fitness and suitability of applicants; the skills, qualifications, experience and numbers of key individuals and other staff; the size, layout and design of premises; the quality and likely effectiveness of key policies, systems and procedures; governance and decision-making arrangements; and the extent to which providers and managers understand them and will use them in practice.

These judgements will not stifle innovation or discourage good providers of care services, but ensure that those most likely to provide poor quality services are discouraged and prevented from doing so.

3. How we work with others

Good ongoing relationships with stakeholders are vital to our inspection approach. These relationships allow CQC better access to qualitative as well as quantitative information about services, particularly local evidence about people's experience of care. Local relationships also provide opportunities to identify good practice and to work with others to raise standards.

People who use services

People's experiences of care are vital to our work; they help to inform when, where and what we inspect. We want people to tell us about their care at any time through our website, helpline and social media. We are committed to engaging with the public to encourage people to share their views and experiences with us; this includes people who use services and those close to them, carers and advocates. We do this through raising awareness among the public, working with local Healthwatch organisations, dental care professionals, providers, Experts by Experience and through public events.

Other regulators and oversight bodies

To help focus our inspection activity, we will ask NHS Area Teams (the commissioner of NHS dental services) to share information about providers before an inspection. We want to know if they have recently visited the practice and what the outcome of the visit was – particularly, if they have any areas of concern. During our inspection, if we identify any concerns about the provider that we think require NHS England to take action, we will share this information with the NHS Area Team. If we identify concerns about the fitness to practise of any member of the dental team, we will share these with the General Dental Council.

For primary care dental services that do not have an NHS contract, we are working with our partners to identify what information we may request before an inspection, and who to request this from.

Local organisations

CQC has a statutory duty to have regard to the views of local Healthwatch organisations as part of our wider statutory responsibility to involve people who use services in our work. Each local Healthwatch organisation acts as a voice for any member of the public in its area who wants to influence the commissioning, provision or delivery of care services. As part of our inspection planning, we will write to local Healthwatch organisations and local overview and scrutiny committees to ask them to share with us any issues or concerns they wish to raise about individual practices. The information they provide will help direct the focus of our inspection.

Working with providers

Each registered location of a primary care dental practice will have a member of CQC's inspection staff as their 'relationship owner'. Their role will include reviewing any information received from or about the provider obtained from a number of sources and stakeholders. They will be supported by our intelligence teams who may analyse some of the information.

Our approach to inspection includes continuous monitoring of local data and intelligence and risk assessment. In our signposting statement, *A fresh start*, we committed to making better use of shared intelligence and to take a collaborative approach with our partners to monitor dental care standards. This work is being led by the dental programme board, referred to in our signposting statement as the Tripartite Programme Board on the future of dental regulation in England.

Service providers also routinely gather and use information from people who use services, carers and other representatives. We will make greater use of this information, including information about the number and types of complaints that people make about their care and how these are handled.

Working with corporate providers

CQC defines any provider operating more than 20 locations as a 'corporate provider'. This can include smaller providers where necessary, based on individual circumstances.

Corporate providers in England operate services across all sectors and the majority provide adult social care services. One of CQC's Deputy Chief Inspectors of Adult Social Care has the lead responsibility for CQC's strategy on working with corporate providers.

We are developing our approach across all sectors about how we maintain oversight of the quality and risk profiles of corporate providers. As part of this work, we are developing criteria on responsibility for the relationship management role with each corporate provider. The relationship manager may be from our central Corporate Provider Team or from one of our operational regions. Size, complexity and national interest are taken into account in deciding who should hold the relationship. The relationship manager will hold regular meetings with the provider to exchange information and discuss the organisation's performance. There is no set frequency for these meetings.

4. Inspection

All primary care dental providers registered with CQC (approximately 10,000 practices) must meet the regulations. From April 2015 to March 2016, we intend to inspect 10% of this number, using random and risk-based inspections as well as inspecting in response to concerns.

Our inspections are at the heart of our regulatory model and are focused on the things that matter to people. We will look at how services are provided for all the population including children and young people, adults and people whose experiences may make them vulnerable.

Within our new approach we have two types of inspection:

Type of inspection	Description
Comprehensive Usually scheduled in advance, draws upon a range of data and information to inform scheduling	• Takes a good look at a service, encompassing all the regulations applicable to primary care dentistry. • Addresses all five key questions CQC asks of services (safe, effective, caring, responsive, well-led). • Usually takes one day at the practice. • May not always include a specialist advisor. • Usually announced two weeks before the inspection.
Focused Could be short notice responding to concerns	• Follow-up to a previous inspection, or to respond to a particular issue or concern. • Does not look at all the regulations. • Will not address all five key questions CQC asks of services (safe, effective, caring, responsive, well-led) • Team composition and size will depend on the concerns. • May be conducted in partnership with one of our partners i.e. NHS England. • May be unannounced.

We are considering how we inspect corporate providers and will test this throughout 2015.

Consultation questions:

4. We have found that, compared to other sectors that we regulate, dental services present a lower risk to patients' safety and the quality of care is good. We therefore propose to inspect 10% of providers based on a model of risk and random inspection as well as inspections in response to concerns. Do you agree with our proposed approach?

5. For the practices that we don't inspect, how do you suggest we monitor that they continue to meet the regulations?
   - Request an annual self-declaration from providers that they meet the regulations?
   - Make better use of information from our partners? If so, what data do you suggest we use?
   - Use the NHS Friends and Family Test (from 1 April 2015).
   - Other – please specify.

5. Planning the inspection

To make the most of the time that we are on site for an inspection, we must make sure we have the right information to help us focus on what matters most to people. This will influence what we look at, who we will talk to and how we will configure our team. The information we gather during this time before the inspection is also used as evidence when we make our judgements about the standards.

As described in section 3, we will analyse data from a range of sources, including information from people who use services, information from other stakeholders and information sent to us by providers.

Gathering people's views in advance of our inspections

A key principle of our approach to inspecting is to seek out and listen to the experiences of the public, people who use services and those close to them, including the views of people who are in vulnerable circumstances or who are less likely to be heard. The purpose of this is to better understand the issues that are of most concern to people to guide our inspection.

In the weeks leading up to an inspection, we gather people's experiences of care through:

- Discussions with local Healthwatch and local overview and scrutiny committees.

- Publicising our inspections through a range of channels such as displaying information in the dental practice and asking the provider to let people know that we will be inspecting and to share their experiences with us.

We are continuing to explore the best ways to gather the views of people who use services in advance of our inspections.

Gathering information from the provider

Before we start the inspection, we will write to practices to ask them for some information. Practices will have five working days to respond to our request. We will make clear what information to send, where to send it and who to contact with any queries or questions.

The information we will request is likely to include:

- An up-to-date statement of purpose
- Information about complaints and compliments.

Gathering information from stakeholders

We will write to NHS Area Teams, local Healthwatch organisations and overview and scrutiny committees to ask for information. We may also meet with the NHS Area Team.

Consultation questions:

6. We have described the information that we will request before an inspection and the key organisations that we will work with. Do you think this is an effective approach to supporting our work? How do you suggest we gather pre-inspection information about services that do not have an NHS contract?

7. Do you think the best way to request information from providers is:

   - In the weeks before the inspection?

   - Annually?

   - Annually but with the opportunity for providers to update at any time?

8. We have described the ways in which we could gather the views of patients. Are there any other ways to gather views about the quality and safety of primary care dental providers?

The inspection team

We are anticipating that most of our inspections will be carried out by a single CQC inspector on a single day. However, to ensure that we gather sufficient and robust evidence to support our judgements, in certain circumstances an inspection would be supported by any or all of the following:

- A larger inspection team.

- Including team members with specific skills.

- Spending more time in the service.

Circumstances that may indicate the need for any of the above include:

- The complexity of a service.

- Increased levels of risk to patient safety.

- Conflicting information about the experiences of people using the service.

Inspection teams may also include Experts by Experience. Experts by Experience are people who have a unique experience of using a particular type of service or who care for someone who uses a service we regulate. For example, in primary care dental inspections, we may involve an Expert by Experience if we need to talk to people whose circumstances make them vulnerable, or people with complex needs that may make access more difficult. Their main role is to talk to people who use services and tell us what they say. Many people find it easier to talk to an Expert by Experience rather than an inspector. Experts by Experience can also talk to carers and staff.

Experts by Experience are recruited and supported to take part in our work through a number of support organisations. The support organisations also carry out the relevant Disclosure and Barring Service checks. Experts by Experience are trained to carry out their role, and their performance is monitored on an ongoing basis. We match their experience to the services that are being inspected. There is further information about Experts by Experience on our website http://www.cqc.org.uk/content/involving-people-who-use-services.

Consultation question:

9. During our inspections of primary care dental services, the size and composition of our inspection teams (for example, including a dental specialist or Expert by Experience) will be determined by the risks we have identified in our planning. Do you agree with this approach?

Announcing the inspections

Inspections are usually announced. We feel that this is the most appropriate way to make sure our inspections do not disrupt the care provided to people.

When we announce inspections, we will give two weeks' notice to providers. The inspector will phone the practice to announce the inspection, which will then be followed up in a letter. After announcing the inspection and throughout the inspection process, the lead inspector and inspection planner will support and communicate with the dental practice by letter, email and telephone to help them prepare for the day and know what to expect.

Unannounced inspections

We may also carry out unannounced inspections, for example if we have concerns about a practice or if we are responding to a particular issue or concern. This may be something identified at a previous inspection that we are following up or new information.

At the start of these visits, the team will meet with the most senior person in charge at the time and will feed back to them at the end of the inspection, particularly if there are any immediate safety concerns.

When we are following up concerns from a previous inspection, we will usually carry out an unannounced focused inspection.

Planning meeting with the NHS England Area Teams

CQC's Heads of Inspection for Dentistry will be the main points of contact with NHS England Area Teams before the inspection period. They will telephone the NHS England Area Team(s) to discuss:

- The scope and purpose of the inspection.
- Who will be involved from CQC.
- Which practices we propose to inspect.
- How the inspections will be carried out, including our relevant powers.
- How we will communicate our findings from our inspections to the NHS England Area Team.

We will then follow up with a letter asking the NHS England Area Team to provide information about recent contract visits and areas of concern. The Heads of Inspection for Dentistry, along with the NHS Area Team, will determine if they need a face-to-face meeting to discuss the information supplied before the inspection.

Where appropriate, we use existing structures and meetings to hold these discussions.

Timetable

Inspections of primary care dental services will go through the following stages:

Figure 2: Stages of a primary care dental inspection

Preparation

↓

Planning and information sharing call with the
NHS England Area Team

↓

Briefing and planning for the inspection team

↓

Inspections of primary care dental practices

↓

Draft reporting

↓

Internal quality control

↓

Factual accuracy - opportunity for providers and registered
managers to check the factual accuracy of the report

↓

Final report published on CQC's website
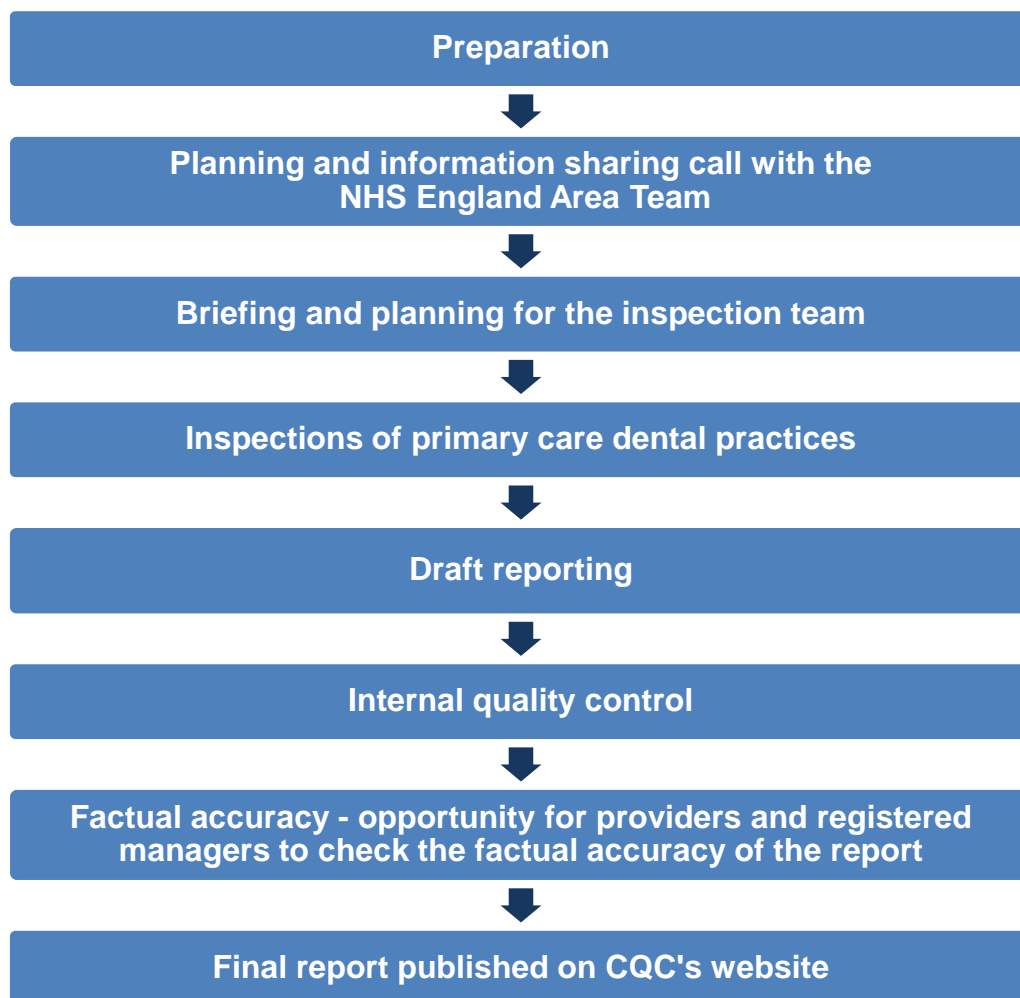
6. Practice visits

Practice visits are a key part of our regulatory framework, giving us an opportunity to talk to people using services, staff and other professionals to find out their experiences. They allow us to observe the physical premises as well as how the practice implements systems and process in delivering the regulated activities. They also enable us to observe care (if appropriate and necessary) and to review people's dental records to see how their needs are identified and managed.

Gathering evidence

The inspection team will use the prompts (see the appendix), and any concerns identified through the preparation work, to structure their site visit. They collect evidence against the regulations using the methods described below.

Gathering the views of people who use services

We will gather the views of people who use services and those close to them by:

- Speaking individually with people.
- Using comment cards placed in reception areas to gather feedback from people who use services, their family and carers.
- Using posters to advertise the inspection and provide an opportunity to speak to the inspector or any other members of the inspection team. These will be put in areas where people will see them.
- Exploring options for using digital routes for people of all ages to share their experience, through text messaging, social media, such as Twitter, and through mobile apps.
- Using the information gathered from our work looking at complaints and concerns from people who use services.

Where we include Experts by Experience on our inspections, they will talk to people using services at the premises on the day of the inspection.

Gathering the views of staff

The inspection team will speak to staff. On all inspections, we are likely to speak to the following people:

- Dental nurses.
- Individual dentists.
- Practice managers.
- Reception staff.

The inspection team will offer to talk to current and former whistleblowers during the inspection period. This may be during the practice site visit or on the telephone.

Other inspection methods and information gathering

Other ways of gathering evidence may include:

- Reviewing parts of the dental records.
- Reviewing operational policies and supporting documents.
- Observing processes such as the decontamination processes.
- Looking at the premises and facilities.

The start of the visit

At the start of the practice site visit, the inspector will meet with the registered manager. If the registered manager is not available the inspector can meet with another senior member of staff, for example a partner. This introductory session will be short and will explain:

- How CQC regulates primary care dental practices.
- Who the inspection team are.
- The scope and purpose of the inspection, including our relevant powers and the plan for the day.
- How we will escalate any concerns identified during the inspection.
- How we will communicate our findings.

We will ask the practice to share with us any concerns they have identified themselves in their ability to meet the regulations and what they are doing about it. We will also ask them to share with us any good practice that they think goes beyond the requirements of the regulations.

There is no specified format or presentation template media template for this briefing; the provider can choose whichever format suits them. This should take no longer than 30 minutes.

We want providers to be open and share their views with us about where they are providing good care, and what they are doing to improve in those areas they know are not so good.

Continual evaluation

If the inspection is being carried out by a team, the lead inspector will review the emerging findings with the team throughout the day. This keeps the team up to date with all issues and enables them to shift the focus of the inspection if they identify new areas of concern. It also enables the team to identify any further evidence or facts that might still be needed.

Feedback on the visit

At the end of the inspection visit, the inspector will provide feedback to the registered manager or most senior person in charge as agreed at the start of the inspection. This is to give high level initial feedback only, illustrated with some examples.

The meeting will cover:

- Thanking the service for their support and contribution.
- Explaining the findings to date, but noting that further analysis of the evidence will be needed before final judgements can be reached on all the issues.
- Any issues that were escalated during the visit or that require immediate action.
- Any plans for follow-up or additional visits (unless they are unannounced).
- Explaining how we will make judgements against the regulations.
- Whether we need additional evidence or are likely to seek further specialist advice.
- Explaining the next steps, including factual accuracy checking of the draft report, final report sign-off and publication.
- Answering any questions from the practice.

7. Focused inspection

Focused inspections do not usually look at all the regulations; they focus on the areas indicated by the information that triggers the focused inspection.

Areas of concern

We will undertake a focused inspection when we are following up on areas of concern including:

- Concerns that were originally identified during a comprehensive inspection.
- Concerns that have been raised with us through other sources, such as information from our stakeholders, members of the public, staff.

Change of service provider

We may undertake a focused inspection, depending on the level of risk to patient and safety and quality of care, when there is a change in the legal entity of the service provider, such as sale, merger or an acquisition of a service.

The focused inspection process

Although they are smaller in scope, focused inspections broadly follow the same process as a comprehensive inspection. The reason for the inspection determines many aspects, such as the scale of the inspection, when to visit, what evidence needs to be gathered, the size of the team and which specialist advisers to involve. These visits may be announced or unannounced, depending on the focus of the inspection.

As a focused inspection is not an inspection of the whole of a provider, we will not necessarily address all the five key questions; safe, effective, caring, responsive and well-led.

When a focused inspection identifies significant concerns, it may trigger a comprehensive inspection.

8. Making a judgement

Our statutory objective is to protect and promote the health, safety and welfare of people who use health and social care services.

When making our judgement to determine whether a provider is meeting the regulation, we will consider the weight of each piece of relevant evidence. In some cases, we will need to corroborate our evidence with other sources to support our findings and to enable us to make a robust decision.

Decisions will be derived from all the available corroborated evidence. We will use three main sources of evidence:

1. Information from the ongoing relationship management with the dental practice.

2. Pre-inspection information gathering.

3. Information from the inspection visit.

When we have conflicting evidence, we will consider the weight of each piece of evidence, its source, how robust it is and which is the strongest. We may conclude that we need to seek additional evidence or specialist advice in our assessment against the regulations.

If the provider is not meeting the regulations we have to consider our approach and ensure that our regulatory response is proportionate to the circumstances. Where appropriate, if the provider is able to improve the service on its own and the risks to people who use the service are not immediate, we will expect the provider to make improvements. We will do this as part of our powers under Regulation 10(3) of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010. This will be reflected in our inspection report and judgement of the five key questions that CQC asks of services.

We will intervene if people are at risk of harm or providers appear not to be following the regulations. We will start with whatever level of intervention will achieve our purpose of protecting people who use the service, or holding providers and individuals to account, or both.

In addition to our statutory powers, we also work with other regulatory and oversight organisations to ensure that they take action on any concerns that we have identified, where that is more proportionate or likely to be more effective than CQC acting on its own.

9. Reporting, quality control and action planning

Reporting

After each inspection we produce a report on what we found. To do so is a legal obligation under section 61 (3) of the Health and Social Care 2008. The report is drafted in collaboration with members of the inspection team (where applicable) and is written in clear, accessible plain English.

Our reports focus on our findings on whether a provider is meeting the regulations but they will be structured in a way that they address the five key questions CQC asks of services: are services safe, effective, caring, responsive and well-led? In our reports, we clearly set out any evidence about breaches of the regulations.

Quality control

Consistency is one of the core principles of CQC's work. The key elements of this are:

- Consistent systems and processes to underpin all our work.
- High-quality professionally reviewed training for our staff.
- Strong and reliable quality control and assurance processes.

We have made a commitment to strong internal quality control and assurance mechanisms.

Following quality checks, the draft report is sent to the provider for comment in relation to factual accuracy. The report is published following any necessary changes.

Action planning

We expect practices to respond to areas of concern that we have identified and to make the recommended improvements. This is their responsibility and includes developing an action plan to address any concerns raised.

Publication

CQC will publish the inspection reports on our website after the end of the inspection. We encourage dental practices to publish their report, including any action plans, on their own website.

11. Enforcement and actions

Types of action and enforcement (under existing regulations)

Where we have identified concerns, we decide what action is appropriate to take. The action we take is proportionate to the impact or risk of impact that the concern has on the people who use the service and how serious it is. Where the concern is linked to a breach in regulations, we have a wide range of enforcement powers given to us by the Health and Social Care Act 2008.

We use 'Warning Notices' to tell providers that they are not complying with a condition of registration, requirement in the Act or a regulation, or any other legal requirement that we think is relevant.

Our enforcement policy describes our powers in detail and our general approach to using them.

We include in our report any concerns, recommended improvements or enforcement action taken, and expect the provider to take appropriate action.

We follow up any concerns or enforcement action we take. If the necessary changes and improvements are not made, we can escalate our response, gathering further information through a focused inspection. However, we always consider each case on its own merit and we do not rigidly apply the enforcement rules when another action may be more appropriate.

Relationship with the new fundamental standards

The Department of Health is introducing new regulations to replace the current registration requirements. The new regulations, the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, called 'fundamental standards', are more focused and clear about the care that people should expect to receive. These regulations will come into force in April 2015. Until that time, we will continue to enforce against the existing regulations.

We will issue guidance to help providers to understand how they can meet the new regulations and, when they do not, what actions CQC will take. Our final handbook will reflect the new regulations.

New regulations: fit and proper person requirement and the duty of candour

Two new regulations, Regulation 5: Fit and proper persons: Directors and Regulation 20: Duty of candour, will apply to primary care dental services from April 2015 subject to Parliamentary process and approval.

The fit and proper person requirement for directors will place a clear duty on health and social care providers to make sure that directors and board

members (or their equivalents) meet criteria set out in the regulation. Organisations retain full responsibility for appointing directors and board members (or their equivalents). However, CQC will be able to intervene where it considers an individual is not a fit and proper person, and place a condition on a provider to remove the director (or equivalent) if there is evidence that they have previously been involved in failures to deliver good quality, safe care.

The duty of candour will apply to all organisations registered with CQC from April 2015. This means that people, and where appropriate their families, must be told openly and honestly when unanticipated things happen, which cause them harm above a pre-determined threshold. They should be given an apology, an explanation, all necessary practical and emotional support, and assurances about their continuity of care. This statutory duty on organisations supplements the existing professional duty of candour on individuals.

Responding to inadequate care

As well as using our enforcement powers, CQC will also work with other regulators and oversight bodies, such as the General Dental Council and NHS England, to ensure action is taken to address concerns that we identify.

Challenging the evidence

We want to ensure that providers can raise legitimate concerns about the way we apply our judgements, and have a fair and open way of resolving them.

Providers can challenge the factual accuracy of reports and make representations about the evidence in Warning Notices. Primary care dental services can challenge our judgements in the following ways.

Factual accuracy check

When a provider receives a copy of the draft report it is invited to provide feedback on the factual accuracy. Providers can challenge the accuracy and completeness of the evidence. Practices have 10 working days to review draft reports for factual accuracy and submit their comments to CQC.

Warning Notice representations

If we serve a Warning Notice, we give registered persons the opportunity to make representations about the matters in the Notice. The content of the Notice will be informed by evidence about the breach that is in the inspection report.

Under our process for factual accuracy checks and Warning Notice representations, unresolved issues can be escalated to managers in CQC who were not involved in the inspection.

Appendix A: Regulation mapping and dental prompts

The prompts for inspectors relate to CQC's five key questions that we ask of services. The prompts ensure a consistent approach to inspection and judgement against the regulations. For this consultation, we have mapped these to the existing and new regulations. For inspections until April 2015, we will use existing regulations and guidance (the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010) to make judgements, and will gather evidence against these if we need to take regulatory action. Our examples of what we should see to demonstrate that the regulations are being met have been drawn from both the Guidance about compliance with existing regulations and draft guidance on the forthcoming regulations (fundamental standards).

Please note: The inspection prompts and examples of evidence are not an exhaustive list, or a 'checklist'.

