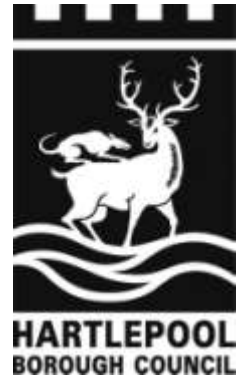


AUDIT AND GOVERNANCE COMMITTEE

AGENDA



Wednesday 20 September, 2017

at 10.00 am

**in Committee Room B
Civic Centre, Hartlepool.**

MEMBERS: AUDIT AND GOVERNANCE COMMITTEE

Councillors Belcher, Cook, Hall, Hamilton, Harrison, Martin-Wells and Tennant.

Standards Co-opted Members; Mr Stan Cronin, Mr Norman Rollo and Ms Clare Wilson.

Parish Council Representatives: Parish Councillor Roderick Thompson (Elwick) and Parish Councillor Darab Rezai, Dalton Piercy.

Local Police Representative: Chief Superintendent Alastair Simpson

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To confirm the minutes of the meeting held on 19 July, 2017.

4. AUDIT ITEMS

4.1 Consultation on External Auditor Appointment from 2018/19 – *Director of Finance and Policy*

4.2 Internal Audit Plan 2017/18 Update – *Head of Audit and Governance*

4.3 The 2016/17 Financial Report (including the 2016/17 Statement of Accounts) – *Director of Finance and Policy*

5. STANDARDS ITEMS

No items.



6. STATUTORY SCRUTINY ITEMS

- 6.1 Director of Public Health Annual Report 2016/17 – *Interim Director of Public Health*
- 6.2 Health and Wellbeing Strategy (2018 - 2025) – *Interim Director of Public Health*
- 6.3 Elective Surgery at the University Hospital of Hartlepool Site and High Quality Maternity Services – Scoping Report – *Statutory Scrutiny Officer*
- 6.4 Public Consultation – Transforming Care Respite Services – *NHS Hartlepool and Stockton on Tees Clinical Commissioning Group*
- 6.5 North Tees and Hartlepool Foundation Trust Representation on the Health and Wellbeing Board – *Statutory Scrutiny Officer*

7. MINUTES FROM THE RECENT MEETING OF THE HEALTH AND WELLBEING BOARD

- 7.1 To receive the minutes of the meeting held on 26 June, 2017.

8. MINUTES FROM THE RECENT MEETING OF THE FINANCE AND POLICY COMMITTEE RELATING TO PUBLIC HEALTH

- 8.1 To receive the minutes of the meeting held on 27 July 2017 relating to Catering Arrangements at Summerhill.

9. MINUTES FROM RECENT MEETING OF TEES VALLEY HEALTH SCRUTINY JOINT COMMITTEE

- 9.1 To receive the minutes of the meeting held on 26 April, 2017.

10. MINUTES FROM RECENT MEETING OF SAFER HARTLEPOOL PARTNERSHIP

- 10.1 To receive the minutes of the meeting held on 16 June 2017.

11. REGIONAL HEALTH SCRUTINY UPDATE

12. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

13. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs 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



14. STANDARDS ITEMS

- 14.1 Consideration of Investigation Reports – SCO5/17, SC06/17, SC07/17, SC08/17 and SC09/17 - Chief Solicitor and Monitoring Officer (*para 1) (to follow)*)

15. ANY OTHER CONFIDENTIAL ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT

For information: -

Date and time of forthcoming meetings –

Wednesday 25 October, 2017 at 10.00 am
Wednesday 15 November, 2017 at 10.00 am
Wednesday 6 December, 2017 at 10.00 am
Wednesday 24 January, 2018 at 10.00 am
Wednesday 14 February, 2018 at 10.00 am
Wednesday 14 March, 2018 at 10.00 am
Wednesday 25 April, 2018 at 10.00 am



AUDIT AND GOVERNANCE COMMITTEE

MINUTES AND DECISION RECORD

19 JULY 2017

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

Present:

Councillor: Ray Martin-Wells (In the Chair).

Councillors: Cook, Hall, Hamilton, Harrison and Tennant.

Co-opted Members: Mr Stan Cronin and Mr Norman Rollo.

Officers: Chris Little, Director of Finance and Policy
Noel Adamson, Head of Audit and Governance
Laura Stones, Scrutiny Officer
David Cosgrove, Democratic Services Team

15. Apologies for Absence

Apologies for absence were received from Councillor Belcher and Ms Clare Wilson.

16. Declarations of Interest

None.

17. Minutes of the meeting held on 21 June, 2017

Confirmed.

18. The 2016/2017 Financial Report (Including the 2016/17 Statement of Accounts) *(Director of Finance and Policy)*

The Director of Finance and Policy submitted for the Committee's consideration, the pre-audited Financial Report to enable Members to familiarise themselves with the Statement of Accounts and to provide time for Members to ask questions prior to final approval of the audited Statement of Accounts before 30th September.

The Director indicated that the December 2016 Strategic Financial

Management report advised Members that the final outturn for 2016/17 was estimated to be an over spend of £0.479m. A strategy for managing the over spend was to be developed once a final outturn was known. The final outturn was £0.262m, £0.217m lower than forecast. The over spend was addressed by applying £0.126 of one off resources no longer required for protection costs and £0.136m from the General Fund Reserve.

The report went on to set out the details contained within the Statement of Accounts and the position in relation to reserves. The final audited accounts would be reported to the Committee on 20th September.

The following questions were raised by Members –
(Page numbers refer to the Draft Financial Report 2016/17 submitted as an appendix to the report.)

- Page 40 Conference Accommodation Costs and Fees – were conferences booked by officers rather than claimed by individual councillors and if so why was there such a wide range of costs. The Director stated that conferences were booked by officers and indicated that costs listed (for individual councillors) would vary depending on the number of conferences attended and the costs of accommodation.
- Note 29 Unusable Reserves pages 62 to 65 – the increase in unusable reserves and the reduction in the collection fund were questioned. The Director stated that the Collection Fund Adjustment Account was simply a reflection of timing and the effects of the power station revaluation. The power station revaluation had resulted in a recurring funding reduction. The Director outlined the changes to funding implemented by government and the impact of those on councils in general and the specific impact of the power station revaluation downwards which was also back dated. There had been further changes proposed by government, principally moving to 100% business rate retention by Councils which had not come forward in the recent Queen's Speech as had been anticipated.
- Page 33 – School Balances – there had been a significant reduction in school reserves; had there been any specific reasons behind this. The Director commented that some schools had used some reserves for their own capital schemes and they were also under the same funding constraints as the council.
- Page 10 – Reserves Statement – at what level was the un-earmarked general fund and was that still within the recommended bounds of prudence. The Director indicated that as a percentage of the overall budget, the un-earmarked general fund stood at approximately 4% of the net budget. In the past the Audit Commission had recommended a fund of between 2% and 5%. The Director stated that the un-earmarked general fund reserve was one element of the Council's reserves. A range of specific reserves were also held and there were robust plans in place for these reserves and the risks/commitments they were earmarked to manage.

In concluding the Chair indicated that should Members have any further questions following the meeting, they should raise them direct with the

Director of Finance and Policy ahead of the conclusion of the audit of accounts.

Recommended

1. That the report be noted;
2. The Committee noted that the pre-audit accounts would be subject to independent audit by Mazars and details of any material amendments would be reported to Audit and Governance Committee in September.
3. The Committee noted that there was the opportunity to raise questions and/or seek clarification of information included in the pre-audit Statement of Accounts in the period up to 20th September 2017, when the audited Statement of Accounts would be presented to Audit and Governance Committee for final approval.

19. Internal Audit Plan 2017/18 Update (*Head of Audit and Governance*)

The Head of Audit and Governance reported on the progress made to date in completing the internal audit plan for 2017/18. The report detailed the audits undertaken at schools and the recommendations made following those audits. Details were also given of the internal audits carried out within the Council's departments. The Head of Audit and Governance highlighted that there had been six audits that had resulted in a 'limited assurance' conclusion which was a relatively high number, but Members were assured that actions were in place to resolve the issues raised and progress on implementing those recommendations was satisfactory.

The Chair commented that he had complete faith in the work undertaken by the Council's internal audit team and was assured that the instances where there had been 'limited assurance' showed that the team was fulfilling its role.

A member questioned the audit team's staffing position. The Head of Audit and Governance commented that the team was currently had a full complement of staff. The team received continued support from the Director and the Heads of Finance.

The Chair commented that he would not wish to see any reduction in audit capacity within the authority as should a procedural failure within a department not get picked up through regular auditing, the costs could far outweigh and saving to the Council. Members supported the Chair's comments.

Recommended

That the report be noted.

20. Local Audit and Accountability Act Update *(Director of Finance and Policy)*

The Director of Finance and Policy reported that at the meeting held on 28 April 2016 the Committee supported the Council becoming an “opted in” Authority and the Local Government Association (LGA) were subsequently informed of this decision. This was in order to benefit from collective buying power and the removal of the requirement to undertake its own tendering process to secure future external audit services.

The Public Sector Audit Appointments Ltd (PSAA) had announced that the response to the invitations to 492 eligible local bodies had resulted in 483 bodies - more than 98% - opting to become members of the scheme. The PSAA has stated that they were aware of the weight of sector expectation of such an overwhelmingly positive response and were determined to live up to them. The PSAA were committed to put in place arrangements which assured the provision of quality audit services by qualified suppliers at affordable fee scales. The results of the procurement process were announced on 20 June 2017 and brief details were set out in the report. The Director indicated that the names of the successful companies were not yet known and officers were hoping that Mazars would continue in the role for Hartlepool. It was noted that nationally there had been an overall reduction in costs of 18%, which if that transferred through to charges for Hartlepool could reduce costs by a further £20,000.

Recommended

That the report be noted and that further update reports be submitted on the implementation of arrangements to comply with the Local Audit and Accountability Act.

21. Letter to Those Charged With Governance – Compliance with Laws and Regulations / Fraud *(Assistant Director, Finance and Customer Services)*

The Director of Finance and Policy reported on the proposed response to the report received from the Director and Engagement Lead of the Copuncil’s External Auditor, Mazars, to those charged with governance regarding compliance with laws and regulations and fraud. Attached as an appendix to the report was a letter to Mazars from the Chair of the Committee detailing how the committee had complied with the requirements of International Standards for Auditing.

Recommended

That the contents of the letter to Mazars outlining how the activities of the Committee comply with the requirements of International Standards for Auditing be approved and the Chair authorised to sign the letter.

22. Care Quality Commission - Consultation on the Next Phase of Regulation (*Statutory Scrutiny Officer*)

The Scrutiny Support Officer reported on the Care Quality Commission's (CQC) consultation regarding their next phase of regulation (Consultation 2). In June the CQC had launched its consultation on their next phase of regulation. The document submitted as an appendix to the report was the second in a series of three consultations aimed at simplifying and strengthening the way the CQC regulate. The CQC were proposing changes to how they regulate adult social care and primary medical services; changes which would help them to use information more effectively so they could target inspections in services where there was greatest risk to the quality and safety of care.

The Chair suggested that should any Member have any specific comments on the document, they should forward them to the Scrutiny Team. The Chair sought the Committee's approval to the final response to the document being delegated to the Statutory Scrutiny Officer and authorised by the Chair prior to submission.

A Member questioned if there were still 'care champions' within residential care homes in the town and whether the CQC interviewed residents as well as staff when inspecting a home. The Scrutiny Support Officer indicated she would look into both issues and respond directly to the Councillor.

Recommended

That the preparation of an appropriate response to the Care Quality Commission's consultation regarding their next phase of regulation (Consultation 2) be delegated to the Statutory Scrutiny Officer in consultation with the Chair.

23. Minutes from the Meeting of the Health and Wellbeing Board held on 13 March 2017

Received.

24. Regional Health Scrutiny Update

The Chair informed the Committee that the Sustainable Transformation Plan (STP) for the region was a matter of great concern to the Regional Health Scrutiny Joint Committee as it was to this Committee. A major issue locally was the provision of maternity services, which the Committee had agreed to investigate, and also across the region. There were also major concerns with regard to the provision and location of Accident and Emergency centres with an expectation that one of the centres at North Tees or Darlington Memorial Hospitals would be downgraded as part of the

STP. Should the North Tees Hospital site close, the impact on the Major trauma Centre at James Cook University Hospital in Middlesbrough could be huge and the Chair commented that he doubted that the current provision at James Cook would be able to cope without significant investment. The Chair understood that there was now a proposal that the STP for the southern part of the region, which affected the region from South Durham to South Tees would be amalgamated with the STP for the northern part of the region with one designated individual in charge of the whole programme.

The Chair indicated that he was very concerned that Hartlepool could only find out about decisions that would affect the health care of all its residents at the very last moment and assured Members that through the Regional Joint Committee he would seek to protect services in Hartlepool. Should it be required, the Committee did have the power to refer any of the changes proposed under the STP process to the Secretary of State and the Chair stated that he would not shy away from doing so to protect health services in Hartlepool.

Members welcomed the Chair's comments. A Member commented that staff at North Tees Hospital were already resigning themselves to the fact that their A&E unit would be closing. The Chair was concerned that should the North Tees A&E close, so would the maternity unit. The Chair indicated that should there be a need to take independent expert advice, then the Committee would do so where necessary to challenge the information / evidence put forward through the STP process.

A Member commented that the regional committee drew representatives from a significant area, reflecting the fact that there were some communities 70 miles away from Middlesbrough that relied on James Cook Hospital. Darlington Memorial Hospital also served a significant part of North Yorkshire. Centralising any services on one hospital site was unfeasible. There were also significant physical issues from car parking to building capacity would need to be addressed in advance.

The Chair also informed the Committee that he had been contacted by Mr Cronin, one of the Committee's independent co-opted members, indicating that it was understood the bus between Hartlepool and North Tees Hospitals was being withdrawn. A response was awaited from the Trust.

25. Any Other Items which the Chairman Considers are Urgent

None.

The meeting concluded at 10.40 am

CHAIR

AUDIT AND GOVERNANCE COMMITTEE

20 September 2017



Report of: Director of Finance and Policy

Subject: CONSULTATION ON EXTERNAL AUDITOR
APPOINTMENT FROM 2018/19

1. PURPOSE OF REPORT

- 1.1 To update and inform Members of the formal communication received by the Director of Finance and Policy from Public Sector Auditor Appointments (PSAA) to consult on the external auditor appointment from 2018/19. PSAA propose the appointment of Mazars LLP to audit the accounts of Hartlepool Borough Council (HBC) for five years from 2018/19.

2. BACKGROUND

- 2.1 A report to Audit and Governance Committee on 19.07.17 gave members an update on the progress made in appointing an external auditor to HBC. PSAA must, under regulation 13 of the Regulations, appoint an external auditor to each opted-in authority and consult the authority on the proposed appointment. We have now received notification of this consultation and the proposed appointment.
- 2.2 HBC opted into PSAA's auditor appointment arrangements. We have received regular email communications about this process, and were written to on 19 June 2017 and advised that a procurement exercise to let audit contracts from 2018/19 had been undertaken.

3. APPOINTMENT OF EXTERNAL AUDITORS

3.1 PSAA has informed us that Mazars LLP was successful in winning a contract in the procurement exercise, and it is proposed to appoint this firm as the external auditor of HBC.

3.2 In making this announcement PSAA has pointed out the following:

“Mazars is a large global audit and accounting firm with over 18,000 professionals in 79 countries worldwide. In the UK the firm ranks in the top ten with 1,700 employees and 140 partners working out of 19 offices, and UK fee income in 2016 of £160m. The firm’s dedicated public audit team has significant experience in providing external audit to public sector bodies. It comprises individuals with experience of auditing councils, combined authorities, police bodies, fire and rescue authorities, local government pension funds and other public bodies. In addition to its audit contract with PSAA, the firm also has a substantial portfolio of NHS audits and is one of the National Audit Office’s framework suppliers for central government audit.

In developing this appointment proposal, we have applied the following principles, balancing competing demands as much as we can, based on the information provided to us by audited bodies and audit firms:

- ensuring auditor independence, as we are required to do by the Regulations;
- meeting our commitments to the firms under the audit contracts;
- accommodating joint/shared working arrangements where these are relevant to the auditor’s responsibilities;
- ensuring a balanced mix of authority types for each firm;
- taking account of each firm’s principal locations; and
- providing continuity of audit firm if possible, but avoiding long appointments”.

3.3 PSAA have informed us that they will consult on scale fees for 2018/19 in due course and will publish confirmed scale fees for 2018/19 for opted-in bodies on their website in March 2018. PSAA have stated that the results of the audit procurement indicate that a reduction in scale fees in the region of approximately 18 per cent should be possible for 2018/19, based on the individual scale fees applicable for 2016/17.

3.4 Given the timing of acceptance of this offer, I contacted the Chair of the Audit and Governance Committee and both he and myself as Director of Finance and Policy, are content with the proposal that Mazars continue as HBC’s external auditor for five years from 2018/19, as this provides continuity and builds upon the external auditors understanding of HBC and its financial systems.

4. RISK IMPLICATIONS

- 4.1 Participation in the national procurement organised by PSAA will reduce the risk that the Council would face higher external costs, or may not be able to appoint its own external audit at a time when audit firms will be concentrating on securing PSAA contracts, or contracts from larger authorities.

5. FINANCIAL CONSIDERATIONS

- 5.1 In order to prove the Council meets its duty of providing best value, the most appropriate procurement method must be used to provide external audit services. The current method of a centralised collective purchase arrangement has led to the Council paying 55% less for external audit than in 2011/12 (even before taking into account inflation). The savings that the Council has made have been taken as part of the MTFS and used to partly offset the impact of Government grant cuts.
- 5.2 It is anticipated that the national PSAA procurement will secure best value in relation to future external audit contracts.

6. LEGAL CONSIDERATIONS

- 6.1 The Council has a legal duty to ensure it has an annual external audit of its accounting records and financial statements.

7. CHILD AND FAMILY POVERTY CONSIDERATIONS

- 7.1 There are no child and family poverty considerations.

8. EQUALITY AND DIVERSITY CONSIDERATIONS

- 8.1 There are no equality and diversity considerations.

9. STAFF CONSIDERATIONS

- 9.1 There are no staff considerations.

10. ASSET MANAGEMENT CONSIDERATIONS

- 10.1 There are no asset management considerations.

11. RECOMMENDATIONS

- 11.1 It is recommended that Members note the appointment of Mazars LLP to audit the accounts of Hartlepool Borough Council for five years from 2018/19 and that the Director of Finance and Policy confirm this to PSAA by email before their deadline of Friday 22 September.

12. REASON FOR RECOMMENDATIONS

- 12.1 To ensure that the Audit and Governance Committee is kept up to date with all issues that are relevant to the pursuance of its remit.
- 12.2 To ensure that the Council has in place arrangements to procure the best possible external audit service at the most competitive price by benefiting from collective buying power.

13. BACKGROUND PAPERS

- 13.1 Local Audit and Accountability Act.
Local Audit (Appointing Persons) Regulations 2015.
Audit Committee Report 28 April 2016.
PSAA Prospectus.

14. CONTACT OFFICER

- 14.1 Chris Little
Director of Finance and Policy
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Hartlepool
TS24 8AY
Tel: 01429 523003
Email: chris.little@hartlepool.gov.uk

AUDIT AND GOVERNANCE COMMITTEE

20 September 2017



Report of: Head of Audit and Governance

Subject: INTERNAL AUDIT PLAN 2017/18 UPDATE

1. PURPOSE OF REPORT

- 1.1 To inform Members of the progress made to date completing the internal audit plan for 2017/18.

2. BACKGROUND

- 2.1 In order to ensure that the Audit and Governance Committee meets its remit, it is important that it is kept up to date with the ongoing progress of the Internal Audit section in completing its plan. Regular updates allow the Committee to form an opinion on the controls in operation within the Council. This in turn allows the Committee to fully review the Annual Governance Statement, which will be presented to a future meeting of the Committee, and after review, will form part of the statement of accounts of the Council.

3. PROPOSALS

- 3.1 That members consider the issues within the report in relation to their role in respect of the Councils governance arrangements. Table 1 of the report detailed below, sets out the school audits that have been completed and the recommendations made.

Table 1

Audit	Objectives	Recommendations	Agreed
Grange Primary	Ensure school finance and governance arrangements are in line with best practice.	- Formal governor approval is required for the Confidential Reporting Policy.	Y
		- Retain the SIMs reports used to report to governors and ensure that there is sufficient detail in the minutes to link to the SIMs reports.	Y
		- A Scale of Charges document should be drawn up, approved by governors and reviewed every year.	Y
		- The date the item is acquired should be added to the inventory. Also, annual	Y

Audit	Objectives	Recommendations	Agreed
		<p>checks on the existence of assets should be undertaken and the inventory updated to record when and how items are disposed.</p> <ul style="list-style-type: none"> - All petty cash transactions should be authorised by the Head Teacher. - A review of the information made available by the school in paper format and on the website should be undertaken to ensure that the ICO Publication Scheme as adopted by the school, is complied with. 	<p>Y</p> <p>Y</p>
Ward Jackson Primary	Ensure school finance and governance arrangements are in line with best practice.	<ul style="list-style-type: none"> - The school should undertake benchmarking exercises to compare income and expenditure at the school with similar schools on an annual basis, the results of these exercises should be presented to governors. - All income handed to the main office for banking for out of school clubs should be signed for by both parties and the Business Administrator should check that the amount being paid in agrees to the register. It would be good practice for school trip income and expenditure to be formally recorded and monitored. School dinner money should be paid in weekly. - A scale of charges for lettings etc. should be drawn up, approved by Governors and reviewed on an annual basis. - Governors should ensure that the following are undertaken; Benchmarking, Review the LA Scheme for financing the school every 2 years, Review the audited accounts of any private school funds, Determine the charges for lettings. - A more consistent approach to budget monitoring is required with formal reports being prepared for governors that are supported by SIMs budget reports. The minutes should reflect budget discussions and provide figures (e.g. balances) that link to the SIMs budget report. - Someone independent of the petty cash fund should undertake regular reconciliations and evidence these. Also petty cash transactions should be authorised. Procurement card transactions should be authorised, this could be evidenced through the signing of the transaction sheet, and a division in duties maintained. - A formal inventory should be developed and maintained for all items over £500 plus any portable 'desirable' 	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>

Audit	Objectives	Recommendations	Agreed
		<p>items below this value. Regular, independent checks (at least annual) should be made and evidenced to confirm that the items exist.</p> <p>- Ensure that software licence numbers are recorded against each software asset. Regular software audits should be undertaken. Records of software loaded onto machines should be maintained.</p> <p>- Orders should be raised prior to the invoice being received to enable effective budgetary control to be undertaken.</p> <p>- Consider adapting or adopting in its entirety the School Information Governance Group Draft Information Governance Policy.</p> <p>- The private fund constitution should be agreed. Accounts should be drawn up, independently audited and reported to governors. All income should be paid into the bank fully and if a cash float is required a cheque should be cashed, this maintains the audit trail. A separate record of cash payments will need to be maintained however the school is advised that such payments should be kept to a minimum as the controls are significantly weakened.</p> <p>- Staff who have not completed a Data Protection Form of Undertaking should be requested to do so.</p> <p>- The school should formally adopt the ICO Model Publication Scheme and consider and action the guidance from the ICO to ensure compliance with the Freedom of Information Act.</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>

3.2 In terms of reporting internally at HBC, Internal Audit produces a draft report which includes a list of risks currently faced by the client in the area audited. It is the responsibility of the client to complete an action plan that details the actions proposed to mitigate those risks identified. Once the action plan has been provided to Internal Audit, it is the responsibility of the client to provide Internal Audit with evidence that any action has been implemented by an agreed date. The level of outstanding risk in each area audited is then reported to the Audit and Governance Committee.

3.3 The benefits of this reporting arrangement are that ownership of both the internal audit report and any resulting actions lie with the client. This reflects the fact that it is the responsibility of management to ensure adequate procedures are in place to manage risk within their areas of operation, making managers more risk aware in the performance of their duties. Greater assurance is gained that actions necessary to mitigate risk are implemented and less time is spent by both Internal Audit and management

in ensuring audit reports are agreed. A greater breadth of assurance is given to management with the same Internal Audit resource and the approach to risk assessment mirrors the corporate approach to risk classification as recorded in covalent. Internal Audit can also demonstrate the benefit of the work it carries out in terms of the reduction of the risk faced by the Council.

- 3.4 Table 2 summarises the assurance placed on those audits completed with more detail regarding each audit and the risks identified and action plans agreed provided in Appendix A.

Table 2

Audit	Assurance Level
Inspiration Garden Centre	Satisfactory
VAT	Satisfactory
Industrial Estates and Lettings	Satisfactory
Troubled Families Grant	Satisfactory
Council Tax Year End	Satisfactory
Non Domestic Rates Year End	Satisfactory
Main Accounting System	Satisfactory
Debtors	Satisfactory
Creditors	Satisfactory
Officers Expenses	Satisfactory
Budgetary Control Year End	Satisfactory
I World Application Audit	Satisfactory

For Members information, Table 3 below defines what the levels of assurance Internal Audit places on the audits they complete and what they mean in practice:

Table 3

Assurance Level	Meaning
Satisfactory Assurance	Controls are operating satisfactorily and risk is adequately mitigated.
Limited Assurance	A number of key controls are not operating as intended and need immediate action.
No Assurance	A complete breakdown in control has occurred needing immediate action.

- 3.5 As well as completing the audits previously mentioned, Internal Audit staff have been involved with the following working groups:
- Information Governance Group.
 - Performance and Risk Management Group.
- 3.6 Table 4 below details the audits that were ongoing at the time of compiling the report.

Table 4

Audit	Objectives
Gifts and Hospitalities	Ensure adequate procedures are in place to manage and monitor any payments made.
Contracts	Ensure adequate arrangements are in place to manage the three stages of contracts.
ITU Child and Adult Provision	Ensure transport services meet service user needs.
Direct Payments	The audit focused on the Direct Payments processes following assessment as well as the arrangements for monitoring use of funds so that the Authority is satisfied that the needs for which it is giving service users Direct Payments are being met.
Serious and Organised Crime Procedure Review	Ensure recent pilot scheme proposal are addressed by HBC.
Middleton Grange	Ensure adequate procedures are in place to manage all contractual obligations.
Disaster Recovery	Ensure adequate procedures are in place in case of unexpected events occurring.
Computer Audit Network Controls	A network strategy exists and standards and policies are in place to support its delivery.
Attendance Management	Ensure that adequate policies and procedures are in place in relation to reporting, recording and monitoring of sickness absence across departments.
Springwell School	Ensure school finance and governance arrangements are in line with best practice.
Procurement	In relation to purchase cards review policy and procedures, permitted usage, restrictions on types of purchases, application process, card distribution and safe custody of cards, transaction process, reconciliation of statements and authorisation controls.
Stores	Ensure a complete, accurate and up to date stock record is maintained and checked to physical stock by staff who are independent of the day to day management of stock as defined in the Authority's Rules of Procedure.

- 3.7 The work completed and currently ongoing is in line with expectations at this time of year, and audit coverage to date has allowed Mazars to place reliance on the scope and quality of work completed when meeting their requirements under the Audit Code of Practice.

4. RISK IMPLICATIONS

- 4.1 There is a risk that if Members of the Audit and Governance Committee do not receive the information needed to enable a full and comprehensive review of governance arrangements at the Council, this would lead to the Committee being unable to fulfil its remit.

5. FINANCIAL CONSIDERATIONS

- 5.1 There are no financial considerations.

6. LEGAL CONSIDERATIONS

- 6.1 There are no legal considerations.

7. CHILD AND FAMILY POVERTY CONSIDERATIONS

7.1 There are no child and family poverty considerations.

8. EQUALITY AND DIVERSITY CONSIDERATIONS

8.1 There are no equality and diversity considerations.

9. STAFF CONSIDERATIONS

9.1 There are no staff considerations.

10. ASSET MANAGEMENT CONSIDERATIONS

10.1 There are no asset management considerations.

11. RECOMMENDATIONS

11.1 It is recommended that Members note the contents of the report.

12. REASON FOR RECOMMENDATIONS

12.1 To ensure that the Audit and Governance Committee meets its remit, it is important that it is kept up to date with the ongoing progress of the Internal Audit section in completing its plan.

13. BACKGROUND PAPERS

13.1 Internal Audit Reports.

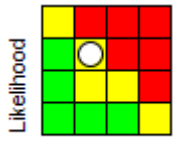
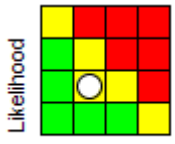
14. CONTACT OFFICER

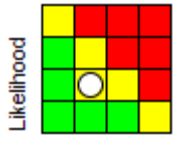

14.1 Noel Adamson
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Email: noel.adamson@hartlepool.gov.uk

Appendix A

Audit	Objective			Assurance Level
Inspiration Garden Centre	Overall arrangements for ordering, receiving and paying for goods and services are adequate.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
Charges are not reviewed/correctly calculated resulting in a loss of income. Irregular stock checks being undertaken may result in inaccurate inventory records, items misappropriate and going unnoticed.			It is not known at this stage how a reconciliation can be undertaken and a review of the arrangements will be required in conjunction with Corporate Finance to establish the most appropriate process.	

Audit	Objective			Assurance Level
VAT	Processes in place ensure that all VAT is correctly categorised and conditions required to reclaim VAT are met.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
Non compliance with VAT regulations resulting in VAT being incorrectly claimed which may result in a penalty.			Now that the report function has been reinstated, the reviews will recommence.	

Audit	Objective			Assurance Level
Industrial Estates and Lettings	To evaluate the procedures in place relating to income received by the Authority relating to Industrial Estate lettings and rentals.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
The Enterprise Centre may not be able to operate in a sustainable manner if sufficient rental income is not received.			A marketing plan will be developed this financial year.	

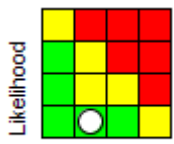
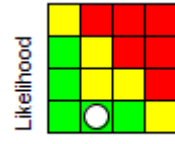
Audit	Objective			Assurance Level
Troubled Families Grant	Ensure grant terms and conditions are adhered to and claim is valid.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

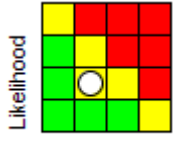
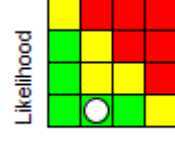

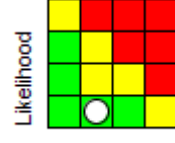
Audit	Objective			Assurance Level
Council Tax Year End	Ensure complete years testing on Valuation, Liability, Collection/Refunds and Write Offs.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

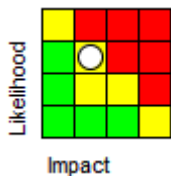
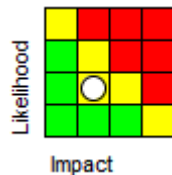
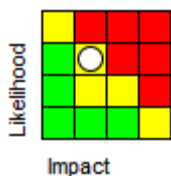

Audit	Objective			Assurance Level
Non Domestic Rates Year End	Ensure complete years testing on Liability – Valuation, Liability – Value, Billing, Collection/Refunds and Write Offs.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

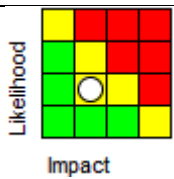
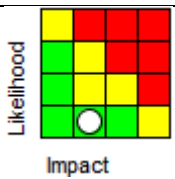
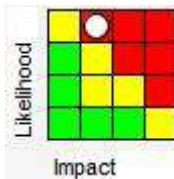
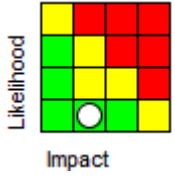
Audit	Objective			Assurance Level
Main Accounting System	Ensure identified risks are managed at an acceptable level with regard to legislative and regulatory requirements and financial accounts are accurate and complete.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

Audit	Objective			Assurance Level
Debtors	Debtor records are bona fide, complete and accurate.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

Audit	Objective		Assurance Level
Creditors	Ensure ordering, receiving and paying for goods/services are properly authorised and comply with the Authority's Financial Procedure Rules.		Satisfactory
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
Shared Services Manager to pass information to Internal Audit by the deadline noted.		Information provided by deadline.	

Audit	Objective		Assurance Level
Officers Expenses	Up to date Policy / procedures are in place that define procedures for processing and approving claims for reimbursement of employee expenses incurred. Arrangements in place ensure that claims are valid, accurate, and appropriately authorised and the scheme is operated in line with legislative requirements and other HBC policies.		Satisfactory
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
Inconsistencies in processing claims for reimbursement of employee expenditure incurred if up to date policy / procedures are not in place. Non compliance with legislative requirements and other HBC Policies.		This will be reviewed by the HR Business Partners and changes made where necessary.	
Claims and allowances may be paid without entitlement if appropriate arrangements for completing and authorising claims are not in place. Claims submitted may not be accurately processed and paid in a prompt manner. Vehicles may not be adequately insured and roadworthy resulting in a claim being made		All departmental admin teams were contacted on 6/3/17 and then again on 18/4/17 giving them a deadline of 31/5/17 to end any vehicles starting with "CAR". RND, Public Health & CAS responded to advise these were completed and CEX emailed to establish progress made. With affect from 1/5/17 a house keeping report to	

against the local authority.		be run on the 1 st of each month. This will identify any employee vehicle registrations that start with CAR. This report is then passed to the departmental admin teams so that these generic default vehicles can be ended and a request made for the employees driver documents. There are currently 46 employees in CAS with a default vehicle. 45 of these employees have just TUPE'd into HBC on 1/5/17 and Payroll added the default vehicle on a temporary basis until they could bring in their documents. These will be ended 30/6/17. 1 employee in CAS has an error on their record which is preventing the default vehicle being ended. This has been logged with NYCC since 24/4/17. There are 22 outstanding in CEX and an email has been sent requesting that they end all default vehicles. CEX will be chased up on a weekly basis.	
Claims and allowances may be paid without entitlement if appropriate arrangements for completing and authorising claims are not in place. Claims submitted may not be accurately processed and paid in a prompt manner. Vehicles may not be adequately insured and roadworthy resulting in a claim being made against the local authority.		A VAT analysis report is run monthly on the 1 st of the month and sent to KS. This provides details of employees who do and do not submit mileage receipts. Current reports are showing that only 9% of the VAT is being recovered. It has not previously been identified as a high priority area but this will be reassessed along with a review of the processes in place for receiving and storing receipts, the initial reassessment will be completed by 31 st July and a full implementation date agreed at this stage.	
Claims and allowances may be paid without entitlement if appropriate arrangements for completing and authorising claims are not in place. Claims submitted may not be accurately processed and paid in a prompt manner.		The possibility of identifying electronically all employee expenses transactions that do not have a document scanned against them and then contacting the department/individual will be examined.	
Claims and allowances may be paid without entitlement if appropriate arrangements for completing and authorising claims are not in place. Claims submitted may not be accurately processed and paid in a prompt manner.		The overpayment will be recovered.	

			
Claims and allowances may be paid without entitlement if appropriate arrangements for completing and authorising claims are not in place. Claims submitted may not be accurately processed and paid in a prompt manner. Vehicles may not be adequately insured and roadworthy resulting in a claim being made against the local authority.		The data will be reviewed and the recovery process planned.	

Audit	Objective		Assurance Level
Budgetary Control Year End	Ensure controls are working appropriately and all legislative requirements are adhered to.		Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed
No unmitigated risk identified.			

Audit	Objective		Assurance Level
I World Application Audit	Ensure adequate controls operate in respect of the management and maintenance of the system.		Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed
No unmitigated risk identified.			

AUDIT & GOVERNANCE COMMITTEE

20 September 2017



Report of: Director of Finance and Policy

Subject: THE 2016/2017 FINANCIAL REPORT
(INCLUDING THE 2016/17 STATEMENT OF
ACCOUNTS)

1. PURPOSE OF REPORT

1.1 The purposes of this report are to: -

- i) present Mazars' Audit Completion Report; and,
- ii) enable Members to approve the Council's final Financial Report for 2016/17 (which includes the Statement of Accounts).

1.2 This will be achieved by considering the following: -

- i) Background;
- ii) Reconciliation of Management Accounts and Year End Statutory Accounts;
- iii) Audit Completion Report;
- iv) The 2016/2017 Financial Report; and,
- v) Recommendations.

2. BACKGROUND

2.1 The Committee considered the draft accounts on 19th July 2017. The July 2017 report indicated the draft Statement of Accounts would be subject to review by the external auditors Mazars. The Audit and Governance Committee would then need to approve the final accounts by 30th September, 2017.

2.2 The July report reminded Members that as the timescale for completing the audit process by the end of September is tight that if they had any questions on the draft Statement of Accounts they could raise these issues during July and August. This would enable any issues to be addressed before the September meeting of this Committee. For Members' information no issues have been brought to my attention by Members of the Committee.

2.3 As outlined in the July report Local Authorities continue to face an extremely challenging financial position owing to the impact of:

- Government grant cuts implemented up to 2016/17, this resulted in a grant cut for Hartlepool for 2016/17 of £4.5m a reduction of 15%. This was the sixth successive annual reduction in Government funding.
 - The Government has confirmed that Local Authorities will continue to face further annual grants for the next three years (2017/18 to 2019/20). This means that by 2019/20 funding received from the government will be approximately £44m less than the level provided in 2010/11. This equates to a reduction of 57%.
- 2.4 In response to these financial challenges a proactive strategy was taken to managing the 2016/17 budget and reviewing reserves. This included preparing an early 2016/17 outturn forecast and the submission of regular update reports to Members throughout the year.
- 2.5 The December Strategic Financial Management report advised Members that the final outturn for 2016/17 was estimated to be an over spend of £0.479m. It was recommended that a strategy for managing the over spend would be developed once a final outturn was known.
- 2.6 The final outturn was £0.262m, £0.217m lower than forecast. The over spend was addressed by applying £0.126 of one off resources no longer required for protection costs and £0.136m from the General Fund Reserve.

3 RECONCILIATION OF MANAGEMENT ACCOUNTS AND YEAR END STATUTORY ACCOUNTS

- 3.1 As reported in the MTFS the outturn strategy was designed to manage financial risks and unavoidable commitments in 2016/17 and future financial years. This position was therefore reflected in the management accounts and the MTFS report. At the end of the financial year the Council is required to prepare statutory accounts which present this information in a defined format.
- 3.2 In relation to the links between the management accounts and the statutory accounts the key statement is the note showing 'Transfer to/from Earmarked Reserves' Note 6 of the Financial Report, as summarised in the following table:-

Table 1 – Value of Council's Reserves

Balance at 31 March 2016 £'000		Balance at 31 March 2017 £'000
	General Fund Reserves	
4,753	Unearmarked General Fund Balance	4,526
5,781	Budget Support & Investment Reserves	15,227
39,892	Earmarked Revenue Reserves	22,910
6,517	Earmarked Capital Reserves	6,295
56,943	Total General Fund Reserves	48,958
0	Housing Revenue Account Reserves	538
3,916	School Reserves	2,439
60,859	Total Reserves	51,935

3.3 The above table shows a reduction in the Council's total reserves predominantly in relation to General Fund reserves. This reflects planned usage approved as part of the MTFS to support services and provide a longer lead time to address cuts in Government grant funding.

3.4 Note 28 on page 59 of the Statement of Accounts provides a detailed analysis of the Council's reserves, as summarised in the above table and briefly outlined below:

- Unearmarked General Fund Balance £4.526m
This amount is held to meet unforeseen commitments and is the only reserve not earmarked for a specific purpose.
- Budget Support & Investment Reserves £15.227m
This amount includes £10.565m allocated to support the revenue budget over the period 2017/18 to 2019/20. This amount, therefore, helps protect services in the short-term, whilst providing a longer lead time to manage the impact of continuing Government grant reductions. The remaining balance of £4.662m is to support investment in the Council's five year capital plan.
- Earmarked Revenue Reserves £22.910m
These reserves are earmarked to fund known commitments, including future commitments funded from ring fenced grants, redundancy costs arising over the next three years and support to manage future cuts in Public Health grant funding.
- Earmarked Capital Reserves £6.295m
Capital resources allocated to fund approved capital expenditure commitments where the scheme has commenced and work is phased over more than one financial year.

4. AUDIT COMPLETION REPORT

4.1 The principle purposes of the Audit Completion Report are:

- to share information to assist both the auditor and those charged with governance (i.e. Members of the Audit and Governance Committee) to fulfil their respective responsibilities;
- to provide constructive observations arising from the audit process to those charged with governance;
- to ensure as part of a two way communication process the external auditors, gain an understanding of the attitude and views of those charged with governance at the Council of internal and external operational, financial, compliance and other risks which might affect the accounts, including the likelihood of those risks materialising and how they are managed; and,
- to receive feedback from those charged with governance on the performance of the engagement team.

4.2 The Audit Completion Report is attached at Appendix A. This document is self explanatory and Members are asked to consider this document before approving the Statement of Accounts. The audit is substantially complete with no significant matters outstanding except for some additional work being carried out by the Estates Team on revaluations. The Auditor will attend your meeting to present this report and to answer any questions from Members. Any changes to the Statement of Accounts as a result of this additional work will be brought to the meeting.

4.3 Key positive issues reported in the Audit Completion Report include;

- i) confirmation that the draft accounts were received well in advance of the statutory deadline and were prepared to a high quality standard with few amendments being made as a result of the audit and that the supporting working papers were also of good quality;
- ii) the audit opinion on the financial statements which is an unqualified opinion on the accounts (subject to the completion of additional work being carried out in relation to revaluations); and,
- iii) an unqualified Value for Money conclusion stating that the Council has 'put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources'.

5. FINAL 2016/17 STATEMENT OF ACCOUNTS

5.1 The audit identified no significant unadjusted misstatements in the financial statements.

- 5.2 Two misstatements and a small number of disclosure amendments were identified by the Auditor during the audit and I have agreed to amend the Accounts to reflect the issues detailed in Appendix A (page 10) of the Audit Completion Report.

6. CONSIDERATIONS/IMPLICATIONS

Financial Considerations and Risk Implications	None
Legal Considerations	None
Child and Family Poverty Considerations	None
Equality and Diversity Considerations	None
Staff Considerations	None
Asset Management Considerations	None

7. CONCLUSION

- 7.1 The Audit of the 2016/17 Accounts is now complete and there has been no change in the reported level of Earmarked Reserves or General Fund Balances.
- 7.2 The Audit review has identified two misstatements and a small number of disclosure amendments which have been actioned in the revised Statement of Accounts presented for your approval.
- 7.3 The Audit Completion Report details the specific issues which the Committee need to consider before approving the Statement of Accounts. These issues are detailed in the recommendations to this report.

8 RECOMMENDATIONS

- 8.1 It is recommended that Members:
- i) Consider the matters raised in Mazars' Audit Completion Report detailed in Appendix A.
 - ii) Note the adjustments to the financial statements set out in Appendix A of Mazars' Audit Completion Report under Summary of Misstatements.
 - iii) Note that the Chairman will sign the Letter of Representation attached at Appendix B.

- iv) Approve the final 2016/17 Statement of Accounts attached at Appendix C.

9. BACKGROUND PAPERS

Audit and Governance Committee report 19 July 2017.

10. CONTACT OFFICER

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Audit Completion Report

Hartlepool Borough Council



For the year ended 31 March 2017



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Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' and the 'Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Council are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

1. Executive summary

Purpose of this report

The Audit Completion Report sets out the findings of our audit of Hartlepool Borough Council (the Council) for the year ended 31 March 2017, and forms the basis for discussion at the Audit and Governance Committee meeting on 20 September 2017.

The scope of our work and overall summary

The detailed scope of our work as your appointed auditor for 2016/17 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and include the matters outlined in the following table.

Financial statements	<p>In our Audit Strategy Memorandum we reported that materiality for the financial statements as a whole was set at £4.753 million. We have updated our assessment as part of our continuous planning processes and have set materiality at £4.526 million. Our clearly trivial threshold for reporting matters to you has been set at £136,000.</p> <p>We communicated potential significant risks of material accounting misstatement to you as part of our Audit Strategy Memorandum in April 2017. Section 2 of this report outlines the work we have undertaken, and the conclusions we have reached, for each significant risk.</p> <p>At the time of issuing this report, and subject to the satisfactory conclusion of the remaining audit work, we anticipate issuing an unqualified opinion, without modification, on the financial statements. Our draft auditor's report is provided in Appendix C.</p>
Identified misstatements	<p>Our work identified a number of accounting misstatements that have been discussed with management. A summary of the identified accounting misstatements is provided in Appendix A. These issues do not impact on the level of the Council's reserves.</p>
Value for Money	<p>At the time of issuing this report, and subject to the satisfactory conclusion of the remaining audit work, we anticipate having no matters to report in respect of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. Our draft auditor's report is provided in Appendix C.</p>
Whole of Government Accounts (WGA)	<p>We anticipate completing our work on your WGA submission, in line with the group instructions issued by the National Audit Office, by the deadline of 30 September 2017. We anticipate reporting that the WGA submission is consistent with the audited financial statements.</p>

The status of our work

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2017. At the time of preparing this report, there are no significant matters outstanding except for some additional work being carried out by the Council on revaluations.

2. Significant findings

This section sets out the significant findings from our audit and provides information on a number of matters that we are required to report to you by ISA 260 'Communication with those charged with governance'.

Significant risks

As part of our planning procedures we considered the risks of material misstatement in the Council's financial statements that required special audit consideration. Although we reported potential significant risks at the planning stage of the audit in our Audit Strategy Memorandum, our risk assessment is a continuous process and we regularly consider whether new significant risks have arisen and how we will mitigate these risks. No new risks have been identified since we issued our Audit Strategy Memorandum. The significant risks identified, and our conclusions against each are outlined below.

Significant risk	How we addressed the risk	Audit conclusion
Management override of control In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such overrides could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.	Our testing strategy included: <ul style="list-style-type: none">• review of material accounting estimates, which may be subject to management bias, included in the financial statements;• consideration and review of unusual or significant transactions outside the normal course of business; and• testing of journals recorded in the general ledger and other adjustments made in preparation of the financial statements.	Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention. We found no indication of management override of controls.

Significant risk	How we addressed the risk	Audit conclusion
<p>Revenue recognition</p> <p>In accordance with ISA 240 we presume there is a risk of fraud in respect of the recognition of revenue because of the potential for inappropriate recording of transactions in the wrong period. ISA 240 allows the presumption to be rebutted but, given the Council's range of revenue sources, we have concluded that there are insufficient grounds for rebuttal in 2016/17. This does not imply that we suspect actual or intended manipulation but that we continue to deliver our audit work with appropriate professional scepticism.</p>	<p>We evaluated the design and implementation of controls to mitigate the risk of income being recognised in the wrong period. In addition, we undertook a range of substantive procedures including:</p> <ul style="list-style-type: none"> • testing receipts in March, April and May 2017 to ensure they have been recognised in the right year; • testing material year end receivables; • testing adjustment journals; and • obtaining direct confirmation of year-end bank balances and testing the reconciliations to the ledger. 	<p>Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention. We did not find any evidence of revenue being recognised in the wrong year.</p>
<p>Pensions estimates (IAS19)</p> <p>The financial statements contain material pension entries in respect of the retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.</p>	<p>We discussed any significant changes to the pension estimates prior to the preparation of the financial statements. In addition to our standard programme of work in this area, we:</p> <ul style="list-style-type: none"> • evaluated the management controls you have in place to assess the reasonableness of the figures provided by the Actuary; • requested assurance from the auditor of the Local Government Pension Fund; and • considered the reasonableness of the Actuary's output, referring to an expert's report on all actuaries nationally which is commissioned annually by the National Audit Office. 	<p>Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention. We found no indication of material estimation error in respect of pensions</p>

Qualitative aspects of the Council's accounting practices

We are required to communicate to you our views on the significant qualitative aspects of the Council's accounting practices, including the accounting policies used and the quality of disclosures.

