

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 16 May, 2016

at 10.00 am

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

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Barclay, Cranney, James, Loynes, Richardson, Riddle, Sirs, Springer and Thompson.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 14 March, 2016 (*for information as previously circulated*).
- 3.2 To receive the minutes of the meeting of the Health and Wellbeing Board held on 14 March, 2016.
- 3.3 To receive the minutes of the meeting of the Safer Hartlepool Partnership held on 22 January, 2016.

4. BUDGET AND POLICY FRAMEWORK ITEMS

None.

5. KEY DECISIONS

- 5.1 HME/HMRN/HMS Trincomalee Review – *Director of Regeneration and Neighbourhoods (to follow)*
- 5.2 Senior Leadership Restructure – *Chief Executive*
- 5.3 Durham Tees Valley Airport (DTVA) – Delivering the Masterplan – *Chief Executive*



6. OTHER ITEMS REQUIRING DECISION

None.

7. ITEMS FOR INFORMATION

None.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION

Date of next meeting – Monday 13 June, 2016 at 10.00 am in the Civic Centre,
Hartlepool.



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

14 MARCH 2016

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

Present:

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Allan Barclay, Kevin Cranney, Marjorie James, Brenda Loynes, Carl Richardson, Chris Simmons, George Springer and Paul Thompson.

Officers: Gill Alexander, Chief Executive
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Alyson Carman, Legal Services Manager
Louise Wallace, Director of Public Health
Danielle Swainston, Assistant Director, Children’s Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Kerry Trenchard, Strategy and Performance Officer
Steve Hilton, Public Relations Officer
David Cosgrove, Democratic Services Team

161. Apologies for Absence

Councillor Kaylee Sirs.

162. Declarations of Interest

Councillor Loynes declared a personal interest in Minute No’s 172 and 173.
Councillor Thompson declared a personal interest in Minute No. 169.

163. Minutes of the meeting held on 15 February 2016

Received.

164. Carr/Hopps Street Housing Regeneration Area Proposals *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key Decision (test (i)) Forward Plan Reference No. RN3/ 16.

Purpose of report

The purposes of the report were to:

- i) seek approval to progress with a development scheme for the Carr/Hopps Street regeneration area with the appointed preferred developer following the submission of the detailed viability assessment; and
- ii) seek approval of the funding for this scheme.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the Carr/Hopps Street area is the final Housing Regeneration area in Hartlepool requiring regeneration and redevelopment. The Carr/Hopps Street area comprises of the streets of Jobson, Rodney, Richardson, Hawkridge and Blake and lies off Hart Lane to the south side of North Cemetery. The area extends approximately 1.8 hectares and includes almost 200 terraced properties.

A number of decisions had been made by Regeneration Services Committee and Finance and Policy Committee. The most recent of these was on the 16th October 2015. A confidential appendix to the report set out the methodology used to appoint a preferred developer at the October meeting. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial business affairs of any particular person (including the authority holding that information).

At that time the developer indicated that they may potentially be able to complete this scheme without financial support from the Council. However, this proposal would be subject to the completion of a detailed financial and technical assessment to determine whether the scheme was viable without financial subsidy. The report also indicated that this proposal was not guaranteed.

Finance and Policy Committee therefore agreed that the proposed developer would be granted an exclusivity period during which they would carry out site investigation and viability study work. This has now been completed and a summary of the investigation and viability study were set out in a second confidential appendix which contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para

3) information relating to the financial business affairs of any particular person (including the authority holding that information).

The viability study indicated that a financial subsidy would be required for the scheme. The Director stated that this risk had been identified in the previous report, although the previous report had understated this risk. However, this situation was not wholly unexpected. Whilst, the proposal put forward by the preferred developer would require a public subsidy this was significantly less than had been the case with previous phases of the HMR programme.

The sale and redevelopment also provided significant benefits:

- Development of either 78 properties (with 6 bungalows), or 80 properties (with no bungalows);
- Forecast New Home Bonus income over 4 years of approximately £400,000;
- Forecast annual Council Tax income of approximately £80,000 per year.

The alternative to approving the land sale to the preferred developer would be for the Council to retain the site, demolish the existing housing and seek to sell the cleared site at a future date. This option would require a higher subsidy than the proposed sale to the preferred developer. This subsidy would exceed the available capital funding and therefore require the provision of additional funding. The Council would then need to achieve a capital receipt of at least this amount just to stand still in financial terms. The approach would also delay the achievement of New Homes Bonus and Council Tax income from redeveloping this site.

Ward Councillors spoke in support of the proposal set out in the report. There was need to move the scheme forward as soon as possible as residents had voted for demolition ten years ago. The scheme would not only benefit the immediate development area but also the wider community. Members supported the proposal for 78 properties with 6 bungalows. The recommendations were supported unanimously.

Decision

1. That the disposals of the site and the public sector subsidy as detailed in Confidential Appendix 2 to the report be approved. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial business affairs of any particular person (including the authority holding that information);
2. That the scheme be based on 78 units including 6 bungalows.
3. The Committee noted that in approving the above recommendations the uncommitted HMR capital budget would be ring fenced and a decision on the use of these one-off resources would be made as

part of the 2017/18 MTFS process.

165. Council Plan 2016/17 (*Chief Executive*)

Type of decision

Budget and Policy Framework.

Purpose of report

To enable the Finance and Policy Committee to consider and agree the final draft of the proposed Council Plan for 2016/17 to go forward to Council for approval.

Issue(s) for consideration

The Assistant Chief Executive reported that the Council Plan contained an action plan setting out how the Council proposed to deliver the Council's priority outcomes. Key Performance Indicators were also included which could then be used to monitor progress throughout the year and at year end. It also contained a section listing the key Risks that could prevent the Council from delivering the priority outcomes.

The Council Plan was built around an outcome framework which had been agreed by Finance and Policy Committee in September 2015. When this framework was agreed the Committee were asked to note that it might change before the final Council Plan was brought for approval. In the preparation of the Plan it had been identified that there was significant overlap between the "Hartlepool has increased economic inclusion of adults and is tackling financial exclusion" outcome and the "Reduction in the prevalence of family and child poverty" outcome. The financial exclusion outcome had, therefore, been removed and its work included in the family and child poverty outcome. The revised outcome framework for 2016/17 was set out in Appendix 1 to the report.

The Council Plan proposals had been considered by each of the Policy Committees in respect of their areas of responsibility. A summary of the comments from the Policy Committees were set out in Appendix 2 along with the relevant departmental response and, where necessary, how the Plan had changed from the drafts previously considered. In addition to comments on the content of the plan Members expressed views on the service planning process. It was noted that in future years Members would like to have an additional step in the process where proposals would come back to individual Policy Committees before going on to Finance and Policy Committee for final approval before Council. This would be fed into the service planning process for next year.

Following consideration of the draft proposals by Policy Committees Departments had reviewed their contributions to the Plan. In light of this there were some additional changes proposed and targets had been put

forward for those that were previously 'To Be Confirmed' (TBC). These additional changes were set out in Appendix 3.

The proposed Council Plan was attached as Appendix 4. This included the changes following discussions at Policy Committees and the additional changes proposed by Departments.

As in previous years, the timetable for producing the Council Plan meant that not all targets could be provided at this stage as the relevant performance information was not yet available. The Finance and Policy Committee was requested to note that the outstanding targets would be presented to the Committee for agreement within the regular performance monitoring reports that it would receive in 2016/17.

Decision

That the proposed Council Plan 2016/17 be approved and forwarded to Council for adoption.

166. Capital Programme 2016/17 (*Director of Regeneration and Neighbourhoods*)

Type of decision

Budget and Policy Framework.

Purpose of report

To seek Members approval to allocate the Council Capital fund for planned maintenance on Council property and assets and to consider the allocation of the other Council priorities pot.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that in November 2015, the Committee received a report on the Capital Receipts target. The report provided an update on the progress in achieving the existing capital receipts target of £6.5m; outlined proposal for setting a new capital receipts target and the proposed land sales to achieve increase the target to £7.5m and also enabled Members to develop a strategy for using the additional capital receipts target for 2016/17 of £1m to fund the following priorities:-

- £0.6m for Council Capital Fund purposes (Council Assets and Property)
- £0.4m for other Council priorities, which may include match funding capital grants and / or other external funding opportunities, or potential development of Community Hub facilities.

£0.6m has been allocated from the 2016/17 capital receipts target to invest

in the maintenance of council owned assets and property. Given the scale of the financial challenge the Council faced it was likely that services would be delivered differently and from different outlets in the future. It is recognised that there is a need for a programme of service reviews to be undertaken aligned to the decision making process required as part of the MTFS. Therefore, it was proposed not to allocate the full capital maintenance programme at this stage, and this would allow for the outcome of the Council's service review programme to be assessed before committing the whole of these resources. However, based on the criteria listed above the following works were essential.

Newburn Bridge Ind Est	
Pitched Roofs suffering from corrosion	£33,000
Boundary wall renew cracked copings	£2,500
Corroded Steel Lintels	£25,000
	£60,500
8 and 9 Church Street	
Vertical means of escape is inadequate	£7,200
	£7,200
Mill House Leisure Centre	
Replace existing dry-side circulation and toilet floors for compliance with current accessibility legislation	£19,000
Gas pipe renewal scheme	£10,000
	£29,000
Total	£96,700

The Council had allocated £0.4m from the Capital receipts target for other Council priorities, which may contribute towards match funding of capital grants and / or other external funding opportunities. The following proposals had been identified for Members consideration (full details were set out in the report):

Waverley Terrace Safety improvement scheme - Estimated costs ranged between. £230,000 - £297,000.

Seaton Carew car parking – Estimated costs £75,000

Victory Square improvements – Estimated costs £50,000

The costs of delivering the above three schemes totalled £355,000 to £422,000 depending upon the outcome of the site investigations for the Waverly terrace safety improvement scheme. It was therefore proposed that improvements to Victory Square could be phased to ensure there was no overspend and that works could be completed prior to Remembrance Day. In the event that these schemes cost £422,000 approval would need to be sought from full Council to vire funding from the Council Capital fund.

Decision

1. That the proposals relating to Newburn Bridge Industrial Estate, 8 and 9 Church Street and the Mill House Leisure Centre be approved for use of part of the Council Capital Fund;
2. That the proposals relating to Waverley Terrace Safety Improvement Scheme, Seaton Carew Car parking and the Victory Square Improvements be approved for use of the 'Other Council Priorities' resources;
3. That the Committee notes that as the actual costs of 'Other Council Priorities' schemes may total £422,000, a fallback position requiring a virement request would be submitted to full Council to allocate £22,000 from the Council Capital fund as a contingency.

167. Multi Agency Children's Hub (MACH) *(Director of Child and Adult Services)*

Type of decision

Key Decision - Tests (i) and (ii) apply. Forward Plan ref CAS42/15.

Purpose of report

For members to approve the implementation of a North Tees Multi Agency Children's Hub with Hartlepool Council leading and delivering this service on behalf of Stockton Borough Council.

Issue(s) for consideration

The Assistant Director, Children's Services reported that the proposed model for the North Tees Multi Agency Children's Hub is a single point of contact for children's safeguarding referrals and children's enquiries. The Safer Referral Tool (currently in use across Tees) will be used as the mechanism for referring a child into the Multi Agency Hub where there are additional needs that have been identified. Upon receipt of the referral the Hub will undertake joint screening, review of partner information and triage the referral through to the most appropriate service that can meet the identified needs and if needed safeguard the child.

The Hub will be made up of, as a minimum, Hartlepool and Stockton local authority, Cleveland Police, North Tees and Hartlepool Foundation Trust and Tees, Esk and Wear Valley Trust. Other agencies that may be involved include Housing, probation, domestic violence services. As the model is developed further discussions will be undertaken with services that can make a contribution to the Hub.

It had been agreed that a designated education officer post be established to ensure that schools also had a representative and voice within the Hub.

This would initially be funded for one year through the Transformation Challenge Funding and discussions would take place with schools about the sustainability of this post and potential contributions from schools.

The Assistant Director commented that the development of this Children's Hub is an exciting opportunity to make the lives of children in Hartlepool and Stockton better. This was a significantly innovative development with Hartlepool Council delivering a statutory service on behalf of another council. The current Hartlepool service had a good reputation and the development of this multi agency hub would build on the already good practice in place. This was a potential blue print for further Tees work and South Tees local authorities would be involved in the evaluation of the Children's Hub to understand whether there should be further Tees wide developments.

Work has been ongoing for the last year to develop the model and work streams have been set up to look at development of shared processes and pathways, accommodation, IT, performance management and information governance. All these work streams were being managed to ensure that the go live date of 1st June 2016 can be achieved.

The Assistant Director highlighted that it had been agreed with all partners that the Multi Agency Children's Hub will be known and marketed as "The Children's Hub". This is to ensure that there is not confusion with the public.

The Children's Hub will be based in the Civic Centre, Hartlepool and work is ongoing to ensure that accommodation is ready as soon as possible. Work was on target for a launch date of 1st June although prior to that there would be testing of systems with partners to ensure a smooth launch on 1 June. Partners were expected to start to base themselves in the Civic Centre as soon as possible. This would support team building so that workers understand each other's roles for the go live date.

The Chair of the Children's Services Committee expressed his support for the Children's Hub commenting that it would lead to improved outcomes for children and young people in the North Tees area. The Chair supported the comments and congratulated the staff involved in the development of the new service. The Chair requested that further update reports be brought to Committee following the launch of the Children's Hub.

Decision

That the implementation of a North Tees Multi Agency Children's Hub be approved with Hartlepool Council leading and delivering this service on behalf of Stockton Borough Council.

168. Managed Workspace Creative Industries *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key Test (i) applies – Forward Plan Reference RN 01/16.