Is the service safe?	
By safe, we mean that people are protected from abuse and avoidable harm.	
Current regulations: Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 – essential standards	**From April 2015:** Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 – fundamental standards
- Records **Regulation 20** - Safeguarding **Regulation 11** - Cleanliness and infection control **Regulation 12** - Medicines **Regulation 13** - Safety and suitability of premises **Regulation 15** - Safety and suitability of equipment **Regulation 16** - Requirements related to workers **Regulation 21** - Supporting workers **Regulation 23**	- Safe care and treatment **Regulation 12** - Safeguarding service users from abuse and improper treatment **Regulation 13** - Fit and proper persons employed **Regulation 19** - Staffing **Regulation 18** - Premises and equipment **Regulation 15** - Duty of candour **Regulation 20**

• Staffing **Regulation 22**	
• Quality of service provision **Regulation 10**	

Inspection prompts	Examples of what we should see to demonstrate that the regulations are being met (regulations guidance)
• What systems, processes and practices are in place to ensure all care and treatment is carried out safely? • How is care assessed to prevent unsafe care and treatment? • What systems, processes and practices are in place to protect people from unsafe use of equipment, materials and medication? • What systems, processes and practices are in place to prevent healthcare-associated infections? • How are potential risks to the service and individuals assessed/identified and managed/minimised? • How are lessons learned and improvements made when things go wrong? • What systems, processes and practices are in place to keep people safe and safeguard them from abuse?	• Premises and equipment are clean and kept in accordance with current legislation and guidance i.e. The Health and Social Care Act 2008 Code of Practice on the prevention and control of infections and related guidance, HTM 01-05 and HTM 04-01. • Equipment is cleaned and/or decontaminated according to manufacturers' instructions, and is cleaned/decontaminated after each use. • There are sufficient quantities of instruments/equipment to cater for each clinical session which takes into account the decontamination process. • Staff demonstrate competency in the use of equipment. • The provider complies with relevant patient safety alerts, recalls and rapid response reports issued from the Medicines and Healthcare products Regulatory Authority (MHRA) and through the Central Alerting System (CAS). • Providers meet the requirement of relevant legislation to ensure that premises and equipment are properly used and maintained i.e. Ionising Radiation Regulations 1999 and Ionising Radiation (Medical Exposure) Regulations 2000 (IRMER), Sharps regulations 2013, HTM 07-01 (healthcare waste). • There is a clear understanding of RIDDOR and COSHH. • Health and safety risk assessments are regularly carried out. • Care and treatment takes account of published research and guidance i.e. Standards for conscious sedation Royal College of Anaesthetists, Department of Health Standing Committee Guidelines in Conscious Sedation 2003 and Guidelines for Domiciliary care by the British Society for Disability and Oral Health. • Arrangements are in place to ensure that the provider can take appropriate action in the event of a clinical/medical emergency.

	- The provider Identifies and analyses events, incidents, errors and near misses to establish what caused them. - Staff understand the reporting system for raising concerns and feel confident to use it. - There is a zero tolerance approach to abuse. - Staff know how to identify, report and respond to suspected or actual abuse. - The provider and staff work within the ethos of the Mental Capacity Act 2005 when working with people who lack capacity to make decisions. - There are sufficient numbers of suitably qualified staff, and the provider considers how the practice uses the skills of other dental professionals. - There is openness and transparency when things go wrong. If a person's treatment goes wrong they receive a full explanation of what went wrong and why. After April 2015.

Is the service effective?

By effective, we mean that people's care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence.

Current regulations:	From April 2015:
Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 – essential standards	**Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 – fundamental standards**
- Co-operating with other providers **Regulation 24** - Care and welfare **Regulation 9** - Staffing **Regulation 22** - Consent **Regulation 18**	- Person centred care **Regulation 9** - Duty of candour **Regulation 20** - Consent **Regulation 11** - Staffing **Regulation 18**

Inspection prompts	Examples of what we should see to demonstrate that the regulations are being met (regulations guidance)
• How are patients involved in decisions about their treatment? • How does the practice obtain valid consent? • How does the provider assess patients' needs so care and treatment can be delivered in line with current legislation, standards and guidance? • What arrangements are in place for referral to other health professionals ensuring the quality and continuity of care for patients? • Do staff have the appropriate qualifications, skills, knowledge and competence to enable the effective delivery of care and treatment?	• There is evidence of a comprehensive assessment to establish individual needs. This should include an up-to-date medical history, explanation of the presenting complaint or purpose of the appointment, a clinical assessment and treatment options. • The provider has made information and support available to help people understand the care and treatment options. • Staff demonstrate that consent is on-going and can be withdrawn at any time. • Staff understand when people may require more support than others in obtaining consent. • Assessments reflect current legislation and guidance such as NICE, Faculty of General Dental Practice (FGDP) Selection Criteria for Dental Radiography, Standards for conscious sedation, Standing Committee Guidelines in Conscious Sedation 2003 and Guidelines for Domiciliary care by the British Society for Disability and Oral Health, FGDP Clinical Examination and Record-Keeping: Good Practice Guidelines, GDC standards for the Dental Team, Department of Health Delivering Better Oral Health toolkit. • Staff are supported to undertake training, learning and development to enable them to fulfil their role.

Is the service caring?

By caring, we mean that staff involve and treat people with compassion, kindness, dignity and respect.

Current regulations:	From April 2015:
Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 – essential standards	**Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 – fundamental standards**
• Consent **Regulation 18** • Respecting and involving **Regulation 17**	• Consent **Regulation 11** • Dignity and respect **Regulation 10**

Inspection prompts	Examples of what we should see to demonstrate that the regulations are being met (regulations guidance)
• Are patients treated with kindness, dignity, respect and compassion while they receive care and treatment? • How are people and those close to them involved as partners in their care? • How does the practice promote equality diversity and human rights?	• People report that they are treated with dignity and respect at all times. The environment is conducive to supporting people's privacy. • People report that staff respond to pain, distress and discomfort in a timely and appropriate way. • Treatment is fully explained, and people report they are given enough time to think about their consent to care and treatment. • Privacy is maintained at all times. • Confidentiality or information disclosure is taken into account in assessing individual circumstances. • People report that they felt the dentist or other members of the dental team listened to them. • Staff recognise and respect people's diversity, values and human rights.

Is the service responsive?

By responsive, we mean that services are organised so that they meet people's needs

Current regulations:	From April 2015:
Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 – essential standards	**Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 – fundamental standards**
• Complaints **Regulation 19** • Respecting and involving **Regulation 17**	• Complaints **Regulation 16** • Person centred care **Regulation 9** • Duty of candour **Regulation 20**

Inspection prompts	Examples of what we should see to demonstrate that the regulations are being met (regulations guidance)
• How does the practice listen and learn from people's concerns and complaints to improve the quality of care? • How are dental services planned and delivered to take account of the needs of different people on the grounds of age, disability, gender, gender identity, race, religion or belief and sexual orientation? • Are reasonable adjustments made so that people with a disability can access and use the service on an equal basis to others?	• There is a complaints system in place, which is accessible, understood and well-publicised and reflects the principles of good complaint handling. • Patients know the steps they can take if they are not satisfied with the findings or outcome once the complaint has been responded to. • Providers take timely and appropriate action in response to any failures identified. • Providers make reasonable adjustments such as to the environment, choice of dentist, or treatment options to enable patients to receive care and treatment. • There is openness and transparency about reporting of errors and incidents. • There is evidence that the provider gathers the views of patients in the running of the service. • All reasonable efforts/adjustments are made to enable patients to receive their care or treatment.

- Do people have timely access to urgent treatment?
- What action is taken to minimise the time people have to wait for treatment or care?
- How does the dental practice engage with people who are in vulnerable circumstances and what actions are taken to remove barriers when people find it hard to access or use services?

- The provider makes patients aware of how they can access emergency treatment, including out of normal hours.
- A clear plan of treatment should be developed to enable appropriate planning, including appointments.
- Care and treatment is designed to ensure it meets all of the patient's needs.
- Patients have access to and receive information in the manner that bests suits them and that they can understand.

Is the service well-led?

By well-led, we mean that the leadership, management and governance of the organisation assures the delivery of high-quality, person-centred care, supports learning and innovation, and promotes an open and fair culture.

Current regulations:	From April 2015:
Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 – essential standards	**Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 – fundamental standards**
- Supporting workers **Regulation 23** - Staffing **Regulation 22** - Complaints **Regulation 19** - Records **Regulation 20** - Quality of service provision **Regulation 10**	- Complaints **Regulation 16** - Good governance **Regulation 17** - Duty of candour **Regulation 20** - Staffing **Regulation 18** - Fit and proper person requirement directors **Regulation 5**

Inspection prompts	Examples of what we should see to demonstrate that the regulations are being met (regulations guidance)
• Do the governance arrangements ensure that responsibilities are clear, quality and performance are regularly considered and risks are identified, understood and managed?	• Staff are supported and managed at all times and are clear about their lines of accountability. • Where required, there is a registered manager in post who understands their responsibilities and is supported. • Staff are supported to meet their professional standards and follow their professional code of conduct. • Patients' care and treatment records are complete, legible and accurate, and are kept secure. • Records relating to employed staff should include information relevant to them being employed in their role.
• How does the leadership and culture reflect vision and values, encourage openness and transparency and promote delivery of high quality care?	• The provider has systems, policies and procedures in place to support a culture of openness and transparency and all staff follow these. • Staff understand how to confidentially raise concerns about risks to people, poor practice and adverse events, and they feel confident to do so.
• How is quality assurance used to drive continuous improvement?	• There is an effective approach for identifying where quality and/or safety is being compromised and steps are taken in response to issues. These include audits of radiological images, clinical notes, Legionnaires' disease, infection prevention and risks, incidents and near misses and autoclave checks. • The provider has systems in place to support communication about the quality and safety of services and what actions have been taken as a result of concerns, complaints and compliments. • Information about the quality of care and treatment is actively gathered from a range of sources.

How does the practice engage, seek and act on feedback from people who use the service, public and staff?	Providers have processes in place to actively seek the views of patients and those close to them, and should be able to provide evidence of how they take these views into account in any related decisions.

How to respond to this consultation

You can respond to our consultation in the following ways. Please send us your views and comments by **Friday 23 January 2015**.

Online

Use our **online form**

You can also find the form and more information at:

www.cqc.org.uk/consultation-dental-independenthealthcare-ambulance

By email

Email your response to: **CQCchanges.tellus@cqc.org.uk**

By post

Write to us at:

CQC consultation: How we inspect, regulate and rate
CQC National Customer Service Centre
Citygate
Gallowgate
Newcastle upon Tyne
NE1 4PA

On Twitter

Use **#tellcqc** for your feedback and mention **@carequalitycomm**

Consultation questions

1. CQC has a role in encouraging services to improve. For primary care dental services we intend to do this by:

    *   Setting clear expectations (current Guidance about Compliance and from April 2015, new guidance on meeting the fundamental standards).

    *   Requiring providers that are not meeting the regulations to improve to the level of these standards (for example, by taking enforcement action).

    *   Sharing information on good (and poor) practice.

- Carrying out themed inspections to raise issues at a national level and gather evidence of what good care looks like to set clear expectations about good care.

Do you think this will help providers to improve?

2. Do you think CQC should look for examples of good practice and include them in inspection reports?
   - What would good practice look like and how should we work with stakeholders to develop a clear view?
   - How should we share good practice to promote learning between providers?

3. We do not intend to rate primary care dental services in 2015/16 and intend to revisit our approach to the regulation of primary care dental services for 2016/17. Do you agree with this approach?

4. We have found that, compared to other sectors that we regulate, dental services present a lower risk to patients' safety and the quality of care is good. We therefore propose to inspect 10% of providers based on a model of risk and random inspection as well as inspections in response to concerns. Do you agree with our proposed approach?

5. For the practices that we don't inspect, how do you suggest we monitor that they continue to meet the regulations?
   - Request an annual self-declaration from providers that they meet the regulations?
   - Make better use of information from our partners? If so, what data do you suggest we use?
   - Use the NHS Friends and Family Test (from 1 April 2015).
   - Other – please specify.

6. We have described the information that we will request before an inspection and the key organisations that we will work with. Do you think this is an effective approach to supporting our work? How do you suggest we gather pre-inspection information about services that do not have an NHS contract?

7. Do you think the best way to request information from providers is:
   - In the weeks before the inspection?
   - Annually?
   - Annually but with the opportunity for providers to update at any time?

8. We have described the ways in which we could gather the views of patients. Are there any other ways to gather views about the quality and safety of primary care dental providers?

9. During our inspections of primary care dental services, the size and composition of our inspection teams (for example, including a dental specialist or Expert by Experience) will be determined by the risks we have identified in our planning. Do you agree with this approach?

10. We have mapped the regulations to the five key questions that CQC asks of services, do you agree with our mapping? (See the appendix.)

11. To ensure a consistent approach to inspection, we have developed a set of prompts for our inspectors. Do you think these questions will enable inspectors to judge whether or not a provider meets the regulations?

    • Are the prompts relevant and do they ask the right questions?

    • Is there anything missing from the prompts?

12. We have provided examples of the evidence we may look for during our inspections. Do you feel confident that this will identify any areas of poor quality care?

13. As part of this consultation we have published a Regulatory impact assessment and an Equality and human rights duties impact analysis. We would also like your comments on these.

Care Quality Commission

For general enquiries:

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Email us at: **enquiries@cqc.org.uk**

Look at our website: **www.cqc.org.uk**

Write to us at: **Care Quality Commission**
Citygate
Gallowgate
Newcastle upon Tyne
NE1 4PA

Follow us on Twitter: **@CareQualityComm**

Corporate member of
Plain English Campaign
Committed to clearer
communication
459

CareQuality
Commission

Consultation

How CQC regulates:

Ambulance services

Provider handbook
November 2014

The Care Quality Commission is the independent regulator of health and adult social care in England.

Our purpose

We make sure health and social care services provide people with safe, effective, compassionate, high-quality care and we encourage care services to improve.

Our role

We monitor, inspect and regulate services to make sure they meet fundamental standards of quality and safety and we publish what we find, including performance ratings to help people choose care.

Contents

Foreword

In April 2014, I set out our proposed approach towards inspecting and regulating providers of ambulance services. Our signposting document, *A fresh start for the regulation of ambulance services*, set out the main characteristics of ambulance services and our priorities for improving how CQC monitors, inspects and regulates them.

Ambulance services are unique in that, compared to some other parts of the health and social care system, their staff regularly work across a range of other providers and professionals. The ability of ambulance staff to work effectively with them to meet the needs of patients is very important.

This consultation on our handbook for providers sets out our detailed proposals for how we intend to regulate and inspect ambulance services. The handbook explains the end to end inspection process of how we rate services and what 'good' looks like. It includes:

- What we look at on inspection.

- How we judge what 'good' looks like.

- How we rate care services to help people who use services choose care.

- How we use information to help us decide when and where we inspect.

We have developed these proposals by working closely with our ambulance partners, providers, key stakeholders and with the public and people who use services to make sure we get this right.

Do please take the time to respond to this consultation. We ask a number of specific consultation questions throughout this handbook and we would like to receive your views by 23 January 2015. Your views are important and matter to us. They are important in helping us to develop our model for regulating and inspecting ambulance services. Thank you.

Professor Sir Mike Richards

Chief Inspector of Hospitals

Introduction

In this handbook, we are consulting on our proposed new approach to regulating, inspecting and rating both NHS and independent ambulance services. This consultation will run from 28 November 2014 to 23 January 2015 – details on how to respond are at the end of this document. The detail of the consultation is set out in this draft handbook for providers.

Our regulation powers enable us to rate NHS ambulances currently. We are working with the Department of Health to ensure the regulations are in place to extend our powers to rate independent ambulances as well from October 2015. To prepare for this, we will carry out a small number of pilot inspections of independent ambulance services that will include shadow ratings.

Our approach is based on our initial consultation, *A new start*, which proposed radical changes to the way we inspect and regulate all health and social care services. However, we have developed our approach further through more recent consultations on handbooks for acute hospitals, specialist mental health, community health, primary care and adult social care services.

Our approach will include using a national team of expert inspectors and clinical and other experts, including people with experience of receiving care (Experts by Experience). We will use Intelligent Monitoring to decide when, where and what to inspect, including listening better to people's experiences of care and using the best information across the system. Our inspections will be in-depth and longer, and we will also inspect in the evening and at weekends when we know people can experience poorer care. Our inspectors will use professional judgement, supported by objective measures and evidence, to assess services against our five key questions:

- Are they safe?
- Are they effective?
- Are they caring?
- Are they responsive to people's needs
- Are they well-led?

We will rate NHS ambulance services. These ratings will help people to compare services and will highlight where care is outstanding, good, requires improvement or inadequate.

There has been strong support for the changes to our approach, with a desire to give providers enough time to understand them and adapt their services. We have listened to what people said and we will continue to develop and evaluate the changes as we carry out our new style inspections. This is so that we can finalise an approach that has the best impact on the quality of care.

In *A fresh start for the regulation of ambulance services* (April 2014), we set out four main strands to developing our new regulatory approach. These included:

1. What matters to patients

2. Developing how we inspect ambulance services

3. Developing our information to monitor providers

4. Focusing on local partnership and integrated arrangements

We also acknowledged that ambulance services are unique in that, compared to some other parts of the health and social care system, their staff regularly work across a range of other providers and professionals. The ability of ambulance staff to work effectively with them to meet the needs of patients is very important.

Services that fall within the NHS ambulance sector include the following:

- Emergency and operation callers handling 999 calls and urgent and emergency services responding to these calls

- Specialist service transfers (high dependency, intensive care transfer, paediatric patients)

- Patient transport services (PTS)

- Resilience planning (to respond to major incidents and events)

- 111 services (which is included in our approach to inspecting and regulating GPs).

Independent ambulances may provide all the same services as the NHS, except for receiving 999 calls. However, they provide a higher proportion of PTS services, events cover and transfers between hospitals than responding to 999 calls, compared to the NHS.

Independent ambulances are also very diverse in terms of size of provider, services provided and geographical area covered. All are likely to be commissioned to provide services with some having NHS contracts as well.

Not all independent ambulances have to register with CQC; the detail of those that are exempted are in our scope guidance that can be found here.

Next stages of development for NHS ambulances

We began testing our new approach in two NHS ambulance trusts (we called these Wave 1 inspections) in August and September 2014. Our approach for the Wave 2 inspections (January 2014) will incorporate our learning and experience from those first inspections.

This guidance for ambulance services reflects our current thinking and will be refined as we test it further during January 2014. We will use the feedback

from this consultation and further work with the public, people who use services, providers and organisations with an interest in our work to develop our thinking further.

We will publish an update of this guidance with our final approach for NHS ambulances in March 2015. We will then roll out our new approach from April 2015, with the intention of rating all NHS ambulances by the end of March 2016.

Next stages of development for independent ambulances

We will continue working with independent ambulance services to develop our approach for regulating and inspecting these services, as well as using the feedback from this consultation.

We will begin piloting our approach for inspecting and regulating independent ambulances from April 2015. Using the learning and experience from these pilots we will refine the approach further with input from independent ambulance services and people who use services before rolling out our final approach by October 2015.

1. Our framework

Although we inspect and regulate different services in different ways, there are some key principles that guide our operating model across all our work.

Our operating model

The following diagram shows an overview of our overall operating model. It covers all the steps in the process, including:

- Registering those that apply to CQC to provide services – see section 2 on our registration process.

- Intelligent use of data, evidence and information to monitor services.

- Using feedback from people who use services and the public to inform our judgements about services.

- Inspections carried out by experts.

- Information for the public on our judgements about care quality, including a rating to help people choose services.

- The action we take to require improvements and, where necessary, the action we take to make sure those responsible for poor care are held accountable for it. Our enforcement policy sets out how we will do this.

Our model is underpinned by the new fundamental standards, to be introduced in April 2015. We will issue guidance to help providers understand how they can meet the new regulations (see section 11).

Figure 1: CQC's overall operating model
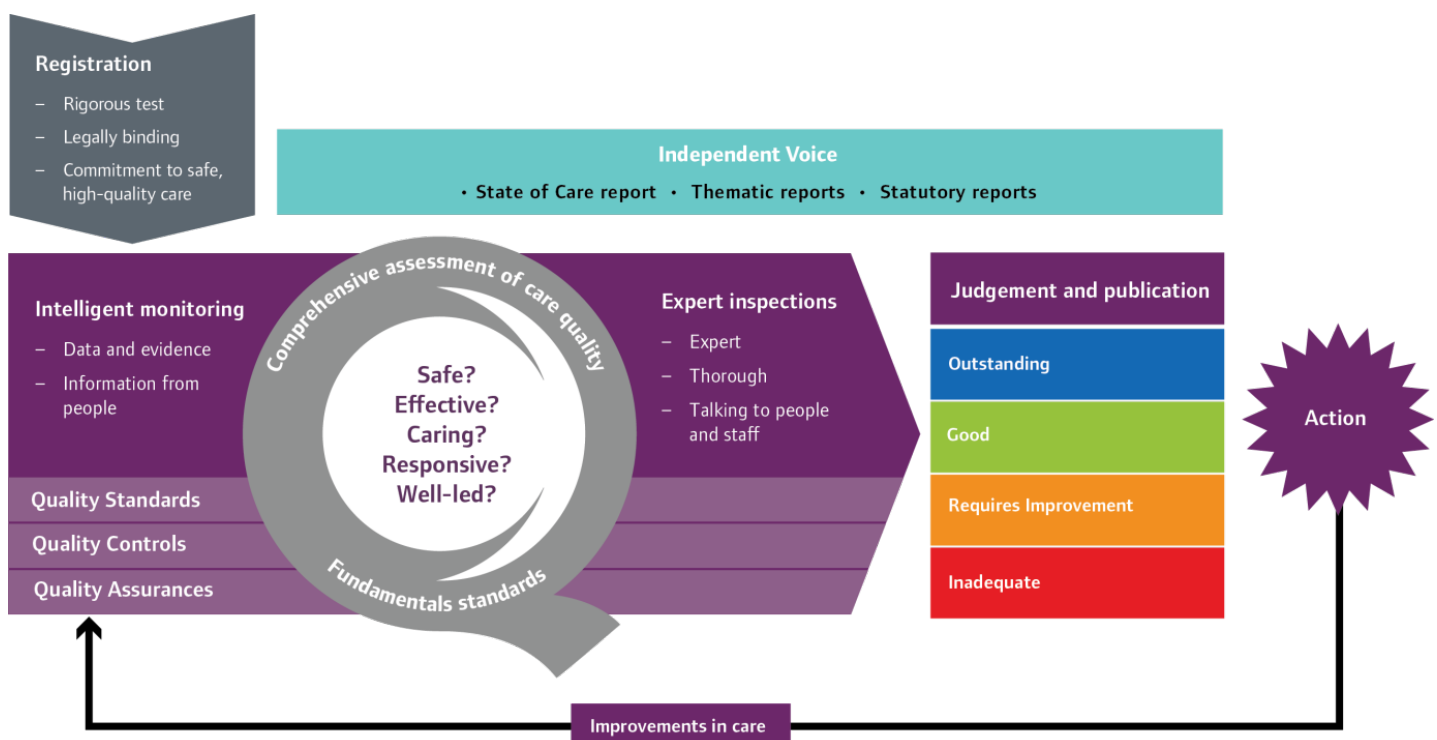
The five key questions we ask

To get to the heart of people's experiences of care, the focus of our inspections is on the quality and safety of services, based on the things that matter to people. We always ask the following five questions of services.

- Are they safe?
- Are they effective?
- Are they caring?
- Are they responsive to people's needs?
- Are they well-led?

For all health and social care services, we have defined these five questions as follows:

Safe	By safe, we mean that people are protected from abuse and avoidable harm.
Effective	By effective, we mean that people's care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence.
Caring	By caring, we mean that staff involve and treat people with compassion, kindness, dignity and respect.
Responsive	By responsive, we mean that services are organised so that they meet people's needs.
Well-led	By well-led, we mean that the leadership, management and governance of the organisation assures the delivery of high-quality person-centred care, supports learning and innovation, and promotes an open and fair culture.

Core services

The size and complexity of some providers means that, for some, we will not be able to inspect every aspect of their service. However, we have identified a set of core services that we will always inspect if provided:

- Emergency operations centre
- Emergency and urgent care services
- Patient transport services
- Resilience planning

We have set out our definitions of these core services in appendix A.

Our inspections will normally be limited to these core services. However, if we identify particular services, or the use of pathways of care that provide cause for concern, or where we believe the quality of care could be outstanding, and they are not covered by these core services, we will look at

them in detail and report on them. We may also focus on additional areas where these represent a large proportion of a provider's activity or expenditure, for example specialist independent ambulances, such as air ambulances and ambulances that convey detained patients.

Due to the geographical spread of ambulance services, we will not always be able to visit every location a core service operates from. Therefore, we will visit a sample of sites for each core service. Where we sample services for inspection, we will select some on a random basis and for others we will consider various factors about risk, quality and the context of the services to help us select and prioritise the areas we visit. These may include, for example, services:

- Where previous inspections, our intelligence or information gathered by either Monitor, the NHS Trust Development Authority, NHS England or a local clinical commissioning group, has flagged a concern or risk.

- About which we have concerns or safeguarding alerts from people who use services or staff.

- We have not inspected for a long period or have not previously inspected at all.

- Where the quality of care may be outstanding.

Consultation questions

1. We have identified the core services that we will check during our inspections of ambulance services (see appendix A). These questions are for both NHS and independent ambulance services:

    - Do you agree that these are the right core services to look at?

    - Do you understand what we mean by these core services? If not, what is unclear?

    Issues to consider:

    We believe weighting core services equally is in line with our commitment to promote equality in the services we regulate and to uphold Equality Act legislation. Everyone who receives care and treatment should expect to receive the same good quality care, irrespective of the type of service that they are using.

    An exception might be where an ambulance service provides a core service to a smaller population than another core service; for example where an ambulance service provides patient transport services to 10% of the population they provide emergency and urgent services to. In this situation the inspection team would use their professional judgement to determine what weight to give the core service when aggregating ratings.

    - Do you agree that, in general, core services should be weighted equally with the above exception?

Care pathways

We are committed to including a focus on care pathways and particular patient groups as part of our inspection of ambulance services. This could include, for example, people with dementia or with a learning disability.

We will take this into account in relation to the core services inspected through the questions that we ask and the methods that we use, including the tracking of people through care. This means that we will form a judgement about the points in a care pathway and use this to inform our ratings of our identified core services.

Key lines of enquiry

To direct the focus of their inspection, our inspection teams will use a standard set of key lines of enquiry (KLOEs) that directly relate to the five key questions we ask of all services – are they safe, effective, caring, responsive and well-led?

The KLOEs are set out in appendix B.

Having a standard set of KLOEs ensures consistency of what we look at under each of the five key questions and that we focus on those areas that matter most. This is vital for reaching a credible, comparable rating. To enable inspection teams to reach a rating, they gather and record evidence in order to answer each KLOE.

