

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 31 October, 2016

at 10.00 am

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

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Barclay, Beck, Buchan, Clark, Cranney, James, Loynes, Moore, Thomas 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 26 September, 2016 (*for information, as previously circulated*).
- 3.2 To receive the minutes of the meeting of the Health and Wellbeing Board held on 13 June, 2016.
- 3.3 To receive the minutes of the meeting of the Safer Hartlepool Partnership held on 29 July, 2016.

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Hartlepool Child and Family Poverty Strategy 2016 – 2020 – *Director of Child and Adult Services*

5. KEY DECISIONS

- 5.1 Consider Options to Deliver a 0-19 Healthy Child Programme – *Director of Public Health*



6. OTHER ITEMS REQUIRING DECISION

- 6.1 Workforce Arrangements – *Chief Executive and Assistant Chief Executive*
- 6.2 The 2017/18 Local Government Finance Settlement – Technical Consultation – *Chief Finance Officer*
- 6.3 Medium Term Financial Strategy - Review of Reserves as at 31 March 2016 – *Corporate Management Team*

7. ITEMS FOR INFORMATION

- 7.1 Corporate Complaints Annual Monitoring Report 2015-16 – *Assistant Chief Executive*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION

Date of next meeting – Monday 28 November, 2016 at 10.00 am in the Civic Centre, Hartlepool.



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

26 SEPTEMBER 2016

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

Present:

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Allan Barclay, Paul Beck, Bob Buchan, Alan Clark, Kevin Cranney, Marjorie James, Brenda Loynes, Shane Moore and Paul Thompson.

Officers: Gill Alexander, Chief Executive
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Peter Devlin, Chief Solicitor
Louise Wallace, Director of Public Health
Sally Robinson, Director of Child and Adult Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Alastair Rae, Public Relations Manager
David Cosgrove, Democratic Services Team

45. Apologies for Absence

Councillor Stephen Thomas.

46. Declarations of Interest

None at the commencement of the meeting.

Councillor Paul Beck declared a personal interest during the debate in Minute No. 56.

47. Minutes of the meeting held on 5 September, 2016

Confirmed.

48. Minutes of the joint meeting with Regeneration Services Committee held on 9 September, 2016

Received.

49. Minutes of the meetings of the Tees Valley Combined Authority held on 7 June, 8 July and 19 July, 2016

Received.

50. 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 funds 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 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

As part of the Medium Term Financial Strategy recommendations approved by Council authority to approve schemes to be funded from the above resources was delegated to Finance and Policy Committee. Detailed proposals for the allocation of the Council Capital Fund resources were presented for consideration; Members had to date approved funding up to the sum of £96,700. The Director presented schemes which had been identified as urgent based upon Health and Safety and/or DDA requirements. The schemes were –

| | |
|---|---------|
| Civic Centre – Fire Risk Assessment | £12,000 |
| Civic Centre – Roof | £54,000 |
| CCTV – 3 schemes | £83,230 |
| (Car park behind St. Patrick's Shopping Parade) | |
| (Junction of Borrowdale Street and Kathleen Street) | |
| (Hartfields Play Area) | |

| | |
|--|-----------------|
| Hartlepool Enterprise Centre (Internal and exterior decoration and replacement of windows to rear of the building.) | £36,380 |
| TOTAL | £185,610 |

The Director reported that after reflecting these proposals the uncommitted balance on the fund was £286,265 and proposals for using this amount would be subject to a future report. In addition there was also £45,000 of uncommitted Council priority funding and again proposals for using this amount would be subject to a future report. Details of both funds were set out in the appendix to the report.

A Member questioned the new CCTV installations and asked if the new cameras would be constantly monitored. The Director indicated that while all cameras were on, not all screens within the control centre were being constantly monitored. All camera feeds, either directly wired or remote, were recorded and those recordings could be used if an incident was reported.

A Member questioned the quoted costs for replacing the windows at the Enterprise Centre which amounted to £30,602. The Director commented that the building was a former school building and the windows to the rear were numerous with some quite large; the quoted cost did offer value for money.

Decision

That the proposals as reported and set out above for use of part of the Council Capital Fund and totalling £185,610 be approved.

51. Tees Valley Shared Public Health Service *(Director of Public Health)*

Type of decision

Non-key decision.

Purpose of report

The purpose of the report was to inform Committee that the Tees Valley Shared Public Health Service was being disbanded and Hartlepool Borough Council was, therefore, in the process of withdrawing from the Tees Valley Shared Public Health Service Agreement, for the service hosted by Redcar and Cleveland Council.

Issue(s) for consideration

The Director of Public Health reported that the Tees Valley Public Health Shared Service had been formally established in April 2013 as part of the transfer of public health responsibilities from the NHS to local government

(in line with the Health and Social Care Act 2012). The service had been established on the basis of making the most effective use of limited and scarce specialist public health resources, knowledge and skills, and enabling Directors of Public Health for the five Tees Valley local authorities to discharge public health statutory duties in the most cost-effective way.

The Tees Valley Local Authority Chief Executives agreed, at their meeting on 20 April 2016, that the Shared Service should be reshaped and transformed in such a way that it could continue to operate but within a maximum budget envelope of £1.12M. This sum took into account the complete loss of contribution from Darlington Borough Council who had already signalled their intent to withdraw from the shared service agreement in January 2016.

The Public Health Shared Service Governance Board (comprising of the 5 Tees Valley local authority Directors of Public Health) had considered functions, staffing and budgets over the last two months seeking to establish an effective, efficient and safe model for the Shared Service to support the Tees Local Authorities discharge their public health responsibilities.

The Shared Service Governance Board had reluctantly but unanimously resolved that the Shared Service is no longer viable as a stand-alone team. This view was supported by the Tees Valley Local Authority Chief Executives. In the light of this the Governance Board was developing a timetable which would ensure that the Shared Service was fully dissolved by 31 December 2016. An exit plan was being developed with Human Resources, Finance and Legal colleagues.

The Director of Public Health was considering an alternative model of service delivery that will build capacity within the local Hartlepool Public Health team, in order to ensure the statutory functions the shared service discharges were fulfilled. This alternative model would include existing functions that were being provided by the existing service, but also new ways of working. As part of this model it was anticipated that it would result in the need for a full time Consultant in Public Health. It was anticipated that the alternative model of service delivery could be achieved with savings of around 10% of the previous contribution to the shared service agreement of £258,000.

Decision

1. That the disbanding of the Shared Public Health Service and the withdrawal of Hartlepool Borough Council from the Tees Valley Public Health Shared Service agreement with Redcar and Cleveland Council be noted.
2. That the Director of Public Health develops an alternative model of service integrated into the Hartlepool Borough Council Public Health team, to ensure the delivery of the key functions that the Tees Valley Shared Public Health currently fulfils.

52. Disposal of Surplus Assets - Sale of Market Hotel, Lynn Street *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non-key decision.

Purpose of report

To seek approval for the future actions to be taken in relation to Market Hotel, Lynn Street.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the Council were the freehold owners of the Grade II listed “Market Hotel” which is located on Lynn Street near the town centre of Hartlepool. The building is located to the south west of the Council Depot which is currently the focus of redevelopment plans.

The property was in a seriously dilapidated condition and had a number of significant structural defects. The building was currently temporarily propped to ensure stability; at ongoing cost to the Council. As such the Council had been looking at the various options available to it in order to find a suitable way forward with the site.

The Director outlined the options set out in the report for the future of the building, which were as follows: -

Option 1 – An offer had been received for the purchase of the property and the adjoining land. The interested party was proposing to refurbish the building and provide an extension on the land at the side in order to convert the structure to self contained apartments. In addition, the developer was also considering possible commercial use of the ground floor. The proposals would be subject to obtaining planning permission and listed building consent. Due diligence information about the prospective purchaser and details of the offer made, which was deemed to be acceptable by the Estates and Regeneration Manager were set out in confidential appendix 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).

Option 2 – The Council would retain the building and adjoining land and seek funding to restore the property for use as small business units or live/work units for the creative industries sector. An expression of interest was made to the Heritage Lottery Fund’s Heritage Enterprise Grant

Scheme. A Stage 1 application would be required with no guarantee of funding. The deadline for application was 8th December 2016 for a funding decision by March 2017.

Option 3 – A Listed Building Consent application is made to demolish the building.

The Director outlined the risks and financial considerations that Members needed to consider. Option1 represents the best option financially for the Council, generating a Capital Receipt without the need to fund any costs associated with the development.

A Member commented that they had visited some of the previous schemes undertaken by the company that had submitted the bid to purchase the property and they appeared to be of high quality.

Decision

That the Director of Regeneration and Neighbourhoods be authorised to progress Option 1 and take no further action on the other two alternative options reported.

53. Senior Leadership Restructure (*Chief Executive*)

Type of decision

Non-Key Decision.

Purpose of report

The report made recommendations to Finance and Policy Committee in respect of the Chief Officer structure of the Council with particular reference to Chief Executive's Department.

Issue(s) for consideration

Members of the senior management team left the meeting during the consideration of the report.

The Chief Executive reported that since taking up her post in June 2015 and she had considered the current Corporate Structure and taken the opportunity to review the functional groupings in each Department. The Chief Executive's intention in making any changes was to only make them where they would add value or where they were necessary to ensure the overall robustness of the senior leadership team of the Council.

The Chief Executive had received the resignation of the Assistant Chief Executive and the proposals reported related to this part of the organisation. The proposals for change were included in Appendix 1 in the exempt section of the report. The 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, Para 2 – information which is likely to reveal the identity of an individual.

Previous restructuring proposals to the senior leadership team had provided recurring annual savings and this included changes previously made within the Chief Executive's department. In overall terms over the period of the MTFS the changes included as part of these proposals would result in a net recurring saving at the maximum salary points of £36,000 (inclusive of employers' National Insurance and pension costs). In the initial years, until individuals reach the top of the grade, there would be higher savings which would be reflected in the MTFS.

The Hartlepool Joint Trade Unions Committee (HJTUC) had been provided with a copy of this report and a letter containing their comments on the proposals was submitted for Members information.

In order to discuss the proposals set out in the exempt section of the report, the Chair proposed that the meeting move in closed session and the appropriate resolution to exclude the press and public was agreed by the Committee. The Committee's discussions are summarised in the exempt section of the minutes.

Decision

1. That the deletion of the posts identified in the Not For Publication element of this report at section 3.2 be approved,
2. That the grading of the post and slotting in of the post holder identified in the Not For Publication element of this report at section 3.3 be approved;
3. That the new post and grading as set out in the Not for Publication element of this report at 3.4 be approved;
4. That the re-designation of the post as set out in the Not for Publication element of this report of the at 3.5 be approved;
5. That that the proposals as set out in the Not For Publication element of this report at 4.12, 4.15 and 4.16 be noted and that they will form the basis of appropriate communications and consultations with those staff affected;
6. That the functional groupings identified in the Not For Publication element of this report at section 4.13 and 4.17 be approved;
7. That the recurring savings achieved from implementing these proposals be noted;
8. The Committee noted that the Chief Executive may potentially be submitting a further report when she had concluded her considerations on those aspects not addressed by these proposals.

54. Any Other Items which the Chairman Considers are Urgent

None.

The Committee noted that the next meeting would be held on Monday 31 October, 2016 at 10.00 am in the Civic Centre, Hartlepool.

55. 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 56 – Acquisition of Freehold Investment Property – 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).

56. Acquisition of Freehold Investment Property (*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) information relating to the financial or business affairs of any particular person (including the authority holding that information).

Type of decision

Key Decision (test (i)). General Exception Notice issued.

Purpose of report

To seek approval for the acquisition of the freehold interest in a property.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported on proposals to purchase the freehold interest in a property. Details are set out in the exempt section of the minutes.

During the debate Councillor Paul Beck declared a personal interest.

Decision

Details are set out in the exempt section of the minutes.

The meeting concluded at 10.35 am

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 3 OCTOBER 2016

HEALTH AND WELLBEING BOARD

MINUTES AND DECISION RECORD

13 June 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 Bob Buchan, Alan Clark and Stephen Thomas.

Representatives of Hartlepool and Stockton-on-Tees Clinical Commissioning Group – 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

Other Members:

Representative of the NHS England – Dr Tim Butler

Representative of Cleveland Police – Temporary Assistant Chief Constable Ciaran Irvine.

Also in attendance:-

Maureen Lockwood, Healthwatch

Dr Paul Williams, Stockton and Hartlepool GP Federation

Officers: Joan Stevens, Scrutiny Manager
David Cosgrove, Democratic Services Team

1. Apologies for Absence

Dr Timlin, Hartlepool and Stockton-on-Tees Clinical Commissioning Group.
Margaret Wrenn, Healthwatch.

2. Declarations of interest by Members

Councillors Christopher Akers-Belcher and Thomas declared interests as employees of Hartlepool Healthwatch.

Councillor Thomas declared a personal interest as a patient of Hartfields GP Surgery.

3. Introduction to new GP Federation - Presentation

Dr Paul Williams informed the Board of the establishment of a new Federation of General Practitioners in Hartlepool and Stockton. All the GP surgical practices in Hartlepool (fifteen) and Stockton (twenty-three) had joined the federation. Many GPs had realised that in order to be stronger and more able to meet the needs of their patients, there was a need to work together. GP surgeries were finding themselves being required to provide an increasing number of services and manage a growing number of contracts.

The move of services from the traditional hospital setting out into the community was an issue for a number of GP surgeries and the federation would provide a greater level of resilience. Many areas across the country were adopting the federation model as it allowed GPs to retain their independence but also allowed collaboration and sharing of resources behind the scenes to assist in providing the best services to patients. There would also be the potential of the federation competing to deliver contracted services in the future.

The federation was based on the same geographical area as represented by the Clinical Commissioning Group which was similar to that of the Foundation Trust as this made sense in terms of commissioned services. All practices in both Hartlepool and Stockton had joined the federation which was called the Hartlepool and Stockton Health. All the partner GP surgeries held nominal shares in the company based on the number of patients they had registered with them. The federation was not, however, intended to be a money making operation.

There had been some initial collective work around Christmas opening hours with some practices opening during the holiday period but offering services to patients of neighbouring surgeries that were closed. There had also been some work on undertaking coordinated care home visits, particularly at weekends and introducing Care Coordinators into Practices. The federation was also looking at the potential of being involved in bidding for the forthcoming tendering process for the provision of Urgent Care Services.

Dr Williams considered that the federation would provide a structure that allowed GP Surgeries to be more resilient to the demands placed upon them. It was essential with the move towards greater access to services that GPs were as well organised and resourced as their partners in the Foundation Trust.

The Healthwatch represented indicated that there was concern among patients regarding the three Hartlepool GP Practices that were subject to possible closure. Dr Williams indicated that all three surgeries were partners in the federation, though that didn't necessarily transfer into any assumption that they would remain open. To date the three surgeries hadn't asked the federation for any specific support.

The Chief Officer of Stockton-on-Tees and Hartlepool CCG commented that

the federation in itself could not stop changes in surgery provision. The CCG now had full responsibility for primary care commissioning from NHS England and there was some ongoing consultation in relating to three surgeries. It had to be noted that the three surgeries were commissioned on a different basis to the other surgeries in the town which effectively had a contract for life. If the three were re-procured, the federation could provide those surgeries. Having a federation of GPs across the area did allow GPs to think about how they wanted to provide commissioned services and would be able to respond to the CCG's requirements or ways of providing better services.

The Scrutiny Manager reported that the consultation on the three GP surgeries would be reported to the Audit and Governance Committee. Ward Members had been informed of the consultation process and the Scrutiny Manager encouraged as many of those directly involved to respond to the consultation process.

A Member commented that he was encouraged by the news that GP surgeries were starting to work in a coordinated manner in relation to care home visits as this linked strongly with the Better Care Fund. There was some concern that, as had happened in other areas, a GP Federation led to the amalgamation of surgeries and the creation of 'super surgeries'. Patients often reported problems in gaining suitable appointments at such surgeries and there were already some particular issues in Hartlepool with patients getting appointments with their GP. Any future re-arrangement or commissioning of surgeries had to include patient accessibility as a core element of any new arrangement.

Dr Williams indicated that he fully understood and shared the views in relation to GP accessibility and there was no desire among Hartlepool GPs for the creation of super surgeries but there may be a need to develop more interdependency between surgeries to meet future demands. It was hoped that the support of the Federation and relationships between surgeries may make for more interesting recruitment opportunities for new doctors coming into the area.

A Councillor sought confirmation that patients would be able to access appointments at surgeries other than that they were registered at and would there be problems with the sharing of medical records. Dr Williams indicated that this would increase in time but would be outside the normal practice hours, so would be for urgent appointment at weekends or holidays. Not all surgeries would want to open during holiday periods for example. In relation to medical records Dr Williams indicated that, as now, an individual's medical records could only be shared with their consent. There were also issues around computerised medical records and there was some work underway on this within the federation. The federation provided an incentive to move this forward and once there was GP's sharing records, the next step would be social care. For example, the Foundation Trust has a palliative care register and the GPs had a palliative care register but the two were not shared or consistent.

The CCG Chief Officer indicated that from a commissioning services perspective the development of the GP Federation was very welcome. No one wanted to lose the benefit of local GPs operating closely with their patients and community but there were opportunities to address some issues around fair access and sharing of support services. Some of these issues were very difficult to address for some smaller practices and the federation could provide support for those that wanted it. The need to attract new doctors to the area was also key and having the federation could assist with that. The CCG Chief Officer added that extended GP hours would be something that would be commissioned in the future.

The Chair welcomed the development of the GP Federation for Hartlepool and Stockton. Urgent care provision was due to go out to a procurement process imminently which raised the question of how that would be provided in the future; hospital based or local walk-in centres. There was a model for integrated health and social care and the Council was developing its Community Hubs approach; would the federation approach and Care Coordinators be something that could link in to these approaches. There also needed to be consistency in accessing services for those with learning difficulties across all GP surgeries.

Dr Williams indicated that the inconsistent approach to health checks for those with learning difficulties was a source of frustration and contact had been made with surgeries to assess if there was capacity for some to provide this for other surgeries. Care Coordinators was a new initiative that was being commissioned and work was ongoing with the design of these and their links to others services. In terms of the wider health and social care agenda, the Federation would welcome the chance to join the Health and Wellbeing Board if that was considered valuable.

As for the provision of the walk-in centres, Dr Williams indicated that currently GP services were only commissioned 8.00 am to 6.30 pm Monday to Friday, though everyone expected that they would be asked to provide more hours. The new Urgent Care contract was due to commence on 1 April 2017 and there had been some discussions around the potential submission of a joint bid with the Acute Services Trust. The Acute Services Trust may choose a different partner but the Federation did believe that having local GPs and the Trust working together would make sense.

Decision

1. That Dr Williams be thanked for his informative presentation and responses to questions and that the development of the GP Federation 'Hartlepool and Stockton Health' be welcomed.
2. That the potential for a representative of the GP Federation 'Hartlepool and Stockton Health' becoming a member of the Health and Wellbeing Board be examined further at the September meeting.

4. Minutes

- (i) The minutes of the meeting held on 29 April 2016 were confirmed.
- (ii) The minutes of the meeting of the Children's Strategic Partnership held on 25 January 2016 were received.

5. Review of Terms of Reference *(Director of Public Health)*

The Director of Public Health presented a report which provided an opportunity for the Board, to review their Terms of Reference for the Board, at the first meeting in the new municipal year.

The following areas had been identified for further discussion:

- Confirm the Board still commits to hosting one Face the Public Event a year as per the local authority constitution.
- Confirm that Board members can send substitutes to the Board, but this substitute should be named as the substitute. This person should be the only person to attend in the absence of the Board member.
- Confirm that the Board will hold an annual review meeting and reflect on the performance of the Board and proactively plan for the forthcoming year.
- Confirm that as the Health and Wellbeing Strategy is the responsibility of the Board to produce, that an action plan is agreed to implement the Strategy. It should be noted that previously the Terms of Reference required the Board to monitor progress through quarterly performance reporting. Is this still the intention of the Board to receive quarterly reports?
- The Terms of Reference described a supporting sub structure for the work of the Board. It is proposed that this sub structure is received, including the role and function of the Joint Commissioning Executive.
- Confirm that the minutes of the Children's Strategic Partnership are circulated to the Health and Wellbeing Board to ensure a link between both bodies.
- Note the removal of North Tees and Hartlepool NHS Foundation Trust from the Board as non voting members in the revised Terms of Reference.
- Note the Director of Regeneration and Neighbourhoods or named substitute will remain as a non-voting member on the Board, but attendance will be determined by the requirements of the agenda.

In terms of the sub structure of the Board it was proposed that a report would be submitted to the September meeting reviewing the sub structure and its membership. A report on the Board's membership would also be submitted to that meeting. The CCG Chief Officer questioned the membership of the Board in relation to service providers, following the removal of the North Tees and Hartlepool NHS Foundation Trust (NTHFT) and the situation with statutory and non-statutory members.

The Chair commented that Council had 'sovereignty' over decision making but the Board did have the ability to look for an alternative provider to add to their discussions. The Board meetings were also open public meetings for anyone to attend. It was essential that the Board membership was open to listening and constructively engaging as without that it was extremely difficult to move forward. The Chair shared the view that it may be valuable to have the GP Federation as a non-statutory member.

Members questioned if the Chief Officer of the CCG had any other groups/bodies in mind. The Chief Officer stated that NTHFT were the main provider and while there were other providers, it was about which would bring the most value to the Board; it was about value rather than influencing change. There were always issues around conflict but any real critical decisions were made elsewhere. The providers did bring real value as they had a different perspective. It was ultimately a Council decision but the CCG Chief Officer did feel that it needed to be fed back that there was now a gap in the membership.

The Chair did comment that South Tees NHS Foundation Trust had previously been contacted but chose not to take up a place on the Board; they could be contacted again. The GP Federation could also be invited as a local provider of services.

The Police representative commented that it was difficult in such bodies when service providers were involved and the issue of contract procurement was discussed; to what extent did that provide them with a competitive advantage? The NHS England representative stated that separating procurement out of Health and Wellbeing Board discussions was always difficult but the wider discussions had value.

In relation to the sub-structure, the Chair did believe that it was timely to have a review to ensure what was needed to be covered was actually covered by the groups but that the while doing so the structure was as slim as possible.

In terms of the Health and Wellbeing Strategy and the monitoring of progress through quarterly performance reporting it was considered that a reduction to receiving the monitoring information only on an annual basis may leave the potential for shortfalls only to be brought to the Board's attention at that point. An alternative would be to have the groups that formed the sub-structure monitor their own sections of the strategy and report to the Board if there were any in-year causes for concern. The Chair commented that may be prudent in light of the workload of the Board.

The Director of Public Health commented that it may be valuable to explore these matters further during a development day in September. The Chair supported the proposal and suggested that if possible the Youth Parliament could be included.

Decision

1. That the Board still commits to hosting one Face the Public Event a year as per the local authority constitution.
2. That all Board members should appoint named substitutes to the Board, and that the named substitute is the only person to attend in the absence of the Board member. In the case of Policy Committee Chairs, the named substitute will be the Vice-Chair.
3. That that the Board will hold an annual review meeting to be combined with a development day to reflect on the performance of the Board and proactively plan for the forthcoming year. This event to include involvement from the Hartlepool Youth Council / Youth Parliament.
4. That a Health and Wellbeing Strategy Action Plan is agreed to implement the Strategy and that progress is monitored quarterly with the intention that following the review of the Board sub-structure, monitoring would be through the sub-structure groups with an annual report being submitted to the Board and any ad hoc areas of concern being referred to the Board from the relevant sub group.
5. That the Terms of Reference outlining the supporting sub structure for the work of the Board be agreed and that the structure include the role and function of the Joint Commissioning Executive.
6. That the minutes of the Children's Strategic Partnership are referred to the Health and Wellbeing Board to ensure a link between both bodies.
7. That the removal of North Tees and Hartlepool NHS Foundation Trust from the Board as non voting members be noted in the revised Terms of Reference.
8. That the Board notes that the Director of Regeneration and Neighbourhoods or named substitute will remain as a non-voting member on the Board, but attendance will be determined by the requirements of the agenda.
9. The Board agreed to receive a report(s) reviewing the sub structure supporting the Board and the non-statutory membership by September 2016.

6. **Sustainability and Transformation Plan** (*Chief Officer, Hartlepool and Stockton-on-Tees Clinical Commissioning Group*)

The Chief Officer of Hartlepool and Stockton Clinical Commissioning Group gave a presentation to the Board on Delivering the Forward View: NHS Planning Guidance 2106/17 – 2020/21.

The presentation covered the following key aspects, with discussion points –

The guidance set out a clear list of national priorities for 2016/17;

- Sustainability and Transformation Plans
- Financial balance
- General Practice
- A&E and Ambulance waits
- Referral to Treatment
- Cancer waiting times
- Mental health
- Learning disabilities
- Improving quality and avoidable mortality

For the first time, the Mandate is not solely for the commissioning system, but sets objectives for the NHS as a whole.

This had to be accomplished three interdependent and essential tasks:

- Implement the Five Year Forward View
- Restore and maintain financial balance
- Deliver core access and quality standards for patients through 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.

The principle STP challenges were –

- How to close the health and wellbeing gap: diabetes, obesity, self care, person centred, personal budgets, workforce.
- How to drive transformation to close the care and quality gap: 20 key questions on new care model development, improving against clinical priorities, and rollout of digital healthcare.
- How to close the finance and efficiency gap: efficiency, growth, variation, cost reduction including workforce, capital, estate.

In terms of the Better Health Care Programme, of the 700 Standards, only 66% were met, there were still significant workforce challenges and an unsustainable financial position.

The Chief Officer commented that there were key issues around urgent care and the outcomes for cancer treatment. In the longer term it was unlikely 'we' will be able to keep the services we have now so the 'services footprint' would have to increase. The sharing of information was something that many think we already do across the board but there were still significant issues. There were also inconsistencies within localities on the care some conditions received.