Qualitative aspect	Our views
Accounting policies and disclosures	<p>We have reviewed the Council's accounting policies and disclosures and found these to be in line with the requirements of the Code of Practice on Local Authority Accounting (the Code).</p> <p>In line with our expectations, there have been no significant changes to accounting policies for the year ended 31 March 2017.</p>
Quality of the draft financial statements	<p>We received draft financial statements from management on 31 May 2017, well in advance of the statutory deadline. The financial statements were prepared to a high quality standard with few amendments being made as a result of the audit. There was an increase in the number of minor corrections and additions as a result of new requirements, faster closure and less time for quality review.</p>
Quality of supporting working papers	<p>Producing high-quality working papers is a crucial part of compiling financial statements that are complete and materially accurate. They also support the delivery of an efficient audit. The Council provided good quality, comprehensive working papers to support the financial statements. There were some delays in responding to audit queries as the process relies on a relatively small number of key Council officers who are also the main contacts for the Cleveland Fire Authority audit.</p>

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

3. Internal control recommendations

The purpose of our audit is to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place that are relevant to the preparation of the financial statements. We do this to design audit procedures that allow us to express an opinion on the financial statements; this does not extend to expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control

we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our work this year did not identify any significant deficiencies.

Follow-up of previous internal control deficiencies and recommendations

We did not raise any internal control points last year.

4. Value for Money Conclusion

Our approach to Value for Money

We are required to form a conclusion as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our conclusion, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, 'in all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.' To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- Informed decision making.
- Sustainable resource deployment.
- Working with partners and other third parties.

Commentary against each of the sub-criteria, and an indication of whether arrangements are in place, is provided below.

Sub-criteria	Commentary	Arrangements in place?
Informed decision making	There are regular and appropriate reports to members on financial and operational performance. Other relevant information is updated regularly and is available on the Council's website, including the Council Plan, Constitution and medium term financial strategy.	Yes
Sustainable resource deployment	We identified a significant risk and undertook further work to address this risk as described overleaf. We were satisfied with the arrangements in place.	Yes
Working with partners and other third parties	Various policies and framework for partnership working are available on the external website. All service reviews include consideration of partnership working. The Council is developing social care services jointly with the CCG and is leading on some children's services locally and regionally. Further partnership work is expected in future within the combined authority and sustainability and transformation plans.	Yes

Significant Value for Money risks

The NAO's guidance requires us to carry out work to identify whether or not a risk to the Value for Money conclusion exists. Risk, in the context of our work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Council being inadequate. In our Audit Strategy Memorandum, we reported that we had identified one significant Value for Money risk. The work we carried out in relation to significant risks is outlined below.

Value for Money conclusion risk	Work undertaken	Conclusion
<p>Sustainable resource deployment</p> <p>Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions</p> <p>The Council, like many local authorities, is facing significant budget challenges over the period of its Medium Term Financial Strategy (MTFS) due to ongoing reductions in funding. Failure to have appropriate arrangements in place to identify and deliver a programme of cost savings poses a significant risk to the Council's ability to deliver its strategic priorities and maintain statutory functions.</p>	<p>We undertook a programme of work to allow us to conclude whether the Council has arrangements in place to identify and deliver the required cost savings as set out in its MTFS. This programme of work included:</p> <ul style="list-style-type: none">• a review of the MTFS and the reasonableness of the assumptions that underpin it;• consideration of the arrangements in place to deliver to overall budget in 2016/17; and• a review of arrangements in place to identify, evaluate, risk assess and deliver savings plans in 2016/17 and future years.	<p>The Council is well aware of the risk in relation to the future funding gap and the need to transform service provision and is taking action aimed at addressing future pressures on spending, budgets and services.</p>

Our overall Value for Money conclusion

Our draft auditor's report included in Appendix C states that we intend to issue an unqualified Value for Money conclusion for the 2016/17 financial year.

Appendix A – Summary of misstatements

The misstatements identified for adjustment during the course of the audit that are above the trivial level of £136,000, are set out below.

There are no identified misstatements which management has assessed as not being material, either individually or in aggregate to the financial statements, and does not currently plan to adjust.

The table below outlines the misstatements that have been adjusted by management during the course of the audit.

Adjusted misstatements 2016/17				
	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
			597	
				597
1	<p>Explanation</p> <p>A £600k loan from TVCA had been misclassified as a capital grant; £3,000 has been spent during 2016/17 and the remaining £597,000 shown as a capital grant received in advance. The £3,000 that has been credited to the CIES as part of non-specific grant income is trivial and will be adjusted for in 2017/18. Note that this also impacts on financial instruments disclosures in Notes 37 and 38, the cash flow statement, Note 27 Capital Grants received in advance, and re-phased capital financing in the Narrative Report and Note 14.</p>			
	508			
		508		
2	<p>Explanation</p> <p>£507,546 Teachers' unfunded benefits had been adjusted on the Regeneration and Neighbourhood Services line of the CIES rather than Child and Adult Services. This also impacts on Note 7 EFA.</p>			

Disclosure amendments

There have been a number of disclosures and notes which have been expanded or amended:

- CIES 2015/16 cost of services - the total figures for gross expenditure and gross income have been increased by £7.236 million from those in the 2015/16 audited accounts, and the gross expenditure and gross income figures on the Surplus/Deficit on Provision of Services line have similarly increased. This is owing to the previous treatment of income and expenditure which could not be allocated to a specific SERCOP line. These transactions were netted down prior to being apportioned. However, as these transactions are included in the income and expenditure figures reported internally and to Members they have now been shown gross in the 2016/17 service analysis. As these adjustments are material, a prior period adjustment note has been added to disclose the reasons why prior period audited figures have been restated;
- Accounting policies – a policy on council tax, district rates and non-domestic rates has been added;
- Accounting policy 7 employee benefits – policy amended to reflect accounting treatment of past service costs;
- Note 1 accounting standards that have been issued but have not yet been adopted – additional information added on impact of proposed changes;
- Notes 7 and 7A expenditure and funding analysis and supporting note – additional analysis added to show statutory and non-statutory adjustments;
- Note 7B supporting note to the expenditure and funding analysis – expenditure and income analysed by nature included some misclassification between lines which has been corrected;
- Note 7C supporting note to the expenditure and funding analysis – segmental income note has been added as required by the Code;
- Note 12 officers' remuneration – note b to table D had been omitted from the draft accounts;
- Note 15 non-current assets – some revaluations had been carried out externally this year and needed disclosure, alternative valuation model amount for other land and buildings was incorrect and value of investment properties in the revaluation reserve balance was incorrect;
- Note 25 provisions – in-year movements on the rating appeals provision were corrected to match supporting workings;
- Note 30 related party transactions – transactions between the Council and the Fire Authority were amended;
- Movement on the HRA statement - £179,000 transfer to/from the major repairs reserve was not shown, offset by the omission of depreciation from the adjustments between accounting basis and funding basis; and
- HRA note 3 value of dwellings – the balance sheet value of council dwellings did not equate to 44% of the vacant possession value as required by the guidance.

Other issues

In relation to the triennial valuation, the Pension Fund auditor has agreed all asset values submitted to the actuary (£3.13 billion) as at 31 March 2016 back to the audited financial statements for 31 March 2016. A difference of £10 million was identified, of which £6.7 million has been explained with the remaining £3.3 million being an audit difference in the prior year (overstatement of assets advised to actuary). This £3.3 million error is not a material issue for the Council, however, it is non-trivial. Based on the Council's share of total PF assets as at 31 March 2016 the Council's share of the error is approximately £0.387 million.

The Council includes classes of infrastructure in its asset register, e.g. principal roads, and adds any related capital expenditure each year. However, details for the specific assets included in each class are not available. Given that the expected national change in the way that highways infrastructure assets are valued is no longer going ahead at this time, the Council should review the level of detail currently included within its asset register.

Our testing of revaluations carried out by an external valuer on behalf of the Council has identified some issues in relation to the accuracy of the floor areas used in the calculations. The Council's internal valuers are completing additional work to establish the level of errors to be adjusted.

Appendix B – Draft management representation letter

Hartlepool Borough Council
Civic Centre
Victoria Road
Hartlepool TS24 8AY

[Date]

Dear Cameron

Hartlepool Borough Council - audit for year ended 31 March 2017

This representation letter is provided in connection with your audit of the statement of accounts for Hartlepool Borough Council ('the Council') for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the statement of accounts give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the statement of accounts and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the statement of accounts in accordance with the Code.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the statement of accounts such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Finance and Policy that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and Committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Council in making accounting estimates, including those measured at fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be

considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with Code.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Director of Finance and Policy for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's statement of accounts communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code.

I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or

inclusion of a note thereto, I will advise you accordingly.

Going concern

To the best of my knowledge there is nothing to indicate that the Council will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Infrastructure assets

I confirm I have reviewed infrastructure assets and the depreciation bases and remaining useful economic lives remain appropriate. In addition, I have made appropriate enquiries to obtain sufficient evidence to satisfy myself that infrastructure assets exist and belong to the Council given the nature of cumulative historic capital expenditure included in this category of assets.

Yours sincerely

Director of Finance and Policy

Date.....

Appendix C – Draft audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTLEPOOL BOROUGH COUNCIL

Opinion on the Council financial statements

We have audited the financial statements of Hartlepool Borough Council for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of Hartlepool Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Hartlepool Borough Council, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Hartlepool Borough Council as at 31 March 2017 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Opinion on other matters

In our opinion, the information given in the Narrative Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the Annual Governance Statement does not comply with Delivering Good Governance in Local Government: Framework (2016);
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Conclusion on Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Council and the auditor

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under section 20 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required to conclude whether the Council has put in place arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We have planned and undertaken our work in accordance with the Code of Audit Practice as issued by the Comptroller and Auditor General, and had regard to relevant guidance. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General, we are satisfied that in all significant respects, Hartlepool Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

Certificate

We certify that we have completed the audit of the financial statements of Hartlepool Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Cameron Waddell

For and on behalf of Mazars LLP

Salvus House

Aykley Heads

Durham

DH1 5TS

[Date]

Appendix D – Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Chief Executive's Department
Civic Centre
Hartlepool
TS24 8AY

Tel: 01429 523003
www.hartlepool.gov.uk



Our Ref: CEX/CL

20th September 2017

Mr Cameron Waddell
Partner
Mazars LLP
The Rivergreen Centre
Ayckley Heads
DURHAM
DH1 5TS

Hartlepool Borough Council - Audit for year ended 31 March 2017

This representation letter is provided in connection with your audit of the statement of accounts for Hartlepool Borough Council ('the Council') for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the statement of accounts give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the statement of accounts and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the statement of accounts in accordance with the Code.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the statement of accounts such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Finance and Policy that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

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I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Council in making accounting estimates, including those measured at fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with Code.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

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I acknowledge my responsibility as Director of Finance and Policy for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
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I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

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Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Going concern

To the best of my knowledge there is nothing to indicate that the Council will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Infrastructure assets

I confirm I have reviewed infrastructure assets and the depreciation bases and remaining useful economic lives remain appropriate. In addition, I have made appropriate enquiries to obtain sufficient evidence to satisfy myself that infrastructure assets exist and belong to the Council given the nature of cumulative historic capital expenditure included in this category of assets.

Signed for and on behalf of Hartlepool Borough Council:

Name: Chris Little

Position: Director of Finance and Policy

Date: 20th September 2017

I confirm that this letter has been discussed and agreed by the Audit Committee on 20th September 2017.

Chair of the Audit & Governance Committee

Date: 20th September 2017



Financial Report
2016/17



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SECTION 1 : Narrative Report

INTRODUCTION

The Narrative Report provides an overview of the most significant matters reported in the Financial Report and highlights key aspects of the Council's financial and service performance, including details of performance for 2016/17, the financial outlook for 2017/18 and the following three financial years. The Narrative Report has been produced with regard to the FRS principles on communication and materiality.

SUMMARY FINANCIAL PERFORMANCE AND YEAR END FINANCIAL POSITION FOR 2016/17

Revenue Spending 2016/17 - Budget Position

The Council prepares a rolling four year financial strategy and in relation to 2016/17 the financial strategy reflected a further reduction in the amount of Government funding received by the Council of £4.5 million, a reduction of 15%. This was the sixth successive annual reduction in Government funding and means that in 2016/17 the Council received £34.6 million less Government funding than it did in 2010/11, a cumulative reduction of 45%.

The system operated up to 2010/11 by the Government for allocating funding to individual Local Authorities reflected the needs of each area and the ability to raise income locally from Council Tax. However, over the last six years these factors have not been recognised to the same extent. As a result over the last six years the Authority has suffered disproportionate spending power cuts owing to Government funding reductions.

In addition to the Government grant cut, the decision by the Valuation Office Agency (VOA) to reduce the rateable value of the power station reduced the Council's share of recurring business rates income by £3.8m. Therefore the Council faced a total budget deficit of £8.3m, a reduction of nearly 10%. To manage this reduction the Council implemented a range of savings, increased Council Tax, allocated increased Council Tax income from Housing Growth and used reserves. The Council recognised the use of reserves does not provide a permanent strategy. In February 2017 the Council approved further budget reductions to be implemented over three years commencing in 2017/18. Further information is provided in the Financial Outlook 2017/18 to 2019/20 section.

In line with the Government's revised Council Tax policy the Council implemented an overall Council Tax increase of 3.9% for 2016/17, including the 2% Social Care precept. This was the first increase for five years and recognised the increased financial pressure on services. To mitigate the impact on low income households the Local Council Tax Support Scheme was maintained at 12% for the third successive year. The 2016/17 budget provided for an increase in the Hartlepool Living Wage to £8.04, compared to the national minimum wage of £7.20.

The Council's net 2016/17 General Fund budget, which is funded from Government Grant and Council Tax, was £124.818m, including expenditure funded from the Dedicated Schools Grant.

Revenue Spending 2016/17 - Outturn Position

In response to the ongoing financial challenges in future years the Council continued to carefully manage resources during 2016/17 and aimed to achieve an under spend by managing all budgets carefully, including identifying savings which could be sustained and built into the budget for 2017/18. This strategy reflected an initial assessment of the forecast outturn prepared in February 2017 which anticipated a year end over spend for service based expenditure, including significantly higher costs of increased numbers of Looked after Children and the impact of court decisions regarding these cases. It was anticipated that these costs could be offset by an under spend on corporate budgets and net one-off resources of £1.860m could be earmarked to support Council priorities in 2017/18. As the year progressed it was identified that the strategy would not be achievable and a potential overall over-spend of up to £0.479m was forecast. The final position was a net over-spend of £0.262m, which has been funded from a combination of one-off resources, as summarised in the table below. The final outturn reflects the increasing financial pressures and risks facing the Council, although the final net over spend needs to be considered in the context of an gross revenue budget of £266.633m.

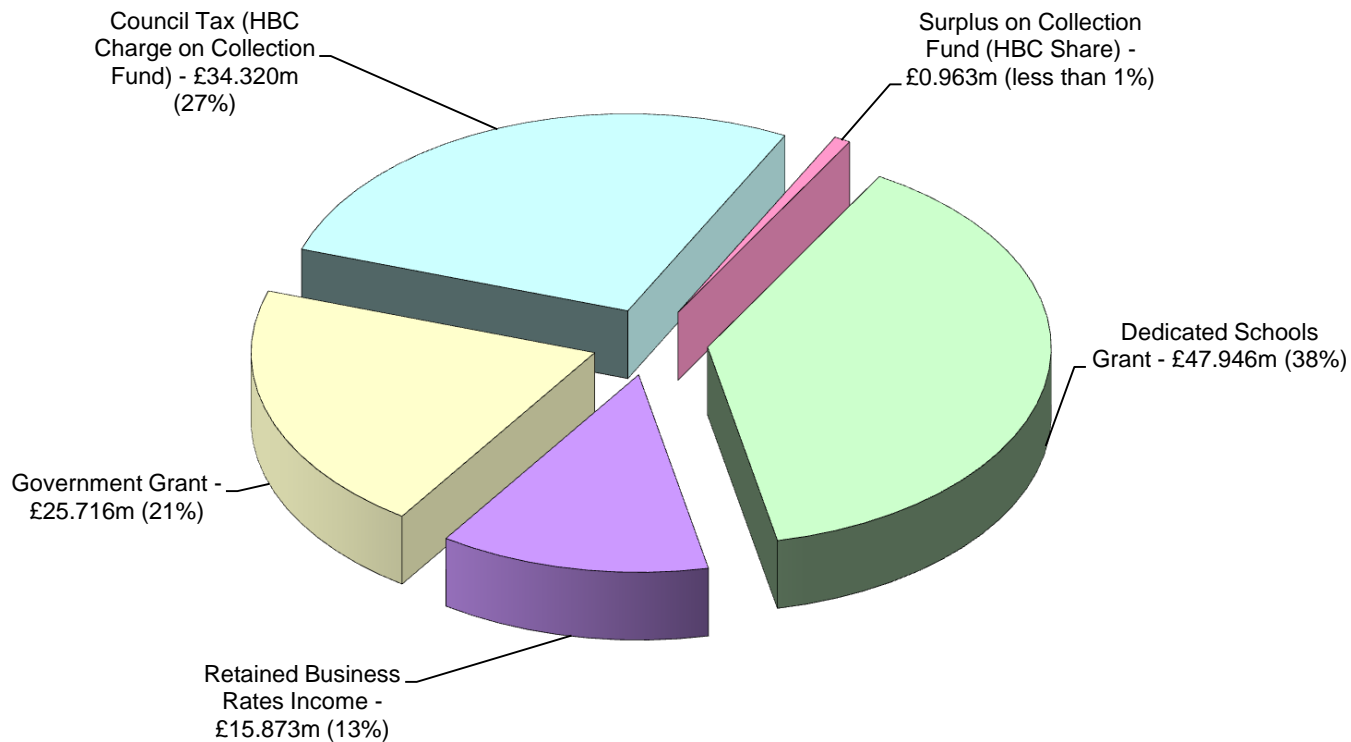
SECTION 1 : Narrative Report

The following table provides a summary of actual expenditure against the approved budget for 2016/17.

Summary of 2016/17 Financial Position

Description of Expenditure	2016/17 Approved Budget £000	2016/17 Actual Expenditure / (Income) £000	2016/17 Variance Adverse / (Favourable) £000
<u>Departmental Expenditure</u>			
Child & Adult Department	46,967	47,999	1,032
Chief Executives Department	4,541	3,845	(696)
Regeneration & Neighbourhoods Department	20,613	19,853	(760)
Public Health Department	1,103	1,301	198
Corporate Expenditure	9,602	6,510	(3,092)
Dedicated Schools Grant Related Expenditure	47,946	47,946	-
<u>Creation / (Use) of Reserves</u>			
Ring Fenced Grant Reserves	-	442	442
Reserves Created to manage specific commitments/risks	-	1,218	1,218
Funding Released from Reserve Review	-	(3,802)	(3,802)
Planned Contribution to Reserves	-	5,722	5,722
Planned Contribution from Reserves	(5,954)	(5,954)	0
Final Contribution from General Fund	124,818	125,080	262
Housing Revenue Account (HRA)	0	(8)	(8)
Final Contribution to HRA Reserve	0	(8)	(8)
Net Movement on the General Fund & HRA	124,818	125,072	254

The Council's budget of £124.818m was funded from the following sources:



SECTION 1 : Narrative Report

Capital Spending 2016/17 - Outturn Position

In 2016/17 the Council had a total Capital Programme of £36.814m and incurred expenditure totalling £21.858m. An analysis of this expenditure is shown below, together with an analysis of how it was financed.

	£000	%
Expenditure		
Highway Maintenance & Construction	3,046	14%
Housing Investment Programme	1,573	7%
Sea Defences	4,243	20%
School Improvements	2,588	12%
Replacement of Fleet Vehicles	961	4%
Other Schemes	9,447	43%
Total Expenditure	21,858	100%
Capital Financing		
Capital Grant	9,801	45%
Borrowing	9,378	43%
Corporate Resources	2,367	11%
Capital Receipts	312	1%
Total Capital Financing	21,858	100%

As at 31 March, 2017 the Council had rephased capital expenditure totalling £14.956m into 2017/18. This will be funded from the following resources, which have also been rephased into 2017/18.

Capital Financing	£000
Government Grants	4,481
Borrowing	4,983
Capital Funding Reserves	5,492
	14,956

Capital Receipts

The Council received gross receipts of £0.426m in 2016/17 from the sale of assets, all of which related to the disposal of land and buildings. The net receipt after cost of disposals was £0.378m.

FINANCIAL OUTLOOK 2017/18 to 2019/20

The Council, alongside the majority of Authorities, successfully applied to the Government for a four year grant settlement covering the period 2016/17 to 2019/20. This application was made on the basis that this would provide the best settlement possible within the current spending framework and certainty of funding levels for this period, albeit confirming annual Government funding cuts until 2019/20. The four year settlement for 2016/17 to 2019/20 will mean that by 2019/20 the Council will have faced nine years of funding cuts. Consequently, by 2019/20 funding received from the Government will be £44.2m less than the level provided in 2010/11, which equates to a cut of 57%.

To address the 2017/18 funding reduction the Council increased Council Tax by 4.9%, which included the use of the new 3% Social Care precept introduced by the Government. This raised additional income of £1.7m. The balance of the funding cut, £4.4m, was addressed from a combination of efficiency savings, use of reserves and housing growth. The use of reserves in 2017/18 is part of the Council's multi-year strategy for managing the impact of front loaded Government grant cuts and service pressures over a four year period. The Council has earmarked £10.565m of reserves to support the revenue budget over the next three years (2017/18 to 2019/20), which provides a longer lead time to reduce the budget. Without these resources budget cuts would have had to be implemented sooner.

In February 2017 the Council also approved proposals to reduce the budget deficits in 2018/19 and 2019/20, including indicative Council Tax increases for these years and detailed savings proposals. Whilst these measures significantly reduce the budgets deficits the Council still needs to make further savings in 2018/19 of £1.685m and £0.785m in 2019/20. Detailed plans will be developed during 2017.

SECTION 1 : Narrative Report

BORROWING FACILITIES AND INVESTMENT STRATEGY

The Council's arrangements for borrowing accord with the approved Treasury Management Strategy, which was drawn up to comply with the Code of Practice for Treasury Management in Local Authorities published by the Chartered Institute of Public Finance and Accountancy.

In accordance with this strategy the Council has taken a proactive approach to managing cash investments and debt. For a number of years the Council has internalised borrowing by netting down borrowing against investments. However interest rates have fallen to a historically low level, which the Council has taken advantage of to secure financing in relation to business cases. The Council has also used these historically low rates to reduce interest rate risk in relation to some existing capital expenditure previously temporarily funded by internalising borrowing.

The interest earned on Council investments remained low during 2016/17, this has been mitigated by low interest costs on the Council's borrowings.

PENSIONS

The Council has accounted for retirement benefits according to International Financial Reporting Standard (IFRS) IAS 19. In the accounts as at 31 March, 2017 there was a deficit on the Pensions Reserve of £117.899m (£125.267m in 2015/16). This was offset by a Pensions Liability of the same value. The net pensions liability has decreased owing to greater returns on assets and investments.

The Council is a member of the Teesside Pension Fund and the statutory arrangements for this scheme mean that the IAS19 deficit does not need to be made good by increased pensions contributions from the Council or employees. A separate Pension Fund valuation is carried out every three years to determine the Council's contribution rate. The last full valuation set the employer's contribution rate for the period 2014/15 to 2016/17. The most recent Pension Fund Valuation set the employer's contribution rate for the period 2017/18 to 2019/20 and resulted in a phased increase from 14.2% to 15.5%. Provision for the additional cost has been made within the Council's budget plans.

Further information is included in Notes 44 and 45 to the Statement of Accounts.

STATEMENTS OF ACCOUNTS

As a result of CIPFA's "Telling the Story" review of the presentation of local authority financial statements the Code of Practice on Local Authority Accounting has been updated to reflect new reporting requirements for the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement and introduces a new Expenditure and Funding Analysis which replaces the Segmental Reporting note. Where required, comparators have been restated to reflect the changes.

A detailed analysis of the Council's financial position can be found in the Statements of Accounts. A brief explanation of the purpose and significant financial issues of each of the statements is given below:

Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves (i.e. those which are accounting reserves). The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting. The Net Increase / (Decrease) before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Comprehensive Income and Expenditure Statement

This Statement shows the economic cost in the year of providing services in accordance with International Financial Reporting Standards (IFRS), rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

SECTION 1 : Narrative Report

Exceptional Items

Following the conversion of Jesmond Gardens and Brougham Primary School to Academy Status the legal transfer of assets was actioned during 2016/17. This transfer resulted in the need to 'write out' the value of these assets from the Council's accounts. This 'write-out' totalled £8.876m for 2016/17 and is disclosed separately in the Comprehensive Income and Expenditure Statement owing to the exceptional nature of these transactions.

Balance Sheet

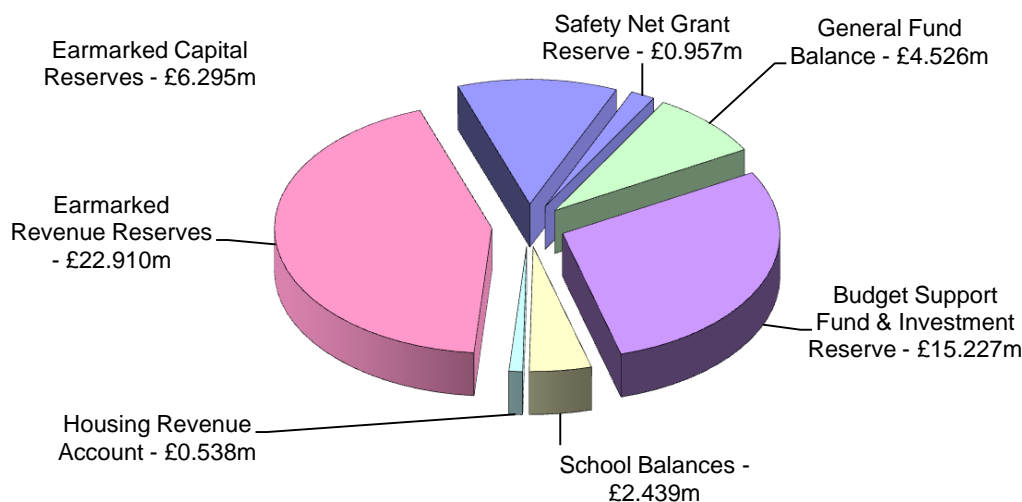
The Balance Sheet shows the value of the assets and liabilities recognised by the Council at 31 March, 2017. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Council is not able to use to provide services. This category of reserve includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

The major movements on the Balance Sheet are as follows:

- Property, Plant and Equipment, Investment Properties, Assets Held for Sale, Heritage Assets, Revaluation Reserve and Capital Adjustment Account – the Council's total fixed assets have decreased by £2.111m which comprises expenditure on fixed assets of £18.226m, upward revaluations of existing assets of £5.279m, less depreciation, downward revaluations and disposals of £25.616m.
- Short Term Investments - totalled £40.067m as at 31 March, 2017 (£54.972m at 31 March, 2016). The decrease primarily relates to net cash flows in relation to the repayment of transitional relief to Central Government and Safety Net Grant due from Central Government following the settlement of the Business Rates appeal for Hartlepool Power Station.
- Short Term Debtors - totalled £15.579m as at 31 March, 2017 (£58.381m at 31 March, 2016). The decrease primarily relates to Safety Net Grant which was due to the Council from Central Government in 2015/16 and Central Government's share of the 2015/16 Collection Fund deficit following the settlement of the Business Rates appeal for Hartlepool Power Station and the consequent reduction in its Rateable Value.
- Short Term Creditors - totalled £18.363m as at 31 March, 2017 (£56.589m at 31 March, 2016). The decrease predominantly relates to Transitional Relief that was repayable to Central Government in 2015/16 following the settlement of the Business Rates appeal for Hartlepool Power Station.
- Other Long Term Liabilities - as at 31 March, 2017, were £118.188m (£125.681m at 31 March, 2016). The increase is mainly owing to the annual service costs being greater than employer contributions received. There is a corresponding decrease to the Pensions Reserve, which is included within Unusable Reserves in the balance sheet. Further detail of the movement in Unusable Reserves is provided in Note 29.

At the 31 March, 2017 the Authority had reserves of £52.892m (£82.310m at 31 March, 2016). Full details of the Council's reserves are provided in Note 28 and include the following key reserves:

Analysis of Reserves 31/03/17 - Total £52.892m



SECTION 1 : Narrative Report

Contributions have been made to specific reserves to manage risks and protect the Council's financial Position. Looking to the future, the Council's reserves will fall significantly as these resources are committed for one-off expenditure commitments and supporting the revenue budgets in 2017/18 and beyond. Details of the movement on reserves and balances are provided in Note 6.

The Council reviews the level of reserves and financial risk on an annual basis and the next review will be completed during Summer 2017.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Pooled Budgets - Better Care Fund

The Better Care Fund (BCF) has been established by the Government to support the introduction of a fully integrated health and social care system. Section 75 of the National Health Service Act 2006 gives powers to Local Authorities and Clinical Commissioning Groups (CCG) to establish and maintain pooled budgets to support the outcomes of the BCF. The Council has entered into a pooled budget arrangement with NHS Hartlepool and Stockton Clinical Commissioning Group. Further details are provided in Note 47.

Supplementary Financial Statements

Collection Fund

The Collection Fund is a statutory fund, separate from the General Fund of the Council, which accounts independently for transactions relating to Council Tax and National Non Domestic Rates. The Fund is operated and reported on under the same accounting policies as Hartlepool Borough Council.

The total Council Tax for the year was £1,756.09 (£1,695.32 in 2015/16) for Band D properties, excluding parish precepts where these applied. This comprised £1,474.03 for the Council's own services, £210.36 for the Police and Crime Commissioner and £71.70 for Cleveland Fire Authority. Each Authority determined its own tax and made a precept on the Collection Fund.

The Council Tax for the Council's services was determined on the basis of an equated number of 33,287 Band D properties. When setting the charge a 1.5% allowance for non-collection was made.

Further details on the income and expenditure of the Fund are shown in the Collection Fund notes.

	£000	%
Expenditure		
Hartlepool Council Precept	34,320	114%
Police and Crime Commissioner Precept	4,894	16%
Cleveland Fire Authority Precept	1,668	6%
Central Government's Share Non Domestic Rates	16,080	54%
Hartlepool Council Non Domestic Rates Precept	15,873	53%
Cleveland Fire Authority Non Domestic Rates Precept	324	1%
Other	(43,172)	(144%)
	29,987	100%
Income		
Council Tax	40,771	56%
NNDR from Rate Payers	31,843	44%
Transitional Protection Refund	(90)	0%
	72,524	100%
Net Deficit / (Surplus) in Year	(42,537)	

SECTION 1 : Narrative Report

Housing Revenue Account

Where Local Authorities hold Council Dwellings that number above the threshold set by Central Government they are required to maintain a separate Housing Revenue Account (HRA). In 2016/17 the Council's housing stock rose above this threshold and a HRA has been introduced. The HRA shows the in-year economic cost of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and Government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

In 2016/17 £0.008m was transferred to the HRA reserve after adjustments between accounting basis and funding basis under statute. In addition £0.530m of Earmarked Reserve relating to Housing was transferred to the HRA reserve.

ACCOUNTING POLICIES

The accounting policies adopted by the Council comply, except where specific reference is made, with the relevant recommended accounting practice. The Council's policies are explained fully in the Statement of Accounting Policies.

FINANCIAL AND SERVICE PERFORMANCE - DELIVERY OF ECONOMY, EFFICIENCY & EFFECTIVENESS

The Authority recognises that the delivery of economy, efficiency and effectiveness are a combination of strong financial and service performance. As detailed in previous sections the Council set a balanced budget for 2016/17 and this included implementing a detailed savings plan which makes a significant contribution towards delivering services which are economical, efficient and effective.

The Council managed cash resources effectively by ensuring that all income was received promptly and payments were made when due. These arrangements are underpinned by a robust Treasury Management strategy which provides the framework for managing borrowing decisions and temporary investment of surplus cash. There are no concerns regarding the level of debtors at 31 March, 2017 as the amounts due to the Authority mainly relate to Government grants and payments due from local authorities which will be received in 2017/18.

In addition to delivering on the financial targets the Authority also delivered strong service performance, as detailed in the following paragraphs. The Authority's 2016/17 Financial and Service performance demonstrates continued delivery of economy, efficiency and effectiveness in a challenging financial environment.

The Council Plan sets out the Council's overall service planning arrangements. It addresses the key priorities and issues facing the Council and is prepared in parallel with the Council's annual Budget and Medium Term Financial Strategy. The Council Plan is agreed annually by Full Council and contains;

- an action plan setting out how the Council proposes to deliver the priority outcomes,
- Performance Indicators (PIs) which are then used to monitor progress throughout the year and at year end, this includes both targeted and monitored PIs, and
- the key risks that could prevent the Council from delivering the priority outcomes.

SECTION 1 : Narrative Report

In 2016/17 the Council Plan had 124 actions, 142 Performance Indicators (101 targeted and 41 monitored) and 90 Strategic Risks. In comparison, the 2015/16 Council Plan had 177 actions, 141 PIs (85 targeted and 56 monitored) and 91 Strategic Risks. Progress against the Council Plan is reported quarterly to the Corporate Management Team and Finance & Policy Committee. At the end of Quarter 4 the following progress was reported in 2015/16 and 2016/17:

2015/16		Actions	2016/17	
145	82%	Completed	101	81%
7	4%	On track	5	4%
23	13%	Progress acceptable	5	4%
2	1%	Not completed	13	11%
		Performance Indicators (targeted only)		
43	51%	Achieved	51	51%
8	9%	Expected to achieve	6	6%
16	19%	Acceptable	8	8%
0	0%	Intervention Required	1	0%
7	8%	Not achieved	26	26%
11	13%	Results not yet available	9	9%
2015/16		Key Finance Indicators	2016/17	
95.40%		Percentage of Council tax collected in year	95.40%	
98.50%		Percentage of Business Rates collected in year	98.40%	
97.96%		Percentage of invoices paid in 30 days	93.07%	
93.60%		Percentage of invoices paid to local suppliers in 10 days	90.37%	
17.14 days		Average time to process new Housing Benefit/Council Tax Benefit claims	19.85 days	
		Long-Term Council Tax Collection Rates		
99.30%		Council Tax collected after 5 years	99.30%	
99.80%		Business Rates collected after 5 years	99.50%	

The Council approved a new Council Plan covering the period 2017/18 to 2019/20 and this is based upon addressing the following 6 strategic priorities:

- Growing our economy, jobs and skills.
- Regenerating our town.
- Developing and promoting Hartlepool as a great place to live.
- Developing new services for people and communities.
- Building better beginnings and better futures for our children and young people.
- Providing effective leadership based upon innovation and efficiency.

INSPECTION OF ACCOUNTS

Members of the public have a statutory right to inspect the accounts before the audit is completed, question the auditor and make objections at audit. The availability of the accounts for inspection was advertised on the Council's website and in relation to the 2016/17 financial year the inspection period is 19 June 2017 to 28 July, 2017.

SECTION 2 : Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets, and;
- approve the Statement of Accounts.

I confirm that the accounts set out in this document were approved by the Audit and Governance Committee at the meeting held on 20 September, 2017.

Councillor Raymond Martin-Wells
Chair of Audit and Governance Committee
Date: 20 September, 2017

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the CODE').

In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies, and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice on Local Authority Accounting.

The Chief Finance Officer has also:

- kept proper accounting records which were up-to-date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of the Accounts by the Chief Finance Officer

In accordance with the requirements of the Accounts and Audit Regulations 2015, I certify that Section 1 to 3 of the Financial Report 2016/17, which includes the Statement of Accounts, gives a true and fair view of the financial position of Hartlepool Borough Council at the accounting date and its income and expenditure for the year ended 31 March, 2017.

Chris Little CPFA
Director of Finance and Policy
Date: 20 September, 2017

SECTION 3 : Statement of Accounts

Movement in Reserves Statement for the year ended 31 March 2017

	General Fund Balance	Earmarked General Fund Reserves	Earmarked Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 31 March 2015 carried forward	5,253	11,326	43,911	-	-	1,081	325	61,896	59,310	121,206
<u>Movement in reserves during 2015/16</u>										
Surplus or (deficit) on provision of services	(9,597)	-	-	-	-	-	-	(9,597)	-	(9,597)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	15,681	15,681
Total Comprehensive Income and Expenditure	(9,597)	-	-	-	-	-	-	(9,597)	15,681	6,084
Adjustments between accounting basis & funding basis under regulations (note 5)	31,096	-	-	-	-	(1,081)	(4)	30,011	(30,011)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	21,499	-	-	-	-	(1,081)	(4)	20,414	(14,330)	6,084
Transfers to/(from) Earmarked Reserves	(21,999)	(1,629)	23,628	-	-	-	-	-	-	-
Increase/(Decrease) in Year	(500)	(1,629)	23,628	-	-	(1,081)	(4)	20,414	(14,330)	6,084
Balance at 31 March 2016 carried forward	4,753	9,697	67,539	-	-	-	321	82,310	44,980	127,290
<u>Movement in reserves during 2016/17</u>										
Surplus or (deficit) on provision of services	(23,009)	-	-	(3,038)	-	-	-	(26,047)	-	(26,047)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	20,166	20,166
Total Comprehensive Income and Expenditure	(23,009)	0	0	(3,038)	0	0	0	(26,047)	20,166	(5,881)
Adjustments between accounting basis & funding basis under regulations (note 5)	(6,539)	-	-	3,046	147	-	(25)	(3,371)	3,371	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(29,548)	-	-	8	147	0	(25)	(29,418)	23,537	(5,881)
Transfers to/(from) Earmarked Reserves	29,321	7,969	(37,820)	530	-	-	-	-	-	-
Increase/(Decrease) in Year	(227)	7,969	(37,820)	538	147	-	(25)	(29,418)	23,537	(5,881)
Balance at 31 March 2017 carried forward	4,526	17,666	29,719	538	147	0	296	52,892	68,517	121,409

For detail on Usable and Unusable Reserves see Notes 28 and 29.

SECTION 3 : Statement of Accounts

Comprehensive Income and Expenditure Statement for the year ended 31 March 2017

Restated 2015/16			2016/17				
£000s	£000s	£000s		£000s	£000s	£000s	
Expenditure	Income	Net	Continuing operations:	Expenditure	Income	Net	Note
137,866	(84,788)	53,078	Child and Adult Services	140,459	(81,596)	58,863	
56,215	(50,960)	5,255	Chief Executives	54,955	(49,726)	5,229	
10,518	(10,668)	(150)	Public Health	11,217	(11,190)	27	
52,557	(21,075)	31,482	Regeneration and Neighbourhood Services	52,227	(25,134)	27,093	
7,603	(1,746)	5,857	Corporate	9,124	(2,893)	6,231	
-	-	-	HRA	3,771	(1,028)	2,743	
264,759	(169,237)	95,522	Cost of Services	271,753	(171,567)	100,186	
1,532	(1,045)	487	Other Operating Expenditure	1,753	(587)	1,166	8
-	-	-	Transfer of School Assets (see Note (a) below)	8,876	-	8,876	8
17,731	(12,992)	4,739	Financing and Investment Income and Expenditure	17,375	(13,366)	4,009	9
-	(21,451)	(21,451)	NNDR Safety Net Grant (see Note (b) below)	-	(7)	(7)	10
-	(69,700)	(69,700)	Taxation and Non-Specific Grant Income	-	(88,183)	(88,183)	10
284,022	(274,425)	9,597	(Surplus) / Deficit on Provision of Services	299,757	(273,710)	26,047	7
		(11,772)	(Surplus) / Deficit on Revaluation of Property, Plant and Equipment			(5,279)	29 Table 1
		(3,909)	Remeasurement of net defined benefit liability / (asset)			(14,887)	29 Table 4
		(15,681)	Other Comprehensive Income and Expenditure			(20,166)	
		(6,084)	Total Comprehensive Income and Expenditure			5,881	

Note (a) - Following the conversion of Jesmond Gardens and Brougham Primary School to Academy Status the legal transfer of assets was actioned during 2016/17. This transfer resulted in the need to 'write out' the value of these assets from the Council's accounts. This 'write-out' totalled £8.876m for 2016/17 and is disclosed separately in the Comprehensive Income and Expenditure Statement owing to the exceptional nature of these transactions.

Note (b) - In 2015/16 the rateable value of the Power Station reduced by 48%. This put the Council beyond the 'safety net' threshold and consequently the Council was entitled to a 'safety net' grant of £21.451m which was accrued. This was transferred to reserves and is fully committed to repay the deficit on the Collection Fund arising from Rateable Value reductions approved by the Valuation Office Agency predominantly in relation to the Power Station.

Prior Period Amendment

In addition to restating 2015/16 Cost of Service figures to comply with the new reporting requirements of the Code, gross expenditure and income have also been restated increasing both by £7.236m. There has been no impact on the Net Cost of Services. The restatement is required owing to the Council's approach in previous years of netting down costs to be reapportioned over SERCOP service lines. No reapportionment is required under the new reporting format. The restatement is summarised in the table below:

	£000s Published 2015/16	£000s Restated 2015/16	£000s Difference
Gross Expenditure	257,523	264,759	7,236
Gross Income	(162,001)	(169,237)	(7,236)
Net Cost of Services	95,522	95,522	-

SECTION 3 : Statement of Accounts

Balance Sheet as at 31 March 2017

1 April 2016 £000s		31 March 2017 £000s	Note
259,416	Property, Plant and Equipment	255,473	14
14,947	Heritage Assets	14,947	17
15,664	Investment Property	17,616	16
197	Long Term Investments	197	18
889	Long Term Debtors	2,697	19
291,113	Long Term Assets	290,930	
54,972	Short Term Investments	40,067	37
447	Inventories	268	20
58,381	Short Term Debtors	15,579	21
6,242	Cash and Cash Equivalents	6,578	22
120	Assets Held for Sale	-	23
120,162	Current Assets	62,492	
(1,317)	Bank Overdraft	(1,115)	22
(2,864)	Provisions	(1,939)	25
(4,768)	Short Term Borrowing	(4,815)	37
(56,589)	Short Term Creditors	(18,363)	24
(5,940)	Capital Grants Receipts in Advance	(4,642)	27
(597)	Revenue Grant Receipts in Advance	(381)	27
(72,075)	Current Liabilities	(31,255)	
(1,230)	Provisions	(1,139)	25
(83,497)	Long Term Borrowing	(81,429)	37
(125,681)	Other Long Term Liabilities	(118,188)	26
(1,500)	Capital Grant Receipts in Advance	-	27
(211,908)	Long Term Liabilities	(200,756)	
127,292	Net Assets:	121,411	
4,753	Unearmarked General Fund Balances	4,526	28
5,781	Budget Support Fund & Investment Reserves	15,227	28
3,916	Schools Balances	2,439	28
39,892	Earmarked Revenue Reserves	22,910	28
6,517	Earmarked Capital Reserves	6,295	28
21,451	Business Rates Safety Net Grant Reserve	957	28
-	Housing Revenue Account	538	28
44,982	Unusable Reserves	68,519	29
127,292	Total Reserves:	121,411	

SECTION 3 : Statement of Accounts

Statement Of Cash Flows For The Year Ended 31 March 2017

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2015/16 £000s		2016/17 £000s	Note
(9,597)	Net Surplus / (Deficit) on the Provision of Services	(26,047)	
39,556	Adjustments to Net Surplus / (Deficit) on the Provision of Services for Non-cash Movements	16,915	40
(10,602)	Adjustments for items included in the Net Surplus / (Deficit) on the Provision of Services that are Investing and Financing Activities	(10,203)	41
19,357	Net Cash (Outflow) / Inflow from Operating Activities	(19,335)	
(6,669)	Investing Activities	2,785	42
(18,428)	Financing Activities	17,088	43
(5,740)	Net Increase / (Decrease) in Cash and Cash Equivalents	538	
10,665	Cash and Cash Equivalents at the beginning of the reporting period	4,925	
4,925	Cash and Cash Equivalents at the end of the reporting period	5,463	22

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2016/17 financial year and its position at the year-end of 31 March, 2017. The Council is required to prepare an annual Statement of Accounts in accordance with the Accounts and Audit Regulations 2015 and to comply with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Service Reporting Code of Practice 2016/17, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003.

The Statements reflect the requirements of general accounting principals and concepts of:

Relevance - the financial statements provide information about the Council's performance and position that is useful to the users of the accounts to assess the stewardship of public funds and for making economic decisions.

Reliability - the financial information faithfully represents the substance of the transactions, the activities underlying them and other events that have taken place, are free from deliberate or systematic bias and material error and have been prudently prepared.

Comparability - the information has been prepared consistently and with adequate disclosures so that it can be compared with prior years and other Local Authorities.

Understandability - the statements have been prepared to ensure they are as easy to understand as possible.

Materiality - the statements disclose items of a certain size and nature such that they provide a fair presentation of the financial position and transactions of the Council.

Faithful Representation - the financial statements faithfully represent economic phenomena in words and numbers. They have been prepared on the basis that they are complete, neutral and free from error.

Accruals - other than the cash flow statement, the financial statements report transactions that have been recorded in the accounting period for which the goods and services were received or supplied rather than in which the cash was received or paid.

Going Concern - the financial statements have been prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

Legality - where the accounting principles and specific legislation requirements are in conflict, the financial statements have been prepared to reflect legislative requirements.

The accounting policies are the principles, bases, conventions, rules and practices that specify how the effects of transactions and other events are reflected in the financial statements of the Council. Consistent accounting policies have been applied both within the year and between years. Where accounting policies are changed, this has been disclosed separately.

Where estimating techniques are required to enable the accounting practices adopted to be applied, then the techniques which have been used are, in the Council's view, appropriate and consistently applied. Where the effect of a change to an estimation technique is material, a description of the change and, if practicable the effect on the results for the current period is separately disclosed.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Summary of Significant Accounting Policies

2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for as income at the date the Council provides the relevant goods or services.
- Employee's costs are charged to the accounts of the period in which the employees worked which includes 12 monthly payments.
- Supplies and services are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the Balance Sheet.
- Works are charged as expenditure when they are completed, before which they are carried as Works in Progress on the Balance Sheet.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled the debtor balance is written down and a charge made to revenue for the income that might not be collected.
- Where payments are made or received in advance of a service being provided or received, a payment or receipt in advance is recognised as a debtor or creditor in the Balance Sheet.
- Income and expenditure are credited and debited to the relevant revenue account, unless it relates to capital receipts or capital expenditure.
- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- General revenue debtors and creditors of less than £5,000 have only been accrued at the discretion of individual departments. All amounts in excess of £5,000 have been accrued.

3. Cash and Cash Equivalents

Cash and cash equivalents is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

4. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

5. Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

6. Charges to Revenue for Non-current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service; and
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

7. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Costs

Termination costs are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those costs or when the Council recognises costs for a restructuring.

Where termination costs involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination costs and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

Post Employment Benefits

Employees of the Council are members of three separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The NHS Pensions Scheme, administered by the NHS Business Services Authority.
- The Local Government Pensions Scheme, administered by Kier in partnership with Middlesbrough Council.

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees whilst working for the Council.

The arrangements for the Teachers' and NHS schemes mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The schemes are therefore accounted for as if they were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Education and Children's Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year; the Public Health line is charged with the employer's contributions payable to NHS Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Teesside Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projections of projected earnings for current employees.

The assets of the Teesside Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price,
- Unquoted securities – professional estimate,
- Unitised securities – current bid price,
- Property – market value.

The change in the net pensions liability is analysed into the following components:

Service cost, comprising:-

- **Current service cost** – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- **Past service cost** – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement and apportioned based on direct departmental pension costs.
- **Net interest on the defined benefit liability (asset) i.e. net interest expense for the Council** – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements, comprising:-

- **The return on plan assets** – excluding amounts included in net interest on the net defined benefit liability (asset) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- **Actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

Contributions paid to the Teesside Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

8. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts unless it related to conditions or events that were in existence at the balance sheet date.

9. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as either Capital or Revenue Grant Receipts in Advance. When conditions are satisfied, the grant or contribution is credited to the relevant department line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

10. Interests in Companies and Other Entities

Under Local Government Reorganisation the Council was allocated 2.47% of the shares in Durham Tees Valley Airport Limited, which has reduced to 1.08% upon the sale of the airport to Peel Investments (DVTA) LTD, and 16.5% of the former County Council's shareholding in SITA Team Valley Limited (now SUEZ Recycling and Recovery Tees Valley Limited).

11. Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using a weighted average costing formula.

Items with a residual value have been disposed of at maximum benefit to the Council. The Chief Finance Officer is advised of obsolete stock prior to disposal for items in excess of £500 in value. Items having no residual value have been disposed of by being either:-

- Advertised internally
- Donated to charitable organisations
- Scrapped (within legislative parameters)
- Specialist removal.

Obsolete or damaged stock has been written off, otherwise an allowance has been made for obsolescence.

Work in Progress on uncompleted jobs is valued at cost, including an allocation of overheads.

12. Investment Property

Investment properties are those that are used solely to earn rental income and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value (i.e. market value), based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are reviewed annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

13. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received); and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Summary of Significant Accounting Policies

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

14. Support Services

The costs of support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2016/17. The total absorption costing principle is used – the full cost of support services are shared between users in proportion to the benefits received.

15. Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

16. Property, Plant and Equipment

Property, Plant and Equipment are valued on a five-year rolling programme, although material changes to asset values will be adjusted in the interim period as they occur. The current asset values are based upon certificates issued by the Council's Property Management Division. The valuations are prepared in accordance with the Statements and UK Practice Statements contained in the RICS Appraisal and Valuation Standards. The next valuation must be completed as at 1st April, 2017. From 1st April, 2007, increases in asset valuations are credited to the Revaluation Reserve.

The asset valuations have been prepared using the following assumptions:

- The Council has good marketable title, free from any onerous or restrictive covenants.
- There are no hazardous substances or latent defects in the properties and there is no contamination present.
- Details of tenure, planning consents and other relevant information are assumed to be correct.
- That properties and their value are unaffected by any matters that would be revealed by a local search, replies to usual enquiries or by any statutory notice.
- It is assumed that the present use is lawful and that there are no adverse conditions attached. It is further assumed that there are no adverse planning proposals in existence that may affect the property in the future.
- No allowance has been made for any taxation, acquisition, realisation or disposal costs or other expenses.
- No soil surveys have been carried out or services tested.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

Not all properties were specifically inspected for the purposes of asset valuations. This was neither practicable, nor considered by the Valuer to be necessary, for the purpose of the valuation. However, regular inspections are made by officers of the Property Section of all the Council's property assets. As allowable under the Code depreciated historical cost is used as a proxy for some non-property assets that have short useful lives and/or low values.

Where a non current asset is included in the Balance Sheet at current value, the increase over the previous carrying amount at which that asset was included in the Balance Sheet immediately prior to the latest revaluation is credited to a revaluation account, except to the extent that it reverses a revaluation loss on the same asset previously recognised in the Comprehensive Income and Expenditure Statement, when the revaluation gain is recognised in the Comprehensive Income and Expenditure Statement.

Where an item of Property, Plant or Equipment is acquired under a finance lease, at the inception of the lease the amount to be recorded both as an asset and as a liability would be the present value of the minimum lease payments derived by discounting them at the interest rate implicit in the lease.

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price; and
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its current value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Community assets and assets under construction – historical cost
- Infrastructure – depreciated historical cost
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- Surplus and Investment assets - fair value, determined using the basis of market value (FV-MV)
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant department line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant department line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant department line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and Community Assets) and assets that are not yet available for use (i.e. assets under construction). Depreciation has been charged using the straight line method on the closing balances over the assets estimated useful life.

The useful lives of assets are estimated on a realistic basis and are reviewed regularly and, where necessary, revised. Where the useful life of an item of Property, Plant or Equipment is revised, the carrying amount of the item is depreciated over the revised remaining useful life. Depreciation is not charged in the year of acquisition but is charged in the year of disposal.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, or has a significantly different useful life, the components are recognised separately and depreciated based on the components useful economic life.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and current value less costs to sell. Where there is a subsequent decrease to current value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in current value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale but remain in property, plant and equipment. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of Property, Plant and Equipment is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

17. Heritage Assets

Heritage Assets are held in support of the primary objective of increasing the knowledge, understanding and appreciation of the Council's history and local area. The items in the Museum Exhibit and Art Collection and the Civic Collection are held on the Balance Sheet at insurance value, and will be reviewed every five years. The assets within these collections are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

The collection is relatively static and acquisitions and donations are rare. Where they do occur acquisitions will be recognised at cost until the collection is revalued by the external valuer. Donations will only be recognised where the value is deemed to exceed £10,000, and will be valued by the external valuer.

The Council has an Acquisitions and Disposals Policy in place which sets out the acquisition, preservation, management and disposal of Heritage Assets. This is available to view on the Council's website.

The Council does not consider that reliable cost of valuation information can be obtained for many of the items held under the Sculptures, Monuments and War Memorial category. This is because of the diverse nature of the assets held and lack of comparable market values.

The Council does not purchase Heritage Assets.

18. Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate department line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments and are disclosed as Contingent Liabilities.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

19. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

20. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

21. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

22. Financial Instruments

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For existing borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

SECTION 3 : Statement of Accounts

Summary of Significant Accounting Policies

For Public Works Loans Board (PWLB) loans, the fair value of each loan has been determined by information supplied by the PWLB. For market loans, the redemption rules of the PWLB have been used to approximate the fair value of loans held. The comparator market rates prevailing have been taken from indicative investment rates at each Balance Sheet date.

Financial assets

Financial assets are classified into two types:

- Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan
- Available for Sale assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Available for Sale assets are maintained in the Balance Sheet at fair value. Values are based on the value of equity shares and the net worth of the company. Changes in fair value are balanced by an entry in the Available for Sale Reserve.

Debtors are included within loans and receivables. The Council recognises that debts are not always paid and makes provision for impairment of bad debts. Bad debt impairment is calculated using a percentage based on known historic collection rates. This is applied to current outstanding debt.

23. Fair Value Measurements

The Council measure some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing an asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which the fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

SECTION 3 : Statement of Accounts

Note 1: Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2017/18 Code.

- Amendment to the reporting of pension scheme transaction costs.
- Amendment to the reporting of investment concentration (for pension funds).

The Code requires implementation from 1 April 2017, however the changes listed above only apply to Pension Fund accounting and reporting, therefore there will be no impact on the Statement of Accounts.

Note 2: Critical Judgements in applying Accounting Policies

In applying the accounting policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

- The Council has reviewed its policy in relation to the accrual of income and expenditure and has increased the de minimis level for accruals from £1,000 to £5,000. General revenue debtors and creditors of less than £5,000 have only been accrued at the discretion of individual departments. All amounts in excess of £5,000 have been
- There is a high degree of uncertainty about future levels of funding for local government beyond 2016/17. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Council has an external contract for the provision of its ICT service. This contract has been classed as an embedded lease and under IAS 37 was brought onto the Balance Sheet in 2009/10 as a finance lease. The contract was renewed in October, 2013 for a period of seven years.
- The Council has undertaken a review of all schools in Hartlepool and their accounting treatment. There are 38 schools in Hartlepool;
 - Eleven are Voluntary Aided (VA) Schools owned and accounted for by the Roman Catholic Diocese of Hexham and Newcastle or the Church of England Diocese of Durham.
 - One Voluntary Controlled (VC) School which is owned and accounted for by the Church of England Diocese of Durham.
 - One foundation School which is owned by the School Governing Body.
 - Fourteen Community Schools owned by the Council.
 - Eleven Academy Schools which the Council have transferred to the Academies under 125 year leases.

Below is an analysis of the accounting treatment for the Schools within the authority, indicating whether the asset is held on or off the Balance Sheet:

School Type	Land & Buildings	School Playing Field	Equipment
Voluntary Aided	Off	On	Off
Voluntary Controlled	Off	On	On
Foundation	Off	Off	Off
Community	On	On	On
Academy	Off	Off	Off

The income and expenditure of all schools, excluding Academies who produce their own statutory accounts, is included in the Councils Comprehensive Income and Expenditure Statement.

SECTION 3 : Statement of Accounts

Note 3: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March, 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £0.061m for every year that useful lives had to be reduced.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effect on the net pensions liability of changes in individual assumptions can be measured. For example, a 0.1% increase in the discount rate assumption would result in a decrease in liability of £9.733m, however, the assumptions interact in complex ways. During 2016/17, the Authority's actuaries advised that the net pension liability for funded LGPS benefits had decreased by £38.519m as a result of estimates being corrected as a result of experience, decreased by £10.997m following changes in demographic assumptions and increased by £103.064m attributable to updating financial assumptions. Actual pension rates are determined on an actuarial basis every 3 years. The latest valuation has determined the employer's contribution for 3 years from 2017/18. A 0.1% increase in this rate would increase the Authority's revenue budget requirement for pension costs by £0.008m.
Income Shortfalls	Owing to the current economic downturn the Council continues to face income shortfalls in relation to car park income, shopping centre income and land charges.	The Council has determined that the income shortfalls will continue in future years and has therefore created an Income Risk Reserve of £0.400m.
Arrears	At 31 March, 2017, the Council had a balance of £14.307m on general, Council Tax Payers, NNDR Payers and Trade debtors. A review of these balances suggested that an impairment of doubtful debts of £5.334m was appropriate. However in the current climate it is not certain that such an allowance would be sufficient.	If bad debt provision was made for an additional 1% of outstanding debt this would result in an additional charge of £0.143m.

SECTION 3 : Statement of Accounts

Note 3: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Localisation of Business Rates	The level of Business Rates retained by the Council and the implementation of the 'safety net' threshold.	The Council has to manage potential annual Business Rates shortfalls of up to £2.740m before receiving any 'safety net' grant from the Government. The Council has set aside a reserve of £4.149m to help manage this risk.

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Note 4: Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 31st May, 2017. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March, 2017, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

SECTION 3 : Statement of Accounts

Note 5: Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practices to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2016/17	Usable Reserves						
	General Fund Balance	Earmarked General Fund Reserves	Earmarked Reserves	Housing Revenue Account	Housing Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Adjustments primarily involving the Capital Adjustment Account:							
<i>Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement</i>							
Charges for Depreciation and Impairment of Non-current Assets	10,609	-	-	179	-	-	(10,788)
Charges for Revaluation losses on Property Plant and Equipment	3,781	-	-	3,024	-	-	(6,805)
Movements in the Market Value of Investment Properties	(2,277)	-	-	-	-	-	2,277
Capital Grants and Contributions	(9,775)	-	-	-	-	-	9,775
Direct Revenue Funding	(2,335)	-	-	-	-	-	2,335
Revenue Expenditure Funded from Capital Under	1,767	-	-	-	-	-	(1,767)
Amounts of Non-current Assets written off on Disposal or Sale as part of the Gain/(Loss) on Disposal to the Comprehensive Income & Expenditure Statement	10,302	-	-	-	-	-	(10,302)
<i>Insertion of items not debited or credited to the Comprehensive Income & Expenditure Statement</i>							
Provision for the Financing of Capital Investment	(5,409)	-	-	-	-	-	5,409
Adjustments primarily involving the Capital Grants Unapplied Account:							
Capital grants and contributions unapplied credited to the Comprehensive Income & Expenditure Statement	-	-	-	-	-	-	(25)
Adjustments primarily involving the Capital Receipts Reserve:							
Transfer of Cash Sale Proceeds Credited as part of the Gain/(Loss) on Disposal to the Comprehensive Income & Expenditure Statement	(426)	-	-	-	-	426	-
Use of the Capital Receipts Reserve to finance new Capital Expenditure	-	-	-	-	-	(312)	312
Repay borrowing	-	-	-	-	-	(114)	114
Adjustments primarily involving the Deferred Capital Receipts Reserve:							
Transfer of deferred sale proceeds credited as part of the gain/(loss) on disposal to the Comprehensive Income & Expenditure Statement	-	-	-	-	-	-	-
Adjustments primarily involving the major Repairs Reserve:							
Reversal of Major Repairs Allowance credited to the HRA	-	-	-	(179)	179	-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	-	(32)	-	32
Adjustments primarily involving the Pensions Reserve:							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	15,677	-	-	44	-	-	(15,721)
Employer's Pension Contributions and Direct Payments to Pensioners payable in year	(8,181)	-	-	(21)	-	-	8,202

SECTION 3 : Statement of Accounts

Note 5: Adjustments between Accounting Basis and Funding Basis under Regulations

2016/17	General Fund Balance	Earmarked General Fund Reserves	Earmarked Reserves	Housing Revenue Account	Housing Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Adjustments Primarily involving the Collection Fund Adjustment Account:								
Amount by which council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax and income calculated for the year in accordance with statutory requirements	(20,387)	-	-	-	-	-	-	20,387
Adjustments primarily involving the Accumulated Absences Adjustment Account:								
Amount by which Officer Remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from Remuneration chargeable in the year in accordance with statutory requirements	114	-	-	-	-	-	-	(114)
Total Adjustments	(6,540)	-	-	3,047	147	-	(25)	3,371

Usable Reserves

2015/16	General Fund Balance	Earmarked General Fund Reserves	Earmarked Reserves	Housing Revenue Account	Housing Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Adjustments primarily involving the Capital Adjustment Account:								
<u>Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement</u>								
Charges for Depreciation and Impairment of Non-current Assets	13,118	-	-	-	-	-	-	(13,118)
Charges for Revaluation losses on Property Plant and Equipment	2,210	-	-	-	-	-	-	(2,210)
Movements in the Market Value of Investment Properties	(1,316)	-	-	-	-	-	-	1,316
Capital Grants and Contributions	(9,629)	-	-	-	-	-	-	9,629
Write out Finance Lease								-
Direct Revenue Funding	(2,303)	-	-	-	-	-	-	2,303
Revenue Expenditure Funded from Capital Under	1,639	-	-	-	-	-	-	(1,639)
Amounts of Non-current Assets written off on Disposal or Sale as part of the Gain/(Loss) on Disposal to the Comprehensive Income & Expenditure Statement	1,714	-	-	-	-	-	-	(1,714)
								-
<u>Insertion of items not debited or credited to the Comprehensive Income & Expenditure Statement</u>								
								-
Provision for the Financing of Capital Investment (MRP)	(4,457)							4,457

SECTION 3 : Statement of Accounts

Note 5: Adjustments between Accounting Basis and Funding Basis under Regulations

2015/16	General Fund Balance	Earmarked General Fund Reserves	Earmarked Reserves	Housing Revenue Account	Housing Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Adjustments primarily involving the Capital Grants Unapplied Account:								
Capital grants and contributions unapplied credited to the Comprehensive Income & Expenditure Statement	-	-	-	-	-	-	(4)	4
Adjustments primarily involving the Capital Receipts Reserve:								
Transfer of Cash Sale Proceeds Credited as part of the Gain/(Loss) on Disposal to the Comprehensive Income & Expenditure Statement	(841)	-	-	-	-	841	-	-
Use of the Capital Receipts Reserve to finance new Capital Expenditure	-	-	-	-	-	(1,922)	-	1,922
Adjustments primarily involving the Deferred Capital Receipts Reserve:								
Transfer of deferred sale proceeds credited as part of the gain/(loss) on disposal to the Comprehensive Income & Expenditure Statement	(359)	-	-	-	-	-	-	359
Adjustments primarily involving the Pensions Reserve:								
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	14,674	-	-	-	-	-	-	(14,674)
Employer's Pension Contributions and Direct Payments to Pensioners payable in year	(7,595)	-	-	-	-	-	-	7,595
Adjustments Primarily involving the Collection Fund Adjustment Account:								
Amount by which council tax income and non-domestic rating income credited to the Comprehensive Income & Expenditure Statement is different from council tax and non-domestic rating Income calculated for the year in accordance with statutory requirements	24,295	-	-	-	-	-	-	(24,295)
Adjustments primarily involving the Accumulated Absences Adjustment Account:								
Amount by which Officer Remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from Remuneration chargeable in the year in accordance with statutory requirements	(54)	-	-	-	-	-	-	54
Total Adjustments	31,096	-	-	-	-	(1,081)	(4)	(30,011)

SECTION 3 : Statement of Accounts

Note 6: Transfers to/(from) Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2016/17. Further details are provided in Note 28.

	Balance at 31 March 2015	Transfer Between Reserves	Transfers Out 2015/16	Transfers In 2015/16	Balance at 31 March 2016	Transfer Between Reserves	Transfers Out 2016/17	Transfers In 2016/17	Balance at 31 March 2017
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<u>Unearmarked General Fund Balance</u>									
General Fund Balance	5,253	-	(596)	96	4,753	-	(227)	-	4,526
	5,253	-	(596)	96	4,753	-	(227)	-	4,526
<u>Budget Support & Investment Reserves</u>									
2017/18 MTFS Investment Reserve	-	-	-	-	-	3,802	-	860	4,662
Business Rates Risk Reserve	-	-	-	-	-	5,370	(1,221)	-	4,149
Budget Support Fund 2016/17 to 2018/19	5,455	-	(1,037)	1,363	5,781	-	(4,176)	1,000	2,605
Adult Social Care Reserve	-	-	-	-	-	2,381	(95)	7	2,293
Looked After Children Reserve	-	-	-	-	-	973	-	-	973
Children's Social Care & Early Intervention Reserves	-	-	-	-	-	720	(175)	-	545
	5,455	-	(1,037)	1,363	5,781	13,246	(5,667)	1,867	15,227
<u>School Balances</u>									
Balances held by schools under a scheme of delegation	3,913	-	(4,367)	3,165	2,711	-	(4,117)	2,598	1,192
Strategic Change & Ring Fenced Grants Reserves - Held in Trust for Schools	1,885	(503)	(556)	109	935	-	(314)	476	1,097
Other Fund School Balances	73	13	(89)	273	270	-	(270)	150	150
	5,871	(490)	(5,012)	3,547	3,916	-	(4,701)	3,224	2,439
<u>Housing Revenue Account Balance</u>									
HRA Balance	-	-	-	-	-	530	-	8	538
	-	-	-	-	-	530	-	8	538
<u>Earmarked Revenue Reserves</u>									
Strategic One Off Costs	6,451	-	(576)	-	5,875	-	(1,172)	-	4,703
Insurance Fund	4,104	-	(5)	203	4,302	-	(76)	204	4,430
Strategic Change Ring Fenced Grants Reserve	6,424	(500)	(936)	964	5,952	(1,910)	(1,486)	1,022	3,578
Strategic Change Reserves	3,730	-	(557)	606	3,779	(2,007)	(391)	515	1,896
Public Health Grant Reserve	1,678	-	(152)	879	2,405	(1,000)	(652)	613	1,366
Strategic Risk Reserve	1,028	-	-	-	1,028	-	-	-	1,028
Capital Risk Strategy Reserve	501	-	-	400	901	-	-	-	901
Treasury Management Risk Reserve	870	-	(66)	-	804	-	(9)	-	795
Royal Navy Museum Reserve	520	-	-	-	520	-	(59)	-	461
Tees Education & Skills Reserve - Held in Trust	-	200	-	378	578	-	(148)	-	430
Lotteries Reserve	449	-	(35)	11	425	-	(17)	10	418
Income Risk Reserve	500	-	-	-	500	-	(100)	-	400
Supporting Family Poverty	-	500	-	-	500	-	(155)	-	345
Regeneration Projects	400	-	-	-	400	-	(76)	-	324
Support for Local Council Tax Support Scheme	2,920	-	-	-	2,920	(2,620)	-	-	300
Education Commission Reserve	-	500	(86)	-	414	-	(150)	-	264
Trading Account Reserves	245	-	-	89	334	-	(89)	-	245
School Attainment Reserve	711	(210)	(167)	55	389	-	(169)	-	220
Better Care Fund Reserve	220	-	-	-	220	-	-	-	220
Environmental Enhancement Projects	-	-	-	196	196	-	(48)	-	148
Museums Acquisition	80	-	-	4	84	-	-	3	87
Funding for Modern Apprentices	150	-	(60)	-	90	-	(12)	-	78
Protection Costs Reserve	750	-	-	-	750	-	(683)	-	67
Environmental Apprenticeships Scheme	42	-	(17)	-	25	-	(25)	60	60
Members Ward Budget Reserve	155	-	(107)	-	48	-	-	7	55
Concessionary Fare	38	-	-	-	38	-	-	-	38
Community Centre Reserve	30	-	-	-	30	-	-	-	30
Works in Default Empty Homes	19	-	(4)	-	15	-	-	-	15
NDC Fund	8	-	-	-	8	-	-	-	8
Building / Development Control Income Shortfall	123	-	-	-	123	-	(123)	-	-
Pay Costs Reserve	100	-	-	-	100	(100)	-	-	-
Living Wage Reserve	49	-	-	-	49	(49)	-	-	-
Secure Accommodation Reserve	264	-	(264)	-	-	-	-	-	-
WW1 Commemoration Reserve	60	-	(60)	-	-	-	-	-	-
Property Reserve	23	-	(23)	-	-	-	-	-	-
Business Rates Risk Reserve	4,784	-	-	586	5,370	(5,370)	-	-	-
Children's Social Care & Early Intervention Reserve	999	-	(279)	-	720	(720)	-	-	-
	38,425	490	(3,393)	4,371	39,892	(13,776)	(5,640)	2,434	22,910
Total Revenue Reserves	55,004	-	(10,038)	9,377	54,342	-	(16,235)	7,533	45,640
<u>Earmarked Capital Reserves</u>									
Capital Funding Reserve	5,486	-	(2,576)	3,286	6,196	-	(2,874)	2,530	5,852
Capital Grants Unapplied	325	-	(4)	-	321	-	(25)	-	296
HRA Major Repairs Reserve	-	-	-	-	-	-	(32)	179	147
Capital Receipts Unapplied	1,081	-	(1,922)	841	-	-	(426)	426	-
	6,892	-	(4,502)	4,127	6,517	-	(3,357)	3,135	6,295
Total Usable Reserves	61,896	-	(14,540)	13,504	60,859	-	(19,592)	10,668	51,935
<u>Safety Grant Reserve</u>									
Business Rates Safety Net Grant Reserve	-	-	-	21,451	21,451	-	(20,501)	7	957
	-	-	-	21,451	21,451	-	(20,501)	7	957

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Note 7: Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Net Expenditure Chargeable to the General Fund	2015/16	Net Expenditure in the Comprehensive Income and Expenditure Statement		2016/17	Net Expenditure in the Comprehensive Income and Expenditure Statement
	Adjustments Between the General Fund and the Comprehensive Income and Expenditure Statement			Adjustments Between the General Fund and the Comprehensive Income and Expenditure Statement	
£000s	£000s	£000s		£000s	£000s
46,914	6,164	53,078	Child and Adult Services	47,999	10,864
3,561	1,694	5,255	Chief Executives	3,845	1,384
396	(546)	(150)	Public Health	1,301	(1,274)
19,988	11,494	31,482	Regeneration and Neighbourhood Services	19,853	7,240
7,037	(1,180)	5,857	Corporate	6,510	(279)
-	-	-	HRA	(8)	2,751
(21,451)	21,451	-	Business Rates Safety Net Grant	-	-
49,338	(49,338)	-	Schools	47,946	(47,946)
24,774	(24,774)	-	Transfers to/From Earmarked Reserves	(2,374)	2,374
130,557	(35,035)	95,522	Net Cost of Services	125,072	(24,886)
(130,648)	44,723	(85,925)	Other Income and Expenditure	(124,818)	50,679
(91)	9,688	9,597	Surplus or Deficit	254	25,793
5,253			Opening General Fund Balance	4,753	
91			Less/Plus Surplus or (Deficit) on General Fund Balance in Year	(262)	
-			Less/Plus Surplus or (Deficit) on HRA Balance in Year	8	
(591)			Transfer Between Earmarked & General Fund Reserves	35	
-			Transfer Between Earmarked & HRA Reserves	530	
4,753			Closing General Fund & HRA Balance at 31 March	5,064	

SECTION 3 : Statement of Accounts

Note 7A: Note to the Expenditure and Funding Analysis

Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts:

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	2016/17				
	Adjustments for Capital Purposes (Note 1)	Net Change for the Pensions Adjustments (Note 2)	Other Statutory Differences (Note 3)	Other Non-Statutory Difference (Note 4)	Total Adjustments
	£000s	£000s	£000s	£000s	£000s
Child and Adult Services	6,330	1,667	(138)	3,005	10,864
Chief Executives	127	432	(64)	889	1,384
Public Health	408	193	122	(1,997)	(1,274)
Regeneration and Neighbourhood Services	6,511	1,089	194	(554)	7,240
Corporate	(4,145)	7	-	3,859	(279)
HRA	3,024	11	-	(284)	2,751
Schools	-	-	-	(47,946)	(47,946)
Transfer To/from Earmarked Reserves	-	-	-	2,374	2,374
Net Cost of Services	12,255	3,399	114	(40,654)	(24,886)
Other Income and Expenditure from the Expenditure and Funding Analysis	(2,996)	4,120	(20,387)	69,942	50,679
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	9,259	7,519	(20,273)	29,288	25,793

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	2015/16				
	Adjustments for Capital Purposes (Note 1)	Net Change for the Pensions Adjustments (Note 2)	Other Statutory Differences (Note 3)	Other Non-Statutory Difference (Note 4)	Total Adjustments
	£000s	£000s	£000s	£000s	£000s
Child and Adult Services	4,519	1,257	(202)	590	6,164
Chief Executives	-	407	7	1,280	1,694
Public Health	2	190	12	(750)	(546)
Regeneration and Neighbourhood Services	11,913	1,032	129	(1,580)	11,494
Corporate	170	407	-	(1,757)	(1,180)
Business Rates Safety Net Grant	-	-	-	21,451	21,451
Schools	-	-	-	(49,338)	(49,338)
Transfer To/from Earmarked Reserves	-	-	-	(24,774)	(24,774)
Net Cost of Services	16,604	3,293	(54)	(54,878)	(35,035)
Other Income and Expenditure from the Expenditure and Funding Analysis	(16,828)	3,786	24,295	33,470	44,723
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(224)	7,079	24,241	(21,408)	9,688

Note 1 This is the net change for the the removal of depreciation and impairment and other capital costs from services and the addition of other operating costs and capital grants received.

Note 2 This is the net change for the removal of employer pension contributions made by the authority as allowed by statute and the replacement with current and past service costs.

Note 3 This is the net change in relation to statutory adjustments for accumulated absences and in relation to the Collection Fund.

Note 4 This is the net change in relation to non-statutory adjustments for amounts included in the management accounts but not in the Comprehensive Income and Expenditure Statement.

SECTION 3 : Statement of Accounts

Note 7B: Expenditure and Income Analysed by Nature

The Council's income and expenditure is analysed as follows:

2015/16		2016/17
£000	Expenditure/Income	£000
	Expenditure	
93,292	Employee Benefits Expenses	93,962
152,013	Other Services Expenses	154,595
20,147	Support Service Recharges	22,417
14,012	Depreciation, Impairment, Revaluation Losses	15,315
3,026	Interest Payments	3,031
130	Precepts and Levies	135
1,402	Gain/Loss on the disposal of assets	10,302
284,022	Total Expenditure	299,757
	Income	
(43,694)	Fees Charges and Other Service Income	(46,172)
(12,992)	Interest and Investment Income	(13,366)
(26,883)	Income from Council Tax and Non Domestic Rates	(51,042)
(190,856)	Government Grants and Contributions	(163,130)
(274,425)	Total Income	(273,710)
9,597	Surplus or deficit on the provision of services	26,047

Note 7C: Segmental Income

Income received on a segmental basis is analysed below.

2015/16			2016/17	
Fees & Charges	Interest & Investment Income		Fees & Charges	Interest & Investment Income
£000	£000		£000	£000
(22,725)	-	Child and Adult Services	(22,271)	-
(3,206)	(28)	Chief Executives	(3,758)	(21)
(2,390)	-	Public Health	(2,254)	-
(39,219)	(204)	Regeneration and Neighbourhood Services	(37,641)	(229)
(3,497)	(478)	Corporate	(5,626)	(567)
-	-	HRA	(1,028)	(8)
(71,037)	(710)		(72,578)	(825)

SECTION 3 : Statement of Accounts

Note 8: Other Operating Expenditure and Transfer of School Assets

This note provides a breakdown of the various components included within the Other Operating Expenditure and Transfer of School Assets lines of the Comprehensive Income and Expenditure Statement.

2015/16		2016/17
£000s		£000s
130	Parish council precepts and levies	135
(203)	Receipts from Sale of Former Council Houses	(161)
-	Loss resulting from Transfer of School Assets	8,876
560	(Gain) or loss on the disposal of non-current assets	1,192
487		10,042

Note 9: Financing and Investment Income and Expenditure

This note provides a breakdown of the various components included within the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement.

2015/16		2016/17	Note
£000s		£000s	
3,014	Interest payable and similar charges on borrowing	3,004	37
12	Finance lease Interest payable	27	37
3,786	Pensions Interest Cost & Expected Return on Pensions Assets	4,121	45
(354)	Interest Receivable and Similar Income	(373)	37
(403)	Net (Gain) / Loss on Investment Properties	(493)	16
(1,316)	Changes in fair values of investment properties	(2,277)	16
4,739		4,009	

Note 10: Taxation and Non-Specific Grant Income

Taxation and Non-Specific Grant Income comprises the following:

2015/16		2016/17	Note
£000s		£000s	
32,607	Council Tax Income	34,182	
(5,724)	NNDR Distribution	16,860	
21,451	NNDR Safety Net Grant	7	
33,552	Non-ring Fenced Government Grants	28,664	
9,265	Capital Grants and Contributions	8,477	
91,151		88,190	27

Note 11 - Councillor's Allowances & Expenses

The Council has decided to provide this additional note to provide a detailed breakdown of the Basic Allowance and Special Responsibility Allowances (SRAs) paid to individual Councillors for 2016/17, together with other expenses and costs allocated to individual Councillors.

This detailed disclosure exceeds the minimum legal requirements specified by the Government in "Statutory Instrument 2003 Number 1021 – The Local Authorities (Councillors Allowances) (England) Regulations 2003" which requires local authorities to publish details of the amounts paid to individual Councillors for each financial year for the following categories:

- Basic Allowance and Special Responsibility Allowances;
- Dependent Carers Allowance;
- Travelling and Subsistence Allowance; and
- Co-optees Allowances.

The Council paid no Dependent Carers Allowances or Co-optees Allowances in 2016/17 or 2015/16.

The detailed arrangements for paying the Basic Allowance, SRAs and other expenses are defined by specific rules in the Council's constitution. The key components of these rules are described below:

Basic and Special Responsibility Allowances

The value of the Basic and Special Responsibility Allowances (SRAs) paid by the Council are based on recommendations made by the Independent Remuneration Panel (IRP).

The Council considered a report from IRP on 3 July, 2014 which recommended increasing the Basic Allowance to £6,267 from 1 April, 2014 with a further increase to £6,517 from 1 April, 2015.

The Council did not approve these increases and determined to limit the increase in the Basic Allowance to the level of the Local Government pay award. As there was not a percentage increase in Local Government pay on 1 April, 2014 the Basic Allowance was frozen for the period 1 April, 2014 to 31 December, 2014 at £5,825, the same level as in 2013/14.

With effect from 1 January, 2015 a Local Government pay award of 2.2% was agreed and the Basic Allowance increased to £5,953. The 2.2% increase was also applied to the Special Responsibility Allowance, these allowances were retained for 2016/17. A number of Councillors determined to waive this increase and this is reflected in the detailed table of allowances and expenses.

General and General Subsistence

This covers expenses claimed by Councillors for travel and subsistence within a 35 mile radius of Hartlepool in respect of approved duties as a Councillor. In some instances this includes the travel expenses claimed by individual Councillors in their role representing the Council on Regional Organisations.

Telephone Expenses

Councillors can be reimbursed for the cost of line and telephone rental. Councillors are also eligible to claim for installing a telephone line if a line is not already connected. Councillors cannot claim for the cost of telephone calls.

Taxation, National Insurance and Pensionable Status of Allowances

Individual Councillors pay income tax and national insurance on all allowances payable to them. These allowances are not pensionable. When a Councillor loses office all allowances stop with immediate effect and no payments are made for the loss of office.

SECTION 3 : Statement of Accounts

Note 11: Councillor's Allowances & Expenses

Table 1 - Councillor's Allowances & Expenses

The total amount paid to Councillors' in respect of basic, special responsibility and travel and subsistence allowances was £268,769.28 (2015/16: £270,528.27). An analysis of the allowance payments are detailed below.

Councillor	Basic Allowance	Special Responsibility Allowance	General Travel	General Subsistence	Telephone Expenses	Total 2016/17
	£	£	£	£	£	£
Ainslie J (01.04.16 - 08.05.16)	624.10	-	-	-	-	624.10
Akers-Belcher C	5,952.96	17,859.00	714.59	254.67	-	24,781.22
Akers-Belcher S J	5,952.96	5,072.82	-	-	-	11,025.78
Atkinson K (01.04.16 - 08.05.16)	624.10	140.38	-	-	-	764.48
Barclay A	5,952.96	-	12.70	-	-	5,965.66
Beck P	5,952.96	528.12	-	-	71.96	6,553.04
Belcher S	5,952.96	-	-	-	-	5,952.96
Black J (09.05.16 - 31.03.17)	5,328.86	576.97	-	-	-	5,905.83
Brash J (01.04.16 - 08.05.16)	610.69	-	-	-	-	610.69
Buchan B (09.05.16 - 31.03.17)	5,328.86	-	-	-	-	5,328.86
Clark A	5,952.96	5,600.94	35.90	-	-	11,589.80
Cook R W	5,952.96	5,952.96	-	-	-	11,905.92
Cranney K H	5,952.96	5,952.96	16.00	35.79	-	11,957.71
Fleet M (01.04.16 - 08.05.16)	624.10	624.10	-	-	-	1,248.20
Flemming T (07.10.16 - 31.03.17)	2,880.47	-	-	-	-	2,880.47
Gibbon S (01.04.16 - 08.05.16)	624.10	-	-	-	-	624.10
Griffin S (01.04.16 - 08.05.16)	624.10	-	-	-	-	624.10
Hall G G	5,952.96	-	-	-	-	5,952.96
Hamilton L (09.05.16 - 31.03.17)	5,328.86	-	-	-	-	5,328.86
Harrison B (09.05.16 - 31.03.17)	5,328.86	-	-	-	-	5,328.86
Hind T	5,952.96	-	-	-	-	5,952.96
Hunter D (09.05.16 - 31.03.17)	5,328.86	-	-	-	-	5,328.86
Jackson P (01.04.16 - 18.08.16)	2,272.37	-	-	-	-	2,272.37
James M A	5,952.96	5,996.88	-	-	-	11,949.84
Lauderdale J	5,825.04	-	-	-	-	5,825.04
Lawton P	5,952.96	-	-	-	-	5,952.96
Lindridge J	5,952.96	-	-	-	-	5,952.96
Loynes B	5,952.96	3,043.92	-	-	-	8,996.88
Martin-Wells R	5,952.96	5,952.96	-	-	-	11,905.92
Moore S (09.05.16 - 31.03.17)	5,328.86	-	-	-	-	5,328.86
Morris G	5,952.96	528.12	-	-	-	6,481.08
Richardson C	5,952.96	3,945.55	15.55	-	-	9,914.06
Riddle D	5,825.04	-	-	-	-	5,825.04
Robinson J	5,952.96	-	-	-	-	5,952.96
Simmons C (01.04.16 - 08.05.16)	624.10	624.10	-	-	-	1,248.20
Sirs K	5,952.96	-	-	-	243.60	6,196.56
Springer G A	5,952.96	132.03	6.00	-	144.93	6,235.92
Tempest S (01.04.16 - 20.03.17)	5,776.93	2,938.30	-	-	-	8,715.23
Tennant J (09.5.16 - 31.03.17)	5,328.86	1,600.30	-	-	-	6,929.16
Thomas Stephen	5,952.96	5,072.82	-	-	-	11,025.78
Thompson P	5,825.04	-	-	-	-	5,825.04
Total 2016/17	195,074.36	72,143.23	800.74	290.46	460.49	268,769.28
Totals 2015/16	195,907.84	72,166.89	1,199.35	0.00	1,254.19	270,528.27
Totals 2014/15	192,275.50	71,096.03	817.41	0.00	293.69	264,482.63

SECTION 3 : Statement of Accounts

Note 11: Councillor's Allowances & Expenses

Table 2 - Costs associated with Council Approved Conferences

The Council has an approved list of conferences which specific Councillors are authorised to attend as representatives of the Council, covering the following conferences:

- National Association of Councils
- Local Government Association

The conferences and travel/accommodation arrangements are booked by officers of the Council on behalf of the Councillor(s) attending the conference. The costs are paid directly by the Council and are not based on claims submitted by individual Councillors. The costs paid by the Council for conference fees, travel and accommodation are then recorded against the individual Councillor who attended the event.

Conference Subsistence, relates to expenses claimed by Councillors for 'out of pocket expenses' whilst staying away from Hartlepool where meals are not provided for in the overall conference fees. The allowances claimable are based on approved national subsistence rates.

The total amount paid by the Council on costs associated with Council Conferences was £12,226.27 (2015/16: £12,561.13). An analysis of the payments are detailed below.

Councillor	Conference Travel £	Conference Subsistence £	Conference Fees £	Conference Accommodation £	Total 2016/17 £
Akers-Belcher C	771.35	-	1,750.00	939.83	3,461.18
Akers-Belcher S J	-	-	1,750.00	672.09	2,422.09
Belcher S	92.87	-	1,400.00	480.00	1,972.87
Clark A	-	-	350.00	217.50	567.50
Cranney K H	171.25	-	526.40	151.67	849.32
James M A	92.86	-	1,750.00	600.00	2,442.86
Lindridge J	40.45	-	350.00	120.00	510.45
Totals for 2016/17	1,168.78	0.00	7,876.40	3,181.09	12,226.27
Totals for 2015/16	507.60	0.00	8,140.00	3,913.53	12,561.13
Totals for 2014/15	656.21	35.75	6,960.75	2,883.40	10,536.11

Table 3 - The Council's appointed representatives on Cleveland Fire Authority

The following Councillors were the Council's appointed representatives on Cleveland Fire Authority and received a separate allowance for this additional responsibility which was funded from the Fire Authority budget, as detailed below. Further details of these allowances can be obtained from the Fire Authority.

Councillor	Cleveland Fire Authority			Total £	Period of Office
	Basic Allowances £	Special Responsibility Allowances	Travel, Subsistence or Conference Allowances £		
Akers-Belcher S J	420.51	-	-	420.51	01/04/16 - 09/06/16
Cook R W	2,193.96	-	-	2,193.96	01/04/16 - 31/03/17
James M	2,193.96	-	8.10	2,202.06	01/04/16 - 31/03/17
Martin-Wells R	2,193.96	-	-	2,193.96	01/04/16 - 31/03/17
	7,002.39	-	8.10	7,010.49	

The Council's appointed representatives on River Tees Port Authority

Councillor S Thomas was re-elected Vice-Chair of River Tees Port Health Authority for the period 03/06/16 - 02/06/17. A Special Responsibility Allowance of £1,270 is payable for that period. An amount of £1,258 was paid to Councillor S Thomas for the period 01/04/16 - 31/03/17.

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Note 12 - Officers' Remuneration

In accordance with the requirements of the Accounts and Audit Regulations (England) 2015 the Council is required to disclose details of remuneration for Senior Employees and those earning more than £50,000. Senior Employees are defined as the Chief Executive, statutory Chief Officers and all other senior managers reporting directly to the Chief Executive. Details of the remuneration for these officers are provided below.

Senior Officers with a salary of £150,000 or more per year

The Council had no senior officers with a salary of £150,000 or more per year during 2016/17. The highest paid officer was the Chief Executive; Gill Alexander was appointed in June 2015. The paygrade is set at £141,400 to £151,500 per year (including national cost of living increase). Her annual salary in 2016/17 was incrementally increased to £143,420 in June 2016.

The Chief Executive is the senior officer who leads and takes responsibility for the work of the 2,631 (2,796 in 2015/16) full-time equivalent employees, including schools, and runs the Local Authority on a day to day basis. The role of Chief Executive is a full time appointment.

Permanent post holders are selected on merit, against objective criteria, following public advertisement. They are appointed by the whole Council.

As Head of Paid Service, the Chief Executive works closely with elected Councillors to deliver the following:

Leadership: working with elected Councillors to ensure strong and visible leadership and direction, encouraging and enabling managers to motivate and inspire their teams

Strategic Direction: ensuring all staff understand and adhere to the strategic aims of the organisation and follow the direction set by the elected Councillors.

Policy Advice: acting as the principal policy adviser to the elected Members of the Council to lead the development of workable strategies which will deliver the political objectives set by Members.

Partnerships: leading and developing strong partnerships across the local community to achieve improved outcomes and better public services for local people.

Operational Management: overseeing financial and performance management, risk management, people management and change management within the Council.

Details of the Chief Executive's remuneration is shown in the following tables:-

2016/17 - TABLE A

Post holder information (Post title and name)	Salary	Pension Contributions (Note h)	Total Remuneration including Pension Contributions 2016/17	Note
	£	£	£	
Chief Executive				
Gill Alexander	143,083	20,318	163,401	
Total	143,083	20,318	163,401	a

2015/16 - TABLE B

Post holder information (Post title and name)	Salary	Pension Contributions (Note g)	Total Remuneration including Pension Contributions 2015/16	Note
	£	£	£	
Chief Executive				
David Stubbs (April 15 - May 15)	24,000	-	24,000	
Gill Alexander (June 15 - March 16)	116,667	16,567	133,234	
Total	140,667	16,567	157,234	a

(a) David Stubbs retired as Chief Executive on 31 May, 2015 and was replaced by Gill Alexander (previously Director of Child and Adult Services) who was appointed from 1 June, 2015. There were no employer pension contributions in respect of Mr Stubbs as he ceased to be a member of the pension scheme on 1 April, 2012.

SECTION 3 : Statement of Accounts

Note 12 - Officers' Remuneration

Senior Officers reporting directly to the Chief Executive

During 2016/17 Council implemented a revised senior management structure. Remuneration details for these posts are shown below.

Director of Child and Adult - responsible for a gross annual revenue budget (excluding schools) of £126m and managing 593 full-time equivalent employees (excluding schools) who provide a diverse range of services, including education and early years related services, services for vulnerable children and families including looking after children at risk, child and adult protection services, young offenders, children's fostering and adoption services, caring for older people, people with mental health issues and people with physical or learning disabilities.

Director of Regeneration and Neighbourhoods - responsible for a gross annual revenue budget of £53m and managing 694 full-time equivalent employees who provide a diverse range of services, including planning and building control, economic development and regeneration, community safety, refuse collection, street cleansing, highways maintenance, car parks, libraries, culture and leisure services.

Director of Public Health - responsible for a gross annual revenue budget of £13m and managing 105 full-time equivalent employees who provide a diverse range of services including substance misuse, drug prevention, school nursing, sexual health, smoking cessation, Consumer Services and sport and recreation. The post holder left the Council in March 2017.

Director of Finance & Policy - responsible for a gross annual revenue budget of £56m and managing 184 full-time equivalent employees who provide a diverse range of services including Council Tax setting and collection, Business Rates, Benefits, HR, Corporate IT, Corporate Finance and Corporate Strategy.

2016/17 - Table C

Post Holder Information (Post Title)	Salary	Pension Contributions (Note h)	Total Remuneration including Pension Contributions 2016/17	Note
	£	£	£	
Director of Child & Adult	102,683	14,581	117,264	b
Director of Regeneration & Neighbourhoods	107,636	15,297	122,933	c
Director of Public Health	75,786	10,837	86,623	d
<u>Director of Finance & Policy:</u>				
Chief Finance Officer (April - December 16)	62,633	8,894	71,527	e
Director of Finance & Policy (January - March 17)	25,250	3,586	28,836	
Total Director of Finance & Policy	87,883	12,480	100,363	e
Chief Solicitor	97,446	12,861	110,307	f
Assistant Chief Executive	79,754	8,894	88,648	g
	551,188	74,950	626,138	

SECTION 3 : Statement of Accounts

Note 12 - Officers' Remuneration

2015/16 - Table D

Post Holder Information (Post Title)	Salary	Pension Contributions (Note g)	Total Remuneration including Pension Contributions 2015/16	Note
	£	£	£	
Director of Child & Adult (April - May 15)	18,333	2,603	20,936	<i>b</i>
Director of Child & Adult (June 15 - March 16)	83,333	11,833	95,166	<i>b</i>
Total Director of Child & Adult	101,666	14,436	116,102	<i>b</i>
Director of Regeneration & Neighbourhoods	104,308	14,861	119,169	<i>c</i>
Director of Public Health	81,481	11,652	93,133	<i>d</i>
Chief Finance Officer	82,683	11,741	94,424	<i>e</i>
Chief Solicitor	93,196	13,234	106,430	<i>f</i>
Assistant Chief Executive	82,683	11,741	94,424	<i>g</i>
	546,017	77,665	623,682	

A national 1% pay award was agreed for the Chief Executive and all Senior Officers except the Director of Public Health from 1 April 2016.

Notes

(b) The Director of Child and Adult Services commenced in the role on 1 June 2015 on a salary of £100,000. The salary scale for the Director of Child and Adult Services for 2016/17 is £101,000 to £111,100. The post holder's salary was incrementally increased to £103,020 on 1st June 2016, in line with agreed contractual arrangements.

(c) The salary scale for the Director of Regeneration & Neighbourhoods for 2016/17 was £101,000 to £111,100. The current postholder's salary was incrementally increased from £107,060 to £109,080 on 3 December, 2016 in line with agreed contractual arrangements.

(d) The Director of Public Health joined the authority on 1 April, 2013 under TUPE transfer on a salary of £81,481. The postholders NHS terms and conditions of employment have applied for a period of three years ending 31 March, 2016 from TUPE transfer. During this period the postholder was not subject to an incremental salary scale and remained on a fixed salary of £81,481. The post holder left 5 March 2017.

(e) With effect from 1 January 2017 the Assistant Chief Executive and Chief Finance Officer were deleted and a new post of the Director of Finance and Policy was established. The Assistant Chief Executive left the Authority and no redundancy payment was made. The salary scale for the Chief Finance Officer's post for 2016/17 is £77,943 to £83,510 and for the Director of Finance and Policy is £101,000 to £111,100. The Director of Finance and Policy also acts as Treasurer to Cleveland Fire Authority and receives no payment for this additional responsibility. The Council receives a payment from Cleveland Fire Authority for the time spent discharging this responsibility and details are provided in the Related Party note.

(f) The salary scale for the Chief Solicitor's post during 2016/17 is £77,943 to £83,510. The Chief Solicitor's salary includes a payment of £3,432 (£3,432 in 2015/16) in respect of this post holder also acting as Legal Officer to Cleveland Fire Authority. This cost is paid for by the Fire Authority. The post holder also received £10,504 in 2016/17 (£7,081 in 2015/16) as the Council's designated Returning Officer for elections.

(g) The salary scale for the Assistant Chief Executive's post for 2016/17 is £77,943 to £83,510. This post was deleted from 1 January, 2017 as details in note (e).

(h) The pension contributions included in the Remuneration Disclosure Tables only relate to the Council's contribution to the pension scheme. In addition, the employee contributes a percentage of their salary to the scheme. For salaries between £60,701 to £86,000 this is 9.9%, for salaries between £86,001 to £101,200 it is 10.5% and for salaries between £101,201 to £151,800 the rate is 11.4%.