Each KLOE is accompanied by a number of questions that inspection teams will consider as part of the assessment. We call these prompts. The prompts are included in appendix B.

Inspection teams use evidence from four main sources in order to answer the KLOEs:

1. Information from the ongoing relationship management with the provider and other stakeholders, including information that the provider provides on how it thinks it is performing, the processes it has in place, and the action it is taking to improve under-performance (as described in section 3).

2. Other nationally available and local information that can inform the inspection judgement. This will typically be included in the data packs described in section 6.

3. Information from activity carried out during the pre-inspection phase (for example, the provider's approach to concerns and complaints raised by people who use services and staff) as set out in section 6.

4. Information from the inspection visit itself.

Figure 2: The four main sources of evidence

Ongoing local information
- What people, carers and staff tell us
- Complaints
- Information from stakeholders

Local and national data
- Patient and staff surveys
- Safety incidents
- National clinical audits

Pre-inspection information gathering
- People who use services
- National datasets
- CQC records
- Other stakeholders
- The provider

On-site inspection
- Observations of care
- What people, carers and staff tell us
- Care environment and facilities
- Records and document reviews

Currently we have described one set of KLOEs, prompts and descriptions of what 'good' looks like for all ambulance services (NHS and independent) rather than each core service. We will work with stakeholders to identify where more tailored guidance may be needed, or where we might look for specific evidence for each core service.

Consultation questions

2. These questions are for both NHS and independent ambulance services:

- Do you feel confident that the key lines of enquiry and the list of prompts will help our inspectors judge how safe, effective, caring, responsive and well-led NHS and independent ambulance services are?

- Is there anything missing?

Ratings

We are introducing ratings as an important element of our new approach to inspection and regulation of NHS ambulances.

As set out in figure 3 below, our ratings will always be based on a combination of what we find at inspection, what people tell us, our Intelligent Monitoring data and local information from the provider and other organisations.

We will award them on a four-point scale: outstanding; good; requires improvement; or inadequate.

Figure 3: How KLOEs and evidence build towards ratings
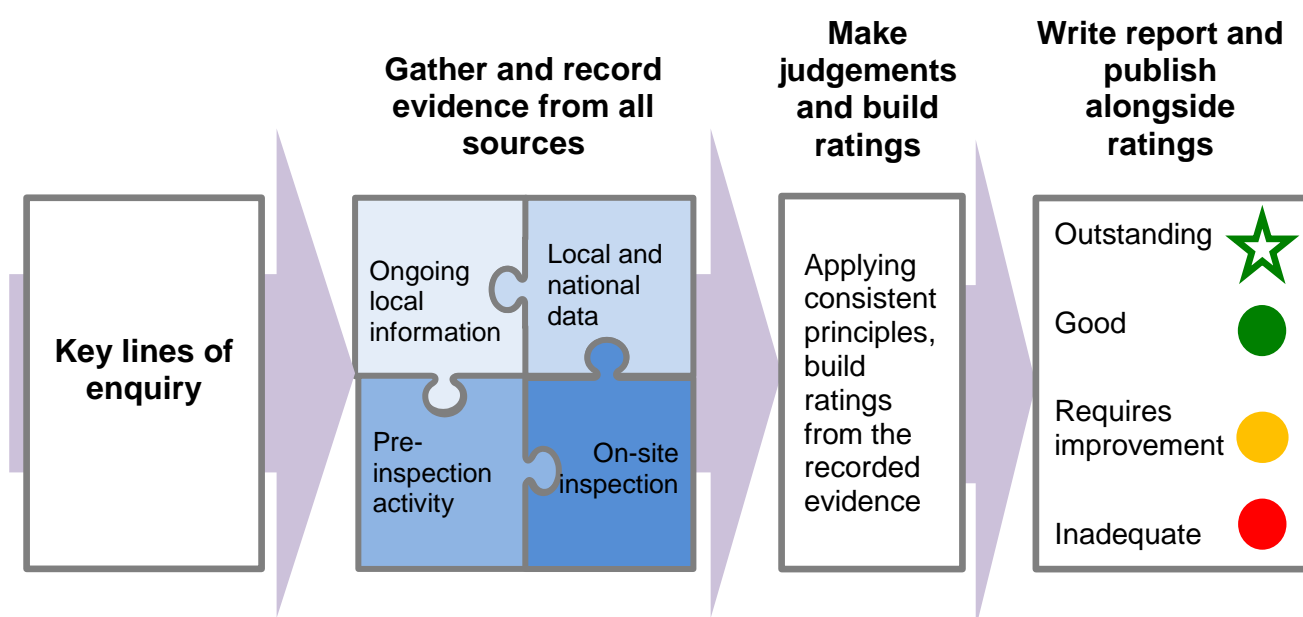
We have developed characteristics to describe what outstanding, good, requires improvement and inadequate care looks like in relation to each of the five key questions. These are set out in appendix C.

These characteristics provide a framework which, when applied using professional judgement, will guide our inspection teams when they award a rating. They are not to be used as a checklist or an exhaustive list. The inspection team will use their professional judgment, taking into account best practice and recognised guidelines, with consistency assured through the quality control process.

Not every characteristic has to be present for the corresponding rating to be given. This is particularly true at the extremes. For example, if the impact on the quality of care or on people's experience is significant, then displaying just one of the characteristics of inadequate could lead to a rating of inadequate. Even those rated as outstanding are likely to have areas where they could improve. In the same way, a service or provider does not need to display every one of the characteristics of 'good' in order to be rated as good.

We have considered whether the benefits of rating all registered ambulance services, including small enterprises and charities, justify the potential costs. We have also considered whether it will achieve the five purposes described in the Nuffield trust report on ratings:

- Accountability

- Public / commissioner choice

- Performance

- Identifying / preventing failure

- Offering reassurance.

Our view is that all of these apply to this sector and we propose that all ambulances should be rated.

Ratings are discussed in more detail in section 9.

Consultation questions

3. These questions are for both NHS and independent ambulance services:

   - Do you agree that the characteristics of 'outstanding' (in appendix C) are what you would expect to see in an outstanding NHS and independent ambulance service?

   - Do you agree that the characteristics of 'good' (in appendices B and C) are what you would expect to see in a good NHS and independent ambulance service?

   - Do you agree that the characteristics of 'requires improvement' (in appendix C) are what you would expect to see in an NHS and independent ambulance service that requires improvement?

   - Do you agree that the characteristics of 'inadequate' (in appendix C) are what you would expect to see in an NHS and independent ambulance service that was inadequate?

   - Do you agree that rating all ambulances will achieve the purposes described in the Nuffield report?

Equality and human rights

One of CQC's principles is to promote equality, diversity and human rights. This is a means to an end and not an end in itself. The end is good quality care for all. Respecting diversity, promoting equality and ensuring human rights will help to ensure that everyone using health and social care services receives good quality care.

To put this into practice, we have a human rights approach to regulation. This looks at a set of human rights principles – fairness, respect, equality, dignity,

autonomy, right to life and rights for staff – in relation to the five key questions we ask. All of these principles are enshrined in the NHS Constitution.

Using a human rights approach that is based on the rights that people hold, rather than what services should deliver, will also help us to look at care from the perspectives of patients.

Human rights are important in all our key questions – for example, safe, effective pre-hospital treatment is necessary to protect people's right to life, and both the leadership of ambulance services and the frontline service delivery need to promote equality, dignity and respect for people. Where ambulance services are being provided, there may be challenges in ensuring human rights that rely on responding to the needs of individuals. Because of the type of services being provided, and the nature of some of the incidents involved, many patients spend only a short period using a particular service and some individuals might not be able to make their wishes known.

There are a number of sources of information about equality and human rights available for ambulance services – such as patient data, surveys and, importantly for NHS services, the NHS Equality Delivery System (EDS2). We intend to draw on existing data sources where we can. However, for many human rights topics, the only way we can assess how well ambulances are performing is by gathering and understanding the experiences and views of people. Our approach will enable us to gather more evidence from people who use services, including ways of finding out the experiences and outcomes of pre-hospital care for particular groups of people who may be at a higher risk of receiving poor care, such as people with a learning disability and people with dementia.

This focus on human rights is integrated into our approach to inspection and regulation. We believe this is the best way to ensure equality and human rights are promoted in our work

Monitoring the use of the Mental Capacity Act 2005 including the Deprivation of Liberty Safeguards

The Mental Capacity Act (2005) is a crucial safeguard for the human rights of adults who might (or may be assumed to) lack mental capacity to make decisions, including whether or not to consent to proposed care or treatment interventions. The Mental Capacity Act (MCA) provides the essential framework for balancing autonomy and protection when staff are assessing whether people aged 16 and over have the mental capacity to make specific decisions at the time they need to be made.

Any decision taken on behalf of a person lacking capacity must be made in their best interests and be the least restrictive option that can be identified to meet a specific need.

The importance of working within the empowering ethos of the wider MCA will be reflected in our inspections. A specific KLOE about consent takes account of the requirements of the Mental Capacity Act and other relevant legislation.

During our inspections, we will assess how well providers are using the MCA to promote and protect the rights of people using their services. In particular, we will look at how well people lacking mental capacity, who are being transferred while being detained, are being cared for and whether their dignity and respect is being considered. We will also look at staff understanding of advance decisions to refuse treatment and lasting powers of attorney for health and welfare decisions.

We will also look for evidence that restraint, if used to deliver necessary care or treatment to someone lacking mental capacity, is:

- in the best interests of the person
- proportionate
- necessary to prevent harm to the person
- in accordance with the MCA.

Concerns, complaints and whistleblowing

Concerns raised by people using services, those close to them, and staff working in services provide vital information that helps us to understand the quality of care. We will gather this information in three main ways:

- Encouraging people and staff to contact us directly through our website and phone line, and providing opportunities to share concerns with inspectors when they visit a service.
- Asking national and local partners (for example, the Ombudsmen, the local authority, Health Education England and Healthwatch) to share with us concerns, complaints and whistleblowing information that they hold.
- Requesting information about concerns, complaints and whistleblowing from providers themselves.

We will also look at how providers handle concerns, complaints and whistleblowing in every inspection. A service that is safe, responsive and well-led will treat every concern as an opportunity to improve, will encourage its staff to raise concerns without fear of reprisal, and will respond to complaints openly and honestly. The Parliamentary and Health Service Ombudsman, the Local Government Ombudsman and Healthwatch England will set out standard expectations for handling complaints, which are consistent with our assessment framework, and describe the good practice we will look for.

We will draw on different sources of evidence to understand how well providers encourage, listen to, respond to and learn from concerns. Sources of evidence may include complaints and whistleblowing policies, indicators such as a backlog of complaints and staff survey results, speaking with people who use services and those close to them and staff, and reviewing files from investigations of complaints.

2. Registration

Before a provider can begin to provide a regulated activity, they must apply to CQC for registration and satisfy us that they are meeting a number of registration requirements.

Registration will assess whether all new providers, whether they are organisations, individuals or partnerships, have the capability, capacity, resources and leadership skills to meet relevant legal requirements, and are therefore likely to demonstrate that they will provide people with safe, effective, caring, responsive and high-quality care.

The assessment framework will allow registration inspectors to gather and consider comprehensive information about proposed applicants and the services they intend to provide, including where providers are varying their existing registration, to make judgements about whether applicants are likely to meet the legal requirements of the regulations.

We will make judgements about, for example, the fitness and suitability of applicants; the skills, qualifications, experience and numbers of key individuals and other staff; the size, layout and design of premises; the quality and likely effectiveness of key policies, systems and procedures; governance and decision-making arrangements; and the extent to which providers and managers understand them and use them in practice.

We intend to focus on the robustness and effectiveness of the registration system in a way that does not stifle innovation or discourage good providers of care services, but does ensure that those most likely to provide poor quality services are discouraged and prevented from doing so.

3. How we work with others

Good ongoing relationships with stakeholders will be vital to our inspection approach. These relationships will allow CQC better access to qualitative as well as quantitative information about services, particularly local evidence about people's experience of care. Local relationships will also provide opportunities to identify good practice and to work with others to push up standards.

Working with providers

A good ongoing relationship with services is a key element of our inspection model. A CQC Head of Inspection or local inspection manager will be responsible for developing and maintaining relationships at a local level. They will have primary responsibility for the day-to-day communication, information exchange and management of our relationship with providers and partners.

Our approach will include continuous monitoring of local data and intelligence and risk assessment. Where risks are identified, the local Head of Inspection or inspection manager will check what the provider is doing to address the risk.

Service providers also routinely gather and use information from people who use services, the public, carers and other representatives. We will make use of this information, including:

- Local patient surveys or other patient experience information and feedback.
- Information about the number and types of complaints people make about their care and how these are handled.
- Ambulances provide a vital link between a wide range of health and care services; we will therefore seek feedback from other providers, such as hospitals, and we will take account of information from inspecting other providers.

Working with people who use services

People's experiences of care are vital to our work; they help to inform when, where and what we inspect. We want people to tell us about their care at any time through our website, helpline and social media, and we are committed to engaging with the public to encourage people who use services and those close to them to share their views and experiences with us.

We will gather and analyse information from people who use services, for example through:

Nationally collated feedback from people who use services and carers

- Patient survey data
- Information from NHS Choices

Feedback from groups representing communities, people who use services and public representatives

- Local Healthwatch.
- Organisations that represent or act on behalf of people who use services, including equality groups.
- The NHS Complaints Advocacy services.
- Community groups and groups that represent carers.

Comments and feedback sent to CQC from individual people who use services and those close to them

- Feedback on services submitted through CQC's online "share your experience" form or through telephone calls to our national call centre.
- Engagement activity specifically designed to encourage people to share their experiences of care.

Working with local organisations and community groups

It will also be important to maintain good relationships with local organisations and community groups that represent people who use services, and to routinely gather their views. We will ask them to share with us the information that they hold. These include:

- Local health overview and scrutiny committees
- Quality surveillance groups
- Health Education England
- Local Healthwatch
- Clinical commissioning groups
- NHS complaints advocacy organisations.
- Other emergency services, such as police and fire services.

Figure 4: How we work with local and national partner organisations

- Clinical commissioning groups
- NHS England teams
- Social services commissioners
- Health and wellbeing boards
- Strategic partnerships e.g. learning disability partnership boards
- Children and young people boards
- Health Education England
- Provider trusts (NHS acute trusts)

- Healthwatch
- NHS complaints/mental health/general advocacy services
- Local councillors (including overview and scrutiny committees)
- Foundation trust councils of governors
- GP practice participation groups
- Voluntary and community groups e.g. for mental health, learning disability, older people, carers, children, disability or equality groups

Oversight bodies, commissioners & other providers

Patient and public representatives

National, professional and staff bodies

Organisations that manage health and care risks

- RCN local offices
- RCM regional offices
- Trade unions
- GMC regional offices
- NMC regional offices
- GDC

- Monitor
- NHS Trust Development Authority
- Quality surveillance groups (regional and local)
- Local authority contract monitoring team
- Emergency services
- Health and Safety Executive

Working with partner organisations

Many national partner organisations that we work with have information about providers and about people's experiences and we want to make the best use of their evidence. It is also important that our inspectors and inspection managers will also have an ongoing relationship with other stakeholders. This includes, for example:

- Monitor
- The NHS Trust Development Authority
- NHS England
- The Parliamentary and Health Service Ombudsman

We will work with these bodies and gather different types of information on a regular basis and in the lead-up to an inspection.

We worked closely with Monitor and the NHS Trust Development Authority to develop a single overarching framework for judging whether services are well-led. At CQC, our KLOEs for this key question reflect this single framework and our prompts focus on the aspects of the framework that we assess. This ensures that our respective approaches for assessing leadership, culture and governance are aligned.

We will not carry out a detailed review of financial stewardship or financial viability. This element of well-led is the responsibility of Monitor and the NHS Trust Development Authority in NHS bodies. Our assessment will include a focus on how the management of finances impacts on the quality of service. For example, at core service level we will consider the potential impact of cost improvement plans on safety and quality, and how well this is understood. At provider level we will interview the director of finance (where relevant) and others and review key documents such as board meeting minutes.

We will work with Monitor and the NHS Trust Development Authority to share information, coordinate evidence gathering and site visits for NHS bodies. This enables us to use the findings of their work as evidence to inform our judgement and reduce the burden on these providers.

4. Intelligent Monitoring

Our new operating model aims to check whether there is a risk that services are not providing either safe or good quality care. Intelligent Monitoring is how we describe the processes we use to gather and analyse information to make these checks about services.

Intelligent Monitoring combines information from a wide range of data sources, including those shown earlier in figure 2, to give our inspectors a clear picture of the areas of care that may need to be followed up within a provider. Together with local insight and other factors, this information helps us to decide when, where and what to inspect. This means that we can anticipate, identify and respond more quickly to providers that are at risk of failing.

Our approach to Intelligent Monitoring will vary for different types of providers, where the amount and quality of available information may vary. For example, more information is normally available for NHS trusts compared with independent sector providers.

The Intelligent Monitoring tool is built on a set of indicators that relate to the five key questions we ask of all services – are they safe, effective, caring, responsive and well-led? The tool analyses a range of information including patient experience, staff experience and patient outcomes measures

The indicators raise questions about the quality and safety of care, but they are not used on their own to make final judgements. These judgements will always be based on a combination of what we find at inspection, Intelligent Monitoring data and local information from the ambulance service and other organisations.

We will be developing a set of indicators that we will use for NHS and independent ambulances from 2015.

5. Inspection

Our inspections are at the heart of our regulatory model and are focused on the things that matter to people. Within our approach we have two types of inspection:

Type of inspection	Description
Comprehensive (Sections 6 and 7)	• Review the provider in relation to the five key questions leading to a rating on each on a four-point scale. • Assess all of the core services, where they exist, covering all KLOEs. • Large inspection team. • Typically, two to four days announced site visit plus unannounced visits. • At least once every three years.
Focused (Section 8)	• Follow up a previous inspection or respond to a particular issue or concern, covering the relevant KLOEs or regulations. • Team size and composition depends on the focus of the inspection. • Length of site visit and whether it is announced or unannounced is flexed. • As frequent as required.

Inspecting a combination of services

As the health and care sectors become more complex, we need to be flexible to ensure we can assess providers that offer a wide range of services that are not just limited to a single type of service (for example, some NHS ambulance trusts also provide GP out-of-hours and NHS 111 services).

Where a provider has services that sit in more than one of our inspection approaches, and the range of services are either provided from one location or to a local population, we want to assess how well quality is managed across the range of services and give ratings for the provider or the location that reflect this. Therefore, when we inspect we will use our different approaches in combination to reflect the range of services that are provided (we call this a 'combined' inspection).

Our overall aims in these circumstances will be to:

• Deliver a comparable assessment of the five questions for each type of service, whether it is inspected on its own or as part of a combined provider.

- At provider or location level, assess how well quality and risks are managed across the range of services provided.

- Generate ratings and publish reports in a way that is meaningful to the public and people who use services, the provider and to our partners.

- Be proportionate and flexible to reflect the way the services are provided and consider any benefits derived from service integration.

- Use appropriate inspection methods and an inspection team with the relevant expertise to assess the services provided.

- Wherever possible, align steps throughout the inspection process in order to minimise the burden on providers.

We will continue to develop and test how we can make this work effectively and also how we should present our findings so that they are meaningful to all audiences. We will consider different scenarios in terms of the size and range of services being provided so that we can understand how to apply our approach in an appropriate, consistent and proportionate way.

As for any provider, if necessary between comprehensive inspections, we will undertake focused inspections that only look at some of the services or aspects of a service. The relationship holder for a provider will have oversight of this and consider any implications for our understanding of the provider's performance more broadly.

Services provided by third party providers

Sometimes a provider will have an arrangement in place where a third party organisation provides treatment or care as part or all of a core service. Where this is the case, it is essential that the services provided work effectively with those provided by the third party.

The inspection team will not inspect or rate the third party service as part of the services inspection. However, they will consider the care pathways between the services as part of their inspection. Our reports will explain where a third party provider is delivering part or all of a core service and who that third party provider is.

When planning the inspection we will consider whether it would be helpful, for the public and people using services, if we inspected the third party service at (or close to) the same time.

6. Planning the inspection

To make the most of the time that we are on site for an inspection, we must make sure we have the right information to help us focus on what matters most to people. This influences what we look at, who we will talk to and how we will configure our team. The information we gather during this time will also be used as evidence when we make our ratings judgements.

As described in section 3 and section 4, we will analyse data from a range of sources including information from people who use services, information from other stakeholders and information sent to us by providers.

We will collate our analysis into a data pack to be used by the inspection team. Our inspectors will use this information along with their knowledge of the service and their professional judgement to plan the inspection.

The provider will have the opportunity to review the data pack for accuracy and raise queries on the data. We will normally give providers at least 12 weeks' notice before a comprehensive inspection.

Gathering information from people who use services and stakeholders

Before or during the inspection site visit, we will also gather specific information. This includes:

- Engagement activity specifically designed to encourage people to share their experiences of care.
- Contacting and gathering information from stakeholders, as set out in section 3.
- Engaging with and asking for information from commissioners, Monitor or the NHS Trust Development Authority.
- Going into local hospitals – A&E, discharge lounges to talk to patients and staff

Gathering information from the provider

To prepare for an inspection we analyse information from a range of sources, including the provider themselves. The specific information we will request from a provider varies depending on the type of services offered, but will include information about:

- Management and governance structures
- Numbers, types and locations of services and teams
- Safety and quality governance arrangements
- Key performance indicators, issues, risks and concerns

- How the board monitors and takes action on issues relating to safety, clinical effectiveness and patient experience.

We will ask the provider to tell us about their performance against each of the five key questions, summarising this at overall service level as well as providing detail for each of their core services. In doing so, providers are expected to highlight areas of good and outstanding practice, as well as telling us about where the quality of services is less good, and in these cases, what action they are taking. This will allow us to assess how providers view themselves in terms of quality against the five key questions and to understand how their quality improvement plans reflect this, ahead of an inspection. The chief executive (or equivalent) should provide assurance to CQC that the information given is accurate and comprehensive in setting out the provider's view of its own performance.

Following the initial request, we may ask providers to submit additional information, particularly if the initial submission highlights areas that need to be clarified before the inspection site visit.

We expect providers to be open and honest with us, sharing all appropriate information. A lack of openness and transparency will be taken into account when we assess the well-led question.

We will advise providers about the timescales for submitting information, and will give them a point of contact so they can liaise with us if they have any questions. We ask providers to only send the information we have requested and to discuss with their point of contact any difficulties in sending the information, or where they believe they have extra information that they think may be useful to the inspection team.

Other information gathering activity

Throughout the year, and particularly in the weeks leading up to an inspection, we will gather information to give us insight into the provider's quality performance. This may involve looking at:

- **Concerns from people who use services and staff**: Information about complaints and concerns raised by patients and staff will help us understand how well a provider listens, investigates and learns, and to highlight potential areas of concern.
- **Quality governance:** Information on quality governance will enable us to see what systems and processes a provider has in place and understand how effective they are at ensuring organisation-wide learning, so that improvements are embedded where necessary. We will also look at how well information is used to assess and monitor the quality of care being delivered and to identify, assess and manage risks by board and sub-committees.
- **Safety alerts and serious incidents:** This enables us to explore how well a provider reports, investigates and learns from serious incidents

(including never events) and implements the improvements needed to prevent such incidents happening again. It also tests how a provider disseminates and acts on the requirements and supporting information published in selected safety alerts.

The inspection team

The inspection of ambulance services will be carried out by a team composed of the following roles:

- Inspection Chair (a very senior clinician, or manager with knowledge of quality and safety)
- CQC Head of Inspection or team leader
- Clinical and other experts
- Experts by Experience/patient and public representatives
- CQC managers and inspectors (varying levels of seniority)
- CQC data analysts
- CQC inspection planner
- CQC administrative support.

For the larger providers, such as NHS ambulance services, the team composition is likely to include all of these roles described above while a small independent ambulance services will be inspected by a much smaller team with just some of the roles represented.

However the team will always include specialists with specific skills to reflect the services provided and the areas of focus for the inspection – for example this may include paramedics, emergency medical technicians or call handlers.

Planning the focus of the inspection

The planning of the inspection will involve:

- Considering how to best engage with the public, people who use the service and specific communities to get a range of views and experiences about the services.
- Deciding on the areas of focus, which are informed by the data pack and information we have gathered before the site visit.
- Meeting with the chief executive or other senior member of staff to identify any specific aspects of the quality of care that should be reviewed as part of the inspection.
- Identifying members of the inspection team based on the specific skills, knowledge and experience needed, including the need for specialists.

- Ensuring that we follow up any outstanding compliance actions and Warning Notices or conditions of registration, and any improvement plans for providers in special measures.

- Making an outline plan for the site visit.

- Setting a provisional date for the quality summit (see section 10).

Making arrangements for the inspection

The Head of Inspection and the inspection planner will be the main CQC points of contact with the provider. The inspection planner will liaise with the provider on all logistical requirements, for example room bookings, arranging interviews, parking and security passes.

We will contact the provider when we need local information to help us to advertise and arrange listening activities, for example where best to hold them, and for information on local groups and patient representatives who may be able to support us with this activity.

The Head of Inspection and the Inspection Chair will also hold an introductory session with the provider's chief executive and other senior staff. This which will be an opportunity to understand the logistics of the service and to explain:

- The scope and purpose of the inspection

- Who will be involved

- How the inspection will be carried out, including our relevant powers

- How we will communicate our findings.

7. Site visits

Site visits are a key part of our regulatory framework, giving us an opportunity to talk to people using services, staff and other professionals to find out their experiences. They allow us to observe care being delivered and to review people's records to see how their needs are managed both within and between services.

Site visit timetable

The site visit will generally include the following stages:

- Briefing and planning session for the inspection team
- Announced site visits (two to four days for NHS trusts)
- Closing the announced inspection visit
- Unannounced visits
- Additional site visits (if required).