The Chair was concerned that the Health and Wellbeing Board had not been included in the preparation of the STP and it did appear to be being imposed. The Chief Officer stated that the lead for the STP across the Tees Valley area, Alan Foster, had met with the local authority Chief Executives.

The Chief Officer indicated that for the future, there needed to be –

- A system wide plan to sustain the future
- Greater prevention of ill health – staying healthy for longer
- Focus on patient self management and low level support
- Mental Health parity including more community based care and early intervention
- Continued transformation of Learning Disabilities services
- Better management of chronic conditions
- Sustainable acute services and primary care – high quality services with the right workforce
- Reduction in Length of hospital Stay (LoS) – leading to less reliance on hospital based care

The final STP submission had not yet been made, the expected deadline was September.

The Chair did feel the STP was being imposed and it was difficult to have confidence in a plan that was being headed up by an individual that had been removed from this Board. The STP appeared to take things in the wrong direction and issues such as the mortality rates were not included.

The Chief Officer indicated that the STP was trying to look at services from both ends. Only 10% of all health needs were met by hospitals and the balance of funding and planning needed to be addressed. People needed to have the right access to prevention services, local diagnostics etc. However for some of those you needed highly specialised skills and equipment that you couldn't have in every town so there were issues around travel and transport that needed to be addressed.

We all use Acute Services far more than we need to but that was because the local preventative and early intervention services weren't to the level needed.

The Chair commented that most people would accept the need to travel for specialised services like major trauma and child cancer services but the frequency with which people from Hartlepool had to travel was disproportionate; yes we need to travel for some things, but not everything. The Chair considered that the Board needed to write to NHS England indicating the Board's views indicating that this was being imposed upon us and that there were grave concerns with the leadership board.

The Chair was also concerned, however, that taking an active part may then tie the authority to the outcome of the STP. The dilemma was that whether Hartlepool was involved or not, it could still end up with an outcome it was unhappy with. Members indicated the scepticism with a plan being lead by someone that holds Hartlepool in contempt.

The NHS England representative stated that the main driver behind the STP process was the cash deficit in the NHS; essentially as a country we were

investing in illness, not in health. A lot of money was invested in the end of people's lives. With the size of the service footprint and the patient flows around that planning had to be at a level much higher than individual Health and Wellbeing Boards. There was still an opportunity though for this Board's voice to be heard.

The CCG Chief Officer stated that the Hartlepool plan would be carried forward into the STP. Money allocated to this area would not be diverted elsewhere. What was needed was access to the best services and sometimes that would be in different areas.

Members did feel that the approach seemed to be very top down driven and Members simply wanted our residents to have a say in the development of the plan. The approach seemed to be based around initiatives and often with social care being a junior partner. The proposals presented seemed to be putting a greater pressure on the resources the local authority had for social care. There were some excellent services currently available in Hartlepool for social care but without the extra resources they could not cope with any additional patient numbers.

The CCG Chief Officer stated that there was the potential to jointly decide on something different as long as it delivered. Much depended on working together to deliver the outcomes particularly in relation to preventative services. There was a level of anxiety in delivering the level of efficiency required over the next four years. A tipping point would be reached eventually. The development of some of the sectors, domiciliary care for example, needed to happen quite quickly.

The Chair questioned if the final STP would be 'signed off' by the Board. The CCG Chief Officer stated that not at present though this may change by September. It was important to note that this is just a plan but given the impact of the implementation of the plan locally it would still need to reflect our needs.

The Chair concluded the debate indicating that a letter should be sent to NHS England setting out the concerns the Board had with the apparent imposition of the STP and with the individual leading on its development locally. Assurances needed to be given that the local Hartlepool Health and Wellbeing Strategy would be 'written in' to the STP.

Decision

That the Board write formally to NHS England articulating concerns in relation to :

- Absence of the Health and Wellbeing Board's involvement or opportunity to influence, at any level, the development of the STP.
- The gaps in the STP in relation to the Five Year Forward View.
- The lack of trust / faith perceived that the provision of services in Hartlepool for its residents would be fairly considered as part of the

STP. The background for this being Hartlepool's historic experiences with the NTHFT, whose Chief Executive is the lead of the STP covering Hartlepool. The actions of the NTHFT (under his leadership), had led to the incremental removal of services from University Hospital of Hartlepool whilst demonstrating a lack of strategic planning in terms of the long term future and sustainability of services in Hartlepool, to the benefit of University Hospital of North Tees.

- Hartlepool being tied to an outcome that could be detrimental to provision of health services in Hartlepool, whilst not having had an opportunity to contribute / influence the STP.
- That the Board would consider that Hartlepool's contribution to the STP would be the locally developed and agreed Local Health and Social Care Plan.

7. Better Health Programme - Presentation

The Chief Officer of Hartlepool and Stockton Clinical Commissioning Group gave a presentation to the Board on the Better Health Programme.

The vision for the programme was;

“Meeting patient needs now and future proofing for the coming generation with consistently better health and social care delivered in the best place and within available resources”

There simply wasn't the same workforce out there as there was before so delivery had had to change over time. Services such as trauma and stroke care had made massive improvements in outcomes by specialising in centralised units. In the future there was a need to deliver planned care in venues that didn't deliver emergency care to avoid service pressures and cancellations.

The Chief Officer indicated that there was a very informative short video included in the presentation which would be shared with Board members after the meeting. The video set out in clear context the vision for the programme.

The main principles for the future would be based around –

- Care delivered through a network of hospitals and community services;
- More seamless care close to or in the patient's home where safe and effective, access to urgent and community care 24/7;
- Patients only admitted to hospital where it is no longer safe or effective for them to be cared for in the community;
- Access to specialist opinion 24/7 where this improves outcome, e.g. heart attack, stroke, trauma, or internal bleeding;
- Planned care organised so there is no unnecessary waiting, no cancellations and patients not exposed to risk of infections.

Public consultation on the programme would be held later in the year. In terms of the decision making part of the process, the Commissioning

Organisations would approve the outcome of public consultation early in 2017.

Members supported the focus on preventative measures particularly the focus on services that would avoid the need for hospital stays. Officers acknowledged that the programme may at first seem confusing but that the 'golden thread' through the programme was the delivery of community based local services.

Decision

That the presentation and comments be noted.

8. Assisted Reproductive Unit at the University of Hartlepool Hospital - Update *(Director of Public Health)*

The Board received an update on the public consultation in relation to the future location of assisted reproduction services. Board Members were advised that the decision taken by the North Tees and Hartlepool Foundation Trust to close the Assisted Reproduction Unit (ARU) at the University Hospital of Hartlepool, with effect from the 31 March 2016, had resulted in the initiation of legal action by Hartlepool Borough Council.

This had resulted in a Consent Order, agreed by the High Court on the 5 April 2016. The requirements of the Consent Order were set out in the report. In taking the issue forward within the prescribed timescale, the CCG had requested the establishment of an independent Clinical Review Team through the Northern Clinical Senate. This team, in consultation with the CCG and taking into consideration the factors outlined in the report, had developed a number of service options for the future delivery of ARU services.

A formal consultation on the identified options had commenced on the 31 May 2016 and would continue until the 15 July 2016, with local people being invited to provide their views, experiences and ideas about assisted reproduction services in Hartlepool. All of the feedback gathered during the consultation process would be collated by an independent data analyst using the information, and views, to decide how best to proceed with the future structure of assisted reproduction services in Hartlepool. This would be considered within the clinical evidence base, health policy, staffing and financial resources. A timeline of the "next steps" was included in the report.

Members thanked all involved in the process to this stage. In terms of the online consultation questionnaire, a Member commented that 'you' were asked to prioritise three options, whether you wanted to choose all three or not. The Chief Officer of the CCG commented that the consultation had to include all the options that were available, though it was acknowledged that some of the issues were still emerging through the Clinical Senate. The consultation did include a space for any additional comments and the Chief Officer suggested that comment be made there in relation to the service

options. Advice had been taken from the Consultation Institute to assure the process but the comments would be noted for when the results were analysed.

Decision

The report was noted.

9. Better Care Fund 2015/16 Quarter 4 Return *(Director of Child and Adult Services)*

Further to minute 59 of the meeting held on 14 March 2016, 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 4 return which was appended to the report had been submitted on 27 May 2016.

Decision

The report was noted.

Meeting concluded at 4.30 p.m.

CHAIR

SAFER HARTLEPOOL PARTNERSHIP MINUTES AND DECISION RECORD

29 July 2016

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

Present:

Councillor: Christopher Akers-Belcher (In the Chair)
Denise Ogden, Director of Regeneration and Neighbourhoods
Clare Clark, Head of Community Safety and Engagement
Chief Superintendent Gordon Lang, Cleveland Police
Barry Copping, Office of Police and Crime Commissioner for Cleveland
Chief Inspector Lynn Beeston, Chair of Youth Offending Board
Steve Johnson, Cleveland Fire and Rescue Authority
John Bentley, Safe in Tees Valley

Jane Young was in attendance as substitute for Sally Robinson,
Gilly Marshall as substitute for Stuart Tagg, Sharon Robson as
substitute for Louise Wallace, John Bagley as substitute for Julie
Allan

Also present:

Simon Weastell, Cleveland Fire and Rescue Authority
Rachelle Kipling, Office of Police and Crime Commissioner for
Cleveland

Officers: Mike Lane, Youth Offending Service Team Manager
Denise Wimpenny, Principal Democratic Services Officer

10. Apologies for Absence

Apologies for absence were submitted on behalf of Councillor James, Hartlepool Borough Council, Louise Wallace, Director of Public Health, Hartlepool Borough Council, Julie Allan, National Probation Service, Stewart Tagg, Housing Hartlepool, Sally Robinson, Director of Child and Adult Services, Hartlepool Borough Council, Karen Hawkins, Hartlepool and Stockton on Tees Clinical Commissioning Group.

11. Declarations of Interest

None.

12. Minutes of the meeting held on 17 June 2016

Confirmed.

13. Draft Substance Misuse Strategy 2016-2019 *(Director of Public Health)*

Purpose of report

To agree a process for developing the Safer Hartlepool Partnership Substance Misuse Strategy 2016-2019.

Issue(s) for consideration

The report set out the background together with the proposed process and timeline for developing a new Substance Misuse Strategy 2016-19. The development of the Strategy had been overseen by the Safer Hartlepool Partnership Substance Misuse Strategy Group. A local needs assessment had been undertaken to ascertain the extent of substance misuse in Hartlepool. Key findings from the needs assessment would be used to inform the development of the Strategy, including the proposed strategic objectives and priorities. The draft Strategy was attached at Appendix 1.

Subject to Partnership approval, the draft Strategy would be ready to go out for consultation immediately after, details of which were provided. It was anticipated that the finalised Strategy would be presented to the Partnership in October 2016. It was noted that a report had been approved by the Finance and Policy Committee in July which sought approval to secure a Substance Misuse Treatment Service and associated support to be funded through the ring fenced Public Health Grant. Members were referred to the financial considerations as detailed in the report.

The new strategy in line with report that went to Finance and Police about bringing treatment services

It was suggested that the draft Strategy should include current drug and alcohol data.

Decision

Subject to inclusion of current drug and alcohol data within the Strategy, the Partnership approved the proposed schedule for developing and consulting on the Substance Misuse Strategy 2016-2019.

14. **Youth Justice Strategic Plan 2016-2017** (*Director of Child and Adult Services*)

Purpose of report

1. To consult with members of the Safer Hartlepool Partnership on the Youth Justice Strategic Plan for 2016-2017 (**Appendix 1**).
2. Finance and Policy Committee will receive a final draft of the Youth Justice Strategic Plan that will include any recommendations from the Children's Services Committee and Safer Hartlepool Partnership on 5 September 2016. Full Council will be asked to ratify the plan in October 2016.
3. The Strategic Plan will also be submitted to the National Youth Justice Board.

Issue(s) for consideration

The report provided background information regarding the purpose of the Youth Justice System together with details of the role and functions of the Youth Offending Services.

Members were advised of the following key strategic objectives that the Youth Offending Service and broader Youth Justice Partnership would focus on during 2016-17:-

- Early Intervention and Prevention
- Re-offending
- Remand and Custody
- Voice of the Young Person
- Effective Governance

With regard to the financial considerations, as set out in the report, it was reported that there had been a significant reduction in grant from the Youth Justice Board and from partner agencies for 16/17. It was noted that the staffing implications would need to be considered following the publication of the National Review report.

The Chair of the Youth Offending Board was pleased to report that the Youth Offending Board had considered and subsequently confirmed their acceptance of the Plan.

Decision

That the Youth Justice Plan 2016-17, attached at Appendix 1, be agreed for submission to the Finance and Policy Committee in September.

15. Police and Crime Plan *(Police and Crime Commissioner)*

Issue(s) for consideration

The Police and Crime Commissioner for Cleveland, who was in attendance at the meeting, provided the Partnership with a detailed and comprehensive presentation in relation to the Police and Crime Plan for 2016-2020. The presentation provided an overview of future priorities and focussed on the following:-

- Five Key Objectives
- Investing in Policing
 - Protecting Vulnerable People
 - Strengthening Neighbourhood Policing
 - Enabling Services
 - Community Safety Hub
 - Developing the Culture of Cleveland Police
- A Better Deal for Victims
 - Providing enhanced services for vulnerable victims
 - Promoting and developing the SARC as the hub for sexual violence
 - Review and implement the Violence against Women and Girl's Strategy
- Tackling Re-offending
 - Review and develop Cleveland and Durham Criminal Justice Board
 - Work with prison services
 - Support changes to probation reform
 - Multi-agency prevention strategy for sexual violence
 - Review triage service delivered to young people
 - Ensure offenders have opportunity to participate in restorative justice
- Working Together to make Cleveland Safer/Collaborative Arrangements
- Securing the Future of Communities
 - Over 100 local community safety projects supported
 - Further develop use of the Community Safety Fund
 - PCC commitment to engage with every ward in Cleveland
 - Work with schools to prevent offending and victimisation
 - Protecting the community
 - Dialogue and understanding of communities
- Funding Contributions Locally
 - Integrated Offending Management in Cleveland
 - Domestic Abuse Contribution

- Restorative Cleveland
- Youth Diversionary
- Hartlepool Youth Offending Service
- Hartlepool – Community Safety Initiatives Funding over last 12 months
 - Hartlepool Crime Prevention Panel
 - Hartlepool Asylum Seeker and Refugee Group
 - The Rifty Youth Project
 - Hartlepool Under 17's
 - Haswell Avenue Allotment Association
 - Hartlepool Chinese Association
 - Safer Hartlepool Partnership
 - Welfare Athletic FC
 - Lynnfield Primary
 - Heugh Battery Museum
 - Hartlepool and District Hospice
- Future Commissioning
 - Grants end March 2017
 - Future commissioning based on need
 - OPCC Strategic Needs Assessment
 - Future priorities shared December 2016

The Partnership was advised that consultation on the Police and Crime Plan was currently underway and any input or views from Partnership members would be welcomed.

Following conclusion of the presentation a member of the public, who was in attendance, and invited to speak, raised concerns regarding the 101 police response service in terms of the waiting time to speak to an operator due to a lengthy recorded message resulting in members of the public not reporting incidents. Personal experiences of lengthy response times were shared with the Partnership and disappointment was also expressed that Police and Community Support Officer's were attending incidents as opposed to Police Officers, the disadvantages of which were outlined. In response, the Police and Crime Commissioner highlighted the increasing pressures on the police given the rise in serious incidents reported to the police. Statistics in terms of the number of calls received were provided as well as details of incidents by type and such incidents that took priority. Whilst issues around the control room were acknowledged, the Partnership was advised that feedback from meetings with the public in relation to service provision was generally good. The Police and Crime Commissioner agreed to speak to the resident following the meeting and investigate the issues raised.

The Chair made reference to a meeting that had been scheduled to take place on 10 August with local residents and the Council to discuss related Rossmere Park issues.

The Head of Community Safety and Engagement took the opportunity to thank for PCC for recent funding contributions to assist with community safety initiatives and address Partnership priorities, suggesting that further information on the success of the initiatives funded be presented to a future meeting of the Partnership.

The Chair thanked the Police and Crime Commissioner for an informative presentation.

Decision

- (i) The contents of the presentation and comments of Members were noted.
- (ii) That further details of Community Safety Partnership funding from the PCC be presented to a future meeting of the Partnership.

16. Community Safety (*Head of Community Safety, Cleveland Fire Service*)

Issue(s) for consideration

The Partnership received a comprehensive presentation by Simon Weastell of Cleveland Fire Service. Partnership Members were advised of the Range of Youth Engagement programmes from Cleveland Fire Service aimed at a wide range of age groups from 12 to 29. The presentation included details of the programme in terms of the following:-

- Youth Employment Initiative aimed at NEETS
- Working with organisations to help meet specific needs
- Overview of the team and standard courses delivered
- Survive on repeat bookings
- Help young people become positive and energised about their future
- Feedback from recent course participants
- Programmes delivered:-
 - condensed version of fire fighters training
 - use fire fighters activities to teach key life skills, problem solving etc
- Training programmes extended to families
- Summary of Standard Programmes:-
 - Life
 - Family Life
 - Evolve
 - Safe
- Youth Employment Initiative Programme
- Corporate Team Building
- Safe and Well Visits

In response to a clarification sought as to how participants were recruited for Life and Safe courses, the Partnership was advised that a range of

contacts were utilised including local authorities and forums. With regard to targeted recruitment and early intervention, the Chief Superintendent welcomed the programme and was keen to discuss its promotion following the meeting. The Chair commented on the benefits of the initiatives and was interested to receive feedback on the successes of the new Health Visits to feed into the Health and Wellbeing Strategy from a prevention perspective. Partnership Members commented on the need for further discussion on the links between programmes of this type and crime prevention.

The Chair expressed his appreciation on behalf of the Partnership for the presentation.

Decision

- (i) The contents of the presentation and comments of Members were noted.
- (ii) That feedback on the successes of the new Health Visits be provided to feed into the Health and Wellbeing Strategy.

17. Safer Hartlepool Partnership Performance (*Director of Regeneration and Neighbourhoods*)

Purpose of report

To provide an overview of Safer Hartlepool Partnership performance for Quarter 1 – April 2016 to June 2016 (inclusive).

Issue(s) for consideration

The Head of Community Safety and Engagement provided the Partnership with an overview of the Partnership's performance during Quarter 1, as set out in an appendix to the report. Information as a comparator with performance in the previous year was also provided. In presenting the report, the Head of Community Safety and Engagement highlighted salient positive and negative data and responded to a number of queries raised in relation to crime figures by type.

A discussion took place in relation to hate crime figures and the potential impact of activities surrounding the European Referendum. The Chair referred to the Partnership's next 'Face the Public' Event which would focus on tackling hate related issues.

The Chief Superintendent referred to information that had recently been received from the Home Office in relation to awareness raising which appeared to have been issued following recent world events. The importance of focusing on hate crime in the same way as domestic violence

was emphasised.

The Chair commented on the benefits of reviewing the recommendations of the Home Office against current arrangements locally to identify any gaps with a view to establishing what the Partnership could do to assist. It was suggested that data in relation to hate crime by type be provided for consideration at a future meeting of the Partnership.

Decision

- (i) That the Quarter 1 performance figures and comments of Members be noted.
- (ii) That data in relation to hate crime by type be provided for consideration at a future meeting of the Partnership.

18. Date and Time of Next Meeting

The Chair reported that the next meeting would be held on 23 September at the re-arranged time of 1.30 pm.

The meeting concluded at 11.00 am.

CHAIR

FINANCE AND POLICY COMMITTEE

31st October 2016



Report of: Director of Child and Adult Services

Subject: HARTLEPOOL CHILD AND FAMILY POVERTY
STRATEGY 2016 – 2020

1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget Policy Framework.

2. PURPOSE OF REPORT

- 2.1 To share with Members a revised Child and Family Poverty Strategy for Hartlepool which includes consultation with a range of stakeholders across the town.
- 2.2 For members to approve the updated Child and Family Poverty Strategy 2016 – 2020 (Appendix A)

3. BACKGROUND

- 3.1 The government's Child Poverty Act 2010 placed new requirements on local authorities and its partners to mitigate the effects of child poverty in their area. A series of key actions were set for local authorities including a duty to co-operate, to undertake a child poverty needs assessment and to produce local child poverty strategies. Hartlepool has produced two strategies since the Act was made law and updated its needs assessment annually.
- 3.2 The Welfare Reform and Work Act 2016 repealed much of the Child Poverty Act and redefined poverty with a focus on work and educational attainment. The government's latest child poverty strategy is for the period 2014 -2017. In this they set out their intentions to support families into work and increase their earnings, to improve living standards and to prevent poor children becoming poor adults through raising of educational attainment. The goal to end child poverty by 2020 remains their commitment however the way they measure this has changed.

4. DEFINING POVERTY

- 4.1 Poverty can be defined in many different ways. The Joseph Rowntree Foundation defines poverty as “when a person’s resources are not enough to meet their basic needs.” The indicator most widely used to measure poverty and to assess progress on 2020 target is:

“Relative poverty: each household’s income, adjusted for family size, is compared to median income. Those with less than 60 per cent of median income are classified as poor. The measure is broadly used by many countries and the European Union. In the UK this information is taken from the Households Below Average Income (HBAI) survey.”

- 4.2 The new Welfare Reform and Work Act has retained the relative poverty measurement and included new reporting obligations:-
- Children living in workless households
 - Children living in long – term workless households
 - Educational attainment of children at end of Key Stage 4
 - Educational attainment of disadvantaged children at end of Key Stage 4
- 4.3 The overall level of child poverty in Hartlepool is currently 31% (Child Poverty Commission, 2015)

5. CONSULTATION

- 5.1 Extensive consultation has taken place over a period of 6 months between January and August 2016. Appendix C of the strategy details the consultation process, the methods used and the stakeholders that participated. This can be summarised as follows –

Stage 1

A strategy planning workshop was held in January 2016. Members of Hartlepool Financial Inclusion Partnership (HFIP) were invited to an initial workshop to scope and draft a strategy. 76 members were invited and 17 attended. Organisations represented included DWP, Guinness Trust, Changing Futures North East, West View Advice and Resource Centre, Cleveland Fire Brigade, The Illegal Money Lending Team, Belle Vue Community and Sports Centre and Trussell Trust Foodbank.

Stage 2

A stakeholder consultation workshop was held in March 2016. Invitations were extended to HFIP, Elected Members, health, the voluntary and community sector (VCS) and schools. 45 people attended. Representation included 13 schools, 4 Elected Members, 7 health staff, 3 housing providers, 2 high street banks and 5 VCS.

The strategy was re-shaped to include feedback from Stage 1 and 2.

Stage 3

Ongoing meetings with Joseph Rowntree Foundation (JRF) to ensure local alignment with their UK poverty strategy and the work they are currently undertaking in Hartlepool via their 'Action Labs'. Consultation feedback shared and discussed with JRF in fortnightly update meetings. [The new JRF poverty strategy can be found here: <https://www.jrf.org.uk/report/we-can-solve-poverty-uk>.]

Stage 4

The amended strategy was distributed during the summer for final consultation with an opportunity for comments to be added to each sub-section of the report. Given the holiday period consultation was extended until September 2016. This also aligned with the formal release of the JRF strategy to solve UK poverty.

6. KEY STRATEGIC PRIORITIES

- 6.1 Hartlepool's key strategic priorities to reduce child and family poverty in Hartlepool are:
- Mitigate the impact of poverty on children and families
 - Build pathways out of poverty for children and young people
 - Create new opportunities for adults to reduce child and family poverty.
- 6.2 The strategy sets out the actions needed to take place to address these priorities as identified with key stakeholders during the consultation period.

7. RISK IMPLICATIONS

- 7.1 There is a risk that the actions set out in the strategy will not have the impact needed on the child poverty level due to external economic factors. However, it is important that the council continue to aspire to the eradication of child poverty and regularly review the action plan to understand progress.
- 7.2 Progress on the strategy will be reported to Children's Services Committee on an annual basis.

8. FINANCIAL CONSIDERATIONS

- 8.1 If poverty levels continue to rise then potentially more families will require support from the Local Authority. The impact of the next round of Welfare Reform is expected to further increase demands on services.
- 8.2 Members have allocated reserve funding for Child and Family Poverty. The commitment of this additional funding can support system change to prevent children and young people being affected by poverty in the longer term.

- 8.3 In considering the issues outlined in this report Members are reminded that significant additional Government Grant cuts will be made over the period 2016/17 to 2018/19. As a result the Council faces a budget deficit for the next three years of between £16.3m and £18.3m, depending on the level of Council Tax increases approved by Members over this period. The recommended strategy for managing the 2016/17 budget position is predicated on the use of significant one-off resources to provide a longer lead time to make permanent budget reductions and the following table summarises the annual budget deficits. Detailed proposals for achieving 2017/18 and 2018/19 budget reductions will need to be developed. Any additional budget pressures will increase the budget cuts which will need to be made and will need to be referred to the Finance and Policy Committee for consideration.

| | Revised Forecast based on actual grant cut and 1.9% Council Tax increase £'m | Revised Forecast based on actual grant cut and 1.9% Council Tax increase and 2% Social Care Precept £'m |
|--------------------------|---|--|
| 2016/17 | 4.749 | 4.179 |
| 2017/18 | 9.638 | 8.663 |
| 2018/19 | 3.945 | 3.443 |
| Total | 18.332 | 16.285 |
| Cut as %age 15/16 budget | 21% | 19% |

9. LEGAL CONSIDERATIONS

- 9.1 There are no legal considerations for this report.

10. CHILD AND FAMILY POVERTY CONSIDERATIONS

- 10.1 Please see attached pro-forma.

11. EQUALITY AND DIVERSITY CONSIDERATIONS

- 11.1 Poverty can affect anyone however research shows us that specific groups of people are more susceptible than others. Their needs must therefore be considered. Groups at risk include:
- Young working age people 18-25
 - Lone parents
 - Large families
 - Children born into families in poverty
 - Those who are disabled and/ or suffer from illness (including mental illness)
 - Those with low educational attainment

- Those who are unemployed
- Those who find difficulty in managing their finances
- Those from minority ethnic backgrounds

12. STAFF CONSIDERATIONS

- 12.1 There are no staffing considerations for this report.