Purpose of report

To consider proposals to:

- a. Acquire 13/17 Whitby Street to convert into an Innovation and Skills Quarter Managed Workspace
- b. To renovate and convert the property into lettable units and
- c. To manage and maintain the facility and to provide revenue funding for the first two years until it generates enough income to cover operating costs.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that Innovation and Skills Quarter (ISQ) in the Church St area (including Whitby Street, Tower Street and Lynn Street) was being developed with the intention of redefining the area with additional day time uses, an improved environment and a vibrant cluster of creative industry businesses. The principle of developing a supportive environment for creative and entrepreneurial businesses had the potential to link up closely with the new Campus for Cleveland College of Art and Design (CCAD) on the former Lynn Street Depot site. Therefore, a key part of the ISQ strategy was the establishment of a managed workspace facility in the area.

As reported to the Regeneration Services Committee on the 28th August 2015, the Council had managed to provisionally secure an indicative allocation of £5.5m of Local Growth Funding (LGF) from the Tees Valley Local Enterprise Partnership (LEP) to contribute towards its ambitions for the ISQ. The funding was subject to a stringent due diligence process which examined value for money and the outputs that the project would achieve. In order to start delivering the ISQ it was proposed to acquire a suitable building for conversion into workspace.

An opportunity had arisen to bring forward funding for the scheme which would require the Council to fast track the due diligence process for the acquisition of a building before the end of the current financial year (March 2016). The due diligence for the subsequent refurbishment and connectivity elements of the ISQ scheme would be the subject of a separate due diligence process at a later date. The funding for the acquisition of a managed workspace facility had recently been approved by Tees Valley Unlimited's Investment Panel following a due diligence process.

In order to identify potentially suitable properties and to assess the overall feasibility of a managed workspace, a detailed study was carried out for the Council by Cushman and Wakefield in 2015. The report looked at the economic, policy and strategy context, supply and demand for small business space in Hartlepool and the Tees Valley and key stakeholder views, activities and drivers of demand, together with the availability and suitability of properties in the area. The report concluded that there was demand for such a facility, though there were risks associated with it. On balance the benefits outweighed the risks and consequently negotiations commenced for the purchase by agreement of 13/17 Whitby Street.

The property, although generally suitable for the intended use due to its size, location and character, would require substantial conversion works to create the managed workspace. Proposals contained in the feasibility study were for conversion to 33 units plus 2 meeting rooms, communal kitchens and toilets on each floor, a “break out” space on the ground floor and a bike store. It was considered that this could support 115 new gross jobs at 90% occupancy.

The Director highlighted that the purchase terms were agreed following intensive negotiations and a very substantial reduction being achieved from the property owner’s aspiration. The price agreed was, however, considered to be above the full market value of the property. Although the vendor was unwilling to sell at a price the Estates and Regeneration Manager considered represented Market Value, the purchase had been agreed to in order to facilitate the timely acquisition of the building which would in turn releases approximately £3m of grant funding for the regeneration of the area in addition to the purchase and conversion of the property. Unfortunately, there were no other entirely suitable buildings available at present in the area, and whilst a new build scheme might have been possible, this would be more expensive than acquiring and converting an existing building.

The Chair indicated that as the due diligence procedure with Tees Valley Unlimited was still to be completed recommendations a and b as set out in the report should be approved at this meeting with a further report being brought to Committee for the remaining matters with the addition of a Service Level Agreement with CCAD on the marketing of the facility.

A Member of the public questioned if the facility would operate in a similar fashion to the Brougham Centre and if the businesses would have access to high speed broadband. The Director stated that the workspace would operate in a similar fashion to the Brougham Centre but with a focus on creative industries. High speed broadband would be one of the facilities considered during conversion scheme.

Decision

1. That approval be given to proceed with a purchase of 13/17 Whitby Street, funded by Local Growth Fund, on the terms outlined in

Confidential Appendix 2 to the report. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para. 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).

2. That approval be given to the further development and design work to RIBA Stage 3 and for the completion of the due diligence process with Tees Valley Unlimited for the refurbishment of the building.
3. That a report be submitted to the Committee following the completion of the due diligence process with Tees Valley Unlimited for the approval of the works to be undertaken, the associated funding and others matters proposed within the report.

169. Future Catering Arrangements at Summerhill (*Director of Public Health*)

Type of decision

Non-Key decision.

Purpose of report

To propose to the Committee options for the future catering provision at Summerhill.

Issue(s) for consideration

The Director of Public Health reported that as part of a wider review of catering across Sport and Recreation, a decision was made to serve notice on the lease holder. Three months notice was given and Liberty ceased trading at Summerhill on the 22nd December 2015. The decision to serve notice was based on a catering review and the need for remedial work to be undertaken to improve the kitchen and servery area.

The cafe is a valued service on site and enables Summerhill to attract more visitors. It also encourages more frequent visits by those who already use it. A recent survey showed that 60% of those surveyed would use a cafe on site.

There are two options regarding the future catering arrangements at Summerhill: -

Option 1: Re-visit enabling an internal provider partnership arrangement with Neighbourhood Services.

Option 2: Go out to tender for an external provider to operate the catering facility with a new specification.

Officers' advice was to go with Option 2 and go out to tender for an external provider to operate the catering facility. This option was recommended as it allows for a short term i.e. one year lease to be offered so that a wider consideration of catering options across Sport and Recreation Services can be considered.

Some Members expressed their preference for option 1 and bringing the service in-house for year to assess the viability of the provision. There were contrary views expressed for option 2 as it provided no financial risk to the council. A Member expressed their concern at providing the service in-house in light of the experience with the Inspirations cafe at Stranton. The Member indicated that the Committee had been informed that it would receive a report on Inspirations early in the year. The Director stated that a report would come to the Committee early in the new Municipal year as this would allow the full financial year information to be reported.

Members expressed a wish to see the cafe facility at Summerhill return as soon as possible as they perceived the lack of such a facility was detrimental to the overall offer at Summerhill. The meeting debated the need for the provision of a cafe at Summerhill with Members alluding to the success of the previous cafe and the ability of the Council to replicate that success through its own service provision which would maximise the investment in the facilities being provided as part of the remedial works.

The Chair put the two options to the Committee and on a majority vote of 8 to 1, Option 1: "Re-visit enabling an internal provider partnership arrangement with Neighbourhood Services" was approved. The Chair stated that a report at the end of the first year of operation would be submitted to the Committee.

Decision

That the catering facility at Summerhill be operated on an internal provider partnership arrangement with Neighbourhood Services for one year following the completion of the remedial works and a report be submitted to this Committee at the end of that year setting out the viability of the operation.

Councillor Thompson recorded his vote against the above decision.

170. Church Street Townscape Heritage Scheme (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non Key decision.

Purpose of report

The purpose of the report was to update the Committee on the successful

bid made to the Heritage Lottery Fund for a Townscape Heritage Scheme in Church Street and approve the use of capital funding previously set aside in 2014/15 for Church Street to be used as match funding.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the Church Street area had been identified as a key priority within the Hartlepool Vision which identifies the key regeneration aspirations for the town.

In September a bid was submitted to the Heritage Lottery Fund (HLF) for £1.2 million. The project would conserve and rejuvenate historic buildings within Church Street, improve the local environment and see the creation of new community projects aimed at raising awareness of the history and heritage of the area and the significant role it played in the development of Hartlepool today. The Council's application was the only successful application in the North East and one of only nine in the country under the Townscape Heritage Programme and the Director commended the bid developed by the Heritage and Countryside Team.

The HLF had awarded a first-round pass and a development grant of £40,100 towards the £50,100 cost of developing the second round Townscape Heritage application for Church Street Conservation Area. The scheme would now need to be worked up further with a second-round submission made to HLF. An indicative timetable outlining the works required was submitted with the report.

The amount awarded to the scheme is fixed at the first round. Although the total costs of the scheme may change, the second round grant request may not increase during the development period. In addition to the funding from HLF, funding of £355,000 had been set aside as match funding for this project. This was agreed by Regeneration Committee on the 18th December 2014, with the funding set aside from the Council's Capital Fund as part of the MTFs in 2014/15. It was proposed that £10,000 of this will be used in the Development Phase. The remaining £345,000 has been allocated for use in the second phase.

Once a detailed project plan for the Development Phase of the project was drawn up it would be brought back to this Committee for agreement, prior to the final submission of the second round submission.

The Chair of the Regeneration Services Committee commented that when the details of the bid had been reported to the Committee they were unanimously supported by Members. A Townscape Heritage Officer post will be created to develop and implement the project, funded through the phase 1 development grant. This will be carried out in line with the recruitment proceedings set out in the HLF Guidance. Regeneration Services Committee Members did feel that such an appointment should come from existing staff in the first instance.

Decision

That approval be given to the allocation of £355,000 match funding for the Church Street Townscape Heritage Project, with £10,000 allocated to the development phase and the remaining £345,000 being used in the delivery phase.

171. New Clarence House (*Director of Regeneration and Neighbourhoods*)**Type of decision**

Non-Key Decision.

Purpose of report

To seek approval for the sale of land comprising the rear access road at New Clarence House and the release of restrictive covenants affecting the property.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that New Clarence House was built in the 1990's as a new headquarters and printing press facility for the Hartlepool Mail. At the time the nearby road layout was altered as part of the City Challenge regeneration scheme and in order to help facilitate the development, the Council granted a 99 year lease over Council owned land adjoining William Gray House to Northeast Press for access to the rear of the site. The user clause in the lease stipulated that the land was to be used solely for Hartlepool Mail operations. Northeast Press was subsequently acquired by Johnston Press.

The Council was also the beneficiary of a restrictive covenant affecting the property owned freehold by Johnston Press. The restrictive covenant restricts the use of the building to:

- (i) The trade or business of newspaper publishers and printers and/or
- (ii) office or commercial development within Use Classes A2 or B1 of the Town and Country Planning (Use Classes) Order 1987

The second part of the covenant effectively prevents use of the property for retail (except uses such as estate agents, insurance brokers etc) as well as other commercial or residential uses except offices.

The majority of the building had now been vacated for some time and in December 2014 Members approved a variation of the user clause in the long lease and release of the restrictive covenants in order to facilitate a lease of the building to Seymours. Unfortunately the lease did not proceed due to internal circumstances within Seymours.

The owner's agent had now been able to agree a sale of the property to another party, subject to removal of the restrictive covenant and inclusion of the freehold interest in the access road. Without the inclusion of the access road and the release of the covenants the buildings to the rear of the property were largely unusable. The proposed use for manufacturing and warehousing was contrary to the covenant and this together with access for larger vehicles significantly affects the future use and viability.

The prospective purchaser was currently based in two units at Hartlepool Innovation Centre. This had sufficed for their needs to date but the company is growing and they are therefore looking to move to larger premises. In order to facilitate the sale and re-use of the building, terms had been provisionally agreed for the sale of the Council owned land and release of the restrictive covenant. The terms agreed were set out in confidential appendix 2 to the report. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

The terms agreed are considered to be below the full market value of the property, and therefore any sale on this basis would have to be undertaken as a sale at less than best value under the Local Government Act General Disposal Consent 2003. In August 2012 the Council adopted a protocol to be followed in cases of this nature and the report set out in detail how the proposal met those requirements.

Members welcomed the proposal to bring such a large and significant building within the town centre back into use.

Decision

That approval be granted to proceeding with the release of the restrictive covenant and sale of the land on the terms outlined in confidential appendix 2 to the report. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

172. Sale of Briarfields Paddock and Former Ambulance Depot (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non-key Decision.

Purpose of report

To seek approval for the sale of land known as Briarfields Paddock and Former Ambulance Depot.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the Briarfields Paddock and Former Ambulance Depot had been identified in the Council's Capital Receipt Programme for 2016/17. The site which extends to 4.28 acres was initially marketed for sale as a residential development site in October, 2015. The final closing date for submission of tenders was 27th November, 2015 with six Tenders being received from a number of companies details of which are set out in Confidential Appendix 2. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).

The tenders received were wide ranging due to the significant variation in the density of development proposed. The Head of Planning and Building Control considered a number of the schemes proposed were inappropriate in terms of density and layout having regard to the sensitivity of the site within the West Park Conservation Area.

In order to ensure an appropriate form of development further guidance was provided to all the tenderers inviting further submissions to be provided by 29th January 2016. Revised tenders were invited on the basis of;

- a) The development of 16 units whilst retaining the former Ambulance Buildings and/or;
- b) Development of 18 dwellings on the basis that the Ambulance Station was demolished and the site cleared.

All of the original tenderers submitted revised bids details of which were set out in Confidential Appendix 3. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).

It is considered by the Estates and Regeneration Manager and Head of Planning and Building Control the preferred tender is 2a as referenced in Confidential Appendix 3. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information). It was considered that the proposal represented the most appropriate

combination of deliverability, layout and price, however, this was not the highest tender received. Details explaining the recommendation were set out in Confidential Appendix 4. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).

There was concern expressed by a Member that with site investigations still to be undertaken there was potential for the successful tenderer to renegotiate the tender value down pending planning approval. The Director agreed that there were no guarantees and the proposals were still subject to planning approval. In the event that there were any variations to the proposals set out in the report and appendices, there would be a further report to this Committee.

A Member of the public commented on the traffic issues in the area and if these were to be addressed. The Director stated that any necessary traffic considerations would form part of the planning process. A Member expressed concern at the potential loss of established trees on the site. The Director indicated that any planning application would need to be supported by an appropriate ecology study should this be considered necessary.

Decision

1. That approval be given to accepting tender 2a as referenced in Confidential Appendix 3 of the report. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).
2. That the detailed information supporting recommendation 1 above, as set out in Confidential Appendix 4 to the report be noted. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person including the authority holding that information.

Councillor Springer's abstention to the above decision was recorded.

173. Ward Jackson Park Lodge (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non Key Decision.

Purpose of report

To seek approval to amended terms in relation to the lease of Ward Jackson Park Lodge.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that at Committee on 21 September, 2016 Members approved the granting of a 10 year lease with a 5 year break on the basis of a Full Repairing and Insuring Lease to a business proposing to lease the Ward Jackson Park Lodge. Since this time additional essential renovation works had been identified to bring the property back into full repair, including the insertion of a Damp Proof Course. As these additional works were unforeseen but essential to safeguard the fabric of the building it had been agreed that the Council would fund 50% of the works.