Briefing and planning session

Before the site visit there will be a briefing and planning session for the inspection team led by the Head of Hospital Inspection and the Inspection Chair.

Provider presentation

At the start of the site visit the ambulance service will make a 30-minute presentation to the inspection team. This presentation should set out:

- Background to the organisation
- Its approach to ensuring good quality care
- What is working well or is outstanding
- The areas of concern or risk.

Gathering evidence

The inspection team will use the key lines of enquiry (KLOEs) and any concerns identified through the preparation work to structure their site visit and focus on specific areas of concern or potential areas of outstanding practice. They will collect evidence against the KLOEs using the methods described below.

Gathering the views of people who use services

A key principle of the approach to inspecting ambulance services is to seek out and listen to the experiences of the public, people who use these services and those close to them. This includes the views of people who are in vulnerable circumstances or who are less likely to be heard.

We gather people's views through a range of activity such as:

- Speaking individually and in groups with people who use services.
- Holding focus groups with people who use services and those close to them.
- Using comment cards placed in reception areas and other busy areas to gather feedback.
- Using posters to advertise the inspection to give people an opportunity to speak to the inspection team. These will be put in areas where people will see them, such as in the discharge lounge of a local hospital.
- Using the information gathered from our work looking at complaints and concerns.
- Promoting the 'share your experience' form on our website through a variety of channels.
- Visiting places where patients are conveyed to and from, such as A&E and outpatient departments, and gathering evidence.

We will include 'Experts by Experience' on our inspections. Experts by Experience are people who use care services or care for someone who uses health and/or social care services. Their main role is to talk to people who use services and tell us what they say. Many people find it easier to talk to an Expert by Experience rather than an inspector. Experts by Experience can also talk to carers and staff, and can observe the care being delivered.

Experts by Experience are recruited and supported to take part in our work through a number of support organisations. The support organisations also carry out the relevant Disclosure and Barring Service checks. Experts by Experience are provided with training to carry out their role, and their performance is monitored on an ongoing basis. We match their experience to the services that are being inspected. More details on the Experts by Experience programmed are on our website at:

www.cqc.org.uk/content/involving-people-who-use-services.

Gathering the views of staff

The inspection team will interview senior and frontline staff at all levels. We will usually interview the following people at corporate level:

- Chair
- Chief executive

- Medical director
- Director of operations
- Director of finance
- Non-executive director responsible for quality/safety
- Complaints lead
- The senior lead for human resources.
- Senior information and risk owner (SIRO).

For independent providers with multiple services, we will interview these people once to inform the separate inspections of the different services (rather than interviewing them repeatedly).

The team will hold focus groups with separate groups of staff. These will be peer to peer focus groups involving the clinical experts on our inspection team. We normally hold focus groups with:

- Paramedics

- Emergency care assistants

- Call handlers

- PTS staff.

We may also seek the views of staff through an online survey or email.

Other inspection methods/information gathering

We have introduced a new approach to gather evidence to inform our inspections and judgements of ambulance services by observing care provided to people by paramedics and emergency care assistants. This involves our inspectors and specialist advisers riding in an emergency ambulance during a shift. This will allow them to observe care being delivered and to have the opportunity to speak to staff.

Other ways of gathering evidence will include:
- Inspecting care environments
- Reviewing records
- Reviewing policies and documents.
- Inspecting facilities – for example, for storage of medicines.

Consultation question

4. Do you think observing care in or from an ambulance is an appropriate way to gather evidence to inform the inspection?

Continual evidence evaluation

Throughout the inspection the CQC team leader will continually review the emerging findings with the inspection team to maintain consistency. This keeps the team up to date with all issues and enables the focus of the inspection to be shifted if new areas of concern or outstanding practice are identified. It also enables the team to identify what further evidence might be needed in relation to a line of enquiry and which relevant facts might still be needed to corroborate a judgment or, where appropriate, a rating.

We will establish subteams where the service covers a large geographical area to enable the team to visit depots, garages and other offices to gather the evidence they require. In these circumstances, we will share and validate evidence by teleconference.

Continual evaluation is also an opportunity to make connections across different areas of inspection where there may be common themes, such as findings from audits, and which might raise questions about corporate level systems, such as those for governance.

Feedback on the announced visit

At the end of the announced inspection visit, the Inspection Chair and Head of Inspection/team leader will hold a feedback meeting with the chief executive and other senior members of the provider's staff. This is to give high level initial feedback only, illustrated with some examples. We will not provide indicative ratings at this stage.

The meeting will cover:

- Thanking the ambulance services staff for their support and contribution.
- Explaining, in general terms, our findings to date, but noting that further analysis of the evidence will be needed before final judgements can be reached on all of the issues.
- Any issues that were escalated during the visit.
- Any plans for follow-up or additional visits (unless they are unannounced).
- Reminding the provider that we may carry out unannounced visits.
- Explaining that further analysis is required before we can award ratings.
- Explaining how we will make judgements against the existing regulations.
- Explaining the next steps, including challenging factual accuracy in the report and final report sign-off, quality summits and publication.
- Answering any questions from the ambulance service.

Unannounced inspection visits

Following the announced visit the inspection team will normally carry out further inspection activities.

These unannounced visits may be during the day or out of normal working hours and will involve a subset of the inspection team. They will use the inspection methods described above and we may go back to areas we have already visited. At the start of these visits, the team will meet with the provider's senior operations lead on duty at the time, and at the end will feed back if there are any immediate safety concerns. Because of the logistical issues involved in organising visits for large geographically dispersed services, we will complete the unannounced inspection within 30 days of the announced visit. This is an extension to the normal time period, so may result in a longer period for publication of our inspection report.

Consultation question

5. Do you think that 30 days is an appropriate period of time to complete an unannounced visit of an NHS ambulance service?

8. Focused inspections

There will be circumstances when we will carry out a focused inspection rather than a comprehensive inspection. We will carry out a focused inspection for one of two reasons:

- To focus on an area of concern
- For NHS providers, where changes occur that affect the organisational structure of the provider.

Focused inspections do not look at all five key questions; they focus on the areas indicated by the information that triggers the focused inspection.

Areas of concern

We will carry out a focused inspection when we are following up on areas of concern, including:

- Concerns that were originally identified during a comprehensive inspection and have resulted in enforcement or compliance action. This is normally within three months of the date set in the warning notice / compliance action, or of the provider notifying us that they have taken the action needed if that is before the date set.
- Concerns that have been raised with us outside an inspection through other sources such as information from Intelligent Monitoring, Mental Health Act monitoring visits, members of the public, staff or stakeholders.

Changes in the service provider

When there is a planned merger, acquisition or takeover of an NHS provider, Monitor or the NHS Trust Development Authority will need to seek our advice before authorising the transaction. We will typically undertake a focused inspection in order to inform our advice or a comprehensive inspection if necessary. We will coordinate our evidence gathering and site visits with Monitor or the NHS Trust Development Authority to reduce the burden on ambulance services.

The focused inspection process

Although they are smaller in scale, focused inspections broadly follow the same process as a comprehensive inspection.

The reason for the inspection determines many aspects, such as the scope of the inspection, when to visit, what evidence needs to be gathered, the size of the team and which specialist advisers to involve. Visits may be

announced or unannounced at our discretion depending on the focus of the inspection.

Although smaller in scope, the inspection may result in a change to ratings at the key question or core service level. The same ratings principles apply as for a comprehensive inspection. The revised ratings resulting from a focused inspection will not necessarily lead to a change of the overall provider rating if the focused inspection was carried out more than six months after the comprehensive inspection. As a focused inspection is not an inspection of the whole of a provider or service it will not produce ratings where they do not already exist.

When a focused inspection identifies significant concerns, it may trigger a comprehensive inspection.

9. Judgements and ratings

Making judgements and ratings

Inspection teams will base their judgements on the available evidence, using their professional judgement. For each individual rating (for example, safety in patient transport services), the judgement is made following a review of the evidence under each key line of enquiry (KLOE), with this evidence coming from the four sources of information: our ongoing relationship, Intelligent Monitoring, pre-inspection work and from the inspection visit itself. This hard link between KLOEs, the evidence gathered under them, and the rating judgements lies at the heart of our approach to ensuring consistent, authoritative judgements on the quality of care.

When making our judgements, we will consider the weight of each piece of relevant evidence. In most cases we will need to corroborate our evidence with other sources to support our findings and to enable us to make a robust judgement.

When we have conflicting evidence, we will consider the weight of each piece of evidence, its source, how robust it is, and which is the strongest. We may conclude that we need to seek additional evidence or specialist advice in order to make a judgement.

Ratings

What do we give a rating to?

For each ambulance service we inspect, we will rate performance at four levels:

Level 1: Rate every core service for every key question

Level 2: An aggregated rating for each core service

Level 3: An aggregated rating for each key question

Level 4: An aggregated overall rating for the trust as a whole.

The following example shows how the four levels work together:

Figure 5: The levels at which ambulance services are rated

Level 1: Every key question for every core service provided

	Safe	Effective	Caring	Responsive	Well-led
Emergency and urgent care	Good	Outstanding	Good	Outstanding	Good
Emergency operations centre	Good	Inadequate	Good	Inadequate	Good
Patient transport services	Good	Good	Requires improvement	Good	Requires improvement
Resilience planning	Good	Good	Outstanding	Good	Outstanding

Level 2: Aggregated rating for every core service

Overall
*
*
*
*

Level 3: Aggregated rating for every key question

Overall					
	*	*	*	*	*

Level 4: Overall rating for the location

Overall location
*

* These will be aggregated ratings (outstanding, good, requires improvement or inadequate), which will be determined using the ratings principles (see below).

For NHS providers, we will rate performance at the following two levels:

Level 5: Each of the key questions trust-wide. This is informed by our findings at level 3 for each location in the trust, and information on the five key questions that is available at trust level only.

Level 6: The trust as a whole.

Level 5: Each key question

	Safe	Effective	Caring	Responsive	Well-led
Trust	Good	Good	Good	Good	Requires improvement

Level 6: Overall rating for the trust

Overall trust
*
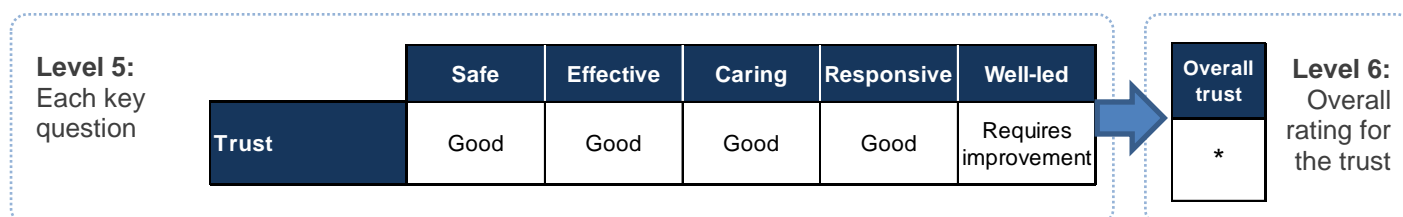
Sometimes, we will have inspected but will not be able to award a rating. This could be because:

- We do not have enough evidence, or
- The service has recently been reconfigured, such as being taken over by a new trust.

In these cases we will use the phrase 'inspected but not rated'.

We may also suspend a rating at any level. For example, we may have identified significant concerns that, after reviewing but before a full assessment, lead us to re-consider our previous rating. In this case we would suspend our rating and then investigate the concerns.

How we decide on a rating

When awarding ratings of the five key questions at service level, our inspection teams will consider the evidence they have gathered for each of the KLOEs and use the guidance supplied to decide on a rating.

In deciding on a rating, the inspection team will look to answer the following questions:

- Does the evidence demonstrate a potential rating of good?
- If yes – does it exceed the standard of good and could it be outstanding?
- If no – does it match the characteristics of requires improvement or inadequate?

The following flowchart (figure 6) shows how this would work.

Figure 6: How we decide on a rating
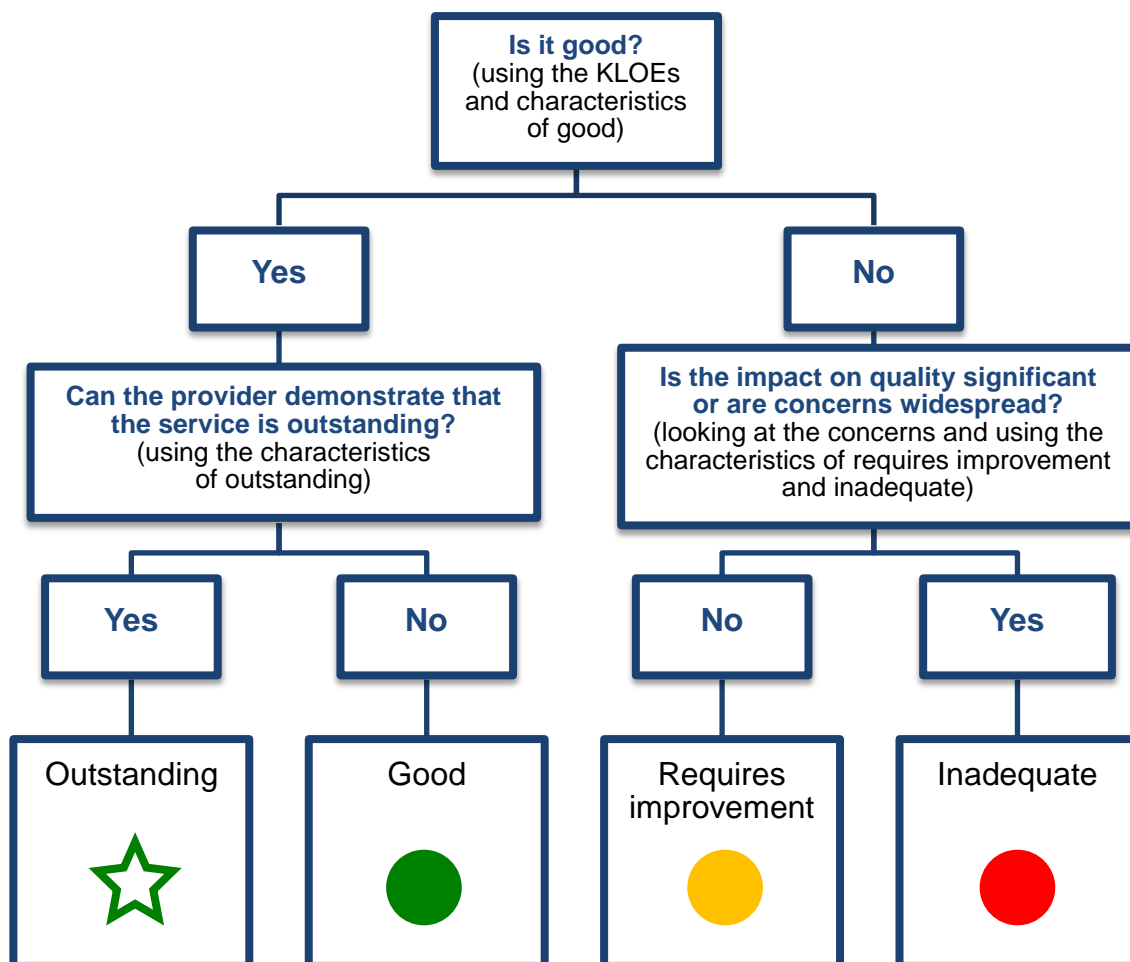
Aggregating ratings

When aggregating ratings, our inspection teams will follow a set of principles to ensure consistent decisions. Our principles are set out in appendix D.

The principles will normally apply but will be balanced by inspection teams using their professional judgement. Our ratings must be proportionate to all of the available evidence and the specific facts and circumstances.

Examples of when we may use professional judgement to depart from the principles include:

- Where the concerns identified have a very low impact on people who use services
- Where we have confidence in the service to address concerns or where action has already been taken
- Where a single concern has been identified in a small part of a very large and wide ranging service
- Where a core service is very small compared to the other core services within a provider.

Figure 7: How we aggregate ratings

Ratings for each key question at each core service
- Based on the evidence for each KLOE
- Using the ratings characteristics

Ratings for each core service
- Based on the key question ratings at core service level
- Applying the ratings principles
- Applying professional judgement

Overall ratings for each key question
- Based on the key question ratings at core service level
- Plus any additional evidence at location / provider level
- Applying the ratings principles
- Applying professional judgement

Overall rating
- Based on the ratings for each key question
- Applying the ratings principles
- Applying professional judgement

Where a rating decision is not consistent with the principles, the rationale will be clearly recorded and the decision reviewed by a national quality control and consistency panel. The role of this group is to ensure the quality of every quality report before it is shared with the organisation being inspected.

The ratings principles described above for an NHS ambulance service are based on the concept that we will report on and rate the core services and the five key questions for the trust, which will be aggregated to give an overall trust rating.

Consultation questions

These questions are specific to NHS ambulance services:

6. Do you agree that we should report on and rate core services at trust level?

7. Due to the large geographical areas covered by NHS ambulance services, do you think we should rate core services at area level within an NHS ambulance service? If so, how would we identify the areas, and what criteria could we use?

This question is specific to independent ambulance services:

8. If we rated independent ambulance services, what would be useful, a rating at location level or at core service level?

Appendix D sets out the principles that we propose to apply when aggregating ratings with some further questions for consultation.**Aggregating ratings for a combined inspection**

As described in section 5, some ambulance providers also provide non-ambulance services. In these cases we will:

1. For each service type, aggregate the underlying ratings of each service type (for example, NHS 111, GP out-of-hours services) to provide ratings for each of the five key questions.

2. Aggregate the service type key questions to derive overall key question ratings at the provider level.

We will use the aggregation principles set out in appendix D. The level of complexity of aggregation means that it may be more likely that professional judgement will need to balance the aggregation principles to produce a fair and proportionate result.

We will keep this approach under review to consider whether specific principles are needed for how we aggregate provider level ratings for combined inspections.

Rating at corporate level

We have not yet decided whether or how to rate independent providers at corporate level. Doing so would promote a fair system in terms of public accountability across NHS and non-NHS services, and could help to engage the entire provider in assuring quality of services. However, we have also heard views that a provider-level rating for independent providers may be of limited interest to the public, and that aggregating multiple services could be difficult in methodological and logistical terms.

Consultation question

9. Do you think we should rate independent providers at corporate level? If so, how should we do this?

10. Reporting, quality control and action planning

Reporting

For each inspection, we will produce a report to cover all the locations or areas (depending on the views of what level we rate and report on) we have visited and a report for the provider overall. The report will include all the ratings. The report will be clear, accessible and written in plain English.

Our reports will focus on what our findings about each of the five key questions mean for the people who use the service. We will describe the good practice we find as well as any concerns we have. In our reports we will clearly set out any evidence about breaches of the regulations.

Quality control

Consistency is one of our core principles that underpins all our work. We have put in place an overall approach for CQC to embed validity and consistency in everything we do. The key elements of this are:

- A strong and agreed core purpose for CQC
- A clear statement of our role in achieving that purpose
- Consistent systems and processes to underpin all our work
- High-quality and consistent training for our staff
- Strong quality assurance processes
- Consistent quality control procedures.

A national quality control and consistency panel, chaired by CQC's Chief Inspector of Hospitals or a Deputy Chief Inspector, will review inspection reports. The panel will include a selection of representatives from key areas of the organisation including CQC's legal, policy, intelligence and enforcement teams. Initially this will apply to all reports, but over time we will move to regional panels and sampling for national panels.

Once approved by the national panel, the reports will be sent to the provider's nominated individual and chief executive, to enable them to comment on the factual accuracy.

We will also share the draft report with Monitor and/or the NHS Trust Development Authority as appropriate.

Action planning

The inspection findings will inform the basis of a discussion at a quality summit. For NHS ambulances, this involves a meeting with the provider and partners in the local health and social care system – organisations that are responsible for commissioning or providing scrutiny of health and social care services in the local area.

The purpose of the quality summit is to agree a plan of action and recommendations based on the inspection team's findings as set out in the inspection report.

Each quality summit will consider:

* The findings of the inspection.
* Whether planned action by the provider to improve quality is adequate or whether additional steps need to be taken.
* Whether support should be made available to the provider from other stakeholders, such as commissioners, to help them improve.

The final reports will be issued to the provider before the quality summit.

The plan of action will be developed by partners in the local health and social care system and the local authority. The quality summit attendees may include:

* Inspection Chair
* The Head of Inspection or team leader for the inspection visit
* Expert(s) from the inspection team
* Expert(s) by Experience or patient and public representatives from the inspection team
* Provider representatives (e.g. chair, chief executive, medical director, director of finance, chief operating officer)
* Monitor/NHS Trust Development Authority
* Local Healthwatch
* NHS England Regional representative
* Quality Surveillance Group regional representative
* Representatives from relevant clinical commissioning groups
* Chairs of local resilience forums
* Others as appropriate (for example, a Health and Safety Executive representative).

For independent ambulances, it may include corporate level partners or other specific partners, such as commissioners if they provide extensive NHS business.

The CQC representative will chair the first part of the quality summit, and present the inspection team's findings. The second part of the summit will not normally led by CQC. It will usually be chaired by a representative from Monitor, the NHS Trust Development Authority or the provider itself, depending on the findings of the inspection. The provider will be given an opportunity to respond to the findings of the report. The focus will then be on the provider and partner organisations to identify and agree any action that needs to be taken in response to the findings of our inspection.

After the quality summit, the recommendations for action will be captured in a high level action plan. Further work will be needed by the provider and its partners to develop detail beneath the high level plan. This should be completed within one month of the quality summit. Action plans will be owned by the provider, and it should use its own action plan template. Once agreed, action plans should be shared with the CQC Head of Hospital Inspection or inspection manager to ensure that all key areas highlighted during the inspection have been appropriately addressed.

Publication

We publish the inspection reports and ratings on our website soon after the quality summit. We will coordinate this with providers and encourage them to publish their action plans on their own website.

11. Enforcement and actions

Types of action and enforcement (under existing regulations)

Where we identify concerns we will decide what action is appropriate to take. The action we take will be proportionate to the impact, or risk of impact, that the concern has on the people who use the service and how serious it is.

Where the concern is linked to a breach in regulations, we have a wide range of enforcement powers given to us by the Health and Social Care Act 2008. We will use 'Warning Notices' to tell providers that they are not complying with a condition of registration, requirement in the Act or a regulation, or any other legal requirement that we think is relevant.

Our published enforcement policy describes our powers in detail and our approach to using them.

We may also make 'recommendations' even though a regulation has not been breached to help a provider move to a higher rating.

We will include in our report any concerns, recommended improvements or enforcement action taken, raise them at the quality summit and expect appropriate action to be taken by the provider and local partners. Regulations are all covered by our key lines of enquiry, so no separate inspection or information collection exercises are needed.

We will follow up any concerns or enforcement action. If the necessary changes and improvements are not made, we will escalate our response, gathering further information through a focused inspection. However, we will always consider each case on its own merit and we will not rigidly apply the enforcement rules when another action may be more appropriate.

Relationship with the new fundamental standards regulations

The Department of Health is introducing new regulations to replace the current registration requirements. The new regulations, called 'fundamental standards' are more focused and clear about the care that people should expect to receive. These regulations are expected to come into full force in April 2015. Until that time we will continue to enforce against the existing regulations.

We have consulted on guidance to help providers to understand how they can meet the new regulations and, when they do not, what actions CQC will take. The final version of this handbook will reflect the new regulations and final guidance.

New requirements: fit and proper person for directors, and duty of candour

Two new requirements, the fit and proper person requirement for directors and the duty of candour, will apply from November 2014 to NHS bodies and from April 2015 for independent providers.

The fit and proper person requirement will play a major part in ensuring the accountability of directors of NHS bodies (and from April 2015, directors or their equivalents in all other registered providers). It places a clear duty on health and social care providers to make sure directors and board members (or their equivalents, including interim post holders) meet the criteria set out.

The new statutory duty of candour will mean that people, and where appropriate their families, must be told openly and honestly when unanticipated things happen that cause them serious or moderate harm. They should be given an apology, an explanation, all necessary practical and emotional support, and assurances about their continuity of care. This statutory duty on organisations supplements the current contractual duty of candour under the NHS standard contract and the existing professional duty of candour on individuals.

These new requirements are incorporated into our assessment framework and registration processes. Where we find that providers are not conforming to these regulations we will report this and take action as appropriate.

Special measures

Sometimes CQC will identify the need for significant improvements in quality, but not have confidence in the leadership of an NHS trust or foundation trust (FT) to make the necessary improvements without additional support. In those circumstances, we have the option to recommend to the NHS Trust Development Authority (NHS TDA) or Monitor that the trust is placed into special measures. Special measures consist of a set of specific interventions designed to support the trust to improve rapidly the quality of care.

During the special measures period we will discuss progress and keep up to date with the trust/FT and with NHS TDA/Monitor. We will inspect at any time during that 12 months if we have any new concerns and take the appropriate enforcement action if necessary.

We will normally re-inspect 12 months from the trust being placed in special measures, but NHS TDA/Monitor may recommend an earlier inspection if there is sufficient evidence of good progress. If, following inspection, we feel sufficient progress has been made we will recommend it is taken out of special measures.

If sufficient progress has not been made when we re-inspect we will consult with NHS TDA/Monitor as to whether the trust remains in special measures or if further action is needed.

Further information can be found in the joint NHS TDA, Monitor and CQC document, A guide to special measures.

Responding to inadequate care in independent ambulances services

In addition to our enforcement powers we will develop an approach to special measures for independent ambulance providers that are rated. This will differ to the approach for NHS ambulances as there are no equivalent bodies to support this sector to improve. However, we intend to offer a time-limited period to the independent sector to take the necessary action to make improvements that we identify through our inspection, which includes an assessment of well-led.

We are developing this approach to make sure that it is aligned across all independent providers registered with CQC.

Consultation questions

10. These questions are specific to independent ambulance services:

- Do you think we should introduce special measures for independent ambulances?

- What do you think this should involve?