13. ASSET MANAGEMENT CONSIDERATIONS

- 13.1 There are no asset management considerations for this report.

13. RECOMMENDATIONS

- 13.1 That Members approve the Child and Family Strategy 2016 – 2020 (Appendix A)

14. REASONS FOR RECOMMENDATIONS

- 14.1 To ensure a timely response so that more families can be helped at the earliest possible opportunity.

15. BACKGROUND PAPERS

Joseph Rowntree Foundation report:
<https://www.jrf.org.uk/report/we-can-solve-poverty-uk>.

15. CONTACT OFFICERS

Penny Thompson, Head of Service (Children's Hub and Partnerships),
01429 284878, penny.thompson@hartlepool.gov.uk

Danielle Swainston, Assistant Director (Children's Services), 01429 523732,
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Hartlepool

Child and Family Poverty Strategy

2016 - 2020

Child and Family Poverty – A Partnership Approach

CONTENTS

1. Context
2. Defining poverty
3. What does child poverty look like in Hartlepool?
4. Why do we need to end child poverty and who is most at risk?
5. What is the vision for Hartlepool?
6. The need for a partnership approach
7. Joseph Rowntree Foundation
8. Outcomes and priorities
9. Principles
10. How will we deliver our strategic priorities?
11. Mitigating the impact of poverty on children and families
12. Building pathways out of poverty for children and young people
13. Creating new opportunities for adults to reduce child and family poverty
14. Food poverty and holiday hunger
15. Monitoring progress and success
16. Tackling child poverty – actions for 2016 to 2020
17. What are the resource implications for tackling child poverty in Hartlepool?
18. Conclusion

Appendix A – Local Needs Assessment

Appendix B – Action plan

Appendix C - Consultation process

Appendix D – What are young people telling us?

Appendix E – JRF: Hartlepool Conversations

1. Context

The government's Child Poverty Act 2010 placed new requirements on local authorities and its partners to reduce and mitigate the effects of child poverty in their area. A series of key actions were set for local authorities including the duty to cooperate, to undertake child poverty needs assessments and to produce local child poverty strategies. Hartlepool has produced two strategies since the Act was made law and updated its needs assessment annually.

The Welfare Reform and Work Act 2016 repealed much of the Child Poverty Act and redefined poverty with a focus on work and educational attainment. The government's latest child poverty strategy is for the period 2014-17. In this they set out their intention to support families into work and increase their earnings, to improve living standards and to prevent poor children becoming poor adults through raising educational attainment. The goal to end child poverty by 2020 remains their firm commitment however the way they will measure it has changed.

Locally, Hartlepool Borough Council remains an active partner within the North East Child Poverty Commission which aims to build public and political support for actions that improve the lives of poor children living in the North East. Hartlepool's child and family poverty strategy compliments the work of the Commission and the Regional Child Poverty officer group. *'Child Poverty in the North East' (The University of York, June 2015)* and *'Child Poverty in the North East' (North East Child Poverty Commission, December 2015)* should be read in conjunction with this strategy as they give clear indications of levels of poverty between 2007 and 2015.

2. Defining poverty

Poverty can be defined in many different ways. The Joseph Rowntree Foundation defines poverty as *'when a person's resources are not enough to meet their basic needs'*.¹ The indicator most widely used to measure poverty and to assess impact on the 2020 target is –

Relative poverty: each household's income, adjusted for family size, is compared to median income. Those with less than 60 per cent of median income are classified as poor. This measure is broadly used by many countries and the European Union. In the UK this information is taken from the Households Below Average Income (HBAI) survey.²

The new Welfare Reform and Work Act has retained the relative poverty measurement and included new reporting obligations –

- children living in workless households
- children living in long-term workless households
- educational attainment of children at the end of Key Stage 4
- educational attainment of disadvantaged children at the end of Key Stage 4.

¹ Monitoring Poverty and Social Exclusion, Joseph Rowntree Foundation and New Policy Institute, 2015.

² Households Below Average Income Statistics, DWP, 2014.

3. What does child and family poverty look like in Hartlepool?

Poverty rate

The government's Child Poverty Unit tells us that between 2006 and 2012 poverty rates in Hartlepool increased from 27.9% to 28.1% compared to 20.8% and 18.6% nationally and that 25% of children in Hartlepool live in a workless family compared to 18% in the North East and 14% nationally. The Child Poverty Commission's latest report estimates child poverty in Hartlepool to be 31%. This equates to 5,590 children living in a household that claims an out of work benefit. This places Hartlepool third in the region for the highest levels of poverty after housing costs are taken into account.

Wages

According to the Institute for Fiscal Studies (IFS) families living on or below £375 per week (couple with two children) *before* housing costs are living in relative poverty.³ According to The Office for National Statistics average earnings in Hartlepool are in the region of £378 per week.

Work

Unemployment claimant rates range from 8.1% in Victoria to 1.1% in Rural West compared to a national average of 3.3% (TVU 2015). On average 4.5% of our young people aged 16 to 19 are NEET (CCIS 2016).

Health

Deprivation can impact negatively on health. Our Health and Wellbeing Strategy tells us that levels of deprivation are higher and life expectancy lower than the national average; life expectancy for men is nine years lower in the town's most deprived areas than the national average. The percentage of women smoking is higher than the national average, our immunisation rates are the lowest in the Tees Valley and 25% of our Y6 children are obese.

Opportunities

Anecdotally, we know from speaking to our children and young people and the relevant adults in their lives that many Hartlepool children are missing out on opportunities that their peers are not. Lack of opportunities can lead to *poverty of experience* and can stifle aspiration. Examples include accessing local groups (eg uniformed organisations such as Brownies), going on school trips, having their friends over for tea, having a birthday party or even going to the beach.

4. Why do we need to end child and family poverty and who is most at risk?

Poverty is a cost that Hartlepool cannot afford. Poverty has an adverse effect on our wider society and our economic success. Research tells us that growing up in poverty has a devastating effect on our children and young people and that in many cases poor children grow up to be poor adults. Poverty reduces a child's sense of worth and can impact on their ability to achieve at school. Links between child poverty and health are clear, not least the likelihood of dying prematurely.

³ Living Standards, Poverty and Inequality in the UK: 2014, Institute for Fiscal Studies, 2014.

It is estimated that child poverty currently costs the UK government £29 billion a year – this includes the costs of welfare and benefits, loss of tax revenue, the extra costs of services to deal with consequences of poverty and an estimate for loss of earnings. This problem looks avoidable if more families were in work however research also tells us that 56% of households living in poverty are in work. Work therefore needs to pay (the Living Wage), housing needs to be affordable and families need the skills to secure employment with an opportunity for progression. Many people cannot work due to illness, disability and caring responsibilities and these people need to be supported to live with dignity and respect whilst contributing to society in other ways.

Almost anyone can experience poverty however some people are at a greater risk of poverty than others. These include families with children (in particular single people with children and larger families with three or more children); the working age unemployed; disabled (physical and learning) working age adults; working age adults with mental health issues; children with SEND; Black Minority Ethnic Groups; social renters; those living in particular areas in the town. According to the Joseph Rowntree Foundation for the first time ever ‘age’ can be a determining factor in poverty – pensioners are less likely to be in poverty however young people aged 18-25 are more likely to be in poverty – largely due to changes to welfare and benefit entitlement.

5. What is the vision for Hartlepool?

Hartlepool Borough Council fully supports the government’s ambition to reduce and ultimately eradicate child poverty by 2020. The council acknowledges that realistically speaking there is very little time left to secure real change to children and young people’s lives if they are to be lifted out of poverty in the next few years.

However, our plan to reduce and eradicate poverty is built upon a foundation that enables families break out of intergenerational cycles of deprivation using a family centred approach, ensuring all children and families have support at the earliest possible stage to prevent families reaching crisis. We aim to prevent poor children becoming poor adults through improved educational attainment and better opportunities for all.

As a council we can do this by ensuring –

- Council services have children and families at heart – A Better Childhood in Hartlepool will see systemic change in the way the Council delivers its children and young people’s services
- Our educators are Good or Outstanding – and are supported where appropriate to strive for excellence
- We work in partnership with key agencies and organisations – this includes Health, Emergency Services, the Private sector and organisations in the Voluntary and Community sectors
- We pay The Living Wage as a minimum to our employees and encourage other employers to do the same
- We continue to deliver Council Tax Support helping those on no/ low income

- Discretionary Housing Payments are targeted at those that need them most supporting residents to live in sustainable tenancies that meet their personal circumstances
- Local Welfare Support continues to be available each year offering help to those both in and out of work that find themselves in financial crisis
- Front facing council staff have a basic understanding of welfare and benefits and are able to support or signpost families to maximise their income and get financial help when it is most needed.

6. The need for a partnership approach

Child Poverty is everybody's business and Hartlepool Borough Council and partners are wholly committed to achieving an end to poverty by 2020. This is a significant undertaking and the only way this will happen will be through a partnership approach. All services need to work together.

7. Joseph Rowntree Foundation

The Joseph Rowntree Foundation (JRF) is a social policy research and development charity that funds a UK-wide research and development programme. It seeks to understand the root causes of social problems, to identify ways of overcoming them, and to show how social needs can be met in practice. JRF works by funding research and taking forward the lessons learned, engaging with policy-makers and practitioners to develop better solutions. JRF works in partnership with the Joseph Rowntree Housing Trust (JRHT) to provide housing, care homes, retirement and supported housing, and demonstrates new approaches in these areas.

In Hartlepool JRF has a presence at Hartfields Retirement Village and is currently undertaking 'Action Lab' work to support community driven approaches to tackling poverty in Hartlepool. Appendix C is one such piece of work and includes 'conversations' with Hartlepool residents about their thoughts of the town.

In September 2016 JRF published 'We can solve poverty in the UK'. Their strategy, aimed at government, business, communities and citizens, offers an insight into how together we can solve poverty. It calls upon everyone to take ownership and action in order to overcome 'shameful' levels of poverty across the UK. Its key priorities align well with those identified in Hartlepool's strategy and can be summarised as follows –

- Boosting income and reducing costs
- Delivering an effective benefits system
- Improving education standards and raising skills
- Strengthening families and communities
- Promoting long term economic growth.

8. Outcomes and priorities

Hartlepool's has identified three key strategic priorities to reduce child and family poverty. They are -

- Mitigate the impact of poverty on children and families

- Build pathways out of poverty for children and young people
- Create new opportunities for adults to reduce child and family poverty.

In addition Hartlepool wants to be sure that no child goes hungry, particularly during school holidays when they are not able to access a Free School Meal.

9. Principles

These priorities are underpinned by a series of key principles that should be adopted by all partners working with families -

- The safeguarding of children is paramount
- Families will be encouraged to seek help early
- One worker, one assessment and one plan
- Workers will own and intervene and acknowledge the need to cut across their own professional boundaries for the benefit of the child
- Relationships will be a new focus with the aim of strengthening ties and increasing efficacy of actions
- Parenting remains a critical factor and will continue to be at the heart of the strategy
- The workforce will be solution focussed and will encourage ownership of goals and actions within the family
- Families will be partners with the workers that are in place to support them
- All workers will make judgements based on guidance and procedures but grounded in seeing the world through the child's eyes
- Children and young people's voices will be heard in the development of services and in any support offered.

10. How will we deliver our strategic priorities?

In order to deliver our strategic priorities, we will rigorously deliver upon the action plan as set out in Appendix D. In addition, we will –

- Ensure Elected Members have an understanding of poverty in their ward area and support their local community to offer solutions
- Tackle public misconceptions of poverty; work with the media (including the local newspaper and via social networks) to dispel myths that surround worklessness and benefit reliance
- Support schools to poverty proof the school day ensuring children are not identifiable or 'singled out' due to family low income; ensure low income children are able to access the same opportunities as their peers.

Consultation with young people and with service providers across the town has helped identify the following key actions. Full detail of the consultation process can be found in Appendix B.

11. Mitigate the impact of poverty on children and families

The Institute of Fiscal Studies predicts a total of 800,000 children living in poverty by 2020⁴. This growth can be directly linked to changes in welfare and benefit

⁴ Child and Working Age Poverty from 2010 to 2020, Institute of Fiscal Studies, 2011.

entitlement enacted in the Welfare Reform Act 2012 and the new Welfare Reform and Work Act 2016. In real terms new legislation has seen families in Hartlepool £42 million worse off through reforms such as the benefit cap, changes to disability related benefits, council tax benefit, housing allowances and the under occupation charge⁵. With further reform planned we need to -

Early help

- Make sure residents know where they can go in times of crisis but also to seek early help when they need it
- Focus on relationships and couple support with an understanding that families are stronger when they work together
- Offer long term, intensive support for complex cases where it is needed.

Money management

- Ensure people are getting the benefits they are entitled to
- Help people make good use of the money they receive, take an active approach to money management including savings, planning for crisis and for the future
- Know where to get low cost credit and where to get money advice if needed
- Keep a close eye on the cost of living and use this information to inform the development of family services.

Skills, training and work

- Encourage those that can to work
- Support those at risk of 'in work' poverty to access benefits and entitlements
- Improve adult skills increasing their work opportunities
- Ensure children that are entitled to a Free School Meal are identified automatically and an award made
- Make maximum use of e.g. Pupil Premium reducing the gap between those that are more disadvantaged than others.

Housing and homes

- Work with social housing providers and support them in a moral duty to ensure they help families at risk
- Support new tenants to manage their tenancy with checks on affordability and ongoing support with money prioritization and management
- Support families in rent arrears to take positive action on their tenancy with the aim of preventing eviction and homelessness – work with landlords to ensure early notification of families at risk of rent arrears
- Target fuel poverty and improve energy efficiency – make full use of replacement boiler schemes and energy efficiency programmes.

12. Build pathways out of poverty for children and young people

Poverty is about more than just money. It is disadvantage, hardship and lack of opportunity. Children and young people need to be supported from pre-birth through their early years and throughout their statutory education. Young people need to have choices moving forward. We need to reduce the gap between levels of attainment of children and young people who receive a free school meal and those who do not. We must -

⁵ The Impact of Welfare Reform in the North East, Association of North East Councils, 2013.

Care, education and learning

- Support eligible children to take up their free early education and childcare place with high quality providers
- Ensure our schools offer education that meets the needs of a child growing up in the 21st century
- Support education providers to make effective use of Pupil Premium narrowing the gap in attainment where appropriate
- Ensure pathways for SEND children are clear and that learning and work expectations of children and young people with SEND are high
- Ensure children are taught about money, money management, savings, credit and debt. Support them to develop practical skills that will go on to help them in adult working life
- Ensure our secondary school and post 16 learning providers offer information, advice and guidance to young people helping them make informed choices about their future
- Improve transition arrangements from formal education providers to service providers such as Adult Education and other Training Providers ensuring young people are clear on training pathways available to them
- Ensure our post-16 providers offer education that meets the needs of young people enabling them to acquire skills necessary to join the workforce
- Encourage an appetite and love for learning that supports children and young people to continue to learn throughout their adult life.

Work focus

- Ensure Apprenticeships are available, offer excellent work based learning opportunities and include high quality accredited training that will help meet future work needs
- Ensure advice on self-employment, enterprise and commerce is available across all age groups and abilities
- Identify skill shortages across employment sectors and share this information with young people enabling them to make informed choices about their future career opportunities.

Participation, positive role models

- Encourage children and young people to participate in organisations and activities that support them to develop skills and acquire experiences that will go on to help them in adult life
- Encourage volunteering to develop skills and experience and help them take ownership within their community
- Ensure adults that engage with children and young people - through childcare, education, volunteering – are of a high quality, are well trained, motivated and enthusiastic role models
- Support parents to display positive attitudes to education and to share this with their children.

13. Create new opportunities for adults to reduce child and family poverty.

Research shows that the best route out of poverty for families is parental employment and therefore raising family income. Increasing the overall employment rate is a key aim of the strategy and supporting adults to enter into sustainable work will be achieved in the following ways –

Young people and work

- Tees Valley Pathways & Routeways Youth Employment Initiative Programme. Delivered through a consortium of 28 Delivery Partners including the five Local Authorities, Colleges and organisations from the Public, Private and Voluntary Sector, the programme will support 960 young people aged 15 to 29 years old who are unemployed with over 400 progressing into sustained education, employment, training or self-employment
- The Hartlepool Youth Investment Project brings together all partners such as schools, colleges, Jobcentre Plus and critically employers to improve the employability and entrepreneurial skills of young people. Through the combined efforts of partners, the youth unemployment rate has reduced to its current rate of 3.8%
- HBC will support the delivery of the Careers & Enterprise Company by Tees Valley Unlimited and Groundwork. This will ensure that young people develop the knowledge, skills and abilities that employers demand through the creation of innovative programmes

Adults, skills and work

- Ensure that Hartlepool's 'vision' for growth creates job opportunities for working age adults in Hartlepool; adults to be offered training opportunities to fill identified skills gaps ensuring local people are able to access local jobs
- Ensure adults have the skills and easy access to digital services allowing them to engage with public sector agencies (e.g. DWP) to claim benefits they are entitled to and to search and apply for jobs
- Adult Education, Hartlepool Working Solutions and National Careers Service have established a universal Information, Advice and Guidance offer and over the next year will deliver IAG to 400 unemployed adults across Hartlepool
- Hartlepool Working Solutions delivers the Supporting Working Age Adults Project including employability skills, impartial IAG, job search facilities and employment route ways. Over the next year, the project will support 300 unemployed adults into further training and 100 into employment.

Employers

- Work with employers to implement The Living Wage and encourage them to move away from zero hour contracts ensuring low skilled workers are paid a fair and regular wage
- The Economic Regeneration Team has established a Hartlepool Employer Core Offer in partnership with National Careers Service, Jobcentre Plus, National Apprenticeship Service and Adult Education. This will promote the combined range of services to businesses including apprenticeships, traineeships etc. Through this, Adult Education will undertake a Training Needs Analysis on 100 companies with 400 employees accessing learning provision
- Hartlepool Adult Education will respond to the new Employer Levy by working with businesses to create apprenticeships and traineeships. Over the next year, Adult Education will create 100 new apprenticeships in partnership with companies. This will be aligned to the Government drive to increase apprenticeships to 3 million by 2020.

Supporting people to get work and to stay in work

- Ensure transport in the town meets the needs of those that work both in and out of the borough; transport must be affordable, flexible and able to meet diverse working patterns
- Work with childcare providers to ensure childcare is available, flexible and suitable to meet the needs of a diverse employment sector
- Support those that are working part time to gain 'full employment' where appropriate
- Challenge public perception that there are 'no jobs for people'
- Volunteer Hartlepool is part of Hartlepool Borough Council's Adult Education Team and promotes volunteering to residents, businesses and other organisations across the town.
- Hartlepool Borough Council is the lead on the Tees Valley Combined Authority Education, Employment and Skills Board. This will support residents to access the 25,000 replacement and 120,000 new jobs created in the Tees Valley over the next decade in growth sectors such as Advanced Manufacturing
- Hartlepool Adult Education is embedding entrepreneurship and enterprise activities in all provision ensuring residents have key skills such as communication, leadership and teamwork which employers demand. This will also ensure that people view enterprise as a viable career option and through this the Hartlepool Self Employment Rate will increase to 10% by 2021
- Ensure volunteers receive training and access to a volunteering placement based on their interests, skills and ambitions. Over the next year, Volunteer Hartlepool will register 100 new volunteers who will be supported to progress into training and employment.

Health and disability

- Ensure intensive support is available to adults with mental health problems and substance use issues who are struggling
- The Promoting Change, Transforming Lives Project has commenced at Waverley Allotments through £400,000 of funding from the Big Lottery Fund. The project will be delivered over the next five years supporting people with mental health and/or learning difficulties. There will be 100 disadvantaged people accessing the provision each year alongside 18 adults supported into employment, 20 onto a work placement and 20 into further learning
- The Mental Health Pilot will continue to be delivered over the next year supporting a minimum of 100 adults to access skills provision and qualifications which will help adults recover from mild to moderate mental health problems. This project will be delivered by Adult Education in partnership with MIND and Hartlepool Working Solutions
- The Hartlepool Employment Link Team is based with Economic Regeneration and supports vulnerable adults who have a learning difficulty and/or mental health problem.

14. Food Poverty and Holiday Hunger

In 2015/16 there were 2,148 primary children a day eligible for a free meal, uptake of primary free meals was 82% (approx 1761 children). There were 804 a day eligible in secondary schools, uptake of secondary free meals was 74% (approx 595

children). Overall uptake of schools meals stands at 72% in primary schools and 63% in secondary schools.

There is growing concern that some children who would normally receive a free school meal during term time do not have access to this provision during school holidays and may be under-nourished. This concern is corroborated with national information from The Trussell Trust which has seen an increase in the use of foodbanks when schools are closed together with information from the voluntary sector which indicates that children and young people accessing holiday scheme activities do so in order to get free packed lunches and snacks.

Research shows that children living in poverty dropped further behind their better off peers when schools were closed and they did not have access to free school meals. They were often physically and mentally unprepared for learning when they returned to school⁶. We need to –

Workforce skills

- Ensure workers across town know what provision is available for hungry residents and their families
- Remove any stigma attached to Free School Meals and accessing foodbanks
- Ensure crisis payments for Local Welfare Support are fair and consistent and that vouchers are available for a wide selection of supermarkets and stores.

Nutrition and health

- Promote breast feeding as an important start in life and a low cost way of feeding a young child
- Support parents and carers to develop cooking skills and how to buy and prepare food on a budget.

Food via the VCS

- Explore Fare Share as an option for free/ low cost food and encourage voluntary sector agencies to access the scheme
- Ensure breakfast clubs operating across the town are accessing free cereal from Kelloggs
- Work with Greggs and encourage partners to register to collect and distribute free food at the end of the working day
- Continue to support the local Trussell Trust foodbank through Local Welfare Support and refer those that are most in need to the service.

VCS support

- Support the voluntary sector to identify funding opportunities for out of school provision targeting summer holidays and those in greatest need.

15. Monitoring progress and success

Moving forward the government must now report annually on progress towards full employment; this includes an apprenticeships target. In addition the government must report on –

⁶ Food Poverty: School Holidays and Wider Impact, Northern Housing Association, 2015.

- Children who live in households whose equivalised net income for the relevant financial year is less than 60% of median equivalised net income for that financial year ('relative poverty')
- Children living in workless households in England
- Children living in long-term workless households in England
- The educational attainment of children in England at the end of Key Stage 4
- The educational attainment of disadvantaged children in England at the end of Key Stage 4.

In order to show impact on child and family poverty, Hartlepool will need to see an improvement in the following key areas -

| Measurement | Definition and source | Hartlepool's position in 2016 |
|--|--|---|
| Number of children living in relative poverty | Relative poverty is measured using the DWPs 'Households Below Average Income' survey and is produced using a three year average. Most up to date figures are for the period 2011/12 – 2013/14. | 31% |
| Number of children living in workless households claiming JSA | Number of children living in workless households is derived from Office for National Statistics data and includes households claiming JSA with children aged 16 years and under (or 18 years and under if in education). . | 23.28% |
| Number of children living in long term workless households | Long term worklessness has been defined in the Act as children who live in households whose equivalised net income has been less than 60% of the median equivalised net household income in at least 3 of the last 4 'survey periods'. | New measurement – 'survey period' not yet known |
| Attainment of children at end of Key Stage 4 | Measurement to be confirmed. Likely to be Attainment 8 and Progress 8 measures [Previously measured by % of pupils achieving 5+ A*-C including English and Maths (level 2 equivalent): Source 2015 GCSE pupil file] | TBC [previous measurement 53.40%] |
| Gap between children eligible for FSM and the rest at end of KS4 | See above. Measurement to be confirmed. [See above – previous source 2015 GCSE pupil file] | TBC [30.9%] |

Locally we can expect to see demonstrable impact on child and family poverty in the next 12 months in the following key areas –

- A Better Childhood in Hartlepool will see integrated teams focused on improving relationships across families, strengthening their resilience so they are more equipped to deal with crisis. Teams will include local authority and health staff and will aspire to include police, housing providers and mental health

- A public and voluntary sector workforce that is equipped with basic practical knowledge on welfare, benefits, income maximisation and money management with a clear understanding of where families need to go for help. This is being led by Hartlepool Financial Inclusion Partnership and is multi agency in its support
- Responsive council services that meet the needs of local residents and react real time to welfare reform – eg Council Tax Support Scheme, Discretionary Housing Payments, Local Welfare Support, Housing advice and early action on rent arrears and potential evictions
- 100% take up of early years entitlement by eligible children with children taking their placements in Good or Outstanding settings.

16. Tackling child poverty – actions for 2016 to 2020

We need to take a long term look at child and family poverty reduction with an understanding that strategic change will take time to have an impact. As part of this Hartlepool Borough Council and partners need to share ownership of the problem and work together to achieve tangible and sustainable impact.

The key priorities remain -

- Mitigate the impact of poverty on children and families
- Build pathways out of poverty for children and young people
- Create new opportunities for adults to reduce child and family poverty.

We will ensure that no Hartlepool child goes hungry, particularly during school holidays when they are not eligible for a Free School Meal.

The plan in Appendix C sets out broad actions for the period 2016-20.

17. What are the resource implications for tackling child poverty in Hartlepool?

Resources are tight however there is an understanding and an appetite from all partners to make a difference to children's lives. The need to work together has been agreed by all the key service providers and agencies and partners are linked in to collaborative projects with families at their heart.

18. Conclusion

Hartlepool continues to face a challenging time with continued national austerity measures in place to tackle the budget deficit. This has seen an overall reduction in the Local Authority's budget and this together with new legislation such as the Welfare Reform Act and the Welfare and Work Bill have impacted on funding for residents. Welfare Reform in a town with already high levels of disadvantage has a particularly severe 'bite'. Whilst welfare reform is not the sole driver of child and family poverty it is an exacerbating factor. Collaborative work between partners is the only way to tackle child and family poverty and to see an improvement on those measures outlined above.