No expense allowances were paid to Council Officers during 2016/17

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Note 12 - Officers' Remuneration

Employees with a salary of £50,000 or more

In accordance with the Accounts and Audit Regulations (England) 2015, the number of employees including school employees employed by the Council whose remuneration was £50,000 or greater is detailed in the table below in bands of £5,000. This table excludes details of senior officers set out in the tables overleaf. The bandings have been used since 2002/03 and are not indexed and therefore do not make any adjustment for inflationary increases each year. If the starting banding had been indexed for cost of living increases for local authority employees then it would be £62,400.

'Remuneration' is measured as gross pay (before deduction of employees' pension contributions), plus compensation for loss of office and any other payments receivable on the termination of employment in line with guidance.

From April 16 there was a nationally agreed pay award for employees of 1%.

The details shown for 2016/17 under the heading "Left in Year" includes the annual salary payment in the year plus the termination costs of making these posts redundant. Details of the termination costs are provided in Note 13.

TABLE E - NON-SCHOOLS EMPLOYEES

2015/16 No. of Non-School Employees			Remuneration Band (£)	2016/17 No. of Non-School Employees		
<i>Non School</i>	<i>Left in Year</i>	<i>Total</i>		<i>Non School</i>	<i>Left in Year</i>	<i>Total</i>
6	-	6	50,000 to 54,999	7	-	7
4	-	4	55,000 to 59,999	4	2	6
4	1	5	60,000 to 64,999	2	-	2
3	-	3	65,000 to 69,999	1	-	1
1	1	2	70,000 to 74,999	-	-	-
-	1	1	75,000 to 79,999	2	3	5
2	-	2	80,000 to 84,999	1	-	1
20	3	23		17	5	22

TABLE F - SCHOOL EMPLOYEES

2015/16 No. of School Employees			Remuneration Band (£)	2016/17 No. of School Employees		
<i>School</i>	<i>Left in Year</i>	<i>Total</i>		<i>School</i>	<i>Left in Year</i>	<i>Total</i>
7	-	7	50,000 to 54,999	3	-	3
3	-	3	55,000 to 59,999	4	1	5
7	-	7	60,000 to 64,999	6	-	6
6	-	6	65,000 to 69,999	6	-	6
1	-	1	70,000 to 74,999	1	-	1
24	-	24		20	1	21

The remuneration for school employees is determined by each individual Governing Body in accordance with national pay guidelines. Academies, Foundation and Voluntary Aided school employees are excluded from the Table as the Governing Body, not the Council, are the employer.

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Note 13: Termination Costs

In response to cuts in Government grants the Council has had to make significant reductions in ongoing expenditure. The Council has mitigated the impact on staff by managing vacancies and redeploying staff where possible. However, as staff costs make up the largest single element of the Council's budget it has not been possible to avoid reductions in staffing levels. Therefore, in 2016/17 a total of 59 employees (47 in 2015/16) either took voluntary redundancy or were made compulsorily redundant. The 2016/17 costs of this involved payments of £0.553m (£0.351m in 2015/16) to employees in the form of redundancy payments and £0.680m (£0.358m in 2015/16) to the pension fund in respect of retirement benefits. The Council also incurred other costs of £0.002m (£0.001m in 2015/16). These payments incorporate schools and further details are provided in Note 44.

The Council calculates redundancy pay based on the actual salary paid to individual employees, with a maximum redundancy payment not exceeding 30 weeks pay with no enhancements. Retirement costs are based on national arrangements applying to all Local Government Pension schemes.

For non-schools employees the Council adopts robust arrangements for approving both compulsory and voluntary redundancies / early retirements and only approves applications where there is a permanent budget saving and the one-off redundancy / early retirement costs have a pay back period of 3.05 years or less. In 2016/17 the average pay back period was 13 months (9 months in 2015/16). In 2016/17 this has enabled the authority to achieve permanent salary savings of £1.102m (£0.818m in 2015/16).

The following tables provide details by band and of the number and total cost of the compulsory and voluntary redundancies for non-school and school employees.

TABLE G - NON-SCHOOLS EMPLOYEES

2015/16					2016/17				
No of compulsory redundancies	No of voluntary redundancies	Total no of redundancies by band	Total cost of redundancies by band £	Remuneration Band (£)	No of compulsory redundancies	No of voluntary redundancies	Total no of redundancies by band	Total cost of redundancies by band £	
1	32	33	210,053	0 to 20,000	1	36	37	247,810	
-	5	5	151,034	20,001 to 40,000	-	2	2	50,342	
-	2	2	96,917	40,001 to 60,000	-	5	5	246,645	
-	1	1	79,780	60,001 to 80,000	-	1	1	65,149	
-	-	-	-	80,001 to 100,000	-	1	1	89,442	
-	1	1	113,245	100,001 to 120,000	-	-	-	-	
-	-	-	-	120,001 to 140,000	-	1	1	120,628	
-	-	-	-	140,001 to 160,000	-	1	1	151,517	
-	-	-	-	160,001 to 180,000	-	-	-	-	
-	-	-	-	180,001 to 200,000	-	1	1	197,412	
1	41	42	651,029		1	48	49	1,168,945	

TABLE H - SCHOOLS EMPLOYEES

2015/16					2016/17				
No of compulsory redundancies	No of voluntary redundancies	Total no of redundancies by band	Total cost of redundancies by band £	Remuneration Band (£)	No of compulsory redundancies	No of voluntary redundancies	Total no of redundancies by band	Total cost of redundancies by band £	
4	-	4	37,524	0 to 20,000	2	8	10	64,310	
1	-	1	22,000	20,001 to 40,000	-	-	-	-	
5	-	5	59,524		2	8	10	64,310	

Decisions in relation to School Employees are made by individual School Governing Bodies and not by the Council. Foundation and Voluntary Aided school employees are excluded from Table H as the Governing Body, not the Council, are the employer.

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Note 14: Non Current Assets - Property, Plant & Equipment

This note shows the movements in the value of non current assets (Property, Plant and Equipment) during 2016/17.

Movements in 2016/17

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	PP&E Under Construction	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation								
As at 1 April 2016	8,579	147,542	33,436	119,681	5,653	7,838	7,710	330,439
Additions	1,190	5,930	1,978	2,911	76	-	6,099	18,184
Accumulated Depreciation Written Off to Gross Carrying Amount	(347)	(1,408)	-	-	-	(54)	-	(1,809)
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	(170)	4,704	-	-	-	745	-	5,279
Revaluation Increases/(decreases) recognised in the Surplus/Deficit on Provision of Services	(3,024)	(2,605)	-	-	-	(1,176)	-	(6,805)
Derecognition-Disposals	-	(9,385)	(1,564)	-	-	(1,100)	-	(12,049)
Reclassified (to)/from Held for Sale	120	-	-	-	-	-	-	120
Reclassified (to)/from Investment Property	-	100	-	-	(10)	-	-	90
Other movements in Cost or Valuation	125	1,214	-	1,945	(19)	757	(4,021)	1
At 31 March 2017	6,473	146,092	33,850	124,537	5,700	7,010	9,788	333,450
Accumulated Depreciation and Impairment								
As at 1 April 2016	(168)	(2,827)	(19,444)	(48,584)	-	-	-	(71,023)
Depreciation Charge	(146)	(2,122)	(3,387)	(3,974)	-	(15)	-	(9,644)
Depreciation written out to the Revaluation Reserve	(33)	(819)	(100)	-	-	-	-	(952)
Accumulated Depreciation Written Off to Gross Carrying Amount	347	1,408	-	-	-	54	-	1,809
Derecognition - Disposals	-	564	1,259	-	-	9	-	1,832
Other movements in Depreciation and Impairment	-	49	-	-	-	(48)	-	1
At 31 March 2017	-	(3,747)	(21,672)	(52,558)	-	-	-	(77,977)
Net Book Value								
At 31 March 2017	6,473	142,345	12,178	71,979	5,700	7,010	9,788	255,473
Nature of Asset Holding								
Owned	6,473	142,345	11,706	71,979	5,700	7,010	9,788	255,001
Finance Lease	-	-	472	-	-	-	-	472
Total	6,473	142,345	12,178	71,979	5,700	7,010	9,788	255,473

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Note 14: Non Current Assets - Property, Plant & Equipment

Movements in 2015/16

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	PP&E Under Construction	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation								
As at 1 April 2015	6,952	137,288	31,549	111,935	5,691	3,242	8,217	304,874
Additions	2,703	3,680	2,011	4,199	3	895	6,088	19,579
Accumulated Depreciation Written Off to Gross Carrying Amount	(9)	(2,325)	-	-	-	(40)	-	(2,374)
Accumulated Impairment Written Off to Gross Carrying Amount	-	(2,191)	-	-	-	(998)	-	(3,189)
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	349	8,602	-	-	-	3,022	-	11,973
Revaluation Increases/(decreases) recognised in the Surplus/Deficit on Provision of Services	(2,084)	1,145	-	-	-	(732)	-	(1,671)
Derecognition-Disposals	-	(130)	(152)	-	(41)	(348)	(103)	(774)
Reclassified (to)/from Held for Sale	-	-	-	-	-	(100)	-	(100)
Reclassified (to)/from Investment Property	-	(181)	-	-	-	2,300	-	2,119
Other movements in Cost or Valuation	668	1,654	28	3,547	-	597	(6,492)	2
At 31 March 2016	8,579	147,542	33,436	119,681	5,653	7,838	7,710	330,439
Accumulated Depreciation and Impairment								
As at 1 April 2015	(87)	(2,415)	(16,044)	(44,812)	-	(31)	-	(63,389)
Depreciation Charge	(90)	(2,158)	(3,451)	(3,771)	-	(28)	-	(9,498)
Depreciation written out to the Revaluation Reserve	-	(656)	(99)	-	-	(1)	-	(756)
Accumulated Depreciation Written Off to Gross Carrying Amount	9	2,325	-	-	-	40	-	2,374
Accumulated Impairment Written Off to Gross Carrying Amount	-	54	-	-	-	-	-	54
Derecognition - Disposals	-	7	150	-	-	14	-	171
Reclassified (to)/from Investment Property	-	15	-	-	-	7	-	22
Other movements in Depreciation and Impairment	-	1	-	(1)	-	(1)	-	(1)
At 31 March 2016	(168)	(2,827)	(19,444)	(48,584)	-	-	-	(71,023)
Net Book Value								
At 31 March 2016	8,411	144,715	13,992	71,097	5,653	7,838	7,710	259,416
Nature of Asset Holding								
Owned	8,411	144,715	13,464	71,097	5,653	7,838	7,710	258,888
Finance Lease	-	-	528	-	-	-	-	528
Total	8,411	144,715	13,992	71,097	5,653	7,838	7,710	259,416

SECTION 3 : Statement of Accounts

Note 14: Non Current Assets - Property, Plant & Equipment

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Council Dwellings - 50 years.
- Other Land and Buildings - straight-line allocation over the useful life of the property as estimated by the valuer, between 25 and 40 years.
- Vehicles, Plant, Furniture & Equipment - straight-line allocation over the useful life of the asset, up to 15 years.
- Infrastructure - between 15 and 100 years.

Revenue Expenditure Funded from Capital Under Statute

The cost of Revenue Expenditure Funded from Capital Under Statute is charged to the Comprehensive Income and Expenditure Account. An amount of £1.768m (£1.639m in 2015/16) has been charged to Services and is shown as a reconciling item within Note 5 (Adjustments between Accounting Basis and Funding Basis under Regulations. This was financed by corporate resources of £0.339m (£0.842m in 2015/16), capital grants of £1.323m (£0.368m in 2015/16) and prudential borrowing £0.106m (£0.429m in 2015/16).

Capital Commitments

As at 31 March, 2017, the Council had rephased capital expenditure totalling £14.956m into 2017/2018, of which £4.481m will be funded from grant, £4.983m will be funded by prudential borrowing and the remaining £5.492m will be funded from the Council's own resources. The comparable rephased capital expenditure at 31 March, 2016 was £12.881m. The Council has entered into a number of contracts for which capital monies are committed.

The major commitments are:

Scheme	Total Project Budget £000s	Expenditure over Years to 31 March 17 £000s	Commitment £000s
Coast Protection	8,061	7,156	905
Empty Property Purchasing Scheme - Phase 2	4,456	2,407	2,049

Surplus Assets - Fair Value Disclosures

Details of the authority's surplus assets and information about the fair value hierarchy at 31 March, 2017 are as follows:

	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Fair Value as at 31 March 2017
	£000s	£000s	£000s	£000s
Recurring fair value measurements using:				
Surplus Assets	-	6,858	152	7,010
Total	-	6,858	152	7,010

There were no transfers between Levels 1, 2 and 3 during the year.

Significant Observable inputs – Level 2.

The surplus assets within this input level are mainly measured using sales and valuations of comparable properties to establish market values. Market Conditions are such that there are similar properties that are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy. Assets with development potential are measured to reflect potential development value.

Significant Observable Inputs – Level 3

The surplus assets within this input level are measured as in Level 2. However, they are categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements and there is no reasonably available information that indicates that market participants would use different assumptions.

Change in Valuation Method

There has been no change in the valuation method from 2015/16. In 2016/17 the estimation of the fair value of the Council's Surplus Assets is based on Fair Value Market Value.

SECTION 3 : Statement of Accounts

Note 15: Non Current Assets - Property, Plant & Equipment - Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at current value is revalued at least every five years. Valuations were carried out both internally and externally (by Wilkes, Head and Eve, a firm of Chartered Surveyors) under the supervision of the Estates team and valuations are based on certificates issued by the Council's Estates Manager, Mr D Clarke, a member of the Royal Institute of Chartered Surveyors. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on depreciated historic cost.

The significant assumptions applied in estimating the current values unless otherwise noted in the valuation reports are:

- Properties are in good condition and repair.
- Properties are freehold and with vacant possession.
- Properties will continue to be used by the Council into the foreseeable future.
- Properties do not contravene planning and other statutory matters.

The following statement shows the progress of the Council's rolling programme for the revaluation of non current assets and property, plant and equipment, excluding Community Assets (£5.7m), Heritage Assets (£14.947m), Infrastructure Assets (£71.979m) and Property, Plant and Equipment under construction (£9.788m). The basis for the valuation is set out in the Statement of Accounting Policies.

	Operational Assets				
	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	Total
	£000s	£000s	£000s	£000s	£000s
Valued at Historical Cost	-	-	12,178	-	12,178
Valued at current value as at:					
<u>Current Year</u>					
2016/2017	6,473	47,692	-	6,962	61,127
2015/2016	-	43,474	-	48	43,522
2014/2015	-	15,667	-	-	15,667
2013/2014	-	29,737	-	-	29,737
2012/2013	-	5,775	-	-	5,775
Total	6,473	142,345	12,178	7,010	168,006

Alternative Valuation Model

Council Dwellings are measured at current value - social housing, Other Land and Buildings are measured at current value and Surplus Assets are measured at fair value. If the Council had chosen to measure the value of these assets under the cost model, their carrying amount as at 31 March, 2017 would have been:

	£000s
Council Dwellings	5,162
Other Land & Buildings	34,302
Surplus Assets	2,524

Custodian Authority Assets

The Balance Sheet excludes an asset held by the Council in its capacity as Custodian Authority. This asset was last revalued in 2015/16 at £0.003m. The interest in this asset was passed to the Council following the abolition of Cleveland County Council on 1 April, 1996. This asset is held on behalf of the four unitary authorities pending its disposal. Any sale proceeds will be distributed to the four unitary authorities in accordance with an agreed basis.

SECTION 3 : Statement of Accounts

Note 15: Non Current Assets - Property, Plant & Equipment - Revaluations

Revaluation Reserve Balance

The following is an analysis of the Revaluation Reserve by asset type.

2015/16 £000s		2016/17 £000s
1,445	Council Dwellings	1,311
43,775	Other Land & Buildings	44,116
299	Vehicles, Plant and Equipment	199
8	Community Assets	7
3,183	Surplus Assets	4,438
595	Investment Properties	593
4,843	Heritage Assets	4,843
69	Assets Held for Sale	-
54,217		55,507

Note 16: Non Current Assets - Investment Property

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2015/16 £000s		2016/17 £000s
(562)	Rental income from investment property	(590)
159	Direct operating expenses arising from investment property	97
(403)	Net (gain)/loss	(493)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or carry out repairs, maintenance or enhancement.

The Council leases a number of properties where it also acts as a lessor. These properties are classed as investment properties. The following table summarises the movement in the fair value of investment properties over the year:

2015/16 £000s		2016/17 £000s
16,476	Balance at the start of the year	15,664
	<u>Additions:</u>	
23	Acquisitions	42
	Subsequent expenditure	
(10)	Disposals	(85)
-	Impairment	(192)
1,316	Net Gains/(Losses) from fair value adjustments	2,277
	<u>Transfers</u>	
(2,141)	(To)/from Property, Plant & Equipment	(90)
15,664	Balance at the end of the year	17,616

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Note 16: Non Current Assets - Investment Property

Investment Property - Fair Value Disclosures

Details of the authority's investment properties and information about the fair value hierarchy at 31 March, 2017 are as follows:

	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Fair Value as at 31 March 2017
<i>Recurring fair value measurements using:</i>	£000s	£000s	£000s	£000s
Office Units	-	2,180	3	2,183
Commercial Units	-	14,209	1,224	15,433
Total	-	16,389	1,227	17,616

There were no transfers between Levels 1, 2 and 3 during the year.

Valuation Techniques used to determine level 2 and 3 Fair Values for Investment Properties.

Significant Observable Inputs - Level 2

The office and commercial units located in the local authority area are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach has been developed using the authority's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy level, bad debt levels and maintenance costs. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy. In the remaining cases the properties are measured directly to capital values by reference to their potential development value.

Significant Unobservable Inputs - Level 3

The valuation for office and commercial units within this input level are measured as above. However, they are categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements and there is no reasonably available information that indicates that market participants would use different assumptions.

Highest and Best Use of Investment Properties

In all cases, the Council's investment properties have been valued on the basis of market value. In many cases the current value of the property is the 'highest and best', most valuable use of the site. However, in some cases such as development sites, the current use is not the 'highest and best' use but the valuations reflect the potential to realise the value through sale or development.

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Note 17: Non Current Assets - Heritage Assets

Reconciliation of the carrying value of Heritage Assets held by the Council:

2016/17	Museum Exhibits & Art Collection	Civic Collection	Sculptures, Monuments & War Memorials	Total
Cost or Valuation				
	£000s	£000s	£000s	£000s
At 1 April 2016	13,363	354	1,230	14,947
At 31 March 2017	13,363	354	1,230	14,947

2015/16	Museum Exhibits & Art Collection	Civic Collection	Sculptures, Monuments & War Memorials	Total
Cost or Valuation				
	£000s	£000s	£000s	£000s
At 1 April 2015	13,137	354	1,230	14,721
Additions	226	-	-	226
At 31 March 2016	13,363	354	1,230	14,947

Museum Exhibits & The Art Collection

The Council's Museum Service possesses a fine collection of historical objects, information and artworks. These are displayed within the Museum of Hartlepool, the Hartlepool Art Gallery and selected buildings such as the Civic Centre and Borough Buildings, either as part of the permanent historical displays or as changing exhibitions. When not on display they are held in secure storage.

The collections are used as a valuable reference collection for researching the history and cultural identity of the town.

Hartlepool has an impressive and important collection of over 1,000 pieces of fine art. The collection is mainly Victorian and Edwardian in period, largely as a result of the founding collection by Sir William Gray. With few exceptions, most subsequent collecting has been work of artists living or working at least part of their lives in the Hartlepool area. There were no donations in 2016/17.

The Council also holds collections relating to Hartlepool's maritime heritage and social history. These include ship models, photographs, company records, ephemera and equipment. This also contains around 35,000 plans for the building of approximately 300 ships including the Wingfield Castle.

Almost all of the plans relate to ships built by Gray's shipyard from 1927 to the yards closure in 1961. When the shipyard closed, the plans were still of importance and often bought by other ship builders. In the mid 1980's many of the plans were returned to Hartlepool and now feature in the collection. A hugely informative collection is that preserved by Robert Wood, a local historian which contains over 40,000 examples of 19th century and early 20th century ephemera, manuscript material and posters from the Hartlepool printing firm owned by John Procter. The collection reflects the social aspects of life as well as the industry in the town.

Civic Collection

The Civic collection includes the Civic Regalia, ceremonial silverware, and a number of decorative artefacts. During 2011/12 the collection was valued at £0.354m by the External Valuers. In addition the Books of Remembrance have been included within the Civic Collection and are held at Historic Cost.

SECTION 3 : Statement of Accounts

Note 17: Non Current Assets - Heritage Assets

Valuation of the Collections

Although there is no requirement to have Heritage assets externally valued, during 2011/12 External Valuers Anderson & Garland Ltd carried out an insurance based valuation of the assets. Museum exhibits and Works of Art were valued at £13.128m and £0.354m for the Civic Collection, compared to previous valuations of £8.417m and £0.350m respectively.

Sculptures, Monuments, War Memorials & Archaeology

The Council has recorded 11 Public Works of Art, 7 Sculptures, 6 War Memorials which are considered to principally contribute to knowledge and culture.

Policy and Management

The Council has an Acquisitions & Disposals Policy in place which sets out the acquisition, preservation, management and disposal of Heritage Assets. This is available on request.

Note 18: Long Term Investments

This note details the carrying values of the Council's investments.

2015/16 £000s		2016/17 £000s
-	Durham and Tees Valley Airport Limited	-
197	SUEZ Recycling and Recovery Tees Valley Limited (formerly SITA Tees Valley Limited)	197
197		197

Under Local Government Reorganisation the Council was allocated 2.47% of the shares in Durham Tees Valley Airport Limited, which has reduced to 1.08% upon the sale of the airport to Peel Investments (DVTA) LTD. The shares have no value (nil in 2015/16).

The Council has 196,845 £1 preference shares in SUEZ Recycling and Recovery Tees Valley Limited (formerly SITA Tees Valley Limited).

These assets are held on the balance sheet at Fair Value, further details in relation to the valuation of these assets is disclosed in Note 37 Financial Instruments.

Further details of the Council's long term investments are included in Note 30 Related Party Transactions.

SECTION 3 : Statement of Accounts

Note 19: Long Term Debtors

This note sets out the value of Long Term Debtors held by the Council at 31 March, 2017.

2015/16 £000s		2016/17 £000s
6	Housing Advances	6
77	Trincomalee Loan and Advances	77
111	Car Loans to Employees	57
240	NDC Trust Loan	604
-	CCAD Loan	1,500
455	Other	453
889		2,697

On 25th June 2015 Full Council agreed to loan the Cleveland College of Art & Design (CCAD) £1.5m as part of the development of the Skills Quarter. The loan is over a period of 20 years to be reviewed after 3 years, at which point the college will seek to refinance with a bank or continue with the loan if this is not possible.

Note 20: Inventories

This note sets out the value of inventories held by the Council at 31 March, 2017.

2015/16 £000s		2016/17 £000s
712	Balance at 1 April	447
2,499	Purchases	2,312
(2,751)	Recognised as an expense in year	(2,487)
(13)	Written off balances	(11)
-	Written back balances	7
447	Balance at 31 March	268

Note 21: Short Term Debtors

This note sets out amounts owed to the Council as at 31 March, 2017.

2015/16 £000s		2016/17		
		Gross Debtor £000s	Impairment of Bad Debts £000s	Net Debtor £000s
47,151	Central Government Bodies	4,246	-	4,246
1,075	Other Local Authorities	810	-	810
383	NHS Bodies	163	-	163
	Bodies external to general government:			
3,178	General and Other Debtors	5,054	(1,740)	3,314
1,503	Payments in Advance	1,387	-	1,387
2,632	Council Tax Payers	5,708	(2,540)	3,168
568	NNDR Payers	967	(467)	500
1,891	Trade Debtors	2,578	(587)	1,991
58,381		20,913	(5,334)	15,579

The decrease in Central Government Bodies relates to the Safety Net Government Grant (£21.5m) and Central Government's share of the deficit on the Collection Fund (£23.3m) in 2015/16 following the settlement of the Business Rates appeal for Hartlepool Power Station. The increase in Council Tax Payers relates to an increase in council tax arrears.

SECTION 3 : Statement of Accounts

Note 22: Cash and Cash Equivalents

This note sets out details of the Council's cash in hand and instant access investment accounts in addition to the overdraft included in the Liabilities section of the balance sheet.

2015/16 £000s		2016/17 £000s
	Assets	
76	Bank and Imprests	72
6,166	Liquidity Investment Accounts	6,506
<u>6,242</u>		<u>6,578</u>
	Liabilities	
(1,317)	Bank Overdraft	(1,115)
<u>4,925</u>		<u>5,463</u>

Note 23: Assets Held for Sale (Less than one year)

This note shows the movement of items of property, plant or equipment, or groups of assets and liabilities whose carrying amount is to be recovered principally through a sale rather than its continued use by the Council.

2015/16 £000s		2016/17 £000s
1,120	Balance outstanding at start of year	120
	Assets newly classified as Held for Sale:	
120	Property, Plant and Equipment	-
	Assets declassified as Held for Sale:	
(20)	Property, Plant and Equipment	(120)
(1,100)	Assets sold	-
<u>120</u>	Balance outstanding at year-end	<u>-</u>

Note 24: Short Term Creditors

This note sets out amounts owed by the Council as at 31 March, 2017.

2015/16 £000s		2016/17 £000s
43,620	Central Government Bodies	4,529
958	Other Local Authorities	1,178
323	NHS Bodies	357
	Bodies external to General Government:	
5,016	General and Other Creditors	5,846
1,853	Trade Creditors	2,923
1,362	Employee Absences	1,476
603	Income in Advance	707
569	Council Tax Payers	626
2,285	NNDR Payers	721
<u>56,589</u>		<u>18,363</u>

The decrease in amounts owed to Central Government Bodies relates to Transitional Relief repayable to the Government in 2015/16, following the settlement of the Business Rates appeal for Hartlepool Power Station.

SECTION 3 : Statement of Accounts

Note 25: Provisions

Total provisions at 31 March, 2017, were £3.078m (£4.094m in 2015/2016), as detailed below.

Current Liabilities

2016/17

		Litigation	Land Charges	Rating Appeals	MMI Insurance	Total
		£000s	£000s	£000s	£000s	£000s
2015/16						
£000s						
1,192	Balance at 1 April	412	59	2,325	68	2,864
9,021	Additional provisions made in year	335	-	-	166	501
(7,393)	Amounts used in year	(9)	(19)	(949)	(173)	(1,150)
44	Transfer in Year	-	-	(327)	91	(236)
-	Unused amounts reversed in year	-	(40)	-	-	(40)
2,864	Balance at 31 March	738	-	1,049	152	1,939

Long Term Liabilities

2016/17

		Custodian Authority Property Charges	Land Charges	Contaminated Land	MMI Insurance	Total
		£000s	£000s	£000s	£000s	£000s
2015/16						
£000s						
1,274	Balance at 1 April	97	-	634	499	1,230
(44)	Transfers in Year	-	-	-	(91)	(91)
1,230	Balance at 31 March	97	-	634	408	1,139

Custodian Authority Property Charges - this provision is earmarked to meet the Council's share of the costs of the Custodian Authority properties inherited from the former Cleveland County Council.

Litigation - the litigation provision has been created to cover planning appeals and other potential legal cost liabilities. The provision is based on a prudent estimate of the likely costs. However, the timing of these payments is uncertain.

Rating Appeals - following the implementation of the Business Rates Retention Scheme, this provision is earmarked to fund backdated appeals as a result of Rateable Value changes. These costs were previously met by Central Government.

In September 1992 Municipal Mutual Insurance (MMI), the Council's former insurers, ceased accepting new business. MMI and its policyholders, including local authorities, have established a Scheme of Arrangement for the orderly rundown of the company. MMI do not have enough assets to meet the claims and liabilities currently outstanding. The Scheme of Arrangement provides that, if there is a likelihood of a shortfall, MMI can reclaim from the major policyholders part of the claims paid from 1 October, 1992. The Scheme of Arrangement under section 899 of the Companies Act 2006 was triggered in November 2012. In February 2013 the Creditors Committee set a levy rate of 15% based on a percentage share of the liabilities outstanding. Therefore the Council has recognised a £0.560m provision in the accounts for these liabilities.

Land Charges - this provision has been created to cover refunds of land charges following the revocation of personal search fees on the local land charges register.

Contaminated Land - in accordance with the Environmental Protection Act 1990, a provision for the Council's obligations arising from decontamination costs of areas of contaminated land where there is a significant possibility of causing significant harm to human health.

SECTION 3 : Statement of Accounts

Note 26: Other Long Term Liabilities

The Finance lease liability relates to the outstanding principal on the Council's finance leases. Further details are included in Note 35 Finance Leases.

2015/16 £000s		2016/17 £000s	Note
414	Finance lease liability	289	35
125,267	Net Pensions liability	117,899	29
125,681		118,188	

The finance lease liability has decreased as a result of repayments of the lease principal, there were no additions during the year.

The net pensions liability has decreased owing to greater returns on assets and investments. See Note 45 for further information.

Note 27: Grant Income - Credited to Taxation and Non Specific Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2016/17.

2015/16 £000s		2016/17 £000s
22,684	Revenue Support Grant	18,206
32,607	Council Tax Income	34,182
21,451	NNDR Safety-Net Grant	7
(5,724)	NNDR Redistribution	16,860
7,448	NNDR - Top-Up	7,510
1,767	New Homes Bonus Grant	2,339
1,187	Business Rates Relief	609
409	Council Tax Freeze Grant	-
57	Local Support Services Grant	-
3,275	Capital - Environment Agency	3,748
2,110	Capital - Local Transport Plan	2,230
741	Capital - Other DfE Grants	736
708	Capital - Homes & Communities Agency	407
172	Capital - Devolved Formula Capital Grant	54
34	Capital - Building Schools for the Future	557
2,225	Other Capital Grants & Contributions*	745
91,151	Total	88,190

SECTION 3 : Statement of Accounts

Note 27: Grant Income - Credited to Services

2015/16 £000s		2016/17 £000s
49,338	Dedicated Schools Grant	47,946
47,480	Housing Benefit Subsidy	46,187
8,675	Public Health Grant	9,222
6,651	Better Care Fund	6,699
4,313	Pupil Premium	4,072
2,447	Other Grants	2,978
1,474	Other Department for Education Grants	1,741
-	Youth Employment Initiative (Department for Work & Pensions)	1,564
1,388	Education Funding Agency/ Skills Funding Agency	1,485
1,218	European Social Fund	419
1,000	Education Services Grant	882
899	Housing Benefit and Council Tax Benefit Administration	811
507	Independent Living Fund	641
454	Department for Work & Pensions	605
342	Department for Communities & Local Government - Troubled Families	551
314	Department of Health Grants	109
50	Environment Agency	70
38	Local Council Tax New Burdens	-
126,588	Total	125,982

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned if the conditions are not met. The balances at the year-end are as follows :-

Current Liabilities

Grant Receipts in Advance (Capital Grants)

2015/16 £000s		2016/17 £000s
1,776	Environment Agency	149
1,020	Local Transport Plan	725
896	Other Department for Education Grants	1,721
610	Building Schools for the Future	53
53	Department for Transport	53
1,585	Other Capital Grants & Contributions	1,941
5,940	Total	4,642

Grant Receipts in Advance (Revenue Grants)

2015/16 £000s		2016/17 £000s
376	Education Funding Agency/ Skills Funding Agency	79
178	Other Grants	302
43	Department for Communities & Local Government	-
597	Total	381

Long-Term Liabilities

Grant Receipts in Advance (Capital Grants)

2015/16 £000s		2016/17 £000s
1,500	Environment Agency	-
1,500	Total	-

SECTION 3 : Statement of Accounts

Note 28: Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Notes 5 and 6 and are summarised below.

2015/16 £000s		2016/17 £000s	Note
	<u>Unearmarked General Fund Balance</u>		
4,753	General Fund Balance	4,526	1
4,753		4,526	
	<u>Budget Support & Investment Reserves</u>		
-	2017/18 MTFS Investment Reserve	4,662	2
-	Business Rates Risk Reserve	4,149	3
5,781	Budget Support Fund 2016/17 to 2018/19	2,605	4
-	Adult Social Care Reserves	2,293	5
-	Looked After Children Reserves	973	6
-	Children's Social Care & Early Intervention Reserves	545	7
5,781		15,227	
	<u>School Balances</u>		
2,711	Balances held by schools under a scheme of delegation	1,192	8
935	School Strategic Change & Ring Fenced Grants Reserves	1,097	9
270	Other Fund School Balances	150	10
3,916		2,439	
	<u>Housing Revenue Account Balance</u>		
-	HRA Balance	538	11
-		538	
	<u>Earmarked Revenue Reserves</u>		
5,875	Strategic One Off Costs	4,703	12
4,302	Insurance Fund	4,430	13
5,952	Strategic Change Ring Fenced Grants Reserves	3,578	14
3,779	Strategic Change Reserves	1,896	15
2,405	Public Health Grant Reserve	1,366	16
1,028	Strategic Risk Reserve	1,028	17
901	Capital Risk Strategy Reserve	901	18
804	Treasury Management Risk Reserve	795	19
520	Royal Navy Museum Reserve	461	20
578	Tees Education & Skills Reserve	430	21
425	Lotteries Reserve	418	22
500	Income Risk Reserve	400	23
500	Supporting Family Poverty	345	24
400	Regeneration Projects	324	25
2,920	Support for Local Council Tax Support Scheme	300	26
414	Education Commission Reserve	264	27
334	Trading Account Reserves	245	28
389	School Attainment Reserve	220	29
220	Better Care Fund Reserve	220	30
196	Environmental Enhancement Projects	148	31
84	Museums Acquisition	87	32
90	Funding for Modern Apprentices	78	33
750	Protection Costs Reserve	67	34
25	Environmental Apprenticeships Scheme	60	35
48	Members Ward Budget Reserve	55	36
38	Concessionary Fares	38	37
30	Community Centre Reserve	30	38
15	Works in Default Empty Homes	15	39
8	NDC Fund	8	40
123	Building / Development Control Income Shortfall	-	41
100	Pay Costs Reserve	-	42
49	Living Wage Reserve	-	43
5,370	Business Rates Risk Reserve	-	44
720	Children's Social Care & Early Intervention Reserves	-	45
39,892		22,910	
	<u>Earmarked Capital Reserves</u>		
6,196	Capital Funding Reserve	5,852	46
321	Capital Grants Unapplied	296	47
-	HRA Major Repairs Reserve	147	48
-	Capital Receipts Unapplied	-	49
6,517		6,295	
60,859	<u>Total Usable Reserves</u>	51,935	

SECTION 3 : Statement of Accounts

Note 28: Usable Reserves

Part 2 - Safety Net Grant Reserves

21,451	Business Rates Safety Net Grant Reserve	957	50
<u>21,451</u>		<u>957</u>	

Notes to Useable Reserves

The Councils reserves have been established as part of the Medium Term Financial Strategy (MTFS) and are allocated to support the revenue budget over the next three years, or to manage financial risks. An annual review of reserves is undertaken and the next review is scheduled for September 2017. The following notes explain the purpose of individual reserves.

Unearmarked General Fund Balance

- 1 The General Fund Balance of £4.526m held at 31st March 2017 is held to meet unforeseen commitments not funded from Earmarked Reserves. Any use of this reserve will need to be repaid to ensure the Council can continue to manage unforeseen commitments.

Budget Support & Investment Reserves

- 2 This reserve will be used to fund the five year capital plan including works at the Borough Hall, Church Square, Seaton Waterfront and building condition issues.
- 3 This reserve has been established to address the financial impact of the Business rates being localised in April 2013 and the implementation of the 'safety net' arrangements. Under these arrangements the Council will only receive 'safety net' grant for shortfalls above £1.7m. Following the decision of the Valuation Office Agency to reduce the rateable value of the Hartlepool Nuclear Power Station, this reserve is committed to partly offset the income loss over the period 16/17 to 18/19.
- 4 This reserve has been established to support the budget between 2016/17 to 2018/19.
- 5 This is to fund increasing demographic and historic budget pressures within Adult Social Care. This reserve will provide support over the period of the MTFS as the department seeks to make budget savings by reducing demand.
- 6 This is to fund the increasing demand and costs of Looked After Children. This reserve will provide support over the period of the MTFS as the department seeks to make budget savings by reducing demand.
- 7 This reserve was created from underspends against previous years Early Intervention Grant to support longer term funding changes for Early Intervention Services and Children's Social Care. The reserve will be utilised over the period of the MTFS.

School Balances

- 8 Schools have utilised their reserves to assist with decreases in dedicated Schools Grant and to fund planned capital works. Further details are available from the Child & Adult Services Department. The net balance consists of individual school balances less loans to schools of £0.062m.
- 9 These risk reserves are held in trust for Schools to manage specific commitments and one-off risks.
- 10 School balances generated from other funding.

Housing Revenue Account Balance

- 11 This is a Ringfenced reserve arising from a surplus on the HRA, mainly as a result of temporary borrowing savings. It can be used to help manage future pressures such as government rents cuts, Right to Buy sales and rising repairs costs.

Earmarked Revenue Reserves

- 12 This reserve was created to cover one-off strategic financial issues including redundancy and early retirement costs over the period of the MTFS.
- 13 This reserve provides for all payments that fall within policy excesses or relate to self-insured risks. The reserve currently covers the estimated value of unpaid outstanding claims.
- 14 Strategic Change Ring Fenced Grants Reserve are grants received for specific commitments in 2016/17 or future years in accordance with grant conditions.
- 15 Strategic Change Reserves have been established to enable departments to meet one-off costs that will arise from strategic changes to improve services, or reduce costs, without affecting the level of services in the year.

SECTION 3 : Statement of Accounts

Note 28: Usable Reserves

- 16 This reserve was created from an in-year underspend against the ring-fenced Public Health Grant. In accordance with the grant conditions a ring-fenced reserve has been created to support public health services in 2016/17.
- 17 This risk reserve is set aside to manage one-off risks in relation to Equal Pay/Equal Value claims.
- 18 This reserve was created to manage potential capital receipt risks, in relation to the Jacksons Landing project.
- 19 This reserve was created as part of the 2013/14 MTFS to manage the risk of interest rates increasing and to ensure permanent savings built into the MTFS can be achieved if interest rates increase. This was approved by Council 14th February, 2013.
- 20 This reserve was created to fund the contributions required to support the Hartlepool Maritime Experience and developments with the National Museum of the Royal Navy (NMRN).
- 21 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.
- 22 The Lotteries Reserve, which consists of the proceeds of the Civic Lottery and donations received, is an earmarked reserve and the investment income generated is used for grants and donations to local organisations.
- 23 This reserve was created as part of the 2013/14 MTFS approved by Council 4th February, 2013 and is earmarked to offset in year income shortfalls.
- 24 This reserve was created to Support Family Poverty over the period of the MTFS.
- 25 This reserve was created from one -off funding to support Regeneration Priorities.
- 26 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.
- 27 This reserve was created to identify and address key priorities to support sustainable educational improvement across the town.
- 28 This reserve is earmarked to manage future financial risks on Trading Operations.
- 29 This reserve was created towards improving School Attainment.
- 30 This reserve was created as a contingency to support the Adult Social Care budgets in future years arising from the impact of the Better Care Fund.
- 31 This reserve was created to fund Environmental Improvements & initiatives across the town.
- 32 The Museums Acquisition Reserve was set up from external donations for the acquisition of items for the
- 33 This amount was previously set to provide re-training of staff on the redeployment register. Council agreed on the 17th October, 2013 to use this reserve to provide Modern Apprenticeships. This amount will be used over the period of the MTFS.
- 34 Created to fund protection costs arising from implementation of changes to Terms and Conditions.
- 35 This reserve was created to fund costs over more than one financial year in relation to Apprentices.
- 36 This reserve is to be used by Members to support minor issues within their wards.
- 37 This reserve is to cover the tri-annual cost of replacing Concessionary Fare passes.
- 38 This reserve was created to retain community centres in 2015/16 to provide a longer lead time to develop alternative funding/operational arrangements.
- 39 This reserve has been created to provide a cash backed fund for the completion of housing works in default.
- 40 This reserve had been created to fund any outstanding expenditure on New Deals for Communities.
- 41 The level of income is being affected by the continued weakness in the economy and this reserve has been created to cover this shortfall in income in the short term.
- 42 This was created to fund the impact of a higher pay award than budgeted.
- 43 This reserve was created to fund the cost of introducing the Hartlepool Living Wage.
- 44 This reserve was transferred from Earmarked Revenue Reserves to Budget Support and Investment Reserves, refer to note 3.
- 45 This reserve was transferred from Earmarked Revenue Reserves to Budget Support and Investment Reserves, refer to note 7.

Earmarked Capital Reserves

- 46 The Capital Funding Reserve is earmarked to finance capital expenditure rephased to 2016/17.
- 47 These are capital grants that will be used to finance capital expenditure in future years.
- 48 This reserve is Ringfenced to the HRA and can only be used to fund major repairs or repayments of borrowing.
- 49 These resources were fully utilised in 15/16.

Safety Net Grant Reserves

- 50 This reserve was set up to reflect the timing difference between the Safety Net Grant in 2015/16 and Business Rates repayments being made in 2016/17.

SECTION 3 : Statement of Accounts

Note 29: Unusable Reserves

The Unusable Reserves are shown below.

2015/16 £000s		2016/17 £000s	Table
54,217	Revaluation Reserve	55,507	1
197	Available for Sale Financial Instruments Reserve	197	2
138,613	Capital Adjustment Account	133,219	3
(125,267)	Pensions Reserve	(117,899)	4
366	Deferred Capital Receipts Reserve	366	5
(21,783)	Collection Fund Adjustment Account	(1,396)	6
(1,361)	Accumulated Absences Account	(1,475)	7
44,982		68,519	

Table 1 - Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April, 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2015/16 £000s			2016/17 £000s
44,350	Balance at 1 April		54,217
13,415	Upward revaluation of assets	9,972	
(1,372)	Downward revaluation of assets not charged to the Surplus/Deficit on the Provision of Services	(4,693)	
(271)	Impairment losses not charged to the Surplus/Deficit on the Provision of Services	-	
11,772	Surplus or (Deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		5,279
(756)	Difference between fair value depreciation and historical cost depreciation	(955)	
(1,149)	Accumulated gains/(losses) on assets sold or scrapped	(3,034)	
(1,905)	Amount written off to the Capital Adjustment Account		(3,989)
54,217	Balance at 31 March		55,507

Table 2 - Available for Sale Financial Instruments Reserve

The Available for Sale Financial Instruments Reserve contains the gains made by the Council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are :

- revalued downwards or impaired and the gains are lost; or
- disposed of and the gains are realised.

2015/16 £000s		2016/17 £000s
197	Balance at 1 April	197
-	Upward/(downward) revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	-
197	Balance at 31 March	197

SECTION 3 : Statement of Accounts

Note 29: Unusable Reserves

Table 3 -Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April, 2007 the date that the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2015/16 £000s			2016/17 £000s
135,758	Balance at 1 April		138,613
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(13,118)	- Charges for depreciation and impairment of non-current assets	(10,788)	
(2,210)	- Revaluation losses on Property, Plant and Equipment	(6,805)	
(1,639)	- Revenue expenditure funded from capital under statute	(1,767)	
(1,714)	- Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(10,302)	
(18,681)			(29,662)
1,905	Adjusting amounts written out of the Revaluation Reserve	3,989	
(16,776)	Net written out amount of the cost of non-current assets consumed in the year		(25,673)
	Capital financing applied in the year:		
1,922	- Use of the Capital Receipts Reserve to finance new capital expenditure	312	
-	- Use of the Major Repairs Reserve to finance new capital expenditure	32	
-	- Use of the Capital Receipts Reserve to repay prudential borrowing	114	
9,629	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	9,775	
4	- Application of grants to capital financing from the Capital Grants Unapplied Account	25	
4,457	- Statutory provision for the financing of capital investment charged against the General Fund	5,409	
2,303	- Direct revenue funding credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	2,335	
18,315			18,002
1,316	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		2,277
138,613	Balance at 31 March		133,219

Note 29: Unusable Reserves

Table 4 - Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays and pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2015/16 £000s		2016/17 £000s
(122,097)	Balance at 1 April	(125,267)
3,909	Remeasurement of defined liability on pensions assets and liabilities	14,887
(14,674)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(15,721)
7,595	Employer's pensions contributions and direct payments to pensioners payable in the year	8,202
(125,267)	Balance at 31 March	(117,899)

Table 5 - Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of noncurrent assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2015/16 £000s		2016/17 £000s
7	Balance at 1 April	366
-	Transfer to the Capital Receipts Reserve upon receipt of cash	-
359	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-
366	Balance at 31 March	366

Note 29: Unusable Reserves

Table 6 - Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2015/16 £000s		2016/17 £000s
2,512	Balance at 1 April	(21,783)
(24,295)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	20,387
(21,783)	Balance at 31 March	(1,396)

Table 7 - Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March, 2017. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2015/16 £000s		2016/17 £000s
(1,415)	Balance at 1 April	(1,361)
1,415	Settlement or cancellation of accrual made at the end of the preceding year	1,361
(1,361)	Amounts accrued at the end of the current year	(1,475)
54	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(114)
(1,361)	Balance at 31 March	(1,475)

Note 30: Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments including grant receipts outstanding at 31 March, 2017 are shown in Note 27.

Members

Members of the Council have direct control over the Council's Financial and Operating Policies. The total of Members' allowances paid in 2016/17 is shown in Note 11.

The Council pays grants and/or makes contractual payments to voluntary organisations where an individual Councillor(s) may sit on the voluntary organisation's management board e.g. Hartlepool Carers and Hartlepool Voluntary Development Agency. These interests are recorded in the declaration of interests completed by individual Members. Details of these interests are recorded in the Register of Members' Interest, open to public inspection at the Civic Centre during office hours.

These payments are either funded from the Council's own resources, or specific grants secured by the Council. In many cases funding is allocated by officers under delegated budget management responsibility. Where the final funding decision is made by Councillors, which would either be individual policy committees or Council, this decision would be made on the basis of an officer report at a formal Committee / Council meeting. These reports, meetings and minutes are open to the public.

Officers

Members of the Corporate Management Team are required to provide an annual declaration of interest and to keep this under review during the year. All declarations have been reviewed. Only one declaration requires disclosing. The Chief Solicitor is a director of the Cleveland Fire Brigade Risk Management Services Community Interest Company. This is a non remunerated position.

Note 30: Related Party Transactions

Other Public Bodies (subject to common control by central government)

The Council provides various support services, predominantly in relation to financial and legal services, to Cleveland Fire Authority for which it received income of £0.233m (£0.233m in 2015/16). In particular, the Council's Chief Solicitor holds the position of Legal Advisor and the Director of Finance & Policy holds the position of Treasurer.

The Council continues to provide a range of support services to Thirteen Group (formerly Housing Hartlepool) such as Building Cleaning. The income from these services amounted to £0.319m (£0.370m in 2015/16) which represented the cost of the service provided.

The Council receives income from 'Right to Buy' receipts in relation to the sale of former council dwellings under the terms of the Large Scale Voluntary Transfer (LSVT) of its council housing stock to Thirteen Group in 2004. This income amounted to £0.161m (£0.203m in 2015/16).

The Council provides a range of Support Services to Hartlepool Academies, including Property Services, Building Cleaning, School Catering and Payroll. The income from the services amounted to £2.619m, (£3.100m in 2015/16).

Other

The Council holds minority shares in Durham Tees Valley Airport Ltd and SITA Tees Valley Ltd.

The value of shares held by the Council in Durham Tees Valley Airport Limited (formerly Teesside International Airport) is nil based on a shareholding of 1.08%. The value has been determined with reference to the net worth of the company, which is negative as per their latest accounts for the financial year ending 31 March, 2016. The shareholding was valued at nil in the previous financial year.

Issues of note include a loss on the Profit and Loss Account of £2.589m (previous year loss of £1.262m) and a net Liability position of £7.057m (previous year net liability position of £4.519m). Further information and copies of their accounts are available from their Registered Office – Liverpool John Lennon Airport, Liverpool, L24 1YD.