Challenging the evidence and ratings

We want to ensure that providers can raise legitimate concerns about the evidence we have used and the way we apply our ratings process, and have a fair and open way for resolving them.

The following routes will be open to providers to challenge our judgements.

Factual accuracy check

When providers receive a copy of the draft report (which will include their ratings) they will be invited to provide feedback on its factual accuracy. They will be able to challenge the accuracy and completeness of the evidence on which the ratings are based. Any factual accuracy comments that are upheld may result in a change to one or more rating. As set out in section 7, we propose that providers have 10 working days to review draft reports for factual accuracy and submit their comments to CQC.

Warning Notice representations

If we serve a Warning Notice, we will give providers the opportunity to make representations about the matters in the Notice. The content of the Notice will

be informed by evidence about the breach which is in the inspection report. This evidence will sometimes contribute to decisions about ratings. As with the factual accuracy check, representations that are upheld and that also have an impact on ratings may result in relevant ratings being amended.

Request for a rating review

Providers can ask for a review of ratings.

The only grounds for requesting a review is that CQC did not follow the process for making ratings decisions and aggregating them. Providers will not be able to request reviews on the basis that they disagree with the judgements made by CQC, as such disagreements will be dealt with through the factual accuracy checks and any representations about a Warning Notice if one was served.

Where a provider thinks that we have not followed the published process properly and wants to request a review of one or more of their ratings, they must tell us of their intention to do so once the report is published. We will reply with full instructions on how to request a review.

Providers will have a single opportunity to request a review of their inspection ratings. In the request for review form, providers will be able to say which rating(s) they want to be reviewed and all relevant grounds. Where we do not uphold a request for review, providers will not be able to request a subsequent review of the ratings from the same inspection report.

When we receive a request for review we will explain on our website that the ratings in a published report are being reviewed.

The request for review process will be led by CQC staff who were not involved in the original inspection, with access to an independent reviewer.

We will send the outcome of the review to the provider following the final decision. Where a rating is changed as a result of a review, the report and ratings will be updated on our website as soon as possible. It should be noted that following the conclusion of the review, ratings can go down as well as up.

The review process is the final CQC process for challenging a rating. Providers can challenge our decisions elsewhere – for example, by complaining to the Parliamentary and Health Services Ombudsman or by applying for judicial review.

Complaints about CQC

We aim to deal with all complaints about how we carry out our work, including complaints about members of our staff or people working for us, promptly and efficiently.

Complaints should be made to the person that the provider has been dealing with, because they will usually be the best person to resolve the matter. If the

complainant feels unable to do this, or they have tried and were unsuccessful, they can call, email or write to us. Our contact details are on our website.

We will write back within three working days to say who will handle the complaint.

We will try to resolve the complaint. The complainant will receive a response from us in writing within 15 working days saying what we have done, or plan to do, to put things right.

If the complainant is not happy with how we responded to the complaint, they must contact our Corporate Complaints Team within 20 days and tell us why they were unhappy with our response and what outcome they would like. They can call, email or write to our Corporate Complaints Team. The contact details are on our website.

The team will review the information about the complaint and the way we have dealt with it. In some cases we may ask another member of CQC staff or someone who is independent of CQC to investigate it further. If there is a more appropriate way to resolve the complaint, we will discuss and agree it with the complainant.

We will send the outcome of the review within 20 working days. If we need more time, we will write to explain the reason for the delay.

If the complainant is still unhappy with the outcome of the complaint, they can contact the Parliamentary and Health Service Ombudsman. Details of how to do this are on the Parliamentary and Health Service Ombudsman's website.

How to respond to this consultation

You can respond to our consultation in the following ways:

Online:

Use our **online form**

You can also find the form and more information at:
www.cqc.org.uk/consultation-dental-independenthealthcare-ambulance

By email:

Email your response to: **CQCchanges.tellus@cqc.org.uk**

By post:

Write to us at:

CQC consultation: How we inspect, regulate and rate
Care Quality Commission
Citygate
Gallowgate
Newcastle upon Tyne
NE1 4PA

On Twitter:

Use **#tellcqc** for your feedback and mention **@carequalitycomm**

Please send us your views and comments by **Friday 23 January 2015**.

Consultation questions

1. We have identified the core services that we will check during our inspections of ambulance services (see appendix A). These questions are for both NHS and independent ambulance services:

   • Do you agree that these are the right core services to look at?

   • Do you understand what we mean by these core services? If not, what is unclear?

   Issues to consider:

   We believe weighting core services equally is in line with our commitment to promote equality in the services we regulate and to uphold Equality Act legislation. Everyone who receives care and treatment should expect

to receive the same good quality care, irrespective of the type of service that they are using.

An exception might be where an ambulance service provides a core service to a smaller population than another core service; for example where an ambulance service provides patient transport services to 10% of the population they provide emergency and urgent services to. In this situation the inspection team would use their professional judgement to determine what weight to give the core service when aggregating ratings.

- Do you agree that, in general, core services should be weighted equally with the above exception?

2. These questions are for both NHS and independent ambulance services:

- Do you feel confident that the key lines of enquiry and the list of prompts will help our inspectors judge how safe, effective, caring, responsive and well-led NHS and independent ambulance services are?

- Is there anything missing?

3. These questions are for both NHS and independent ambulance services:

- Do you agree that the characteristics of 'outstanding' (in appendix C) are what you would expect to see in an outstanding NHS and independent ambulance service?

- Do you agree that the characteristics of 'good' (in appendices B and C) are what you would expect to see in a good NHS and independent ambulance service?

- Do you agree that the characteristics of 'requires improvement' (in appendix C) are what you would expect to see in an NHS and independent ambulance service that requires improvement?

- Do you agree that the characteristics of 'inadequate' (in appendix C) are what you would expect to see in an NHS and independent ambulance service that was inadequate?

- Do you agree that rating all ambulances will achieve the purposes described in the Nuffield report?

4. Do you think observing care in or from an ambulance is an appropriate way to gather evidence to inform the inspection?

5. Do you think that 30 days is an appropriate period of time to complete an unannounced visit of an NHS ambulance service?

These questions are specific to NHS ambulance services:

6. Do you agree that we should report on and rate core services at trust level?

7. Due to the large geographical areas covered by NHS ambulance services, do you think we should rate core services at area level within an NHS ambulance service? If so, how would we identify the areas, and what criteria could we use?

This question is specific to independent ambulance services:

8. If we rated independent ambulance services, what would be useful, a rating at location level or at core service level?

9. Do you think we should rate independent providers at corporate level? If so, how should we do this?

10. These questions are specific to independent ambulance services:

    - Do you think we should introduce special measures for independent ambulances?

    - What do you think this should involve?

11. As part of this consultation we have published a Regulatory impact assessment and an Equality and human rights duties impact analysis. We would also like your comments on these.

> **Note:**
>
> Please also see the separate appendix document to this handbook, which contains important information:
>
> Appendix A: Core service definitions
>
> Appendix B: Key lines of enquiry
>
> Appendix C: Characteristics of each rating level
>
> Appendix D: Ratings principles

For general enquiries:

Call us on:	**03000 616161**
Email us at:	**enquiries@cqc.org.uk**
Look at our website:	**www.cqc.org.uk**
Write to us at:	**Care Quality Commission** **Citygate** **Gallowgate** **Newcastle upon Tyne** **NE1 4PA**

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Commission

Consultation

How CQC regulates:

Ambulance services

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Appendices
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Appendix A: Core service definitions

Emergency Operations Centre

The Emergency Operations Centre (EOC) receives and triages 999 calls from members of the public as well as other emergency services. It provides advice and dispatches an ambulance service to the scene as appropriate.

The EOC also provides assessment and treatment advice to callers who do not need an ambulance response, a service known as "hear and treat".

The EOC also manages requests by healthcare professionals to convey people either from the community into hospital or between hospitals.

We are developing the way we inspect and regulate 111 services, as part of our approach to primary care services. This will take account of 111 services provided by ambulance services.

Emergency and urgent care services

This covers the assessment, treatment and care of patients at the scene by ambulance crews with transport to hospital ('see and convey'), as well as the assessment, treatment and discharge from the care of the service ('see and treat').

It includes transport by air when the air ambulance is itself run by the provider, or where its staff are supplied to another entity, such as an air ambulance charity.

Emergency response from other parties is included when that response is under the direction of the provider. Examples include community first responder schemes involving members of the public, and co-responder schemes with agencies such as fire and rescue or the armed forces.

High dependency and intensive care transport between hospitals or other care settings is included, as well as other specialist transport that requires an emergency ambulance. This might be from hospital for end-of-life care at home, or for mental health patients requiring specialist care.

Patient transport service

Patient transport services (PTS) are the non-urgent and non-specialist services that transport patients between hospitals, home and other places such as care homes.

It includes the PTS control room and dispatch operation as well as any assessment of a patient's eligibility for the service that is carried out by the provider.

It includes any volunteer driver scheme where it is provided under the direction of the ambulance service

Resilience planning

This covers the provider's major incident planning and response as a Category 1 provider under the Civil Contingencies Act 2004 (Part 1), as well as planning for and responses to other major emergencies. It also includes preparedness for, and the support of events and mass gatherings.

Special operations such as serious and protracted incidents use many of the resources and techniques used in major incidents such as hazardous area response teams and these are considered as part of this core service.

This core service covers the business continuity management of the service – both when it is only the provider affected, such as loss of facilities, or as part of a wider event such as adverse weather.

Appendix B: Key lines of enquiry

Safe
By safe, we mean that people are protected from abuse* and avoidable harm.
*Abuse can be physical, sexual, mental or psychological, financial, neglect, institutional or discriminatory abuse.

	Key line of enquiry	Prompts
S1	What is the **track record** on safety?	1. What is the safety performance over time, based on internal and external information? 2. How does safety performance compare to other similar services? 3. Do staff understand their responsibilities to raise concerns, to record safety incidents, concerns and near misses, and to report them internally and externally? 4. Have safety goals been set? How well is performance against these monitored using information from a range of sources?
S2	Are **lessons learned and improvements made** when things go wrong?	1. Are people who use services told when they are affected by something that goes wrong, given an apology and informed of any actions taken as a result? 2. When things go wrong, are thorough and robust reviews or investigations carried out? Are all relevant staff and people who use services involved in the review or investigation? 3. How are lessons learned and is action taken as a result of investigations when things go wrong? 4. How well are lessons shared to make sure action is taken to improve safety beyond the affected team / service?

S3	Are there **reliable systems, processes and practices** in place to keep people safe and safeguarded from abuse?	1. Are systems, processes and practices that are essential to keep people safe identified, put in place and communicated to staff?
		2. Do staff receive effective mandatory training in the safety systems, processes and practices?
		3. Is implementation of safety systems, processes and practices monitored and improved when required?
		4. Are there arrangements in place to safeguard adults and children from abuse that reflect relevant legislation and local requirements? Do staff understand their responsibilities and adhere to safeguarding policies and procedures?
		5. How are standards of cleanliness and hygiene maintained?
		6. Are reliable systems in place to prevent and protect people from a healthcare associated infection?
		7. Does the design, maintenance and use of facilities and premises keep people safe?
		8. Are patients, including children and bariatric patients, safely restrained while they are being conveyed?
		9. Does the maintenance and use of equipment and vehicles keep people safe?
		10. Do arrangements for managing waste keep people safe? (This includes classification, segregation, storage, labelling, handling and, where appropriate, treatment and disposal of waste.)
		11. Do arrangements for managing medicines and medical gases keep people safe? (This includes obtaining, prescribing, recording, handling, storage and security, dispensing, safe administration and disposal.)
		12. Are people's individual care records written and managed in a way which keeps people safe? (This includes ensuring people's records are accurate, complete, legible, up to date and stored securely).
		13. Are staff suitably trained and assessed to carry out driving duties safely?
		14. Are staff suitably trained, assessed and equipped to safely carry out manual handling activities?

S4	How are **risks to people who use services** assessed, and their safety monitored and maintained?	1. How are staffing levels and skill mix planned and reviewed so that people receive safe care and treatment at all times, in line with relevant tools and guidance where available?
		2. How do actual staffing levels compare to the planned levels?
		3. Do arrangements for using bank, agency and locum staff keep people safe at all times?
		4. Are comprehensive risk assessments carried out for people who use services and risk management plans developed in line with national guidance? Are risks managed positively?
		5. How do staff identify and respond appropriately to changing risks to people who use services, including deteriorating health and wellbeing, medical emergencies or behaviour that challenges?
S5	How well are potential risks to the service **anticipated** and **planned** for in advance?	1. How are potential risks taken into account when planning services, for example seasonal fluctuations in demand, the impact of adverse weather, planned public events and disruption to staffing or facilities?
		2. What arrangements are in place to respond to emergencies and major incidents including hazardous situations? How often are these practised and reviewed?
		3. How is the impact on safety assessed and monitored when carrying out service or staffing changes?

Effective

By effective, we mean that people's care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence.

	Key line of enquiry	Prompts
E1	Are people's needs assessed and care and treatment delivered in line with legislation, standards and **evidence-based guidance**?	1. How are relevant and current evidence-based guidance, standards, best practice and legislation identified and used to develop how services, care and treatment are delivered? (This includes from the National Institute for Health and Care Excellence (NICE), Joint Royal Colleges Ambulance Liaison Committee (JRCALC) and other expert and professional bodies). 2. Do people have their needs assessed and care planned and delivered in line with evidence-based, guidance, standards and best practice? How is this monitored to ensure compliance? 3. Is discrimination, including on grounds of age or disability, avoided when making care and treatment decisions? 4. How are the nutrition and hydration needs of people who use services assessed and met? 5. How is the pain of individual people assessed and managed? 6. How is technology and equipment used to enhance the delivery of effective care and treatment? 7. Are the rights of people subject to the Mental Health Act (MHA) protected and do staff have regard to the MHA Code of Practice?
E2	How are people's care and treatment **outcomes monitored** and how do they **compare** with other services?	1. Is information about the outcomes of people's care and treatment routinely collected and monitored? 2. Does this information show that intended outcomes are being achieved for people who use services? 3. How do outcomes for people compare to other similar services and how have they changed over time?

	Key line of enquiry	Prompts
		4. Is there participation in relevant local and national audits, benchmarking, accreditation, peer review, research and trials?
		5. How is information about people's outcomes used and what action is taken as a result to make improvements?
		6. Are staff involved in activities to monitor and improve people's outcomes?
E3	Do **staff** have the **skills, knowledge and experience** to deliver effective care and treatment?	1. Do staff have the right qualifications, skills, knowledge and experience to do their job when they are employed, take on new responsibilities and on an ongoing basis?
		2. How are the learning needs of staff identified?
		3. Do staff have appropriate training to meet their learning needs?
		4. Are staff encouraged and given opportunities for development?
		5. What are the arrangements for supporting and managing staff? (This includes one-to-one meetings, appraisals, coaching and mentoring, clinical supervision and revalidation.)
		6. How is poor or variable staff performance identified and managed? How are staff supported to improve?
E4	How well do **staff, teams and services work together** to deliver effective care and treatment?	1. Are all necessary staff, including those in different teams and services, involved in assessing, planning and delivering care and treatment for people who use services?
		2. How is care delivered in a coordinated way when different teams or services are involved?
		3. Do staff work together to assess and plan ongoing care and treatment in a timely way when people are due to move between teams or services, including referral, discharge and transition?
		4. When people are discharged from a service, are all relevant teams and services informed?

E5	Do staff have all the **information they need** to deliver effective care and treatment to people who use services?	1. Is all information needed to deliver effective care and treatment available to relevant staff in a timely and accessible way? (This includes care and risk assessments, care plans, case notes and test results.) 2. When people move between teams and services, is all information needed for their ongoing care shared appropriately, in a timely way and in line with relevant protocols? 3. How well do the systems that manage electronic and paper care records and information support staff to deliver effective care and treatment? This includes coordination between different systems and appropriate staff access to records?
E6	Is people's **consent** to care and treatment always sought in line with legislation and guidance?	1. Do staff understand the relevant consent and decision making requirements of legislation and guidance, including the Mental Capacity Act 2005 and Children Acts 1989 and 2004? 2. How are people supported to make decisions? 3. How and when is a person's mental capacity to consent to care or treatment assessed and, where appropriate, recorded? 4. When people lack the mental capacity to make a decision, do staff make "best interests" decisions in accordance with legislation? 5. How is the way consent is sought monitored and improved to ensure it meets responsibilities within legislation and follows relevant national guidance? 6. Do staff understand the difference between lawful and unlawful restraint practices, including how to seek authorisation for a deprivation of liberty? 7. Is the use of restraint of people who lack mental capacity clearly monitored for its necessity and proportionality, in line with legislation and action taken to minimise its use?

Caring

By caring, we mean that staff involve and treat people with compassion, kindness, dignity and respect.

	Key line of enquiry	Prompts
C1	Are people treated with kindness, **dignity**, **respect** and **compassion** while they receive care and treatment?	1. Are people's personal, cultural, social and religious needs understood, taken into account and respected by staff? 2. Do staff take the time to interact with people who use service and those close to them in a respectful and considerate manner? 3. Do all staff show an encouraging, sensitive and supportive attitude to people who use services and those close to them? 4. Do staff raise concerns about disrespectful, discriminatory or abusive behaviour or attitudes? 5. How do staff make sure that people's privacy and dignity is always respected, including during physical or intimate care? 6. When people experience physical pain, discomfort or emotional distress do staff respond in a compassionate, timely and appropriate way? 7. Is confidentiality respected by staff at all times?
C2	Are people who use services and those close to them **involved as partners** in their care?	1. Do staff communicate with people so that they understand their care, treatment and condition? 2. Do staff recognise when people who use services and those close to them need additional support to help them understand and be involved in their care and treatment and enable them to access this? (This includes language interpreters, sign language interpreters, specialist advice or advocates.) 3. How do staff make sure that people who use services and those close to them are able to seek further information or ask questions about their care and treatment?

	Key line of enquiry	Prompts
		4. Are people who use services and those close to them routinely involved in planning and making decisions about their care and treatment?
C3	Do people who use services and those close to them receive the support they need to **cope emotionally** with their care, treatment or condition?	1. Do staff understand the impact that a person's care, treatment or condition will have on their wellbeing and on those close to them, both emotionally and socially? 2. Are people given appropriate and timely support and information to cope emotionally with their care, treatment or condition? 3. What emotional support and information is provided to those close to people who use services, including carers and dependants? 4. Are people who use services empowered and supported to manage their own health, care and wellbeing and to maximise their independence?

Responsive

By responsive, we mean that services are organised so that they meet people's needs.

	Key line of enquiry	Prompts
R1	Are **services planned** and delivered to meet the needs of people?	1. Is information about the needs of the different local populations used to inform the planning and delivery of services? 2. How are commissioners, other providers and relevant stakeholders involved in planning services? 3. Do the services provided reflect the needs of the populations served? 4. Where people's needs are not being met, is this identified and used to inform service planning and development? 5. Are the facilities, premises, vehicles and equipment appropriate for the services that are planned and delivered?
R2	Do services take account of the **needs of different people**, including those in vulnerable circumstances?	1. How are services planned to take account of needs of different people, for example on the grounds of age, disability, gender, gender reassignment, pregnancy and maternity status, race, religion or belief and sexual orientation? 2. How are services delivered in a way that takes account of needs of different people on the grounds of age, disability, gender, gender reassignment, pregnancy and maternity status, race, religion or belief and sexual orientation? 3. How are services planned, delivered and coordinated to take into account of people with complex needs, for example those living with dementia or learning disabilities? 4. Are reasonable adjustments made so that disabled people can access and use services on an equal basis to others?

	Key line of enquiry	Prompts
		5. How do services engage with people who are in vulnerable circumstances and what actions are taken to remove barriers when people find it hard to access or use services?
R3	Can people access care and treatment in a **timely** way?	1. Do people have timely access to initial assessment, diagnosis or urgent treatment? 2. What action is taken to minimise the time people have to wait for treatment or care? 3. Does the service prioritise care and treatment for the people with the most urgent needs? 4. Where a booking system is in place, is it easy to use and does it support people to access bookings? 5. Is care and treatment only delayed when absolutely necessary? Are delays explained to people, and are people supported during this time? 6. Do services meet prescribed response time targets and are populations kept informed about any disruption?
R4	How are people's **concerns and complaints** listened and responded to and used to improve the quality of care?	1. Do people who use the service know how to make a complaint or raise concerns, are they encouraged to do so, and are they confident to speak up? 2. How easy is the system to use? Are people treated compassionately and given the help and support they need to make a complaint? 3. Are complaints handled effectively and confidentially, with regular updates and a formal record? 4. Is the outcome explained appropriately to the individual? Is there openness, transparency about how complaints and concerns are dealt with? 5. How are lessons learned from concerns and complaints and is action taken as a result to improve the quality of care? Are lessons shared with others?

Well-led

By well-led, we mean that the leadership, management and governance of the organisation assure the delivery of high-quality person-centred care, supports learning and innovation, and promotes an open and fair culture.

	Key line of enquiry	Prompts
W1	Is there a clear **vision** and a credible **strategy** to deliver good quality?	1. Is there a clear vision and a set of values, with quality and safety the top priority? 2. Is there are a robust, realistic strategy for achieving the priorities and delivering good quality care? 3. How have the vision, values and strategy been developed? 4. Do staff know and understand what the vision and values are? 5. Do staff know and understand the strategy and their role in achieving it? 6. Is progress against delivering the strategy monitored and reviewed?
W2	Does the **governance** framework ensure that **responsibilities** are clear and that **quality, performance and risks** are understood and managed?	1. Is there an effective governance framework to support the delivery of the strategy and good quality care? 2. Are staff clear about their roles and do they understand what they are accountable for? 3. How are working arrangements with partners and third party providers managed? 4. Are the governance framework and management systems regularly reviewed and improved? 5. Is there a holistic understanding of performance which integrates the views of people, with safety, quality, activity and financial information? 6. Is there a process for systematically seeking and providing assurance, both up and down and across the organisation? 7. Are there comprehensive performance measures which are reported, monitored and action taken to improve?

	Key line of enquiry	Prompts
		8. Are there effective arrangements in place to ensure that the information used to monitor and manage quality and performance accurate, valid, reliable, timely and relevant? What action is taken when issues are identified?
		9. Is there a systematic programme of clinical and internal audit that is used to monitor quality and systems, identifying where action should be taken?
		10. Are there robust arrangements for identifying, recording, managing risks, issues and mitigating actions?
		11. Is there alignment between the recorded risks and what people say is 'on their worry list'?
W3	How does the **leadership** and **culture** reflect the vision and values, encourage openness and transparency and promote good quality care?	1. Do leaders have the skills, knowledge and experience they need both at appointment and on an ongoing basis?
		2. Do leaders have the capacity, capability, and experience to effectively lead?
		3. Do the leaders understand the challenges to good quality care and can they identify the actions needed address them?
		4. Are leaders visible and approachable?
		5. Do leaders encourage appreciative, supportive relationships among staff?
		6. Do staff feel respected and valued?
		7. Is action taken to address behaviour and performance that is inconsistent with the vision and values, regardless of seniority?
		8. Is the culture centred on the needs and experience of people who use services?
		9. Does the culture encourage candour, openness and honesty?
		10. Is there a strong emphasis on promoting staff safety and wellbeing?
		11. Do staff and teams work collaboratively, resolve conflict quickly and constructively and share responsibility to deliver good quality care?

	Key line of enquiry	Prompts
W4	How are **people** who use services, the **public** and **staff engaged** and **involved?**	1. How are the views and experiences of people gathered and acted on to shape and improve the services and culture? 2. How are people who use services, those close to them and their representatives actively engaged and involved in decision-making? 3. Do staff feel actively engaged so that their views are reflected in in the planning and delivery of services and in shaping the culture? 4. How do leaders prioritise the participation and involvement of people who use services and staff? 5. Do both leaders and staff understand the value of staff raising concerns? Is appropriate action taken as a result of concerns raised?
W5	How are services **continuously improved** and **sustainability** ensured?	1. When considering service development or efficiency changes, how is the impact on quality and sustainability assessed and monitored? 2. Are there examples where financial pressures have compromised care? 3. In what ways do leaders and staff strive for continuous learning, improvement and innovation? 4. Are staff focused on continually improving the quality of care? 5. How are quality improvement and innovation recognised and rewarded? 6. How is information used proactively to improve care?

Appendix C: Characteristics of each rating level

We have developed characteristics to describe what outstanding, good, requires improvement and inadequate care looks like in relation to each of the five key questions. These are set out below.

These characteristics provide a framework, which, when applied using professional judgement, guide our inspection teams when they award a rating. They are not to be used as a checklist or an exhaustive list. The inspection team use their professional judgment, taking into account best practice and recognised guidelines.

Not every characteristic has to be present for the corresponding rating to be given. This is particularly true at the extremes. For example, if the impact on the quality of care or on people's experience is significant, then displaying just one element of the characteristics of inadequate could lead to a rating of inadequate. Even those rated as outstanding are likely to have areas where they could improve. In the same way, a service or provider does not need to display every one of the characteristics of 'good' in order to be rated as good.

Safe

By safe, we mean that people are protected from abuse* and avoidable harm.

* Abuse can be physical, sexual, mental or psychological, financial, neglect, institutional or discriminatory abuse.

Outstanding

People are protected by a strong comprehensive safety system, and a focus on openness, transparency and learning when things go wrong.

There is a genuinely open culture in which all safety concerns raised by staff and people who use service are highly valued as integral to learning and improvement.

All staff are open and transparent, and fully committed to reporting incidents and near misses. The level and quality of incident reporting shows the levels of harm and near misses, which ensures a robust picture of quality. There is ongoing, consistent progress towards safety goals reflected in a zero-harm culture.

Learning is based on a thorough analysis and investigation of things that go wrong. All staff are encouraged to participate in learning to improve safety as much as possible, including participating in local, national and, where relevant, international safety programmes.