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Appendix A – Local Needs Assessment

| Data | Source | Burn Valley | De Bruce | Fens & Rossmere | Foggy Furze | Hart | Headland & Harbour | Jesmond | Manor House | Rural West | Seaton | Victoria |
|---|----------------------------|--------------------|-----------------|----------------------------|--------------------|-------------|-------------------------------|----------------|--------------------|-------------------|---------------|-----------------|
| Total Population Estimates (2013) | NOMIS | 9320 | 8651 | 7887 | 9311 | 8165 | 6527 | 9295 | 9904 | 8685 | 8269 | 6576 |
| Population 0-15 Year Olds Estimate (2013) | NOMIS | 1814 | 1790 | 1269 | 1757 | 1726 | 1222 | 1973 | 2300 | 1290 | 1450 | 1058 |
| Population of 16-19 year olds Estimate | NCCIS | 554 | 434 | 359 | 475 | 443 | 311 | 441 | 567 | 420 | 372 | 292 |
| Unemployment Claimant Rate (2015) | TVU | 5.6% | 5.2% | 2.3% | 3.8% | 1.1% | 6.2% | 4.9% | 7.3% | 1.1% | 1.9% | 8.1% |
| Pupils Receiving Free School Meals (Jan 2015) | January 2015 School Census | 300 | 504 | 89 | 336 | 73 | 327 | 426 | 651 | 37 | 186 | 419 |
| % 16 17 18 19 year olds NEET (Jan 2016) | NCCIS | 4.79% | 4.6% | 1.7% | 4.79% | 2.1% | 6.41% | 3.35% | 6.63% | 0% | 1.89% | 7.64% |
| Qualifications 5+ GCSE's A-C Including English and Maths (2014) | 2015 GCSE pupil file | 51.7% | 48.3% | 67.0% | 56.8% | 66.0% | 24.1% | 44.7% | 49.3% | 56.3% | 66.1% | 48.9% |
| Gap between FSM children and the rest at KS4 | 2015 GCSE pupil file | 27.0% | 24.8% | 24.4% | 42.1% | 5.1% | 10.04% | 29.8% | 23.5% | 46.0% | 28.6% | 37.1% |

Appendix B - Child and Family Poverty Action Plan

| Objective | Key actions | Timescale | Lead Officer/ department/ team / service provider |
|---|---|----------------|---|
| Mitigate the impact of poverty on children and families | <u>JRF Action Lab –</u> <ul style="list-style-type: none"> Housing for young people and those that have been looked after Community safety/ neighbourliness project | September 2016 | JRF/ VCS |
| | <u>Skills, work and employment –</u> <ul style="list-style-type: none"> Encourage those that can to work Support those at risk of ‘in work’ poverty to access benefits and entitlements Improve adult skills increasing their work opportunities | September 2016 | PT/PW |
| | <u>Money, budgeting and debt –</u> <ul style="list-style-type: none"> Keep a close eye on the cost of living and use this information to inform what financial support is offered to families Closely monitor the impact of Universal Credit on families as they move to monthly payments and take responsibility for paying their own rent Help people access affordable essential services (e.g. food, energy, childcare) and make good use of the income they receive Take an active approach to money management, savings, planning for crisis and saving for the future Know where to get low cost credit and where to get money advice if needed | March 2017 | PT |
| | <u>Benefits and entitlements -</u> <ul style="list-style-type: none"> Ensure people are getting the benefits they are entitled to Ensure children that are entitled to a Free School Meal are identified | March 2017 | PT |

| | | | |
|--|--|---|-------------------------------|
| | <p>automatically by the council and an award is made</p> <p><u>Education –</u></p> <ul style="list-style-type: none"> • Ensure eligible children are taking up their free early education and childcare entitlement enabling the parent to train or work and the child to reach important early learning goals • Ensure all our education providers are of the very highest standard • Ensure that all children and young people are encouraged to reach their potential – making maximum use of e.g. Pupil Premium reducing the gap between those that are more disadvantaged than others <p><u>Housing -</u></p> <ul style="list-style-type: none"> • Work with social housing providers and support them in a moral duty to ensure they help families at risk • Support families in rent arrears to take positive action on their tenancy with the aim of preventing eviction and homelessness • Target landlords that neglect properties or who own empty properties • Find creative uses for derelict/ empty buildings • Target fuel poverty and improve energy efficiency <p><u>Family relationships and resilience -</u></p> <ul style="list-style-type: none"> • Focus on relationships and couple support with an understanding that families are stronger when they work together • Make sure residents know where they can go in times of crisis but also to seek early help when they need it • Offer long term, intensive support for complex cases where it is needed | <p>March 2017</p> <p>March 2017</p> <p>March 2017</p> | <p>PT</p> <p>NJ</p> <p>DS</p> |
|--|--|---|-------------------------------|

| Objective | Key actions | Timescale | Lead Officer/ department/ team / service provider |
|---|---|------------|---|
| Build pathways out of poverty for children and young people | <u>Education –</u> <ul style="list-style-type: none"> • Support eligible children to take up their free early education and childcare place with a high quality early years provider • Ensure our schools are at least Good and preferably Outstanding offering education that meets the needs of a child growing up in the 21st century • Ensure our post-16 education providers offer education that meets the needs of young people enabling them to acquire the skills necessary to join the workforce • Support education providers to make effective use of Pupil Premium narrowing the gap in attainment where appropriate • Ensure pathways for SEND children are clear and that learning and work expectations of children and young people with SEND are high • Encourage an appetite and love for learning that supports children and young people to continue to learn throughout their adult life | March 2017 | MP |
| | <u>Transition –</u> <ul style="list-style-type: none"> • Ensure our secondary school and post 16 learning providers offer information, advice and guidance to young people helping them make informed choices about their future • Improve transition arrangements from formal education providers to service providers such as Adult Education and other Training Providers ensuring young people are clear on training pathways available to them • Ensure Apprenticeships are available, offer excellent work based learning | March 2017 | MP/ PW |

| | | | |
|--|---|------------|-------|
| | <p>opportunities and include high quality accredited training that will help meet future work needs</p> <ul style="list-style-type: none"> • Ensure advice on self-employment, enterprise and commerce is available across all age groups and abilities • Identify skill shortages across employment sectors and share this information with young people enabling them to make informed choices about their future career opportunities <p><u>Skills, work and employment –</u></p> <ul style="list-style-type: none"> • Ensure children are taught about money, money management, savings, credit and debt. Support them to develop practical skills that will go on to help them in adult working life <p><u>Community ethos and citizenship –</u></p> <ul style="list-style-type: none"> • Encourage children and young people to participate in organisations and activities that support them to develop skills and acquire experiences that will go on to help them in adult life • Encourage volunteering to develop skills and experience and help them take ownership within their community • Ensure adults that engage with children and young are of a high quality, are well trained, motivated and enthusiastic role models • Support parents to display positive attitudes to education and to share this with their child/ren | March 2017 | MP |
| | | March 2017 | DS/MP |

| Objective | Key actions | Timescale | Lead Officer/ department/ team / service provider |
|---|--|----------------|---|
| Create new opportunities for adults to reduce child and family poverty. | <u>JRF Action Lab –</u> <ul style="list-style-type: none"> Poolie Time Bank – a website dedicated to volunteering in Hartlepool with rewards for those that are able to commit their time free to support their local community <u>Skills, work and employment –</u> <ul style="list-style-type: none"> Ensure that Hartlepool’s ‘vision’ for growth creates job opportunities for working age adults in Hartlepool Ensure young people leaving education are ready and able to work Ensure adults are offered training opportunities to fill identified skills gap areas ensuring local people are able to access local jobs Where there has been a loss of traditional employment sector skills look to replace this with new skills that meet the needs of a modern day workforce Promote self-employment, enterprise and commerce as a means to self-sufficiency and full employment Ensure adults have appropriate skills and easy access to digital services allowing them to engage with public sector agencies (e.g. DWP) to claim benefits they are entitled to and to search and apply for jobs <u>Partnerships –</u> <ul style="list-style-type: none"> Develop strong links between education providers and employment advisory services to ensure young people receive appropriate information, advice and guidance Ensure Adult Education and other training providers are linked up with schools to ensure seamless transition for young people into other areas of training and | September 2016 | JRF/ VCS |
| | | June 2017 | PW/ MP |
| | | June 2017 | PW |

4.1 Appendix A

| | | | |
|--|--|----------------|----|
| | <p>learning</p> <ul style="list-style-type: none"> • Work directly with employers to construct bespoke employability programmes that lead to work trials, work placements, volunteering and ultimately employment • Effective engagement with employers to understand future skill needs and to support with Workforce Development • Apprenticeship campaigns direct with employers <p><u>Transport –</u></p> <ul style="list-style-type: none"> • Work with providers to ensure transport in the town meets the needs of those that work both in and out of the borough • Ensure transport is affordable, flexible and able to meet diverse working patterns | September 2017 | DO |
|--|--|----------------|----|

4.1 Appendix A

| Objective | Key actions | Timescale | Lead Officer/ department/ team / service provider |
|---|--|----------------|---|
| Ensure no child goes hungry, particularly during school holidays when they are not able to access a Free School Meal. | <u>Workforce –</u> <ul style="list-style-type: none"> Ensure workers across town know what provision is available for hungry residents and their families | March 2017 | PT |
| | <u>Poverty proofing –</u> <ul style="list-style-type: none"> Remove any stigma attached to Free School Meals and accessing foodbanks Ensure crisis payments for Local Welfare Support are fair and consistent and are made available to the public as sensitively as possible | March 2017 | PT |
| | <u>Partnerships –</u> <ul style="list-style-type: none"> Support the voluntary sector to identify funding opportunities for out of school provision specifically targeting summer holidays and those in greatest need Continue to support the local Trussell Trust foodbank through Local Welfare Support and refer those that are most in need to the service | March 2017 | PT |
| | <u>Health –</u> <ul style="list-style-type: none"> Promote breast feeding as an important start in life and a low cost way of feeding a young child Support parents and carers to develop cooking skills and how to buy and prepare food on a budget | September 2017 | CJ |
| | <u>Food –</u> <ul style="list-style-type: none"> Explore Fare Share as an option for free/ low cost food and encourage | March 2017 | SC |

4.1 Appendix A

| | | | |
|--|--|--|--|
| | <p>voluntary sector agencies to access the scheme</p> <ul style="list-style-type: none">• Ensure breakfast clubs operating across the town are accessing free cereal from Kelloggs• Work with Greggs and encourage partners to register to collect and distribute free food at the end of the working day | | |
|--|--|--|--|

Appendix C – Consultation process

Stage 1

Strategy planning workshop held on 28.01.16. Members of Hartlepool Financial Inclusion Partnership (HFIP) invited to an initial workshop to scope and draft a strategy. 76 members invited, 17 attended. Organisations represented included DWP, Guinness Trust, Changing Futures North East, West View Advice and Resource Centre, Cleveland Fire Brigade, Illegal Money Lending Team, Belle Vue Community and Sports Centre and Trussell Trust Foodbank.

Stage 2

Stakeholder consultation workshop held 24.03.2016. Invitations extended to HFIP, Elected Members, health, voluntary and community sector and schools. 45 people attended. Representation included 13 schools, 4 Elected Members, 7 health staff, 3 housing providers, 2 banks and 5 VCS.

Stage3

Strategy re-shaped to ensure alignment with Joseph Rowntree Foundation (JRF) together with their UK poverty strategy and the work they are currently undertaking in Hartlepool via their 'Action Labs'. Draft shared and discussed with JRF in fortnightly update meetings. The JRF poverty strategy can be found here:

<https://www.jrf.org.uk/report/we-can-solve-poverty-uk>.

Stage 4

Strategy distributed for final consultation with opportunity for comments added to each sub-section of the report. Given the summer holiday period consultation was extended until 09.09.2016. This also aligned with the formal release of the JRF strategy to solve UK poverty.

Summary

The table below shows those organisations who responded and/or participated during the consultation process.

| | | |
|--|--------------------------------------|---|
| Belle Vue Community and Sports and Youth Centre | Hartlepool Foodbank (Trussell Trust) | Eldon Grove Academy |
| Guinness Trust | One Stop Shop | Changing Futures North East |
| HBC Teams including: Education, Learning and Skills Hartlepool Working Solutions Housing Advice Team Housing Strategy Community Safety Team | Elected Members | Children's Centres Parent Volunteers |
| Holy Trinity Church of England Primary School | Rossmere Primary School | St. Helen's Primary School |
| Joseph Rowntree Foundation | Department for Work and Pensions | Public Health |

| | | |
|--|--|--|
| Lloyds Bank | Lynnfield Primary School | Hartlepool College of Further Education |
| North East Child Poverty Commission/LGA | North Tees and Hartlepool NHS Foundation Trust | Santander |
| St. John Vianney Roman Catholic Primary School | Ward Jackson Primary School | Kingsley Primary School |
| Thirteen | CAMHS | Brougham Primary School |
| West View Advice and Resource Centre | Cleveland Fire Brigade | The Illegal Money Lending Team |
| West View Primary School | Hartlepool Families First | St. Aidan's Church of England Primary School |
| West View Project | Harbour | Rift House Primary School |

Appendix D - what are young people telling us?

Youth Workers from Hartlepool's One Stop Shop spent time with their service users talking about poverty. 11 young people aged 16-17 years were involved.

What is poverty -

- Not being able to afford the basic things in life: food, water, clothes, shelter and medicine.
- Having nothing to call your own.
- Having nowhere to live.
- Having no money.
- Poverty is having nothing to help you have a good start in life –so things get worse.
- Poverty is not just about being unable to afford things, it's about not being able to live or cope with life and things get worse and worse.

What causes poverty?

- Poverty can be caused by lots of things.
- You can be born into poverty – parents are poor so you are poor.
- It can happen because your parents split up.
- Drug and alcohol abuse.
- People who live in violent relationships.
- End of work due to companies going bust or courses coming to an end.
- No jobs for young people to help themselves.
- Young people who didn't get good results at school.
- "Not all people in poverty are bad people!"

How does poverty affect you?

- It can be scary.
- Can cause people to change from lovely human beings to someone who doesn't care about anything or anyone.
- Young people do what they need to survive.
- It can make you feel angry and get really mad – sometimes violent.
- It can take away confidence – and you think things will never get any better.
- You feel stuck in hole that you can't see a way out of.
- People in poverty can turn to drugs and alcohol as a way to escape.
- Things can wind up worse and debts can mount up.
- People turn to crime to feed themselves or get money for other things like alcohol or drugs.
- Can't go to interviews for a job or course because of the cost of clothes and travel.
- Makes you hungry.

What can young people do to help themselves out of poverty?

- Go to college or do training to get qualifications and do things with your life.
- Try and get a job.
- Listen to workers as they are only trying to help.
- Self-refer to services such as "Know Your Money".
- Don't waste money on things like drugs, alcohol and gambling.

- Set a budget and plan ahead. Make sure bills are paid and then plan meals and shopping.
- Stay at home with parents if possible.
- Don't 'kick off' and get angry it makes things worse.
- GET HELP!!!

What can services do to improve the way they help young people in poverty?

- Have a central place we can go to take time out or get support.
- Talk to us like young adults rather than children. Stop patronising us.
- Help with confidence.
- Meet appointments on time, don't keep people waiting.
- Help with finding work or training so we can get ourselves out of poverty.
- Teach us how to budget in school.
- Don't pass us about to different services.
- Have more jobs available.
- Help parents get jobs.

Appendix E 'Hartlepool Conversations'

Joseph Rowntree Foundation is in the process of undertaking local action against poverty in Hartlepool. In June 2016 they 'recruited' a team of local researchers to find out what is important to people in Hartlepool. Their report 'Hartlepool Conversations' can be found at www.hartlepoolactionlab.org.

Key priorities and ideas for improvement from residents included (but are not limited to) -

- Access to transport throughout the North East, subsidised where possible for those that need it
- Address perceived geographic barriers between wards in the town prevent Hartlepool residents from forming strong community cohesion (north/ south divide in the town)
- High business rates could be addressed by the Council to attract more enterprise within the town
- Money and the feeling that some residents do not have enough to participate positively in their local communities
- Incentives to establish and attract new businesses into empty shops
- Realistic training opportunities and apprenticeships for young people
- More volunteering opportunities for all
- Cost of accessing Adult Education opportunities is a barrier for some
- Lack of access to training, education and work for non-English speakers
- Middleton Grange Shopping Centre to work with partners to create more affordable retail units delivering jobs for local people and the opportunity of business enterprise
- Good quality, affordable housing that is well maintained by responsible landlords
- Build relationships with the media, particularly Hartlepool Mail to prevent negative comments relating to worklessness and 'lack of jobs'
- Build a feeling of community pride and ownership.

POVERTY IMPACT ASSESSMENT

4.1

1. Is this decision a Budget & Policy Framework or Key Decision? YES

If YES please answer question 2 below

2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES / NO

If YES please complete the matrix below

| GROUP | POSITIVE IMPACT | NEGATIVE IMPACT | NO IMPACT | REASON & EVIDENCE |
|--|--------------------|--------------------|--------------|---|
| Young working people aged 18 - 21 | Yes | | | Actions in strategy set out how being addressed |
| Those who are disabled or suffer from illness / mental illness | Yes | | | Actions in strategy set out how being addressed |
| Those with low educational attainment | Yes | | | Actions in strategy set out how being addressed |
| Those who are unemployed | Yes | | | Actions in strategy set out how being addressed |
| Those who are underemployed | Yes | | | Actions in strategy set out how being addressed |
| Children born into families in poverty | Yes | | | Actions in strategy set out how being addressed |
| Those who find difficulty in managing their finances | Yes | | | Actions in strategy set out how being addressed |
| Lone parents | Yes | | | Actions in strategy set out how being addressed |
| Those from minority ethnic backgrounds | Yes | | | Actions in strategy set out how being addressed |

Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?

| Poverty Measure (examples of poverty measures appended overleaf) | POSITIVE IMPACT | NEGATIVE IMPACT | NO IMPACT | REASON & EVIDENCE |
|--|--------------------|--------------------|--------------|--|
| All measures should be addressed through the strategy as these are outcomes being measured | Yes | | | Strategy objectives are linked to improvement in all these areas |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Overall impact of Policy / Decision | | | |
|---|-----------------|----------------------------------|--|
| NO IMPACT / NO CHANGE | Positive impact | ADJUST / CHANGE POLICY / SERVICE | |
| ADVERSE IMPACT BUT CONTINUE | | STOP / REMOVE POLICY / SERVICE | |
| Examples of Indicators that impact of Child and Family Poverty. | | | |
| Economic | | | |
| Children in Low Income Families (%) | | | |
| Children in Working Households (%) | | | |
| Overall employment rate (%) | | | |
| Proportion of young people who are NEET | | | |
| Adults with Learning difficulties in employment | | | |
| Education | | | |
| Free School meals attainment gap (key stage 2 and key stage 4) | | | |
| Gap in progression to higher education FSM / Non FSM | | | |
| Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4) | | | |
| Housing | | | |
| Average time taken to process Housing Benefit / Council tax benefit claims | | | |
| Number of affordable homes built | | | |
| Health | | | |
| Prevalence of underweight children in reception year | | | |
| Prevalence of obese children in reception year | | | |
| Prevalence of underweight children in year 6 | | | |
| Prevalence of obese children in reception year 6 | | | |
| Life expectancy | | | |

FINANCE AND POLICY COMMITTEE

Monday 31st October 2016



Report of: Director of Public Health

Subject: CONSIDER OPTIONS TO DELIVER A 0-19 HEALTHY CHILD PROGRAMME

1. TYPE OF DECISION/APPLICABLE CATEGORY

Key Decision test (i) and (ii) applies - Forward Plan Reference No PH 03/16.

2. PURPOSE OF REPORT

- 2.1 To seek approval for a preferred option from the Finance and Policy Committee to secure a 0 -19 Healthy Child Service to be funded through the Public Health Grant to commence from 1st May 2017.

3. BACKGROUND

- 3.1 The Health and Social Care Act 2012 set out a local authority's statutory responsibility for delivery and commissioning of public health services for children and young people aged 5 -19 years.
- 3.2 In April 2014, HBC awarded a contract to North Tees and Hartlepool NHS Foundation Trust (NTHFT) to deliver a 5-19 Children and Young People Health and Wellbeing Service (CYPHWBS), which included, amongst other things; the mandated Public Health functions of the National Child Measurement Programme (NCMP).
- 3.3 This Contract was awarded for an initial period of three years, with two one year extension options to be activated at the sole discretion of the local authority. Following a recent contract variation, a reduced termination notice period of six months, has been put in place for any justifiable reason, at any time during the contract term as a whole.
- 3.4 The Contract, without activation of any extension or early termination clauses, will run until 31st March 2017 with a maximum optional term until 31st March 2020 (if the local authority exercised both its discretionary one year extension options).

- 3.5 In October 2015, the responsibility for commissioning public health services for Children aged 0-5 transferred from NHS England (NHSE) to local authorities. The 0-5 Healthy Child Programme (HCP) included Health Visitor (HV) services and the Family Nurse Partnership (FNP), supporting teenage mothers aged 19 and under. This specific contract was also delivered by NTHFT, the same provider as for the existing 5 -19 CYPHWB service.
- 3.6 Some elements of the HCP must be delivered in the context of a national, standardised format, to ensure consistent delivery. These key elements are: ante natal health visits, new baby review, 6-8 week assessments, 1 year assessment and 2 to 2.5 year review.
- 3.7 The mandated requirement for local authorities began on 1st October 2015 with the intention that the arrangement would cease on 31st March 2017, with a review, involving Public Health England, anticipated after 12 months (Oct 2016), which would help inform future commissioning arrangements.
- 3.8 Local authorities would have flexibility to ensure that in the context of local need, these universal services support; early intervention, community development and complex care packages.
- 3.9 As mentioned previously, local authorities were already responsible for commissioning public health services and other services for children aged 5-19. The smooth transfer of those services was an important step to reduce health inequalities through the provision of high quality care for every child and their family. The transfer of 0-5 services in October 2015 therefore enabled local authorities to commission Public Health services for children and young people from age 0 through to 19 years.
- 3.10 When considering commissioning options for the transfer of responsibilities of the HCP, Public Health utilised an exemption from procurement rules to issue a contract for the 0-5 Service for 18 months from Oct 1st 2015 with an option to extend for one year and an integrated six month termination clause.
- 3.11 In January 2016, Public Health England published a range of guidance to support the commissioning of the Healthy Child Programme 0-19: Health Visiting and School Nursing Services. The guidance was designed to support local authorities in commissioning public health services for children and young people and in particular delivering the HCP 0-5 and 5 – 19, highlighting the importance of giving every child the best start in life and in reducing health inequalities throughout life.
- 3.12 The core public health offer for the 0-19 HCP includes:
- Child health surveillance and development reviews;
 - Information, advice and support for children, young people and families;
 - Early intervention and targeted support for families with additional needs;
 - Health promotion and prevention by the multi-disciplinary team;

- Defined support in early years and education settings for children with additional and complex health needs; and
- Additional or targeted public health nursing support as identified in the Joint Strategic Needs Analysis for example. support for Looked After Children, young carers or children of military families.

3.13 This paper will outline three options for consideration to secure services and support for children and young people including:

- Alignment of existing 0-5 and 5-19 Services;
- A procurement exercise for a new 0 -19 integrated public health service for children and young people;
- 'In house' service for 0 – 19 years provision.

3.14 The option of decommissioning all services was considered and discounted. This was due to:

- The statutory responsibilities would not be delivered;
- Lack of a universal resource that is available to support children and young people;
- The significant risk to reputation and public perception if the service was no longer in place;
- Increased risk to the population of Hartlepool due to the lack of 0-19 services.

4. CURRENT SERVICE

4.1 Since the transfer of responsibility from NHS England to the local authority, the Health Visitor and Family Nurse Partnership service 0-5 and Children and Young People Health and Wellbeing Service 5-19 have been provided by North Tees and Hartlepool NHS Foundation Trust and contract managed by the Tees Valley Public Health shared Service, under two separate contracts.

4.2 Hartlepool Borough Council commission a HV and FNP Service which includes the statutory responsibilities of the five mandated development reviews and also a CYPHWB service which includes the mandated provision of the National Child Measurement programme. These services are funded through the public health grant.

4.3 The contract values of the current service provision is tabled at confidential **Appendix 1** which outlines the cost and savings projections of each option and **contains exempt information under schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to information) (Variation Order 2006) namely, (Para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).**

5. SERVICE MODEL

- 5.1 Following a comprehensive review of preventative and early intervention service in Hartlepool, a set of proposals for the fundamental redesign of prevention and early intervention provision were agreed. It was proposed, based on the Better Childhood findings, that an integrated, preventative and early intervention service for children and young people aged 0-19 years is created.
- 5.2 This Early Help Locality Service consists of four locality based teams, delivering universal and targeted services to children, young people and their families. The services brings together a range of existing practitioners into an integrated service and North Tees and Hartlepool NHS Foundation Trust, as the current provider of health visiting, family nurse partnership and children and young people's health and wellbeing services, are part of these integrated locality teams.
- 5.3 The shift in commissioning responsibilities for children's public health services from NHS England (as described above) has provided an additional opportunity to identify how best to ensure that a coherent, effective and integrated life course public health service for children and young people is in place in Hartlepool.
- 5.4 The existing health visiting service, family nurse partnership programme and children and young people's health and wellbeing service have been the subject of comprehensive reviews. Information considered within the reviews came primarily from the current provider of services – North Tees and Hartlepool Foundation Trust (NTHFT) and from the findings from the Better Childhood which was conducted by iMPower. Key issues from the process have been identified and a new service model for a 0-19 integrated public health service for children and young people has been developed.