The Director indicated that it had been further agreed that the tenant would fund the initial cost and an additional rent free period will be granted spreading the cost of the Council's contribution over the first 2 years of the lease. Details of the agreement were set out in confidential Appendix 1 to the report. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para 3), Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The tenant had further agreed to extend the lease term acknowledging the Council's additional contribution to the cost of restoring the property but also to provide additional security to the tenant who was investing considerably in upgrading the property. It was proposed to extend the lease from 10 years to 20 years with a 7 year break clause and rent review after 10 years.

Members raised concerns in relation to the changes proposed to the lease and indicated that they wished to discuss the details set out in the confidential appendix. In light of this the Chair sought a resolution to move the meeting into closed session.

Decision

The meeting moved into closed session and in accordance with the Access to Information Procedure Rules, the press and public were excluded from the meeting.

174. Local Government (Access to Information) (Variation Order) 2006

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 173 – Ward Jackson Park Lodge – This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (para 3), Information relating to the financial or business affairs of any particular person (including the authority holding that information).

173. Ward Jackson Park Lodge (*Director of Regeneration and Neighbourhoods*) This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (para 3).

Issue(s) for consideration

The meeting continued the debate in relation to the proposed changes to the lease for the Ward Jackson Park Lodge.

THE MEETING RETURNED TO OPEN SESSION

The Chair referred to the discussions concluded in the exempt section of the meeting and proposed that the recommendations as set out in the report be rejected and the previously approved lease conditions as agreed by the Committee at its meeting on 21 September 2015 (Min. No. 87 refers) stand. The decision to reject the recommendation as set out in the report was supported unanimously by the Committee.

Decision

That the proposed amendments to the terms of the lease for the Ward Jackson Park Lodge be not approved.

175. Child and Family Poverty Strategy (*Director of Child and Adult Services*)

Type of decision

Non-key Decision.

Purpose of report

To update Members on legislative changes regarding Child Poverty and the progress towards creating a new Child and Family Poverty Strategy for Hartlepool.

Issue(s) for consideration

The Assistant Director, Children’s Services reported that The Child Poverty Act 2010 set out new requirements for local authorities to develop a Child Poverty Strategy with the aim of eradicating poverty by 2020. Local authorities had to publish a Strategy, Needs Assessment and Plan that would support the achievement of this target. Hartlepool published its first strategy in 2010 and then updated it again in 2012. The Needs Assessment had since been updated annually.

In June 2014 the government released their new Child Poverty Strategy 2014-2017 with a focus on supporting families to work and increase their earnings, improving living standards and preventing poor children becoming poor adults by raising educational attainment.

The new Welfare Reform and Work Bill would legislate for amendments to the Child Poverty Act renaming this The Life Chances Act. The Bill is proposing to remove the current measurement of child poverty (children living in families where household income is 60% below median income) and replace it with “worklessness and levels of educational attainment”.

The exact details of how poverty would be measured had not yet been finalised but was expected to include:

- Changes in the number of long term workless households;
- GCSE attainment for all pupils;
- Family breakdown, debt and drug and alcohol dependency.

Based on the Relative Poverty Measurement (less than 60% of median income) Hartlepool’s child poverty rate is currently 31%. This was based on the measurement being taken on 0 – 16 year olds. However the figure for children and young people aged 0-19 years old is 33%. It had been as low as 27.9% in 2007 but since then has continued to rise year on year.

In readiness for the requirements set out in the new Welfare Reform and Work Bill a small group of officers have begun to develop a Child and Family Poverty Strategy for Hartlepool. A Child and Family Poverty consultation workshop was held on 28th January 2016 with representatives from the Hartlepool Financial Inclusion Partnership (HFIP) and HBC officers in attendance. A further stakeholder consultation event has been scheduled for 24th March 2016. Parallel to the work being undertaken to develop a new Child and Family Poverty Strategy, Joseph Rowntree Foundation are also undertaking work in Hartlepool to tackle poverty and disadvantage.

At a meeting in December 2015, Council agreed to the creation of a Child and Family Poverty reserve and committed £500,000 to support work to tackle and mitigate the impact of poverty. Over the past year Members have become increasingly concerned about the issue of food poverty and the impact of school holidays on children. Research shows that children living in poverty drop further behind their better off peers when schools are closed and they do not have access to free school meals; they are often physically and mentally unprepared for learning when they returned to school.

In order to maximise the impact of the available reserve, work needs to focus on supporting system change to prevent children and young people being affected by poverty in the longer term. Potential proposals for this funding were:

- A programme in schools to address money management and budgeting;
- Building capacity and skills within the voluntary sector to support families in poverty particularly offering debt advice, money management. At its meeting on 15th February 2016, Finance and Policy Committee agreed to extend the contract with West View Advice and Resource Centre to deliver the Council's financial advice and support service during the 2016/17 financial year. This decision committed £110,000 of the £500,000 reserve;
- Deliver a pilot Holiday Hunger scheme during the 2016 school summer holidays and support organisations that are currently working directly with families in food poverty to develop the scheme so that it is sustainable in the long term.

These proposals would be further scoped in the development of the new Child and Family Poverty Strategy. The Assistant Director indicated that the strategy would form part of the budget and policy framework of the council and would therefore be reported to a future meeting of the Committee for approval prior to referral to full Council for adoption. The Forward Plan would be amended to reflect this.

The Chair of the Children's Services Committee endorsed the work undertaken on the development of the Strategy. The government was clearly not going to meet its original target of eradicating child poverty by 2020 so had decided to change the target to one it could meet. The Chair of the Children's Services Committee proposed that the Committee resist the change to the definition of child poverty and retain the existing measure to ensure that as a Council 'we' had the right data to address the real issues of child poverty in the town.

Members supported the Chair of the Children's Services Committee. Governments had a track record of changing the measure to suit their policies. Child poverty was acute in some wards in the town and the current measure needed to be retained to ensure that those children and

families did not fall out of the system with the new measure. A Member suggested that the approach previously approved by the Committee in relation to The Children’s Hub needed to link into the new Community Hubs so that resources could be brought out to the community as and when required.

A member of the public commented on the issue of school holiday hunger experienced among many children in the deprived areas and questioned if changes to the school holidays could go some way to alleviate this. The Chair of the Children’s Services Committee commented that the agreement of school holiday dates was in the gift of individual schools though there was a level of coordination among maintained schools across the region.

A Member commented that the government had determined one level of poverty in the provision of free school meals. If the government still accepted this measure it had also to recognise that during the school holidays those families were financially worse off at least to the equivalent of the cost of the school meals each week as they had to feed their children at home. It was a major issue in some areas of the town with many children asking to go to school during the holidays and at weekends as they would get fed if they did. The Chair indicated that it was essential that the Council undertook the pilot previously agreed on school holiday hunger to assess the real need in the community.

Decision

1. That Finance and Policy Committee endorses the work of Officers as outlined in this report to develop a new Child and Family Poverty Strategy for Hartlepool working with Members, officers, partners and children and young people.
2. That the new Child and Family Poverty Strategy be submitted to the Committee in the new municipal year for approval and referral to Council for adoption.
3. That appropriate links be put in place between the new Children’s Hub and the new Community Hubs so that resources could be brought out to the community to ensure a full service was delivered to those in most need.

176. Quarter 3 – Council Overview of Performance and Risk 2015/16 – (Assistant Chief Executive)

Type of decision

Non Key Decision.

Purpose of report

To inform Finance and Policy Committee of the progress made against the

2015/16 Council Plan, for the period ending 31 December 2015.

Issue(s) for consideration

The Assistant Chief Executive reported that the current Council Plan had been agreed by Council on the 26th March 2015. The report set out progress against the 177 actions and 141 performance indicators contained within the plan.

Decision

1. That the position in performance as at end of December 2015 (Quarter 3) be noted;
2. That the position in relation to use of RIPA powers as set out in section 4.7 of the report be noted;
3. That the Actions identified as intervention required as set out in Tables 1 and 5 of the report be noted;
4. That the change to the action due date as set out in Table 5 of the report be approved;
5. That the Performance Indicators identified as intervention required, set out in Tables 2, 4 and 6 of the report be noted;
6. That approval be given to NI 123 being changed from a targeted PI to a monitored PI as set out in Table 4 of the report;
7. That the change to risks as set out in sections 5.5 and 8.5 of the report be noted.

177. Employee Sickness Absence 3rd Quarter 2015/16 (Assistant Chief Executive)

Type of decision

For information.

Purpose of report

To update the Committee on the Council's performance, in relation to employee sickness absence, for the third quarter of 2015/16.

Issue(s) for consideration

The Assistant Chief Executive reported that the target figure for the Council excluding Schools is 8.2 wte (whole time equivalent) days absence per employee. The actual sickness rate at the end of the 3rd quarter shows the Council's performance is 8.90 wte per employee per annum. These levels

had declined since they peaked in July 2015 (9.69 wte) through effective management of long term cases, however, the figures still remained over target. The Council would continue to focus on sickness absence management to try and achieve as near to its 8.20 wte average sickness per employee target by the end of the reporting year. The report set out full details of recorded sickness across each department.

Decision

That the report be noted.

178. Any Other Items which the Chairman Considers are Urgent

None.

The meeting concluded at 11.20 am.

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 21 MARCH 2016

HEALTH AND WELLBEING BOARD

MINUTES AND DECISION RECORD

14 March 2016

The meeting commenced at 2.00 pm in the Civic Centre, Hartlepool

Present:

Councillor C Akers-Belcher, Leader of Council (In the Chair)

Prescribed Members:

Elected Members, Hartlepool Borough Council – Councillors Carl Richardson, Chris Simmons and Paul Thompson

Representatives of Hartlepool and Stockton-on-Tees Clinical Commissioning Group (2) – Dr Schock and Alison Wilson

Director of Public Health, Hartlepool Borough Council - Louise Wallace

Director of Child and Adult Services, Hartlepool Borough Council – Sally Robinson

Representatives of Healthwatch – Ruby Marshall and Margaret Wrenn

Other Members:

Representative of the NHS England – Sheila Lister

Representative of Hartlepool Voluntary and Community Sector – Tracy Woodhall

Representative of North Tees and Hartlepool NHS Foundation Trust – Alan Foster

Representative of Cleveland Police – Ciaron Irvine (as substitute for Simon Nickless)

Also in attendance:- Graeme Niven, Hartlepool and Stockton-on-Tees Clinical Commissioning Group

Officers: Carol Johnson, Head of Health Improvement
Danielle Swainston, Assistant Director (Children's)
Amanda Whitaker, Democratic Services Team

53. Apologies for Absence

Representative of Tees Esk and Wear Valley NHS Trust – Martin Barkley

Representative of Cleveland Police – Simon Nickless

54. Declarations of interest by Members

None

55. Minutes

The minutes of the meeting held on 19th January 2016 were confirmed.

Further to minute 51, the Chair of Children's Services Committee advised the Board that the issues highlighted in the meeting regarding access to psychological services had been referred to the Children's Services Committee. The Committee had been assured that there were a range of mental health services available to refugee and asylum seeker families and to the children of those families.

56. SEND (Children with Special Education Needs and Disabilities) Strategy *(Director of Child and Adult Services)*

The report advised that the SEND strategy and terms of reference for the SEND group had been considered and agreed at a meeting of the Children's Strategic Partnership on 23 February 2016. The Partnership had agreed that given the importance of this work the information received should be referred to this Board for consideration.

The Board received a comprehensive presentation by the Assistant Director (Children's) which supported issues included in the report. The Assistant Director advised the Board that there had been significant reforms to legislation and policy in relation to children with special educational needs and disabilities. In September 2011, Hartlepool had been asked to be a pathfinder to trial and pilot the reforms before the changes became legislation for the reforms. Hartlepool had initially worked with Darlington to pilot new ways of working and more recently had rolled out the changes as required by Children and Families Act 2014 and subsequently the New Special Education Needs and Disability Code of Practice: 0-25 years.

It was indicated that the LDD/SEN group had been previously a multi agency group set up to oversee the development of an action plan which was a multi agency group. However the group did not report to any governance structures and it was proposed, therefore, that in order to ensure that all partners had oversight of the progress of this strategy and plan that the group reported to the Children's Strategic Partnership bi-annually. It had been also proposed for the group to be renamed SEND group to ensure that all partners understood the role and aim of the group. Terms of reference had been drafted for the SEND group and were submitted as an appendix to the report.

The Board was advised that the SEND group had recently developed a strategy to ensure that all partners were meeting the requirements of the new reforms. The draft strategy together with a one year action plan was also submitted with the report.

The Board was advised that Ofsted and CQC would undertake joint inspections of local areas assessing their ability to implement the reforms. The inspection would be area based and cover the local authority, health commissioners and providers, together with all of the area's early year's settings, schools and post 16 further education sector. These inspections were expected to begin in May 2016. Local areas would be expected to provide a self evaluation on how effectively it meets its responsibilities for SEND.

The Chair of Children's Services Committee referred to the Principles included in the draft strategy with particular reference to changes to the services provided. The Assistant Director agreed with the expectations expressed by the Chair that strategy documentation should be updated to include reference to any changes to services involving consultation with service users. The Assistant Director agreed also to report back in response to clarification sought on the number of plans currently being assessed and to ensure that all voluntary and community sector organisations were included in the development of the strategy.

Decision

- (i) The Board endorsed the terms of reference for the SEND group and the governance processes for this group.
- (ii) The Board noted the SEND Strategy and to secure strategic sign up to deliver the strategy.
- (iii) The Board noted the information regarding the forthcoming SEND inspection arrangements.