In addition, the Council holds shares in SUEZ Recycling and Recovery Tees Valley Limited (Formerly SITA Tees Valley Limited, and Cleveland Waste Management) with a value of £0.197m, equating to 3.3% of a £5.964m 0% redeemable preference shareholding in the company. SUEZ Recycling and Recovery Tees Valley Limited have produced accounts for the financial year to 31 December, 2015, that includes a profit on the Profit and Loss Account of £1.821m (previous year profit of £4.407m) and a net asset position of £48.288m (previous year £44.907m). Further information on their accounts is available from the Registered Office, SITA House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES. The partner of one of our members is a Director of SITA, this has been properly disclosed in the Register of Member interests.

The Council has not produced group accounts on the grounds of materiality.

SECTION 3 : Statement of Accounts

Note 31: Trading Operations

Following the abolition of Compulsory Competitive Tendering, the Council is no longer required to maintain statutory DSO trading accounts. The Council previously determined to maintain separate trading accounts for these operations. The (surplus)/deficit of each trading account is contained within the Regeneration and Neighbourhood Services departments net cost of services and totals £0.518m surplus in 2016/17 (£0.142m surplus in 2015/16).

2015/16 (Surplus) / Deficit £000s	Internal Trading Operations	Expenditure	2016/17 Income	(Surplus) / Deficit
		£000s	£000s	£000s
23	Catering	225	(199)	26
(74)	Building Maintenance	4,671	(4,903)	(232)
(140)	Highways Works	1,963	(1,976)	(13)
37	Fleet & Garage	3,168	(3,347)	(179)
(9)	Passenger Transport	996	(981)	15
(15)	Building Cleaning	2,316	(2,320)	(4)
(14)	School Catering	3,537	(3,694)	(157)
0	Community Housing	-	-	-
50	Garden Centre	160	(134)	26
(142)		17,036	(17,554)	(518)

Catering - provision of catering services at Council venues, including the Inspirations Coffee House. A number of venues have closed in 2016/17

Building Maintenance - repairs and maintenance to all Council buildings. Capital works and external work, including school works, are subject to competitive tendering. The surplus reported is owing to additional work carried out in 2016/17 on major capital schemes.

Highways Works - works to roads, street lighting and gullies within the Borough.

Fleet & Garage - provides all vehicles for the provision of Council Services e.g. Refuse Vehicles and undertakes external work in relation to MOT's, servicing and repairs for members of the public and businesses in the area. The surplus generated represents a temporary saving on borrowing costs following a change in policy to keep vehicles for longer periods. The recurring saving resulting from increasing the asset lives has been factored into future charges to clients.

Passenger Transport - provides transport services to Schools, social care clients and external customers.

Building Cleaning - cleaning of all Council buildings. Some external work which was subject to competitive tendering or in the case of Schools Buy Back Arrangements.

School Catering - provision of school meals to schools within the Borough. This is subject to a buy back arrangement.

Community Housing - relates to newly built community housing and empty properties purchased by the Council and brought back into use. This was previously included in the above note as a type of 'General Fund' trading activity. From 1 April the Council was required to reopen its Housing Revenue Account (HRA) which includes a full breakdown of Income and Expenditure as a separate memorandum statement in Section 3.

Garden Centre - The Garden Centre was opened in 2014/15 as a Trading Activity. The site was previously a nursery used by the in-house grounds maintenance service and this has been expanded to form a new retail facility.

The above figures reflect the actual cost of running the services which are used as the basis for charges to service users.

SECTION 3 : Statement of Accounts

Note 32: External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

2015/16 £000s		2016/17 £000s
109	Fees payable in respect of external audit services carried out by the appointed auditor for the year	110
-	Rebate on previous years Audit Fee	
15	Fees payable for the certification of grant claims and returns for the year	16
124		126

Note 33: Dedicated Schools Grant

The Council's expenditure on schools is primarily funded by grant monies provided by the Department for Education (EFA), the Dedicated Schools Grant (DSG). The EFA recouped the funding for all existing and new academies in the Borough. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations 2017. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2016/17 are as follows: -

	Central Expenditure £000s	Individual Schools Budget £000s	Total £000s
Final DSG for 2016/17 before Academy recoupment			76,420
Academy figure recouped for 2016/17			28,319
Total DSG after academy recoupment for 2016/17			48,101
Plus: Brought Forward from 2015/16			956
Less: Carry forward to 2017/18 agreed in advance			-
Agreed Initial Budget Distribution in 2016/17	13,835	35,222	49,057
In Year Adjustments	(5,798)	5,643	(155)
Final Budget Distribution for 2016/17	8,037	40,865	48,902
Less: Actual Central Expenditure	(7,278)		(7,278)
Less Actual Individual Schools Budget Deployed to Schools		(40,634)	(40,634)
Plus Local authority contribution for 2016/17	-	-	-
Carried forward to 2017/18	759	231	990

SECTION 3 : Statement of Accounts

Note 34: Operating Leases

The Council has acquired a number of administrative buildings and its fleet of vehicles by entering into operating leases, with typical lives of five years for vehicles and eight years for property. The future minimum lease payments due under non-cancellable leases in future years are:

Council as lessee

2015/16 £000s	Future minimum lease payments due	2016/17 £000s
248	Not later than one year	253
511	Later than one year & not later than five years	441
196	Later than five years	135
<u>955</u>		<u>829</u>

Council as lessor

2015/16 £000s	Future minimum lease payments receivable	2016/17 £000s
390	Not later than one year	435
1,062	Later than one year & not later than five years	1,014
876	Later than five years	907
<u>2,328</u>		<u>2,356</u>

The Council leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres.
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The Council has sub-let some of the office accommodation held under these operating leases. At 31 March, 2017 the minimum payments expected to be received under non-cancellable sub-leases was £0.030m (£0.015m as at 31 March, 2016). Where appropriate the value of these leases are shown in Note 16.

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2015/16 £000s		2016/17 £000s
	Payments recognised as an expense	
444	Minimum lease payments	253
(145)	Sub-lease payments	(159)
<u>299</u>	Total	<u>94</u>

SECTION 3 : Statement of Accounts

Note 35: Finance Leases

The Council has acquired its IT and telecommunications equipment under finance leases. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

Council as lessee

2015/16 £000s		2016/17 £000s
	Value of Assets held under Finance Leases	
528	Vehicles, Plant & Equipment	472
528	Total	472

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest and finance costs that will be payable in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:-

2015/16 £000s		2016/17 £000s
	Future minimum lease payments due	
120	Current	125
414	Non-current	289
74	Finance costs payable in the future	48
608	Total minimum lease payments	462

The minimum lease payments and finance lease liabilities will be payable over the following periods:

2015/16			2016/17	
Minimum Lease Payments £000s	Finance Lease Liabilities £000s		Minimum Lease Payments £000s	Finance Lease Liabilities £000s
146	120	Payable:	146	125
462	414	Not later than one year	316	289
		Later than one year & not later than five years		
608	534	Total	462	414

SECTION 3 : Statement of Accounts

Note 36: Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2015/16 £000s		2016/17 £000s
94,427	Brought Forward Opening Capital Financing Requirement	97,600
	Capital investment	
19,579	Property, Plant and Equipment	18,184
23	Investment Properties	42
226	Heritage Assets	-
1,639	Revenue Expenditure Funded from Capital under Statute	1,768
21	Long Term Debtors	1,864
	Sources of Finance	
(1,922)	Capital receipts	(312)
-	Application of Capital Receipts to Repay Borrowing	(114)
-	Major Repairs Reserve	(32)
(9,633)	Government Grants and Other Contributions	(9,801)
	<u>Sums set aside from revenue:</u>	
(2,303)	Direct Revenue Contributions	(2,335)
(4,457)	Minimum Revenue Position (MRP)	(5,409)
97,600	Closing Capital Financing Requirement	101,455
	Explanation of movements in year	
-	Application of Capital Receipts to Repay Borrowing	(114)
353	Assets acquired under Finance Lease	-
9	Increase in borrowing supported by government financial assistance	-
7,268	Increase in borrowing unsupported by government financial assistance	9,378
(4,457)	Minimum Revenue Provision (MRP)	(5,409)
3,173	Increase/(decrease) in Capital Financing Requirement	3,855

SECTION 3 : Statement of Accounts

Note 37: Financial Instruments

Categories of Financial Instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

31 March 2016			31 March 2017	
Long Term £000s	Current £000s		Long Term £000s	Current £000s
-	54,972	Investments	-	40,067
-	6,166	Loans and receivables - Principal Amount	-	6,506
		Liquidity Accounts included in Cash Equivalents		
-	61,138	Loans and receivables at Amortised Cost	-	46,573
197	-	Available-for-sale financial assets *	197	-
197	61,138	Total Investments	197	46,573

* Includes Tees Valley Airport Shares which are valued at zero in 2016/17 (zero in 2015/16).

The carrying value of the Council's investment with Durham Tees Valley Airport (Note 18) has been determined from the Council's 1.08% shareholding and the net worth of the company as per the latest audited accounts.

-	7,260	Debtors	-	7,632
-	7,260	Loans and receivables (Trade Debtors and General and Other Debtors)	-	7,632
		Total debtors	-	7,632

83,497	4,768	Borrowings	81,429	4,815
83,497	4,768	Financial liabilities at amortised cost **	81,429	4,815
		Total Borrowings		

**As required accrued interest relating to long term borrowing is disclosed within the short term borrowing figure on the balance sheet.

414	-	Other Long Term Liabilities	288	-
414		Finance lease liabilities	288	
		Total Other Long Term Liabilities		

-	6,869	Creditors	-	8,769
-	6,869	Financial liabilities carried at contract amount (Trade Creditors and General and Other Creditors)	-	8,769
		Total Creditors	-	8,769

SECTION 3 : Statement of Accounts

Note 37: Financial Instruments

Income, Expense, Gains and Losses

This note comprises details of income, expenses and revaluation losses that relate specifically to financial instruments. Interest expense, interest income and gains or losses on revaluations are included along with other non financial instrument related income and expenditure within the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. During 2016/17 there were no reclassifications or derognitions of Financial Instruments.

	2016/17				Total
	Financial Liabilities measured at amortised cost	Finance Lease Payments	Financial Assets: Loans and receivables	Financial Assets: Available for sale	
	£000s	£000s	£000s	£000s	
Interest expense	3,004	27	-	-	3,031
Interest income	-	-	(373)	-	(373)
(Gain) / Loss on revaluation	-	-	-	-	-
Net (gain)/loss for the year	3,004	27	(373)	-	2,658

	2015/16				Total
	Financial Liabilities measured at amortised cost	Finance Lease Payments	Financial Assets: Loans and receivables	Financial Assets: Available for sale	
	£000s	£000s	£000s	£000s	
Interest expense	3,014	12	-	-	3,026
Interest income	-	-	(354)	-	(354)
(Gain) / Loss on revaluation	-	-	-	-	-
Net (gain)/loss for the year	3,014	12	(354)	-	2,672

SECTION 3 : Statement of Accounts

Note 37: Financial Instruments

The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required)

Except for financial assets carried at fair value, all other financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. However disclosure of their fair value is required and is set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Input to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the "fair value hierarchy," as follows:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities;
- Level 2 - Inputs other than quoted market prices that are either directly or indirectly observable;
- Level 3 - Unobservable inputs.

The fair value of the below assets and liabilities has been assessed by calculating the present value of the cash flows that will take place over the remaining life of the instruments (Level 2 in the fair value hierarchy), using the following assumptions:

- For loans from the PWLB payable, premature repayment rates from the PWLB have been applied to provide the fair value under the PWLB debt redemption procedures;
- For non-PWLB loans payable, premature market rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values are calculated as follows:

31 March 2016			31 March 2017	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000s	£000s		£000s	£000s
Financial Liabilities				
45,388	76,530	Market Loans	45,377	92,298
41,314	51,024	Public Works Loan Board	38,707	50,427
1,563	1,549	Non-Market Loans*	2,160	2,161
6,869	6,869	Trade Creditors and General and Other Creditors	8,769	8,769
414	414	Long Term Finance Lease Liability	288	288
95,548	136,386		95,301	153,943
31 March 2016			31 March 2017	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000s	£000s		£000s	£000s
Financial Assets				
61,138	61,138	Money market loans < 1 year	46,573	46,573
7,260	7,260	Short term debtors	7,632	7,632
68,398	68,398		54,205	54,205

* The non-market loans include a 0% loan of £1.563m from Tees Valley Unlimited to purchase Jackson's Landing. It is envisaged that this loan will be repaid from the sale proceeds from the redevelopment of this site. To manage the potential risk that this redevelopment is not complete before the loan repayment date, the Council has earmarked one-off resources of £1.293m at 31 March 2017.

SECTION 3 : Statement of Accounts

Note 37: Financial Instruments

The fair value of Public Works Loan Board (PWLB) loans of £50.427m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value is calculated by applying the PWLB redemption interest rates, which are lower than the borrowing interest rates. The fair value therefore measures the additional interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates, taken to be these lower redemption interest rates. However, it should be noted that the borrowing interest rates on the debt drawn equated to the prevailing borrowing, as opposed to redemption rates at the Balance Sheet date.

However, the Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the Council will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £38.706m would be valued at £44.686m. But, if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid. The exit price for the PWLB loans would be the outstanding loan debt and accrued interest of £38.706m plus a penalty charge of £11.721m totalling £50.427m.

The fair value of the liabilities is higher than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional loss (based on economic conditions at 31 March, 2017) arising from a commitment to pay interest to lenders above current market rates.

Short term trade debtors and trade creditors are carried at cost as this is a fair approximation of their value.

The Fair Values of Financial Assets and Financial Liabilities Measured at Fair Value

Some of the authority's financial assets are measured in the balance sheet at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	Fair Value	
			31 March 2016	31 March 2017
			£000s	£000s
Available for sale - Equity shareholdings in Durham Tees Valley Ltd	Level 3	Based on company's net worth (see below)	-	-
Available for sale - Equity shareholdings in SITA Tees Valley Ltd	Level 3	Face value (see below)	197	197
			<u>197</u>	<u>197</u>

Equity shareholdings in Durham Tees Valley Airport Ltd

The Authority's shareholding in Durham Tees Valley Airport Ltd - the shares in this company are not traded in an active market and the fair value has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made based on an analysis of the assets and liabilities in the company's latest audited accounts, as the company has a negative net worth as a result of an operating loss incurred during recent financial years, the year end fair value is deemed to be zero.

Equity shareholdings in SITA Tees Valley Ltd

The Authority's shareholding in SITA Tees Valley Ltd - the shares in this company are not traded in an active market and the fair value has been based on valuation techniques that are not based on observable current market transactions or available market data. 196,845 £1 preference shares are owned by Hartlepool Council, as such the Council is not entitled to the retained profits of the company. The face value of the shares is deemed to be the fair value of the shareholding.

Changes in Valuation Technique

There has been no change in the valuation technique used during the year for the financial instruments.

Note 38: Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

- market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.
- credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- re-financing risk - the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms.

The Council's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and Investment Guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice,
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution,
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
 - the Council's overall borrowing;
 - its maximum and minimum exposures to the maturity structure of its debt;
 - its maximum and minimum exposures to fixed and variable rates;
 - its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 18 February, 2016 and is available on the Council website. The key issues within the strategy were:

- the Authorised Limit for the 2016/17 was set at £131m (£125m in 2015/16). This is the maximum limit of external borrowings or other long term liabilities;
- The Operational Boundary was expected to be £121m (£115m in 2015/16). This is the expected level of debt and other long term liabilities during the year
- the maximum amounts of gross fixed interest rate exposure for borrowing and investments was set at £121m and £70m respectively (£115m and £70m respectively in 2015/16).
- the maximum amount of gross variable interest rate exposure for borrowing and investments was set at £91m and £35m respectively (£85m and £35m respectively in 2015/16).

These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported annually to Councillors. The Council has now extended the role of the Audit Committee to include the scrutiny of treasury activities.

Note 38: Nature and Extent of Risks Arising from Financial Instruments

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Ratings Services. The Annual Investment Strategy also imposes a maximum amount and time to be invested with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. The Council now operates a very restricted counterparty list which is actively managed to reflect continued developments in the banking and financial sector.

The Investment Strategy for 2016/17 was approved by Full Council on the 18 February, 2016 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies of £11.502m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, however there was no evidence at the 31 March, 2017 that this was likely to crystallise.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last three financial years, adjusted to reflect current market conditions.

Estimated maximum exposure at 31 March 2016		Amount at 31 March 2017	Historical experience of default	Adjustment for market conditions at 31 March 2017	Estimated maximum exposure to default at 31 March 2017
£000s		£000s	%	%	£000s
1,405	Trade Debtors and General and Other Debtors	7,632	16.09%	0.00%	1,228
1,405					1,228

The historical experience of default is calculated with reference to the outstanding debt balance, rather than as a percentage of income generated in the year.

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Note 38: Nature and Extent of Risks Arising from Financial Instruments

The Council does not generally allow credit for customers, such that £1.78m of the £7.632m balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

31 March 2016 £000s		31 March 2017 £000s
600	Less than three months	805
112	Three to six months	115
89	Six months to one year	231
598	More than one year	629
1,399		1,780

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happens, the Council has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the maturity structure of its fixed rate borrowing during specified periods. The limits have been set to enable maximum flexibility as experience has shown it is possible to move from 100% long term borrowing to 100% short term borrowing and then back to 100% long term borrowing over a period of two years. Therefore the lower limit was set to nil and the upper limit to £121m, equal to the operational boundary.

The maturity structure of financial liabilities (borrowing and finance leases) at the year end was as follows:

31 March 2016 £000s		31 March 2017 £000s
2,720	Less than one year	4,353
12,954	Between one and five years	12,052
5,463	Between five and ten years	3,341
3,597	Between ten and fifteen years	3,555
3,406	Between fifteen and twenty years	3,101
1,940	Between twenty and twenty-five years	1,935
2,054	Between twenty-five and thirty years	2,129
2,458	Between thirty and thirty-five years	2,548
5,844	Between thirty-five and forty years	6,005
2,460	Between forty and forty-five years	1,955
45,298	More than forty-five years	45,095
88,194		86,069

All trade and other payables are due to be paid in less than one year.

Market Risk

Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fair value of the assets will fall.

SECTION 3 : Statement of Accounts

Note 38: Nature and Extent of Risks Arising from Financial Instruments

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

A large proportion of the Council's long term borrowing (£20m) is held in the form of LOBO (Lender Option Borrower Option) loans from the money markets. These loans are subject to periodic "calls" from the lender. Where the lender decides to "call" a loan, they increase the interest rate of the loan and the Council then has the opportunity to accept the increased rate or to repay the loan. In accordance with the Code of Practice, the Council's LOBOs are included in the maturity analysis according to the end date of the loan rather than when the next call date falls.

The Council's view is that the risk of these loans being called is very low and there is therefore minimum refinancing risk owing to low current market rates. The Council manages this risk through the Treasury Management Strategy.

The view of the Chief Finance Officer is that limits on fixed and variable rates of borrowings are unhelpful and could lead to unnecessary higher cost of borrowing. The intention is to move to fixed rate borrowing when rates are at an appropriate level and may require the use of variable rate borrowing in the interim. The Council has maximised the use of its balances to defer borrowing and avoid the risk of default on investments.

According to this assessment strategy, at 31 March, 2017, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000s
Increase in interest payable on borrowings	856
Increase in interest receivable on variable rate investments	(466)
Impact on Surplus or Deficit on the Provision of Services	390
	£000s
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Comprehensive Income and Expenditure Statement)	(30,489)

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price Risk

The Council, excluding the pension fund, does not invest in equity shares but does have shareholdings in Durham Tees Valley Airport Limited and SITA Tees Valley Limited. These shares are all classified as Available for Sale, meaning that all movements in price will impact on gains and losses recognised in the Available for Sale Reserve.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Collateral Risk

During the reporting period the Council held no collateral as security and is therefore not exposed to losses arising from this risk.

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Note 39: Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2015/16 £000s		2016/17 £000s
315	Interest Received	373
(2,978)	Interest Paid	(3,022)

Note 40: Cash Flow Statement - Adjustments for non-cash movements

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2015/16 £000s		2016/17 £000s
10,256	Depreciation	10,596
5,072	Impairment and Downward Valuations	6,997
(1,316)	Downward / (Upward) Valuation of Investment Property	(2,277)
1,628	Increase / (Decrease) in Provisions	(1,016)
35,465	Increase / (Decrease) in Creditors	(35,945)
(20,544)	(Increase) / Decrease in Debtors	20,560
265	(Increase) / Decrease in Inventories	179
7,079	Pension Liability	7,519
1,714	Carrying amount of Non-Current Assets Sold	10,302
(63)	Other non-cash movements	-
39,556		16,915

Note 41: Cash Flow Statement - Adjustments for Investing and Financing Activities

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2015/16 £000s		2016/17 £000s
(9,402)	Capital Grants credited to surplus or deficit on the provision of services	(9,777)
(1,200)	Proceeds from the Sale of Property, Plant and Equipment and Investment Property	(426)
(10,602)		(10,203)

Note 42: Cash Flow Statement - Investing Activities

2015/16 £000s		2016/17 £000s
(19,188)	Purchase of Property, Plant and Equipment and Investment Property	(17,788)
-	Purchase of Short-term and Long-term Investments	-
(31)	Other Payments for Investing Activities	(1,949)
841	Proceeds from the sale of property, plant and equipment, investment property	426
390	Proceeds from the sale of Short-term and Long-term Investments	14,904
11,319	Other Receipts from Investing Activities	7,192
(6,669)	Net cash flows from investing activities	2,785

SECTION 3 : Statement of Accounts

Note 43: Cash Flow Statement - Financing Activities

2015/16 £000s		2016/17 £000s
6,080	Cash receipts of short-term and long-term borrowing	597
(22,138)	Council Tax and NNDR adjustment	19,212
(52)	Cash payments for the reduction of the outstanding liabilities relating to finance leases	(119)
(2,318)	Repayments of short and long-term borrowing	(2,602)
(18,428)	Net cash flows from financing activities	17,088

Note 44: Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

This is a defined benefit scheme. Although the scheme is unfunded, Teachers' Pensions use a notional fund as the basis for calculating employers' contribution rate paid by local authorities. The last valuation was completed as at 31 March, 2012. A valuation assessing the scheme as at 31st March, 2016 is due to reach conclusion by March 2018.

The scheme has in excess of 3,700 participating employers and consequently the Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. As a proportion of the total contributions into the Teachers' Pension Scheme during the year ending 31 March 2017, the Council's own contributions equate to approximately 0.05%.

The Council's contribution to the Teacher's Pension Scheme in 2016/17 amounted to £2.945m (£2.859m in 2015/16) which represented 16.48% of pensionable pay. There were no contributions remaining payable at the year-end. The contributions due to be paid in the next financial year are estimated to be £2.974m.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These benefits are fully accrued in the Pensions Liability relating to the Local Government Pension Scheme.

The Council is not liable to the scheme for any other entities obligations under the plan.

Public Health staff employed by the Council are members of the NHS Pensions Scheme, administered by the NHS Business Services Authority. The Scheme provides employees with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

This is a defined benefit scheme. Although the scheme is unfunded, it is subject to a full actuarial valuation. The latest valuation was undertaken as at 31 March, 2012 and determined current contribution rates for employers and scheme members. The scheme has in excess of 9,000 employing bodies and it is not possible for the Council to identify a share of underlying liabilities in the scheme attributable to its own employees. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. As a proportion of the total contributions into the NHS Pension Scheme during the year ending 31 March, 2017 the Council's own contributions equate to approximately 0.0004%.

The Council's contribution to the NHS Pension Scheme in 2016/17 amounted to £0.046m (£0.052m in 2015/2016) which represented 14.3% of pensionable pay. There were no contributions remaining payable at the year-end. The contributions due to be paid in the next financial year are estimated to be £0.046m. From 1 April 2017 the Council's contribution will be 14.38% following the introduction of a 0.08% administration levy.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the NHS scheme. These benefits are fully accrued in the Pensions Liability relating to the Local Government Pension Scheme.

SECTION 3 : Statement of Accounts

Note 45: Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

The Council participates in The Local Government Pension Scheme, administered locally by Middlesbrough Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Pension Scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of the Pensions and Investments Panel. This panel has plenary powers to make decisions without reference to Middlesbrough Council and acts in a similar manner to the Board of Trustees of a private sector pension fund. Policy is determined in accordance with the Pension Fund Regulations.

The Panel consists of representatives from the councils in the former Cleveland County area as well as representatives from the Trades Unions.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Discretionary Benefit Arrangements		Total	
	2015/16 £000s	2016/17 £000s	2015/16 £000s	2016/17 £000s	2015/16 £000s	2016/17 £000s
Comprehensive Income and Expenditure Statement						
Cost of Services:						
· Current Service cost	10,696	10,868	-	-	10,696	10,868
· Past Service Costs (inc. curtailments)	192	732	-	-	192	732
Financing and Investment Income and Expenditure:						
· Net Interest Expense	3,365	3,705	421	416	3,786	4,121
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	14,253	15,305	421	416	14,674	15,721
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:						
Remeasurement of the net defined benefit liability:						
· Return on plan assets (excluding amount in net interest expense)	19,605	(69,112)	-	-	19,605	(69,112)
· Actuarial (gains) and losses arising from changes in financial assumptions	(18,858)	103,064	(222)	1,113	(19,080)	104,177
· Actuarial (gains) and losses arising from changes in demographic assumptions	-	(10,997)	-	(335)	-	(11,332)
· Actuarial (gains) and losses owing to liability experience	(4,202)	(38,519)	(232)	(101)	(4,434)	(38,620)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	10,798	(259)	(33)	1,093	10,765	834

SECTION 3 : Statement of Accounts

Note 45: Defined Benefit Pension Schemes

Movement in Reserves Statement

Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	14,253	15,305	421	416	14,674	15,721
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Actual amount charged against the General Fund Balance for pensions in the year:

· Employers' contribution payable to scheme	6,679	7,312			6,679	7,312
· Retirement Benefits payable to pensioners			916	890	916	890

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme		Discretionary Benefit Arrangements		Total	
	2015/16 £000s	2016/17 £000s	2015/16 £000s	2016/17 £000s	2015/16 £000s	2016/17 £000s
Fair value of plan assets	366,979	443,890	-	-	366,979	443,890
Present value of the defined benefit obligation	(479,575)	(548,915)	(12,671)	(12,874)	(492,246)	(561,789)
Net liability arising from defined benefit obligation	(112,596)	(105,025)	(12,671)	(12,874)	(125,267)	(117,899)

Reconciliation of Movements in the Fair Value of Scheme (Plan) Assets

	Local Government Pension Scheme		Discretionary Benefit Arrangements		Total	
	2015/16 £000s	2016/17 £000s	2015/16 £000s	2016/17 £000s	2015/16 £000s	2016/17 £000s
Opening fair value of assets	(380,002)	(366,979)	-	-	(380,002)	(366,979)
Interest Income on assets	(12,076)	(12,403)	-	-	(12,076)	(12,403)
Remeasurement gains/(losses):					-	-
· Return on plan assets (excl amount in net interest)	19,605	(69,112)	-	-	19,605	(69,112)
Contributions by the employer	(6,679)	(7,312)	(916)	(890)	(7,595)	(8,202)
Contributions by participants	(2,936)	(2,943)	-	-	(2,936)	(2,943)
Net benefits paid out	15,109	14,859	916	890	16,025	15,749
Closing fair value of assets	(366,979)	(443,890)	-	-	(366,979)	(443,890)

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	Local Government Pension Scheme		Discretionary Benefit Arrangements		Total	
	2015/16 £000s	2016/17 £000s	2015/16 £000s	2016/17 £000s	2015/16 £000s	2016/17 £000s
Opening balance at 1 April	(488,479)	(479,575)	(13,620)	(12,671)	(502,099)	(492,246)
Current Service Cost	(10,696)	(10,868)	-	-	(10,696)	(10,868)
Interest Cost	(15,441)	(16,108)	(421)	(416)	(15,862)	(16,524)
Contributions from scheme participants	(2,936)	(2,943)	-	-	(2,936)	(2,943)
Remeasurement gains/(losses):						
· Actuarial gains and (losses) on liabilities - financial assumptions	18,858	(103,064)	222	(1,113)	19,080	(104,177)
· Actuarial gains and (losses) on liabilities - demographic assumptions	-	10,997	-	335	-	11,332
· Actuarial gains and (losses) on liabilities - experience	4,202	38,519	232	101	4,434	38,620
Past Service Costs (inc. curtailments)	(192)	(732)	-	-	(192)	(732)
Benefits paid	15,109	14,859	916	890	16,025	15,749
Closing present value of assets	(479,575)	(548,915)	(12,671)	(12,874)	(492,246)	(561,789)

SECTION 3 : Statement of Accounts

Note 45: Defined Benefit Pension Schemes

Local Government Pension Scheme Assets

The Local Government Pension Scheme's assets comprised:

	2015/16 £'000	Quoted 2016/17 £'000	Unquoted 2016/17 £'000	2016/17 £000s
Equity investments	311,565	355,112	0	355,112
Property	25,688	3,107	27,521	30,628
Government Bonds	5,138	888	-	888
Corporate Bonds	5,872	888	-	888
Cash	18,716	49,715		49,715
Other Investments	-	4,883	1,776	6,659
	366,979	414,593	29,297	443,890

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the Council Fund being based on the latest full valuation of the scheme as at 31 March, 2016.

Principal assumptions used by the actuary have been:

	Local Government Pension Scheme		Discretionary Benefit Arrangements	
	2015/16	2016/17	2015/16	2016/17
Long-term expected rate of return on assets in the scheme:				
Equities	3.4%	2.5%	-	
Property	3.4%	2.5%	-	
Government Bonds	3.4%	2.5%	-	
Corporate Bonds	3.4%	2.5%	-	
Cash	3.4%	2.5%	-	
Other	3.4%	2.5%	-	
Mortality assumptions:				
Longevity at 65 for current pensioners:				
Men	23.1	22.8	23.1	22.8
Women	25.6	24.9	25.6	24.9
Longevity at 65 for future pensioners:				
Men	25.3	25	-	
Women	28	27.2	-	
Other assumptions:				
Rate of inflation - RPI	2.9%	3.1%	2.9%	3.1%
Rate of inflation - CPI	1.8%	2.0%	1.8%	2.0%
Rate of general increase in salaries	3.3%	3.0%	-	
Rate of increase in pensions - deferred and pensions in payment	1.8%	2.0%	1.8%	2.0%
Rate for discounting scheme liabilities	3.4%	2.5%	3.4%	2.5%

Note 45: Defined Benefit Pension Schemes

Sensitivity Analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table on the previous page.

The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

LGPS Funded Benefits Only	Impact on Defined Benefit Obligation in the Scheme	
	Increase in Assumption £000s	Decrease in Assumption £000s
Adjustment to Discount rate (+/- 0.1%)	9,733	9,909
Adjustment to Salary increase rate (+/- 0.1%)	2,197	2,176
Adjustment to Pension increase rate (+/- 0.1%)	7,693	7,577
Adjustment to Longevity (decrease/increase 1 year)	16,555	16,442

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The current funding level of the scheme is 100%. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March, 2019.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March, 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Council anticipates to pay £8.167m contributions to the scheme in 2017/18.

The weighted average duration of the defined benefit obligation for scheme members is 17.9 years in 2016/17 (18.9 years in 2015/16).

Note 46: Contingent Liabilities

These refer to either: a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control, or; a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

In 2016/17 the contingent liabilities are as follows:

- In 1989 the Council gave a loan guarantee of £3m to North Housing Association (now Home Housing Association) for sums borrowed on the money markets that would come into operation should the housing association default on the loan terms. Provision is included in the agreement for any such payments to be secured on North Housing Association property. It is anticipated that this guarantee will exist until the loan is repaid in 2049.
- A guarantee given to the Teesside Pension Scheme for the staff transferred to Housing Hartlepool in 2004 in the event that Housing Hartlepool had financial difficulties. This liability reduces each year.
- The Council is responsible for the Claxton Site which is a closed landfill. There is a possible obligation arising relating to de-contamination of the site; it is not possible at this stage to quantify the potential liability or when the works may be required. The site is regularly tested to ensure compliance with the Environment Protection Act 1990.
- The National Museum of the Royal Navy Trading has leased the Hartlepool Maritime Experience for a period of 35 years and has taken over the running of the site. Members of staff have been transferred under TUPE arrangement. The Council has indemnified against all losses incurred by the National Museum of the Royal Navy Trading in any failure by the Council to comply with its obligations. Any liabilities, costs or contributions arising under the Pension Scheme have also been indemnified. The pension liability reduces each year.

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Note 47: Pooled Budgets

The Better Care Fund (BCF) has been established by the Government to support the introduction of a fully integrated health and social care system.

In 2015/16 the Council entered into a pooled budget arrangement with NHS Hartlepool and Stockton Clinical Commissioning Group for the provision of services in accordance with the requirements of the Better Care Fund.

This is an annual agreement made in accordance with Section 75 of the National Health Service Act 2006. This is a jointly controlled pooled budget which is hosted by the Council on behalf of both partners in line with the agreement.

The Hartlepool BCF Plan will contribute to the delivery of:

- Reduced non-elective admissions;
- Reduced admissions of older people into residential care;
- Increased proportion of older people still at home 91 days after discharge from hospital into reablement/rehabilitation services;
- Reduced delayed transfers of care from hospital;
- Increase in the estimated diagnosis rate for dementia; and,
- Improved patient experience of services.

2015/16 £000s		2016/17 £000s
	Revenue Funding provided to the Pooled Budget:	
-	Hartlepool Borough Council	(277)
(6,651)	NHS Hartlepool and Stockton Clinical Commissioning Group	(6,699)
(6,651)		(6,976)
	Expenditure met from the Pooled Budget:	
5,916	Hartlepool Borough Council	5,514
735	NHS Hartlepool and Stockton Clinical Commissioning Group	1,462
6,651		6,976
-	Net Surplus arising on the Pooled Budget during the year	-
2015/16 £000s		2016/17 £000s
	Capital Funding provided to the Pooled Budget:	
0	Balance brought forward	(326)
(825)	Hartlepool Borough Council	(863)
-	NHS Hartlepool and Stockton Clinical Commissioning Group	-
(825)		(1,189)
	Expenditure met from the Pooled Budget:	
499	Hartlepool Borough Council	1,060
-	NHS Hartlepool and Stockton Clinical Commissioning Group	-
499		1,060
(326)	Net Surplus arising on the Pooled Budget during the year	(129)

The capital balance remaining relates to the Disabled Facilities Grant and has been fully committed in 2017/18 to fund additional commitments within this area.

SECTION 3 : Statement of Accounts

HOUSING REVENUE ACCOUNT (HRA)

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

	2016/17 £000s
Expenditure	
Repairs and maintenance	253
Supervision and management	277
Rents, rates, taxes and other charges	22
Movement in the allowance for bad debts	8
Debt Management Expenses	8
Depreciation, impairment and revaluation losses of non-current assets	3,203
Total Expenditure	3,771
Income	
Dwelling Rents	(1,007)
Charges for services and facilities (net of voids)	(2)
Other Income	(19)
Total Income	(1,028)
Net Expenditure or (Income) of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement	2,743
Interest payable	292
Interest and investment income	(8)
Net interest on the net defined benefit liability	13
Deficit/(Surplus) for the year on HRA services	3,040

MOVEMENT ON THE HRA STATEMENT

	2016/17 £000s
Balance on the HRA at the end of the previous reporting period	-
(Surplus) or Deficit for the year on the HRA Income and Expenditure Statement	3,039
Adjustments between accounting basis and funding basis under statute:	
Revaluations losses	(3,024)
IAS19 Pensions Adjustment	(23)
Depreciation	(179)
Transfer to Major Repairs Reserve	179
Net (increase) or decrease before transfers to or from reserves	(8)
Transfers to or (from) earmarked reserves	(530)
(Increase) or decrease in the year on the HRA	(538)
Balance on the HRA at the end of the current reporting period	(538)

An Earmarked Reserve of £0.530m relating to Housing was transferred to the HRA reserve.

SECTION 3 : Statement of Accounts

NOTES TO THE HRA

Note 1: Depreciation and Revaluation

Included within the HRA is a depreciation charge of £0.179m which transfers funding into the Major Repairs Reserve to meet the cost of future major repairs. The loss on revaluation for the year was £3.024m. This is prevented from being a true cost to the HRA by an adjustment between accounting basis and funding basis under statute on the 'Movement on the HRA Statement'.

Note 2: Capital Expenditure and Financing

	2016/17 £000s
Acquisition and renovation of Council Dwellings	1,535
Major Repairs	32
	1,567
Funded by:	
Borrowing	921
Homes & Communities Agency Grant	407
Income from Sale of former Right to Buy properties	207
Major Repairs Reserve	32
	1,567

Note 3: Value of Council Dwellings

There were 243 Council Dwellings held as at 31 March, 2017. The table below shows the vacant possession value and the balance sheet value based on social housing use. The difference represents the economic cost of providing council housing at less than market rent.

1st April, 2016 £000's	31st March, 2017 £000's
8,579 Balance Sheet Value	6,473

The vacant possession value of HRA dwellings as at 1 April 2016 is £14.711m.

Note 4: Rent Arrears

The level of rent arrears as at 31 March, 2017 was £0.077m and the provision in respect of these debts which are uncollectable is £0.037m.

SECTION 3 : Statement of Accounts

THE COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

2015/16 £000		2016/17 £000	Notes
	INCOME		
	Council Tax :		
(39,152)	Billed to tax payers	(40,771)	
(39,152)		(40,771)	1
	Non Domestic Rates :		
(27,872)	Income Collectable from Business Ratepayers	(31,843)	2
35,870	Transitional Protection Payment	75	
-	Deferral Scheme	15	
7,998		(31,753)	
(31,154)	TOTAL INCOME	(72,524)	
	EXPENDITURE		
	Council Tax :		
31,659	Precepts Hartlepool Borough Council	34,320	
4,599	Police & Crime Commissioner	4,894	
1,569	Cleveland Fire Authority	1,668	
192	Increased Provision for Non-Payment of Council Tax	54	
38,019		40,936	
	Non Domestic Rates :		
	Payment of Non Domestic Rates to Preceptors		
19,229	Hartlepool Borough Council	15,873	
392	Cleveland Fire Authority	324	
19,536	Payment of Non Domestic Rates to Central Government	16,080	
125	Cost of Collection Allowance	119	
204	Increased Provision for Non-Payment of NNDR	(172)	
3,355	Provision for Non Domestic Rating Appeals	(2,603)	
86	Enterprise Zone Relief	117	
42,927		29,738	
	Contributions for previous years estimated		
	Collection Fund Surplus/(Deficit) - Council Tax		
652	Hartlepool Borough Council	963	
93	Police & Crime Commissioner	140	
32	Cleveland Fire Authority	48	
777		1,151	
	Contributions for previous years estimated		
	Collection Fund Surplus/(Deficit) - Non-Domestic Rates:		
(362)	Hartlepool Borough Council	(20,501)	
(7)	Cleveland Fire Authority	(418)	
(369)	Central Government	(20,919)	
(738)		(41,838)	
80,985	TOTAL EXPENDITURE	29,987	
49,831	NET TOTAL	(42,537)	
	Movement on Fund Balances		
	Council Tax:		
(356)	(Surplus)/Deficit for the year	1,316	
(797)	(Surplus)/Deficit brought forward	(1,153)	
(1,153)	(Surplus)/Deficit carried forward	163	
	Non Domestic Rates:		
50,187	(Surplus)/Deficit for the year	(43,854)	
(3,742)	(Surplus)/Deficit brought forward	46,445	
46,445	(Surplus)/Deficit carried forward	2,591	

SECTION 3 : Statement of Accounts

NOTES TO THE COLLECTION FUND

Note 1 - Council Tax

Council Tax income comes from a charge made on residential properties. The income is used to support the Council's General Fund revenue expenditure, as detailed in the Comprehensive Income and Expenditure Statement. It is also used to finance Hartlepool's share of the Police & Crime Commissioner's and Fire Authority's expenditure, through precepts made on the Council's Collection Fund. The level of Council Tax in any year is determined by estimating the income required by the Council and the Police and Fire Authorities, and dividing this by the Council Tax base, which comprises residential properties banded by value and charged accordingly.

To allow for comparison between years and authorities the tax base is expressed as the number of Band D properties in the district, which is calculated by multiplying the number of properties in a band by an appropriate weighting, ranging from 6/9 to 18/9.

There were 33,287 Band D equivalents in 2016/17 (33,368 for 2015/16) and the basic amount of Council Tax for a Band D property was £1,756.09 (£1,695.32 in 2015/16).

Set out in the table below are the Band D weightings, property numbers and income from each band level.

Band	Weighting to Band D	No. of properties in each band	Equivalent no. of Band D Properties	Hartlepool BC demand per property (Ex Parishes) £	Police & Crime Commissioner demand per property £	Fire Authority demand per property £	Total demand per property £	Total Income per band £000's
A	6/9	23,667	15,778	982.69	140.24	47.80	1,170.73	27,708
B	7/9	7,070	5,499	1,146.47	163.61	55.77	1,365.85	9,657
C	8/9	5,934	5,275	1,310.25	186.99	63.73	1,560.97	9,263
D	9/9	3,086	3,086	1,474.03	210.36	71.70	1,756.09	5,419
E	11/9	1,582	1,934	1,801.59	257.11	87.63	2,146.33	3,395
F	13/9	614	887	2,129.15	303.85	103.57	2,536.57	1,557
G	15/9	425	708	2,456.72	350.60	119.50	2,926.82	1,244
H	18/9	60	120	2,948.06	420.72	143.40	3,512.18	211
TOTALS		42,438	33,287					58,454

The income of £40.771m for 2016/17 (£39.152m for 2015/16) is receivable from the following sources :

2015/16 £000		2016/17 £000
56,569	Opening Liability	58,454
694	Net increase/(decrease) in liability	1,192
(98)	Disabled Relief	(97)
(5,467)	Discounts	(5,931)
(1,062)	Exemptions	(1,179)
(84)	Write Offs	(126)
(11,400)	Council Tax Support Scheme	(11,542)
39,152		40,771

SECTION 3 : Statement of Accounts

NOTES TO THE COLLECTION FUND

Note 2 - Non Domestic Rates

National Non Domestic Rates (NNDR) is organised on a national basis. The Government specifies two amounts: the Small Business Non Domestic Rate Multiplier, which was 48.4p in 2016/17 (48.0p in 2015/16), and; the Non Domestic Rate Multiplier, which was 49.7p in 2016/17 (49.3p in 2015/16). Subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

The total non-domestic rateable value at the year end was £79.501m.

The owners of the Power Station appealed against its 2010 rateable value and made a further appeal linked to reduced power generating capacity. These appeals were settled in 2015/16 and have significantly impacted on the rates payable by the Power Station, a reduction of 48%. The NNDR income collectable from Ratepayers including the impact of the Power Station appeal is shown below.

2015/16			2016/17
Rates Payable prior to Power Station Appeal	Impact of Power Station Appeal	Rates Payable after impact of Power Station Appeal	Rates Payable
£000	£000	£000	£000
46,734	(48,938)	(2,204)	38,036
(5,720)	0	(5,720)	(5,716)
29	35,841	35,870	75
(74)	0	(74)	(552)
40,969	(13,097)	27,872	31,843

SECTION 3 : Statement of Accounts

MEMORANDUM NOTES - TRUST FUNDS

During 2016/17 the Council acted as trustee for eleven Educational Trust Funds that were inherited from Cleveland County Council. Only two of these are active and are used to provide funds for the following purposes:

- Music awards; and
- Pursuit of Education awards.

The Council also acts as a trustee of the Doughty Fund that was set up following a bequest from Colonel Henry Doughty. This is available to support any charitable objects within the Hartlepool area.

All of the Trust Funds administered by the Council fall below the threshold set by the Charities Act 1996 and therefore no longer require an Audit Certificate.

The balances held by the Council on behalf of various Trust Funds are as follows: -

	Balance at 1st April 2016 £000	Income £000	Expenditure £000	Balance at 31st March 2017 £000
Preston Simpson & Sterndale Scholarship in Music	82	8	8	82
Doughty Fund	5	-	-	5
Education Trust Funds	129	4	2	131
	216	12	10	218

The Preston Simpson & Sterndale Scholarship in Music Fund consisted of a cash investment of £82,117 with Hartlepool Borough Council as at 31 March, 2017. The Trust also held two separate external investments valued respectively at £116,077 as at 5 April, 2017 (£108,129 as at 5 April, 2016) and £20,620 as at 31 March, 2017 (£17,904 as at 31 March, 2016).

External investments for the above Trust Funds are not shown in the Council's Accounts.

As at 31 March, 2017, the Doughty Fund consisted wholly of a cash balance investment with the Council.

SECTION 4 : Annual Governance Statement

Scope Of Responsibility

Hartlepool Borough Council is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards,
- Public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging these overall responsibilities, Hartlepool Borough Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016. A copy of the code is on our website at www.Hartlepool.gov.uk or can be obtained from the Councils Contact Centre. This statement explains how the Council has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2015, Part 2 6(1), (a) which requires the Council to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with the statement of accounts. Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015, require that for a local authority that statement is an annual governance statement.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically. The governance framework has been in place at the Council for the year ended 31st March 2017 and up to the date of approval of the statement of accounts

In order to facilitate the completion of the Statement, an officer working group has been formed and a programme of work developed. To ensure that the Statement has been given sufficient corporate priority and profile, the working group included the Director of Finance and Policy and the Assistant Director, Finance and Customer Services. As part of the process regular updates have been given to the Performance and Risk Management Officer Group and the Corporate Management Team (CMT).

Significant Governance Issues Update from 2015/16 Statement

Progress has been made over the course of 2016/17 to actively manage and address issues identified as part of the 2015/16 process. This approach ensures the Council actively manages these issues. The table below identifies action that has been taken to mitigate the areas identified.

<u>Issue Raised</u>	<u>Action Undertaken</u>
Delivery of Medium Term Financial Strategy, the sustainability of services and level of performance.	Revised Savings Programme encompassing key required programme elements at a corporate and department level were developed and implemented. Strategic multi-year approach to financial management has been implemented. Member's seminars and staff communication strategy in conjunction with budget monitoring and de-funding budgets at decision point have been implemented. Project planning and management reporting to Finance and Policy Committee and CMT have all been implemented.
Delivery of Council Plan.	The Council Plan 2016/17 has been largely delivered and is reported to Members via Finance and Policy Committee on a quarterly basis. The Council Plan for 2017/18 has been developed based on the agreed ambition for Hartlepool. This year the Council Plan, Medium Term Financial Strategy and the 5 year Capital Plan have been developed as three parts of a single plan to ensure the links between the three are strengthened.
Ensuring adequate management arrangements for non-core grant funding.	Review of departmental arrangements undertaken to ensure risks are mitigated. Development and agreement of strategies and plans for effective working between HBC and partner organisations.

SECTION 4 : Annual Governance Statement

The Governance Framework

The key elements of the Council's Governance Framework are as follows:

Hartlepool Borough Council has adopted a Constitution, which sets out how the Council operates, how decisions are made, the procedures that are followed to ensure that these decisions are efficient and transparent, and sets out the terms of reference for the Committee structure. The Constitution was developed in accordance with the Local Government Act 2000 and it sets out the delegated responsibilities to key officers such as the Monitoring Officer and Section 151 Officer. An officer working group supported the governance working group in developing proposals for the new Constitution in line with the outcome of the Mayoral referendum. The new Constitution was agreed on 6th March, 2013 with training delivered for officers and members in respect of the requirements and expectations. The Constitution is scheduled to be reviewed annually and has subsequently been reviewed and the outcomes reported to Council on the 17th March 2016, with a supplemental review reported to Council on 8th September 2016. A further update was reported to Council on 27th October 2016.