6. INTEGRATED STRUCTURE

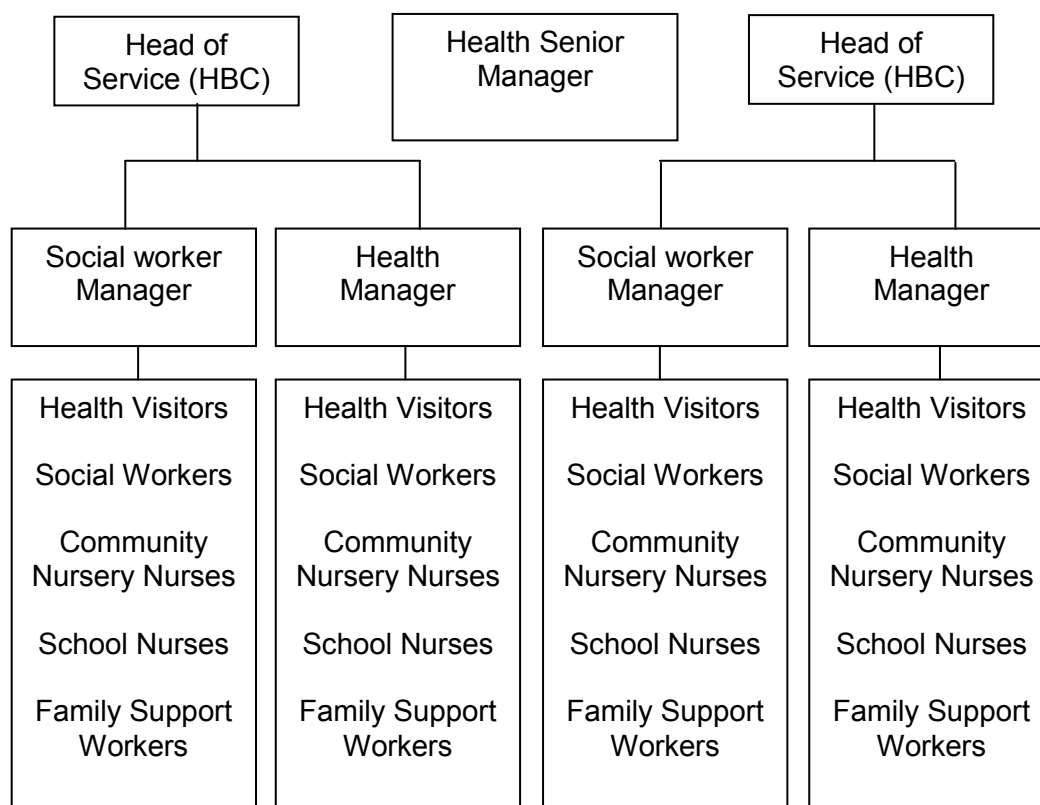
- 6.1 The Better Childhood in Hartlepool Integrated Locality Teams became operational on 1st August 2016 and integrates Children's Services and Health Staff. Currently the Health Staff have integrated into the Teams as part of their existing contract. The Locality teams are led by two Heads of Services from Hartlepool Borough Council and 0.5 Senior Health Manager with a Locality Manager managing each Team, the Managers are made up of two Social Worker Managers and two Health Managers. The Teams consist of: Family Support Workers, Social Workers, Community Nursery Nurses, School Nurses and Health Visitors including Family Nurse Partners.

These teams are working with children and families with additional needs to tackle root cause issues, achieve positive outcomes, and improve family resilience:

- Support Workers will act as a Key Worker for a number of families – providing the majority of support including coordination of plan, routines, debt advice, parenting etc.

- Some Support Workers will act as a Key Worker for a smaller number of cases and use released capacity to deliver interventions on other cases and support universal services/ communities
- Health Visitors will provide health focused support, advice and guidance to families with children aged 0-5, this includes a series of mandated visits, assessment of health needs, and referral to other professionals where required. They will also provide more intensive Key worker support work for a reduced number of families
- Community Nursery Nurses will provide intensive interventions to children and families requiring dedicated support as identified by key workers in localities.
- School Nurses will provide health assessment, interventions and support assessment at a universal, targeted and specialist levels. There is a recognition to retain capacity needed to deliver universal programme

The chart below sets out how the Teams are organised.



7. PROPOSALS

- 7.1 Taking account of Public Health England guidance and recommendations to support the commissioning of the Healthy Child Programme, local considerations including budget constraints and feedback from consultation with stakeholders, the following options for the future provision of a children's 0-19 integrated public health service have been identified: -

Option A – Alignment of existing contracts

Option B – Re-procure through a competitive tender exercise

Option C – In house service

The options are appraised in the following table:

| Option | Opportunities | Challenges | Cost and savings Projections |
|--|---|--|---|
| <p>A. Align existing contracts with negotiation to include new model specification and contract value variations to deliver required efficiencies</p> <p>Maintain both existing contracts but negotiate variation in annual contract value and specification of service</p> <p>Jointly develop new specification with improved integration with a Better Childhood in Hartlepool, improved outcomes and demand management, within reduced budget envelope, addressing identified need and maintaining safe, quality service</p> | <p>Integration with a Better Childhood in Hartlepool already considered</p> <p>All management roles would be clear</p> <p>Clinical Governance already in place</p> <p>Safeguarding structure already in place</p> <p>IT systems already in place</p> <p>Contract management monitors performance</p> <p>Clear accountability</p> <p>Fixed Costs</p> <p>No procurement exercise required</p> | <p>Risk of loss of some non-mandate services and/or reductions in level of bandings of staff</p> <p>Further efficiencies may not be realised and provider may of course not agree to any proposed savings and may not wish to continue providing the service requiring existing contracts to be terminated</p> <p>Changes require lengthy negotiation and contract variations</p> <p>Reactive decision making process is slow</p> <p>Would require additional extension options through exemption to procurement rules requests to align contracts in financial years 2018-20</p> <p>Existing service specifications could not be varied to the extent that the fundamental nature of the service changes.</p> | <p>Outlined in Confidential Appendix 1</p> |

| Option | Opportunities | Challenges | Cost and savings Projections |
|--|--|--|---|
| B. Decommission existing contracts and commission a 0-19 integrated public health service for children and young people | <p>Recent market testing conducted in Middlesbrough identified there are suitable providers in the market, however, future contract value and length are key drivers to stimulating market interest</p> <p>The contract would contain new model specification requirements and T&Cs for working within and integrated approach</p> <p>Could include direct management by HBC staff</p> | <p>TUPE Regulations will be a consideration if the existing provider does not bid for, or bids and does not win the new contract</p> <p>High staff costs in terms of redundancy risk may be an issue for potential providers</p> <p>Length of contract could be proportional to developing desired interest in the market</p> <p>Existing integration with a Better Childhood in Hartlepool could be destabilised whilst new contract implementation and mobilisation takes place</p> <p>Risk of loss and or/reductions in some non-mandated services in accordance with specification development and budget window</p> <p>No bidders come forward and then there would be a need to further negotiate with the existing provider on their terms or would need to consider in house delivery option</p> | <p>Outlined in Confidential Appendix 1</p> |

| | | | |
|------------------------------|---|---|---|
| | | <p>6 month notice to terminate is required within the existing contract for 5-19 service and full competitive procurement exercise would need to take place.</p> <p>0-5 Health Visitor and Family Nurse Partnership service naturally expires on March 17 without extension option activation</p> | |
| C. In House Provision | <p>Increased operational management and control</p> <p>Improved information sharing</p> <p>Fully integrated service</p> <p>Flexibility to respond to changing needs</p> <p>Accommodation already identified</p> | <p>TUPE Regulations will be a consideration and potential redundancy risks may be of significant value. NHS terms and conditions will exist</p> <p>Clinical Governance and safeguarding supervision will be required</p> <p>CQC registration and inspections will be required</p> <p>Medicines management including process for supply, storage and waste disposal will be required</p> <p>Mobilisation costs will be responsibility of HBS</p> | <p>Outlined in Confidential Appendix 1</p> |

| | | | |
|--|--|--|--|
| | | <p>Potential for increased insurance costs</p> <p>Increased training costs</p> <p>Potential for staff to not TUPE over therefore recruitment will be a consideration, potential for gap in service provision. Future recruitment of staff due to natural turnover may also be difficult – could result in need for agency staff</p> <p>IT infrastructure to access clinical records will be required</p> | |
|--|--|--|--|

8. RISK IMPLICATIONS

- 8.1 Accurate TUPE information would not be available until a minimum 90 days before the contract ends. Costings have therefore been prepared on an estimated basis using the staffing structure information provided.
- 8.2 Within the contract terms and conditions providers cannot recruit into vacant posts during the last 6 months of a contract period without prior consultation with public health commissioners.

9. FINANCIAL CONSIDERATIONS

- 9.1 The financial implications associated with each option are outlined in confidential **Appendix 1**.
- 9.2 In considering the issues outlined in this report Members are reminded that significant additional Government Grant cuts will be made over the period 2017/18 to 2019/20. An update of the Medium Term Financial Strategy was submitted to the Finance and Policy Committee on 20th June 2016 and informed Members that the Council faces a budget deficit of £12.7 million over the next three years. This equates to a reduction from the 2016/17 budget of 15% and assumes annual Council Tax increases will be implemented in line with Government Council Tax policy, including the 2% Social Care precept, and Council Tax growth forecasts will be achieved. Achieving this level of reduction will be extremely challenging and detailed proposals for achieving saving of approximately £4 million per year for the next three years will be reported to future policy committees. Any additional budget pressures will increase the level of budget cuts which will need to be made and will need to be referred to the Finance and Policy Committee for consideration.

10. LEGAL CONSIDERATIONS.

- 10.1 Option A and B requires adherence to the council Procurement Strategy and processes.
- 10.2 The development of an In-house 0-19 Service, following the expiry of current contract with the existing provider would not require a procurement process.

11. CHILD AND FAMILY POVERTY

- 11.1 Reduction or cessation of service provision is likely to have a detrimental impact on Child and Family Poverty. See **Appendix 2**.

12. EQUALITY AND DIVERSITY CONSIDERATIONS

- 12.1 Existing service provision will be enhanced with no adverse effect on any of the protected groups.

13. STAFF CONSIDERATIONS

- 13.1 In option A and B it is likely that TUPE Regulations would apply and there exists the possibility of restructure following consultation with staff members concerned.
- 13.2 If Option B is preferred, approximately 51 staff would need to be considered by the LA in terms of eligibility for TUPE and those eventually transferred would be integrated within the Early Help and Intensive Response teams.

14. ASSET MANAGEMENT CONSIDERATIONS

- 14.1 All options would require service delivery from existing locality accommodation.

15. RECOMMENDATIONS

- 15.1 It is requested that Finance and Policy Committee consider the 3 options for an integrated 0 – 19 children's public health service delivery. Officer recommendation is to support Option C as the preferred option for service delivery.

16. REASONS FOR RECOMMENDATIONS

- 16.1 Option C represents the most cost efficient and effective use of Public Health funds, as well as providing the greatest opportunity for direct integration with existing Council services. These services include but are not limited to: social care, housing, education, employability and skills and substance misuse services.

17. BACKGROUND PAPERS

- 17.1 The following papers were used in the preparation of this report:
- 0 – 5 contract Service Review, Tees Valley Public Health Shared Service, March 2016
 - Health Integration in Locality Early Intervention Model Report by ImPower, February 2016
 - Public Health England Commission Guides, Best Start in life and beyond: improving public health outcomes for children, young people and families
 - Health and Social Care Act 2012

18. CONTACT OFFICER

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Appendix 2 – Poverty Impact Assessment

| 1. Is this decision a Budget & Policy Framework or Key Decision? YES If YES please answer question 2 below | | | | |
|---|--------------------|--------------------|--------------|---|
| 2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES If YES please complete the matrix below | | | | |
| GROUP | POSITIVE IMPACT | NEGATIVE IMPACT | NO IMPACT | REASON & EVIDENCE |
| Young working people aged 18 - 21 | X | | | The service will provide support to children, young people 0 -19 years and their families |
| Those who are disabled or suffer from illness / mental illness | X | | | The service will provide care and support to children and young people 0-19 years who may be disable or suffer from illness/mental illness |
| Those with low educational attainment | X | | | The service will provide care and support to those Children and young people and their families who may have low educational achievement |
| Those who are unemployed | X | | | Referral access will be available to employment opportunities, benefits advice through liaison with Early Help Integrated Teams |
| Those who are underemployed | X | | | Referral access will be available to employment opportunities, benefits advice through liaison with Early Help Integrated Teams |
| Children born into families in poverty | X | | | New model of delivery will strengthen early identification of problems and prevent escalation of issues to reduce future demand on services |
| Those who find difficulty in managing their finances | X | | | Access to services to support families who require financial advice will be strengthened due to new integrated service model |
| Lone parents | X | | | The service will provide care and support to all children, young people 0 -19 and their families |
| Those from minority ethnic backgrounds | | | | The service will provide care and support to all children, young people 0 -19 and their families irrespective of their background |

5.1 Appendix 2

| Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way? | | | | |
|---|-----------------|----------------------------------|-----------|-------------------|
| Poverty Measure (examples of poverty measures appended overleaf) | POSITIVE IMPACT | NEGATIVE IMPACT | NO IMPACT | REASON & EVIDENCE |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Overall impact of Policy / Decision | | | | |
| NO IMPACT / NO CHANGE | | ADJUST / CHANGE POLICY / SERVICE | | X |
| ADVERSE IMPACT BUT CONTINUE | | STOP / REMOVE POLICY / SERVICE | | |
| Examples of Indicators that impact of Child and Family Poverty. | | | | |
| Economic | | | | |
| Children in Low Income Families (%) | | | | |
| Children in Working Households (%) | | | | |
| Overall employment rate (%) | | | | |
| Proportion of young people who are NEET | | | | |
| Adults with Learning difficulties in employment | | | | |
| Education | | | | |
| Free School meals attainment gap (key stage 2 and key stage 4) | | | | |
| Gap in progression to higher education FSM / Non FSM | | | | |
| Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4) | | | | |
| Housing | | | | |
| Average time taken to process Housing Benefit / Council tax benefit claims | | | | |
| Number of affordable homes built | | | | |
| Health | | | | |
| Prevalence of underweight children in reception year | | | | |
| Prevalence of obese children in reception year | | | | |
| Prevalence of underweight children in year 6 | | | | |
| Prevalence of obese children in reception year 6 | | | | |
| Life expectancy | | | | |

FINANCE AND POLICY COMMITTEE

31st October 2016



Report of: Chief Executive and Assistant Chief Executive

Subject: WORKFORCE ARRANGEMENTS

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non key.

2. PURPOSE OF REPORT

- 2.1 To advise Finance and Policy Committee regarding proposed changes to employees conditions of service and the process to be followed towards implementation.

3. BACKGROUND

- 3.1 A package of proposed changes to employees conditions of service were developed by the Council during 2015. These proposals were a balanced approach to a range of options which would potentially enable the authority to be more competitive in the marketplace, protect current jobs in the Council and grow jobs through competition with others. Following detailed negotiations with the Hartlepool Joint Trade Union Committee, and a series of employee briefings, the proposed changes were put to a trade union ballot and the outcome of the vote was the Trade Unions had not been mandated to enter into a collective agreement to reflect the specific changes to terms and conditions. Therefore as a consequence it was not possible to implement the proposals and the proposed savings target could not be achieved. This was reported to Finance and Policy Committee on the 27th July 2015, who having considered the alternative option to implement the proposals, of dismissing and re-engaging the whole workforce, agreed not to implement the proposals.
- 3.2 At the meeting on the 27th July 2015, the Finance and Policy Committee noted that the outcome of ballot resulted in a failure to achieve the £200,000 of savings which left a residual shortfall of £123,000 in 2015/16, which would be the first call on the 2015/16 outturn.

- 3.3 The budget deficit for 2016/17 was then increased to reflect the non achievement of the forecast recurring saving.
- 3.4 Finance and Policy Committee on the 27th July 2015, along with a number of other issues, asked Officers to identify options to fund a sustainable living wage on an unaccredited basis. This was considered by Finance and Policy Committee on the 23rd November 2015, which agreed the implementation of a Hartlepool Living Wage of £7.88 from 1st December 2015 along with a mechanism for increasing the Living Wage in the future in line with the cost of living national pay award, or the Government's national living wage, whichever is the higher.
- 3.5 At the Finance and Policy Committee meeting on the 27th July 2015, and in the light of the current position of the MTFs, Officers were requested to recommence negotiations directly with the Trade Unions in respect of:
- Reduction in car allowances
 - Unsocial working and overtime enhancements at a revised rate
 - Protection arrangements; and
 - Five over seven working
- 3.6 Elected Members asked that any payments as a result of the four bullet points above be reported to Committee with the reasoning to where, when and why they were made, to enable Members to take this into account as part of future budgetary considerations.
- 3.7 Finally Finance and Policy Committee on the 27th July 2015, asked that a further report be submitted to the Committee on the outcomes of the negotiations and the alternative proposals to achieve savings.

4. PROPOSALS

- 4.1 Since the autumn of 2015, Officers have been undertaking detailed negotiations with the Hartlepool Joint Trade Union Committee on a revised package of Workforce Arrangement Proposals.
- 4.2 The package of proposed changes to current terms and conditions, on a phased basis, has been developed encompassing the following:-
- Saturday working
 - Holiday Pay
 - Buying Annual Leave
 - Ability to Claim Travelling Time
 - Cancellation of Requirement to Work at Short Notice
 - Car Allowances
 - Subsistence
 - UNISON Ethical Care Charter
 - Taking Vehicles Home
 - Future Protection

- 4.3 Standby payments, which relate to out of working hours call out arrangements, have been discussed with the Trade Unions and a revised Standby scheme is being devised outside of the package of proposals. Standby arrangements do not form part of employee's contract of employment.
- 4.4 Further details of the proposed changes, can be found in the exempt 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 4) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.**
- 4.5 The Trade Unions which constitute the Hartlepool Joint Trade Union Committee have indicated that they will need to obtain approval from their national offices, before they can move to a ballot of members.
- 4.6 Headteachers of all Hartlepool schools and academies will also be consulted on the proposed package of changes.

5. RISK IMPLICATIONS

- 5.1 The risk implications can be found in the exempt 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 4) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.**

6. FINANCIAL CONSIDERATIONS

- 6.1 As reported to the Finance and Policy Committee in June the Council faces a gross budget deficit of £20.8m. This deficit can be reduced by implementing planned Council Tax increases in line with the revised Government referendum limits (including the 2% Social Care precept), the achievement of planned housing growth and the achievement of corporate budget savings. However, the Council still faces a net budget deficit of approximately £12.7m over the next three years, which equates to 15% of the 2016/17 budget. The use of reserves enables the net deficit to be phased over the next three years as follows:

- 2017/18 - £4.634m
- 2018/19 - £3.784m
- 2019/20 - £4.272m
- Total - £12.690

- 6.2 Further details on the financial savings and one-off protection costs are provided the exempt 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 4) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.**

7. LEGAL CONSIDERATIONS

- 7.1 The existing terms and conditions are detailed in the Single Status Agreement (SSA). The SSA was agreed with the Trade Unions following a ballot of Trade Union members in 2008 and, as a consequence of a collective agreement having been negotiated, is therefore incorporated into all employees' contracts of employment. The Trade Unions will need to ballot their Members about any of the above proposals to determine whether they are mandated to agree them, and therefore to enter into a collective agreement to vary the SSA. In the event of the Trade Unions not being mandated to agree the above proposals it would be necessary to dismiss and re-engage the workforce if the proposals were to be implemented. This would clearly be a step which would require a great deal of thought and consideration, before proceeding upon such complex action. Ultimately Finance and Policy Committee would need to make the decision to dismiss and re-engage the workforce. Dismissing and re-engaging employees is not recommended as the potential risk of doing so (e.g. in relation to damage to industrial relations, employee morale, potential industrial action etc) far exceed the potential benefits.
- 7.2 Whilst the SSA is an agreement between the Council and the Trade Unions, schools have also adopted the agreement in respect of their employees. Schools need to be consulted over any significant changes to the SSA and their views taken into account when deciding whether to implement the proposals. If the SSA is changed by agreement with the Trade Unions the new provisions will also apply to school employees. As outlined above, if agreement cannot be reached with the Trade Unions it will be necessary to dismiss and re-engage employees if the proposals are to be implemented. In schools this will mean their non teaching employees would need to be dismissed and re-engaged. The legal position is different depending upon the status of the school. The Governing Bodies of Foundation and Aided schools, along with Trust Boards of Academies are the employer and therefore are able to determine whether to implement the changes by dismissing and re-engaging their employees without the consent of the Council. The situation is more complicated in respect of Community schools where the Council is the employer. Under the Schools Standards and Framework Act, 1998 as amended, the Local Authority is placed in the role of employer and that generally, the Governing Body should follow a lawful and reasonable instruction. The Academies Act, 2010, obviously displaces the role of Local Education Authorities as employers.

8. CHILD AND FAMILY POVERTY

8.1 None.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

9.1 Equality Impact Assessment templates on the proposals have been provided to the Trade Unions.

10. STAFF CONSIDERATIONS

10.1 The revised package of Workforce Arrangement Proposals have been negotiated with the Hartlepool Joint Trade Union Committee. The proposed package will be subject to a Trade union ballot of their members.

11. ASSET MANAGEMENT CONSIDERATIONS

11.1 None.

12. RECOMMENDATIONS

12.1 That Members note the report and consider the detailed recommendations in the exempt Appendix A.

13. REASONS FOR RECOMMENDATIONS

13.1 To update Members.

14. BACKGROUND PAPERS

Finance and Policy Committee Report 24 November 2014

Finance and Policy Committee Report 30 January 2015

Finance and Policy Committee Report 27 July 2015

15. CONTACT OFFICERS

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FINANCE AND POLICY COMMITTEE

31st October 2016



Report of: Chief Finance Officer

Subject: THE 2017/18 LOCAL GOVERNMENT FINANCE
SETTLEMENT – TECHNICAL CONSULTATION

1. TYPE OF DECISION/APPLICABLE CATEGORY

None Key.

2. PURPOSE OF REPORT

2.1 The purposes of the report are to:-

- i) Provide an update on the impact of the 2017 Business Rates revaluation; and
- ii) To provide details of the 2017/18 Local Government Finance Settlement – Technical Consultation and the Council's response; which was agreed with the Leader to meet the Government's consultation deadline.

3. BACKGROUND

- 3.1 Previous reports have indicated that the Valuation Office Agency (VOA) have been undertaking a full revaluation of all Rateable Values (RV's). This is the first revaluation since the Business Rates retention system was implemented on 1st April 2013. Therefore, depending on the arrangements adopted by the Government for managing this change, there will be a further period of financial uncertainty and financial risk for councils. Further information is provided later in the report.
- 3.2 The new RV's will replace the valuations determined in 2010 and will become effective from 1st April 2017. The draft schedule of all RV's was issued on 29th September 2016.
- 3.3 At a national level the Government has indicated that the amount to be raised in business rates will be fiscally neutral. As the total RV for England has increased this means that the Rate Pounding will be reduced to ensure that the increase in RV does not increase the total national Business Rates yield.

- 3.4 There will be variation in the change in RV's between regions and different authorities and the Government has issued consultation proposals stating - "in order to ensure, as far as is practicable, the impact of the 2017 revaluation is neutralised in the rates retention scheme, DCLG propose making adjustments to tariffs and top ups". Further information is provided in section 5.
- 3.5 The 2017/18 Local Government Finance Settlement – Technical Consultation period lasted for 6 weeks from 15th September 2016 to 28th October 2016.

4. INITIAL ASSESSMENT OF THE 2017 VALUATION

- 4.1 An initial comparison of the 2010 RV's (net of RV appeals) and the 2017 RV's has been completed and this highlights the following key issues:
- The total RV for England has increased by 9.6%;
 - The total RV for the North East has reduced by 0.9%;
 - The total RV for all five Tees Valley Authorities has reduced. Redcar and Cleveland has suffered the highest reduction and this reflects the closure of the SSI steel works;
 - Hartlepool's headline RV reduction of 1.7% is the second lowest in the Tees Valley. However, when the impact of the increase in the Power Station RV is excluded the RV reduction for other sectors is 6.2%, which is broadly in line with the 6.5% RV reduction for both Darlington and Middlesbrough.
- 4.2 The following tables provide a detailed analysis of the changes in the RV for Hartlepool and comparative changes for England and North East Councils.