57. Better Childhood Programme (*Director of Child and Adult Services and Director of Public Health*)

The approval of the Board was sought to the implementation of the first phase of the transformation programme Better Childhood Programme. The Board was advised that the Better Childhood Programme (BCP) was a cross public sector transformation programme supported by Cleveland Police, the CCG and Hartlepool Borough Council. As part of this programme Hartlepool Borough Council and its partners had developed proposals for the redesign and integration of their services in Hartlepool with a number of aims as set out in the report.

A report had been presented to the Children's Services Committee on 1 December 2015 which provided an update on the Better Childhood Programme. It set out work that had been undertaken to review demand for children's services and work that was ongoing to redesign services with

partners. The Better Childhood Programme document, appended to the report, set out all the work undertaken through the programme and included the case for change, the redesign work carried out with children, families, workers and partners, overall vision, proposed structures, and timelines for implementation. In support of this redesign, interviews and focus groups had been carried out with a wide range of children and families, and had used this to develop case studies and common themes. The common themes identified from this engagement, which had provided the basis for service redesign activity, were presented to the Board. The Children's Strategic Partnership had developed a vision and priorities for the Better Childhood Programme and the vision and priorities were set out also in the report.

Consultation had taken place with children, young people and parents to understand what services could be done differently to make their lives better. This information had been used by the workforce (in both HBC and NHS trust) to redesign services as set out in the document attached to the report. The work undertaken with children and families was also used to develop design principles that underpinned all the proposed changes as set out in the report. The Board was advised that the proposal was for the Early Help Teams (HBC), Effective Interventions team (HBC), Health Visitors (NHS Trust), Community Nursery Nurses (NHS Trust), School Nurses (NHS Trust) and Family Nurse Partnership (NHS Trust) to be redesigned to four integrated locality teams alongside a specialist team. The locality teams would support children and families at an Early Help level with the specialist team offering intensive support to those families that needed it. It was hoped that these teams could be in place for 1 April 2016, however a project plan was in place to monitor the implementation and if needed timescales would be adapted.

It was noted that research carried out by iMPower throughout the summer had indicated that partners did not like the current early help assessment and this was acting as a barrier to identifying needs as early as possible. Work had been undertaken with all partners to review the current assessment and develop a new one. This would continue to be developed over the next few months.

Following presentation of the report the Assistant Director (Children's) responded to clarification sought from a Board Member regarding the number of looked after children and provided further details of the rationale of the proposals in terms of intervention at an early stage, working closely with schools and avoiding duplication of services.

Decision

The implementation of the first phase of the transformation programme Better Childhood Programme was approved.

58. NHS Planning Process 2016/17 *(Chief Officer, Hartlepool and Stockton-on-Tees Clinical Commissioning Group)*

The report outlined the planning requirements released by NHS England and how NHS Hartlepool and Stockton-on-Tees Clinical Commissioning Group (CCG) and its partners were progressing against those requirements. The Board received a presentation by the Chief Finance Office, Hartlepool and Stockton-on-Tees Clinical Commissioning Group which supported the report.

The Board was advised that documentation set out a clear list of national priorities for 2016/17 and longer-term challenges for local systems, together with financial assumptions and business rules. It also reflected the settlement reached with the Government through its new Mandate to NHS England (annex 2 of the guidance). The Mandate set objectives for the NHS as a whole. The guidance required that NHS organisations were required to produce the following two separate but connected plans:

- a five year Sustainability and Transformation Plan (STP), place-based and driving the Five Year Forward View; and
- a one year Operational Plan for 2016/17, organisation-based but consistent with the emerging STP.

It was highlighted that this was a new, different planning process that supported local change. The 2016/17 Operational Plan was to be regarded as year one of the five year STP, and there was an expectation of significant progress on transformation through the 2016/17 Operational Plan. A basic planning rationale had been submitted to NHSE on the 8th February and a further revised and more detailed document had been submitted on March 2nd before final submission on the 11th April. By April 2016, commissioner and provider plans for 2016/17 would need to be agreed by NHS England and NHS Improvement, based on local contracts that must be signed by March 2016. The guidance outlined Goals for 2020, deliverables for 16/17 and a series of Must Do's also for 16/17. There were nine 'must dos' for 2016/17 which were set out in the report and highlighted in the presentation.

The guidance also asked that every health and care system come together, to create its own ambitious local blueprint for accelerating its implementation of the Forward View; this would be called the Sustainability and Transformation Plan (STP). The STP needed to address the list of national challenges set out in the guidance which detailed the 'national challenges' to help set out ambitions for populations.

The Board was advised that the CCG and Local Authority needed to agree a joint plan to continue to deliver the requirements of the Better Care Fund (BCF) in 2016/17, building on the 2015/16 BCF plan, and taking account of what had worked well in meeting the objectives of the fund, and what had not worked well. CCGs had already been advised of the minimum amount that they were required to pool as part of the notification of their wider allocation. BCF funding should explicitly support reductions in unplanned admissions and hospital delayed transfers of care.

The Board was informed of financial planning guidance indications and that there would be a new, more joined-up approach to planning including NHSE and NHS Improvement (Monitor and the NHSTDA), to ensure detailed,

credible and robust plans with evidence of them being jointly owned and delivered by commissioners and providers.

The report set out also a detailed timetable of forthcoming events and associated deadlines together with next steps. As a result of this guidance the CCG would need to tailor their commissioning intentions for 2016/17 to meet the requirements and deliverables of both the first year operational plan and the five year STP. It was noted that alongside ensuring delivery of the planning requirements the CCG would also utilise the RightCare approach to identify specific areas of focus as detailed in the report.

Board Members recognised the significant challenges which had been highlighted and discussed issues arising from the report. The view was expressed by the Chair of the Board that it was critical that documentation should be in accordance with the Local Health and Social Care Plan. The Chief Officer, Hartlepool and Stockton-on-Tees Clinical Commissioning Group undertook to submit further reports to the Board.

Decision

- (i) The Board considered the requirements in the planning guidance on the need to develop a clear overall shared vision and plan for our area.
- (ii) The Board noted the actions that had been taken to date in the local health and social care community to meet the needs of the 16/17 Planning period and that further reports would be submitted to the Board.

59. Better Care Fund 2015/16 Quarter 3 Return (*Director of Child and Adult Services*)

Further to minute 45 of the meeting held on 30 November 2015, a report presented by the Director of Child and Adult Services provided the Board with an update on implementation of the Better Care Fund Plan. The 2015/16 Quarter 3 return was appended to the report and had been submitted on 26 February 2016. It was highlighted that there continued to be slippage against some of the planned areas of spend, however it was anticipated that all funding would be fully committed by the end of the financial year and used to support delivery of the Better Care Fund Plan.

The Board was advised that Guidance had been published on 23 February 2016 regarding Better Care Fund Planning Requirements for 2016/17. The guidance set out eight conditions which local areas needed to meet in order to access funding. The report set out those conditions together with identification of the planning requirements and the timetable for submissions.

The Chair expressed the view that meetings of the Board in the next municipal year should be scheduled in line with the BCF timetable.

Decision

The Board noted the 2015/16 Quarter 3 return, which had been submitted on behalf of the Health and Wellbeing Board using delegated authorities as previously agreed.

60. Update on Healthy Weight Strategy – Presentation by Director of Public Health

Further to minute 22 of the meeting held on 11th September 2015, the Board received a presentation by the Director of Public Health which provided a six monthly update on the Healthy Weight Strategy for Hartlepool 2015-2020. Board Members were reminded of the background to the Strategy and the recommendations which had been made by the Board.

The Board was advised that Members of the Healthy Weight Healthy Lives Strategic Group had agreed to take responsibility for implementation of the Strategy and Action Plan. Membership of the Group had been reviewed and continued to be extended to ensure those involved were able to take forward the required actions within the Strategy. Cleveland Police had expressed an interest in being involved in the Strategy and had been invited to have a presence at future meetings.

The Board was updated on the progress to date in terms of the following strategic themes:-

- (i)** Strategic Theme 1: Universal – To transform the environment so that it supports healthy lifestyles (Primary Prevention)
- (ii)** Strategic Theme 2: Preventative – Making Healthier Choices Easier by providing information and practical support (Secondary Prevention)
- (iii)** Strategic Theme 3: Services – To secure the services needed to tackle excess weight (Tertiary Prevention)

The Board was informed that in terms of next steps, Members of the Healthy Weight Healthy Lives Strategic Group were meeting this month to agree more precise timescales and identify lead officers to deliver the outstanding actions. A stakeholder consultation event was to be held to inform the Child & Family Poverty Strategy, including holiday hunger, is taking place on 24 March 2016.

Following the presentation, Board Members discussed the importance of having a strong evidence base to ensure the direction of travel was the correct one. The Director of Public Health concurred with the view expressed by the Chair and highlighted the requirement to identify actions that could be measured and suggested the Healthy Weight Healthy Lives Strategic Group

be requested to consider identification of key statistics.

Decision

In order to address a partly outstanding action, it was agreed that Board Members representing the North Tees and Hartlepool Foundation Trust, Tees Esk and Wear Valley Foundation Trust, Hartlepool and Stockton-on-Tees Clinical Commissioning Group, Cleveland Police, Healthwatch and other relevant organisations submit the strategy and action plan to their respective governing bodies for approval/support and any further comments.

Prior to closing the meeting, the Chair highlighted that an additional meeting of the Board had been scheduled for 8 April 2016 commencing at 10.30 a.m. at the Civic Centre.

Meeting concluded at 3:10 p.m.

CHAIR

SAFER HARTLEPOOL PARTNERSHIP MINUTES AND DECISION RECORD

22 January 2016

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool

Present:

Superintendent Gordon Lang, Cleveland Police (In the Chair)
Denise Ogden, Director of Regeneration and Neighbourhoods
Clare Clark, Head of Community Safety and Engagement
Louise Wallace, Director of Public Health
Chief Inspector Lynn Beeston, Chair of Youth Offending Board
Steve Johnson, Cleveland Fire and Rescue Authority

In accordance with Council procedure rule 5.2 (ii) Councillor Jim Ainslie was in attendance as substitute for Councillor Christopher Akers-Belcher, Councillor Jim Lindridge as substitute for Councillor James, Neville Cameron as substitute for Barry Coppinger, Rosana Roy as substitute for Julie Allan and Gilly Marshall as substitute for Stewart Tagg

Officers: Rachel Parker, Community Safety and Research Officer
Denise Wimpenny, Principal Democratic Services Officer

Prior to opening the meeting the Chair, Superintendent Gordon Lang, expressed his disappointment in relation to the level of attendance given the importance of the business.

42. Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Christopher Akers-Belcher and James, Hartlepool Borough Council, Gill Alexander, Chief Executive, Hartlepool Borough Council, John Bentley, Safe in Tees Valley, Barry Coppinger, Police and Crime Commissioner, Karen Hawkins, Hartlepool and Stockton on Tees Clinical Commissioning Group, Julie Allan, National Probation Service and Stewart Tagg, Housing Hartlepool.

43. Declarations of Interest

Councillor Ainslie declared a personal interest in Minutes 46 and 47.

44. Minutes of the meeting held on 20 November 2015

Confirmed.

45. Matters Arising from the Minutes

With regard to Minute 37, Taxi Marshalling Scheme, and the decision taken at the last meeting that all funding stream options be pursued, it was reported that the Police and Crime Commissioner had discussed this issue with the Chair. Alternative funding streams were continuing to be explored, feedback from which would be reported to the next meeting of the Partnership.

Decision

That feedback in relation to the availability of funding be reported to the next meeting of the Partnership.

46. Strategic Assessment 2014 (*Director of Regeneration and Neighbourhoods*)

Purpose of report

To consider and agree the annual priorities of the Safer Hartlepool Partnership Strategic Assessment 2015.

Issue(s) for consideration

It was reported that the Partnership had a statutory responsibility to undertake an annual strategic assessment to identify and address the community safety issues that really mattered to the community.

The strategic assessment contained information to aid understanding of the priority community safety issues identified for the communities of Hartlepool including what had changed over the last year, what work the Partnership was doing as well as how the Partnership measured effectiveness and future challenges. An executive summary of the Strategic Assessment was attached to the report which provided a description of the current local and national delivery landscape and a reminder of the objectives and priorities that had been set the previous year. The assessment would assist the Partnership in setting strategic objectives and inform the annual Community Safety Plan for 2016-17.

The Community Safety and Research Officer, who was in attendance at the meeting, provided a detailed and comprehensive presentation which focussed on the following:-

- Strategic Objectives 2014 - 2017
- Annual Priorities 2015-16
- The Delivery Landscape
- Performance figures as a comparator with neighbouring authorities
- Crime figures
- Acquisitive Crime
- Organised Crime
- Violent Crime
- Domestic Violence and Abuse
- Hate Crime and Incidents
- Anti-social behaviour incidents
- Community Perceptions & Neighbourhoods
- Victims
- Substance Misuse
- Re-offending
- Youth Offending
- Proposed SHP Delivery Groups

Proposed Strategic Objectives 2014-17

- Reduce crime and repeat victimisation
- Reduce the harm caused by drug and alcohol misuse
- Create confident, cohesive and safe communities
- Reduce offending and re-offending

Proposed Annual Priorities 2016-17

- Reduce acquisitive crime
- Safeguard individuals and families from domestic violence and abuse
- Substance Misuse
- Reduce anti-social behaviour
- Support vulnerable victims experiencing crime and anti-social behaviour
- Reduce re-offending

Following conclusion of the presentation, a lengthy discussion ensued which included the following issues:-

- (i) Reference was made to the potential reasons for the increase in acquisitive crime, particularly shop lifting and the measures in place to address this. Members were advised that during analysis of re-offending figures shop lifting was the main type of re-offence. In response to a query in relation to the strategy to tackle re-offending, the Chair of the Youth Offending Board advised that prolific offenders were part of the Integrated Offender Management Scheme and there was a need for a number of arrests to be made before a custodial sentence was imposed.
- (ii) In response to concerns raised regarding the increasing levels of

drug dependency in Hartlepool, the Director of Public Health indicated that whilst drug dependency in young people was relatively low, preventative work in this regard was currently taking place which included awareness raising sessions in schools in terms of the dangers around drug and alcohol misuse.