Effective procedures to identify, evaluate, communicate, implement, comply with and monitor legislative change exist and are used. Legal Division procedures exist for monitoring new legislation, advising relevant departments, and members where appropriate. Workforce Services policies identify suitable recruitment methods and ensure appropriate job descriptions exist for legal staff. Induction training is arranged by Customer and Workforce Services for all staff, departments have responsibility to provide induction training specific to their departmental needs. Legal personnel participate in training events.

Committee terms of reference are included in the constitution. A procedure is in place to ensure that all Committee agendas, minutes and supporting material are available to all staff on the Council's intranet, and to the public on the Council's Internet site.

The constitution contains financial and contract procedure rules, and code of conduct for Members, which have been formally approved. Financial procedure rules have been updated and agreed by Council and contract procedure rules have also been updated to take into account new procurement procedures and legislative changes. The constitution is available to all employees on the intranet and to the public on the Internet. A register of gifts and hospitality is maintained for Members and Officers. The Authority has a Treasury Management Strategy that was approved by Audit and Governance Committee on 8th December, 2016 and referred to Council for approval on 23rd February, 2017 for the financial year 2017/18. The approved Treasury Management Strategy includes the Investment and Borrowing strategies in compliance with revised CIPFA Prudential Code, CIPFA Treasury Management Code of Practice and DCLG guidance. The Audit and Governance Committee is responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies before making any necessary recommendations to Council. The Director of Finance and Policy reports to the Audit and Governance Committee how the Council financial arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The full range of Member committees regularly meet to review specific policy areas, to consider plans, reports and progress of the Council.

Workforce Services has drawn up policies to ensure suitably qualified employees are employed in key areas. Supporting terms and conditions of employment for all employees cover all aspects of good employment. Induction courses for key new officers and all new Members incorporate suitable training on corporate governance issues according to responsibilities and there is a general staff awareness programme in place.

A Health and Safety Policy has been approved and published and a Communication Strategy implemented to ensure general awareness.

The Council has an ongoing programme of monitoring and reviewing arrangements in place in respect of the operation of its key partnerships. A framework of reporting by exception to Corporate Management Team operates and Internal Audit provides audit coverage of partnership arrangements.

The Council reviewed and adopted their Community Strategy on 3rd April 2014 following consultation with residents and key partners. This identified a number of key priorities for Hartlepool which would be the main focus for improvement over the following 5 years. The Council produces a Council Plan that sets out the Council's ambitions for the town. The Council Plan 2017/18-2019/20 was agreed by Council on 16th March 2017. For the first time, this year the Council Plan, Medium Term Financial Strategy and the 5 year Capital Plan have been developed as three parts of a single plan to ensure the links between the three are strengthened. The Council's performance management arrangements are based on the Council Plan which identifies a series of 6 strategic priorities under which sit a number of key deliverables.

In order to further embed the process of risk management, control identification and the production of the AGS into the culture and management processes at the Council, risks to meeting departmental outcomes and the controls to mitigate those risks are recorded as part of the corporate service planning process at a departmental level. This has brought together service planning, risk management and control identification which has enabled a much more focussed and joined up approach to the use of management information and the production of the AGS. Progress against the Council Plan is reported to CMT and Finance & Policy Committee on a quarterly basis.

SECTION 4 : Annual Governance Statement

A Data Quality framework is in place with Internal Audit conducting a targeted annual review of PIs. The Council's Performance Management Framework includes information relating to departmental and officer responsibility for the collation of data, target setting and addressing performance issues. The Framework also includes action plans, risks and performance indicators enabling clearer links between corporate, departmental and service planning outcomes, actions, risks and PIs.

Key performance indicators are identified in the Council plan. These indicators are monitored throughout the year and quarterly reports are presented to Members on the delivery of performance targets.

Key policies such as the Corporate Complaints, Comments and Compliments Procedure, Proceeds of Crime (Money Laundering), Whistle Blowing Policy and Counter Fraud and Corruption Policy have been developed and approved for use across the whole Authority. The policies are available to employees via the intranet. The Council is a member of the IPF Better Governance Forum, the National Anti Fraud Network and also takes part in regular National Fraud Initiative reviews and the North East Fraud Forum. The Council has updated its Fraud and Corruption Strategy in line with CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

The Council agreed the current Risk Management Framework on 5th March 2015. The Framework sets out the structure of the Council's risk registers and the agreed risk tolerance level which helps to prioritise risk activity. Key risks will be identified within the Council Plan and changes reported to Elected Members quarterly through the service planning process.

The Framework is available to all staff via the intranet. Key staff have undergone appropriate training and departmental risk champions lead on communicating the process to all relevant staff in their departments.

There is corporate support at senior management level for development of Risk Management with risk assessment procedures published and training given to officers. Risk introduction/refresher sessions are offered as and when individual departments/teams require them.

The Finance and Policy Committee Chair is Hartlepool Borough Councils risk 'champion'. Each department also has a risk co-ordinator. Risks and control measures relating to the Council Plan are analysed within the quarterly reports to help ensure that risk and performance reporting are linked. The Council Plan is considered as part of the preparation of the AGS.

The Council's Performance and Risk Management system (Covalent) holds the risk registers. Risk registers are also maintained for significant projects. Officers that manage risks are notified that risks need to be reviewed and progress is monitored on a quarterly basis through the service planning process. Departments have access to a central funding pot for risk management to assist in the financing of risk mitigation.

The Council has a long-standing, nationally and regionally recognised emergency planning arrangements through the Cleveland Emergency Planning Unit (CEPU). The Council's Emergency Management Response Team (EMRT) meets bi-monthly and contributes to the makeup of the Council's Major Incident Plan which is tested yearly.

A review of the Council's Flu Pandemic Plan is being undertaken by Public Health to take into account the changes in the National Health Pandemic Flu Plan. Once this is completed the plan will be incorporated into the Corporate Business Continuity Plan.

The Corporate Business Continuity Group meets Quarterly and includes lead officers from all departments and the Hartlepool Emergency Planning Officer. A Revised Business Continuity Policy and accompanying Plan has been developed to complement the existing Business Continuity Database. A rolling exercising programme is in place to test the plan focusing on two separate services per year. Work is still ongoing to identify and document formal decant arrangements for the delivery of priority services in the event of a disruption.

The Equality Act 2010 came into force on 1st October, 2010 and brought together over 116 separate pieces of legislation into one single Act. The Act provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. The Act covers the 9 protected characteristics – age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion/belief, gender and sexual orientation.

The Public Sector Equality Duty (PSED) is supported by "specific duties" to assist public bodies to achieve the aims of the general duty. Under the specific duties, the Council must:

- Publish equalities information to demonstrate its compliance with the Equality Duty by the 31st January each year; and,
- Develop and publish equality objectives by 6th April, 2012 and then every four years.

SECTION 4 : Annual Governance Statement

In order to demonstrate our compliance with the above requirements, we have compiled two equality reports 'Equality Information - Jan 2017' and 'Workforce Equalities Information 2015-16' to demonstrate the progress that the Council has made to date. We are aware that there are gaps in our data and are working to provide more information in an accessible format. On that basis both reports are regularly updated. Our latest equality objectives were agreed by Council as part of the Council Plan 2017/18 – 2019/20 on 16th March 2017.

Equality issues must influence the decisions reached by public bodies - in how they act as employers; how they develop, evaluate and review policy; how they design, deliver and evaluate services, and how they commission and procure from others. We do this by considering impacts on equality as an integral part of our decision-making process and this is reflected in reports to Committees in the Equality & Diversity Considerations section.

Internal Audit reports on a regular basis to the Audit and Governance Committee on the effectiveness of the organisation's system of internal control. Recommendations for improvement are also made and reported on. Internal Audits performance is measured against standards agreed by management and Members. Internal Audit reporting arrangements have been formalised and strengthened as part of the review of financial procedure rules.

Other review bodies external to the Council also make regular reports on efficiency, effectiveness and compliance with regulations. Ofsted has rated the Council's Children's Services as "performing well". The most recent SIF inspection which is the most comprehensive inspection framework for CS rated Hartlepool CS as 'good'. Most childcare providers and schools are rated "good" or "outstanding" and none are "inadequate". Hartlepool Connect has achieved the Customer Service Excellence standard. In their 2015/16 Annual Audit Letter, Mazars, the Councils External Auditor, issued an unqualified opinion on the financial statements and value for money conclusion at the Council.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Audit and Governance's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes:

- Corporate Management Team agreed process for the review of the internal control environment. The risk inherent in meeting departmental objectives and the controls to mitigate those risks are recorded as part of the corporate service planning process at a departmental level. This has brought together risk management, control identification and the process for compiling the evidence needed to produce the AGS. This enables managers to provide documented evidence regarding the controls within their service units as part of the service planning process. The controls in place are designed to negate the identified and recorded risks of not achieving service, departmental or corporate objectives. In order to ensure adequate controls are in place the procedures, processes and management arrangements in place to mitigate identified risks and the officers responsible for them are also documented. Gaps in controls can be addressed as part of the regular reviews of departmental risks and control measures.
- Director of Finance and Policy – reports to the Audit and Governance Committee how the Council's financial arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- Internal Audit – the Council has the responsibility for maintaining and reviewing the system of internal control and reviewing annually Internal Audit. In practice, the Council, and its External Auditors, takes assurance from the work of Internal Audit. In fulfilling this responsibility:
 - Internal Audit is reviewing its procedures in line with Public Sector Internal Audit Standards (PSIAS).
 - Internal Audit reports to the Section 151 Officer and Audit and Governance Committee.
 - The Head of Audit and Governance reports to the Audit and Governance Committee how the Council's financial arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010).
 - The Head of Audit and Governance provides an independent opinion on the adequacy and effectiveness of the system of internal control, quarterly update reports and an annual internal audit performance report to the Audit and Governance Committee
 - Internal audit plans are formulated from an approved risk assessment package.

SECTION 4 : Annual Governance Statement

- External Audit – in their annual audit letter, comment on their overall assessment of the Council. It draws on the findings and conclusions from the audit of the Council.
- Other review and assurance mechanisms: for example, Department of Education, Care Quality Commission, Ofsted, HMI Probation and Service Excellence.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant Governance Issues

The following significant governance issues have been identified:

No	Issue	Action	Timescale	Responsible Officer
1	Delivery of Council Plan, revised Performance Management Framework and Medium Term Financial Strategy, the sustainability of services and level of performance.	The approved 2017/18 MTFS includes savings proposals to be implemented in 2018/19 and 2019/20. However, after reflecting these proposals the Council still faces net budget deficits in these years. Detailed proposals for addressing the residual budget deficits will be developed during 2017/18, this will ensure these proposals can be implemented in 2018/19 and 2019/20. The implementation and refresh of the new 3 year Council Plan taking into account the impact of the financial challenges facing the Council, with regular performance reporting to CMT and Members.	2017/18 – 2019/20	CMT
2	Ensuring appropriate arrangements for Information Governance – complying with NHS requirements.	From May 2017 the Council will directly employ School Nursing, Health Visiting and Family Nurse Partnership staff who will require direct access to NHS systems for patient records. In order to gain access to these systems the Council must demonstrate compliance with the Department of Health Information Governance Toolkit.	2017	CMT, Information Governance Group
3	Ensuring adequate management arrangements for noncore grant funding.	The Council is accountable body for competitively secured time limited grant resources for projects that requires the authority to have in place robust arrangements for managing such funding streams. Ongoing assurance of adequate systems to ensure appropriate governance. Development and agreement of strategy and plan for effective working between HBC and partners.	2017/18	CMT

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Hartlepool Borough Council:

Chief Executive

Chair of Audit and Governance Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTLEPOOL BOROUGH COUNCIL

Opinion on the Council Financial Statements

We have audited the financial statements of Hartlepool Borough Council for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of Hartlepool Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Hartlepool Borough Council, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Chief Finance Officer and Auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Hartlepool Borough Council as at 31 March 2017 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Opinion on Other Matters

In our opinion, the information given in the Narrative Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTLEPOOL BOROUGH COUNCIL

Matters on which We Report by Exception

We report to you if;

- in our opinion the Annual Governance Statement does not comply with Delivering Good Governance in Local Government: Framework (2016);
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Council and the Auditor

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under section 20 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required to conclude whether the Council has put in place arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We have planned and undertaken our work in accordance with the Code of Audit Practice as issued by the Comptroller and Auditor General, and had regard to relevant guidance. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTLEPOOL BOROUGH COUNCIL

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General, we are satisfied that in all significant respects, Hartlepool Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

Certificate

We certify that we have completed the audit of the financial statements of Hartlepool Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Cameron Waddell,

For and on behalf of Mazars LLP
Salvus House
Aykley Heads
Durham
DH1 5TS

Date:

SECTION 6 : Glossary of Terms

ACCOUNTING POLICIES

Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- recognising;
- selecting measurement bases for; and
- presenting assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the Income and Expenditure Account or Balance Sheet it is to be presented.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses); or
- the actuarial assumptions have changed.

CAPITAL EXPENDITURE

Expenditure on the acquisition of an asset or expenditure that adds to and not merely maintains the value of an existing asset.

CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING

The Chartered Institute of Public Finance and Accounting (CIPFA) Code sets out the accounting concepts and accounting principles which underpin the statement of accounts.

COMMUNITY ASSETS

Assets that the local authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

CONSISTENCY

The principle that the accounting treatment of like items within an accounting period and from one period to the next is the same.

CONSTRUCTIVE OBLIGATION

An obligation that derives from an Authority's actions where:

- a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the Authority has indicated to other parties that it will accept certain responsibilities; and
- b) as a result, the Authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

CONTINGENT LIABILITY

A contingent liability is either:

- a) a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control or;
- b) a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

SECTION 6 : Glossary of Terms

CREDITORS

Amounts owed by the Authority for work done, goods received or services rendered within the accounting period but for which payment was not made at the balance sheet date.

CURRENT ASSETS

Assets which can be expected to be consumed or realised during the next accounting period, e.g. debtors and stocks.

CURRENT LIABILITIES

Amounts which will become payable or could be called in within the next accounting period e.g. creditors, cash overdrawn.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefit scheme's liabilities expected to rise from employee service in the current period.

CURTAILMENT

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- a) termination of employee's services earlier than expected, for example as a result of closing a factory or discontinuing
- b) termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify for only reduced benefits.

DEBTORS

Amounts due to the Authority for works done, goods received or services rendered before the end of the accounting period, but for which payments have not been received by the end of that accounting period.

DEFINED BENEFIT SCHEME

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

DEFINED CONTRIBUTION SCHEME

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DEPRECIATION

The measure of the cost or revalued amount of the benefits of the asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of an asset whether arising from use or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

SECTION 6 : Glossary of Terms

DISCRETIONARY BENEFITS

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under the Authority's discretionary powers, such as The Local Government (Discretionary Payments) Regulations 1996.

ESTIMATION TECHNIQUES

The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains losses and changes to reserves.

Estimation techniques implemented the measurement aspects of accounting policies. An accounting policy will specify the basis on which an item is to be measured; where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at by using an estimation technique. Estimation techniques include, for example:

- a) Methods of depreciation, such as straight-line and reducing balance, applied in the context of a particular measurement basis, used to estimate the proportion of the economic benefits of property, plant and equipment consumed in a period
- b) Difference methods used to estimate the proportion of debts that will not be recovered, particularly where such methods consider a population as a whole rather than individual balances.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

Material items that derive from events or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXPECTED RATE OF RETURN ON PENSION ASSETS

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

FINANCE LEASE

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

FINANCIAL INSTRUMENT

A legally enforceable agreement between two or more parties, expressing a contractual right or a right to the payment of money. Typical examples include investments, loans, trade creditors and trade debtors.

GOING CONCERN

The concept that the Authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

SECTION 6 : Glossary of Terms

GOVERNMENT GRANTS

Assistance by Government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an Authority in return for past or future compliance with certain conditions relating to the activities of the Authority.

HERITAGE ASSETS

Assets preserved in trust for future generations because of their cultural, environmental or historical associations. It applies to assets held and maintained by the Authority principally for the contribution of knowledge and culture.

HOUSING REVENUE ACCOUNT

Local Authorities are required to maintain a separate Housing Revenue Account - which sets out the expenditure and income arising from the provision of Council housing. Other services are charged to the General Fund.

IMPAIRMENT

A reduction in the value of Property, Plant and Equipment below its carrying amount on the Balance Sheet.

INFRASTRUCTURE ASSETS

These assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

INTANGIBLE ASSETS

Expenditure which may properly be capitalised, but which does not result in an asset with substance. Examples of this type of expenditure are software and other licences, patents and trademarks and artistic originals.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period is the present value of the scheme liabilities because the benefits are one period closer to settlement.

INTERNATIONAL ACCOUNTING STANDARDS (IAS)

These standards are developed by the International Accounting Standards Board and regulate the preparation and presentation of financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

These standards are developed by the International Accounting Standards Board and regulate the preparation and presentation of financial statements. The Companies Act 1985 requires compliance with these Standards or disclosures in the notes if there are any material departures from these Standards.

INVENTORIES

The amount of unused or unconsumed stocks held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises.

Inventories comprises the following categories:

- goods or other assets purchased for resale;
- consumable stores;
- raw materials and components purchased for incorporation into products for sale;
- products and services in intermediate stages of completion;
- long term contract balances; and
- finished goods.

SECTION 6 : Glossary of Terms

INVESTMENT PROPERTIES

Interest in land and/or buildings:

- a) in respect of which construction work and development have been completed; and
- b) which is held for its investment potential, any rental income being negotiated at arm's length.

INVESTMENTS (PENSIONS FUND)

The investments of the Pensions Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosures relating to retirement benefits, the attributable share of Pension Scheme assets associated with their underlying obligations.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Authority without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount, or traded in an active market.

LONG TERM CONTRACTS

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long term contracts if they are sufficiently material to the activity of the period.

MINIMUM REVENUE PROVISION (MRP)

The statutory minimum amount that authorities must set aside each year as provision for debt repayment based on the Capital Financing Requirement.

NET BOOK VALUE

The amount at which assets are included in the Balance Sheet, that is their historical cost of current value less the cumulative amounts provided for depreciation.

NET CURRENT REPLACEMENT COST

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, that is the cost of its replacement or of the nearest equivalent asset adjusted to reflect the current condition of the existing asset.

NET DEBT

The Authority's borrowings less cash and liquid resources. Where cash and liquid resources exceed borrowings, reference should be to net funds rather than net debt.

NET REALISABLE VALUE

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

NON-CURRENT ASSET

Assets that yield benefits to the Authority, and the services it provides, for a period of more than one year.

NON-OPERATIONAL ASSETS

Assets held by a local authority but not used or consumed in the delivery of services or for the service or strategic objectives of the Authority. Examples of non-operational assets include investment properties and assets that are surplus to requirements, pending their sale. It should be noted that the incidence of rental income does not necessarily mean that the asset is an investment property; it would be deemed an investment property only if the asset is held solely for investment purposes and does not support the service or strategic objectives of the Authority and the rental income is negotiated at arm's length.

OPERATING LEASES

A lease other than a finance lease.

OPERATIONAL ASSETS

Assets held and occupied, used or consumed by the Local Authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility or for the service or strategic objectives of the Authority.

PAST SERVICE COST

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PRIOR PERIOD ADJUSTMENTS

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors. A material error is one that is of such significance as to destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior

PROJECTED UNIT METHOD

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- a) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases; and
- b) the accrued benefits for members in service of the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not.

PROPERTY, PLANT & EQUIPMENT

This covers all assets with physical substance that are for use in the production or supply of goods and services, for rental to others, or for administrative purpose, and expected to be used during more than one period.

PROVISION

Funds set aside to cover potential liabilities or losses which are likely or certain to be incurred at a future date but where the exact amount and timing of the liability or loss is currently not known.

RELATED PARTIES

Two or more parties are related parties when at any time during the financial period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- the parties, in entering a transaction, are subject to influence from the same source to such an extent that one on the parties to the transaction has subordinated its own separate interests.

Examples of related parties of an authority include:

- Central Government;
- Local Authorities and other bodies precepting or levying demands on the Council Tax;
- its subsidiary and associated companies;
- its joint ventures and joint venture partners;
- its Councillors;
- its Chief Officers; and
- its Pension Fund.

Examples of related parties of a pension fund include its:

- administering Authority and its related parties;
- scheduled bodies and their related parties; and
- Trustees and Advisors.

These lists are not intended to be comprehensive

For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or a member of their close family or the same household, has a controlling interest.

RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Examples of related party transactions include:

- the purchase, sale, lease, rental or hire of assets between related parties;
- the provision by a pension fund to a related party of assets or loans, irrespective of any direct economic benefit to the Pension Fund;
- the provision of a guarantee to a third party in relation to a liability or obligation of a related party;
- the provision of services to a related party, including the provision of pension fund administration services;
- transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, Rents and payment of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the Authority, but also in relation to its related party.

SECTION 6 : Glossary of Terms

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Authority. Some capital reserves such as the Revaluation Reserve cannot be used to meet current expenditure.

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life. Residual values are based on prices prevailing at the date of the acquisition (or revaluation) of the asset and do not take account of expected future price changes.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

- an employer's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Revenue expenditure funded by capital under statute. This is expenditure that can be properly capitalised, but which does not result in an asset for the Authority. Expenditure is therefore written off to revenue.

SAFETY-NET GRANT

This grant is received by Local Authorities whose business rates income drops below a set percentage (92.5%) of the minimum level the Local Authority requires as determined by the Government.

SCHEME LIABILITIES

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflects the benefits that the employer is committed to provide for service up to the valuation date.

SERVICE REPORTING CODE OF PRACTICE

A Chartered Institute of Public Finance and Accountancy (CIPFA) guide to accounting for local government services which provides a consistent and comparable calculation of the total costs of services.

SETTLEMENT

An irrecoverable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

- a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits;
- the purchase of an irrecoverable annuity contract sufficient to cover vested benefits; and
- the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

SECTION 6 : Glossary of Terms

USEFUL LIFE

The period over which the Authority will derive benefits from the use of an asset.

FURTHER INFORMATION

Copies of this document can also be provided on audiotape or in large print, Braille and ethnic minority languages on request. We can also be contacted via Typetalk and enquiries in any language can be dealt with in person or on the telephone using Language Line instant translation service.

For more information about Hartlepool Borough Council:



www.hartlepool.gov.uk



www.twitter.com/hpoolcouncil



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(01429) 266522

If you know someone who needs this information in a different format, for example large print, Braille or a different language, please call (01429) 266522.



HARTLEPOOL
BOROUGH COUNCIL

AUDIT AND GOVERNANCE COMMITTEE

20th September 2017



Report of: Interim Director of Public Health

Subject: DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT
2016/17

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present for information to Adult Services Committee the final version of the Director of Public Health Annual Report for 2016/17 (**Appendix A**). The final report including updated ward profiles for elected members will be presented to full Council on 28th September 2017

2. BACKGROUND

- 2.1 The requirement for the Director of Public Health to write an Annual Report on the health status of the town and the Local Authority duty to publish it is specified in the Health and Social Care Act 2012.
- 2.2 Director of Public Health Annual Reports are not a new requirement, as prior to 2012, Directors of Public Health in the National Health Service (NHS) were expected to produce annual reports.
- 2.4 Historically, the equivalent of the Director of Public Health Annual Report was produced by the Local Authority Medical Officer of Health.

3. DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT - PROPOSALS

- 3.1 The 2016/17 Report focuses on 'ageing well' in Hartlepool, highlighting the excellent services, good practice and partnership working taking place across the Borough in order to sustain and improve the physical and mental wellbeing of older people.
- 3.2 Previous reports have focused on how public health priorities have changed over the past 40 years (2013/14 report), the importance of how work and employment influence health and wellbeing (2014/15) and 'understanding need' (2015/16), utilising info graphics around the themes of the Joint Strategic Needs Assessment (JSNA), so it was felt that a focus on older people's wellbeing represents a logical progression and addresses an important gap by highlighting some of the excellent work in this area.

- 3.3 The 2016/17 report is split into four key themes relating to the services and projects that improve health and wellbeing and support the population of Hartlepool to ‘age well’:
1. Promoting social inclusion
 2. Improving health and wellbeing
 3. Promoting independence, and
 4. Practical support services
- 3.4 The report also highlights some of the key public health indicators and statistics around the older people’s agenda, demonstrating where good progress and improvements have been made, but also where further effort is required for Hartlepool to move closer to its neighbouring Authorities or the rest of England in order to reduce widening health inequalities.
- 3.5 The latter part of the report highlights some ‘top tips’ and useful contacts, which will be of interest and practical use to the target population, and to partners and stake holders and concludes with some next steps and future plans around this important agenda, linking to key projects such as the Better Care Fund and Community Hubs.
- 3.6 As in previous years, the final report to full Council will be accompanied by a revised set of ‘Ward Profiles’ for Elected Members, which will highlight the key public health issues in a given area with a specific focus on the theme of the report i.e. older people’s health and wellbeing, and enable comparison of these statistics across each ward and help Elected Members to prioritise which issues to tackle in their local constituencies.

4. RECOMMENDATIONS

- 4.1 Adult Services Committee note the final report and agree it can be taken to the wider committees and full Council.

5. REASONS FOR RECOMMENDATIONS

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

6. BACKGROUND PAPERS

- 6.1 There are no background papers to this report.

7. CONTACT OFFICER

- 7.1 Dr Paul Edmondson-Jones MBE
Interim Director of Public Health
Hartlepool Borough Council
Level 4 Civic Centre
Hartlepool TS24 8AY

Director of Public Health

Annual Report 2016/17



Ageing well in Hartlepool



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Page 23	Looking Ahead Paul Edmondson-Jones

Foreword

I am delighted to introduce my first Director of Public Health Report since joining Hartlepool Borough Council in January 2017. This will be the fourth Annual Report produced by the Borough Council since responsibility for Public Health transferred from the NHS in 2013. The first three Reports focused on how public health priorities have changed over the last half a century, the importance of work and employment in influencing health and well-being and finally how we might understand the changing needs of the population over a number of years.

However, I think the time is right to adopt a different approach so over the next few years the emphasis will be on 'Starting Well' (Children and Young People), 'Working Well' (Working Age Adults irrespective of their employment status) and 'Ageing Well' (Older People). This 2016/17 Annual Report - the first in that series - focuses on a key issue that is challenging local authorities, the NHS and other agencies across the country, which is about the demographic challenges of an ageing population. This Report therefore examines, through a series of case studies and reports, how well we are working with key stakeholders, partner organisations, communities and residents to promote better health and well-being of some of our older residents and I have called the Report "Ageing Well in Hartlepool".

There is a statutory responsibility on Hartlepool Borough Council and Hartlepool & Stockton Clinical Commissioning Group to understand the composition of the local population and assess its needs by producing a Joint Strategic Needs Assessment (JSNA). The JSNA is then used to develop the Health and Well-being Strategy for the Borough and to help shape the services we commission and provide. We know from the JSNA that the population aged 65 and older was 17,300 in 2015, will be 18,800 in 2020 and will have risen to 20,900 by 2025. Similarly, the population aged 85 and over will rise from 2,100 in 2015 to 2,700 in 2020 and then to 3,300 by 2025. Therefore, by 2025, over a quarter of the local population will be over 65 years of age.

The two key issues are to promote social inclusion and independence so as to reduce the risk of isolation, ill health and dependency so that older people remain a valuable and valued part of our communities. They have a wealth of experience, skills, knowledge and often time that need to be encouraged, fostered and utilised to keep them as fit and healthy as possible and to encourage and help others to do so too. The Report examines how older people are encouraged and supported to seek help, to help themselves and indeed to provide help to other people. It also looks at how practical support can be provided to older people as their needs and circumstances change.

I hope you enjoy reading this Report and hope that it may stimulate you to think of different ways in which we can champion the experience and wisdom of our older residents and how we can encourage and help them to play a major role in the day to day life of our Borough and enhance their own health and well-being by doing so.

Finally, I would like to acknowledge the enormous contribution my predecessor, Louise Wallace, made to Hartlepool as Director of Public Health from 2013-2017 and as part of the Tees Public Health Team for many years before that. She was hugely respected by all her colleagues and we wish her well in her new role in North Yorkshire.



Paul Edmondson-Jones
Director of Public Health Hartlepool Borough Council.

SECTION 1

Promoting Social Inclusion

KEY PROJECTS

3Fs Group (Fun, Food and Friendship)

The 3Fs luncheon club at Cafe 177, York Road provides residents with the opportunity to come along and meet new friends whilst enjoying a free, wholesome and healthy two course meal. We offer a warm welcome, relaxing activities and the chance to chat with our registered Nurse. Members are welcome to attend every week and forge new friendships that will hopefully last for many years to come. The group is aimed at adults aged 55 and over who:

- have been recently discharged from hospital
- have any form of memory loss or
- who are vulnerable due to loneliness

For further details visit www.hartlepoolfamiliesfirst.org.uk or tel 01429 867 016.

Hartlepool Men's Shed

What is Hartlepool Men's Shed? It's a place for males to make and mend things, a larger version of your typical garden shed! But they are much more than that. They are equally about reducing isolation, helping people to make friends and improving health and well-being. Sheds are fine places to share a problem – hence the suggestion men prefer to talk 'shoulder to shoulder'. Men's Sheds originated in the 1990's in Australia, where there are now over 500. Hartlepool Men's Shed is aimed at all males living in the Borough and features a workshop environment where men can 'make and mend' things of their choosing, for themselves or the wider community. It is open, Tuesdays and Thursdays (10am – 3pm) on Osborne Road, TS26 9EW. For further details visit www.hartlepoolmensshed.co.uk



Hartlepool Armed Forces Covenant

In 2012, Hartlepool Borough Council welcomed the opportunity to sign the North East Armed Forces Community Charter, supporting partnership working between local Armed Forces and civilian communities across the North East to provide improved services for service personnel and their families.

Building on this Charter, 2012 also saw the establishment of Hartlepool's own Armed Forces Community Covenant with clear objectives and measures to encourage support from the Armed Forces Community in the town. One of these measures was the appointment of an Armed Forces Champion and as a result, significant progress has been made against the top five policy changes identified by the Royal British Legion:



5

servicemen or women and their families have been housed in Hartlepool through Government-sponsored affordable housing schemes since the introduction of the Armed Forces Covenant

85

children from armed forces families in school within Hartlepool

723

patients with veteran status or military history recorded within GP clinical records (Hartlepool and Stockton CCG)

Policy Change One

In line with The Housing Act 1996 (Additional Preference for Armed Forces) (England) Regulations 2012, the Council's Allocations Policy has been reviewed, with preference for Armed Forces Personnel. The Allocations Policy also awards the highest priority for people leaving HM Armed Forces.

Policy Change Two

Hartlepool Borough Council now fully disregards War Pensions Scheme and Armed Forces Compensation Scheme payments from calculations in relation to Housing Benefit and Local Council Tax Support Awards.

Policy Change Three

Disabled Facilities Grant (DFG) applications are prioritised where the disability is as a result of service in the Armed Forces.

Policy Change Four

The needs of the Armed Forces community are considered as part of the Council's Joint Strategic Needs Assessment and Equality Impact Assessments. 'Ex-forces Personnel' is now a key theme within our Joint Strategic Needs Assessment.

Policy Change Five

Service children are prioritised for in year admission, in accordance with the School Admissions Code 2012.

Hartlepool are also active participants in bi-monthly meetings of the Armed Forces Forum which facilitates partnership working, and information sharing, between the five Tees Valley Local Authorities, Army, Veterans Support Agency, Military Charity and organisations

responsible for Housing, Health, Employment and Training. This has helped to improve working relationships and links with Armed Forces Associations across Hartlepool and the north east region, including the North East Reserve Army Cadets Association.

Ricochet and Project 65 'Improving social inclusion through technology'

Services are aimed at people aged over 65 in Hartlepool and provide a mobile device loan service to enable people to access Information, Advice and Guidance whilst reducing social isolation. 'In Your Dreams' is a separate project using digital technology to reignite memories with people living with Dementia. For further details visit www.incontrol-able.co.uk/ or tel 01429 401 742.

Project 65
Social Inclusion Through Technology

A FREE Mobile Device Loan Service
for Hartlepool residents aged 65 and over.

WE PROVIDE A FREE LOAN FOR YOU TO USE THE SERVICE

ALL YOU NEED IS WIFI ACCESS!

YOU WILL BE ABLE TO:

- Keep in touch with friends in a new way
- Find out what is going on in your community.
- Learn new skills - Don't be scared to give it a go!

Contact us today:
Incontrol-able CIC
Centre for Independent Living,
Riverside House, Hartlepool, TS13 3JY
Mobile: 01753 551 123
Email: info@incontrol-able.co.uk
Web: www.incontrol-able.co.uk

Logos: Hartlepool Borough Council, Disability Confident, incontrol-able, northgate, incontrol-able CIC

incontrol-able
promoting confidence
promoting disability

Ricochet
Mobile Device Loan Service

A free service that enables people to access information, advice and guidance.

We provide FREE loan services of Mobile Devices with pre-loaded bookmarks to information sites

We can provide a basic introduction on how to use the device, if required.

All you need is WIFI access in the home or in community venues.

Are you an Adult in Hartlepool with an:

- Autistic Spectrum Condition?
- Learning Disability?
- Physical Disability?
- Long term Condition?

Or are you a carer, or friend of someone who could benefit from the service?

Logos: Hartlepool Now, Disability Confident, incontrol-able, Hartlepool Borough Council

Main: 07775 081 351 Email: projects@incontrol-able.co.uk
Other: 07990 554 844 Website: www.incontrol-able.co.uk

35.5%

of pensioners in Hartlepool live alone (compared to 31.5% nationally)

10.8%

of people provide over 1 hour of unpaid care per week (10.2% nationally)

3.3%

provide over 50 hours of unpaid care per week (2.4% nationally)

23

excess winter deaths across all ages from 2012-2015 (compared to 19.6 nationally)

SECTION 2

Improving Health and Wellbeing

KEY PROJECTS

Food Hygiene and Health & Safety interventions in care settings

Environmental Health Officers (EHOs) and Food Technical Officers advise care providers on the management of food safety, including hygiene, kitchen design, pest control and waste disposal. Their duties include the inspection of food premises, as well as enforcing the provisions of the UK laws and the EU food hygiene legislation.

Every care home is given a hygiene rating when it is inspected and this considers:

- How hygienically the food is handled – how it is prepared, cooked, re-heated, cooled and stored
- The condition of the structure of the buildings – the cleanliness, layout, lighting, ventilation and other facilities
- How the business manages and records what it does to make sure food is safe

At the end of the inspection, the business is given one of the six ratings from 0-5. The top rating of '5' means that the business was found to have 'very good' hygiene standards. These ratings are published online at www.food.gov.uk/ratings. In addition, officers will ensure that the composition of the food and labelling meets legal requirements.

Officers also investigate complaints about food and collaborate with the local Public Health England Health Protection Unit in the investigation of outbreaks, particularly of food or water-borne illness. EHOs will provide advice and carry out interventions to ensure the health, safety and welfare of employees and liaise and collaborate with other enforcing authorities including the Health and Safety Executive and Care Quality Commission regarding matters affecting the health and safety of residents. Inspections have highlighted high levels of compliance with food and health & safety legislation within care settings.

Adult Services - Supporting Older People

Adult Services commission and provide support for older people who have eligible social care needs, with a focus on promoting independence and preventing unnecessary admissions to hospital and care homes. Adult Services support all people aged 65+ who have been assessed as having eligible social care needs. Public health funding contributes £149,000 annually towards a net budget of approximately £30m, £10m of which is spent on commissioning support for older people.

The key aim of services for older people is to ensure that eligible needs for care and support are met in line with the Care Act Legislation. This includes ensuring that people have access to appropriate information and advice and advocacy, as well as promoting individual wellbeing and preventing the need for care and support.

Services provided range from basic information and advice, advocacy and low level services such as befriending support and luncheon clubs to care at home, extra care and, at the most intense level of support, 24 hour residential care. Carers are also supported through Adult Services.

Maintaining independence and reducing dependence in services is a key objective throughout various strands of work with individuals in the community.

Promotion of self care and support for carers to maintain their caring role are key outcomes for the department and further successes have been as follows:

Increased uptake of information and advice: Hartlepool Now (www.hartlepoolnow.co.uk) had 17,853 users, 22,413 sessions and 72,999 hits in 2016/17. Hartlepool Now is also now available as an App and is used by frontline staff in people's homes as a tool for information, advice and signposting.

Low level support: Over 706 people used the handyperson service with 765 minor repairs/adaptations completed and a further 713 referrals to signposting service.

Tackling social isolation: Average attendance of 120 people per week at Social Inclusion service for older people (day time activities). Hartlepool Befriending Network commissioned. Project 65 developed by HBC and funded by Northgate Community Fund to support older people to access the internet.

Investment in reablement: 583 reablement packages started with 78.4% of people having no ongoing social care needs following

provision of a completed reablement package and 91.5% of reablement goals achieved at the end of a period of reablement.

Promoting independence / care at home: over 2,200 people supported using assistive technology / telecare and approximately 5,000 hours of domiciliary care provided per week to support people in their own homes.

Support for people living with dementia: The Dementia Advisory Service at The Bridge supported 269 people living with dementia and carers in 2016/17. The Dementia day service supports approximately 30 people per week. Over 4,000 hours of support are provided each year within people's own homes in addition to building based day service. Dementia Friendly accreditation secured. Continued awareness raising regarding dementia through the North of Tees Dementia Collaborative including 3729 Dementia Friends and 46 Dementia Champions trained in Hartlepool. The collaborative are presently engaging with 10 primary schools, 3 secondary schools and 2 colleges in the Borough.

Support for carers: over 150 carers received direct payments in 2016/17 and this is projected to increase further in 2017/18.

Hartlepool Exercise For Life/GP Referral Programme (H.E.L.P)

This is a town-wide service that delivers supervised specialist exercise from various community venues. Target audience is the adult population (18yrs+) who wish to benefit from a more active lifestyle to assist in the self management of a wide range of chronic health conditions. This in turn can reduce further health risks linked with an inactive sedentary lifestyle which is associated with the natural ageing process.

The service aims to improve quality of life with a holistic approach that is client-led and strives to meet the needs of the individual and encourage physical activity participation in the long term. This supports both improved physical and mental wellbeing, through the natural physiological responses to suitable graded exercise to address specific health problems and aims to motivate and educate the individual about the benefits of maintaining an active lifestyle in relation to improving all aspects of general health and wellbeing. The service offers a positive experience that instils confidence and empowers the individual to continue with an active lifestyle beyond their introductory 10-week course with the service, empowering the individual to make more choices and feel confident in their ability to do so.

In 2016/17, 591 referrals were received by the service, of which 494 were for clients aged 45 or over (302 female and 192 male).

In this period, 88 individuals have completed a 10 week introductory course. Evidence from 6 month post-completion questionnaires shows that 84% of clients have continued with regular structured activity.

11% have reduced their medication/prescription from the GP Surgery.

16% have indicated a reduction in their visits to their GP.

The service has successfully established a well attended weekly session to accommodate those with neurological issues such as M.S, Parkinson's and post-Stroke at Brierton Sports Centre.

"I was a carer for my husband at the time after his heart attack. I also joined the gym. The girls that looked after us were brilliant; they motivated us both and devised my own programme even though I wasn't the patient. We are both now members. We will return to the gym beginning of Sept. Excellent motivational course."

"I found this course was very good and motivating, because of this course I will return to Brierton gym, at the moment I work 5am-7pm so really is impossible. The course helped me get over the feeling of helplessness. The staff were extremely supportive & understanding".

"I have restarted Alexa's water fitness class on Wednesday afternoon. I enjoy this would like more of the same. Have started to swim once a week now that I have retired, with husband to encourage & motivate. Can't fault the help I've received from Lorraine's team & Steve Gaffney, Health Trainer."

"Professional advice & supervision doing exercises that were of benefit to me & my injury. Helped me to understand how I could improve my pain & maintain fitness. Thank you for your professional help. You provide a good service".

Escape Diabetes Act Now (E.D.A.N)

Lifestyle intervention project to support those at risk of developing Type 2 Diabetes - EDAN project (Escape Diabetes Act Now) preventative model. The project also supports those with Type 2 Diabetes to better self-manage their condition to deter further ill health, which is directly associated with this condition, namely increased risk of coronary heart disease, retinal eye damage, nerve damage and in the worst cases, amputation.



There are two components of support, supervised physical activity opportunities for up to 12 months to initiate clinical changes, plus access to either educational group 8 week workshops or 1:1 - 12 week Healthy Eating weight management courses. This input is delivered by the Health Trainer team who can explore with the client their existing eating patterns, identifying where change is needed. This can encourage long-term behaviour change which is realistic and achievable if the client is receptive and motivated to comply.

For EDAN referrals, this can reverse their situation and take them out of the pre-diabetic category, this can be clinically verified when repeat HbA1c blood tests are carried out at their GP surgery. For those referrals with existing Type 2 Diabetes, the service aims to educate and encourage a better understanding of how to live well with Type 2 Diabetes.

The project has seen increased support from local surgeries and Diabetes Specialist Nurse teams to encourage uptake to the EDAN project. In 2016-17, we have received 96 referrals over 45 years of age (57 Female & 39 male). In the Type 2 Diabetes patient group, we have received 33 referrals over 45 years (11 female & 22 male). Some clinical evidence has been received from surgeries where follow up appointments have been carried out - this work is ongoing. **For further information about HELP or EDAN/T2D contact 01429 284 363.**

Dementia Advisory Service – The Bridge

Drop in service supporting people of all ages in Hartlepool who may have memory impairment or have received a diagnosis of dementia. The service offers:

- Dementia advice, information and support to enable people to live well with dementia.
- Support to carers, families and friends.
- Signposting to other services.
- Practical and emotional support.
- IT access to services and advice.

Over 500 people have accessed The Bridge in the last 12 months with excellent feedback received from users of the service. **For further details contact 01429 279 005 or 01429 868 587.**



Dementia Friendly Hartlepool initiative

Dementia Friendly Hartlepool aims to develop Hartlepool as a nationally recognised dementia friendly community. We want to ensure that people living with dementia are able to remain active and involved in their communities. Our work will help the local community be aware of and understand more about dementia. People living with dementia and their carers will be able to live life well and able to seek the help and support they need. The collaborative aims to;

- Raise awareness about dementia in key organisations and businesses within Hartlepool that support people with dementia.
- Develop a strong voice for people with dementia living in Hartlepool.
- Raise the profile of Dementia Friendly Hartlepool to increase reach and awareness to different groups in the community.
- Support local groups, businesses and charities to be dementia friendly and more accessible to those living with dementia in Hartlepool.

Key successes in 2016/17

- Hartlepool has an active DEEP group which is a local branch of a national dementia empowerment and engagement network for people living with dementia. The group is supported by TEWW NHS Trust and The Bridge, Hospital of God.
- A multi-agency steering group are working together to promote dementia awareness in Hartlepool.
- A comprehensive programme of events is held throughout National Dementia Awareness Week and during the year to promote awareness and engage those living with dementia and care givers.
- 17 businesses and companies have become dementia friendly. This includes pharmacies, florists, cafes, shops, sports facilities and more. Others are being actively sought.
- Open dementia friends sessions are offered weekly and customised sessions are provided as required and tailored to the needs of a business.
- Partnership with public health has supported in reach to primary and secondary schools to work towards a dementia friendly generation.
- Since September 2016, 10 Primary schools have engaged with Dementia Friendly Hartlepool. Grange Primary, Holy Trinity, St Cuthberts, West View, St Teresa's, Dyke House, High Tunstall, Stranton, St Aidan's and Eldon Grove are engaged in ongoing work.

For further information visit www.hartlepoolnow.co.uk/DFHpool or tel 01429 803 660.

Male life expectancy at birth
in Hartlepool

76.8

compared to 79.5 nationally

Female life expectancy at
birth in Hartlepool

81.3

compared to 83.1 nationally

Healthy life expectancy in
males (proportion of life spent
in "good" health)

57.0

in Hartlepool (2nd lowest in
region) compared to 63.4
nationally

Healthy life expectancy in
females

55.2

in Hartlepool (lowest in region)
compared to 64.1 nationally

Not only are there significant inequalities between Hartlepool and the rest of England, there are huge differences between wards within Hartlepool. Life expectancy varies by as much as 10 years from the most to the least affluent areas of the Borough:

	Male	Female
Life expectancy at birth in the most deprived quintile of Hartlepool, 2012-2014	72.8	77.8
Life expectancy at birth in the least deprived quintile of Hartlepool, 2012-2014	83.0	87.2
Absolute gap in life expectancy between most deprived and least deprived areas within Hartlepool	-10.2	-9.4

For males, 30% of this gap is explained by circulatory diseases and for females 23% of the gap is explained by cancer and 20% due to circulatory diseases. Circulatory disease is therefore the single biggest contributor to inequalities in life expectancy within the Borough (50%).

Bowel cancer screening coverage in Hartlepool: 55.5% compared to 57.9% nationally

AAA (abdominal aortic aneurism) screening coverage in Hartlepool: 77.0% compared to 79.9% nationally

Health-related quality of life for older people is significantly lower in Hartlepool than the England average

Admission episodes for alcohol-related conditions in over 65s – 265.5 per 100,000 (7th highest rate in England for 2014/15) compared to 190.5 nationally

Emergency admissions for Coronary Heart Disease (CHD), stroke, heart attacks and Chronic Obstructive Pulmonary Disorder (COPD) all higher than the national average

Early (under 75) mortality from cancer and all causes considered preventable, and deaths from CVD and cancer in over 65s, are all higher than the regional and national averages:

	Hartlepool	North East	England
Under 75 mortality rate from cancer considered preventable	110.4	98.9	81.1
Mortality rate from all causes considered preventable (all ages)	243.9	227.5	184.5
Rate of deaths from cardiovascular disease (CVD) among people aged 65+	1290.5	1263.6	1191.9
Rate of deaths from cancer among people aged 65+	1344.7	1294.3	1122.0

Lung cancer incidence (165.7) is significantly higher than the England rate (100)

Dementia prevalence age 65+ = 4.9% compared to 4.3% nationally

SECTION 3

Promoting Independence

KEY PROJECTS

New build bungalows

Through the Hartlepool Housing Strategy 2015-2020, consultation identified a demand for older persons' accommodation, namely bungalows to meet the needs and aspirations of Hartlepool's ageing population. One of the long-term actions within the Housing Strategy is to "Work with partners to develop accommodation for older people".

As a result, 21 new build 2 bedroom bungalows were purchased by HBC during 2015 and 2016 at Alexandra Square, Dyke House – first let on an affordable rent from August 2015 and managed by the Council's Housing Service. Although not exclusively aimed at older people, these bungalows are available primarily to applicants with a medical need for 2 bedrooms and level access shower.

21 families and couples with medical needs have now been successfully re-housed into good quality new build accommodation with level access showers. These are let and managed by Hartlepool Borough Council on secure tenancies with an affordable rent.



Special needs housing service

Priority 4 within the Hartlepool Housing Strategy 2015-2020 is "Improving health and wellbeing; promoting sustainability by supporting people with specific housing needs"

This priority details how the Council works with partners to meet the specific housing needs of vulnerable people to support independent living. The challenges faced in achieving this priority include ensuring that there is a variety of housing options to meet different needs. There are particular pressures for finding suitable housing solutions for people with learning and other disabilities, as well as housing for a growing older population, and funding housing adaptations to enable independent living.

The adaptations service is delivered through minor adaptations (under £1000) and major adaptations (over £1000 funded via Disabled Facilities Grant) to assist and enable independent living.

During 2016/17, the following major adaptations have been undertaken:

DFGs completed Q1 – Q4 (cumulative)					
Type of adaptation	Under 18	18 - 40 years	40 - 65 years	65 - 80 years	80+ years
Straight Stairlift	0	1	9	14	17
Curved Stairlift	0	1	2	8	13
Extension	4	0	2	1	0
Level Access Shower	0	3	40	51	41
Overbath Shower	2	2	7	1	1
Ramp	3	0	1	2	1
Other	2	2	2	2	0
Cost	£126,115.67	£43,494.68	£235,064.40	£273,557.42	£236,434.13

In addition, 1265 minor adaptations were carried out during 2016/17 and although data (within Housing Services) is not kept on age, the majority of these will be for older people.