Table 1 – Summary of changes in Rateable Value for Hartlepool

| 2010 | | | 2017 | | Increase /(decrease) in RV | |
|--------|------------------------------|--------------------|--------|------------------------------|----------------------------------|--------|
| RV | Percentage or total RV | | RV | Percentage or total RV | | |
| £'000 | | | £'000 | | £'000 | |
| 15,352 | 19.1% | Top 9 Premises | 13,965 | 17.7% | (1,387) | (9.0%) |
| 47,554 | 59.1% | All Other Premises | 45,043 | 57.0% | (2,511) | (5.3%) |
| 62,906 | 78.2% | Power Station | 59,008 | 74.7% | (3,898) | (6.2%) |
| 17,500 | 21.8% | | 20,010 | 25.3% | 2,510 | 14.3% |
| 80,406 | 100.0% | | 79,018 | 100.0% | (1,388) | (1.7%) |

Table 2 – Summary of national and North East changes in Rateable Values

| | 2010 RV | 2017 RV | Increase / (decrease) in RV | |
|--------------------------|-------------------|-------------------|--------------------------------|--------------|
| | £'000 | £'000 | £'000 | % |
| TOTAL FOR ENGLAND | 57,685,499 | 63,212,289 | 5,526,790 | 9.6 |
| NORTH EAST | 2,165,960 | 2,145,459 | (20,501) | (0.9) |
| Durham | 309,159 | 310,122 | 963 | 0.3 |
| Darlington | 86,628 | 80,992 | (5,636) | (6.5) |
| Hartlepool | 80,406 | 79,018 | (1,388) | (1.7) |
| Middlesbrough | 110,926 | 103,664 | (7,262) | (6.5) |
| Northumberland | 205,562 | 221,344 | 15,782 | 7.7 |
| Redcar and Cleveland | 115,476 | 91,853 | (23,623) | (20.5) |
| Stockton-on-Tees | 198,891 | 198,069 | (822) | (0.4) |
| Gateshead | 218,924 | 222,982 | 4,058 | 1.9 |
| Newcastle upon Tyne | 385,155 | 380,179 | (4,976) | (1.3) |
| North Tyneside | 148,597 | 147,199 | (1,398) | (0.9) |
| South Tyneside | 79,606 | 78,664 | (942) | (1.2) |
| Sunderland | 226,629 | 231,372 | 4,743 | 2.1 |

- 4.3 One of the key changes for Hartlepool relates to the RV for the Power Station which the VOA has determined should increase from £17.5m to £20.010m, which is a 14% increase. The latest RV determined by the VOA for the Power Station follows on from their previous decision in May 2015 to reduce the original 2010 RV from £33.7m to £17.5m, which was a reduction of 48%.
- 4.4 The latest VOA decision regarding the Power Station RV clearly supports the Council's view that the financial risks from reductions in the RV and unplanned outages cannot be managed at a local level and these facilities should be transferred to the national list. The Council's concerns regarding this issue were again raised in the response to the current consultation.
- 4.5 The Leader has also written to the current Secretary of State for Communities and Local Government requesting an urgent meeting to again express the Council's concerns regarding the impact of the changes the VOA make to the RV of Power Station and the continued failure of the funding system to address this issue.
- 4.6 The increase in the Power Station RV means there is likely to be an appeal against the latest RV. It is hoped from the Council's perspective that the VOA has set the current RV on a robust basis and an appeal will not be successful. However, this cannot be guaranteed.

- 4.7 In the event of the 2017 Power Station RV being reduced from £20.010m to £17.5m (i.e. the current level) there would be a reduction in Business Rates income of approximately £1.2m. Under the current Business Rates retention system the Council's share of this income reduction would be approximately £0.6m. On the assumption that the current 'safety net' regime continues the Council should be fully compensated for this income reduction. However, this situation would mean that the Council would not benefit from Business Rates growth until this exceeded the level of 'safety net' grant received.
- 4.8 In relation to other properties there has been a reduction in the top 9 RV's of £1.387m, which is a reduction of 9% and a reduction in all other properties of £2.511m, which is a reduction of 5%.

5. THE 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT- TECHNICAL CONSULTATION

- 5.1 The consultation details the Government proposals in relation to a range of issues which will impact on funding for Councils for 2017/18 and the following two years, assuming 100% Business Rates retention is not implemented until 2020/21. The key issues relate to the following areas:

- **Multi-year settlement offer**

The consultation confirms the Government offer to provide a multi-year settlement covering core grants and seeks councils views on which additional grants should be included in a multi-year settlement offer.

- **Distribution of the improved Better Care Fund (BCF)**

The Government previously indicated that they would consult during the summer on the proposed approach to distribute these resources. The Government has now determined that they have considered views received in response to the 2016/17 Local Government Finance settlement, which included initial proposals for distributing the improved BCF, and have determined to maintain the initial distribution approach. Under this arrangement more BCF will be provided to authorities who benefit less from the adult social care council tax precept.

These arrangements will be beneficial to the Council and will provide additional resources, which will help reduce the previously forecast budget deficit.

- **Council Tax referendum principles**

The Government has indicated that for 2017/18 it will again set a core referendum limit of 2%, plus the 2% Adult Social Care precept. This effectively sets a referendum limit for Adult Social Care authorities of 4% and confirms the Government's approach of shifting the funding of Adult Social Care from national tax payers to council tax payers.

- **The Business Rates Revaluation adjustment**

At a national level the new rateable values applying from 1st April 2017 will be revenue neutral, after allowing for appeals. At an individual local authority level the amount raised will increase or fall depending upon whether the rateable values in that area have performed above or below the average for England, after allowing for appeals.

When the 50% Business Rates retention scheme was introduced the Government indicated that it would adjust each authority's tariff or top up following a revaluation to ensure, as far as is practical, that their retained income is the same after revaluation as immediately before.

The Government has confirmed that this principle will apply in respect of the 2017 revaluation. This confirmation is welcomed and should ensure the Council is compensated for the reduction in Business Rates income arising from the overall reduction in the Rateable Value for the area.

Owing to the complexity of seeking to ensure the 2017 revaluation is neutral the Government has issued a detailed formula for achieving this policy objective. An initial assessment of the impact of this formula on the Council has been completed and this has identified a number of concerns arising from how the Government will determine the baseline and the timing of the previous decision by the VOA to reduce the 2010 Rateable Value of the Power Station. This change will result in a cash flow issue whereby the increase in top-up grant due to the Council is delayed by 12 months, which should be manageable. We have raised this issue with officials in the Department for Communities and Local Government.

As indicated previously these issues could easily be addressed if the Government moved Power Stations from local valuation lists to the national valuation list.

6. RISK IMPLICATIONS AND FINANCIAL CONSIDERATIONS

- 6.1 Are detailed in the previous paragraphs. Further work is ongoing to assess the impact of the Government proposals and a range of other changes which will impact on the MTFS from April 2017. These issues include the impact of the triennial pension fund valuation and the implementation of the Government's apprenticeship levy. Further details will be included in the next MTFS update report to be considered by this Committee in November.

7. LEGAL, EQUALITY AND DIVERSITY, STAFF AND ASSET MANAGEMENT CONSIDERATIONS

- 7.1 None.

8. CHILD AND FAMILY POVERTY

- 8.1 None.

9. CONCLUSIONS

- 9.1 The Government proposals will determine core funding for councils for 2017/18 and the following two financial years. The Government's proposals in relation to Council Tax referendum principles, including the Adult Social Care precept, confirm previous announcements and reflect the principles underpinning the MTFS.
- 9.2 The implementation of new Rateable Value from 1st April 2017 introduces new risks in the Local Government funding system. The Government's proposal that it will adjust each authority's tariff or top up to ensure, as far as is practical, that their retained income is the same after the 2017 revaluation as immediately before is also welcome.
- 9.3 However, as indicated in section 5 there is a risk that the detailed proposals for achieving this objective do not adequately address the unique circumstances faced by the Council. These risks include the potential impact of a successful appeal against the VOA decisions to increase the Rateable Value of the Power Station by 14% (£2.510m) from 1st April 2017. It is hoped that the VOA have determined the latest Rateable Value on robust basis, which should mean that the VOA should not have grounds for making a significant downwards reductions in the Rateable Value should there be an appeal. At worst the May 2015 Rateable Value should set a floor for the Rateable Value.
- 9.4 On the assumption that the current 'safety net' regime continues the Council should be fully compensated for any income reduction arising from a Rateable Value reduction for the Power Station. However, this situation would mean that the Council would not benefit from Business Rates growth until this exceeded the level of 'safety net' grant received.

10. RECOMMENDATIONS

- 10.1 It is recommended that Members:
- i) Note the report and the consultation response detailed at Appendix A agreed with the Leader to meet the Government's deadline of 28th October 2016;
 - ii) Note the Leader has written to the Secretary of State Communities and Local Government to outlines the Council's continuing concerns regarding the Business Rate Retention system and to seek a further meeting to address these issues.

11. REASONS FOR RECOMMENDATIONS

11.1 To update the Committee.

12. BACKGROUND PAPERS

Department for Communities and Local Government – The 2017/18 Local Government Finance Settlement – Technical Consultation Paper

13. CONTACT OFFICER

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APPENDIX A**HARTLEPOOL BOROUGH COUNCIL – RESPONSE TO THE 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT TECHNICAL CONSULTATION****1. What other, additional grants, beyond those set out in para 2.2.2, could the Government consider including in the multi-year offer?****Response**

The Council would welcome the inclusion of additional grants within a multi-year settlement offer, provided this is based on a robust needs assessment and there is a mechanism for ensuring changes in demand are fully funded in future years.

The Council has significant concerns that previous funding reductions have had a disproportionate impact on authorities with the greatest dependency on grants and higher levels of need. If this situation is repeated by including additional grants in a multi-year offer this will result in a post code lottery and in some cases services will become unviable.

Therefore, whilst the Council support the principle and benefits of a multi-year offer this is a complex issue and needs careful consideration before further changes are introduced. As there is insufficient time to properly assess the impact of additional grant being part of a multi-year offer for 2017/18 the Council would request no additional changes are made for 2017/18. This would then provide the opportunity for a full consultation on proposals which could be implemented for 2018/19.

2. Do you agree with the proposed methodology for allocating funding for the improved Better Care Fund as outlined in paragraph 2.3.4?**Response**

Yes. The Council welcomes confirmation that the allocation of the improved Better Care Fund will reflect an individual authority's ability to raise income from the adult social care precept and therefore provide more funding for those authorities which benefit less from the adult social care council tax precept.

The Council would suggest that where an authority determines not to implement the social care council tax precept it should not be eligible to receive the improved Better Care Fund. The resulting reduction in the improved Better Care Fund should then be reallocated amongst those authorities who implemented the social care precept.

3. Do you agree with the council tax referendum principles for 2017-18 proposed in paragraphs 3.2.1 to 3.2.2 for principal local authorities?**Response**

Yes. The Government should also agree the council tax referendum principles for 2018/19 and 2019/20 as part of the 2017/18 Local Government Finance

settlement to provide greater financial certainty and help authorities implement long term financial plans.

- 4. Do you agree that referendum principles should be extended to larger, higher – spending town and parish councils in 2017/18 as set out in paragraphs 3.3.3 to 3.3.4?**

Response

No view as the Hartlepool's is a largely un-parished area and in those areas with a parish council the level of additional council tax is low.

- 5. Do you agree with the proposed approach to take account of the transfer of responsibilities to town and parish councils as outlined in paragraph 3.3.5?**

Response

No. The Council does not support this proposal as the same flexibility to transfer services to parish councils does not exist in all areas owing to the coverage of parish councils and the extent of their existing areas. Therefore, the proposal would not provide a level playing field for Council Tax payers and the different tiers of authority providing services. In many areas, including Hartlepool, the billing authority carries out many of the functions carried out by a parish council in other areas. These arrangements reflect local factors and enable economies of scale to be achieved by billing authorities, whilst ensuring services remain responsive to local needs.

- 6. Do you have any comments on the suggestion that referendum principles may be extended to all local precepting authorities as set out in paragraph 3.3.6? If so what level of principle should be set?**

Response

No.

- 7. Do you have views on the practical implications of a possible extension of referendum principles to all local precepting authorities as set out in paragraph 3.3.7?**

Response

No.

- 8. Do you agree with the methodology for calculating the revaluation adjustment to business rates tariff and top up payments as outlined in paragraphs 3.4.1 to 3.4.8?**

Response

Yes, the Council agrees that a revaluation adjustment to tariff and top-up payments is needed to ensure the 2017 revaluation is neutral for individual authorities.

The Council is concerned that the proposals do not adequately address the impact of appeals against the 2017 valuations, particularly in relation to large ratepayers, such as Power Stations.

The Council has already suffered the financial impact of a 48% reduction in the 2010 rateable value for a Nuclear Power Station (i.e. original 2010 RV of £33.7m was reduced to £17.5m). The VOA did not make this reduction until May 2015. This change reduced the Council's share of retained Business Rates income by £3.2m on a recurring basis. Under the current safety net regime the Council only expect to receive safety net grant of £9,000.

The impact of a potential appeal against the 2017 valuation could be addressed by either:

- Transferring Power Stations to the national business rates list; or
- Recalculating tariff and top-up payments after appeals against the 2017 valuations have been determined and back-dating this adjustment to 1st April 2017.

9. Do you agree that the methodology, as outlined in paragraphs 3.5.5 to 3.5.13, for calculating changes to the local share of business rates and tariff and top up payments is correct and does not adversely affect non-pilot areas?

Response

The methodology needs to be financially neutral for all authorities whether they are within, or outside the pilot areas.

10. Are you contemplating a voluntary transfer of funding between the Combined Authority and constituent authorities?

Response

We are unsure at this stage; specific proposals may be considered where there is a business case.

11. Do you have any comments on the impact of the proposals for the 2017-18 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

Response

The Council remains concerned that the settlement for 2017/18 has a disproportionate impact on those authorities serving more deprived communities, where there are greater number of people who share a protected characteristic.

FINANCE AND POLICY COMMITTEE

31st October 2016



Report of: Corporate Management Team

Subject: MEDIUM TERM FINANCIAL STRATEGY - REVIEW OF RESERVES AS AT 31st March 2016

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Non Key.

2. PURPOSE OF REPORT

2.1 To enable Members to consider:

- i) the detailed review undertaken by the Corporate Management Team of the existing reserves that are held to manage financial risks or one-off commitments; and
- ii) the Corporate Management Team recommendations in relation to the areas where risks have reduced, enabling reserves to be released to either support the Medium Term Financial Strategy over the period 2017/18 to 2019/20, or to fund other one-off priorities.

3. BACKGROUND

- 3.1 The June 2016 Medium Term Financial Strategy (MTFS) report highlighted the increasingly challenging financial position facing the Council owing to the impact of a further three years of Government funding cuts up to 2019/20. This will mean that the Council will have faced nine consecutive years of cuts in Government funding.
- 3.2 The current MTFS forecasts are predicated on the Council's application for a multi-year Government grant settlement being successful and the Government confirming the previously announced grant allocations for 2017/18 to 2019/20. After reflecting the forecast grant cut and the impact of inflation the Council faces a gross budget deficit for the next three years of £20.8m, which equates to 25% of the current budget. The MTFS forecasts anticipate reducing this deficit by implementing the following factors:-

- Annual Council Tax increases are implemented in line with the Government's Council Tax policy of 3.9% (including the 2% Social Care Precept) for 2017/18 to 2019/20;
- Achieving planned housing growth, which will generate additional Council Tax income; and
- Implementing a range of corporate budget savings, including additional ICT contract savings and loan repayment savings.

3.3 After reflecting the above measure the Council still faces a budget deficit of £12.7m, which equates to a 15% reduction in the current budget, as summarised below:

| | £'m |
|---|-------------|
| Gross budget deficit (25% of current budget) | 20.8 |
| Less - 1.9% Council Tax increase | (2.1) |
| Less - 2.0% Social Care Precept | (2.2) |
| Less - Forecast Housing Growth | (1.4) |
| Less – Corporate budget savings | (2.4) |
| Net savings 2017/18 to 2019/20 (15% of current budget) | 12.7 |

3.4 The MTFS for 2016/17 to 2019/20 is based on using reserves (i.e. use of Budget Support Fund, the Business Rates Risk Reserve and for 2017/18 the allocation of additional one-off support of £1 million from the forecast 2016/17 managed under-spend) to partly mitigate the impact of continuing funding reductions and therefore provide a slightly longer lead time to implement efficiencies and budget reductions. The use of reserve is front loaded and the phased use is designed to avoid carrying an unfunded budget pressure into 2020/21. Over the four years up to 2019/20 the MTFS is based on using reserves of £11.151m, as summarised in the following table, which also shows the phasing of the net deficit for 2017/18 to 2019/20.

| | Less use of Reserves £'m | Net Deficit after use of reserves £'m |
|--------------|-----------------------------|--|
| 2016/17 | 5.307 | ## |
| 2017/18 | 3.264 | 4.6 |
| 2018/19 | 1.435 | 3.8 |
| 2019/20 | 1.145 | 4.3 |
| Total | 11.151 | 12.7 |

The use of reserves in 2016/17 limited budget cuts for this year to £4.1m.

3.5 As highlighted in the previous paragraph the use of reserves will continue to play a key role in managing the impact of continuing Government funding cuts. The use of reserves is front loaded to reflect the front loading of Government grant cuts. This strategy is designed to provide a slightly longer lead time to identify

permanent budget reductions. The strategy also ensures the Council does not become reliant upon the use of one off resources to fund recurring expenditure and therefore avoids a financial cliff edge when these reserves have been used up.

- 3.6 The long term approach to managing reserves has been a key component of the Council's strategy of seeking to protect services as far as possible and to minimise compulsory redundancies over the last few years.
- 3.7 In addition, to the continuing benefits of using reserves over the next three years, the Council's long term reserves strategy enabled the Council to manage the impact of the Valuation Office Agency's decision to reduce the Power Station Rateable Value by 48%. This decision reduces recurring Business Rate income by £3.8m. In 2015/16 the reserves strategy enabled the Council to manage this income reduction without needing to make in-year budget cuts.
- 3.8 The current MTFS is based on using further reserves in 2016/17, 2017/18 to 2018/19 to provide a longer lead time to make permanent budget reductions. However, reserves are a finite resource and cannot be relied upon in the long term to offset continuing Government grant cuts and fund recurring expenditure. Therefore, by 2019/20 the MTFS forecasts are not reliant on the continuing use of significant reserves to fund recurring expenditure.
- 3.9 As detailed in the following sections the level of reserves will reduce significantly over the next few years as these resources are used to support the revenue budget, or to meet known expenditure commitments. The Council will still need to maintain some reserves to manage risks and these resources will become increasingly important as the overall size of the budget reduces.
- 3.10 It also needs to be recognised that as the overall budget and reserves reduce the financial risks being managed by the Council will not. This is particularly the case in relation to demand led services. Consequently, ongoing financial and service risks will need managing with less overall resources and financial flexibility. This means that over the next few years managing financial and service risks will become increasingly challenging.
- 3.11 These issues are not unique to Hartlepool and at a national level the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA) continue to raise similar concerns regarding the impact of reducing local authority budgets and continuing financial risks.
- 3.12 The Government's revised Council Tax policy, in particular the 2% Social Care precept, partly recognises the specific financial pressures in relation to Adult Social Care. However, as previously reported the additional Council Tax income raised at a national level from the 2% Social Care precept in 2016/17 is not sufficient to cover the impact of the Government's National Living Wage. A recent report from the Association of Directors of Adult Social Care indicated that at a national level the 2% Social Care precept only funded 2/3rd of the £600m National Living Wage cost pressure. The local position was slightly more favourable as the 2% Social Care precept raised £655,000, compared to the

estimated cost of the National Living Wage for external contracts of £500,000. This position reflected previous decisions of the Council to implement and fund a Hartlepool Living Wage for Council employees, which meant the Council was already paying its own employees more than the National Living Wage.

- 3.13 Looking further ahead the Government's proposal to move from a 50% Business Rates Retention system to a 100% system, in either 2019/20 or 2020/21, will increase financial risks in relation to:
- the sustainability and volatility of the local Business Rates income base; and
 - potential additional service and financial risks of additional services to be transferred to local authorities as part of the 100% Business Rates Retention reforms.
- 3.14 At this stage it is not possible to assess the scale of additional Business Rates risks until the Government has determined how the new system will operate, including the 'safety net' arrangements for managing reductions in Business Rates income at an individual authority level. Further updates will be provided when more information is provided by the Government.
- 3.15 In summary the Council has taken a long term approach to managing risks and reserves. This has enabled the Council to manage the impact of Government grant cuts over a slightly longer period than would have otherwise been possible, thereby protecting services, employment for local people and providing time to implement budget reductions. In addition, the forward looking reserves strategy avoided the need to make emergency in-year cuts, which would have been difficult to implement, to address the impact of the decision in May 2015 by the Valuation Agency Office to reduce the rateable value of the Power Station.
- 3.16 The Council faces an uncertain financial future and needs to make further significant budget reductions over the next three years. Therefore, the level and use of reserves will form an increasingly important role in managing the Council's overall resources and services. Therefore, against this background it is essential that reserves continue to underpin the Council's MTFS and provide resources to manage risks and future financial shocks.

4. APPROACH TO RESERVES REVIEW

- 4.1 In previous years the Review of Reserves report highlighted the findings of an Audit Commission report published early in 2013 on a national study they had undertaken on the level of reserves that Councils hold and the decisions Councils make relating to them. The report made the following statements:
- Reserves are an essential part of good financial management. They help Councils cope with unpredictable financial pressures and plan for their future spending commitments. The level, purpose and planned use of reserves are important factors for elected Members and Council Officers to consider in developing medium-term financial plans and setting annual budgets;

- Having the right level of reserves is important. Where Councils hold very low reserves, there may be little resilience to financial shocks and sustained financial challenges. Where reserves are high, Councils may hold more than they need;
- There is no set formula for deciding what level of reserves is appropriate, too low or too high – Councils are free to determine the reserves they hold. Chief Finance Officers have a duty to provide Elected Members with the advice they need to make good decisions;
- Further changes in Council funding took effect from April 2013, with the introduction of local Business Rates retention and new arrangements for providing Council Tax support. The impact of these changes, and the level of further funding reductions in 2015/16 and 2016/17, is not yet known, but many councils expect their funding will reduce.

4.2 Whilst, the Audit Commission report was published in 2013 the report identified a range of questions which remain relevant and help Members in their decision making on reserves, which includes a 'good-quality, annual review to ensure the purpose and level of reserves align with medium-term financial planning'. The report identified five key areas for Members to consider:

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

4.3 In relation to items (i) and (ii) the next section of the report and the detailed Appendices provide an explanation of these issues. In relation to items (iii) to (v) these are covered below:

- Contingency funds other than reserves to protect against unplanned costs

The Council does not provide contingency funds within the overall revenue budget to protect against unplanned costs. The Council's approach is to base the revenue budget on the most accurate assessment available for demand led budgets and to then monitor progress against the budget throughout the year at a corporate level. This approach is designed to enable corrective action to be taken at a corporate level if this is necessary to fund unplanned costs.

This approach is underpinned by the strategic approach adopted by the Council for managing risk through the establishment of risk based reserves and the annual review of these risks and reserves.

- Relation between reserves and Council Tax

The level of Council Tax for 2017/18 and future years will reflect the fundamental shift in the Government's Council Tax policy, which recognises the financial pressures on Authorities with Adult Social Care responsibility. The Government's current Council Tax policy allows Adult Social Care Authorities to increase Council Tax by 3.9%, including the 2% Social Care precept. The Government's national Council Tax forecasts assume that all Social Care Authorities will implement annual increase of 3.9% until 2019/20. This is the level of increase reflected in the Council's MTFS and this income partly offset the impact of continuing significant cuts in Government funding.

There is no direct link between the level of reserves and Council Tax as both sources of funding are being used over the period of the current MTFS to partly mitigate the impact of Government grant cuts. However, these resources do not provide sufficient funding to fully address the impact of Government grant cuts, consequently the Council will need to make further budget cuts of £12.690m over the three years commencing 2016/17.

The MTFS recognises that reserves are a finite resource and cannot be relied upon to fund services in the long term. Therefore, the use of reserves is front loaded in 2017/18 and 2018/19. This strategy is designed to remove reliance on the use of reserves before the 100% Business Rates Retention changes are implemented by the Government.

- Unplanned movements on reserves

Detailed in-year financial management reports are submitted to Members to monitor progress in the planned use of Departmental reserves and to identify where these reserves may be carried forward to fund rephased expenditure commitments or financial risks.

These reports also provide details of forecast outturns for corporate and departmental budgets to enable Members to determine a strategy for using forecast managed budget under spends. For 2016/17 this process commenced on 5th September and regular updates will be provided during the year.

During 2016/17 the Corporate Management Team will continue to seek to achieve a managed under spend, by achieving 2017/18 budget savings early, or avoiding expenditure where this can be achieved without an adverse impact on services. The objective of this strategy will be to provide one-off resources to help manage future financial risks and priorities. However, as reported in September 2016 there is a risk that a managed 2016/17 under spend may not be achieved if there are significant demand pressures on a range of budgets over the winter months.

5. DETAILS OF RESERVES HELD AT 31st MARCH 2016

- 5.1 As reported in previous years the starting point for the reserves review is the Statement of Accounts which details the total reserves held by the Council at the end of the financial year. For this review the relevant Statement of Accounts shows the position at 31st March 2016 and at that date the Council held total reserves of £60.859m (£61.896m at 31st March 2015). In summary reserves consist of five components:

| 31.03.15 £'m | | 31.03.16 £'m |
|-------------------------|--|-------------------------|
| 5.253 | Unearmarked General Fund Balance | 4.753 |
| 5.455 | Earmarked Budget Support Fund 2016/17 to 2018/19 | 5.781 |
| 5.871 | School Balances | 3.916 |
| 6.892 | Earmarked Capital Reserves | 6.517 |
| 38.425 | Earmarked Revenue Reserves | 39.892 |
| 61.896 | Total | 60.859 |

- 5.2 A review of the above reserves has been completed and detailed comments are provided in the following paragraphs:-
- 5.3 Unearmarked General Fund Reserve - £4.753m
- 5.4 This is the only reserve held to manage unforeseen events and avoids the need for in-year budget cuts if such events occur. Any temporary usage would need to be repaid to ensure the Council maintains an emergency resource for the next unforeseen event.
- 5.5 The balance at the 31st March 2016 includes the final 2015/16 uncommitted outturn of £91,000. Part of this amount (£40,000) has been earmarked to fund Jacksons Landing demolition and the remaining amount (£51,000) reflected in the resources available to support one off priorities to be considered as part of the 2017/18 budget process. When account is taken of this commitment the net uncommitted General Fund Reserve at 31st March is £4.662m. This amount equates to approximately 4% of the net General Fund budget, which is within the previously recommended range of 3% to 5%.
- 5.6 In view of the continuing financial risks the Council is managing and the reduced ability to manage unforeseen events from the reduced annual budget it is recommended that the level of the uncommitted General Fund reserve is appropriate and should be retained. These risks relate to:
- recurring income risks, including Business Rates income, collection of Council Tax from LCTS households and general income risks if there is an economic downturn;
 - recurring demand risks in relation a range of services, including looked after children and adult services;
 - increased financial risks arising from proposed changes in Government policy, for example the proposal to implement 100% business rates retention.