- (iii) Clarification was sought in relation to feedback from vulnerable victims on the benefits of the restorative justice arrangements. The Head of Community Safety and Engagement advised that the Local Restorative Justice Service was in the first stages of implementation, with a Restorative Justice Co-ordinator having recently been appointed. The police were using restorative interventions to address shop lifting related crime and first time offenders. A view was expressed on the need to focus on restorative justice in terms of its significance for victims of crime and vulnerable victims in particular as well as the need to engage with schools on the restorative justice agenda.
- (iv) A Member highlighted the invaluable support provided by the Victim Services Team to vulnerable victims of burglaries and other crime related activities, examples of which were shared with the Partnership. The Chair acknowledged the hard work of the Victim Services and Community Safety Teams in supporting vulnerable victims and requested that a letter of thanks be sent to the teams on behalf of the Partnership.
- (v) Crime prevention was discussed as well as the problems associated with the night time economy. It was suggested that the issue of early morning restriction orders should be revisited given that it was four years since the matter had previously been considered by the Licensing Committee. It was noted that the intention to revisit this issue would be reflected in the Community Safety Plan.
- (vi) With regard to intelligence gathering, the importance and reliance on PCSO's in terms of information provision was emphasised. In response to a request for clarification, the police representative advised that there were no plans to further reduce PCSO resources.
- (vii) Further discussion ensued in relation to crime figures generally and the need to consider how statistical information would be provided in future given the increase in the size of wards. The Head of Community Safety and Engagement referred to a recent piece of work which examined vulnerable localities and work was currently ongoing in those areas where Anti-Social Behaviour Officers were proactively engaging with communities of this type. The need to provide additional support to victims of race related incidents was also highlighted.
- (viii) With regard to re-offending and the support available to individuals prior to release from prison, clarification was provided in relation to

the Through the Gate Service which had been introduced to manage these issues.

- (ix) The potential reasons for the increase in burglary related crime was debated during which the Chair of the Youth Offending Board commented that whilst domestic burglary figures had increased it was envisaged that the figures would reduce during the next reporting period. It was noted that a number of domestic burglaries were carried out on empty properties.
- (x) In relation to the increase in hate crime, it was reported that hate related incidents had increased nationally and the terrorist related activity that had taken place across Europe had contributed to the increase.
- (iv) The issue of hate crime was further discussed including the asylum seeker situation as well as cultural issues. The Chief Superintendent commented on the need to address the national distrust of the police following recent inaccurate media coverage in this regard, details of which were provided. Concerns were expressed that local authorities may not be informed that asylum seekers were being placed in their areas and therefore appropriate levels of support could not be provided.
- (v) Clarification was provided in response to a number of further issues/queries raised in relation to the strategic assessment.

The Partnership took the opportunity to thank the Community Safety and Research Officer as well as all members of the team involved in production of the strategic assessment.

Decision

- (i) That the strategic assessment and proposed annual priorities 2016-17 be agreed.
- (ii) That discussions, as outlined above, be utilised to assist in setting the strategic priorities for the Community Safety Plan 2014-17.
- (iii) That the issue of early morning restriction orders be referred to the Licensing Committee for review.
- (iv) That a letter of thanks, on behalf of the Partnership, be conveyed to the Victim Services and Community Safety Teams for their hard work in supporting vulnerable victims.

47. **Community Safety Plan 2014-17 (Year 3)** (*Director of Regeneration and Neighbourhoods*)

Purpose of report

To consider the annual refresh (Year 3) of the 2014-17 Safer Hartlepool Partnership Community Safety Plan.

Issue(s) for consideration

It was reported that the Safer Hartlepool Partnership was required to produce an annual refresh of the 2014-17 Community Safety Plan following completion of the annual strategic assessment. A draft version of the revised Community Safety Plan for 2014-17 was attached at Appendix A which had been developed based on the findings of the Strategic Assessment and public consultation.

Members were referred to the four strategic objectives and six annual priorities, details of which were set out in the report. Progress against the Plan would be managed and monitored by the Partnership through quarterly performance reports and review of Task Groups/Sub Group Action Plans. The Partnership's approval to the proposed reporting timetable, as set out in the report was sought and the identification of an appropriate Partnership member to Chair Partnership Task Groups/Sub Groups. In addition to the existing delivery structure, the Partnership's views were sought as to whether a time limited task and finish group to address acquisitive crime, particularly domestic burglary would be beneficial. The Partnership was of the view that given current resource issues, each of the individual task groups should explore how they could contribute to reducing acquisitive crime when developing their action plans.

The Head of Community Safety and Engagement reported that the Plan would be amended to include some of the comments of Partnership Members, as detailed in Minute 46 above, and would be reported to the next meeting of the Finance and Policy Committee.

Reference was made to the discussions in relation to early morning restriction orders and clarification was sought regarding the recommendation of the Partnership, as set out in Minute 46 above. The Head of Community Safety and Engagement advised that the Community Safety Plan would include an action for the Licensing Committee to investigate early morning restriction orders.

Decision

- (i) That the draft Community Safety Plan 2014-17 be approved subject to the inclusion of recommendations of the Partnership, as set out in

Minute 46 above, in relation to early morning restriction orders and restorative justice issues.

- (ii) That the Task Group delivery structure and reporting timetable, as set out in the report, be agreed.
- (iii) That the following Partnership Members Chair the following Groups:-
 - Anti-Social Behaviour – District Manager, Cleveland Fire Authority
 - Substance Misuse – Director of Public Health
 - Domestic Violence – Head of Community Safety and Engagement
 - Communication – Head of Community Safety and Engagement
 - Offending/Re-offending – Head of Offender Services, Durham Tees Valley Community Rehabilitation Company
 - Joint Action Group - Local Area Commander, Cleveland Police
- (iv) That each of the individual Task Groups explore how they can contribute to reducing acquisitive crime when developing their action plans.

48. Any Other Items which the Chairman Considers are Urgent

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

49. Any Other Business – Proposed Closure of Hartlepool Magistrates Court

The Director of Regeneration and Neighbourhoods reported that whilst there had been no acknowledgement to the objections by the Council to the closure of the Magistrates Court, and no formal notice had been received, it was anticipated the closure would go ahead in 2016/17.

Decision

That the information given be noted.

50. Any Other Business – Off-Road Motor Cycles

A Member expressed concerns regarding the ongoing problems associated with off-road motor cycles which had been reported to the Police and Crime Commissioner. The Chief Superintendent outlined the process and importance of reporting such incidents to the Off Road Motor Cycle Team to enable information to be collated with a view to tackling this problem, The

Community Safety and Research Officer added that this had been identified as a ward priority and work was currently ongoing with the Council's Enforcement Team and Neighbourhood Policing with a view to educating individuals of the restrictions. There was a reliance on the public to report such incidents to the Community Safety Team.

Decision

That the information given be noted.

51. Date and Time of Next Meeting

It was reported that the next meeting would be held on Friday 11 March 2016 at 10.00 am.

The meeting concluded at 11.35 am.

CHAIR

FINANCE AND POLICY COMMITTEE

16th May 2016



Report of: Director of Regeneration and Neighbourhoods

Subject: HME/NMRN/HMS TRINCOMALEE REVIEW

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i) and (ii)) Forward Plan Reference No. RN 26 / 13.

2. PURPOSE OF REPORT

2.1 To seek Member approval to complete agreements for the implementation of a single site operation at Hartlepool Maritime Experience (HME) managed and operated by National Museum of the Royal Navy Hartlepool (NMRNH) a subsidiary of the National Museum of the Royal Navy, (NMRN) which operates a number of prestigious naval museums including those at Portsmouth, Gosport, Belfast and Yeovilton. To seek approval to fund the cost of outstanding building works on the site both before and after the transfer.

3. BACKGROUND

3.1 Whilst the initial impetus for the review of HME and HMS Trincomalee was focused on the potential to improve the overall management and financial circumstances of the site, the involvement of NMRN has brought in the potential for major enhancement of the attraction and wider benefits to both the immediate area and Hartlepool in general. At the same time, the Hartlepool Regeneration Masterplan has been finalised; building on the work of the Hartlepool Vision the Masterplan sets out a strategy to deliver fundamental change for the town and enable a new chapter in the economic growth of the borough. The proposals set out in this report for HME therefore needs to be considered in this context as the establishment of NMRN at the site will be a major driver for beneficial change. The key elements of the Masterplan in relation to HME are therefore set out below.

3.2 The regeneration of the Masterplan Area requires the delivery of a series of inter-connected interventions. The success of each intervention will depend on the delivery of others and a holistic joined up approach.

- 3.3 The Masterplan therefore focuses on a number of key projects and sites within three sub-areas: the Town Centre, Innovation and Skills Quarter and Waterfront. These will be linked by improved pedestrian and cycle connections delivered through new public infrastructure and public realm enhancements.
- 3.4 By creating more attractive public spaces and more efficient routes, particularly for pedestrians, the Council can significantly improve the chances of securing the private sector investment necessary to deliver the full potential of sites and properties in the Masterplan area and beyond. In doing so, Hartlepool will be seen to be investing in itself, a vote of confidence which will create a more positive view of development in the town by the private sector.
- 3.5 The Waterfront was identified as a key area for the Masterplan with an excellent opportunity to improve and re-launch it.
- 3.6 The Masterplan recommends the creation of a “Heritage and Cultural Quarter” creating a cluster of attractions which will encourage demand for greater ancillary facilities. NMRN is key to achieving the ambitions for the area and will act as a catalyst for new investment and development around the Waterfront.
- 3.7 The current visitor offer does not encourage repeat visits and the Waterfront is no more than a half day attraction which is limiting the economic potential of the area. The opportunity to enhance the offering with the proposals for NMRN will help to overcome these issues. The mix of permanent and temporary exhibits will encourage repeat visits from both tourists and local residents. The establishment of a major national brand in the tourism sector will be a major catalyst for supplier chain development and will act as a key anchor investment within the Waterfront.
- 3.8 Creating a cluster of attractions has proven to be a positive development in several locations in the UK, including Portsmouth where they have created several attractions under one banner- “Portsmouth Historic Dockyard”. Similarly Hull has created a dedicated Museum Quarter which aims to encourage more visitors to stay longer, and consequently spend more money, which is a key aim shared by Hartlepool.
- 3.9 Once the NMRN Hartlepool is fully integrated into HME this will open up a number of new development and investment opportunities particularly for Jacksons Landing which has been identified for a landmark development opportunity. Jacksons Landing should be considered a once in a lifetime development opportunity. The number of speculative enquiries for Jacksons Landing has increased since the NMRN announced their interest in HME.
- 3.10 Members will recall that a report on this matter was presented to Committee on 30th January 2015, wherein Members agreed to proceed with the implementation of a single site operation managed and operated through the NMRN Hartlepool subject to Committee approval for the

dilapidations costs. Since that time considerable work has been carried out to facilitate the transition to the new arrangements and further detailed discussions have taken place with NMRN in relation to the legal and commercial structure of an agreement to be entered into between the parties. Whilst much progress has been made, a number of points have yet to be finalised at the time of writing but as the intended completion date is 1st June it has been necessary to bring this report to Committee and Members will be informed as to the latest position at the meeting.

- 3.11 It is proposed that the start date for the new structure will be 1st June 2016 subject to a suite of legal agreements in relation to lease terms, options to purchase and financial and services contracts together with arrangements in relation to TUPE. The site will be leased to the NMRN Hartlepool but will be operated through the NMRN (Operations) and NMRN (Trading) to ensure compliance with the Charities and Company Law requirements.
- 3.12 The area to be leased is shown hatched on the plan at **Appendix 1**. The Museum of Hartlepool sub lease area is shown cross-hatched on the same plan.
- 3.13 The proposals presented by this report are intended to facilitate a major change and improvement to the management and development of Hartlepool's key visitor attraction. This partnership arrangement represents both an exciting opportunity for the Museum and the town and the best way forward for the facility given the financial climate in which the Council has to operate. NMRN is a major operator of visitor attractions and is able to access expertise, funding and exhibits that would not easily be available to the Council. Under the proposals the Council will contribute an increased subsidy for the first five years as set out in **Confidential Appendix 4. This appendix contain exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 3.14 NMRN's business planning indicates a very substantial investment in the site on the basis of achieving major grants in order to considerably enhance the attraction and increase visitor numbers. The single site operation is intended to streamline the management of the facility. Through the introduction of new and refreshed exhibitions together with re-branding the site as the NMRN Hartlepool combined with improved marketing it is intended to make the museum financially sustainable. The major part of the investment is likely to be in the 5th and 6th years of the lease but more modest, though significant, investment is also being considered for the earlier years.
- 3.15 A vision document has recently been received from the Director General of NMRN expressing significant enthusiasm to develop the Museum to make Hartlepool the NMRN's northern base. The aim is to make the facilities a 'must see' destination with plans to expand the exhibitions to tell the wider story of the Royal Navy in the North East to include amongst others the

Royal Marines and the Submarine Service in a new exciting and integrated way. Objects including aircraft and artillery are intended to be brought to the site together with special exhibitions, events and re-enactments to bring the site to life. Potential also exists to bring new vessels and inject wider interest in to the harbour with Landing Craft Tours inside the basin or longer trips on an historic Coastal Forces vessel. The full vision document is set out in **Appendix 3**. Illustrations of some of NMRN's projects can be found in **Appendix 2**.

- 3.16 Development of the site will be incremental but the NMRN have significant collections of exhibits and substantial knowledge and experience of delivering successful national tourist facilities.
- 3.17 As part of the agreement NMRN Hartlepool will also have an option to purchase the site after ten years with the Council retaining an option of first refusal to buy back the site should the NMRN Hartlepool decide to sell in the future. If the Council does not decide to repurchase and the site is sold to a third party, the Council will have the benefit of an overage arrangement, to share in future sale proceeds.
- 3.18 The terms recommended for agreement are set out in **Confidential Appendix 4. This appendix contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 3.19 In order to meet the 1st June proposed completion date, staff consultation under TUPE regulations have already commenced.