Hartlepool Falls Prevention Service

The new service commenced in April 2016 after Hartlepool Borough Council Public Health commissioned Adult Social Care to deliver this contract. The team is made up of occupational therapy staff from a variety of backgrounds which brings a wide and varied skill set to the service. The primary aim of this service is to offer residents within Hartlepool the opportunity to have access to a falls prevention plan to reduce the risk of falls, either within the home, or the local community.

We are aware there are a number of reasons that people fall and that this can lead to people not being confident to be a part of their local community and may lead to social isolation or a decline in health and wellbeing. With this in mind, Public Health and Adult Social Care have worked closely together to develop a holistic service, that looks at the causes of falls, but also provides a vital link to a variety of low level intervention services, along with giving you the necessary tools to keep safe, keep active and reduce the risk of falls.

Starting the service from scratch has been challenging and the service continues to evolve as we understand more about the needs of the residents of Hartlepool in relation to falls prevention. To date, we have screened over 700 residents who live in their own homes and over 1400 people have been provided with their own Falls Prevention Plan as Care Management Teams now complete Falls Prevention Plans.

Further initiatives within the service include supporting all Hartlepool Care Homes to implement new Falls Prevention documentation and raised awareness of the risk of falls with a 'bottom up approach' (care staff through to management) with staff through a series of on-going training sessions.

Falls Prevention has also worked closely with the Fire Brigade across the region devising a Fall Prevention checklist and then delivery various training sessions to Fire Fighters before going live with their agenda for Falls in October 2016. **For further information tel 01429 523 755.**

Scam prevention

The Council's trading standards team in public health has been working to protect the elderly and vulnerable from mail order and telephone scams. Officers have dealt with a number of shocking examples in Hartlepool where victims have lost many thousands of pounds, and in one case over £50,000, to mass marketing frauds.

Beginning with the 'guarantee' of a prize for only a small claim fee, or a bargain that is 'too good to miss' consumers can find they are soon overwhelmed with similar offers of bargains that can ultimately cost thousands. The 'guaranteed' prizes never arise and the offers of cheap goods are never cheap. Consumers have been known to receive dozens of phone calls and letters each day. This can have a significant detrimental impact on a vulnerable person's health and wellbeing.

Trading standards officers have been working closely with the Council's social services team, Community Safety Team and local Banks and Post Offices to help protect those who may be at risk. In addition, public health grants and funding provided through the Council's community safety team has been used to supply and fit 'call blocking' devices to the phones of those most vulnerable. This has had a dramatic effect on the numbers of unwanted calls being received – finally giving people peace of mind. Work is ongoing with the Post Office to see whether obvious scam mail can be returned to the sender rather than delivered to its unsuspecting victims.

Hartlepool has been at the forefront of tackling scams and the North East of England is the first area outside London to be selected for the roll-out of the new banking protocol – a multi-agency approach involving the Police, Trading Standards and the Banks aimed at identifying customers who are in the process of being defrauded.



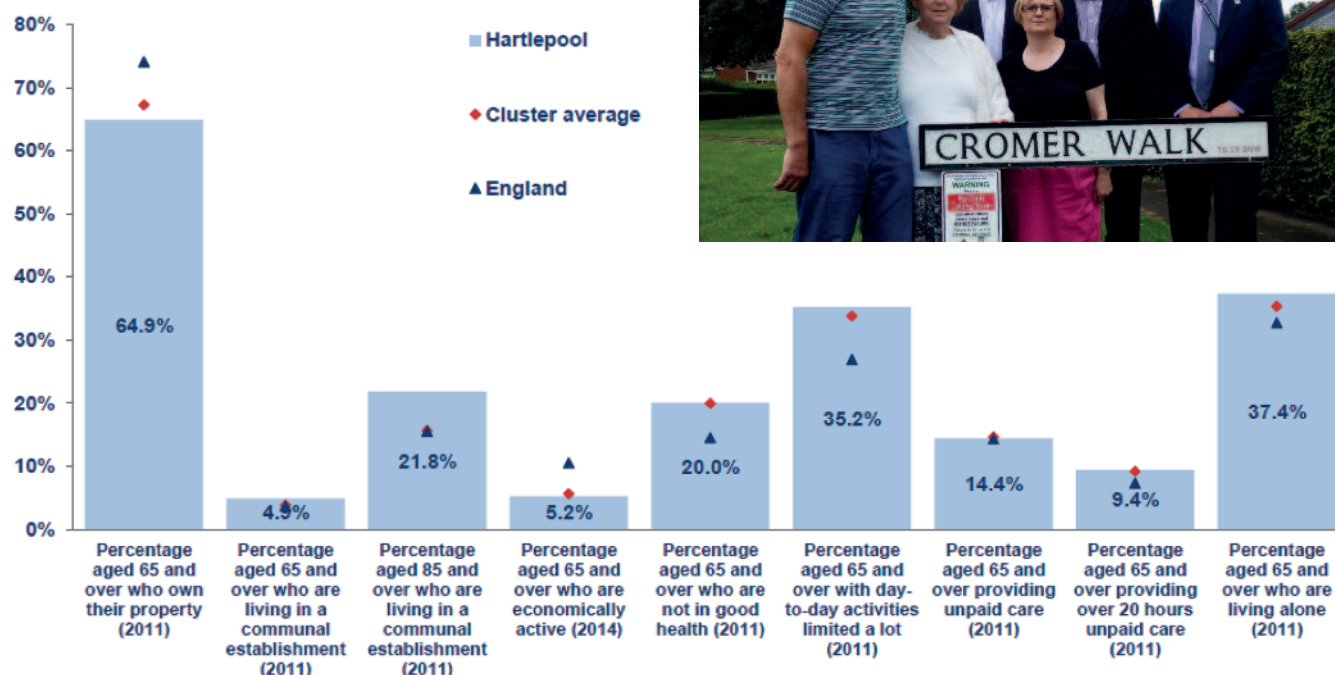
No Cold Call Zones

The trading standards team has been promoting, and has subsequently established, No Cold Call Zones (NCCZs) in 40 streets/neighbourhoods throughout the town. Once established, a NCCZ makes it an offence for doorstep traders to operate within that area. This protects the residents of that area from unwanted, unsolicited visitors such as cowboy builders and roofers. NCCZs have been introduced as a consequence of a number of complaints being received by trading standards – in some cases vulnerable people have lost several thousands of pounds to unscrupulous and criminal traders. All residents within the area are also provided with a free 'I don't deal with doorstep traders' sticker for them to place on their front door/window.

As a result, residents of these areas face fewer cold callers at their doors and many will feel empowered to say no to a cold caller who knocks on their door.

Fewer residents will face the risk of losing substantial sums of money to conmen and will not suffer the stress caused by having to deal with conmen – both in saying 'no' to them or having to deal with the consequences if they do get conned.

Protecting the vulnerable and elderly is a high priority for the trading standards team and public health grant funding has been used to fund an officer to focus on this area of work.



40%

of victims said it had resulted in them having **reduced confidence** generally

28%

said it had left them feeling **down** or **depressed**

46%

said it had caused them **financial detriment**

16%

had **not told anyone** about the crime, and 40 per cent of these said the reason was **embarrassment**

(National Trading Standards National Tasking Group Doorstep Crime Report, March 2014)

23.2%

of adults have a limiting long term illness or disability (compared to 17.6% nationally)

71%

Flu vaccination coverage 65+ (equal to national average)

1,975

per 100,000 Injuries due to falls aged 65+ compared to 2,125 nationally

684

per 100,000 Hip fractures aged 65+ compared to 571 nationally (Fewer injuries due to falls in Hartlepool BUT those injured are more serious i.e. fractures)

64.8%

PPV population vaccination coverage 65+ (pneumonia) (lowest in region) compared to 70.1% nationally

Certain sections of the community are more prone to scammers and fraud, as highlighted by Age UK in their 2015 report, 'Only the tip of the iceberg: Fraud against older people':

- Over half (53%) of people aged 65+ believe they have been targeted by fraudsters (Scams survey by Populus for Age UK, 2015)
- Age UK is particularly concerned that recent changes to private pensions allowing people aged 55+ to take all their pension savings in cash will encourage the scammers to target this age group even more
- While younger people may be more likely to be at risk of online fraud, increasing numbers of older people are likely to be at risk as the percentage online is expected to grow.
- Older people may be especially at risk of becoming a victim at particular times because of personal circumstances, such as social isolation, cognitive impairment, bereavement and financial pressures.
- A 2013 estimate by the former National Fraud Authority put total losses for individuals at over £9 billion per annum.

Fraud techniques

Research has identified a range of core techniques used by fraudsters:

- **Use of appropriate and latest technology**, particularly the use of the internet.
- **Professional and legitimate** appearance of information.
- **Illegitimate appearance**, where the involvement in an illegal activity, such as money laundering, makes it more difficult for the victim to report the fraud.
- **Small sums of money**, which make it less likely the victim will report the fraud.
- **Clever sales techniques**.
- **Selling a dream**, where the fraudster offers something someone wants at a low price or something that promises to make above average returns.
- **Operating in a legal hinterland**, where the tactics used make it difficult to unambiguously identify it as fraud.
- **Intimidation and threats** of violence.
- **Identity fraud techniques**, where the fraudster acquires either genuine identity documents, such as a passport or driver's licence, credit card or specific personal information.
- **Pretext calling**, where fraudsters pretend to be someone they are not to secure bank account and other personal data. It may be done in person, on the telephone or most commonly through email.

(Button et al, *Fraud typologies and victims of fraud: Literature review, National Fraud Authority and the Centre for Counter Fraud Studies, 2009*)

Doorstep crime appears to be targeted at older people

According to analyses of victim impact surveys in England and Wales:

85%

of victims were aged 65+, 59% were 75+, and 18% were aged 80 to 84.

62%

lived alone.

63%

had a physical impairment, 43% a sensory impairment, 15% a mental health condition, 14% a cognitive impairment, and 35% had a long standing illness.

24%

had concerns about their memory, or their family or carers had such concerns.

33%

had experienced bereavement in the past two years.

37%

missed having people around and 40% were lonely.

36%

had experienced depression in the past six months.

9%

were known to be repeat victims.

(National Trading Standards National Tasking Group Doorstep Crime Report, March 2014)

The negative impact of financial abuse, regardless of the source, can result in someone becoming in need of support from social services, having not previously required such help.

Analysis of the effects of doorstep crime found that:

40%

of victims said it had resulted in them having reduced confidence generally.

46%

said it had caused them financial detriment.

28%

said it had left them feeling down or depressed

16%

had not told anyone about the crime, and 40 per cent of these said the reason was embarrassment.

(Research on impact of mass marketed scams: A summary of research into the impact of scams on UK consumers, OFT, 2006)

SECTION 4

Practical Support Services

KEY PROJECTS

Tees Community Equipment Service (TCES)

Tees Community Equipment Services (TCES) is a Middlesbrough Council-led service and is commissioned by partner organisations including Hartlepool to deliver a Tees-wide Integrated Community Equipment Service. TCES is one of the largest and most complex equipment services in England and delivers, collects and services equipment for reissue in the community. This equipment plays an important part in helping people to develop their full potential and to maintain their health and independence.

The TCES customer base covers a range of clients of all ages and predominantly meets the needs of people in the community with physical disabilities and people who are suffering with long term conditions which impact on the quality of life.

2016 has seen the introduction of an online web ordering system for health and social care professionals and aims to streamline service provision by enabling professionals to order directly, avoiding the use of email and fax, to avoid duplication and improve governance, improve timeliness of delivery and collection of equipment, empower professionals to make decisions regarding the priority/urgency given to orders and to enable professionals to track client activity and plan follow-up assessment visits accordingly.

The service has resulted in increased ownership for professionals and ability to plan follow up assessments so that clients can commence using equipment, provided system accessibility 24hrs daily, introduced new scanners so system data is updated in real time and improved governance for partners, eliminating use of faxes and emails.

High standards of service delivery have been realised with 93.8% of equipment deliveries made within 7 days from assessment and a same day service delivery to prevent admission to hospital, to facilitate end of life issues and repair critical equipment without which respite or other care packages would be necessary.

High levels of customer satisfaction - customer engagement surveys (460 Teeswide) 2015-16 indicated that 74% of respondents felt that equipment provision helped them to maintain their independence, 70% felt it improved their quality of life and 57% felt safer for having the equipment. **For further details contact 01642 225 205.**

Hartlepool Now Equipment Finder

The Hartlepool Now website www.hartlepoolnow.co.uk helps people access a wide range of support and advice from across the town to help them live as independently as possible. The online equipment finder tool www.hartlepoolnow.co.uk/equipmentfinder helps residents and staff to assess needs and areas of the home in which people need assistance from products and mobility equipment that are available to purchase. The tool will take you through a series of questions concerning day to day life and will make some recommendations around aids and products that might make life in the home easier. There are also links to external websites where products can be purchased.

HBC have recently developed an App for 'Hartlepool Now' which is now available to download on mobile phones and tablets via Apple iStore and Google Play. Since the App went live the equipment finder has been one of the top visited sections on the App.



Connecting Communities Handyman and Signposting Service

The Service is available to any person who is a resident in the borough of Hartlepool aged 60+ or vulnerable people who are moving on from temporary supported accommodation and who need support to set up home. It is also available to Hartlepool adults aged under 60 who have a chronic illness, disability, sensory impairment or other problems which restrict their functioning on a day to day basis.

The service provides information, advice and signposting and a handyperson service to provide practical support to promote prevention and early intervention through the provision of minor repairs and adaptations to enable older people to continue to live in their own home.

The main objectives are to empower people to live independently in their own home, have more autonomy, choice and control in their lives and the services they receive, and will contribute to improving people's physical and mental health and overall wellbeing.

The service supports people to participate in their communities and contributes to the development and maintenance of social networks, preventing people from experiencing social isolation.

There were a total of 542 individuals worked with by the project in 2015, 374 of these worked with the handyperson service. 68% of service users who returned satisfaction questionnaires said that they felt they were able to move around their home more easily since the work was carried out. This led to 66% feeling more confident to remain in their own home. This demonstrates that the Handyperson scheme is empowering people to have more autonomy, choice and control around their ability to remain in their homes. **For further information contact 01429 269 303**



Home Fire Safety Visits / Stay Safe and Well

Cleveland Fire Brigade undertake Home Fire Safety Visits in households where vulnerable adults or families live in order to give free fire safety advice and information and supply and fit risk reduction equipment i.e. smoke alarms, free of charge. The project aims to reduce the risk of fire within the home and support vulnerable residents by signposting them to appropriate support agencies to assist in resolving their issues and vulnerabilities.

As a result, the Brigade has seen a reduction in accidental dwelling fires, increased fire safety awareness across Cleveland and over 4000 vulnerable residents are receiving home fire safety visits across Cleveland annually.

The Brigade also supports anyone within Tees Valley who is struggling to stay safe and warm within their own homes. The Stay Safe and Warm campaign aims to deliver emergency heating equipment in the form of portable heaters, thermal blankets, fleecy mattress toppers, electric blankets, wind up lighting units, torches etc. giving a holistic assessment of need and onward referrals to agencies for longer term support.

The Brigade has demonstrated an improvement in health and wellbeing both in the short and long term and contributes to the reduction of non-elective hospital admissions due to negative health impacts of living within cold and damp homes. Income maximisation is improved within vulnerable populations and the project is able to identify the more vulnerable residents and refer on for further support, contributing to the wider health and wellbeing agenda. **For further information contact 01429 874 054.**

Information Advice & Signposting Service

Do you find yourself struggling and need help but don't know where to turn or who to trust
Let us help find the right support for you

- Debt Advice
- Benefit Problems
- Loneliness
- Health and Wellbeing
- Mental Health
- Volunteering
- Tradespersons
- Handypersons
- Drug and Alcohol

These are just some of the problems we can help with. To arrange an appointment please call our friendly staff on.

TELEPHONE: 01429 269303

FREEPHONE: 0800 9520121

Macmillan Advice Service / Keep Warm without the Worry (West View Advice and Resource Centre)

The Macmillan Advice Service is available to anyone in Hartlepool, whose life is affected by cancer, offering benefits advice to cancer patients, their carers and family, access to grants and services, priority appointments and home visits for the housebound. The project aims to offer maximisation of income via a benefit check and grants eligibility assessment so the clients are assured of receiving the maximum income and other benefits to which they are entitled.

West View Advice and Resource Centre also offer a Home Energy Advice Service for people affected by cancer, providing assistance to relieve clients of the further stress of increased costs of energy so they can fully concentrate on their recovery. The project offers advice on keeping warm; energy company & tariff switching; fuel debt support; energy discounts & insulation grants and emergency funding. **For further information about either scheme contact 01429 271 275.**



HomePlus grants

The scheme is aimed at owner-occupiers, aged over 60 and in receipt of a means-tested benefit (also includes under 60s where there is an additional qualifying disability related benefit). Assistance is not limited to a geographical location. Small grants up to a maximum of £4,000 in a three year period are available to remove serious hazards from the home which may have a detrimental impact on health.

10 grants have been awarded in a 12 month period; 9 of these related to the replacement of defective boilers or the provision of heating systems. In doing these works, hazards relating to excess cold, personal hygiene and food safety were removed. One grant was awarded to replace a leaking flat roof to a ground floor room which was occupied as a bedroom by a dementia sufferer who was bedridden; the result of this was to remove hazards relating to excess cold and damp & mould growth which could have lead to respiratory infections. Two other households were assisted in the form of a charge which was placed on the properties to be repaid on sale or transfer to carry out essential works to make them safe. These were exceptional cases as the owner-occupiers were considered vulnerable due to their age and other factors. **For further information contact 01429 523 324.**

11.8%

of households in Hartlepool living in fuel poverty compared with 10.6% nationally

(A household is said to be in fuel poverty if they have required fuel costs that are above the national median level and were they to spend that amount they would be left with a residual income below the official poverty line).

58.3%

of social care clients in Hartlepool aged 65+ receiving self directed support compared with 66.3% nationally, however

88.8%

of those receiving self directed support, also receive direct payments (similar rate to national average)

93%

of people aged 65+ receiving winter fuel payments compared with 96.7% nationally

In 2015/16, Hartlepool accounted for over 22% (n=68) of referrals to the Stay Safe and Warm campaign provided by Cleveland Fire Brigade. Despite a mild winter, the campaign saw the third highest number of referrals since its instigation in 2009.

Hartlepool saw a gradual increase in referrals from the previous two years with 57% of all food parcels distributed in the area.



Age demographics of main referrer

	16 - 24 Years	25 - 35 Years	36 - 45 Years	46 - 55 Years	55 - 65 Years	66+ Years	Unknown	Total
Hartlepool	7	8	11	8	9	14	11	68

There is no clear pattern in the proportion of households which are fuel poor in progressively older occupants. There is, however, a clear pattern of increasing depth of fuel poverty in older households. Those where the oldest occupant is aged under 34, for example, have a mean fuel poverty gap of approximately £260, whereas those aged over 60 have a gap of around £450. This may reflect the longer heating requirement for older households who are more likely to be at home for longer periods of time during the day.

Distribution of equipment

	Thermal Blankets	Electric Blankets	Electric Heaters	Fleecy Mattress Toppers	Childs Blanket	Foods Parcels	Home Fire Safety Visits	Smoke Detectors
Hartlepool	56	8	82	7	6	39	68	45

Case study

A neighbour of a Hartlepool resident was so concerned by the cold conditions within her neighbour's home that she contacted social services. She reported that not only was it terribly cold but there was a level of hoarding and general dilapidation within the property. It was suggested that the neighbour contact Cleveland Fire Brigade who would be able to assist with heating and hopefully gain the gentleman's confidence which could result in onward referrals for other support.

Fire crew were notified and attended the property with emergency heating. Heaters and blankets were accepted and the resident also agreed to a further visit to see what other assistance could be given.

Both the Advocate and the neighbour spoke with the resident who agreed to further help and onward referrals. A full Home Fire Safety Check was conducted and some electrics were found to be faulty. Hartlepool Borough Council Environmental Health dept was contacted and, following a home visit, agreed to look into funding that could allow central heating to be installed, and for the electrics within the property to be rewired. Social services agreed to look into arranging Telecare and other services. HBC also arranged for financial assessment to ensure income maximisation.

When the electrical work was completed, CFB issued fleecy mattress toppers and further heaters so that every room could be heated. A panic alarm was also installed and the resident has demonstrated that he knows how and when to use it. Following extensive partnership collaboration, a highly vulnerable resident has had his health, safety and wellbeing greatly improved.

Summary Indicators 2016/2017

The table below summarises the data presented within the report and highlights additional statistics related to ageing well in Hartlepool. The Hartlepool, North East and England rates and numbers have been included where possible:

Indicator	Description	Hartlepool	North East	England
Life expectancy at birth (male)	Based on contemporary mortality rates	76.8%	77.9%	79.5%
Life expectancy at birth (female)	Based on contemporary mortality rates	81.3%	81.6%	83.1%
Male healthy life expectancy (years)	Based on prevalence of self-reported good health	57.0%	59.6%	63.4%
Female healthy life expectancy (years)	Based on prevalence of self-reported good health	55.2%	60.1%	64.1%
Fuel poverty	Proportion of households in fuel poverty based on "low income, high cost" methodology	11.8%	12.2%	10.6%
Social isolation	% of adult social care users who have as much social contact as they would like	54.3%	49.9%	45.4%
Recorded diabetes	Recorded cases of diabetes by GP practices aged 17+	6.3%	6.7%	6.4%
Bowel cancer screening coverage	% of eligible people (aged 60-74) screened	55.5%	59.4%	57.9%
AAA screening coverage	% of men eligible who are tested	77.0%	77.6%	79.9%
Injuries due to falls	Aged 65+ per 100,000 population	1975	2167	2125
Hip fractures	Aged 65+ per 100,000 population	684	618	571
Flu vaccination coverage	% eligible population screened (aged 65+)	71.0%	72.1%	71.0%
Preventable sight loss due to age-related macular degeneration	Crude rate aged 65+ per 100,000 population	163.4	156.9	118.1
Health-related quality of life for older people	Average health status score for adults aged 65+	0.673	0.706	0.733
Excess winter deaths index	3 years, all ages	23.0	19.3	19.6
Dementia recorded prevalence	Aged 65+ as recorded on practice disease registers	4.9%	4.68%	4.31%
% deaths in usual place of residence	Aged 65+	42%	47.2%	47.5%
% social care clients aged 65+ receiving self directed support	Via direct payment or personal budget	58.3%	68.7%	66.3%
% social care clients who receive self directed support, and those receiving direct payments	As a percentage of all clients receiving community based services and all carers receiving carer specific services	88.8%	96.9%	88.6%
% of population receiving winter fuel payments	Aged 65+	93.0%	93.8%	96.7%

Indicator	Description	Hartlepool	North East	England
Population vaccination coverage - PPV	% eligible adults aged 65+ receiving PPV (pneumonia) vaccine	64.8%	72.2%	70.1%
Admission episodes for alcohol-related conditions aged 65+	Persons over 65 admitted to hospital for alcohol-specific conditions	265.5	233.6	190.5
Under 75 mortality rate from cancer considered preventable	Age standardised rate of mortality in those aged <75 per 100,000 population	110.4	98.9	81.1
Under 75 mortality rate from cardiovascular disease considered preventable	Age standardised rate of mortality in those aged <75 per 100,000 population	56.0	54.5	48.1
Under 75 mortality rate from respiratory disease considered preventable	Age standardised rate of mortality in those aged <75 per 100,000 population	27.5	25.4	18.1
Mortality rate from all causes considered preventable (all ages)	Age standardised rate of mortality from all causes considered preventable per 100,000 population	243.9	227.5	184.5
Pensioners living alone	Self reported, ONS Census	35.5%	-	31.5%
Cancer incidence (all)	Standardised incidence ratios estimated from MSOA level data	104.2	-	100
Cancer incidence (lung)	As above	165.7	-	100
Cancer incidence (bowel)	As above	98.0	-	100
Limiting long term illness/disability	Self reported, ONS Census	23.2%	-	17.6%
Provides 1+ hrs unpaid care per week	Self reported, ONS Census	10.8%	-	10.2%
Provides 50+ hrs unpaid care per week	Self reported, ONS Census	3.3%	-	2.4%
Elective admissions for hip replacement	Standardised admission ratios estimated from MSOA level data	104.4	-	100
Elective admissions for knee replacement	Standardised admission ratios estimated from MSOA level data	132.7	-	100
Emergency admissions for CHD	Standardised admission ratios estimated from MSOA level data	145.1	-	100
Emergency admissions for stroke	Standardised admission ratios estimated from MSOA level data	115.8	-	100
Emergency admissions for MI	Standardised admission ratios estimated from MSOA level data	173.8	-	100
Emergency admissions for COPD	Standardised admission ratios estimated from MSOA level data	191.0	-	100
Rate of deaths from cardiovascular disease among people aged 65+	Directly standardised rate per 100,000	1290.5	1263.6	1191.9
Rate of deaths from cancer among people aged 65+	Directly standardised rate per 100,000	1344.7	1294.3	1122.0
Rate of deaths from respiratory disease among people aged 65+	Directly standardised rate per 100,000	783.8	764.0	646.2

(Data correct as of April 2017)

Next Steps and Future Plans

I hope it is clear from the report that there is a fantastic range of projects and initiatives in place, through a wide range of partners and services, to support the ageing well agenda in Hartlepool.

It is vitally important that Public Health in Hartlepool continues to lead and support these services and initiatives and promote partnership working and shared leadership to help all residents of the Borough to grow old with the dignity, support and respect they deserve.

Joint Health and Wellbeing Strategy

The Health and Social Care Act (2012) establishes Health and Wellbeing Boards as statutory bodies responsible for encouraging integrated working and developing a Joint Strategic Needs Assessment (JSNA) and Joint Health and Wellbeing Strategy (JHWS) for their area. The JHWS is a strategic document outlining how Hartlepool Borough Council, Hartlepool and Stockton Clinical Commissioning Group and other key organisations, through the Health and Wellbeing Board, will fulfil this mandate. The existing strategy was established in 2013 and is being reviewed in 2017/18 in order to develop a revised set of actions and priorities for 2018-25. The Strategy is underpinned by the JSNA and views of our communities and will provide a foundation for strategic, evidence-based, outcomes-focused commissioning and planning for Hartlepool.

Our vision

is that Hartlepool will develop a culture and environment that promotes and supports health and wellbeing for all.

Our ambition

is to improve health and wellbeing outcomes and reduce inequalities for our population.

Community Hubs

Three innovative, new Community Hubs will be launching in 2017/18, which will offer a range of advice, guidance, health, learning, employment and community support and services for local people, all under one roof.

The Hubs will offer support and services from a range of different organisations to make it easier for residents to access the help and support they need. Every resident in Hartlepool will be within two miles of their nearest Hub site.

Whether you require information about welfare benefits, debt advice, library services, training and jobs, how to stop smoking or make other behaviour/lifestyle changes, specialists will be on hand to give you all the guidance and help you need.



Community Hub North

Location West View Advice and Resource Centre, Miers Avenue.

Open Mon - Fri 9am - 5pm

Contact 01429 271275



Community Hub Central

Location Hartlepool Central Library, Victoria Road.

Open Mon - Fri 10am-6pm
and Sat 10am - 2pm

Contact 01429 272905



Community Hub South

Location Owton Manor Community Centre, Wynyard Road.

Open Mon - Fri 8.30am - 10.30pm
(dependant on bookings) and
Sat - Sun (dependant on bookings)

Contact 01429 272631

What do we want to achieve and why?

Starting well

All children and young people living in Hartlepool have the best start in life.

Children who grow up in loving and supportive families are most likely to be happy, healthy and safe. Life experiences involve critical transitions - emotional and physical changes in early childhood; moving from primary to secondary and tertiary education; starting work; leaving home and starting a family; and retirement. Each transition stage can affect health and wellbeing by pushing people into more or less disadvantaged paths. Children and Young people who have been disadvantaged in the past are at the greatest risk and their children are more likely to be also disadvantaged. We want to ensure access to high quality universal services such as health care and education; early intervention when needed, and targeted support for children, young people and families who are in difficulties. We want to prevent children and young people from developing emotional problems; having to live in poverty, or where they or their families are affected by abuse, violence or misuse of substances, so that we prevent problems being passed from generation to generation.

Working well

Workplaces in Hartlepool Borough promote and support healthy living.

Access to fulfilling, paid work has long been a significant determinant of people's wellbeing. Economically, fulfilling work provides a secure income, while in social terms, such work can offer a sense of purpose, social connections and personal agency. People who are economically less well-off have substantially shorter life expectancy and more illnesses than those in meaningful employment. In addition, supporting those who work to be healthy and well means they are able to better support and care for their dependents (children and/or the elderly). We want workplaces in Hartlepool to be healthy places with supportive practices and environments that enable employees sustain healthy lifestyle choices. Also we want to work with our communities to support people into fulfilling employment for positive health and wellbeing gains.

Ageing well

Older people in Hartlepool live active and independent lives and are supported to manage their own health and wellbeing.

Similar to most areas in England, the proportion of older people in Hartlepool is increasing. For instance the number of people who were aged 85 years or more in 2005 was 1,400, this increased to 2,100 by 2015 and will continue to increase to 3,330 by 2025 and to 4,700 by 2035. Although most people are living longer, the majority of their latter years (approximately 20 years for males; and 26 years for females) are lived with poor health and wellbeing. We want to support older people to develop and maintain health and independence as long as possible so that they can live life to the full. When people start to develop a long-term health problem, we want to focus on preventing them from developing further health and social problems. We want to see local services focused on those who have the greatest need, to reduce health inequality and to enable a greater focus on prevention of ill health.

Living well

Hartlepool is a Safe and Healthy place to live with strong communities.

Enabling those who live in Hartlepool to be healthy and well for a life time involves much more than good health and social care services. Many different things impact on health and wellbeing – housing, jobs, leisure, sport & access to open spaces, education, health services and transport. We want Hartlepool to be a healthy place with supportive neighbourhoods and communities which are strong and resourceful, making best use of their community assets.

The Health and Wellbeing Strategy will provide the opportunity to maximise partnerships and evidence base, generating new ways of tackling health and wellbeing challenges. This includes recognising and mobilising the talents, skills and assets of local communities to maximise health and wellbeing.



Top Tips

Remember these 10 golden rules to help you beat the scammers:

- 1 Be suspicious of all 'Too good to be true' offers and deals. There are no guaranteed get rich-quick schemes.
- 2 Do not agree to offers or deals straight away. Insist on time to obtain independent/legal advice before making a decision.
- 3 Do not hand over money or sign anything until you have checked the credentials of the company or individual that you are dealing with.
- 4 Never send money to anyone you do not know or trust. This includes sending money abroad and using methods of payment that you are not comfortable with.
- 5 Never give bank or personal details to anyone you do not know or trust. This information is valuable so make sure you protect it.
- 6 Always log on to a website directly rather than clicking on links provided in an email.
- 7 Do not rely on glowing testimonials: find solid independent evidence of a company's success.
- 8 Always get independent/legal advice if an offer involves money, time or commitment.
- 9 If you spot a scam or have been scammed, report it and get help. Contact ActionFraud on 0300 123 2040 or online at www.actionfraud.police.uk. Contact the Police if the suspect is known or still in the area.
- 10 Always remember: scammers are cunning and clever. They know how to manipulate you to produce the response they want. Do not be embarrassed to report a scam.

Adapted from 'Little Book of Scams, Metropolitan Police Service'

Useful Contacts

Age UK 01429 424002

Befriending Network (Lee) 07808 306184

Blue Badge Scheme 01429 523331

Carewatch 01429 857206

Citizens Advice 01429 408401

**Community Hub Central
(Central Library)** 01429 272905

Community Hub North (West View ARC)
01429 271294

**Community Hub South
(Owton Manor Community Centre)** 01429 272361

Council Waste Collection 01429 523333

Disabled Person Bus Pass 01429 523331

Fire Brigade 01429 872311

Hartlepool Police Station 01429 221151

Hartlepool Water 01429 858050

HBC Contact Centre 01429 266522

NHS non-emergency helpline 111

One Life 01429 890947

Police (non-emergencies) 101

Social Care Adults Team 01429 523390

The Bridge - Dementia Care and Advice
01429 868587

Thirteen Group 0800 0525399

Looking Ahead



For the last 40 years, not only has the North of England had persistently poorer health than the rest of England, but the gap has widened year on year. This is because poverty is more widespread in the North of England than elsewhere and its residents generally live in poorer quality housing, have poorer working conditions and greater unemployment as well as being more badly affected by the chronic disease and disability left by the historical legacy of heavy industry and its decline. To make matters worse, there are far more children growing up in poverty in the North with significantly reduced life chances than there are elsewhere in the country.

Hartlepool is the 18th most deprived local authority area in the country and the people of Hartlepool do experience, in many respects, poorer health than the average person in England. We know that men in Hartlepool have a life expectancy (76.8 years) nearly 3 years lower than the England average and for women it is nearly 2 years lower (81.3 years). We also know that the Healthy Life Expectancy, that is the proportion of life spent in “good health” and without disability, is the tenth worst in the country for men (57.0 years) and the second worst in the country for women (55.2 years).

That means that many older Hartlepool residents are carrying an enormous burden of ill health, disability and

long term conditions (e.g. diabetes, high blood pressure, bronchitis) and, on average, women are only enjoying good health for two thirds of their life and men for just three quarters. There are many causes for this – some are societal in terms of poverty, deprivation and poor housing while others are lifestyle choices in terms of smoking, obesity and the harmful effects of too much alcohol, but a significant proportion are and due to poor access or uptake of health services such as cervical cancer and breast cancer screening services, or late diagnosis of lung cancer, strokes and heart conditions.

Hartlepool is one of the smallest local authorities in the country and has been disproportionately hit by the effects of austerity, by the impact of service reductions, by the lack of employment opportunity and by the long term legacy of heavy industry in terms of health and well-being. However, it has a proud heritage and a strong sense of identity and cohesion. We must build on that and provide more support to the Voluntary and Community Sector, to Community Champions and Community Groups to provide the leadership and sense of purpose that will improve health and wellbeing, reduce health inequalities and enable residents to make appropriate lifestyle choices.

To complement this Report, I will also be publishing updated versions of the Ward Profiles 2016-17, which summarise the key public health statistics and indicators for each ward within the Borough. The profiles aim to support councillors, officers, staff and residents to identify key issues, challenges and priorities for future action within their local area and Hartlepool as a whole.

Thank you for reading this Report and I very much hope that you will work together with us to improve health and wellbeing and reduce the impact of disease, ill health and disability on the lives of the people of Hartlepool.

Paul Edmondson-Jones
Director of Public Health Hartlepool Borough Council.

This document is also available in other languages,
Braille, large print and audio format upon request.

Bengali

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

Cantonese

本文件也可應要求，製作成其他語文或特大字體版本，也可製作成錄音帶。

Hindi

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

Kurdish

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

Arabic

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

Polish

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

Urdu

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



For further information please contact:

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Email: customer.service@hartlepool.gov.uk

Telephone: (01429) 266522

AUDIT AND GOVERNANCE COMMITTEE

20 September 2017



Report of: Interim Director of Public Health

Subject: HEALTH AND WELLBEING STRATEGY (2018 - 2025)

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:-

i) Present:

- The draft Joint Health and Wellbeing Strategy (JHWS); and
- Results of the recent consultation exercise undertaken to inform the development of the strategy.

ii) Seek approval of the draft Joint Health and Wellbeing Strategy (JHWS) prior to formal consultation.

2. BACKGROUND

2.1 As previously indicated, the Health and Social Care Act 2012 requires the Local Authority, with partner agencies including the NHS, to develop a joint Health and Wellbeing Strategy based on the Joint Strategic Needs Assessment (JSNA). The Health and Wellbeing Strategy (2013-2018) was developed in 2012-2013 in order to comply with this statutory requirement.

2.2 In complying with the requirements of the Health and Social Care Act 2012, and in order to ensure that the Strategy is fit for purpose and effectively reflects local priorities, the Health and Wellbeing Board (HWB) at its meeting on the 13 March 2017, approved the refresh of the Strategy and the creation of a detailed Project Plan / Timetable to enable completion of the refresh process in line with the required deadline. A further meeting of the HWB, on the 26 June 2017, approved the following priority areas as the focus for the Strategy and consultation process:

- Starting Well – maternal health, children and young people;
- Working Well – workplace health, getting into work, poverty;
- Ageing Well – isolation, dementia, long term conditions, older people;
- Living Well – lifestyle issues, mental health, prevention;

- 2.3 Following the public consultation, a further priority area has been identified and included as 'Dying well'.
- 2.4 The HWB, at its meeting on the 26 June 2017, also approved the Project Plan / Timetable outlined in Table 1 (over the page) for completion of the refresh.

Table 1 - Project Plan

June - July 2017	Consult on priorities to inform development of 1st draft of Strategy. Self Completion Survey: 27 June/12 July - Covering all themes:- <ul style="list-style-type: none"> • Starting Well • Working Well • Ageing Well • Living Well 	Complete
WC 10 July 2017	Public Consultation on priorities to inform development of 2nd draft of Strategy:- Events in each Community Hub:- <ul style="list-style-type: none"> • West View – 14 July 2017 (10.00am) • Owton Manor – 11 July (1.30pm) • Central Library – 10 July (10.00am) 	Complete
18 July 2017	Member / Partner Consultation on priorities to inform development of 3rd draft of Strategy.	Complete
Sept 2017	Consult partners on final draft of Strategy and agree for consultation, including specifically:- <ul style="list-style-type: none"> • Health and Wellbeing Board (4 Sept 2017) • Finance and Policy Committee (18 Sept 2017) • Audit & Governance Committee (20 Sept 2017) • Children's Strategic Partnership (26 Sept 2017) • Hartlepool and Stockton CCG (26 Sept 2017) 	
	2nd Member / Partner Consultation (4 Sept 2017)	
Oct 2017	Consult on final draft of Strategy:- <ul style="list-style-type: none"> • Self Completion Questionnaire (paper and online throughout October 2017) • HBC Community Forums (18 October 2017) 	
Dec 2017 - Jan 2018	Agree final draft of Strategy*:- <ul style="list-style-type: none"> • Health & Wellbeing Board (4 December 2017) • Audit & Governance Committee (6 Dec 2017) • Finance & Policy Committee (8 January 2018) • Hartlepool & Stockton CCG (30 January 2018) *Equality and poverty impact assessments to be undertaken for consideration alongside the Strategy.	
March 2018	Formal approval of the Strategy:- <ul style="list-style-type: none"> • HBC Full Council (15 March 2018) • Hartlepool and Stockton CCG (27 March 2018) 	

3. CONSULTATION FEEDBACK

3.1 The initial phase of consultation commenced on the 26th June 2017 and closed on the 16 July 2017. The consultation was undertaken across a range of venues and an online survey, with participation promoted via:

i) Press release

ii) Social media:-

Facebook

Tuesday 27 June – 3,795 people reached

Tuesday 4 July – 858 people reached

Twitter

Tuesday 27 June – 1,322 people reached

Tuesday 4 July – 453 people reached

iii) Invitations to complete survey and attend events sent to:

- All Cllrs, HBC Staff and HWB members
- Local Pressure Groups (NEED & Fighting for UHH)
- Posters in all LA buildings, UHH and the One Life Centre
- Posters placed in GP surgeries through the GP Federation
- All HWB partners asked to publicise with their staff
- The Youth Council, all schools, existing adult forums (e.g. the Learning Disability partnership Board and the Mental Health Forum) and community groups (inc. minority groups)
- Advertised in the Civic Centre and each of the Community Hubs
- HOP Panel

iv) Consultation workshop held at the health watch annual general meeting in July – Key priorities identified were support for carers, transport, social isolation and dying well.

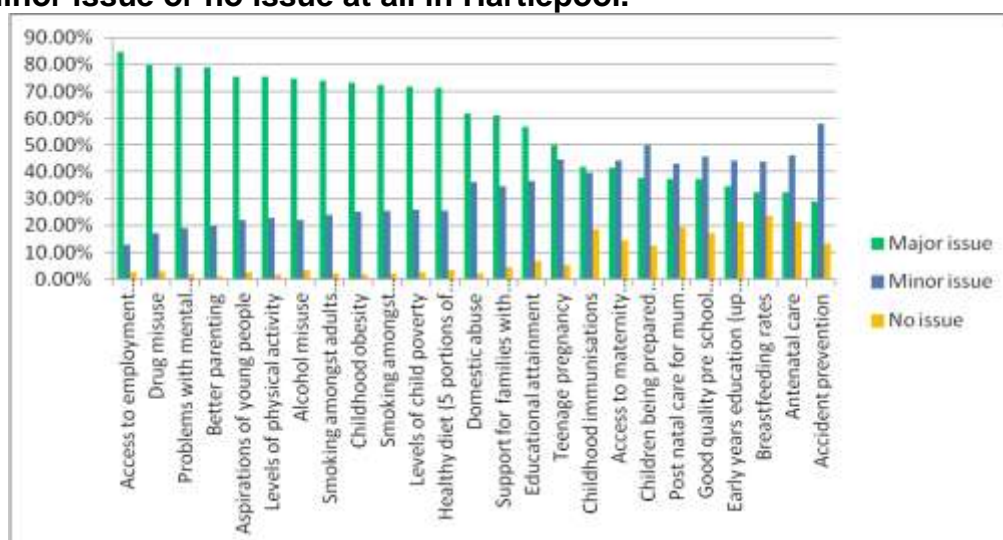
3.2 A copy of the survey is attached at **Appendix A**. A total of 30 residents took part in 3 community workshops and 247 participants completed the survey (online and paper), with responses received from all Wards. A breakdown is provided in the Table 1 below.

Table 1 – Ward Breakdown (44 people skipped this question)

Burn Valley Ward	14.78%	30
De Bruce Ward	9.85%	20
Fens and Rossmere Ward	7.39%	15
Foggy Furze Ward	3.45%	7
Hart Ward	12.32%	25
Headland and Harbour Ward	4.43%	9
Jesmond Ward	4.93%	10
Manor House Ward	2.96%	6
Rural West Ward	11.33%	23
Seaton Ward	9.85%	20
Victoria Ward	5.91%	12
I don't live in Hartlepool	12.81%	26

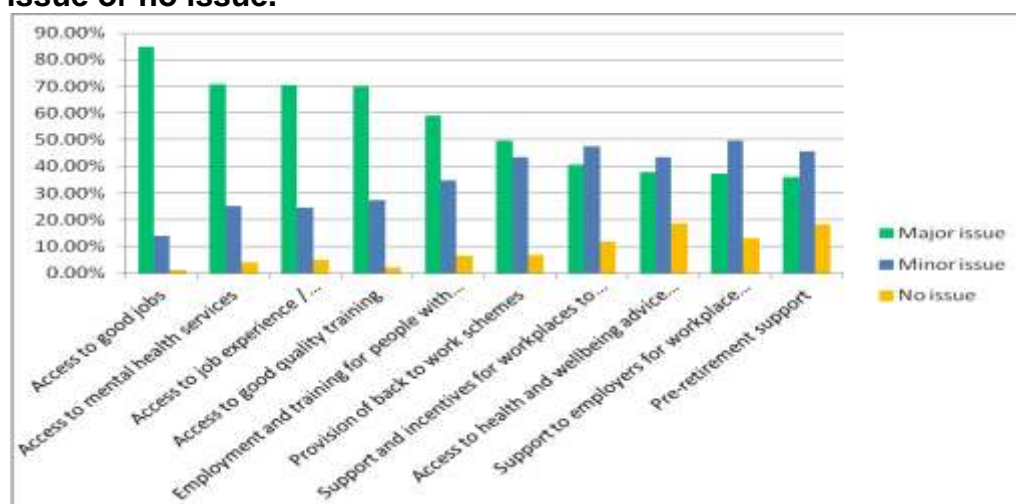
- 3.4 The survey focused on the four priority areas, agreed by the Health and Wellbeing Board in June 2017, and identified a number of key issues that could potentially impact / influence peoples chances of 'starting well', 'working well', 'ageing well' or 'living well' in Hartlepool. Those who completed the survey were asked to consider whether these are major / minor factor or no issue in Hartlepool.
- 3.5 A detailed breakdown of the results of the consultation is attached at **Appendix B** and a summary of key findings outlined below.

Question 1 - Thinking about starting well in life, please consider each of the issues below and identify whether you think it is a major issue, minor issue or no issue at all in Hartlepool.



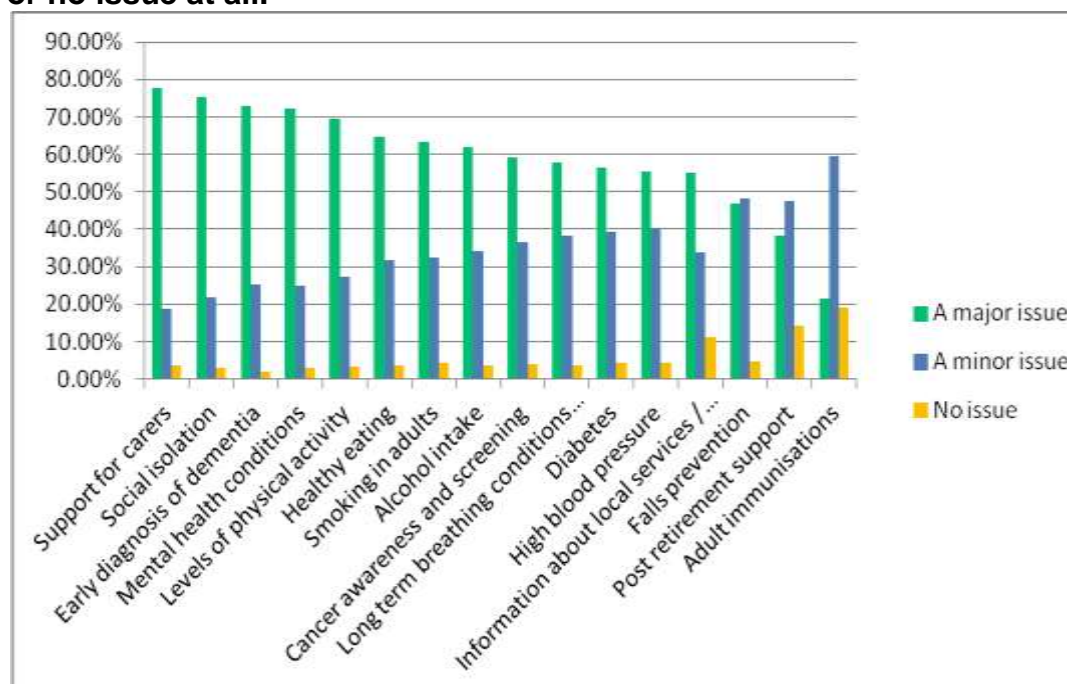
- 3.6 Respondents identified employment, parenting, drug misuse and mental health as the highest priority topics for action under starting well.

Question 2 - Thinking about working well, please consider each of the issues below and identify if you think they are a major issue, minor issue or no issue.