5.7 Earmarked Budget Support Fund 2016/17 to 2018/19 - £5.781m

5.8 This reserve is fully committed to support the MTFS and as detailed earlier in the report is providing a longer lead time to implement permanent budget reductions. If this reserve had not been established the Council would have needed to make higher budget cuts earlier than has been the case.

5.9 In 2016/17 the use of the Budget Support Fund, the use of the Business Rates Risk Reserve and the use of departmental reserves totalled £5.3m. This use reflected plans the Council had developed to partly mitigate the impact of Government grant cuts and the Valuation Office Agency decision to reduce the Power Station rateable value. This strategy meant the cuts required to balance the 2016/17 reduced to £3.1m. Whilst, this strategy does not provide a permanent solution it provided a longer lead time to manage the position and to identify permanent budget cuts over the period 2017/18 to 2019/20.

5.10 The balance of the Budget Support Fund is allocated to support the budget in 2017/18 and 2018/19 and continues to support the phased implementation of budget cuts of approximately £4m per year over the next three years to address the forecast deficit of £12.7m. Without the Budget Support Fund a greater proportion of these cuts would need to be implemented in 2017/18. This would be more difficult to manage, both in terms of managing service changes/reductions and the ability of the Council to manage staffing reductions, including compulsory redundancies.

5.11 School Balances - £3.916m

5.12 These reserves are held in trust by the Council on behalf of individual schools and use is approved by the relevant schools Governing Body as part of the schools budget process. School reserves are held to either fund one off initiatives and costs, including capital spending, or to support phased reductions in recurring expenditure to address reduced funding levels. During 2015/16 schools used reserves and this reduced the overall level of school reserves from £5.871m at 31st March 2015 to £3.916m at 31st March 2016. It is anticipated that there will be a further reduction in school reserves during 2016/17. The level of reserves held by individual schools is reviewed on an annual basis by the Schools Forum as part of the arrangements for managing the overall Dedicated Schools Grant.

5.13 Earmarked Capital Reserves - £6.517m

5.14 These resources are committed to manage capital expenditure commitments re-phased at the end of the financial year. The reserve and consists of:

- Capital Receipts Unapplied and Capital Grants Unapplied – £0.321
These resources can only be used to fund capital expenditure and will only be carried forward at the year-end if there is no eligible capital expenditure to be funded in the relevant financial year. At the 31st March 2016 there were no Capital Receipts Unapplied. Capital Grants Unapplied totalled of £0.321m at 31st March 2016 and related to the following issues:

- £210,000 Claw back of City Challenge grant – following the sale of a property the Council invoiced the former owner to claw back grant. To comply with accounting regulations this amount was accounted for on an accruals basis, which meant this income was reflected in the Council's accounts before payment was received. However, these monies could not be committed until the invoice had been paid. At the 31st March 2016 £201,000 of the amount due had been received and recovery actions will continue to be pursued for the remaining £9,000. Following a change in Government policy councils can retain claw backed grant for a range of previous grant regimes, including City Challenge. These resources can therefore now be released to fund priorities to be determined by the Council, which could include earmarking these resources for initiatives within the former City Challenge area, including improvements within Church Street.
- Recovery of former City Challenge contributions – at the end of the City Challenge regime the Council inherited responsibility for recovering match funding contributions from individual households totalling £86,000. City Challenge had agreed instalment arrangements for these payments. This amount was accounted for on accruals basis. However, these monies could not be committed until the invoice had been paid and were therefore not released in previous years until all amounts due had been received. At the 31st March 2016 the full contributions had been received, therefore these resources can now be released to fund priorities to be determined by the Council, which could include earmarking these resources for initiatives within the former City Challenge area.
- Private Sector Housing Grant (£25,000) - earmarked to fund the continuation of 'Homeplus' grants which support vulnerable people.
- The Capital Funding Reserve £6.196m
This funding is fully committed to fund approved capital expenditure re-phased from 2015/16 to 2016/17 and reflects the longer timescale for implementing capital projections. The funding include contributions schools have made from their budgets to fund capital schemes.

The capital funding strategy adopted means the Capital Funding Reserve is always the last funding used to finance capital expenditure incurred during the year and is only used after fully committing capital grants, capital receipts and prudential borrowing. This strategy is adopted to maximise future financial flexibility in the event (not yet realised) that if actual capital receipts exceed the target that these additional resources replace the Capital Funding Reserve, which could then be released. This would then increase financial flexibility as the Capital Funding Reserve is revenue funding, which can be used to fund either revenue or capital expenditure, whereas uncommitted capital receipts can only be used to fund capital expenditure.

At the end of 2016/17 the capital funding strategy will again use this funding as a last resort, as this approach may provide the opportunity at a future date to release this funding if the capital receipts target is exceeded.

5.15 Earmarked Revenue Reserves - £39.892m

- 5.16 These reserves account for approximately two thirds of the Council's reserves and full details are provided in Appendices A to F and are summarised below:

| | £'m |
|--|--------|
| Appendix A – Corporate Reserves | 30.411 |
| Appendix B – Child and Adult services | 2.550 |
| Appendix C – Education Services Reserves | 1.598 |
| Appendix D – Regeneration and Neighbourhood Services | 2.682 |
| Appendix E – Public Health | 2.405 |
| Appendix F – Chief Executive's Dept. Reserves | 0.246 |
| | 39.892 |

- 5.17 A comprehensive review of all Earmarked Revenue Reserves has been completed and the outcome of this review is detailed within Appendices A to F. For the majority of reserves the appendices provide details of planned phasing over the period 2016/17 to 2019/20. For a small number of reserves the phasing is uncertain and driven by the timing of external events. In these cases no phasing is shown, although the reasons for maintaining these reserves are detailed in the appendices.
- 5.18 In summary the review has identified a number of areas where the original financial risk or financial commitment the reserves was established to fund has reduced and resources totalling £3.802m can now be released, as detailed in Appendix A. This amount includes the release of £2.620m from the Local Council Tax Support Scheme Reserve (LCTS). The Council has operated a LCTS scheme since 2013/14 and the LCTS reserve was allocated to support a 12% LCTS scheme, to manage potential demand risks if claimant numbers increased and to manage potential write-offs. Based on experience of operating a LCTS scheme for four years up to 2016/17 these risks have not materialised and a 12% scheme can be sustained for 2017/18 to 2019/20 without needing contributions from this reserve. It would be prudent to retain a residual reserve of £300k to manage potential in-year volatility over the next three years. The remaining reserve of £2.620m can be released.
- 5.19 In summary the review of all reserves held at 31st March 2016 has identified areas where the original financial risk or financial commitment the reserves was established to fund has reduced and resources totalling £4.089m can now be released, as summarised below:

| | Reserve Value 31.03.16 £'m | Amount released £'m |
|--|---|------------------------------------|
| Unearmarked General Fund Balance | 4.753 | 0 |
| Earmarked Budget Support Fund 2016/17 to 2018/19 | 5.781 | 0 |
| School Balances | 3.916 | 0 |
| Earmarked Capital Reserves | 6.517 | 0.287 |
| Earmarked Revenue Reserves | 39.892 | 3.802 |
| Total | 60.859 | 4.089 |

- 5.20 The amount which can be released excludes a residual balance of £24,000 on the Community Grant Pool reserve. This amount could either be released, or could be allocated to supplement the Child and Family Poverty Reserve.

6.0 STRATEGY FOR USING RESOURCES RELEASED FROM THE RESERVES REVIEW

- 6.1 The one off resources identified from the reserves reviews had previously not been anticipated and were therefore not reflected in the current MTFS. In view of the continuing financial challenges and risks facing the Council the one off resources released from the reserves review could be allocated to support a number of potential initiatives and there are advantages and disadvantages to each of these options. However, as these proposals do not add to the ongoing budget deficit any of these proposals could be progressed, although it is recommended that a final decision on a preferred option is made as part of the detailed budget process for 2017/18. These proposals cover the following issues:-

- Support for the MTFS 2016/17 to 2019/20

One-off resources of £11.151m are allocated to support the MTFS over the four years commencing 2016/17 and these resources are reflected in existing reserves. The use of these one-off resources does not provide a permanent solution to address ongoing Government grant cuts. However, the strategy provides a longer lead time to phase the necessary budget reductions and broadly requires annual savings of approximately £4m per year for the next three years.

As detailed in the 2016/17 quarter 1 financial management report it may be necessary to allocate additional one-off resources to support the 2017/18 budget as the initial savings proposals are not sufficient to bridge the budget deficit. It is hoped that this additional one off support will come from the 2016/17 managed outturn, assuming the best case forecast is achieved and there are no significant winter pressures on a range of demand led budgets. If a 2016/17 managed under spend is not achieved additional one off support for the 2017/18 budget may have to be funded from the reserves review.

Whilst, detailed plans are being developed to achieve budget reductions over the next three years the proposals for years two and three (2018/19 and 2019/20) are increasingly dependent upon reducing demand. Achieving these savings will need careful management and if the required savings are delayed, or not achieved, alternative budget cuts will need to be implemented. As there will be a lead time for implementing alternative cuts it may be appropriate to allocate additional one off resources to provide a longer lead time if this is necessary.

- Support for one-off capital initiatives

Resources to fund capital initiatives have also been limited owing to the impact of austerity. Whilst, additional national capital allocations may be announced in the Autumn Statement, as part of the Government's response to the outcome of the European Referendum, it is anticipated that these resources will be targeted at national priorities.

Despite the impact of austerity the Council remains ambitious for the town and there are a range of potential capital projects and investments which the Council will wish to support to deliver this ambition. At this stage a range of detailed business cases are being developed which may either require match funding, or fully funding by the Council.

In addition to these large scale projects there are also a range of smaller more localised schemes which require funding.

- Earmark to support the MTFS in 2020/21 and beyond

As reported in September the Government intends implementing 100% Business Rates Retention by the end of this Parliament. It is still unclear whether this change will be implemented in 2019/20 or 2020/21. As part of this proposal the Government will also be transferring additional responsibilities to Council to be funded from the additional retained business rates income.

There is a risk that these changes will result in additional financial costs and risks falling on councils. These risks are greatest for those areas, including Hartlepool, which have higher than average levels of deprivation as there is an inherent risk that when new responsibilities are transferred they are not matched by increased Business Rates income. The Government has recognised this risk and will also be reviewing the formula used to allocate the national Business Rates income.

However, until details of these changes are known, there is a significant risk that areas like Hartlepool will not receive sufficient funding to meet local needs. Therefore, it may be appropriate to allocate all, or some of the one off resources to mitigate these risks to provide a short term funding in the event that insufficient recurring funding is allocated under the new system.

7. CONCLUSION AND CHIEF FINANCE OFFICER'S PROFESSIONAL ADVICE

7.1 The Government has confirmed that councils will face further annual grant cuts for the financial years 2017/18 to 2019/20. As a result the Council faces a net budget deficit of £12.7m over this period. This deficit is after reflecting:

- the use of one off reserves to temporarily support services and provide a longer lead to make budget reductions;
- the implementation of annual Council Tax in line with current Government policy of 3.9% for the next three years (inclusive of the 2% Social Care precept); and
- the achievement of increased Council Tax income from achieving forecast housing growth.

7.2 Previous reports have highlighted the significant financial benefits of adopting a multi-year approach to managing the Council's overall resources, including the use of reserves. This approach has enabled the Council to deliver the following key objectives:

- Limit Local Council Tax Support Scheme cuts to 8.5% in 2013/14, 12% in 2014/15 to 2016/17. The other Tees Valley Council's all implemented 20% reductions for 2013/14 to 2015/16;
- Partially mitigate the impact of Government Grant cuts on the General Fund budget by using reserves to support services and provide a longer lead time to make budget cuts. This approach is helping phase the budget reductions required over the period 2017/18 to 2019/20 at approximately £4m per year;
- To fund significant one-off redundancy and early retirement costs from one-off resources, therefore avoiding even higher budget cuts to fund these unavoidable costs; and
- To manage the impact of the decision by the Valuation Office Agency to reduce the Power Station Rateable Value by 48%. In 2015/16 this approach avoided the need to make in-year budget cuts. Over the period 2016/17 to 2019/20 the approach helps the Council manage the loss of this income on a phased basis.

7.3 The continued adoption of a multi-year approach to managing the Council's resources, including reserves, is becoming even more important as the overall budget reduces and the Council has less financial ability to manage unforeseen events.

7.4 The use of reserves to support the General Fund budget is front loaded to reflect the front loading of Government grant cuts. This strategy is designed to provide a slightly longer lead time to identify permanent budget reduction. The strategy also ensures the Council does not become reliant upon the use of one off resources to fund recurring expenditure and therefore avoids a financial cliff edge when these reserves have been used up.

- 7.5 The review completed of reserves releases one-off resources which provide additional one off financial flexibility, which was not previously available, to potentially address the issues referred to in section 6. At this stage there is insufficient information available to enable officers to provide their best professional advice on the use of the one-off resources released from the reserves review.
- 7.6 Therefore, it is recommended that a strategy for using these resources is developed when more information becomes available and then reflected in the MTFS proposals to be considered by this Committee in January 2017, prior to these proposals being referred to Council in February.
- 7.7 It also needs to be recognised that as the overall budget and reserves reduce the financial risks being managed by the Council will not. This is particularly the case in relation to demand led services. Consequently, ongoing financial and service risks will need managing with less overall resources and financial flexibility. This means that over the next few years managing financial and service risks will become increasingly challenging.
- 7.8 The 2017/18 budget reports to be considered by Finance and Policy Committee and Council in January/February 2017 will, in accordance with the requirements of the Local Government Act 2013, include the Chief Finance Officer's professional advice on the robustness of the budget forecasts and the adequacy of reserves. This advice will reflect the issues detailed in this report in relation to the reserves which need to be maintained, the reserves which can be released as the original risk has reduced and proposals for using these one-off resources, as detailed in section 6.1. At this stage it is anticipated that the Chief Finance Officer will be able to provide assurance that the 2017/18 budget proposals and level of reserves are robust, although final advice will be dependent on decisions to be made by Members over the next few months in relation to budget savings for 2017/18 to 2019/20.

8. RISK IMPLICATIONS

- 8.1 These are covered in detail in the appendices to this report.

9. FINANCIAL CONSIDERATION

- 9.1 These are covered in detail in the report.

10. LEGAL CONSIDERATION

- 10.1 None.

11. CHILD AND FAMILY POVERTY CONSIDERATIONS

- 11.2 No direct impact arising from recommendations within this report, although some reserves are specifically allocated to address these issues.

12. EQUALITY AND DIVERSITY CONSIDERATIONS

- 12.1 None.

13. STAFF CONSIDERATION

- 13.1 None.

14. ASSET MANAGEMENT CONSIDERATION

- 14.1 None.

15. RECOMMENDATIONS

- 15.1 It is recommended that Members:

- i) Note that a comprehensive review of existing reserves and risks has been completed and this has identified that one-off resources of £4.089m can be released. This amount includes £0.287m of income recovered in relation to former City Challenge initiatives which Members may wish to allocate to support investment in the former City Challenge area, although this funding does not need to be earmarked for this area and can be used for any purpose;
- ii) Note the potential issues which may need to be funded using the available one-off resources as detailed in section 6;
- iii) Note that at this stage there is insufficient information available on a range of issues to enable officers to provide their best professional advice on the use of the one-off resources released from the reserves review and to therefore approve the proposal that a strategy for using these resources is developed when more information becomes available and then reflected in the MTFS proposals to be considered by this Committee January 2017, prior to these proposals being referred to Council in February.
- iv) Determine whether the residual balance of £24,000 on the Community Grant Pool reserve is released and added to the amount detailed in recommendation (i), or is allocated to supplement the Child and Family Poverty Reserve.

16. REASON FOR RECOMMENDATIONS

- 16.1 To enable a strategy for using the one-off benefits from the reserves review to be developed as part of the MTFS.

17. BACKGROUND PAPERS

Medium Term Financial Strategy 2017/18 to 2019/20 report to Finance and Policy Committee 20th June 2016.

Strategic Financial Management Report 2016/17 to Finance and Policy Committee 5th September 2016.

18. CONTACT OFFICER

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CORPORATE RESERVES

| Cost Centre | Reserve | Balance as at 31st March 2016 | Planned Use of Reserve | | | | | | Reason for/purpose of the Reserve | Total Value of Reserve to be Released | Value of Reserve to be Retained to fund commitments 2016/17 to 2019/20 | Reason for Release of Reserve |
|-------------|---|-------------------------------|------------------------|---------|---------|---------|-------------------------------|-------------------------------|---|---------------------------------------|--|-------------------------------|
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total Planned Use of Reserves | Estimated Balance at 31/03/20 | | | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 | |
| 25959 | Strategic One Off Costs - Council Capital Fund | 290 | (100) | 0 | 0 | 0 | (100) | 190 | This reserve relates to the 2013/14 Council Capital Fund which was funded from one-off resources, rather than Prudential Borrowing. This reserve is earmarked to fund commitments arising over more than one year which have not yet been implemented. | 0 | 290 | |
| 25959 | Strategic One Off Costs - Redundancy and Early Retirement Costs Reserve | 5,587 | (2,040) | (1,670) | (1,877) | 0 | (5,587) | 0 | This reserve is allocated to fund one-off redundancy and early retirement costs over the period of the MTFS. As part of the savings achieved over the last 7 years the Council has reduced the number of full time posts by approximately 430 and from 2016/17 this provides a recurring annual saving of £13.1m (inclusive of employers national insurance and pension costs). One off redundancy and early retirement costs have been incurred to achieve these savings and over this period these costs have equated to 80% of the recurring annual saving. This means the overall pay back period for the last 7 year has equated to approximately 10 months. Based on this experience and the scale of the additional budget cuts required over the next three years (2017/18 to 2019/20) it is anticipated that further additional reductions in staffing numbers will be unavoidable. These reductions will commit the whole of this reserve and there is an increasing risk that additional one off funding will be required by 2019/20. This position will continue to be manage carefully and if additional one-off funding is required this will either need to a call on future managed under spends, or funded by reallocating other reserves if risks reduce, or by making higher budget reductions. The planned 2016/17 use reflects forecast redundancy and early retirement costs relating to the 2017/18 budget savings and so on for future years. | 0 | 5,587 | |
| Various | Strategic Ring Fenced Grant | 5,952 | (2,398) | (1,781) | (1,171) | (602) | (5,952) | 0 | This reserve relates to grant income received in advanced which must be used in accordance with the relevant grant conditions to ensure the funding is not subject to claim back. The funding will be used over the next 4 years (£2.398m in 2016/17, £1.781m in 2017/18, £1.171m in 2018/19 and £0.335m in 2019/20). | 0 | 5,952 | |
| 25804 | Insurance Fund | 4,300 | 0 | 0 | 0 | 0 | 0 | 4,300 | The Insurance Fund has been established to provide for all payments that fall within the policy excess claims. Most policies provided by the Council are subject to an excess. Phasing is not provided as the timing and settlement of individual claims is uncertain. The MTFS for 2017/18 includes a recurring insurance cost saving of £0.260m and this was predicated on managing continuing insurance risks by maintaining the existing fund. Removal if this revenue budget means no further contributions will be made to this reserve and ongoing insurance risks/liabilities will need to be managed from the existing reserve. | 0 | 4,300 | |
| 25972 | Strategic Risk Reserve | 1,028 | 0 | 0 | 0 | 0 | 0 | 1,028 | The risk reserve was set up to cover one-off equal pay costs and reflected the risk assessment at the time. Phasing for the use of this reserve is not provided as the timing on the use of this reserve will be driven by external events. This reserve may also need to be used to help manage the impact of the Government's proposed National Living Wage on the cost of the existing pay and grading structure in the Council, future employer pension contributions and pension opt in costs. In the event that these risks do not occur it is anticipated that any uncommitted resources are likely to need re-allocating to fund one off redundancy costs in 2018/19. | 0 | 1,028 | |
| 25952 | Treasury Management Risk Reserve | 804 | (245) | (50) | (18) | (12) | (325) | 479 | A comprehensive review of the existing Treasury Management Strategy has been completed and this recommended implementing a revised Minimum Revenue Policy (MRP). The revised MRP provides for earlier repayment of the Council's outstanding Capital Financing Requirement than the previous MRP policy. The revised policy also provides a recurring annual revenue saving of £2m commencing in 2017/18. The use of this reserve enables the annual saving of £2m to be sustained for 12 years, commencing in 2017/18 and a reduced saving of £1.4m in 2029/30 and a sustainable £1m saving from 2030/31. If this reserve had not been available the full savings could not have been taken over the period of the MTFS and then sustained for a further 9 years. | 0 | 804 | |
| 25321 | Capital Risk Strategy | 901 | 0 | 0 | 0 | 0 | 0 | 901 | This reserve is earmarked to manage potential phasing risks in relation to the Jackson's Landing Development, to provide a longer lead time if necessary after the repayment of the interest free loan. This amount will not be called upon until October 2017, when the interests free loan secured to purchase this property is due for repayment. Once a development is secured and the interest free loan has been repaid this can be released. | 0 | 901 | |
| 25298 | Income Risk Reserve | 500 | 0 | (250) | (250) | 0 | (500) | 0 | This reserve was created to fund income shortfalls in 2017/18 and 2018/19 in relation to the Shopping Centre and Land Charges. | 0 | 500 | |

| Cost Centre | Reserve | Balance as at 31st March 2016 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total Planned Use of Reserves | Estimated Balance at 31/03/20 | Reason for/purpose of the Reserve | Total Value of Reserve to be Released | Value of Reserve to be Retained to fund commitments 2016/17 to 2019/20 | Reason for Release of Reserve |
|--------------|---|-------------------------------|----------------|----------------|----------------|----------------|-------------------------------|-------------------------------|--|---------------------------------------|--|---|
| 25328 | Regeneration Projects | 400 | (50) | (175) | (175) | 0 | (400) | 0 | This reserve was created from one-off funding to support Regeneration Priorities. Indicative phasing included for information and actual phasing will reflect implementation of the Hartlepool Vision and the approval of individual projects by Members. | 0 | 400 | |
| 25853 | Local Plan Reserve | 208 | (20) | (188) | 0 | 0 | (208) | 0 | This reserve will cover estimated costs over the period 2016/17 to 2017/18. | 0 | 208 | |
| 25992 | Development Control /Building Control Income Shortfall | 123 | (110) | (13) | 0 | 0 | (123) | 0 | This reserve was created to cover income shortfalls owing to the weakness in the economy. | 0 | 123 | |
| 25291 | Members Ward Issues | 48 | (48) | 0 | 0 | 0 | (48) | 0 | Used to fund ward issues for Members | 0 | 48 | |
| 25286 &25287 | Salary Sacrifice | 33 | 0 | 0 | 0 | 0 | 0 | 33 | This reserve was created to capture NI and Pension Savings generated by the Salary Sacrifice for Cars scheme to fund potential future pensions liabilities. | 33 | 0 | Following the introduction of career average pension scheme this risk will not materialise. Therefore this reserve is no longer required. |
| 25984 | Funding for Modern Apprentices | 90 | (50) | (40) | 0 | 0 | (90) | 0 | This reserve is earmarked to provide funding for Modern Apprentices. | 0 | 90 | |
| 25325 | Living Wage Reserve | 49 | 0 | 0 | 0 | 0 | 0 | 49 | This reserve was created to partly fund the cost of introducing the Hartlepool Living Wage. | 49 | 0 | These costs were absorbed in the 2015/16 outturn and therefore this reserve is no longer required. |
| 25990 | Concessionary Fare | 38 | (38) | 0 | 0 | 0 | (38) | 0 | This reserve covers the tri-annual cost of replacing concessionary fares passes. | 0 | 38 | |
| 25295 | Vodafone | 19 | (19) | 0 | 0 | 0 | (19) | 0 | This reserve was created from previous savings and held to pump prime further initiatives which will provide additional ongoing savings in relation to telephony costs. | 0 | 19 | |
| 25322 | Environmental Apprenticeships | 25 | (25) | 0 | 0 | 0 | (25) | 0 | This reserve was created to fund this initiative in 2016/17. | 0 | 25 | |
| 25289 | Works in Default Empty Homes | 15 | (8) | (7) | 0 | 0 | (15) | 0 | This reserve was created to fund works in Default Empty Homes. | 0 | 15 | |
| 25962 | NDC Fund | 8 | 0 | 0 | 0 | 0 | 0 | 8 | Reserve established from NDC under spend and will be transferred to the NDC Trust. | 0 | 8 | |
| 26013 | Pay Costs Reserve | 100 | 0 | 0 | 0 | 0 | 0 | 100 | This reserve was created to fund the impact of a higher pay award than budgeted. | 100 | 0 | These costs were absorbed in the 2015/16 outturn and therefore this reserve can be offered up. |
| 26015 | Protection Costs Reserve | 750 | (557) | (193) | 0 | 0 | (750) | 0 | Initially created to fund protection costs from the implementation of changes to Terms and Conditions. As these changes were not progressed part of this reserve was re-allocated within the 2016/17 MTFS to partly funding the Hartlepool Living Wage in 2016/17 and 2017/18. As this is reserve is used up provision has been made within the overall MTFS forecasts to fund the ongoing Hartlepool Living Wage costs. The balance of £193,000 is available to support potential protection costs in 2017/18. | 0 | 750 | |
| 25288 | Child and Family Poverty Reserve | 500 | (150) | (150) | (150) | (50) | (500) | 0 | This reserve was created to support Child and Family Poverty initiatives. Initial proposals were approved as part of the MTFS/ Holiday Hunger Pilot scheme reports presented to F&P on 20/06/16. Future proposals will be subject to further reports to F & P Committee. | 0 | 500 | |
| 25875 | Emergency Planning | 329 | 0 | 0 | 0 | 0 | 0 | 329 | Reserve held on behalf of 4 authorities for Emergency Planning and only a proportion contributed by Hartlepool. This reserve is held to enable Emergency Planning to manage the budget over more than one financial year and avoid in-year additional financial demands on the 4 authorities. Phasing is not provided as the use of the reserve will be approved by the Emergency Planning Committee. | 0 | 329 | |
| 25297/25326 | Business Rates Risk Reserve & Business Rates Equalisation Reserve | 5,370 | (1,131) | (1,829) | (1,431) | (979) | (5,370) | 0 | This reserve was established to address the financial risks arising Business rates being relocalised in April 2013 and is allocated to offset the impact of the decision by the Valuation Office Agency to reduce the rateable value of the Hartlepool Nuclear Power Station. Use of this reserve is helping the Council manage the permanent reduction in Business Rates income over the period 2016/17 to 2019/20 and avoided higher budget cuts being required. The MTFS recognises that using this reserve is not sustainable, although this strategy has provided a longer lead time to address the permanent income reduction. The phased withdrawal of this one-off funding is reflected in the MTFS. | 0 | 5,370 | |
| 25290 | Local Council Tax Support Scheme Reserve | 2,920 | 0 | (2,620) | 0 | 0 | (2,620) | 300 | This reserve was created to partly mitigate the impact of the change to the Council Tax Benefit regime and the resulting cut in Government Grant. | 2,620 | 300 | A detailed explanation regarding the release of this reserves and the residual reserve to be retained is provided in the detailed report. |
| 25850 | Community Grants Pool | 24 | 0 | 0 | 0 | 0 | 0 | 24 | Reserve created year on year from the under spend on the Community Grants Pool budget as this expenditure is 'ring-fenced' by Members for contributing towards the community. This balance was offered up in July 2015. | 0 | 24 | |
| 25800 | Civic Lottery Reserve | 425 | 0 | 0 | 0 | 0 | 0 | 425 | This reserve consists of the proceeds of the Civic Lottery and donations received. The Council is not permitted to spend this reserve, although the investment income generated is added to Ward Member budgets and used to support grants and donations to local organisations | 0 | 425 | |
| 25803 | Museum Acquisitions | 84 | 0 | 0 | 0 | 0 | 0 | 84 | The Museums Acquisition Reserve was set up to put monies aside for the acquisition of items for the Museum. | 0 | 84 | |
| | Total Departmental Reserves | 30,920 | (6,989) | (8,966) | (5,072) | (1,643) | (22,670) | 8,250 | | 2,802 | 28,118 | |