4. PROPOSALS

- 4.1 It is proposed to proceed with a transfer of the operation of HME to NMRN on the basis of the legal agreements comprising:
1. Lease of the whole property to NMRN Hartlepool for a period of 35 years, subject to a break clause in favour of the tenant after year five and year ten.
 2. Sub lease back to the Council the Museum of Hartlepool. Repairs under the sublease will be chargeable to the Council, after a period of time in the future.
 3. Agreement in relation to outstanding repairs and redecoration required at the site to bring it into serviceable order phased over a three year period. Once the initial repairs have been completed the NMRN Hartlepool will be responsible for repairs and maintenance during the remainder of the lease term.

4. Option to purchase from year ten for a period of five years in favour of NMRN Hartlepool.
5. Overage and Pre-emption agreement operable in the event of a subsequent onward sale by NMRN Hartlepool.
6. A financial agreement setting out the amounts to be paid by the Council in the first 5 years.
7. A Services Agreement relating to the operation and management of the Museum of Hartlepool.
8. The constitution of the NMRN Hartlepool, incorporating Council representation on the Board (two representatives, the Leader and Chief Executive of the Council).

5. RISK IMPLICATIONS

5.1 The proposals presented by this report are intended to facilitate a major change and improvement to the management and development of Hartlepool's key visitor attraction. This partnership arrangement represents both an exciting opportunity for the museum and the town and the best way forward for the facility given the financial climate in which the Council has to operate. NMRN is a major operator of visitor attractions and is able to access expertise, funding and exhibits that would not easily be available to the Council. Nevertheless there are inevitably some risks associated with the proposal which can be outlined as follows:

1. Significant investment is subject to successful grant applications to external bodies including Local Growth Fund and Heritage Lottery Fund. NMRN do however have an impressive track record of securing funding and developing nationally recognised visitor attractions. The NMRN's proposals are a key strategic priority for Hartlepool and have therefore been included within Tees Valley Combined Authority's priorities for future investment through the devolution deal. Both the Council and the NMRN have a good track record of obtaining Heritage Lottery Funding and the Council will work alongside the NMRN Hartlepool to identify and support any bids for external funding.
2. The increase in visitor numbers envisaged is not achieved - on the basis that the proposed marketing programme and capital investment is carried out by NMRN Hartlepool, visitor numbers are very likely to increase substantially and given NMRN's experience of running their other sites a reasonable degree of confidence can be placed in their estimates.
3. The Museum does not become financially sustainable – although the Council and the NMRN Hartlepool are investing additional resources into the site and working together to submit funding bids, there is no guarantee the site will become sustainable. Under the new

arrangements, however, the site will benefit from efficiency savings achieved via the economies of scale associated with running one site instead of two. Gift aid and Business Rate Relief will also reduce running costs significantly. These changes along with the additional investment, marketing and expertise on site will mean that the new arrangements are likely to increase the chances of a financially sustainable site beyond anything the Council could achieve working without a partner such as the NMRN. NMRN Hartlepool will have the benefit of a break clause at the end of the 5th and 10th year of the lease which they could use to exit the site. However, they have indicated that they have no intention of doing so and it is a very unlikely scenario.

4. The option to purchase is exercised on or after year ten and the use of the site is changed or a subsequent sale to a third party results in a change of use of the site. The grant of an option to purchase, if exercised by NMRN Hartlepool will inevitably mean that the Council has little or no control over the site thereafter. However:
 - a. It is the intention of NMRN Hartlepool to run a naval museum at the site on a permanent basis
 - b. It provides a highly suitable home for HMS Trincomalee,
 - c. The greater the success of the museum, the better its future is protected, and NMRN Hartlepool are more likely to invest in a facility in which they have a valuable stake, and
 - d. Regeneration in the area should flow from but also contribute to the long term success of the attraction.

The option to purchase may benefit the museum and the area more generally in the longer term. Furthermore the Council will have a pre-emption right allowing it to re-purchase on a subsequent onward sale by NMRN Hartlepool, and would also benefit from an overage payment if the property were sold to a third party. A letter and vision document outlining NMRN's intentions and also their success at other sites in raising funds has been received from the Director General of NMRN. NMRN have in the last 7 years raised and invested £33.5m in other sites including the Submarine Museum, NMRN Portsmouth and HMS Caroline in Belfast. A £55m endowment has also been raised for HMS Victory.

5. The costs associated with any outstanding repairs exceed the estimates provided. Pre-tender estimates have been provided which include appropriate contingencies. An independent survey report has been used to determine the work package and the specifications and cost estimates have been prepared in conjunction with the Council's in-house Building Design and Construction team. Officers are in the process of negotiating agreement. The work, wherever possible, will be carried out by the Council's in-house teams, contributing to their work programme over the next three years.

6. FINANCIAL CONSIDERATIONS

- 6.1 As stated earlier in the report, on the 30th January 2015, Finance and Policy Committee approved the transfer of the site to NMRN Hartlepool subject to Committee agreeing the dilapidation costs. This included the transfer of all existing budgets along with additional subsidy phased over a five year period. Funding for the additional subsidy was approved as part of the 2015/16 Medium Term Financial Strategy and this will be used to support additional investment in the site including marketing, site improvements, and match funding for potential bids to external partners such as the HLF and Local Growth Fund for more major developments.
- 6.2 This decision will ensure the Wingfield Castle and Museum of Hartlepool continue to be provided as a free service during the five year period, and the HME site receives the investment necessary to increase the visitor numbers to the site, something which is essential to the long term financial viability of the attraction.
- 6.3 The contract to be signed between the Council and NMRN Hartlepool includes an agreement to share any profits generated during the five years. At the end of each financial year a review of the financial performance will be carried out to monitor investment and progress on performance.
- 6.4 It should be noted that in the first five years any profit will be reinvested in the site. It is considered that the overall success of NMRN Hartlepool and the regeneration benefits such success will bring are critical. The establishment of NMRN Hartlepool has the potential to bring significant long term financial and reputational benefits to Hartlepool for many years. Furthermore, there will be a revenue saving from year 6 of the agreement (i.e. financial year 2021/22), as the subsidy for the HME element expires at the end of year five. Continuance of the Museum of Hartlepool as it currently stands will continue to incur a cost in the future.

Capital Costs

- 6.5 The Revenue budget transferred includes all premises related expenditure including rates and utilities and a provision for day to day cyclical and routine maintenance. The Council's budget does not however, fund major capital works. Such costs are currently funded via bids to the Council's Capital Fund (CCF) or external funders.
- 6.6 Ongoing repair and maintenance for the HME will be the responsibility of the NMRN Hartlepool after transfer, reducing this liability for the Council going forward. As outlined in the previous report however, the transfer does include a requirement for the Council to make good any defects currently outstanding on the site prior to the site being leased to NMRN Hartlepool. This issue was previously reported to Finance and Policy Committee on 30th January, 2015 where Members sought a further report to be submitted to the Regeneration Services and Finance and Policy Committee detailing the proposed schedule of works, associated costs and

timescales, prior to NMRN taking responsibility for repairs and maintenance.

- 6.7 As part of the transfer arrangement a detailed condition survey needed to be completed and agreement reached between the Council and NMRN Hartlepool on works currently outstanding. A detailed assessment has now been completed. The cost has been reduced by agreeing for some of the works to be carried out by the Council's own in-house Building Maintenance service. A three year programme is being negotiated for building, mechanical and electric works and dry dock repairs to be completed as shown in **Confidential Appendix 5 – table 1. This appendix contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 6.8 As already stated previously these costs would have been met over a number of years from the Council's Capital Fund as the need for the works arose. It should be recognised that these are not additional works required as a result of the transfer. These repairs would have been required in the future and a funding decision would have been required at some point over the next three to five years regardless of the transfer.
- 6.9 These costs now need to be funded and it is proposed to use the Council's Capital Fund (CCF) to cover these costs over a three year period. After reflecting these commitments the uncommitted CCF budget is £182,000.
- 6.10 In addition to the schedule of works agreed with the NMRN Hartlepool negotiations are ongoing regarding other potential works which may be required as shown in **Confidential Appendix 5 – table 2. This appendix contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).** The cost of these potential works exceeds the uncommitted CCF budget of £182,000 and the Council may need to identify additional funding if all these works need to be completed over a 3 year period. To enable this project to progress a fall back financial plan is needed to fund the additional potential costs. As these costs would fall over three financial years it is recommended that these costs are funded from a combination of achieving a 2016/17 managed revenue budget underspend, or the over achievement of the existing capital receipts target. At this stage it is anticipated that these measures can be relied upon to provide additional funding if this is unavoidable and this strategy avoids increasing financial risk.
- 6.11 Committing the whole of the CCF for this project means that this funding is not available for other potential projects. Therefore, it is recommended that as part of the development of the 2017/18 Medium Term Financial Strategy, the Council seeks to use any uncommitted underspends at

Outturn, over the three year period, to payback this funding where possible. In the event that this is not possible alternatively the Council will seek to repay the CCF monies from any additional Income generated from Capital Receipts, over and above the target currently included within the MTFS.

- 6.12 The Capital costs associated with the Wingfield Castle will continue to be the Council's responsibility and the Wingfield Castle is expected to require major renovation works in the next five to ten years. Detailed structural survey work will be undertaken, and the results of which will be presented to Members by way of a future Committee report.
- 6.13 As outlined in Section 11, there is one voluntary redundancy as a result of the restructure and this will need to be separately funded from the Council's existing earmarked redundancy reserve.

7. LEGAL CONSIDERATIONS

- 7.1 As outlined above, the main elements of the agreement with NMRN Hartlepool are a lease of the premises, a sub-lease back to the Council of the Museum of Hartlepool, an option agreement and representation on the Board of the NMRN Hartlepool that will run the museum. There will also be a services agreement governing the management of the Museum of Hartlepool on behalf of the Council by NMRN Hartlepool. This will be encompassed in an overarching 'umbrella' agreement between the various parties.
- 7.2 There has been a process in place in relation to formation of the new staffing structure which has entailed compliance with employment law. Further details of the staffing implications are given below at section 11.
- 7.3 It has been agreed that NMRN Hartlepool will honour existing service contracts with maintenance contractors and these will be transferred on completion.

8. CHILD AND FAMILY POVERTY

- 8.1 There are no child and family poverty implications relating to this report.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

- 9.1 There are no equality and diversity considerations relating to this report.

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

- 10.1 There are no Section 17 considerations relating to this report.

11. STAFF CONSIDERATIONS

- 11.1 The current staffing structure at the site across both the Council and Trincomalee Trust operations has for some time been recognised as inappropriate for a single site operation. NMRN have therefore formulated a new structure and the process to achieve this has been ongoing since early 2016.
- 11.2 The staffing arrangements to facilitate a proposed business transfer from the Council and HMSTT and Executive Catering are progressing well and on course for June 2016.
- 11.3 The Council's staffing establishment consists of 17 posts currently being covered by 12 permanent employees and 4 temporary (fixed-term posts) employees. There are also 8 casual workers (4 are currently undertaking the temporary posts until 31st May 2016).
- 11.4 To enable the NMRN Hartlepool to become a single site operator a restructure was proposed in line with an established operating model already adopted across a number of geographical sites. The proposed structure includes the creation of several new posts.
- 11.5 Formal consultations have been undertaken, involving the recognised Trade Unions during February and March 2016 and a job matching exercise undertaken with recruitment selection processes have been underway during April 2016. Selection processes have commenced with all employees having the opportunity to give their expressions of preference for job roles within the new structure. This process will continue until all job roles within the new structure have been appointed to with those posts where internal recruitment has not been possible being advertised externally.
- 11.6 The outcome is that all Council staff have secured employment and one employee will be granted voluntary redundancy.
- 11.7 This outcome has been assisted by the Council actively managing staffing over the past year to, where possible; retain vacant posts with a view to reducing the impact of any restructure.

12. ASSET MANAGEMENT CONSIDERATIONS

- 12.1 The property forms a significant operational asset of the Council. The decision to adopt a commercial approach to asset management normally requires the Council to realise the full value of any properties or property rights of which it disposes.
- 12.2 In this instance, the property is to be let, and an option to purchase granted, in order to facilitate a major enhancement and re-branding of the museum and to be a driver for regeneration in the area. The proposed lease and option to purchase therefore need to be considered in this

context. The lease and option arrangements include safeguards to ensure as far as possible that the desired outcomes are achieved and that the Council's financial interests are protected.

- 12.3 The successful implementation of this project by NMRN has the potential to enhance the value and or bring forward the redevelopment of other Council assets in this location, although other town centre assets may also benefit through wider regeneration.

13. RECOMMENDATIONS

- 13.1 It is recommended that approval is given to complete agreements with NMRN for HME to become NMRN Hartlepool, a key facility within NMRN's national organisational structure, on the basis of the terms set out in **Confidential Appendix 4. These appendices contain exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 13.2 Approve the maximum cost of the agreed dilapidations as outlined in **Confidential Appendix 5 – table 1. This appendix contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 13.3 Delegate authority to the Chief Executive, Director of Regeneration and Neighbourhoods, Chief Finance Officer and Chief Solicitor in consultation with the Leader to conclude negotiations regarding other potential works which may be required as shown in **Confidential Appendix 5 – table 2. This appendix contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 13.4 To note that the cost of the potential works detailed in recommendation 13.3 (summarised in Confidential **Appendix 5 – table 2) This appendix contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information)** may require additional funding and if this is necessary a further report will be submitted to Finance and Policy Committee and Full Council recommending that they be funded from a combination of the uncommitted CCF budget, achieving

a 2016/17 managed revenue budget underspend and the over achievement of the existing capital receipts target.