There is a comprehensive 'safety management system', which takes account of current best practice models. The whole team is engaged in reviewing and improving safety and safeguarding systems. Innovation is encouraged to achieve sustained improvements in safety and continual reductions in harm.

A proactive approach to anticipating and managing risks to people who use services is embedded and is recognised as being the responsibility of all staff. People who use services and those close to them are actively involved in managing their own risks.

Other external organisations are actively engaged in assessing and managing anticipated future risks.

Good

People are protected from avoidable harm and abuse.

When something goes wrong, people receive a sincere and timely apology and are told about any actions taken to improve processes to prevent the same happening again.

Openness and transparency about safety is encouraged. Staff understand and fulfil their responsibilities to raise concerns and report incidents and near misses; they are fully supported when they do so. Monitoring and reviewing activity enables staff to understand risks and gives a clear, accurate and current picture of safety.

Performance shows a good track record and steady improvements in safety. When something goes wrong, there is an appropriate thorough review or investigation that involves all relevant staff and people who use services. Lessons are learned and communicated widely to support improvement in other areas as well as services that are directly affected. Opportunities to learn from external safety events are also identified. Improvements to safety are made and the resulting changes are monitored.

There are clearly defined and embedded systems, processes and standard operating procedures to keep people safe and safeguarded from abuse. These:

* Are reliable and minimise the potential for error
* Reflect national, professional guidance
* Are appropriate for the care setting
* Are understood by all staff and implemented consistently
* Are reviewed regularly and improved when needed.

Staff have received up-to-date training in all safety systems.

Safeguarding vulnerable adults, children and young people is given sufficient priority. Staff take a proactive approach to safeguarding and focus on early identification. They take steps to prevent abuse from occurring, respond appropriately to any signs or allegations of abuse and work effectively with others to implement protection plans. There is active and appropriate engagement in local safeguarding procedures and effective work with other relevant organisations.

Staffing levels and skill mix are planned, implemented and reviewed to keep people safe at all times. Any staff shortages are responded to quickly and adequately. There are effective handovers and shift changes, to ensure staff can manage risks to people who use services.

Risks to people who use services are assessed, monitored and managed. These include signs of deteriorating health, medical emergencies or behaviour that challenges. People are involved in managing risks and risk assessments are person-centred, proportionate and reviewed regularly.

Staff recognise and respond appropriately to changes in risks to people who use services.

Risks to safety from service developments, anticipated changes in demand and disruption are assessed, planned for and managed effectively. Plans are in place to respond to emergencies and major situations. All relevant parties understand their role and the plans are tested and reviewed.

Requires improvement

There is an increased risk that people are harmed or there is limited assurance about safety.

People do not always receive a timely apology when something goes wrong and are not consistently told about any actions taken to improve processes to prevent the same happening again.

Information about safety is not always comprehensive or timely. Safety concerns are not consistently identified or addressed quickly enough.
There is limited use of systems to record and report safety concerns, incidents and near misses. Some staff are not clear how to do this or are wary about raising concerns.

When things go wrong, reviews and investigations are not always sufficiently thorough or do not include all relevant people. Necessary improvements are not always made when things go wrong.

Systems, processes and standard operating procedures are not always reliable or appropriate to keep people safe. Monitoring whether safety systems are implemented is not robust. There are some concerns about the consistency of understanding and the number of staff who are aware of them.

Safeguarding is not given sufficient priority at all times. Systems are not fully embedded, staff do not always respond quickly enough or there are gaps in the system of engaging with local safeguarding processes.

There are periods of understaffing or inappropriate skill mix, which are not addressed quickly. The way that agency, bank and locum staff are used does not ensure that people's safety is always protected.

The approach to assessing and managing day-to-day risks to people who use services is sometimes focused on clinical risks and does not take a holistic view of people's needs.

The risks associated with anticipated events and emergency situations are not fully recognised, assessed or managed.

Inadequate ●

People are unsafe or at high risk of avoidable harm or abuse.

When something goes wrong, people are not always told and do not receive an apology. Staff are defensive and are not compassionate.

Safety is not a sufficient priority. There is limited measurement and monitoring of safety performance. There are unacceptable levels of serious incidents or never events.

Staff do not recognise concerns, incidents or near misses. Staff are afraid of, or discouraged from, raising concerns and there is a culture of blame. When concerns are raised or things go wrong, the approach to reviewing and investigating causes is insufficient or too slow. There is little evidence of learning from events or action taken to improve safety.

Safety systems, processes and standard operating procedures are not fit for purpose. There is wilful or routine disregard of standard operating or safety procedures.

Vehicles, equipment and facilities are unsafe.

There is insufficient attention to safeguarding children and adults. Staff do not

recognise or respond appropriately to abuse.

Substantial or frequent staff shortages or poor management of agency or locum staff increases risks to people who use services.

Staff do not assess, monitor or manage risks to people who use the services. Opportunities to prevent or minimise harm are missed.

Changes are made to services without due regard for the impact on people's safety. There are inadequate plans in place to assess and manage risks associated with anticipated future events or emergency situations.

Effective

By effective, we mean that people's care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence.

Outstanding

Outcomes for people who use services are consistently better than expected when compared with other similar services.

There is a truly holistic approach to assessing, planning and delivering care and treatment to people who use services. The safe use of innovative and pioneering approaches to care and how it is delivered are actively encouraged. New evidence-based techniques and technologies are used to support the delivery of high quality care.

All staff are actively engaged in activities to monitor and improve quality and outcomes. Opportunities to participate in benchmarking, peer review, accreditation and research are proactively pursued. High performance is recognised by credible external bodies.

The continuing development of staff skills, competence and knowledge is recognised as being integral to ensuring high quality care. Staff are proactively supported to acquire new skills and share best practice.

Staff, teams and services are committed to working collaboratively and have found innovative and efficient ways to deliver more joined-up care to people who use services.

There is a holistic approach to planning people's discharge, transfer or transition to other services, which is done at the earliest possible stage. Arrangements fully reflect individual circumstances and preferences.

The systems to manage and share the information that is needed to deliver effective care are fully integrated and provide real-time information across teams and services.

Consent practices and records are actively monitored and reviewed to improve how people are involved in making decisions about their care and treatment. Engagement with stakeholders, including people who use services and those close to them, informs the development of tools and support to aid informed consent.

Good 🟢

People have good outcomes because they receive effective care and treatment that meets their needs.

People's care and treatment is planned and delivered in line with current evidence-based guidance, standards, best practice and legislation. This is monitored to ensure consistency of practice.

People have comprehensive assessments of their needs, which include consideration of clinical needs, mental health, physical health and wellbeing.

Where people are subject to the Mental Health Act (MHA), their rights are protected and staff have regard to the MHA Code of Practice.

Information about people's care and treatment, and their outcomes, is routinely collected and monitored. This information is used to improve care. Outcomes for people who use services are positive, consistent and meet expectations.

There is participation in relevant local and national audits, including clinical audits and other monitoring activities such as reviews of services, benchmarking, peer review and service accreditation. Accurate and up-to-date information about effectiveness is shared internally and externally and is understood by staff. It is used to improve care and treatment and people's outcomes.

Staff are qualified and have the skills they need to carry out their roles effectively and in line with best practice. The learning needs of staff are identified and training is put in place to meet these learning needs. Staff are supported to maintain and further develop their professional skills and experience.

Staff are supported to deliver effective care and treatment, including through meaningful and timely supervision and appraisal. Relevant staff are supported through the process of revalidation. There is a clear and appropriate approach for supporting and managing staff when their performance is poor or variable.

When people receive care from a range of different staff, teams or services, this is coordinated. All relevant staff, teams and services are involved in assessing, planning and delivering people's care and treatment. Staff work collaboratively to understand and meet the range and complexity of people's needs.

When people are due to move between services their needs are assessed early, with the involvement of all necessary staff, teams and services. People's discharge plans take account of their individual needs, circumstances, ongoing care arrangements and expected outcomes. People are discharged at an appropriate time and when all necessary care arrangements are in place.

Staff can access the information they need to assess, plan and deliver care to people in a timely way; particularly when people move between services. When there are different systems to hold or manage care records, these are coordinated. People understand, and have a copy, if possible, of the information that is shared about them.

Consent to care and treatment is obtained in line with legislation and guidance, including the Mental Capacity Act 2005 and the Children's Acts 1989 and 2004. People are supported to make decisions and, where appropriate, their mental capacity is assessed and recorded. When people aged 16 and over lack the mental capacity to make a decision, 'best interests' decisions are made in accordance with legislation. The process for seeking consent is appropriately monitored. The use of restraint is understood and monitored, and less restrictive options are used where possible.

Deprivation of liberty is recognised and only occurs when it is in a person's best interests, is a proportionate response to the risk and seriousness of harm to the person, and there is no less restrictive option that can be used to ensure the person gets the necessary care and treatment .The Deprivation of Liberty Safeguards, and orders by the Court of Protection authorising deprivation of a person's liberty, are used appropriately.

Requires improvement

People are at risk of not receiving effective care or treatment.

Care and treatment does not always reflect current evidence-based guidance, standards and best practice. Implementation of evidence-based guidance is variable. Care assessments do not consider the full range of people's needs.

Outcomes for people who use services are below expectations compared with similar services. The outcomes of people's care and treatment is not always monitored regularly or robustly. Participation in external audits and benchmarking is limited. The results of monitoring are not always used effectively to improve quality.

Not all staff have the right qualifications, skills, knowledge and experience to do their job. The learning needs of staff are not fully understood. Staff are not always supported to participate in training and development or the opportunities that are offered do not fully meet their needs.

There are gaps in management and support arrangements for staff, such as appraisal, supervision and professional development.

There may be delays or poor coordination when people are referred or discharged or when they transition to other services. There are delays in sharing information about people's care when they are discharged, this information has some gaps or staff are not clear what information should be shared.

Staff do not always have the complete information they need before providing care and treatment. Systems to manage and share care records and information are cumbersome or uncoordinated.

Consent is not always obtained or recorded in line with relevant guidance and

legislation. There is a lack of consistency in how people's mental capacity is assessed and not all decision-making is informed or in line with guidance and legislation. Decision-makers do not always make decisions in the best interests of people who lack the mental capacity to make decisions for themselves, in accordance with legislation. Restraint and deprivation of liberty are not always recognised, or less restrictive options used where possible. Applications to authorise a deprivation of liberty are not always made appropriately or in a timely manner to the Court of Protection or by using the Deprivation of Liberty Safeguards.

Inadequate 🔴

People receive ineffective care or there is insufficient assurance in place to demonstrate otherwise.

People's care and treatment does not reflect current evidence-based guidance, standards and practice. Care or treatment is based on discriminatory decisions rather than an assessment of a person's needs. Staff fail to comply with the Mental Health Act Code of Practice or other legislation.

There is very limited or no monitoring of people's outcomes of care and treatment. People's outcomes are very variable or significantly worse than expected when compared with other similar services. Necessary action is not taken to improve people's outcomes.

People receive care from staff who do not have the skills or experience that is needed to deliver effective care. Staff so not develop the knowledge, skills and experience to enable them to deliver good quality care. Staff are not supervised or managed effectively. Poor performance is not dealt with in a timely or effective way.

Staff and teams provide care in isolation and do not seek support or input from other relevant teams and services. There are significant barriers to effective joint working between teams.

The information needed to plan and deliver effective care to people is not available at the right time. Information about people's care is not appropriately shared.

The plans for people's discharge or transition are incomplete or they do not reflect their needs. There are significant delays to discharge or this occurs without ongoing care arrangements being in place.

Consent to care and treatment has not been obtained in line with legislation and guidance, including the Mental Capacity Act 2005 and the Children's Acts 1989 and 2004. There are instances where care and treatment is not provided in line with

consent decisions. Where appropriate, people's mental capacity has not been assessed and recorded. When people aged 16 and over lack the mental capacity to make a decision, 'best interests' decisions have not been made in accordance with legislation. Restraint and deprivation of liberty are not recognised and no attempts are made to find less restrictive options to provide necessary care and treatment.

Applications to authorise a deprivation of liberty are not made appropriately or in a timely manner to the Court of Protection or by using the Deprivation of Liberty Safeguards.

Caring

By caring, we mean that staff involve and treat people with compassion, kindness, dignity and respect.

Outstanding ⭐

People are truly respected and valued as individuals and are empowered as partners in their care.

Feedback from people who use the service, those who are close to them and stakeholders is continually positive about the way staff treat people. People think that staff go the extra mile and the care they receive exceeds their expectations.

There is a strong, visible person-centred culture. Staff are highly motivated and inspired to offer care that is kind and promotes people's dignity. Relationships between people who use the service, those close to them and staff are strong, caring and supportive. These relationships are highly valued by staff and promoted by leaders.

Staff recognise and respect the totality of people's needs.. They always take people's personal, cultural, social and religious needs into account.

People who use services are active partners in their care. Staff are fully committed to working in partnership with people and making this a reality for each person. Staff always empower people who use the service to have a voice and to realise their potential. They show determination and creativity to overcome obstacles to delivering care. People's individual preferences and needs are always reflected in how care is delivered.

People's emotional and social needs are highly valued by staff and are embedded in their care and treatment.

Good 🟢

People are supported, treated with dignity and respect, and are involved as partners in their care.

Feedback from people who use the service, those who are close to them and stakeholders is positive about the way staff treat people. People are treated with dignity, respect and kindness during all interactions with staff and relationships with staff are positive. People feel supported and say staff care about them.

People are involved and encouraged to be partners in their care and in making decisions, with any support they need. Staff spend time talking to people, or those close to them. They are communicated with and receive information in a way that they can understand. People understand their care, treatment and condition. People and staff work together to plan care and there is shared decision-making about care and treatment.

Staff respond compassionately when people need help and support them to meet their basic personal needs as and when required. They anticipate people's needs. People's privacy and confidentiality is respected at all times.

Staff help people and those close to them to cope emotionally with their care and treatment. People's social needs are understood. People are supported to maintain and develop their relationships with those close to them, their social networks and community. They are enabled to manage their own health and care when they can, and to maintain independence.

Requires improvement

There are times when people do not feel well supported or cared for.

Some people who use the service, those who are close to them and stakeholders have concerns about the way staff treat people.

People are sometimes not treated with kindness or respect when receiving care and treatment or during other interactions with staff. Staff do not see people's privacy and dignity as a priority. Staff may focus on the task rather than treating people as individuals. Staff do not always respect people's confidentiality.

There is a paternalistic approach to providing care. Some staff do not consider involving people as an important part of care. People say that staff do not always explain things clearly or give them time to respond or help them to understand. Some people are not supported to understand information they are given about their care and condition. People are not given information, access to advocacy or helped in other ways to be involved in their care and treatment.

People's emotional and social needs are not always viewed as important or reflected in their care and treatment. People are not encouraged to manage their own care.

Inadequate ●

People are not involved in their care and are not treated with compassion. They feel vulnerable and isolated.

People do not feel cared for and feedback about staff interactions is negative.

Staff are rude, impatient, judgmental or dismissive of people using their services or those close to them. People do not know how to seek help or are ignored when they do. People's privacy, dignity and confidentiality is not respected. Their basic needs are not met.

People do not know or do not understand what is going to happen to them during their care. People do not know who to ask for help. They are not involved in their own care or treatment.

People's preferences and choices are not heard or acted on.

People feel isolated and disconnected from their lives. They do not receive support to cope emotionally with their care and condition.

Responsive

By responsive, we mean that services are organised so that they meet people's needs.

Outstanding

Services are tailored to meet the needs of individual people and are delivered in a way to ensure flexibility, choice and continuity of care.

People's individual needs and preferences are central to the planning and delivery of tailored services. The services are flexible, provide choice and ensure continuity of care.

The involvement of other organisations and the local community is integral to how services are planned and ensures that services meet people's needs. There are innovative approaches to providing integrated person-centred pathways of care that involve other service providers, particularly for people with multiple and complex needs.

There is a proactive approach to understanding the needs of different groups of people and to deliver care in a way that meets these needs and promotes equality. This includes people who are in vulnerable circumstances or who have complex needs.

People can access services in a way and at a time that suits them.

There is active review of complaints and how they are managed and responded to, and improvements are made as a result across the services. People who use services are involved in the review.

Good

People's needs are met through the way services are organised and delivered.

Services are planned and delivered in a way that meets the differing needs of local populations. The importance of flexibility, choice and continuity of care is reflected in the services.

The needs of different people are taken into account when planning and delivering services (for example, on the grounds of age, disability, gender, gender reassignment, pregnancy and maternity status, race, religion or belief and sexual orientation).

Care and treatment is coordinated with other services and other providers. Reasonable

adjustments are made and action is taken to remove barriers when people find it hard to use or access services.

Facilities, premises, vehicles and equipment are appropriate for the services being delivered. People can access the right care when they need it. Access to care is managed to take account of people's needs, including those with urgent needs.

Bookings systems are easy to use and support people to make bookings. Waiting times, delays and cancellations are minimal and managed appropriately. Services meet national targets. People are kept informed of any disruption to their care or treatment.

It is easy for people to complain or raise a concern and they are treated compassionately when they do so. There is openness and transparency in how complaints are dealt with. Complaints and concerns are always taken seriously, responded to in a timely way and listened to. Improvements are made to the quality of care as a result of complaints and concerns.

Requires improvement ●

Services do not always meet people's needs.

The needs of the local population are not fully identified or understood or taken into account when planning services, or there are shortfalls in doing this. There are shortfalls in how the needs of different people are taken into account, for example on the grounds of age, disability, gender reassignment, pregnancy and maternity status, race, religion or belief and sexual orientation.

Services are not always planned in conjunction with other local services. Services are not delivered in a way that focuses on people's holistic needs. Services are delivered in a way that is inconvenient and disruptive to people's lives.

People find it hard to access services because the facilities used are not appropriate for the services being provided and action is not taken to address this.

Some people are not able to access services for assessment, diagnosis or treatment when they need do. There are long waiting times, delays or cancellations. Action to address this is not timely or effective.

People do not find it easy to, or are worried about, raising concerns or complaints. When they do, they receive a slow or unsatisfactory response. Complaints are not used as an opportunity to learn.

Inadequate ⬤

Services are not planned or delivered in a way that meets people's needs

Minimal effort is made to understand the needs of the local population. Services are planned and delivered without consideration of people's needs.

The facilities and premises used do not meet people's needs or are inappropriate.

People are unable to access the care they need. Services are not set up to support people with complex needs or people in vulnerable circumstances.

People are frequently and consistently not able to access services in a timely way for an initial assessment, diagnosis or treatment. People experience unacceptable waits for some services.

People who raise concerns and complaints are not taken seriously and feel ignored. Complaints and concerns are handled inappropriately. There is a defensive attitude to complaints and a lack of transparency in how they are handed. People's concerns and complaints do not lead to improvements in the quality of care.

Well-led

By well-led, we mean that the leadership, management and governance of the organisation assures the delivery of high-quality person-centred care, supports learning and innovation, and promotes an open and fair culture.

Outstanding

The leadership, governance and culture are used to drive and improve the delivery of high quality person-centred care.

The strategy and supporting objectives are stretching, challenging and innovative while remaining achievable.

A systematic approach is taken to working with other organisations to improve care outcomes, tackle health inequalities and obtain best value for money.

Governance and performance management arrangements are proactively reviewed and reflect best practice.

Leaders have an inspiring shared purpose, strive to deliver and motivate staff to succeed. Comprehensive and successful leadership strategies are in place to ensure delivery and to develop the desired culture.

There are high levels of staff satisfaction across all equality groups. Staff are proud of the organisation as a place to work and speak highly of the culture. There are consistently high levels of constructive engagement with staff, including all equality groups. Staff at all levels are actively encouraged to raise concerns.

There is strong collaboration and support across all functions and a common focus on improving quality of care and people's experiences.

Innovative approaches are used to gather feedback from people who use services and the public, including people in different equality groups.

Rigorous and constructive challenge from people who use services, the public and stakeholders is welcomed and seen as a vital way of holding services to account.

The leadership drives continuous improvement and staff are accountable for delivering change. Safe innovation is celebrated. There is a clear proactive approach to seeking out and embedding new and more sustainable models of care.

Good ●

The leadership, governance and culture promote the delivery of high quality person-centred care.

There is clear statement of vision and values, driven by quality and safety. It has been translated into a credible strategy and well-defined objectives that are regularly reviewed to ensure that they remain achievable and relevant. The vision, values and strategy have been developed through a structured planning process with regular engagement from internal and external stakeholders, including people who use the service, staff, commissioners and others.

Strategic objectives are supported by quantifiable and measurable outcomes, which are cascaded throughout the organisation. The challenges to achieving the strategy, including relevant local health economy factors, are understood and an action plan is in place.

Staff in all areas know and understand the vision, values and strategic goals.

The board and other levels of governance within the organisation function effectively and interact with each other appropriately. Structures, processes and systems of accountability, including the governance and management of partnerships, joint working arrangements and shared services, are clearly set out, understood and effective.

Quality receives sufficient coverage in board meetings, and in other relevant meetings below board level.

The organisation has the processes and information to manage current and future performance. The information used in reporting, performance management and delivering quality care is accurate, valid, reliable, timely and relevant. Integrated reporting supports effective decision-making. A full and diverse range of people's views and concerns are encouraged, heard and acted on. Information on people's experience is reported and reviewed alongside other performance data.

There is an effective and comprehensive process in place to identify, understand, monitor and address current and future risks. Performance issues are escalated to the relevant committees and the board through clear structures and processes. Clinical and internal audit processes function well and have a positive impact in relation to quality governance, with clear evidence of action to resolve concerns.

Financial pressures are managed so that they do not compromise the quality of care.

The leadership is knowledgeable about quality issues and priorities, understands what the challenges are and takes action to address them. Performance information is used to hold management and staff to account.

The service is transparent, collaborative and open with all relevant stakeholders about performance.

The board has the experience, capacity and capability to ensure that the strategy can be delivered. The appropriate experience and skills to lead are maintained through effective selection, development and succession processes.

Leaders at every level prioritise safe, high quality, compassionate care and promote equality and diversity. Leaders model and encourage cooperative, supportive relationships among staff so that they feel respected, valued and supported.

The leadership actively shapes the culture through effective engagement with staff, people who use services and their representatives and stakeholders.

Candour, openness, honesty and transparency and challenges to poor practice are the norm. Mechanisms are in place to support staff and promote their positive wellbeing. Behaviour and performance inconsistent with the values is identified and dealt with swiftly and effectively, regardless of seniority.

There is a culture of collective responsibility between teams and services.

The service proactively engages and involves all staff and ensures that the voices of all staff are heard and acted on. The leadership actively promotes staff empowerment to drive improvement and a culture where the benefit of raising concerns is valued. Staff actively raise concerns and those who do (including external whistleblowers) are supported. Concerns are investigated in a sensitive and confidential manner, and lessons are shared and acted upon.

Information and analysis are used proactively to identify opportunities to drive improvements in care. Service developments and efficiency changes are developed and assessed with input from clinicians to understand their impact on the quality of care. Their impact on quality and financial sustainability is monitored effectively.

There is a strong focus on continuous learning and improvement at all levels of the organisation. Safe innovation is supported and staff have objectives focused on improvement and learning. Staff are encouraged to use information and regularly take time out to review performance and make improvements.

Requires improvement

The leadership, governance and culture do not always support the delivery of high quality person-centred care.

The vision and values are not well developed and do not encompass key elements such as compassion, dignity and equality. The vision and the strategy are not aligned.

The arrangements for governance and performance management do not always operate effectively. There has been no recent review of the governance arrangements, the strategy, plans or the information used to monitor performance.

Risks, issues and poor performance are not always dealt with appropriately or in a timely way. The risks and issues described by staff do not correspond to those reported to and understood by leaders.

Not all leaders have the necessary experience, knowledge, capacity or capability to lead effectively. The need to develop leaders is not always identified or action is not always taken. Leaders are not always clear about their roles and their accountability for quality.

Staff satisfaction is mixed. Improving the culture or staff satisfaction is not seen as a high priority. Staff do not always feel actively engaged or empowered. There are teams working in silos or management and clinicians do not always work cohesively.

Staff do not always raise concerns or they are not always taken seriously or treated with respect when they do.

There is a limited approach to obtaining the views of people who use services and other stakeholders. Feedback is not always reported or acted upon in a timely way.

The approach to service delivery and improvement is reactive and focused on short term issues. Improvements are not always identified or action not always taken. Where changes are made, the impact on the quality of care is not fully understood in advance or it is not monitored.

The sustainable delivery of quality care is put at risk by the financial challenge.

Inadequate 🔴

The delivery of high quality care is not assured by the leadership, governance or culture in place.

There is no credible statement of vision and guiding values. Staff are not aware of or do not understand the vision and values.

The strategy is not underpinned by detailed, realistic objectives and plans, and does not reflect the health economy in which the service works. Staff do not understand how their role contributes to achieving the strategy.

The governance arrangements and their purpose are unclear. There is no process in place to review key items such as the strategy, values, objectives, plans or the governance framework. Financial and quality governance are not integrated to support decision-making. The information that is used to monitor performance or to make decisions is inaccurate, invalid, unreliable, out of date or not relevant.

Data and notifications are not submitted to external organisations as required.

There is no effective system for identifying, capturing and managing issues and risks at team, directorate and organisation level. There is a lack of openness and transparency, which results in the identification of risk, issues and concerns being discouraged or repressed. Significant issues that threaten the delivery of safe and effective care are not identified or adequate action to manage them is not always taken.

Leaders do not have the necessary experience, knowledge, capacity, capability or integrity to lead effectively. Leaders are out of touch with what is happening on the front line. There is a lack of clarity about authority to make decisions and how individuals are held to account. Quality and safety are not the top priority for leadership. Meeting financial targets is seen as a priority at the expensive of quality.

There are low levels of staff satisfaction, high levels of stress and work overload. Staff do not feel respected, valued, supported and appreciated. There is poor collaboration or cooperation between teams and there are high levels of conflict.