| Cost Centre | Reserve | Balance as at 31st March 2016 | Planned Use of Reserve - £000 | | | | | | Reason for/purpose of the Reserve | Total Value of Reserve to be Released | Value of Reserve to be Retained to fund commitments 2016/17 to 2019/20 | Reason for Release of Reserve |
|-------------|--|-------------------------------|-------------------------------|---------|---------|---------|-------------------------------|-------------------------------|---|---------------------------------------|--|-------------------------------|
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total Planned Use of Reserves | Estimated Balance at 31/03/20 | | | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 | |
| 25986 | Children's Social Care & Early Intervention | 720 | (443) | (175) | (102) | 0 | (720) | 0 | As part of the Budget Strategy the Department is using reserves on a phased basis to support services and the planned achievement of demand savings. | 0 | 720 | |
| 25960 | Children & Families - Looked After Children | 973 | 0 | (486) | (487) | 0 | (973) | 0 | As part of the Budget Strategy the Department is using reserves on a phased basis to support services for Looked After Children and the planned achievement of demand savings. | 0 | 973 | |
| 25327 | Demographic Pressures in Adult Social Care | 471 | (50) | (150) | (150) | (121) | (471) | 0 | This reserve is held as a contingency towards increasing demographic pressures within Adult Social Care over the next few years. The reserve will also provide support as the department seeks to make budget savings by reducing demand across Adult Services. | 0 | 471 | |
| 25857 | Youth Offending | 96 | (96) | 0 | 0 | 0 | (96) | 0 | The YOS budget has, and is, experiencing significant grant cuts including an in-year reduction during 2015/16 and late announcement of the 2016/17 grant. This reserve will be used in 2016/17 to provide the required lead-in time for the department to identify the required savings for 2016/17 and future years. | 0 | 96 | |
| 25856 | Children & Families - Local Safeguarding Board (Partnership Funding) | 70 | (70) | 0 | 0 | 0 | (70) | 0 | This is Partnership Funding with other bodies so not all HBC funding; relates to under spends carried forward to support the work of the Board and any serious case reviews. Profile assumes reserve will be fully committed towards the current Serious Case Review and will be updated once final costs determined. | 0 | 70 | |
| 26018 | Better Care Fund Reserve | 220 | 0 | 0 | (110) | (110) | (220) | 0 | This reserve is held as a contingency against Better Care Fund grant funding to manage demand within adult services, particularly linked to older people, as there are significant risks associated with delivering the BCF plan arising from the context of demographic pressures. | 0 | 220 | |
| | TOTAL CHILD & ADULT (EXC EDUCATION) | 2,550 | (659) | (811) | (849) | (231) | (2,550) | 0 | | 0 | 2,550 | |

EDUCATION SERVICES RESERVES

| Cost Centre | Reserve | Balance as at 31st March 2016 | Planned Use of Reserve - £000 | | | | | | Reason for/purpose of the Reserve | Total Value of Reserve to be Released | Value of Reserve to be Retained to fund commitments 2016/17 to 2019/20 | Reason for Release of Reserve |
|-------------|--------------------------------|-------------------------------|-------------------------------|---------|---------|---------|-------------------------------|-------------------------------|--|---------------------------------------|--|-------------------------------|
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total Planned Use of Reserves | Estimated Balance at 31/03/20 | | | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 | |
| 25318 | School Improvement | 389 | (229) | (160) | 0 | 0 | (389) | 0 | Reserve created to enhance and develop school improvement within Hartlepool. The Education Improvement Strategy was approved at Children Services Committee 8th July 14. | 0 | 389 | |
| 25059 | Academy Risk Reserve | 217 | (55) | (82) | (80) | 0 | (217) | 0 | Reserve created to ensure sustainability of services in future years as schools convert to Academy status. Retained funding to manage the on going delivery of Education Services to Schools. The timing of the use of this reserve is uncertain and the phasing is based on the initial assessment of need. | 0 | 217 | |
| 25330 | Transforming Tees | 578 | (240) | (151) | (107) | (80) | (578) | 0 | This reserve was created from pooled resources from the local authorities of Hartlepool, Middlesbrough, Stockton and Redcar & Cleveland, to enable a collaborated approach to tackle the root cause of underperformance and deliver a first class education and skills system. | 0 | 578 | |
| 25331 | Education Commission Reserve | 414 | (115) | (124) | (125) | (50) | (414) | 0 | This reserve was created to identify and address key priorities to support sustainable educational improvement across the town. | 0 | 414 | |
| | | | | | | | | | | | | |
| | TOTAL CHILD EDUCATION SERVICES | 1,598 | (639) | (517) | (312) | (130) | (1,598) | 0 | | 0 | 1,598 | |

| Cost Centre | Reserve | Balance as at 31st March 2016 | Planned Use of Reserve - £000 | | | | | | Reason for/purpose of the Reserve | Total Value of Reserve to be Released | Value of Reserve to be Retained to fund commitments 2016/17 to 2019/20 | Reason for Release of Reserve |
|-------------|--|-------------------------------|-------------------------------|--------------|--------------|-------------|-------------------------------|-------------------------------|--|---------------------------------------|--|-------------------------------|
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total Planned Use of Reserves | Estimated Balance at 31/03/20 | | | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 | |
| 25988 | Housing Revenue Account Reserve | 530 | 0 | 0 | 0 | 0 | 0 | 530 | Ring fenced reserve created from rental income which represents a contribution to the Major Repairs Fund and managing the ring fenced Housing Revenue Account (HRA). Work is currently progressing on a detailed condition survey to comply with HRA regulations and this will determine phasing for using this reserve. | 0 | 530 | |
| 25954 | Selective Licensing/Housing | 117 | 0 | (39) | (39) | (39) | (117) | 0 | Income generated from selective licensing fees and specific grant funding which is required to fund staffing costs over 5 years, up to 2019/20. | 0 | 117 | |
| 25942 | Seaton CC 'Management' | 108 | 0 | (108) | 0 | 0 | (108) | 0 | Balance carried forward from previous years and represents surpluses generated by the Community Centre over years. This funding is managed by the overseeing board and any decisions regarding how the money is used will need to be approved by the board. | 0 | 108 | |
| 25994 | Engineering Consultancy Reserve | 100 | 0 | (100) | 0 | 0 | (100) | 0 | Reserve created to manage Trading Activities over more than one year. This is earmarked to manage potential income shortfalls to provide funding for staff costs and allow time to react to changes in this market. The reserve also covers potential bad debts in this area. Phasing for the use of the reserve is an initial assessment and reflects the limited risk in 16/17 owing to the level of approved schemes to date. | 0 | 100 | |
| 25994 | Fleet Reserve | 100 | 0 | (50) | (50) | 0 | (100) | 0 | Reserve needed to fund future repairs and maintenance costs over the whole life of the fleet so that annual charges to clients can remain static over the lifetime of the vehicle. | 0 | 100 | |
| 25981 | Winter Maintenance | 50 | (50) | 0 | 0 | 0 | (50) | 0 | Funding to cover additional costs incurred during a bad Winter. Ongoing revenue budget is sufficient to cover normal weather conditions and this reserve provides a contingency for additional works which may be required. Phasing for the use of the reserve is an initial assessment and will vary depending upon the weather experienced over the winter periods. In the event that this is not required in 16/17 it will be rolled forward to provide contingency funding for future years. | 0 | 50 | |
| 25981 | Flood Prevention Reserve | 40 | (40) | 0 | 0 | 0 | (40) | 0 | Reserve created from one off grant received in 2015/16 to fund works associated with new responsibilities associated with the Floods and Water Management Act, which will be completed over two years. | 0 | 40 | |
| 25994 | School Catering Reserve | 80 | (80) | | | 0 | (80) | 0 | Reserve created to manage income risks and to support the replacement of kitchen equipment required to continue existing service delivery. | 0 | 80 | |
| 25994 | Passenger Transport Reserve | 45 | (45) | 0 | 0 | 0 | (45) | 0 | Reserve created to manage the financial risks associated with the trading account over years and to help absorb pressures on the Home to School budget. A significant increase in SEN pupils requiring transport outside of the town from September has been identified. | 0 | 45 | |
| 25994 | Building Cleaning Reserve | 9 | (9) | | | 0 | (9) | 0 | To fund Building Cleaning equipment purchases | 0 | 9 | |
| 25981 | Bikeability | 15 | (15) | 0 | 0 | 0 | (15) | 0 | Contribution received to fund projects which are underway and is committed to match fund the LSTF funding awarded for 2016/17 | 0 | 15 | |
| 25941 | Archaeology Projects (incl Monograph Series) | 17 | (17) | 0 | 0 | 0 | (17) | 0 | Reserve to be used for specific archaeology projects over more than one year and ensure the completion of projects which are not covered by the annual revenue budget. | 0 | 17 | |
| 25981 | Speed Cameras | 16 | (16) | 0 | 0 | 0 | (16) | 0 | Relates to the funding ring-fenced for the Tees Valley Camera Partnership and future use is determined by the Partnership Board. Phasing is an initial assessment and will be reviewed on an annual basis. | 0 | 16 | |
| 25057 | Royal Navy Museum Reserve | 520 | (126) | (176) | (218) | 0 | (520) | 0 | Reserve is allocated to support the development of the National Museum of the Royal Navy's northern hub in Hartlepool over the period 2016/17 to 2019/20. This amount represents the worst case forecast and it is hoped that as visitor numbers increase and the Council benefits from the 50/50 profit sharing agreement that the actual contributions will be less than forecast. Phasing is an initial assessment and commitments against this reserve will be reviewed on an annual basis. | 0 | 520 | |
| 26016 | Community Centre Reserve | 30 | (30) | 0 | 0 | 0 | (30) | 0 | Reserve created to fund the 2015-16 and 2016-17 running costs associated with Community Centres. | 0 | 30 | |
| 25332 | Environmental Enhancement Projects | 196 | (146) | (50) | 0 | 0 | (196) | 0 | Committed to fund projects approved by Neighbourhood Services Committee and full Council, including additional enforcement officers, grass edging and verge improvements, litter/dog bins, benches and other environmental improvements. | 0 | 196 | |
| 25982 | 2016/17 Savings Reserves | 160 | (160) | 0 | 0 | 0 | (160) | 0 | Reserve allocated to support 2016/17 budget and to provide a longer lead time to achieve 2016/17 savings. | 0 | 160 | |
| 25982 | Cremator Maintenance Fund | 40 | 0 | 0 | (40) | 0 | (40) | 0 | Allocated to fund major maintenance costs in future years. | 0 | 40 | |
| | TOTAL REGENERATION & NEIGHBOURHOODS | 2,173 | (734) | (523) | (347) | (39) | (1,643) | 530 | | 0 | 2,173 | |

| Cost Centre | Reserve | Balance as at 31st March 2016 | Planned Use of Reserve - £000 | | | | | | Reason for/purpose of the Reserve | Total Value of Reserve to be Released | Value of Reserve to be Retained to fund commitments 2016/17 to 2019/20 | Reason for Release of Reserve |
|-------------|-----------------------------|-------------------------------|-------------------------------|---------|---------|---------|-------------------------------|-------------------------------|---|---------------------------------------|--|-------------------------------|
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total Planned Use of Reserves | Estimated Balance at 31/03/20 | | | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 | |
| 25844 | Public Health Grant Reserve | 2,405 | (800) | (270) | 0 | 0 | (1,070) | 1,335 | The reserve represents ring-fenced grant funding which can only be spent on Public Health initiatives. The reserve is held to manage the impact of reductions in Public Health funding over the next two years and to provide a longer lead in time to achieve permanent savings to bring recurring expenditure into line with recurring resources. Part of the reserve, £1m, could be released to support existing Council services which contribute to the achievement of Public Health income. This funding could be made available over a two year period. The remaining balance of £0.335m needs to be maintained to manage potential temporary in-year increases in demand led public health services, including prescribing budgets and potential infectious control events. | 1,000 | 1,405 | |
| | TOTAL PUBLIC HEALTH | 2,405 | (800) | (270) | 0 | 0 | (1,070) | 1,335 | | 1,000 | 1,405 | |

CHIEF EXECUTIVE DEPARTMENT RESERVES

| Cost Centre | Reserve | Balance as at 31st March 2016 | Planned Use of Reserve - £000 | | | | | | Reason for/purpose of the Reserve | Total Value of Reserve to be Released | Value of Reserve to be Retained to fund commitments 2016/17 to 2019/20 | Reason for Release of Reserve |
|-------------|---|-------------------------------|-------------------------------|---------|---------|---------|-------------------------------|-------------------------------|--|---------------------------------------|--|-------------------------------|
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total Planned Use of Reserves | Estimated Balance at 31/03/20 | | | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 | |
| 25806 | PSN Compliance & Contingency | 32 | (16) | (16) | 0 | 0 | (32) | 0 | The reserve was created to fund one off costs of ensuring laptops are PSN compliant. | 0 | 32 | |
| 25943 | Corporate Strategy - ICT System Development | 74 | (74) | 0 | 0 | 0 | (74) | 0 | Created to fund development/enhancements of current ICT and Website/system upgrades. This reserve to be spent in 2016/17 and will be utilised (based on there being no corporate budgets to support such changes) to fund transition costs in relation to technology and mobile working, support the development/delivery of the Digital First strategy and any further development of the council's ICT infrastructure and application suite. | 0 | 74 | |
| 25943 | Corporate Strategy - Performance Management | 8 | (5) | (3) | 0 | 0 | (8) | 0 | To support related costs for performance management e.g. covalent charges over a 3 year period. | 0 | 8 | |
| 25949 | Legal | 36 | (36) | 0 | 0 | 0 | (36) | 0 | Legal Reserve to fund staffing arrangements in 2016-17, pending achievement of permanent savings in 2017/18. | 0 | 36 | |
| 25949 | Reserve for Civic Responsibilities | 2 | (2) | 0 | 0 | 0 | (2) | 0 | This reserve is committed in year for Civic items. | 0 | 2 | |
| 25945 | Registrars | 15 | 0 | (5) | (5) | (5) | (15) | 0 | To be used for Registrars software maintenance costs over 3 years. | 0 | 15 | |
| 25945 | Registrars Marriage Room | 6 | 0 | (6) | 0 | 0 | (6) | 0 | To be used for the Marriage Room maintenance. | 0 | 6 | |
| 25946 | People Framework Development | 18 | (9) | (9) | 0 | 0 | (18) | 0 | There is no budget set aside for any costs in relation to the implementation of the previously agreed Workforce Strategy. In order to not have to draw on departmental resources for any costs this will be utilised to fund any identified and agreed training provision to support the development of the council | 0 | 18 | |
| 25946 | Health and Safety Officer | 25 | (25) | 0 | 0 | 0 | (25) | 0 | To support the Health and Safety Staffing Budget in 2016-17 and 2017-18. | 0 | 25 | |
| 25948 | IT Investment Shared Services | 30 | (30) | 0 | 0 | 0 | (30) | 0 | Shared Services Reserve for Project Development Work on E-Series and Webview. | 0 | 30 | |
| | TOTAL Chief Exec. | 246 | (197) | (39) | (5) | (5) | (246) | 0 | | 0 | 246 | |

(246) 0

FINANCE AND POLICY COMMITTEE

31 October 2016



Report of: Assistant Chief Executive

Subject: CORPORATE COMPLAINTS ANNUAL MONITORING
REPORT 2015-16

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 The report is for information.

2. PURPOSE OF REPORT

2.1 To inform Finance and Policy Committee of the number of Corporate Complaints received in 2015/16.

3. BACKGROUND

3.1 Within the Corporate Complaints, Comments and Compliments Policy there is a requirement to report to CMT and elected members on the number of complaints received by the Council along with the final outcome of the complaints.

4. PROPOSALS

4.1 This report outlines the number of Corporate Complaints received in 2015-16.

4.2 Please be aware that a number of additional informal complaints are received but these are dealt with by each department to a level where the complainant is satisfied with the outcome and so does not want to take it through the formal Corporate Complaints Procedure.

4.3 Overall in 2015-16 there were 20 complaints investigated using the Corporate Complaints procedure with 5 of those complaints being upheld/partly upheld. Although there is a slight reduction in the number of complaints investigated there was a small increase in the number of complaints that were upheld or partly upheld.

- 4.4 One of the complaints that were upheld then progressed to the Local Government Ombudsman who also completed a detailed investigation and agreed that the complaint should be partly upheld and the complainant paid to obtain independent advice. The Council had already offered this remedy after its investigation but the complainant wanted to take it to the LGO. The complaint has been issued with the remedy and the case closed. The remaining partly upheld complaints mainly dealt with improving process and procedures within the services and improvements these have been implemented in all cases. The detailed breakdown of complaints can be found in **Appendix 1**.
- 4.5 Child and Adult Services and Public Health (introduced June 2014) have their own statutory complaints procedure and these are reported within a separate annual report.

Local Government Ombudsman – Annual Review Letter 2016

- 4.6 The letter, attached as **Appendix 2**, sets out the annual statistics on complaints made to the Local Government Ombudsman (LGO) about Hartlepool Borough Council for the year ended 31 March 2016. The data shows both the complaints and enquires that the LGO has recorded along with any decisions they have made. It should be noted that the numbers quoted might not necessary match up with the figures the Council holds. For example a complainant might initially contact the LGO who then signposts them to the Local Authority but they never then make contact with the Local Authority.
- 4.7 During 2015/16 the LGO received 19 complaints or enquiries with detailed investigations being carried out on just 5 of these complaints. This resulted in 1 complaint being upheld (see paragraph 4.4) and 4 not being upheld.

5. RISK IMPLICATIONS

- 5.1 No implications.

6. FINANCIAL CONSIDERATIONS

- 6.1 No implications.

7. LEGAL CONSIDERATIONS

- 7.1 No implications.

8. CHILD AND FAMILY POVERTY

8.1 No implications.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

9.1 No implications.

10. STAFF CONSIDERATIONS

10.1 No implications.

11. ASSET MANAGEMENT CONSIDERATIONS

11.1 No implications.

12. RECOMMENDATIONS

12.1 Elected Members are asked to note the 2015/16 position with regards to Corporate Complaints and the Annual Review Letter 2016 from the Local Government Ombudsman

13. REASONS FOR RECOMMENDATIONS

13.1 Finance and Policy Committee has overall responsibility for the monitoring of Corporate Complaints.

14. BACKGROUND PAPERS

14.1 There were no background papers used in the preparation of the report.

15. CONTACT OFFICER

Andrew Atkin
Assistant Chief Executive
01429 523003
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Appendix 1 - Corporate Complaints

| | Total Number of Corporate Complaints | Q1 | Q2 | Q3 | Q4 |
|--|---|-----------|-----------|-----------|-----------|
| Total Number of Corporate Complaints | 20 | 8 | 3 | 4 | 5 |
| Total number of CED Corporate Complaints | 8 | 3 | 1 | 3 | 1 |
| Total Number of RND Corporate Complaints | 6 | 3 | 2 | 1 | 0 |
| Total Number of CAD Corporate Complaints | 2 | 0 | 0 | 0 | 2 |
| Total Number of PHD Corporate Complaints | 4 | 2 | 0 | 0 | 2 |

Historical Data for Corporate Complaints

| | 2015-16 | | 2014-15 | | 2013-14 | |
|---|------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|
| | No of complaints | Upheld/ Partly Upheld | No of complaints | Upheld/ Partly Upheld | No of complaints | Upheld/ Partly Upheld |
| Total Number of Corporate Complaints | 20 | 5 | 22 | 3 | 31 | 7 |
| | | | | | | |
| Total number of CED Corporate Complaints | 8 | 2 | 10 | 0 | 6 | 1 |
| Total Number of RND Corporate Complaints | 6 | 3 | 0 | 0 | 18 | 4 |
| Total Number of CAD Corporate Complaints | 2 | 0 | 4 | 0 | 7 | 2 |
| Total Number of PHD Corporate Complaints | 4 | 0 | 8 | 3 | N/A | N/A |

21 July 2016

By email

Gill Alexander
Chief Executive
Hartlepool Borough Council

Dear Gill Alexander,

Annual Review Letter 2016

I write to you with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2016.

The enclosed tables present the number of complaints and enquiries received and the decisions we made about your authority during the period. I hope that this information will prove helpful in assessing your authority's performance in handling complaints.

Last year we provided information on the number of complaints upheld and not upheld for the first time. In response to council feedback, this year we are providing additional information to focus the statistics more on the outcome from complaints rather than just the amounts received.

We provide a breakdown of the upheld investigations to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us. In addition, we provide a compliance rate for implementing our recommendations to remedy a fault.

I want to emphasise that these statistics comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside an annual review of local government complaints. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

Effective accountability for devolved authorities

Local government is going through perhaps some of the biggest changes since the LGO was set up more than 40 years ago. The creation of combined authorities and an increase in the number of elected mayors will hugely affect the way local services are held to account. We have already started working with the early combined authorities to help develop principles for effective and accessible complaints systems.

We have also reviewed how we structure our casework teams to provide insight across the emerging combined authority structures. Responding to council feedback, this included reconfirming the Assistant Ombudsman responsible for relationship management with each authority, which we recently communicated to Link Officers through distribution of our manual for working with the LGO.

Supporting local scrutiny

Our corporate strategy is based upon the twin pillars of remedying injustice and improving local public services. The numbers in our annual report demonstrate that we continue to improve the quality of our service in achieving swift redress.

To measure our progress against the objective to improve local services, in March we issued a survey to all councils. I was encouraged to find that 98% of respondents believed that our investigations have had an impact on improving local public services. I am confident that the continued publication of our decisions (alongside an improved facility to browse for them on our website), focus reports on key themes and the data in these annual review letters is helping the sector to learn from its mistakes and support better services for citizens.

The survey also demonstrated a significant proportion of councils are sharing the information we provide with elected members and scrutiny committees. I welcome this approach, and want to take this opportunity to encourage others to do so.

Complaint handling training

We recently refreshed our Effective Complaint Handling courses for local authorities and introduced a new course for independent care providers. We trained over 700 people last year and feedback shows a 96% increase in the number of participants who felt confident in dealing with complaints following the course. To find out more, visit www.lgo.org.uk/training.

Ombudsman reform

You will no doubt be aware that the government has announced the intention to produce draft legislation for the creation of a single ombudsman for public services in England. This is something we support, as it will provide the public with a clearer route to redress in an increasingly complex environment of public service delivery.

We will continue to support government in the realisation of the public service ombudsman, and are advising on the importance of maintaining our 40 years plus experience of working with local government and our understanding its unique accountability structures.

This will also be the last time I write with your annual review. My seven-year term of office as Local Government Ombudsman comes to an end in January 2017. The LGO has gone through extensive change since I took up post in 2010, becoming a much leaner and more focused organisation, and I am confident that it is well prepared for the challenges ahead.

Yours sincerely



Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

For further information on how to interpret our statistics, please visit our website:

<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

Complaints and enquiries received

| Adult Care Services | Benefits and Tax | Corporate and Other Services | Education and Children's Services | Environment Services | Highways and Transport | Housing | Planning and Development | Other | Total |
|---------------------|------------------|------------------------------|-----------------------------------|----------------------|------------------------|---------|--------------------------|-------|-------|
| 3 | 4 | 2 | 2 | 2 | 0 | 1 | 5 | 0 | 19 |

Decisions made

| | | | | Detailed Investigations | | | |
|-----------------------|--------------|------------------------------------|--------------------------------|-------------------------|--------|-------------|-------|
| Incomplete or Invalid | Advice Given | Referred back for Local Resolution | Closed After Initial Enquiries | Not Upheld | Upheld | Uphold Rate | Total |
| 0 | 0 | 7 | 4 | 4 | 1 | 20% | 16 |

Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.

The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

The compliance rate is the proportion of remedied complaints where our recommendations are believed to have been implemented.

Complaints Remedied

| by LGO | Satisfactorily by Authority before LGO Involvement | Compliance Rate |
|--------|--|-----------------|
| 0 | 0 | 100% |