- 13.5 As part of the development of the 2017/18 Medium Term Financial Strategy, seek to replenish the Council's Capital Fund on the following basis over the next three years:-
- i) any future uncommitted underspends at Outturn,
 - ii) additional Income generated from Capital Receipts over and above the target currently included within the MTFs.
- 13.6 It is recommended that Committee approve the payment of redundancy costs in relation to one voluntary redundancy from the existing redundancy reserve.
- 13.7 It is recommended that Council representatives, initially the Chief Executive and Leader, represent the Council on the NMRN Hartlepool.

14. REASONS FOR RECOMMENDATIONS

- 14.1 The branding of HME as a key NMRN northern facility will achieve much greater market exposure both internationally and nationally which will greatly increase potential markets and opportunities. This will drive visitor figures upwards and this will have a major direct impact on the site but should also indirectly benefit other businesses in the area, particularly in the hospitality, catering and leisure sectors. As visitor numbers to the area improve, this will lead to increasing interest from other operators and developers to undertake additional development. As such it is anticipated that wider regeneration will be achieved as a result of the NMRN catalyst.
- 14.2 Successful implementation of the NMRN's proposals will contribute to the ongoing maintenance of HMS Trincomalee on a financially sustainable basis, helping to ensure her long term future as the world's oldest floating warship and a major visitor attraction.
- 14.3 NMRN Hartlepool intends ongoing investment with a major development proposed in year 5/6 (dependent on grant funding). NMRN Hartlepool have outlined proposals for significant levels of product development and marketing in years 1 to 4.
- 14.4 Whilst there will be ongoing expenditure on repairs to the buildings and dock over the first few years of the lease, NMRN Hartlepool will become responsible for all repairs and maintenance of the property once agreed repairs have been completed.
- 14.5 Whilst an additional subsidy will be required from the Council in the first five years, responsibility to maintain the operation will then pass wholly to NMRN Hartlepool and there should thus be an ongoing revenue saving from that point, except in relation to the Museum of Hartlepool, which will continue as a free entry museum funded by the Council.

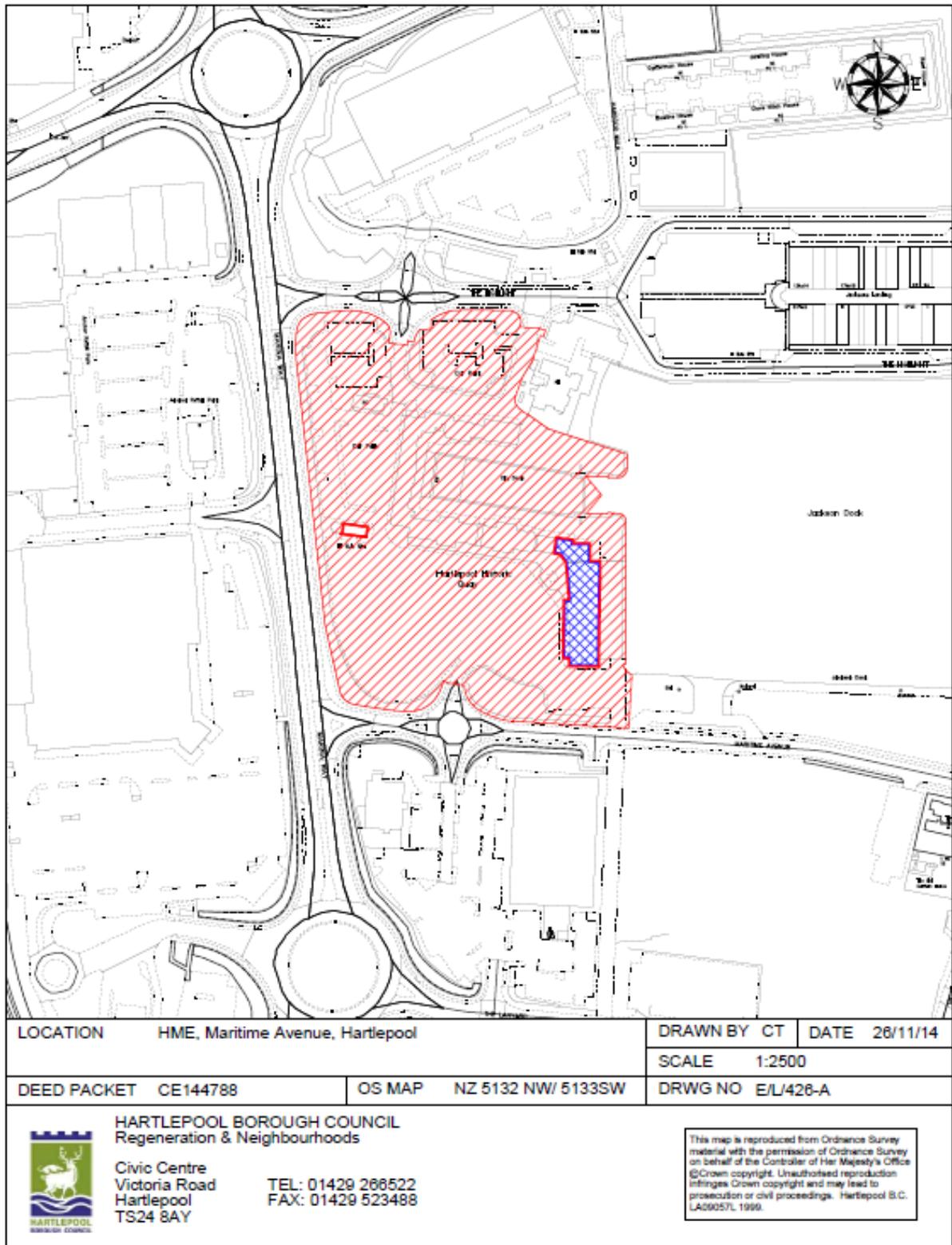
- 14.6 The terms agreed are considered to reflect the party's respective contributions and requirements to the transfer.

15. BACKGROUND PAPERS

- 15.1 Report to Finance and Policy Committee Review of HME/NMRN/HMS Trincomalee Review, 30th January 2015.

16. CONTACT OFFICER

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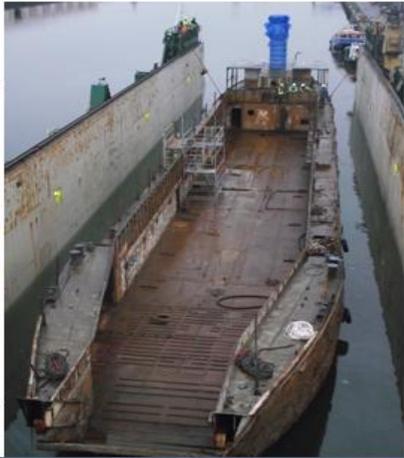




THE NATIONAL MUSEUM  THE ROYAL NAVY



Our Projects



National Museum of the Royal Navy, Hartlepool

Introduction

In HMS Trincomalee, Hartlepool possesses one of the world's greatest surviving warships. Only seven fighting ships from the age of sail survive. Of them Trincomalee, a *Leda* class frigate built in Bombay in 1817, is the oldest still afloat. She is a superbly-restored and magnificent survivor of a lost age. To enable her to survive some £10m was invested, a sum which could be doubled if adjusted for today's prices.

Trincomalee sits in an important historic graving dock and is surrounded by Hartlepool Maritime Experience. This is a fine and effective recreation of a late eighteen/early nineteenth century waterfront complete with shops and houses. Other spaces offer the Fighting Ship, an excellent walk through experience which conveys something of life and death on a late eighteenth century frigate, a café and corporate hospitality space and an educational space. There is a common entrance with Hartlepool Museum which is an excellently-presented exploration of Hartlepool's rich, varied and interesting history. Wingfield Castle, an historic Humber Ferry built in Hartlepool provides further educational space and a café. Several millions were invested in this imaginative scheme.

The aim of this investment was to assist in the economic regeneration of Hartlepool. No one could reasonably deny that it has had a considerable effect, but the product now needs reviewing and revitalising to play an even greater role in Hartlepool's further development. Without that leap of imagination there is a risk that what has already been achieved will be lost and thus much of the sunk investment wasted.

The National Museum of the Royal Navy

The National Museum of the Royal Navy (NMRN), already owns the Trincomalee Trust and through them the ship. Clearly NMRN wishes to protect this important vessel for the future, but we also greatly value the setting which has been created around her. Together they offer a unique and intriguing experience and something which cannot be offered elsewhere. Also for NMRN, HMS

Trincomalee is most valuable where she is. We have HMS Victory, HMS M33, HMS Alliance and HMS Holland 1 in Portsmouth; we do not need another ship there. NMRN, therefore, is committed to Hartlepool. The idea of making Hartlepool our northern base is one which the Trustees have approved and one which will play a uniquely valuable role in bringing the Royal Navy story to new and different audiences.

Two things now need to happen: the existing product need to be focused, promoted and refreshed with a singleness of mind, and major investment planned in order to achieve critical mass, complementing and partnering with further development around the harbour basin. The aim is to complete the creation of a 'must visit' destination in Hartlepool. The opportunity is in front of us.

The Immediate Future

For the short term, the following must be achieved in order to build visitor numbers and enjoyment, and thus to maximise the economic impact of what has already been achieved and in a manner which is more sustainable:

- Merge the operation of the site into a single business, allowing the abilities of our people to be both liberated and focused
- Understand better the potential audiences and market segmentation so that marketing can be better targeted and more effective. There needs to be a concomitant understanding of the economic impacts of the existing offer
- Invest in improved and more targeted marketing. HME and HMS Trincomalee together offer a great visit, but not enough people know they are there, what they are and why they should visit. This will take time to fix, but will pay dividends
- There needs to be small-scale investment in the site so that there is enough that is new and different to catch the eye of first time visitors and draw back those who have been before and enjoyed their visit. This may include performance along the lines of the highly successful gun firing demonstrations
- There are also opportunities for medium-scale investment, such as the complete refreshment of Fighting Ships, where new technologies can enhance the experience while preserving the excellent existing framework of the show
- There must be a greater commercial focus, so that retail, catering and corporate opportunities are maximised and new business opportunities level
- There needs also to be an enhanced learning offer

If all of this is done, then it is reasonable to expect visitor numbers to move rapidly towards the 80,000-85,000 a year mark, assuming there are no external shocks or factors lying outwith

management control. This represents a doubling of existing visitor numbers with a corresponding economic impact on Hartlepool

Delivering the Vision

In the medium terms the challenge is to reinvest heavily in the site to straighten the offer and deliver greater critical mass. The longer term objective will be to create a destination that can hold the visitor for a whole day. The intermediate objective is to hold visitors on the site for three to four hours. With longer dwell time will come more revenue as visitors spend on catering, retail and other commercial offers. What can be achieved in detail will depend on what else is created in the surrounding area. If there is a complementary cultural offer, for example, then that will help HME. We envisage creating new galleries telling the broad Royal Navy story, but linked to what happened in the north east. We will tell the story of the surface fleet, the Fleet Air Arm, The Royal Marines and the Submarine Service, but in a new, exciting and integrated way. We intend to anchor the story with big objects such as aircraft, big guns to the site, together with some of the rich holdings of NMRN currently in store. The story we tell will also be personal, that is told from the point of view of those who served and sacrificed for their country and of their families, often left behind for long periods. This gives us the opportunity to use voices and stories from the north east connecting directly with our targeted audiences. By creating special exhibitions, running events, staging performance and re-enactment we can also bring the site fully to life. It is particularly important to create special exhibition galleries giving a space of around 200 square metres and another of between 400 and 500 square metres, capable of being reconfigured to take different kinds of shows. Exhibitions will need to be overtly popular and linked where possible to anniversaries. Always popular are:

- D Day
- Special Services such as the Special Boat Service
- Nelson and the Nelsonian Navy (frigate captains, the so-called 'Sea Wolves' is a story which is particularly resonant alongside Trincomalee)
- Captain Bligh and the Bounty
- Captain Cook and exploration
- U boats and convoys (Arctic convoys would be especially resonant for the north east)
- Policing Empire (perhaps under the title 'Send a Gunboat')

- The Anglo-German Naval race before the First World War

And there are many more which could be developed.

We consider that the optimum part of the site for redevelopment is to the east of the current HME, behind the waterside public house. A development of between £5 and £7m here should be fundable By HLF matched off by RDF.

We also see other important opportunities to inject life and interest into the harbour area. We could run Landing Craft tours around the inner basin, or organise longer trips using our historic Coastal Forcers vessel. She is licensed to carry 150 passengers and could be based in Hartlepool on a regular basis to run visitors out to the headland for example.

Another Ship?

One exciting idea is to bring another Naval vessel to Hartlepool. NMRN is actively looking at the former HMS Whimbrel. She was a Black Swan class corvette, which served on the Atlantic convoys, at D Day, on operation Husky (the invasion of Sicily) and in many other places. After the war she entered Egyptian service and is now being decommissioned. An enormous amount of the World War Two structure survives. Such a ship would rekindle interest in HME in spades. If not Whimbrel, and acquiring and moving her would be complex and costly, then there may be other vessels which could be acquired.

NMRN Track Record

It might be thought that all of this is pie in the sky; it isn't. NMRN has raised some £91m in its seven year history for capital development. Of this:

- £55m is earmarked for the full restoration of HMS Victory, a project which will stretch over a further fifteen years
- £6.5m has been invested in the restoration of HMS Alliance
- £20m is being invested in the restoration of HMS caroline as a major part of the regeneration of Belfast
- £7m has been spent in Portsmouth Historic Dockyard creating new galleries telling the story of the modern navy and restoring HMS M33, a First World War gunboat
- Investment of a further £17m is planned to move the Royal Marines Museum to Portsmouth Historic Dockyard and to create a state-of-art collections centre there

NMRN has the development skills, the fundraising skills, the marketing skills and crucially the PR and IT skills, and we usually deliver what we set out to create. We also work effectively in partnership where our skills are blended with and matched to the undoubted skills of others.