The culture is top-down and directive. It is not one of fairness, openness, transparency, honesty, challenge and candour. There is bullying, harassment, discrimination or violence. When staff raise concerns they are not treated with respect. The culture is defensive.

There is minimal engagement with people who use services, staff or the public. The service does not respond to what people who use services or the public say. Staff are unaware or are dismissive of what people who use the service think of their care and treatment.

There is little innovation or service development. There is minimal evidence of learning and reflective practice. The impact of service changes on the quality of care is not understood.

Appendix D: Ratings principles

As described in section 9 of our handbook, our inspection teams use a set of principles when rating services, locations and providers. These are used to ensure that we make consistent decisions. The principles will normally apply but will be balanced by inspection teams using their professional judgement. Our ratings must be proportionate to all of the available evidence and the specific facts and circumstances.

Examples of when we may use professional judgement to depart from the principles include:

- Where the concerns identified have a very low impact on people who use services.

- Where we have confidence in the service to address concerns or where action has already been taken.

- Where a single concern has been identified in a small part of a very large and wide ranging service.

- Where a core service is very small compared with the other core services within a provider.

Where a rating decision is not consistent with the principles, the rationale will be clearly recorded and the decision reviewed through our quality assurance processes, including by the national quality control and consistency panel.

Reflecting enforcement action in our ratings

Where we are taking enforcement action, this will be reflected in the ratings at the lowest level – key question at individual core service level.

1	Where a breach of a regulation has been identified and we issue a compliance action, the rating linked to the area of the breach will be limited to 'requires improvement' at best.
2	Where a breach of a regulation has been identified and we take action under our enforcement powers, such as issuing a Warning Notice or imposing a condition of registration, the rating linked to the area of the breach will be 'inadequate'.

Overarching aggregation principles

The following principles apply when we are aggregating ratings.

3	The five key questions are all equally important and should be weighted equally when aggregating.
4	The core services are all equally important and should be weighted equally.
5	All ratings will be treated equally for the purposes of aggregating unless one of the other principles below applies. **Note:** The principles below adjust for combinations where it is not appropriate to treat ratings equally. For example, where one of the key questions is rated as inadequate we would not expect the overall rating to be good or outstanding.

Aggregating ratings

It is not practical to set out here all the combinations or ratings and the resulting aggregation. We will use the following principles as the basis of the aggregation and use our professional judgement to apply them to the specific combination of underlying ratings.

6	The aggregated rating will normally be 'outstanding' where at least X number of the underlying ratings are 'outstanding' and the other underlying ratings are 'good'.

Number of underlying ratings	Number (X) of underlying outstanding ratings
1 - 3	1 or more
4 - 8	2 or more
9+	3 or more

7	The aggregated rating will normally be limited to 'requires improvement' where at least X number of the underlying ratings are 'requires improvement'.

Number of underlying ratings	Number (X) of underlying requires improvement ratings
1 - 3	1 or more
4 - 8	2 or more
9+	3 or more

8	The aggregated rating will normally be limited to 'requires improvement' at best where X number of the underlying ratings are 'inadequate'.
9	The aggregated rating will normally be limited to 'inadequate' where at least Y number of the underlying ratings are 'inadequate'.

Number of underlying ratings	Principle 8	Principle 9
	Limited to requires improvement where there are (X) number of underlying inadequate ratings	Limited to inadequate where there are (Y) number of underlying inadequate ratings
1 - 3	Not applicable	1 or more
4 - 8	1	2 or more
9+	2	3 or more

Aggregating the overall location or trust levels

There are additional principles that will apply when aggregating to the higher ratings levels – location level and trust level ratings.

10	For each of the key questions of safe, effective, caring, responsive and well-led, the aggregated rating should consist of: • An aggregation of the underlying core service ratings plus • An assessment of any relevant location or trust level evidence.
11	For foundation trusts only, where Monitor finds a failure to comply with licence conditions or is taking regulatory action, the overall trust rating will normally be limited to 'requires improvement' at best.
12	For foundation trusts only, where Monitor puts a trust 'under investigation', the overall trust rating will normally not be 'outstanding'.
13	For non-foundation trusts, where the NHS Trust Development Authority finds material issues with a trust or where formal action is required, the overall trust rating will normally be limited to 'requires improvement' at best.
14	For non-foundation trusts, where the NHS Trust Development Authority finds concerns requiring investigation, the overall trust rating will normally not be 'outstanding'.
15	An overall trust rating will not normally be 'outstanding' unless its score in the most recent national inpatient survey (question relating to overall experience) is higher than the median for the country.
16	An overall trust rating will not normally be 'outstanding' unless, in the most recent NHS Staff Survey, the percentage of staff who would recommend the trust as a place to work or receive treatment is higher than the median for the country.

Consultation

Our approach to regulating the:

Independent healthcare acute sector

November 2014

The Care Quality Commission is the independent regulator of health and adult social care in England.

Our purpose

We make sure health and social care services provide people with safe, effective, compassionate, high-quality care and we encourage care services to improve.

Our role

We monitor, inspect and regulate services to make sure they meet fundamental standards of quality and safety and we publish what we find, including performance ratings to help people choose care.

Contents

Foreword

In April 2014, I set out our proposed approach towards inspecting and regulating providers of independent healthcare services in our signposting document, *A fresh start for the regulation of independent healthcare*. This document set out the main characteristics of independent acute healthcare services, including the differences from acute health services delivered by the NHS. We also illustrated the diverse nature of the sector in the way that services are delivered through an array of settings and in a number of ways, ranging from the largest corporate hospital provider to individual practitioners working independently as sole traders.

We also set out our priorities for improving how CQC monitors, inspects and regulates these services and confirmed our commitment to developing our new regulatory models in partnership with those who deliver and use the services within them.

We have been working hard over recent months to deliver on this commitment and are now at the stage of having developed a model which we are currently testing in a number of acute independent hospitals. In partnership with stakeholders in this sector we have also developed firm proposals for regulating and inspecting the three main groups:

- Hospitals
- Single specialty services
- Non-hospital acute services.

I am pleased to be able to publish those in this consultation document.

We are also asking for views and suggestions about approaches we want to consider for future development – introducing special measures and ratings for corporate providers – which are part of our wider strategy in other sectors as well as in healthcare.

We know that there is still work for us to do to strengthen how we regulate independent health care services in England. This is particularly to ensure that the approaches we develop are proportionate and appropriate and that we strike the right balance between being mindful of differences in the sector, while still allowing people to make valid comparisons where similar services are provided in different sectors. Getting this right will help us to make sure that we deliver our purpose – ensuring that services provide people with safe, effective, compassionate, high-quality care and to encourage care services to improve.

Please take the time to respond to this consultation. The proposals in this document affect providers of independent healthcare acute services, but I would encourage both independent and NHS providers to respond.

We would like to receive your views by **Friday 23 January 2015**. They are important in helping us to evolve and develop our models for each sector, and to get them right. Thank you.

Professor Sir Mike Richards
Chief Inspector of Hospitals

1. Which independent healthcare services does this consultation cover?

The independent healthcare sector is diverse, with providers delivering services from a wide range of settings and in a number of ways. It is important that our new regulatory model assures patients and the public that they will receive the same standards of care in similar services. We also need to ensure that providers experience inspections using methods that proportionately reflect differences and are not a 'one size fits all' approach.

To achieve this, we have committed to align as many elements as possible of our new model for the independent healthcare sector with other sectors, including NHS acute services and primary care services. It is important that we treat providers equally when they deliver similar types of services, but at the same time, that we ensure that we tailor our approach to each sector and type of service where there are differences that need to be taken into account. This means we need to be clear about which types of independent healthcare services are similar to NHS acute and primary care services, and those that have specific differences.

We consulted in April 2014 on our handbook for NHS acute trusts and published it in September 2015. The handbook is guidance that describes in detail our approach to regulating, inspecting and rating NHS acute hospitals. We do not plan to have a separate handbook for independent healthcare acute providers, as the approach set out in the handbook for NHS acute trusts would also largely apply to most of the independent healthcare services described below. In section 3, we have set out the aspects of the handbook that we think should remain consistent across NHS and independent acute providers, and those where we think it is appropriate that they should be different. We are seeking views about whether we have judged those correctly.

In our signposting document, we set out the main characteristics of independent acute healthcare services, including the differences from health services delivered by the NHS. Those differences were particularly illustrated in health policy, organisation, staffing and competitive market factors. The document also described in some detail that independent healthcare providers deliver diverse services from an array of settings and in a number of ways. These range from large hospitals that operate under a single corporate body with multiple locations across the country, to single specialties (for example, dialysis centres or refractive eye surgery clinics) and individuals delivering acute healthcare services (under practising privileges or as stand-alone services).

The proposals in this consultation cover independent acute healthcare providers that are private, voluntary or not-for-profit organisations and individuals, which

are not owned or managed by the NHS. They may provide healthcare services that are contracted by the NHS, paid for by individual patients or through healthcare insurance schemes, or a mix of these funding arrangements.

They include:

- All independent acute hospitals, whether corporately-owned or stand-alone, including NHS treatment centres and private patient units located within an NHS acute or specialty trust, where these are run and managed by an independent provider
- All locations in which cosmetic surgery is undertaken
- All single-speciality healthcare services
- Hospitals for people living with long -term conditions
- All non-hospital acute healthcare services that don't fall into any of the above categories.

This consultation does not include:

- Independent ambulance, mental health or community services.
- Independent doctors who do not provide acute healthcare services.
- Other independently practising providers, such as dentists and NHS GPs.
- Private patient units or beds in NHS acute or speciality trusts, where these are run and managed by the NHS.
- NHS bodies whose management is contracted out to independent sector organisations.
- Community health hospitals or healthcare at home services.
- Hospices.

In our list of services which are included in this consultation, there are some specific characteristics which apply to certain types of services. We propose to divide the independent acute healthcare sector into three distinct groups to reflect these characteristics, so that we can tailor adaptations of our overall approach to each group (our proposed approach is described in detail in section 2 below).

The three groups are 'hospitals', 'single-specialty services' and 'non-hospital acute services'. They are described in more detail below.

Hospitals

This group includes independent acute hospitals that are either corporately-owned or stand-alone hospitals. They provide 'traditional' hospital services, such as surgical and medical treatment, will have operating theatre and recovery facilities, and day and/or overnight beds. They may provide multiple surgical or medical services, or specialise in usually one or two, such as orthopaedic or ophthalmic surgery. Some will provide complex surgery, some

will have high-dependency or critical care facilities and some will draw patients from other parts of the country or overseas. Most treat only adults, but some provide healthcare services to children and babies.

The hospital group also includes:

- Independent sector treatment centres that provide services solely or mainly to NHS patients under an NHS contract.
- Private patient units located within an NHS acute or specialty trust, where these are run and managed by an independent provider.
- The small number of independent providers of maternity services.
- Independent healthcare practitioners who carry out the surgical procedure of male circumcision for the purposes of religious observance.

We propose that the hospitals group also includes providers of cosmetic surgery, except those that only provide hair transplantation services, which we propose including in the single specialty group (see below). We think it is appropriate that providers of surgical services, other than minor surgery by GPs, are classed together in the hospitals group regardless of whether they are provided for treatment or for religious or cosmetic purposes, on the basis that the risks associated with surgical procedures are similar whatever the underlying main purpose.

Many of the independent acute hospital corporate providers carry out cosmetic surgery procedures as one of the range of surgical services they provide. Our grouping also includes those stand-alone organisations or individuals who specialise in providing only cosmetic surgical procedures. CQC's guidance document, *The scope of registration*, sets out that cosmetic surgery involves the insertion of instruments or other equipment into the body. As an example, we consider liposuction involving the insertion of instruments into the body to be included as a surgical (cosmetic) procedure, regardless of whether it is carried out under general or local anaesthesia, or whether the procedure involves the administration of a laser via a cannula inserted into the body.

Therefore, to maintain our principle that we treat providers equally when they deliver similar types of services, we propose to include providers of cosmetic surgery within the hospitals group. However, we will look carefully at our approach to inspecting the smaller, stand-alone organisations or individuals who fall into this category, to ensure that we regulate them in a proportionate way.

Single specialty services

We propose that the single specialties group includes the following services where these are the independent provider's main or sole activity:

- Termination of pregnancy procedures
- Haemodialysis or peritoneal dialysis
- Hyperbaric therapy
- Diagnostic imaging and endoscopy
- Diagnostic laboratory services
- Refractive eye surgery
- Fertility services
- Hair transplantation services
- Specialist inpatient services for long-term conditions.

These services are diverse and different to each other, and may be provided in hospital, clinic or other settings. Several may also be provided by NHS acute trusts and independent acute hospitals as part of the range of services they offer. However, where independent providers specialise in carrying out one of these services as their only or main activity, we propose including them within the single specialties group, which is described in more detail below.

Termination of pregnancy procedures
These can only be carried out where the provider is registered with CQC for that activity, and the place where the provider carries out the termination is licensed by the Department of Health. Surgical or medical terminations are undertaken in a number of settings, including NHS acute trusts, independent acute hospitals, NHS GP surgeries and specialist family planning clinics. However, most terminations are carried out by independent providers who specialise in that service (although they may also offer additional services, such as vasectomy). They may provide services on behalf of the NHS or to private, self-pay patients from the local area or further afield. The single speciality services group includes these types of independent providers only, and includes all the locations where surgical and/or medical terminations are undertaken. Some of these locations will have facilities similar to the hospitals' grouping, for example overnight or day beds and operating theatre and recovery areas, while others will be clinic-based services, similar to outpatient or NHS GP facilities.

Haemodialysis or peritoneal dialysis
These may be undertaken by NHS acute trusts and in some independent acute hospitals, but services are also delivered by independent providers, on behalf of the NHS. These can be based in a range of settings including within an NHS trust premises, or in stand-alone, purpose-built facilities. The single speciality services group includes these types of independent providers who specialise in the provision of dialysis procedures.

Hyperbaric treatment
This is provided by a few NHS acute trusts, as well as by a small number of independent providers. Some of these are based within the premises or grounds of NHS trusts or independent acute hospitals; others may be in stand-alone, purpose-built facilities. They treat a range of medical conditions using hyperbaric therapy, often in emergency situations for acutely ill patients. The single speciality services group includes these types of independent providers who specialise in the provision of hyperbaric treatment. It does not include non-therapeutic hyperbaric services (for example, related to diving at work regulations) or services that do not require supervision by a medical practitioner (for example, hyperbaric chambers where treatment of multiple sclerosis is carried out).

Diagnostic imaging and endoscopy
These may be provided in hospital, clinic or other settings. Several may also be provided by NHS acute trusts, independent acute hospitals and NHS GP surgeries as part of the range of services they offer. However, some independent providers carry out these procedures as their main or sole purpose, delivered from a variety of settings including within the premises of an NHS acute trust or independent acute hospital, or in consulting rooms, stand-alone or mobile facilities. They may provide services through a range of funding sources, including under contract to the NHS or to an independent acute hospital provider, or as walk-in, self-pay services to self-referring patients.

Some independent doctors may be required to be registered with CQC because part of their service includes the provision of endoscopy procedures. A few independent providers also carry out invasive cardiac physiology tests as their main or sole purpose under contract to the NHS. We are also proposing to include both these types of providers within the single specialties group.

A small number of services provide ultrasound scanning procedures such as screening for osteoporosis, or baby scanning. These may be provided on a mobile basis, where the provider of the service carries out the scan in the patient's home, or they may be provided by a company that provides scanning facilities in different parts of the country. We are proposing to include these types of providers in this part of the single specialities group.

Diagnostic laboratory services
These may be provided in a hospital, clinic or other settings. Several may also be provided by NHS acute trusts, independent acute hospitals and NHS GP surgeries as part of the range of services they offer. However, some independent providers carry out these services as their main or sole purpose, delivered from a variety of settings, including within the premises of an NHS acute trust or independent acute hospital, or in stand-alone, purpose-built facilities. Most of these providers receive tissue samples for diagnostic testing; a few may take blood samples from patients who attend their premises. Services may be provided for a variety of clients including NHS trusts, independent acute hospitals or independent doctors. The single speciality

grouping includes these types of independent providers who specialise in the provision of diagnostic laboratory services.

Refractive eye surgery

Independent providers of refractive eye surgery procedures are included within the single specialty service group. They specialise in providing vision correction services, carrying out surgical procedures for self-referring, self-pay patients. The service may also be called laser eye surgery or refractive lens surgery. Providers are mostly corporate organisations, providing services in 'high-street' clinic locations.

Fertility services

Providers of fertility services are primarily regulated by the Human Fertilisation and Embryology Authority (HFEA) for in-vitro fertilisation procedures (IVF). The Care Quality Commission's regulatory remit extends only to those activities which are not covered by an HFEA licence, and only relates to a very small part of the overall specialised service carried out by such providers. This would include procedures that are related to diagnosing the causes of infertility, or other procedures that are unrelated to fertility treatment or assisted conception that are not covered by the HFEA licence.

Some NHS acute trusts and independent acute hospital providers carry out surgical or diagnostic procedures in order to treat or identify the causes of infertility, such as diagnostic laparoscopy. Some also carry out IVF procedures, licenced and regulated by the HFEA, as part of the wider range of services they offer. Neither of these services is intended to be part of the single specialty group. Most IVF provision is offered in the independent sector, sometimes on behalf of the NHS but mainly to self-paying patients. The single speciality services group only includes those independent IVF providers who also carry out a small range of procedures that are outside the terms of their HFEA licence.

Hair transplantation services

These are specialised services offered to treat hair loss for cosmetic purposes. While the underlying outcome is intended to improve the appearance, hair loss may be caused by a number of medical factors, and there are various surgical and non-surgical treatments that can be offered. CQC's remit extends to the surgical procedure associated with hair transplantation – some procedures are more invasive than others, but all are carried out using local anaesthesia, on a walk-in, walk-out basis, requiring little in the way of recovery. Independent providers of surgical hair transplantation services may offer this as part of a range of cosmetic and aesthetic procedures, or may specialise in surgical and/or non-surgical hair transplantation. Services are mainly provided in 'high-street' clinics. The single speciality services group includes only those independent providers that carry out surgical hair transplantation procedures. If they carry out other forms of cosmetic surgical procedures as well as hair transplantation, they will be included with the independent acute hospitals group as a cosmetic surgery provider.

Specialist inpatient services for long-term conditions

A small number of independent hospitals provide highly specialist inpatient services for long-term conditions. They typically provide medical treatment, rehabilitation and care of people with neurological conditions or disabilities, or acquired brain injuries. These hospitals offer very long lengths of stay and are quite different to acute, community or mental health hospitals. Inspections of these hospitals are likely to require the involvement of community and mental health care professionals, as well as acute and specialist practitioners.

Non-hospital acute services

We know that some independent providers that we regulate are healthcare professionals, mainly medical practitioners, who provide healthcare services to private patients. They may also work as consultants for the NHS, or under practising privileges for independent acute hospitals, but may also work independently, or exclusively, in private practice. There are a number of exemptions to the requirement to register, meaning that the majority of NHS GPs and consultants who work for the NHS and/or for independent acute hospitals, and who also provide private healthcare services, are exempt from registration. Full details of the exemptions that apply are published in our document *The scope of registration*.

Many of the providers who are not exempt will be included within CQC's new inspection approach being developed for primary medical services. This would be where they provide private medical services such as slimming clinics and vaccinations, online prescribing, private GP or other primary care-type services in consultation rooms or as a visiting service, and remote reporting of diagnostic imaging results. Some of the providers who are not exempt will be included within CQC's new inspection approach being developed for mental health services, such as independent psychiatrists. These types of services will not be included within the non-hospitals acute services group.

However, some non-exempt independent practitioners provide services of a type that could be considered to be better reflected in the non-hospitals acute services group, because the nature of the services they provide is more aligned to a secondary care setting than a primary care one. These practitioners will typically be secondary care specialists, rather than primary care generalists – for example, consultants.

Some of these providers will be individuals who carry out cosmetic surgery – they will be included with the acute hospital group as a cosmetic surgery provider. Some will be individuals who provide endoscopy or surgical hair transplantation services – they will be included within the single speciality services group under the relevant section.

In cases where a healthcare professional works for the NHS, or under practising privileges with an independent acute hospital, but also independently provides

treatment in a surgery or consulting room under any form of anaesthesia or intravenous sedation (with certain exemptions for very minor procedures), they will be included within the non-hospital acute services group. Where a healthcare professional is not employed by the NHS or working under practising privileges with an independent acute hospital, so is an exclusively private practitioner, they will be included in the non-hospital services group for the provision of any regulated activity, unless it is more appropriate to include them within the primary medical services or mental health services categories.

We appreciate that working out exactly which type of service falls into the non-hospital acute services group is not a precise science, and there may be overlaps with the primary medical and mental health services categories of provider in a few instances. Therefore, we would particularly welcome views in the consultation as to whether we have captured these services in the most appropriate place.

Consultation question

1. Do you agree that our approach to separating independent healthcare providers into three groups as described above is meaningful and appropriate?

   If you are an independent healthcare provider, can you readily recognise which of the three groups you fit into?

   If not, do you have any suggestions for how the three groups could be otherwise structured or better defined?

2. Our approach to regulating and inspecting independent healthcare acute services

In our signposting document for independent healthcare, we said we would ensure that our regulatory model, while tailored to each sector and type of service, treats providers equally when they deliver similar types of services. To do this, we said we would develop an approach that aligned with, as closely as possible, the assessment framework we have developed for NHS acute trusts.

That model is framed around identifying the 'core services' that we will always visit on our inspections and the key lines of enquiry and prompts that guide our inspectors in focusing their attention on the areas that matter most. Using a framework that is as similar as possible to the independent healthcare sector would allow us to make comparisons when similar services are provided, irrespective of the setting. We also said in our signposting document that we would look at single specialty services in the same way wherever they are delivered, and explore how we could work in partnership with other regulatory bodies, use experts within the inspection teams, and make the best use of information to inform our regulatory and inspection processes. We also set out plans to adopt a rating system for independent acute healthcare services similar to NHS acute trusts, in which ratings will only be awarded following an inspection and against our judgements relating to the five key questions that matter most to people who use services – are services:

- Safe?
- Effective?
- Caring?
- Responsive to people's needs?
- Well-led?

Since we set out these plans, we have been developing our model for regulating and inspecting independent acute providers. At the time of consulting, we are half-way through our first wave of testing the approach, which we have developed with intensive engagement and support from independent healthcare stakeholders and representative groups. We also learned a great deal from how we piloted the NHS acute trust model in late 2013 and the spring of 2014 and took account of the continuing refinement of that approach as we developed the model for testing in the independent healthcare sector.

Our engagement with the sector was particularly helpful, and we are grateful for the time and commitment people have given us in reviewing the NHS model for

its applicability to the independent sector. Stakeholders advised us that, due to the sector's diversity, it would be preferable for us to start by developing and testing an approach for independent acute hospitals, and to "get it right" for those providers before we looked at other parts of the sector.

We explored that suggestion further and decided that it was the right approach to take, as an approach developed initially for NHS acute trust providers may not necessarily be the most appropriate and proportionate model for some of the smaller or more specialised types of independent healthcare provider. We wanted to have the opportunity to test whether that theory was correct, and to look in more detail at what approaches would be appropriate.

Therefore, having proposed to divide the independent acute healthcare sector into three distinct groups as described above, we are also proposing to make adaptations to the overall approach to regulating them. Although these changes are tailored to each group, they maintain common principles with how we have developed the new approach for the other sectors that we regulate. We have set out details for how we propose to do this for each group below.

Hospitals

Main features of the approach:

- The same framework of the five key questions, core services, key lines of enquiry and prompts as for NHS acute trusts, with minor changes.

- *The provider handbook for NHS and independent acute hospitals and single specialty services* will set out the inspection approach and assessment framework.

- An inspection team comprised of our expert hospital inspectors and clinical and other experts, including people with experience of using care (Experts by Experience).

- The size and composition of the team, and duration of the inspection visit, being relevant and appropriate to the size and nature of the service being inspected (this means teams will be significantly smaller than most comprehensive inspection teams for NHS trusts, although with experts continuing to form the majority).

- Using Intelligent Monitoring, including listening to people's experiences of care, to decide when, where and what to inspect.

- A programme of scheduled, comprehensive inspections, which include an unannounced visit, alongside focused inspections that are responsive to concerns, target particular issues, or update information about services in between comprehensive inspections.

- The same principles and characteristics for rating services as for NHS acute trusts, with the overall rating awarded at the level of the location being inspected.

- All acute hospital locations will be rated by April 2016. Thereafter, the frequency of rating will be at least once every three years.

In October 2014, we started to test this approach to inspecting independent acute hospitals. This first wave of testing will run until December 2014. It involves the inspection of eight independent hospitals in different parts of the country of varying size, complexity, facilities, services and ownership, with a mixed patient population of NHS-funded and insured/self-pay, from this country and overseas. Some of the hospitals provide services to children as well as adults.

The approach we are testing was developed jointly with stakeholders. We made relatively minor modifications to the NHS acute trust approach, and retained all the core elements of that model. We know through widespread feedback and evaluation that the model is working well in NHS acute trusts, although further review will continue as the approach becomes embedded. Therefore, to achieve as much parity as possible between NHS and independent acute hospitals, we think the adaptations we are testing are proportionate and appropriate, while still allowing for people to make comparisons where similar services are provided in different sectors.

However, our signposting document noted the lack of consistent, comparable, nationally available data in most of the independent sector, and described the challenges in improving our access to accurate, complete and meaningful data and information about services. This is an important factor for us to consider in our aim to ensure that similar services in different sectors can be fairly compared and rated. We have reviewed the indicators we use in acute NHS trusts to inform which areas of care we will want to look at during an inspection, and have adjusted them in our independent healthcare 'provider information request' to reflect the differences in the availability of data. The absence of national data sets for independent acute healthcare means that the provider information request is lengthier than that for the NHS. We continue to consider this an unsatisfactory situation and while we are testing the information request during our pilots, we will continue to work with independent healthcare providers, the Private Healthcare Information Network (PHIN), insurers and commissioners to explore ways in which they can develop nationally comparative data sets, in line with statutory requirements on this sector from the Competition and Markets Authority.