Conclusion

HBC needs to continue with the regeneration of Hartlepool; NMRN wants a northern base. It makes huge sense to combine our aspirations around Trincomalee and HME, to start from investment which has already been made and which has already achieved a huge amount. With the right partnership, the right vision, and the right plans then the opportunity can be realised.

FINANCE AND POLICY COMMITTEE

16th May 2016



Report of: Chief Executive

Subject: SENIOR LEADERSHIP RESTRUCTURE

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1. Key Decision – Test i applies, a General Exception Notice applies.

2. PURPOSE OF REPORT

2.1. This report is to make recommendations to Finance and Policy Committee in respect of the Chief Officer structure of the Council with particular reference to Regeneration and Neighbourhoods Department.

3. BACKGROUND

3.1. As Members are aware the Council is facing an ongoing financial challenge. I formally took up my post in June 2015 and since then I have considered the current Corporate Structure and taken the opportunity to review the functional groupings in each Department.

3.2. Apart from delivering vital efficiency savings, the functional structures are expected to enable Departments to manage outcomes and risk, and to address the Council's aspirations going forward. The intention is to make changes where it would add value, and for these changes to be carried out through a managed and phased process which minimises disruption and periods of uncertainty.

4. PROPOSALS

4.1. Regeneration and Neighbourhoods Department

4.1.1. The Council's Transformation programme was adopted as part of the Medium Term Financial Strategy by the Council in January 2016 which sets out the Council's ambition for the future, that is that Hartlepool will

- Be a place people want to live, study, work, visit and play
- Have a reputation as a place to come to because of the quality of our education, housing, leisure, employment and skills offers

- Be an active part of the Tees Valley offer for skills, employment, housing and leisure, and
 - Be a place where people feel included and safe; able to live active, healthy and happy lives.
- 4.1.2.** This ambition establishes that we want to ensure that Hartlepool is a place to come to, to move to and to work, learn and spend quality leisure time in. This ambition for the town is an important aspect of our plans for the forthcoming years. We have some opportunities and we need to be ambitious if we are to realise these, whilst still managing a very difficult financial situation.
- 4.1.3.** The Regeneration and Neighbourhoods Department has a significant role to play in achieving the Councils ambition not only through the delivery of the Town Centre / Waterfront Masterplan, but also through the provision of responsive quality front line services in our neighbourhoods and communities. The department is the main trading arm of the Council and it is more important than ever we maximise our efforts to stimulate growth, generate income and develop commercial opportunities.
- 4.1.4.** I have undertaken a fundamental review of the functions and policy areas against the Councils ambition (in conjunction with the Director of Regeneration and Neighbourhoods) and I propose a number of functional changes to the existing structure. The aim being to provide a better alignment of services in terms of those focused on the regeneration of the town against the maintenance and trading arm of the Council. The existing structure has developed over time as senior officers have left the Council, enabling significant savings to be made, however the current structure has developed piecemeal without strategic planning and isn't fit for purpose for the future direction of the Council and Local Government.
- 4.1.5.** The department has some challenges that need to be resolved if we are to ensure the successful delivery of the regeneration of the town and ongoing maintenance of our neighbourhoods. The adoption of the Councils Town Centre Master-plan will result in the need for more visible forward planning and project management. Communication and feedback with Elected Members, key stakeholders and colleagues will be fundamental to the delivery of large scale capital and regeneration projects
- 4.1.6.** The proposals for this change are included in Appendix 1 in the exempt section of the report.

This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).

4.2 Chief Executive's Department

- 4.2.1 It is proposed that the Corporate Procurement Unit transfers into Chief Executives Department. This is a corporate function and should form part of the central services function of the Council.

4.3 Child & Adult Services Department

- 4.3.1 There are no currently planned changes in respect of the Child and Adult Services Department.

4.4 Public Health

- 4.4.1 There are no currently planned changes in respect of the Public Health Department.

4.5 Further Considerations

- 4.5.1 Those issues identified in this report are those where I have concluded my considerations in respect of the Senior Leadership Team. There are a number of additional areas which I would like to highlight for Members, where I am further considering a number of options and which a further report may be required depending on the conclusion to this process.

- 4.5.2 There are a number of areas which I am considering in respect of further potential change. These include the strategic management of capital programmes across the council, options for enhancing the capacity of legal support and specialist advice, community safety, closer alignment of the various aspects of the skills agenda across the council, various aspects of service which contribute to the public health agenda and the management and delivery of corporate communications and events.

5 IMPLEMENTATION PROCESS

- 5.1 The proposals in relation to the implementation of the recommended structure are attached as Appendix 1 in the exempt section of the report.

This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).

6 TIMETABLE

- 6.1 Implementation of the proposed structure at an Assistant Director level is scheduled to take place following consideration by Finance and Policy Committee of this report. Those other aspects identified in the confidential appendix will be implemented following appropriate consultation.

7 RISKS

- 7.1** It should be noted that with any change in structure there is a potential risk to service delivery and in respect of organisational knowledge. The proposal I have recommended to Committee is my best advice (subject to further report on those matters identified above) for the overall structure of the Council.

8 CHILD AND FAMILY POVERTY IMPACT

- 8.1** There are no direct impacts on Child and Family Poverty. The proposals do however provide for the greater alignment of policies and work programmes with the department, which will have a positive effect on the delivery of key objectives in relation to economic growth, housing and other related policy areas which will, it is anticipated, have a causal affect on the factors impacting on Child and Family Poverty.

9 FINANCIAL IMPLICATIONS

- 9.1** The proposal recommended will produce a recurring annual saving in 2017/18 of £143,760 (at the maximum of the grade). As the restructure proposal is an integral element of the Departmental service restructuring and efficiency plan, this amount will help towards the delivery of the Regeneration and Neighbourhood Services savings plan.
- 9.2** Any in year savings achieved in the current year, or temporary savings achieved before staff are at the maximum of the grade, will in the first instance be used towards achieving the existing annual Departmental staff turnover savings requirement. In the event that the annual Departmental staff turnover target is exceeded, any additional temporary savings will be reflected in the overall outturn for the Department.
- 9.3** As is the case with all restructuring proposals there will be one-off redundancy and pension costs. On a worst case basis these costs will total £410,928, providing a pay back period of 2.86 years, which is within the maximum payback period of 3.05 years. These costs will be funded from the existing one-off reserves for funding one-off Redundancy and Pension costs and this will enable the recurring annual saving to be allocated to reduce the 2017/18 budget deficit.
- 9.4** The recurring annual savings from this proposed restructure will be in addition to savings achieved from the restructure completed in 2013 which reduced the number of Chief Officer posts from 15 to 10, which provided a recurring saving of approximately £450,000.

10 CONSULTATION

- 10.1** The Hartlepool Joint Trade Unions Committee (HJTUC) have been provided with a copy of this report and asked for written comments in advance of your meeting which will be circulated as soon as possible after they are received.

- 10.2** All affected Chief Officers have been provided with a copy of this report and the agreed consultation process has been followed. Comments and any revised recommendations arising from those comments will be presented at the Finance and Policy Committee meeting.

11 RECOMMENDATIONS

- 11.1** That Finance and Policy Committee approves:

- (a) the deletion of the post identified in the Not For Publication element of this report at section 3.2
- (b) the gradings as set out in the Not for Publication element of this report at 3.2
- (c) that the proposals included in the Not for Publication element of this report (at section 4.4 to 4.15) provide the basis for consultation with those staff affected, and
- (d) notes that I will be potentially submitting a further report when I have concluded my considerations on those aspects not addressed in this report and covered in section 4.5.2 above.

12 BACKGROUND PAPERS

- 12.1** No Background papers.

13 CONTACT OFFICER

- 13.1** Any queries contact Gill Alexander, Chief Executive on 01429 523001.

FINANCE AND POLICY COMMITTEE

16 May 2016



Report of: Chief Executive Officer

Subject: DURHAM TEES VALLEY AIRPORT (“DTVA”) –
DELIVERING THE MASTERPLAN

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1. Key Decision – Test (i), a General Exception Notice applies.

2. PURPOSE OF REPORT

2.1 To update the Committee on progress in relation to the delivery of the DTVA/Peel Master Plan, and to highlight developments regarding the required package of support sought by DTVA/Peel in that respect.

3. BACKGROUND

3.1 On the 21 September 2015 Members of the Finance and Policy Committee considered a report regarding progress in relation to the DTVA Master Plan proposals.

3.2 The background to that report was an earlier review (circa September/October 2014) undertaken by Stockton Borough Council’s Regeneration and Transport Select Committee, which had examined how the Master Plan proposals would ensure a viable airport going forward, and how future investment would seek to develop the airport related businesses. The Select Committee produced and submitted its final report regarding this review, to Stockton’s Cabinet, at their meeting on the 9 October 2014. Cabinet were advised that ongoing losses had prompted the production of, and consultation on a Master Plan proposing to put DTVA on a sustainable financial footing and to secure its long term future as an operating airport.

3.3 A further update in September 2015 also considered ongoing losses, in the context of the impact and effect of the recession, the changes in the air passenger travel industry and the loss of holding charter programmes,

resulting in reduced passenger numbers, had prompted the production of, and consultation on the Master Plan.

- 3.4 The Select Committee and Stockton's Cabinet had, however, been reassured by the actions being taken by DTVA to bolster, wherever possible, the flight opportunities from the airport, considering the effects of all of these detrimental factors.
- 3.5 Members regarded the airport as a key asset in the Tees Valley, and wished to see it expand and grow in whatever guise was going to be profitable in order to ensure its continued presence and operation.
- 3.6 A report in 2012 by Regeneris Consulting commissioned at the time by Tees Valley Unlimited, justified Members' views of the airport's importance. The report had found that the airport supported approximately 600 direct and indirect jobs, with some 480 or so of those jobs taken by Tees Valley residents and that it contributed an estimated £37M annually in GVA (roughly 0.4% of GVA of the Tees Valley Economy), with DTVA business flights also assisting in delivering benefits for the UK as a whole.
- 3.7 The Master Plan promotes the principle of a business focused airport supported by commercial activity and nearby residential development built on DTVA owned land.
- 3.8 The recent Lord Hesletine report identified DTVA as a key asset and made specific recommendations around supporting a sustainable future for it.

4. Recent Developments and support to the DTVA Masterplan

- 4.1 Since that report, the Local Growth Fund bid for £5M funding to provide for a new access road linking the Airport's Northside with the Southside, around the eastern end of the runway, has been approved (October 2015) by the Tees Valley LEP.
- 4.2 Planning permission has also been granted for the construction of the link road. When built this will open up the Southside, to enable an employment park, and logistics and processing areas with a variety of employment uses, to be provided.
- 4.3 Progress has also been made by DTVA/Peel in discussion with Darlington Borough Council in connection with the preparation of a planning application for residential development on the northside of the airport. This will be supported by planning obligations in a Section 106 Agreement in relation to education, open space, play provisions etc.
- 4.4 A bid was made for Enterprise Zone Status in October 2012 by Tees Valley Unlimited but unfortunately was not supported by Government.

- 4.5 Passenger numbers on the KLM Service from DTVA to Amsterdam Schiphol have proved to be very positive with numbers increasing significantly in 2015/16 compared to 2014/15.
- 4.6 The Skylive airshow (back after 26 years) is also taking place at the airport on the 28 May, and will be headlined by the Red Arrows, supported by (amongst others) historic aircraft from the Battle of Britain Memorial flight, the RAF Typhoon and Falcons parachute team. At the last count some 10,000 tickets had been sold.

5. DTVA/Peel's Remaining Proposal

- 5.1 Against the backdrop of the Master Plan proposals, reports to the local authorities involved with the airport explained that DTVA/Peel had asked the Local Authority Shareholders to consider a further proposal. This proposal was, and continues to be seen by DTVA/Peel as an important part of a package of key measures aimed at securing the Airports future. The other measures were the reduction in the cost base and operations of the airport and diversifying its revenue base, in order to approach cash neutrality by the financial year 2023/24 (these measures were substantially completed at the time of the September 2015 report), together with approval for and implementation of the housing development referred to earlier in this latest report.
- 5.2 The Committee agreed to support the proposal by DTVA/Peel, in principle, subject to certain matters being satisfactorily agreed and concluded.
- 5.3 Details of the proposal are again set out in the exempt Appendix (**Appendix A**). **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3 and 5) to this report.** Together with details of the developments that have occurred since September 2015.
- 5.4 The Committee is asked to consider those details and the recommendations contained within the exempt part of the report.

6. RISK AND FINANCIAL CONSIDERATIONS

- 6.1 The risk and financial implications of the proposal from DTVA/Peel are specified in the exempt (**Appendix A**).

7. LEGAL CONSIDERATIONS

- 7.1 The legal implications of the proposal are also set out in the exempt (**Appendix A**).

8. CHILD AND FAMILY POVERTY

8.1 No implications.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

9.1 Not applicable at this stage but an impact assessment may be required in relation to the proposals mentioned in the exempt part of this report.

10. STAFF CONSIDERATIONS

10.1 No implications.

11. ASSET MANAGEMENT CONSIDERATIONS

11.1 No implications.

12. RECOMMENDATIONS

12.1 It is recommended that the Committee:-

- Note this report, and
- Reviews the decision taken by Members at the Finance and Policy Committee meeting on the 21 September 2015 in relation to the further proposal from DTVA/Peel contained in the exempt part of this report and the recommendations contained therein.

13. REASONS FOR RECOMMENDATIONS

13.1 To ensure that the Committee are kept apprised of developments regarding the implementation of the Master Plan for DTVA/Peel, and to enable the Committee to consider the further proposal from DTVA/Peel in light of the developments that have occurred since September 2015.

14. BACKGROUND PAPERS

14.1 Finance and Policy Committee report dated 21 September 2015.

15. CONTACT OFFICER

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