In common with the two-stage piloting process we have used in all the sectors we regulate, we will formally evaluate how well this inspection approach has worked, from the pre-inspection period right through to publication of the final report. We will use a variety of methods to evaluate this with our inspection teams and the providers involved in the testing. We will use the learning from

our first wave to make adjustments, which will be further tested in our second wave of pilot inspections, starting in January 2015. These will take place in another eight independent acute hospitals, selected using the same criteria as above, so that we can test the model in as wide a range of services as possible. We will make final adjustments at the end of our second wave of testing in March following further evaluation. We intend to roll out the approach for all independent acute hospitals (those services described in the Hospitals section on pages 7 to 8) from April 2015.

We will not rate independent acute hospitals in our first wave of testing, but intend to publish indicative 'shadow' ratings for those included in the second wave. From April 2015, we will publish formal ratings using the same principles we apply to acute NHS trusts.

We have adjusted a number of aspects of the model for NHS acute trusts in order to reflect the differences between NHS and independent acute hospitals, and are testing these changes in our pilot inspections. We would particularly welcome views about whether it is appropriate that these aspects, described below, are different to those for NHS acute trusts.

We have introduced a core service of 'termination of pregnancy', which will apply mainly to the 'single specialty services' providers, but will be used in those independent acute hospitals that are licensed by the Department of Health to provide terminations. Where providers offer gynaecology services, we will look at this under the core service of surgery, rather than under the maternity and gynaecology core service.

We do not plan to run a listening event before the inspection, as there is often no specific catchment area to the same extent as for NHS acute trusts, but we will look for other ways to seek people's views of the service being inspected. Quality summits will not be a standard feature of our inspections in the independent sector and will be replaced with a feedback session after the inspection. However, we are testing the situations in which a quality summit might be appropriate during our pilot inspections. For example, in certain cases we believe it may be useful to involve corporate teams, members of the Medical Advisory Committee, patient groups, or commissioners and other public bodies in a quality summit; but in many cases this would be disproportionate.

Consultation question

2. Do you agree with the approach we are proposing for regulating independent acute hospitals?

    Do you have any suggestions for other things we could take into account?

Single specialty services

Main features of the approach:

- The same framework of the five key questions, core services, key lines of enquiry and prompts as for NHS and independent acute hospitals, with minor changes to reflect service specific guidance.

- The provider handbook for NHS and independent acute hospitals and single specialty services will set out the inspection approach and assessment framework.

- An inspection team comprised of our expert hospital inspectors and clinical and other experts, including people with experience of using care (Experts by Experience).

- The size and composition of the team, and duration of the inspection visit, being relevant and appropriate to the size and nature of the service being inspected (this means teams will be significantly smaller than comprehensive inspection teams for NHS trusts and often only one inspector plus one to two experts).

- Using Intelligent Monitoring, including listening to people's experiences of care, to decide when, where and what to inspect.

- A programme of scheduled, comprehensive inspections, which may include an unannounced visit, alongside focused inspections that are responsive to concerns, target particular issues, or update information about services in between comprehensive inspections.

- The same principles and characteristics to rate services in NHS and independent acute hospitals, with the overall rating awarded at the level of the location being inspected.

- We will start to rate single specialty locations from October 2015, with the end date for rating all locations to be decided. Thereafter, the frequency of rating will be at least once every three years.

- Scheduling of comprehensive inspections for each of the single specialties within a reasonable 'window', as far as is practicable, to enable training for inspectors in each specialist service and enable a reasonably contemporaneous national commentary in our State of Care reports on all providers in each specialty.

We will have completed our pilot inspections using our new approach for inspecting independent acute hospitals by the end of March 2015 and intend to roll out the model for all independent acute hospitals from April 2015. At the same time that we run our second wave of testing for hospitals, we will be developing the approach that we want to take for the single specialty services (described on pages 9 to 12). We will do this jointly with relevant stakeholders for those service areas, using the learning from developing the acute hospitals approach, so that we can start to pilot the approach for single specialty services

in two waves between April and September 2015. We intend to roll out the new approach for all single specialty services from October 2015.

The approach for single specialties will include the same core elements as for hospitals, with certain modifications, described below. We will select a range of different types of locations in which to widely test our approaches in the same way as we have done for acute hospitals. Our approach to evaluating our pilot inspections will be the same, and we will rate locations from the start of our second wave, taking specific account of the issues about comparability and availability of data, and will not run listening events or quality summits as part of the inspection approach.

We expect that the main differences in the approach to inspecting single specialty providers will be in some of the prompts and service-specific guidance within our overall assessment framework, and the way we schedule inspections and report on the services at national level. These are described below, and we would particularly welcome your views about whether these differences are appropriate and proportionate.

Prompts and service-specific guidance:

Termination of pregnancy procedures

We have introduced a new core service of termination of pregnancy and have already carried out co-production work with the sector to develop specific prompts and guidance that are tailored to this sector. We are planning to test this initially in one of the locations selected for our second wave of pilot inspections of acute hospitals. After reviewing, we plan to run further testing during the wave pilot inspections for the single specialty services during April and September 2015. It is likely that other core services, such as surgery, will apply to these providers and we will assess before and during our pilot inspections whether additional prompts are needed.

Haemodialysis or peritoneal dialysis

The core service of medical care is likely to apply to these services and the generic acute prompts will fit most aspects of care and treatment. However, to fully reflect the specific risks associated with these services and nationally accepted good practice standards, we will work with stakeholders to develop prompts and service specific guidance within our assessment framework. We will do this in our development phase between January and March 2015, so that the approach is ready to be tested from April.

Hyperbaric therapy

The core services of medical care, critical care and, possibly, urgent and emergency care are likely to apply to these services and the generic acute prompts will fit most aspects of care and treatment. However, to fully reflect the specific risks associated with these services and nationally accepted good

practice standards, we will work with stakeholders to develop prompts and service-specific guidance within our assessment framework. We will do this in our development phase between January and March 2015, so that the approach is ready to be tested from April.

Diagnostic imaging and endoscopy and diagnostic laboratories

The core service of outpatients and diagnostic imaging is likely to apply to these services. We think that the existing prompts will not need to be extended to more specific ones, but welcome views about this in this consultation.

Refractive eye surgery, fertility services and hair transplantation services

The core service of surgery is likely to apply to these services. We think that the existing prompts will not need to be extended to more specific ones, but welcome views about this in this consultation.

Scheduling and reporting

We are considering scheduling each type of single specialty service in a block, which would involve inspecting all providers of a certain type over a set period. To be practicable, this period might range from a few weeks for the smallest groups of providers (such as hyperbaric therapy services), to up to18 months for the largest (such as termination of pregnancy services). This would enable us to provide a national commentary on the entire service type and help to maximise the comparability of ratings for the public. We are also considering whether the inspections could be carried out by a cohort of inspectors, who have specific training for each specialised service.

If we did schedule inspections over a defined period, we would need to prioritise how we would do that in order to maximise the benefit to the public and people using the services, and to target our resources in the most effective way. It may be that block inspections would be scheduled to run concurrently or consecutively. Block scheduling would have an impact on the date by which we will have rated all services in that sector, meaning we may have to have a phased approach to achieving our commitment to rating all services.

Our priorities for scheduling would most likely be:

- Termination of pregnancy
- Dialysis services
- Specialist inpatient services for long-term conditions.
- Hyperbaric therapy
- Diagnostic imaging and endoscopy and diagnostic laboratory services (to run concurrently)
- Refractive eye surgery
- Hair transplantation services

These priorities for scheduling are based on a number of factors, including access to the service where patient choice may be limited, provision of urgent care, clinical risk, and the relevance to or interest of the public in the service.

We are proposing to treat fertility services differently to other single specialties in two ways. The rationale for this is that the HFEA is the specialist regulator for this sector, and our remit usually only covers a very limited part of their services. Therefore, we propose to:

- Publish narrative reports on the aspects of the service that we have inspected, describing performance against regulations. We will not publish any ratings for these clinics or providers – full, comprehensive reports on these services are already provided by the HFEA.

- As far as possible, schedule inspections of these services by coordinating with the HFEA, so that we will normally carry out joint or parallel inspections to coincide with the HFEA's schedule.

Focused inspections

In any single specialty, we may carry out focused inspections (which focus on specific areas of potential concern) in advance of block scheduling comprehensive inspections (which consider key lines of enquiry for all five key questions and produce a rating). Just as proposed above for inspections of fertility clinics, these early focused inspections will result in a narrative report describing performance in relation to regulations, taking account of CQC's guidance on meeting the fundamental standards regulations (to be published in March 2015). As in the NHS, focused inspections will be based on key lines of enquiry and will not change any previously awarded rating, as ratings can only be changed after we have carried out a comprehensive inspection.

> ## Consultation question
>
> 3. Do you agree with the approach we are proposing for regulating single specialty services?
>
>   Do you have any suggestions for other things we could take into account?

Non-hospital acute services

Main features of the approach:

- The same five key questions.

- The fundamental standards regulations mapped against the five key questions.

- High level prompts for each key question.

- The provider handbook for NHS and independent acute hospitals and single specialty services will not apply to these services.

- An inspection team comprised of our expert hospital inspectors and clinical and other experts as appropriate, possibly including people with experience of using care (Experts by Experience).

- The size and composition of the team, and duration of the inspection visit, being relevant and appropriate to the size and nature of the service being inspected (this means teams will be significantly smaller than comprehensive inspection teams for NHS trusts and often only one inspector usually plus one to two experts).

- The use of Intelligent Monitoring, including listening to people's experiences of care, to decide when, where and what to inspect.

- A programme of scheduled, comprehensive inspections where we will look at all fundamental standards regulations.

- Focused inspections that are responsive to concerns, target particular issues or regulations, or update information about services in between comprehensive inspections.

- We will not rate non-hospital acute services at the present time, although this will be kept under a rolling programme of review for introduction at an appropriate date.

- Inspection reports will present narrative findings.

- Comprehensive inspections will be carried out over three years, randomly inspecting a third of providers (approximately 100) each year, using risk and intelligence in the criteria for selection.

As we set out in our description of non-hospital acute services on pages 12 to 13, the providers in this group are a diverse range of mainly single-handed practitioners providing specialist, rather than generalist or primary care services, in consulting rooms. We do not yet know whether it is feasible to rate these non-hospital providers in a meaningfully comparative way, given the diversity of services they provide and the small number of providers. We also think that the comprehensive inspection approach we have developed for the other independent healthcare services, hospitals and single speciality services, which is based on the approach for NHS acute trusts, may not be appropriate as a method for regulating these small providers.

We have looked across the sectors that we regulate to identify if there are other, more relevant models that we could test for this sector, and suggest that the approach being developed for inspecting primary care dentists may provide a useful framework on which to build and test an approach for inspecting non-hospital acute providers. We are simultaneously consulting on our approach to regulating the dental sector and the full document is available on our website [here](#).

There are clear differences between the dental sector and the non-hospital acute providers, not least in terms of volume of providers. However, 90% of the dental sector comprises single location, small providers, which is comparable to the organisational arrangements in the non-hospitals acute sector. The dental consultation also sets out that there are currently no plans to rate dental providers (although we welcome views from stakeholders on whether we should in future) – this again is comparable to our thinking for non-hospital acute services at the present time.

We will be developing the approach that we want to take for the non-hospital acute services between January and March 2015 and will do this jointly with relevant stakeholders. At the same time, we will be running our pilot inspections of our new approach for inspecting dental providers and will use the learning from those pilots to inform our planning for the non-hospitals acute approach, wherever relevant. We will start to pilot the approach for non-hospital acute providers in two waves between April and September 2015 and intend to roll out the new approach for these services from October 2015.

The approach for non-hospital acute services will have some key differences to the other two groups in the independent healthcare acute sector. These are:

- Instead of assessment against core services, key lines of enquiry and prompts, there will be a focus on assessment against the fundamental standards regulations. However, we will report on these under the five key questions.
- There will be no commitment to rate services at the present time.
- Comprehensive inspections will mean assessment against all of the regulations.
- We are considering scheduling comprehensive inspections over a three year period, randomly inspecting a third of the providers in each year.

Where possible, we will select a range of different types of locations in which to test our approaches in the same way as we have done for the other two independent healthcare groups. Our approach to evaluating our pilots will be the same.

Our longer-term plans for this part of the sector will consider whether and when we might rate services. For the moment, we are considering *how* this might be done to answer questions such as:

- What would the benefits of rating these types of services be for the public, patients, commissioners and providers?
- Would introducing ratings increase the provider's accountability to these groups?
- Would ratings help people (including relatives and carers) to choose services, and help commissioners of publicly-funded services to choose providers (possibly not relevant in this part of the sector)?
- Would they help to improve the performance of providers?
- Would they help to identify and prevent failures in the quality of care?
- How could they provide public reassurance as to the quality of care?

We would value your views about potential answers to these questions, which we anticipate revisiting in October 2015 as part of our rolling review of the approach for non-hospital acute services.

Consultation question

4. Do you agree with the approach we are proposing for regulating non-hospital acute services?

   Do you have any suggestions for other things we could take into account?

   Do you agree that we should continue to engage with non-hospital acute providers before deciding on ratings?

   What sort of guidance would be useful for this sector in the meantime?

3. The provider handbook for NHS and independent acute hospitals and single specialty services

We consulted in April 2014 on our [handbook for NHS acute hospital trusts](#) and published it in September 2015. The handbook is guidance that describes in detail our approach to regulating, inspecting and rating NHS acute hospitals. It includes what we mean by the different core services we will inspect, our key lines of enquiry that will direct the focus of the inspections, and the characteristics of care at the four rating levels as they apply to NHS acute hospital services.

We encouraged independent healthcare providers to take part in the consultation as it was intended that the approach set out in the handbook for NHS acute trusts would also, largely, apply to independent healthcare acute providers when its methods were developed.

We do not plan to have a separate handbook for independent healthcare acute providers so are not consulting again on the entire inspection methodology and assessment framework. The handbook was supported by the respondents to the initial consultation, and will form the approach to independent healthcare acute hospitals and single specialty services. Our changes to the approach we are building for those services are such that we consider only minor adjustments to the handbook will be needed. However, we have set out below the aspects of the handbook that we think should remain consistent across NHS and independent acute providers, and those we where we think it is appropriate that they should be different, and are seeking views about whether we have judged those correctly.

We will re-issue the handbook in April 2015. At that point it will have been revised to take into account the new fundamental standards which come into effect from 1 April, and will incorporate any changes as necessary that stem from the responses to this consultation. We will re-badge it then as our handbook for all (NHS and independent) acute hospitals and single specialty services.

As we are proposing to adopt a different approach for non-hospital acute providers, as set out earlier in this consultation, the acute hospitals and single specialty handbook will not apply to those services. We will continue to engage with non-hospital acute providers on our approach to inspection, and this will include issuing guidance as appropriate, with the potential to refresh the handbook in the future if we propose to rate these services. In the meantime,

we would also encourage providers from that part of the independent sector to send us their views on the handbook.

We think the following aspects will remain the same in the handbook:

- The high level methodology of comprehensive and focused inspections
- The key lines of enquiry
- The characteristics of ratings
- The ratings principles, although some will not apply to independent healthcare
- The frequency of rating at least once every three years, and the use of focused inspection to update information about services in between comprehensive inspections.

We would value your views about whether these aspects should remain consistent between the NHS and independent acute hospitals and single specialty sectors.

We think the following aspects need to reflect the differences between NHS and independent acute hospitals and single specialty sectors.

- Core services – the main difference is the introduction of a "termination of pregnancy" core service. We are not intending to introduce a core service of cosmetic surgery on the basis that the surgery core service can already sufficiently cover surgical standards. We are working with the Royal College of Surgeons Cosmetic Surgery Interspeciality Committee to ensure that our prompts are in alignment with their published standards.
- Adjusting the model to tailor the size and composition of the inspection teams, and the time needed on site during the visit.
- No listening event as there is usually no specific catchment area. This is not unique to independent healthcare providers as it applies similarly to NHS specialist trusts. We will work with providers to access their patient networks and appropriate surveys to obtain as much information about peoples' views as possible, in as many ways as needed, before the inspection.
- Our approach to the provider information request and use of data to reflect the difference in the availability of data.
- Quality summits will not be a standard feature of our inspections and will be replaced with a feedback session.

We would value your views about whether it is appropriate that these aspects are different.

Consultation question

5. Do you agree that the changes we propose to the acute provider handbook will help our inspectors to assure the public on how safe, effective, caring, responsive and well-led independent acute hospital and single specialty providers are?

    If not, what is missing?

4. Special measures in the independent healthcare sector

Special measures apply to NHS trusts and foundation trusts that have serious failures in the quality of care and where there are concerns that the existing leadership cannot make the necessary improvements without support. It is not appropriate simply to close these services if they fall below our quality standards, since the local population depends on them, and so the special measures regime seeks ways of exerting maximum pressure for improvement while maintaining continuity of service. A specific process is in place between the NHS Trust Development Authority (NHS TDA), Monitor and CQC, which details the circumstances when a trust might be put into special measures and the subsequent areas of responsibility for securing improvement. Special measures regimes are also being put in place for care home providers and NHS GP services.

We are also considering introducing special measures regimes for the independent acute providers who will be rated – acute hospitals and single specialty providers – as an additional option to the ability that we already have to use our range of enforcement powers. We appreciate that the approach will not be the same as for NHS trusts and foundation trusts, as there is no equivalent body to Monitor and the NHS TDA, but we are keen to explore how we might introduce this to the independent sector. We are using the same term of 'special measures' in the context of the levers for improvement we might introduce alongside our powers of enforcement but recognise that it will have a different application and meaning in different sectors.

Our ratings of providers will provide a more rounded and in-depth diagnosis of both quality and organisational capability, through the assessment of the key question, "is the service well-led?" Ratings will help us to be clearer about the need for improvement in particular services and the areas where support is needed. A rating of 'inadequate' will be a clear indication that radical steps are needed to secure improvement.

Where patients depend on a service (for example, a haemodialysis service for NHS patients, provided by an independent provider) it is therefore more desirable to improve it than to close it. Other than in urgent situations, we believe it will add more value to require a time-limited period in which action must be taken to address the causes of the issue as well as the presenting symptoms of the failure. While we already have powers of enforcement, if we only relied on using those powers, rather than seeking to secure improvement, it would tend to address only the presenting symptoms rather than the root cause.

We are seeking views in this consultation about how we might introduce a form of special measures to independent acute hospitals and single specialty providers, and what criteria respondents think should apply to the circumstances in which they would be taken, either alongside, or instead of, our powers of enforcement. For example, should the criteria for allowing a 'last chance to improve' through a special measures regime be wholly or partly based on the extent to which people depend on a service, or have a choice of alternative providers? Where there is less dependency on using a particular service provider, should we go straight to enforcement rather than offering a time-limited 'last chance'? How should we ensure a fair playing field with the NHS for 'one last chance to improve'?

It may be worth noting that we have recently consulted on a new enforcement policy which, from April 2015, would position CQC as the main prosecuting authority for the sector (rather than the Health and Safety Executive) in relation to harm to people who use services. It also signalled a greater willingness to restrict or close services that fail to comply with regulations.

Consultation question

6. Do you have any suggestions for how we could develop our approach to special measures in the independent acute sector?

5. Rating independent healthcare corporate providers

When we apply ratings to NHS acute trusts, we can apply those at the level of the locations we have inspected, and aggregate them up to trust-wide level. The trust is the legal entity providing the services we regulate, and is registered with CQC as the registered provider. In the independent sector, the same registration requirement applies to corporate providers – they are registered with CQC as the legal entity. However, their locations arrangements are different to NHS acute trusts, where those are mainly based in a defined, fairly local area, are identifiable to the public as 'belonging to' the trust, and are all inspected at the same time. Independent healthcare corporate providers' locations are often spread across different parts of the country and cannot easily be inspected at the same time, or within a limited timescale as the number of locations makes this an unrealistic prospect.

In order to achieve parity and comparability across the sectors, we are considering how we might aggregate ratings to provider level in the independent healthcare sector. We want to explore whether assessing corporate systems for quality governance would add value and encourage improvement. We are aware that corporate systems for quality governance have a key influence on quality governance at individual locations, and that involvement of the corporate level can be a significant lever for ensuring improvement where there are problems locally.

However, feedback from independent healthcare providers on how we could engage with the corporate level has been very mixed. Some feel that rating at this level adds little value and is of no interest to the public. Others feel that a rating only on well-led could be useful (focused on quality governance). Others feel that a corporate rating overall and for each key question is necessary for equal treatment with the NHS. Most providers recognise that some form of corporate engagement is needed to avoid duplicating assessment at each location. But there is no consensus on what form this engagement should take, how or when it should happen, whether CQC's past policy is appropriate of only engaging at corporate level if a provider has more than 20 locations, and whether this engagement should lead to a corporate rating.

This is an issue for CQC to consider across all independent sector providers, not just in the acute sector. We are interested in seeking your views about how we might take account of provider level quality governance, leadership and overall performance in the independent sector, and whether that should be in the form of an overall provider rating. The feedback from this consultation will contribute to our future approach to this sector, and for other independent providers in other sectors, where we are also considering the same thing.

Consultation question

7. Do you have any suggestions for how we should or should not develop our approach to corporate provider assessment in the independent acute sector?

6. Regulatory impact assessment and equality and human rights

As part of this consultation, we have also published a regulatory impact assessment. We would like to receive your comments on this.

We will publish an equality and human rights duties impact analysis in due course.

7. Conclusion

We have been working hard to develop the new regulatory approaches for the independent healthcare sector and take forward the ideas we set out in our earlier signposting document.

We know there is much more to do and we are grateful for the help and support that providers and numerous people have given us in co-producing each new approach.

Whether you've helped us get this far or not, we are interested in hearing everyone's views. Please do take the time to respond.

How to respond to this consultation

You can respond to our consultation in the following ways. Please send us your views and comments by **Friday 23 January 2015**.

Online

Use our **online form**

You can also find the form and more information at:
www.cqc.org.uk/consultation-dental-independenthealthcare-ambulance

By email

Email your response to: **CQCchanges.tellus@cqc.org.uk**

By post

Write to us at:

CQC consultation: How we inspect, regulate and rate
CQC National Customer Service Centre
Citygate
Gallowgate
Newcastle upon Tyne
NE1 4PA

On Twitter

Use **#tellcqc** for your feedback and mention **@carequalitycomm**

Consultation questions

1. Do you agree that our approach to separating independent healthcare providers into three groups as described above is meaningful and appropriate?

   If you are an independent healthcare provider, can you readily recognise which of the three groups you fit into?

   If not, do you have any suggestions for how the three groups could be otherwise structured or better defined?

2. Do you agree with the approach we are proposing for regulating independent acute hospitals?

    Do you have any suggestions for other things we could take into account?

3. Do you agree with the approach we are proposing for regulating single specialty services?

    Do you have any suggestions for other things we could take into account?

4. Do you agree with the approach we are proposing for regulating non-hospital acute services?

    Do you have any suggestions for other things we could take into account?

    Do you agree that we should continue to engage with non-hospital acute providers before deciding on ratings?

    What sort of guidance would be useful for this sector in the meantime?

5. Do you feel confident that the changes we propose to the acute provider handbook will help our inspectors to assure the public on how safe, effective, caring, responsive and well-led independent acute hospital and single specialty providers are?

    If not, what is missing?

6. Do you have any suggestions for how we could develop our approach to special measures in the independent acute sector?

7. Do you have any suggestions for how we should or should not develop our approach to corporate provider assessment in the independent acute sector?

8. As part of this consultation we have published a Regulatory impact assessment. We would also like your comments on this.

For general enquiries:

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Look at our website: **www.cqc.org.uk**

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COUNCIL
18th December 2014

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Report of: Chief Executive

Subject: BUSINESS REPORT (3)

8.   APPOINTMENTS PANEL – ASSISTANT DIRECTOR, EDUCATION

Council is requested, to approve the establishment of an Appointments Panel for the above post. This post will have been considered by Monitoring of Vacancies and Thaw Panel in advance of this meeting and a verbal update will be given at the meeting.

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

The Chair of the Council (Labour)
The Leader (Labour)

Plus the following Members:
3 Labour
1 Conservative
1 Putting Hartlepool First
1 Independent

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

Council is requested to approve the establishment of the Appointments Panel and nominate members accordingly.

In addition Council is requested to consider the appointment of this panel for the remainder of the Municipal year for any other posts which become vacant and which are subject to the Officer Employment Procedure Rules.

9.   STAKEHOLDER UPDATE - NORTH EAST AMBULANCE SERVICE

All UK ambulance services have six Resource Escalation Action Plan levels (REAP), based on demand and their ability to maintain an effective and safe operational and clinical response. Normal routine operations would be at REAP Level 1, up to Level

6 where there is the potential of service failure.   The REAP is designed to increase operational resource in line with demand, in order to assist the service in coping with periods of high pressure and maintain the quality of patient care. Considerations and actions within the REAP are designed to assist in protecting staff, patients and the organisation, and to enable the trust to deliver core functions and to recover the full range of service within an agreed timeframe.

On the 16 December 2014, the North East Ambulance Service (NEAS) was one of eight ambulance services in England to declare its status at level 4. The decision to move to level 4 reflects that the service is under 'severe pressure' as a result of sustained pressure on emergency care services and a similar demand in acute trusts causing significant delays in ambulance turnaround.

NEAS will now focus all non-critical resources on maintaining a safe level of emergency service to the public of the North East and to ensure that we are able to assist vulnerable patients most in need of an ambulance response. Despite the challenging circumstances, all patients calling 999 will still receive a response, even if target times are breached.

Members are asked to note the update and NEAS has asked for assistance where possible in:

-   Influencing timely handover at hospitals (where possible);
-   Improving access to other urgent care services; and
-   Reinforcing public and patient messages around alternative healthcare services.