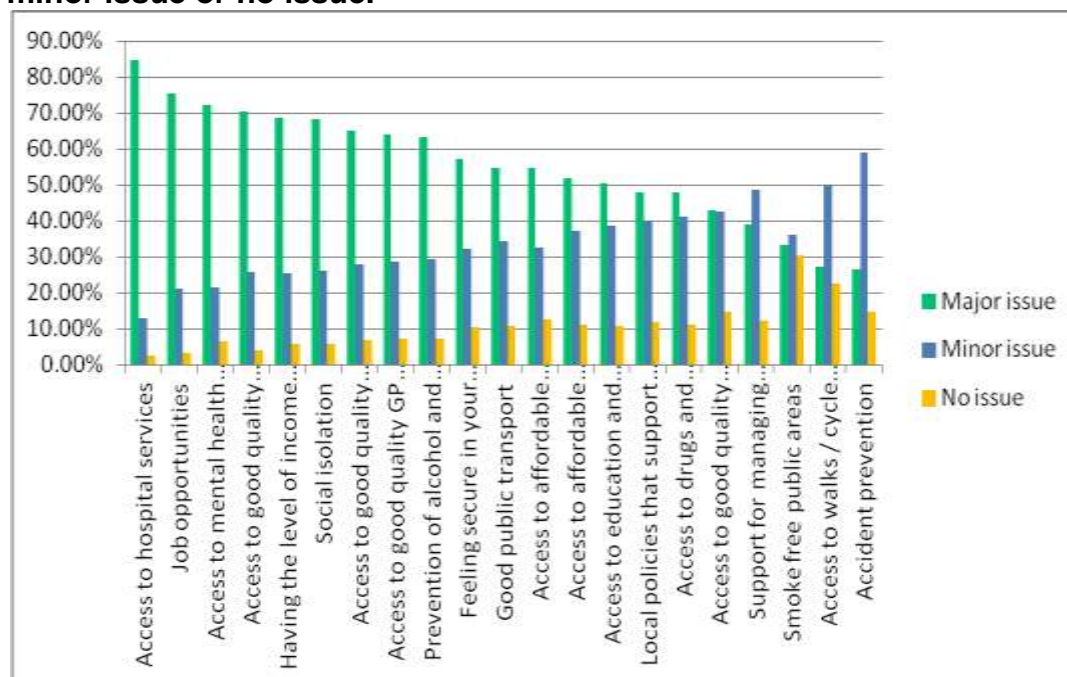
- 3.7 Respondents identified access to good jobs and mental health services as the highest priority topics for action under working well.

Question 3 - Thinking about ageing well, please consider the issues identified below and whether you think it's a major issue, a minor issue or no issue at all.



3.8 Respondents identified support for carers, social isolation, dementia and mental health as the highest priority topics for action under ageing well.

Question 4 - Thinking about living well, please consider the issues outlined below and identify whether you think they are a major issue, minor issue or no issue.



3.9 Respondents identified access to hospital services, jobs and mental health as the highest priority topics for action under living well.

- 3.10 The round table discussion with partners of the HWB also identified cross cutting themes that will ensure new ways of working.

These themes are:

- Build up the local workforce to ‘make every contact count’;
- Use local intelligence to target actions and reduce inequalities;
- Build the voluntary and community sector offer as an asset;
- Target media campaigns through the use of market segmentation; and
- Work with academic institutions to utilize action research and embed continuous improvement.

- 3.11 Further consultation sessions have been arranged with BME and children and young people groups and will be held in September.

4. PROPOSALS

- 4.1 All of the information obtained throughout the consultation process, has been utilised in the development of a final draft of the Joint Health and Wellbeing Strategy (2018-2025). A copy of the final draft is attached at **Appendix C** (to follow)

- 4.2 No options are submitted for considered other than the recommendations.

5. RISK IMPLICATIONS

- 5.1 Failure to meet the timetable necessary for the production of a refreshed Joint Health and Wellbeing Strategy, by March 2018, as required by statute.

6. FINANCIAL CONSIDERATIONS

- 6.1 None

7. CONSULTATION

- 7.1 See Section 3 above.

8. RECOMMENDATIONS

- 8.1 That the Audit and Governance Committee:-

- i) Note the results of the recent consultation exercise undertaken in the development of the draft of the Joint Health and Wellbeing Strategy (JHWS) and seek clarification, as and where required;
- ii) Considers if it wishes to recommend any additions / changes to the draft Joint Health and Wellbeing Strategy (JHWS) prior to formal consultation; and
- iii) Approve the draft Joint Health and Wellbeing Strategy (JHWS) of formal consultations in October 2017.

9. REASONS FOR RECOMMENDATIONS

- 9.1 This draft strategy is a key requirement as part of the changes to NHS in the light of the Health and Social Care Act 2012.

10. BACKGROUND PAPERS

Report to Cabinet July 2012 regarding consultation process for Health and Wellbeing Strategy

Report to Cabinet October 2012 regarding first draft of Health and Wellbeing Strategy

Report to Cabinet January 2013 on second draft of Health and Wellbeing Strategy

Report to Cabinet March 2013 on final draft of Health and Wellbeing Strategy

Health and Wellbeing Board – 13 March 2017 and 26 June 2017 (reports and minutes)

11. CONTACT OFFICER

Dr Paul Edmondson-Jones MBE

Interim Director of Public Health

Hartlepool Borough Council

Email: paul.edmondson-jones@hartlepool.gov.uk

Joint Health and Wellbeing Strategy 2018-2025

Hartlepool's Health and Wellbeing Board is a statutory partnership and a committee of the council with the responsibility to address the health and wellbeing needs of Hartlepool and help reduce health inequalities. The Board are currently reviewing and reshaping the Health and Wellbeing Strategy for Hartlepool and are keen that as many people as possible feed into this process. We would be most grateful if you could help us by taking the time to complete this survey, which will help us to develop our first draft for further consultation.

The survey will close on the 16th July 2017.

If you would like any further information on the Health and Wellbeing Strategy or would like to be kept informed of upcoming consultation events relating to the strategy then please contact Joan Stevens at Joan.stevens@hartlepool.gov.uk

Starting well – All Children and Young People living in Hartlepool have the best start in life.

Children who grow up in loving and supportive families are most likely to be happy, healthy and safe. Life experiences involve critical transitions - emotional and physical changes in early childhood; moving from primary to secondary and tertiary education; starting work; leaving home and starting a family; and retirement. Each transition stage can affect health and wellbeing by pushing people into more or less disadvantaged paths. Children and Young people who have been disadvantaged in the past are at the greatest risk and their children are more likely to be also disadvantaged.

We want to ensure access to high quality universal services such as health care and education; early intervention when needed, and targeted support for children, young people and families who are in difficulties. We want to prevent children and young people from developing emotional problems; having to live in poverty, or where they or their families are affected by abuse, violence or misuse of substances, so that we prevent problems being passed from generation to generation.

1. Thinking about starting well in life, please consider each of the issues below and identify whether you think it is a major issue, minor issue or no issue at all in Hartlepool.

	Major issue	Minor issue	No issue
Levels of child poverty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Breastfeeding rates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Smoking amongst adults (Second hand smoke for children)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Smoking amongst pregnant women	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Better parenting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Children being prepared for moving into school	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Healthy diet (5 portions of fruit / veg a day)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Childhood obesity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Levels of physical activity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for families with complex needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good quality pre school childcare	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Major issue	Minor issue	No issue
Childhood immunisations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to maternity services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Early years education (up to age 5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Antenatal care	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Post natal care for mum and child	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Educational attainment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Aspirations of young people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to employment and training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Teenage pregnancy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alcohol misuse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drug misuse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Problems with mental health	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Domestic abuse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accident prevention	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are there any other issues you would like to add?

Working well - Work Places in Hartlepool Borough promote and support healthy living.

Access to fulfilling, paid work has long been a significant determinant of people's wellbeing. Economically, fulfilling work provides a secure income, while in social terms, such work can offer a sense of purpose, social connections and personal agency. People who are economically less well-off have substantially shorter life expectancy and more illnesses than those in meaningful employment. In addition, supporting those who work to be healthy and well involves commitment by employers (public, private and voluntary) to promote a working environment and culture that will help employees embed decisions made for healthy lifestyle practices. We want workplaces in Hartlepool to be healthy places with supportive practices and environments that enable employees sustain healthy lifestyle choices. Also we want to work with our communities to support people into fulfilling employment for positive health and wellbeing gains.

2. Thinking about working well, please consider each of the issues below and identify if you think they are a major issue, minor issue or no issue.

	Major issue	Minor issue	No issue
Access to good jobs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to good quality training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to mental health services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of back to work schemes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employment and training for people with disabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to job experience / apprenticeships for young people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support to employers for workplace healthy lifestyle schemes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to health and wellbeing advice and / or support in the workplace	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support and incentives for workplaces to adopt healthy working practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pre-retirement support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are there any other issues you would like to add?

Ageing Well – Older People in Hartlepool live active and independent lives.

Similar to most areas in England, the proportion of older people in Hartlepool is increasing. For instance the number of people who were aged 85 years or more in 2005 was 1,400, this increased to 2,100 by 2015 and will continue to increase to 3,330 by 2025 and to 4,700 by 2035. Although most people are living longer, the majority of their latter years (approximately 20years for males; and 26years for females) are lived with poor health and wellbeing. We want to support older people to develop and maintain health and independence as long as possible so that they can live life to the full. When people start to develop a long-term health problem, we want to focus on preventing them from developing further health and social problems. We want to see local services focused on those who have the greatest need, to reduce health inequality and to enable a greater focus on prevention of ill health.

3. Thinking about ageing well, please consider the issues identified below and whether you think its a major issue, a minor issue or no issue at all.

	A major issue	A minor issue	No issue
Healthy eating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alcohol intake	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Levels of physical activity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cancer awareness and screening	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mental health conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social isolation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Diabetes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
High blood pressure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Adult immunisations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Smoking in adults	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Early diagnosis of dementia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for carers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Falls prevention	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long term breathing conditions such as bronchitis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information about local services / support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Post retirement support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are there any other issues you would like to add?

Living well –Hartlepool is a Safe and Healthy place to live with strong communities.

Enabling those who live in Hartlepool to be healthy and well for a life time involves much more than good health and social care services. Many different things impact on health and wellbeing – housing, jobs, leisure, sport & access to open spaces, education, health services and transport. We want Hartlepool to be a healthy place with supportive neighbourhoods and communities which are strong and resourceful, making best use of their community assets.

4. Thinking about living well, please consider the issues outlined below and identify whether you think they are a major issue, minor issue or no issue.

	Major issue	Minor issue	No issue
Access to good quality affordable housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to good quality open spaces	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to good quality GP services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to good quality primary care services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to hospital services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to drugs and alcohol services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to mental health services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for managing finances / accessing benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good public transport	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social isolation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Feeling secure in your own home	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to education and training opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Having the level of income needed for leading a healthy life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Job opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Major issue	Minor issue	No issue
Local policies that support healthy living	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accident prevention	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prevention of alcohol and substance misuse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to walks / cycle paths	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to affordable healthy food	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Smoke free public areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to affordable physical activity opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are there any other issues you would like to add?

About you.

The following questions are entirely optional, but it would help us to understand your answers a bit better if you complete them. If you don't want to answer a question, please feel free to miss it out and move onto the next one.

5. Are you....

- ☐ Male
- ☐ Female

6. Please indicate what age bracket you are in.....

- ☐ Under 18
- ☐ 18 - 24
- ☐ 25 - 34
- ☐ 35 - 44
- ☐ 45 - 54
- ☐ 55 - 64
- ☐ 65+

7. Do you consider yourself to have a disability?

- ☐ Yes
- ☐ No

8. What is your ethnic origin?

- ☐ White
- ☐ Mixed / multiple ethnic groups
- ☐ Asian or Asian British
- ☐ Black, African, Caribbean or Black British
- ☐ Other Ethnic Group

9. And finally.....could you please tell us which Ward you live in?

- ☐ Burn Valley Ward
- ☐ De Bruce Ward
- ☐ Fens and Rossmere Ward
- ☐ Foggy Furze Ward
- ☐ Hart Ward
- ☐ Headland and Harbour Ward
- ☐ Jesmond Ward
- ☐ Manor House Ward
- ☐ Rural West Ward
- ☐ Seaton Ward
- ☐ Victoria Ward
- ☐ I don't live in Hartlepool

Hartlepool Joint Health and Wellbeing Strategy 2018 – 2025

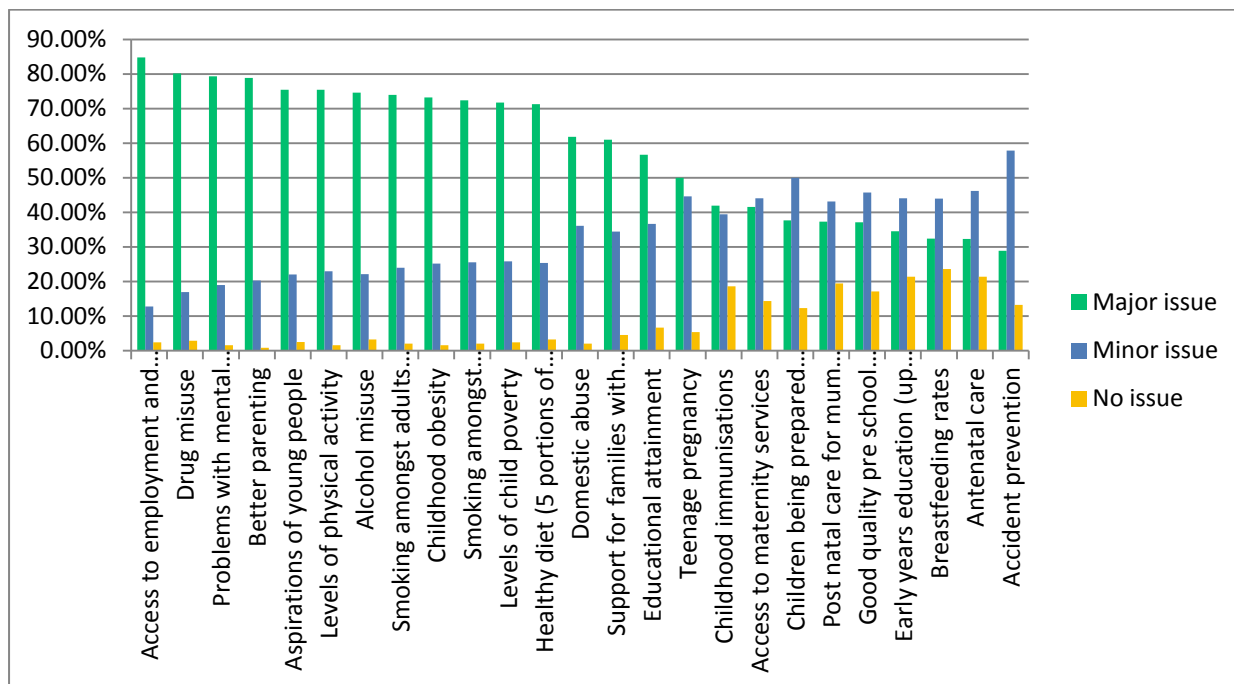
Summary of responses to online survey

Question1 - Thinking about starting well in life, please consider each of the issues below and identify whether you think it is a major issue, minor issue or no issue at all in Hartlepool.

Rank	Issue	Major issue		Minor issue		No issue		Total
1	Access to employment and training	84.77%	206	12.76%	31	2.47%	6	243
2	Drug misuse	80.17%	194	16.94%	41	2.89%	7	242
3	Problems with mental health	79.34%	192	19.01%	46	1.65%	4	242
4	Better parenting	78.90%	187	20.25%	48	0.84%	2	237
5	Aspirations of young people	75.42%	181	22.08%	53	2.50%	6	240
6	Levels of physical activity	75.41%	184	22.95%	56	1.64%	4	244
7	Alcohol misuse	74.59%	182	22.13%	54	3.28%	8	244
8	Smoking amongst adults (Second hand smoke for children)	73.98%	182	23.98%	59	2.03%	5	246
9	Childhood obesity	73.17%	180	25.20%	62	1.63%	4	246
10	Smoking amongst pregnant women	72.36%	178	25.61%	63	2.03%	5	246
11	Levels of child poverty	71.72%	175	25.82%	63	2.46%	6	244
12	Healthy diet (5 portions of fruit / veg a day)	71.31%	174	25.41%	62	3.28%	8	244
13	Domestic abuse	61.83%	149	36.10%	87	2.07%	5	241
14	Support for families with complex needs	61.00%	147	34.44%	83	4.56%	11	241
15	Educational attainment	56.67%	136	36.67%	88	6.67%	16	240
16	Teenage pregnancy	50.00%	121	44.63%	108	5.37%	13	242
17	Childhood immunisations	41.91%	101	39.42%	95	18.67%	45	241
18	Access to maternity services	41.56%	101	44.03%	107	14.40%	35	243
19	Children being prepared for moving into school	37.70%	92	50.00%	122	12.30%	30	244
20	Post natal care for mum and child	37.34%	90	43.15%	104	19.50%	47	241
21	Good quality pre school childcare	37.14%	91	45.71%	112	17.14%	42	245
22	Early years education (up to age 5)	34.57%	84	44.03%	107	21.40%	52	243
23	Breastfeeding rates	32.37%	78	43.98%	106	23.65%	57	241
24	Antenatal care	32.35%	77	46.22%	110	21.43%	51	238
25	Accident prevention	28.93%	70	57.85%	140	13.22%	32	242
26	Are there any other issues you would like to add?							20

Answered 247
Skipped 0

Question 1 graph showing perceived bigger issues left to right.



Additional comments received:-

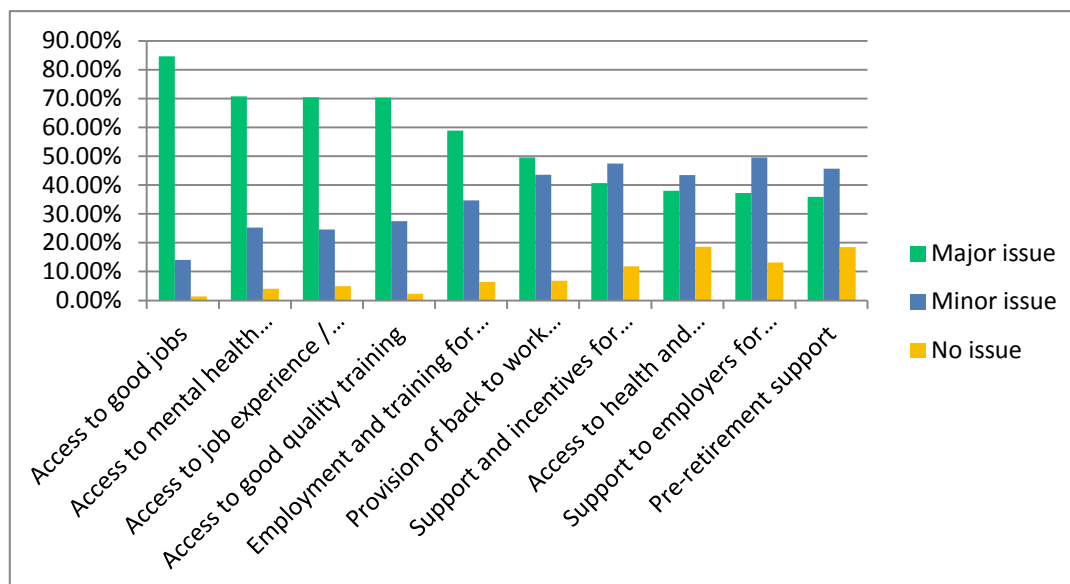
- Sex education in schools is poor
- The connections between these major issues and the crumbling infrastructure of the town need to be explored.
- isolation in the community
- Child mental health / emotional wellbeing as opposed to adult
- I feel as though there is little pride in peoples neighbourhood, far too many areas of the town that are neglected by both the Council and residents.
- General health and fitness including problem with obesity are very obvious. Lack of work ethic and opportunities, lack of support is also very obvious. The council are just intent on making themselves look good and are not looking at the root problems with the town. Drug and alcohol issues are also sky high.
- All of these issues need to be addressed but interventions should be sympathetic.
- Cannot say the above is for all families just ones who need help
- Internet grooming of children
- How to raise parents' awareness of major issues which may affect their children.
- yes get our GENERAL HOSPITAL all our services back
- Issues around school meals not been as healthy as they could be, not promoting healthy eating to the children.
- Local hospital with wider range of services needed
- smoking/vaping children is an issue
- All of the issues mentioned are relevant and to me, are either a minor or a major issue. I believe government cuts and austerity have major effects on Hartlepool and on the North East as a whole. I also believe anti-social behaviour to be an issue, along with hate crime and discrimination acts being committed against minority groups.
- I think speeding is a massive issue in our town. People speed all over the town. Areas I can think of is the round about near the main Tesco before it turns to 40! People do 40 anyway, the road to the headland people go 45-50. It's just ridiculous the amount of people that speed it's no wonder we have so many road accidents to be honest!
- Hartlepool Borough Council should butt out of trying to socially engineer life outcomes. We've already got a system in place for this called parenting.
- What is the council going to do to address the quality of secondary education in the town

Question 2 - Thinking about working well, please consider each of the issues below and identify if you think they are a major issue, minor issue or no issue.

Rank	Issue	Major issue		Minor issue		No issue		Total
1	Access to good jobs	84.62%	187	14.03%	31	1.36%	3	221
2	Access to mental health services	70.72%	157	25.23%	56	4.05%	9	222
3	Access to job experience / apprenticeships for young people	70.45%	155	24.55%	54	5.00%	11	220
4	Access to good quality training	70.27%	156	27.48%	61	2.25%	5	222
5	Employment and training for people with disabilities	58.90%	129	34.70%	76	6.39%	14	219
6	Provision of back to work schemes	49.54%	108	43.58%	95	6.88%	15	218
7	Support and incentives for workplaces to adopt healthy working practices	40.64%	89	47.49%	104	11.87%	26	219
8	Access to health and wellbeing advice and / or support in the workplace	38.01%	84	43.44%	96	18.55%	41	221
9	Support to employers for workplace healthy lifestyle schemes	37.27%	82	49.55%	109	13.18%	29	220
10	Pre-retirement support	35.94%	78	45.62%	99	18.43%	40	217
11	Are there any other issues you would like to add?							12

Answered 222
Skipped 25

Question 2 - Graph



Additional comments received:

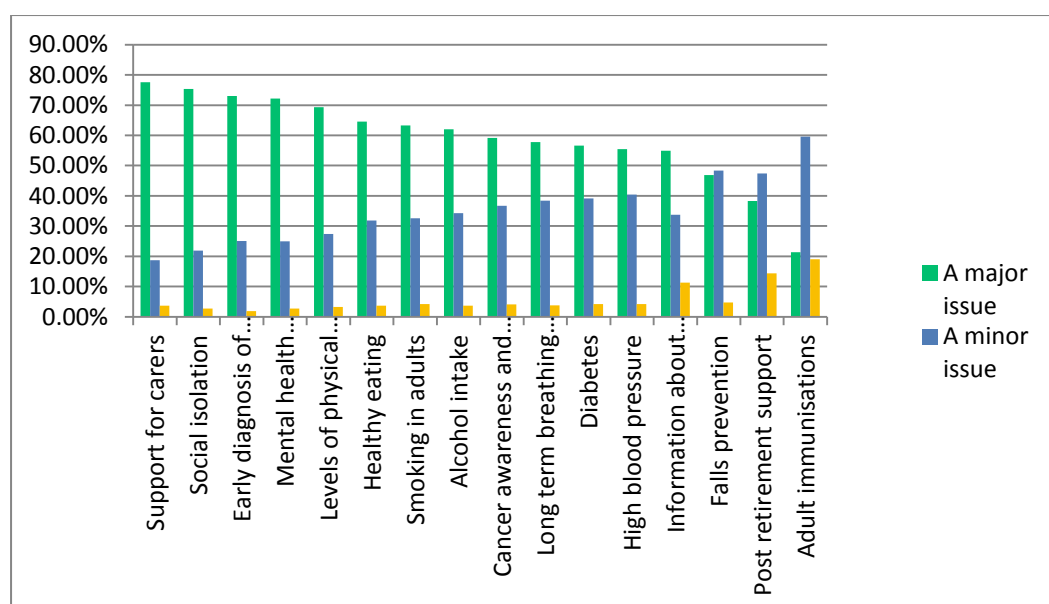
- Lack of support for Deaf people wanting to work. There is no BSL support provided by the job centre to help Deaf people apply for jobs.
- One of the keys to genuine regeneration in Hartlepool is having decent employment prospects
- Not enough work places for students completing courses
- Access to children's mental health services / support
- there is a fantastic workplace health scheme that employers don't see the importance or benefit to buy into. it is not seen as a priority
- Should be more incentives to get people to work as opposed to claiming benefits, far too easy to sit at home.
- It's a waste of time having work schemes when there are no jobs in the area. You could educate everyone to Professor level but if there are no jobs it's pointless. We need schemes to attract potential employers.
- Transport barriers to access work/training
- Encouragement to schools to participate in work-experience programmes for year 11 pupils.
- Hartlepool Borough Council should butt out of trying to provide or even signpost these things. The free market has them covered.

Question 3 - Thinking about ageing well, please consider the issues identified below and whether you think it's a major issue, a minor issue or no issue at all.

Rank	Issue	A major issue		A minor issue		No issue		Total
1	Support for carers	77.57%	166	18.69%	40	3.74%	8	214
2	Social isolation	75.35%	162	21.86%	47	2.79%	6	215
3	Early diagnosis of dementia	73.02%	157	25.12%	54	1.86%	4	215
4	Mental health conditions	72.22%	156	25.00%	54	2.78%	6	216
5	Levels of physical activity	69.30%	149	27.44%	59	3.26%	7	215
6	Healthy eating	64.52%	140	31.80%	69	3.69%	8	217
7	Smoking in adults	63.26%	136	32.56%	70	4.19%	9	215
8	Alcohol intake	62.04%	134	34.26%	74	3.70%	8	216
9	Cancer awareness and screening	59.17%	129	36.70%	80	4.13%	9	218
10	Long term breathing conditions such as bronchitis	57.82%	122	38.39%	81	3.79%	8	211
11	Diabetes	56.60%	120	39.15%	83	4.25%	9	212
12	High blood pressure	55.40%	118	40.38%	86	4.23%	9	213
13	Information about local services / support	54.93%	117	33.80%	72	11.27%	24	213
14	Falls prevention	46.92%	99	48.34%	102	4.74%	10	211
15	Post retirement support	38.28%	80	47.37%	99	14.35%	30	209
16	Adult immunisations	21.40%	46	59.53%	128	19.07%	41	215
17	Are there any other issues you would like to add?							6

Answered 218
Skipped 29

Question 3 - Graph



Additional comments received:

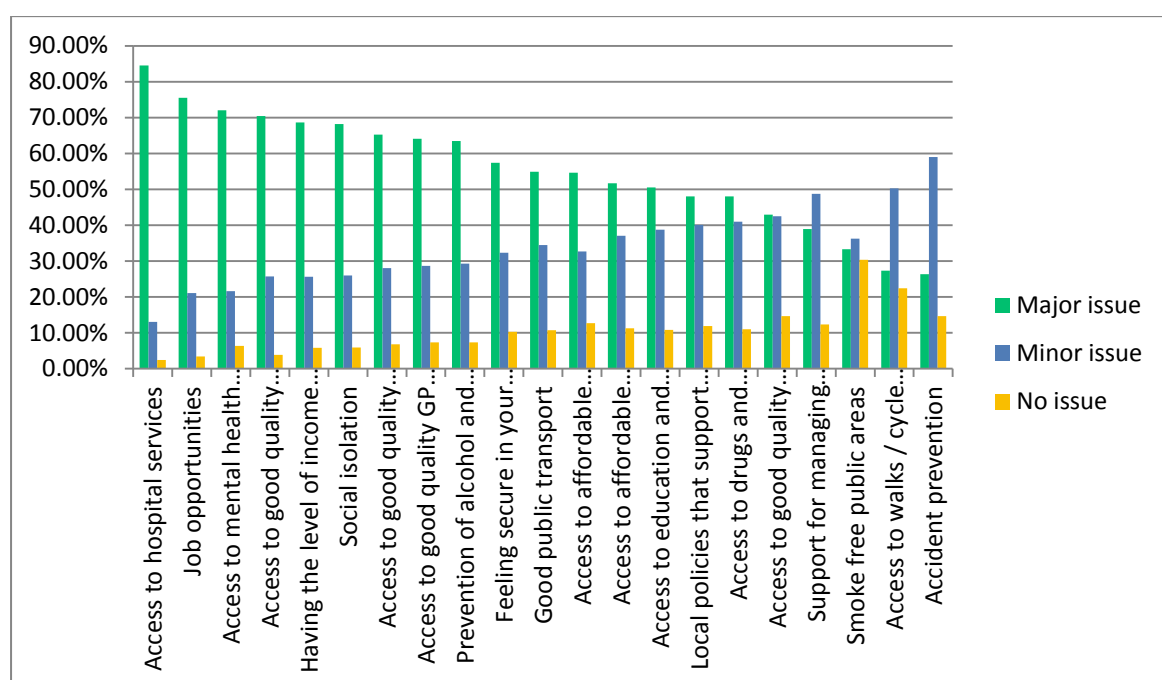
- All important issues but people need encouragement to eat well and stay active rather than being bombarded with information.
- Increase awareness/provision of/use of /access to lunch-clubs for the elderly to reduce isolation and encourage healthy eating.
- Over the past 2 years services and communication have got worse in Hartlepool. LA workers do not seem to be aware of services available to people. Local authority does not seem to know how to communicate with different departments or lack the knowledge to sign post to other departments or services. This impacts our community and fails vulnerable families and individuals.
- I think this questionnaire is misleading : major issue or minor issue or no issue? surely it depends which services I use or am likely to use?
- Hartlepool Borough Council should butt out of trying here. A market based health system, like in every EU country except the UK and Malta can deal with all of these.

Question 4 - Thinking about living well, please consider the issues outlined below and identify whether you think they are a major issue, minor issue or no issue.

Rank	Issue	Major issue		Minor issue		No issue		Total
1	Access to hospital services	84.54%	175	13.04%	27	2.42%	5	207
2	Job opportunities	75.49%	154	21.08%	43	3.43%	7	204
3	Access to mental health services	72.06%	147	21.57%	44	6.37%	13	204
4	Access to good quality primary care services	70.39%	145	25.73%	53	3.88%	8	206
5	Having the level of income needed for leading a healthy life	68.60%	142	25.60%	53	5.80%	12	207
6	Social isolation	68.14%	139	25.98%	53	5.88%	12	204
7	Access to good quality affordable housing	65.22%	135	28.02%	58	6.76%	14	207
8	Access to good quality GP services	64.08%	132	28.64%	59	7.28%	15	206
9	Prevention of alcohol and substance misuse	63.41%	130	29.27%	60	7.32%	15	205
10	Feeling secure in your own home	57.35%	117	32.35%	66	10.29%	21	204
11	Good public transport	54.85%	113	34.47%	71	10.68%	22	206
12	Access to affordable healthy food	54.63%	112	32.68%	67	12.68%	26	205
13	Access to affordable physical activity opportunities	51.71%	106	37.07%	76	11.22%	23	205
14	Access to education and training opportunities	50.49%	103	38.73%	79	10.78%	22	204
15	Local policies that support healthy living	48.02%	97	40.10%	81	11.88%	24	202
16	Access to drugs and alcohol services	48.00%	96	41.00%	82	11.00%	22	200
17	Access to good quality open spaces	42.93%	88	42.44%	87	14.63%	30	205
18	Support for managing finances / accessing benefits	38.92%	79	48.77%	99	12.32%	25	203
19	Smoke free public areas	33.33%	68	36.27%	74	30.39%	62	204
20	Access to walks / cycle paths	27.32%	56	50.24%	103	22.44%	46	205
21	Accident prevention	26.34%	54	59.02%	121	14.63%	30	205
	Are there any other issues you would like to add?							11

Answered 209
Skipped 38

Question 4 - Graph



Additional comments received:

- Time at work given each week for a keep fit session
- Deaf access to services due to communication difficulties.
- Obesity and inactivity rates are high. People should be encouraged to be active at every opportunity. Car parking costs are a real issue. I don't swim now as paying to park pushes the cost up. I don't walk at Seaton now as it costs to do this. It's counterproductive
- better education to eat well for less., teaching children to cook with fresh ingredients and freeze extra portions. I don't think there is an issue around accessing healthy food at affordable price it's the education
- access to affordable physical activity opportunities.... walking is free!!
- keyword is affordable
- Primary universal health services are an absolute disgrace. Children and young people with additional needs are being failed. Contracts are not fit for purpose to deliver Physiotherapy, OT, mental health services and other therapies in a person centred way. Contracts/processes do not fit individuals needs, our children and young people are individual and do not fit into boxes.
- We need a local hospital for all major issues located within Hartlepool
- Hartlepool Borough Council should butt out of trying here. This can be covered by the free market, including free market philanthropy like Sustrans and people bequeathing parks to the Town.

Question 5. Are you male or female?

Male	35.58%	74
Female	64.42%	134

39 People skipped this question

Question 6. What age bracket are you in?

Under 18	0.00%	0
18 - 24	1.92%	4
25 - 34	12.98%	27
35 - 44	17.31%	36
45 - 54	24.04%	50
55 - 64	26.92%	56
65+	16.83%	35

39 people skipped this question

Question 7. Do you consider yourself to have a disability?

Yes	18.93%	39
No	81.07%	167

41 people skipped this question

Question 8. What is your ethnic origin?

White	98.54%	202
Mixed / multiple ethnic groups	0.00%	0

Asian or Asian British	0.49%	1
Black, African, Caribbean or Black British	0.00%	0
Other Ethnic Group	0.98%	2

42 People skipped this question

Question 9. In what ward do you live?

Burn Valley Ward	14.78%	30
De Bruce Ward	9.85%	20
Fens and Rossmere Ward	7.39%	15
Foggy Furze Ward	3.45%	7
Hart Ward	12.32%	25
Headland and Harbour Ward	4.43%	9
Jesmond Ward	4.93%	10
Manor House Ward	2.96%	6
Rural West Ward	11.33%	23
Seaton Ward	9.85%	20
Victoria Ward	5.91%	12
I don't live in Hartlepool	12.81%	26

44 people skipped this question

Hartlepool Joint Health and Wellbeing Strategy 2018 - 2025

Our Vision and Ambition

Our vision is that Hartlepool will develop a culture and environment that promotes and supports health and wellbeing for all.

Our ambition is to improve health and wellbeing outcomes and reduce inequalities for our population.

Our Purpose

Why do we need a strategy?

The Health and Social Care Act (2012) establishes Health and Wellbeing Boards as statutory bodies responsible for encouraging integrated working and developing a Joint Strategic Needs Assessment (JSNA) and Joint Health and Wellbeing Strategy (JHWS) for their area. Hartlepool Health and Wellbeing Board (HWB) is a committee of the Council with the mandate to address the health and wellbeing needs of Hartlepool and help reduce health inequalities. The JHWS is a strategic document outlining how Hartlepool Borough Council (HBC), NHS Hartlepool and Stockton Clinical Commissioning Group (HAST CCG) and other partners, through the HWB, will fulfil this mandate. The strategy is underpinned by the JSNA and views of our communities and will provide a foundation for strategic, evidence-based, outcomes-focused commissioning and planning for Hartlepool.

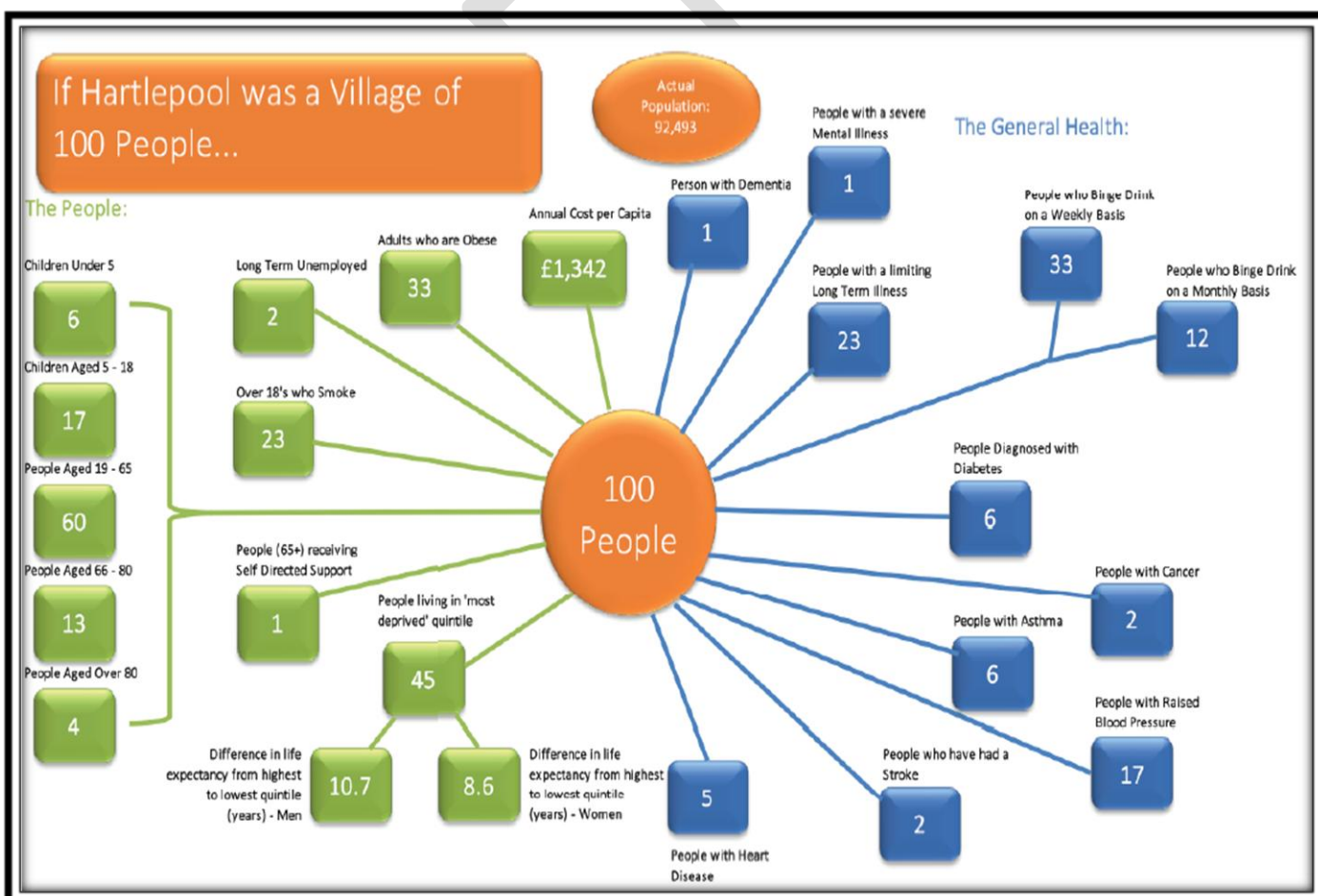
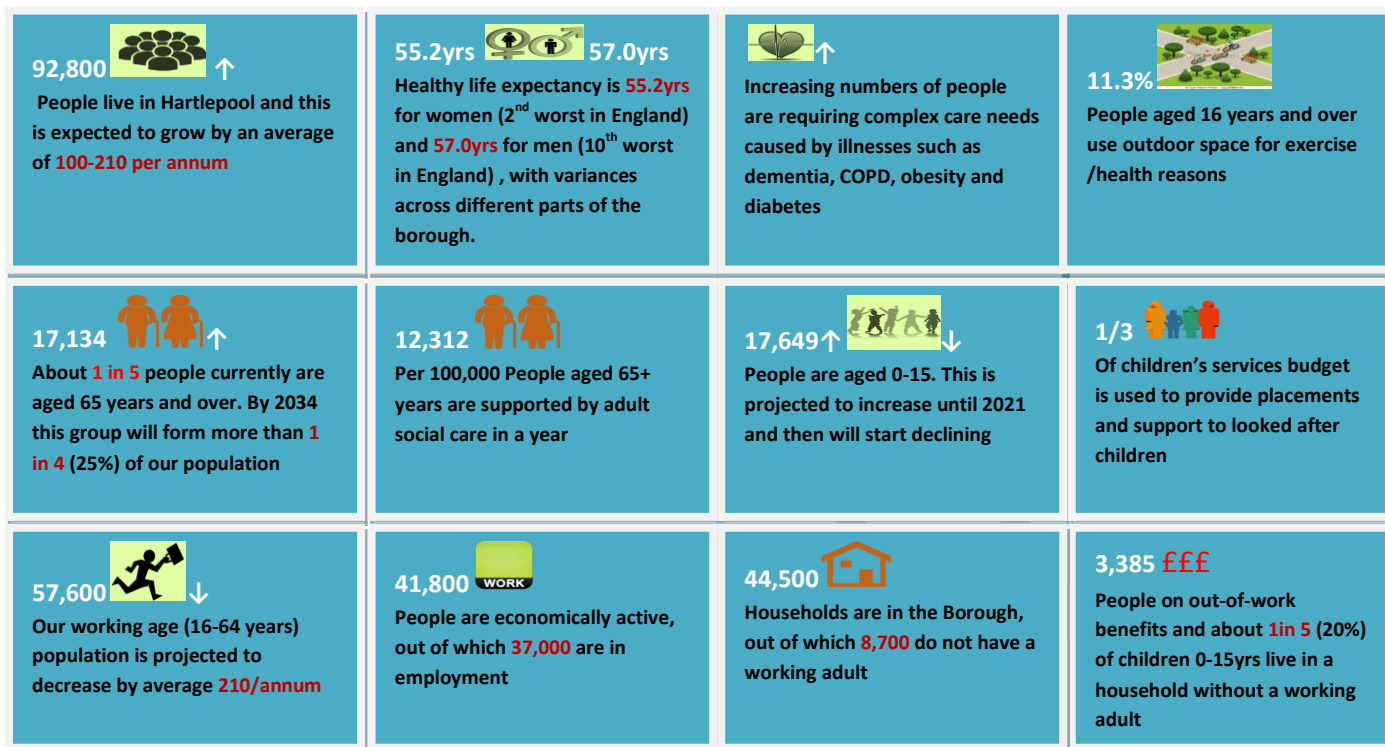
Hartlepool

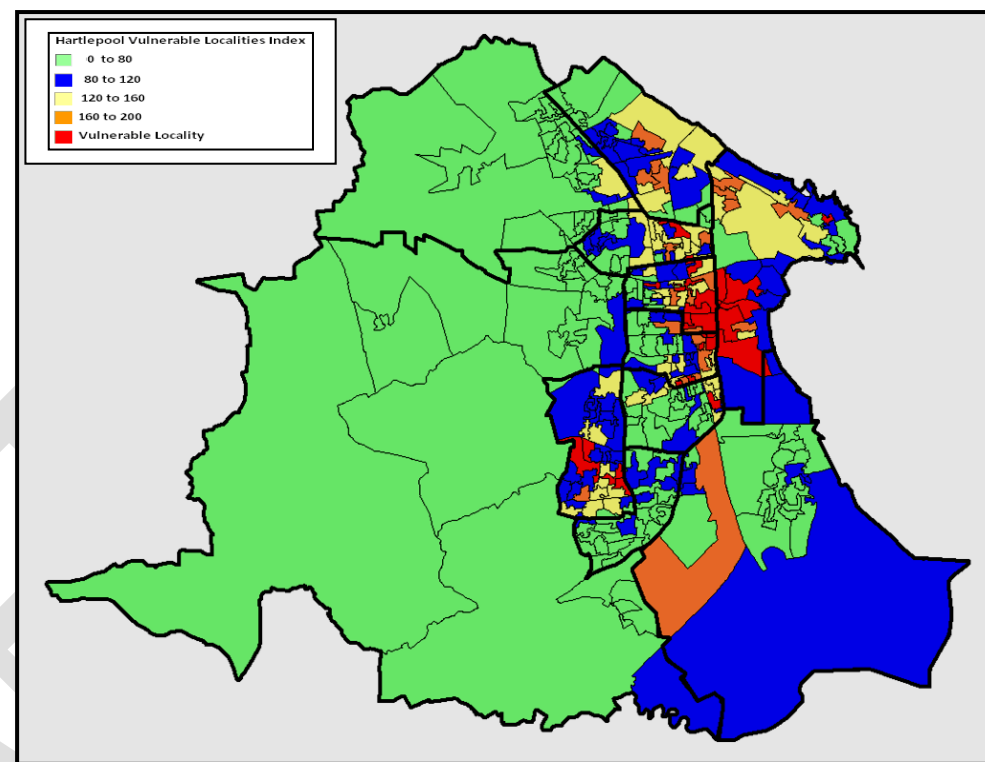
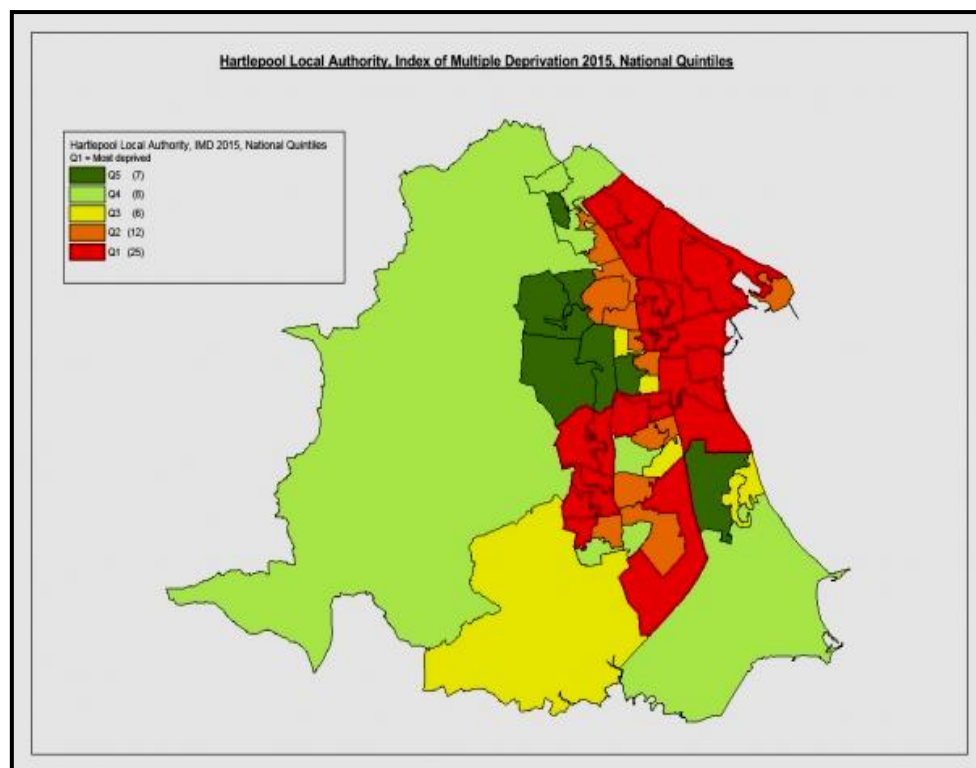
Background and Context

Hartlepool HWB is committed to working together with the people of Hartlepool to improve health and wellbeing of residents. At a time of increasing demand on services and pressures on funding, it is even more important to make sure we are a healthy borough by supporting people to take responsibility for their health, and that services are delivered efficiently, targeting them towards those who need the most help. The HWB has previously had a JHWS that was jointly implemented by the partners and runs to an end in March 2018. The previous strategy was based upon the principles of the Marmot Review? (2010) and focused on protecting and improving the health of the population through a range of evidence based interventions. In order to ensure that the strategy is fit for purpose and effectively reflects local priorities, the board took the decision to revise the strategy. The Board intends to focus on a few key priorities that will make a difference to the lives of the people who live and work in the borough, over the next seven years, in order to get it right for our population.

Hartlepool also has other key ongoing programmes such as 'Hartlepool Matters' and the 'Sustainability and Transformation Partnership (STP)' that are concurrently shaping the future of health and wellbeing in our population. The implementation of this revised strategy, together with these ongoing programmes and other projects that are led by the Voluntary and Community Sector (VCS) will together contribute to achieve the priorities outlined in this strategy. However, we are mindful that our residents are our greatest assets and we will work in collaboration with our communities to help shape our local policies and planning levers to achieve improved health outcomes in the Borough.

Key Facts

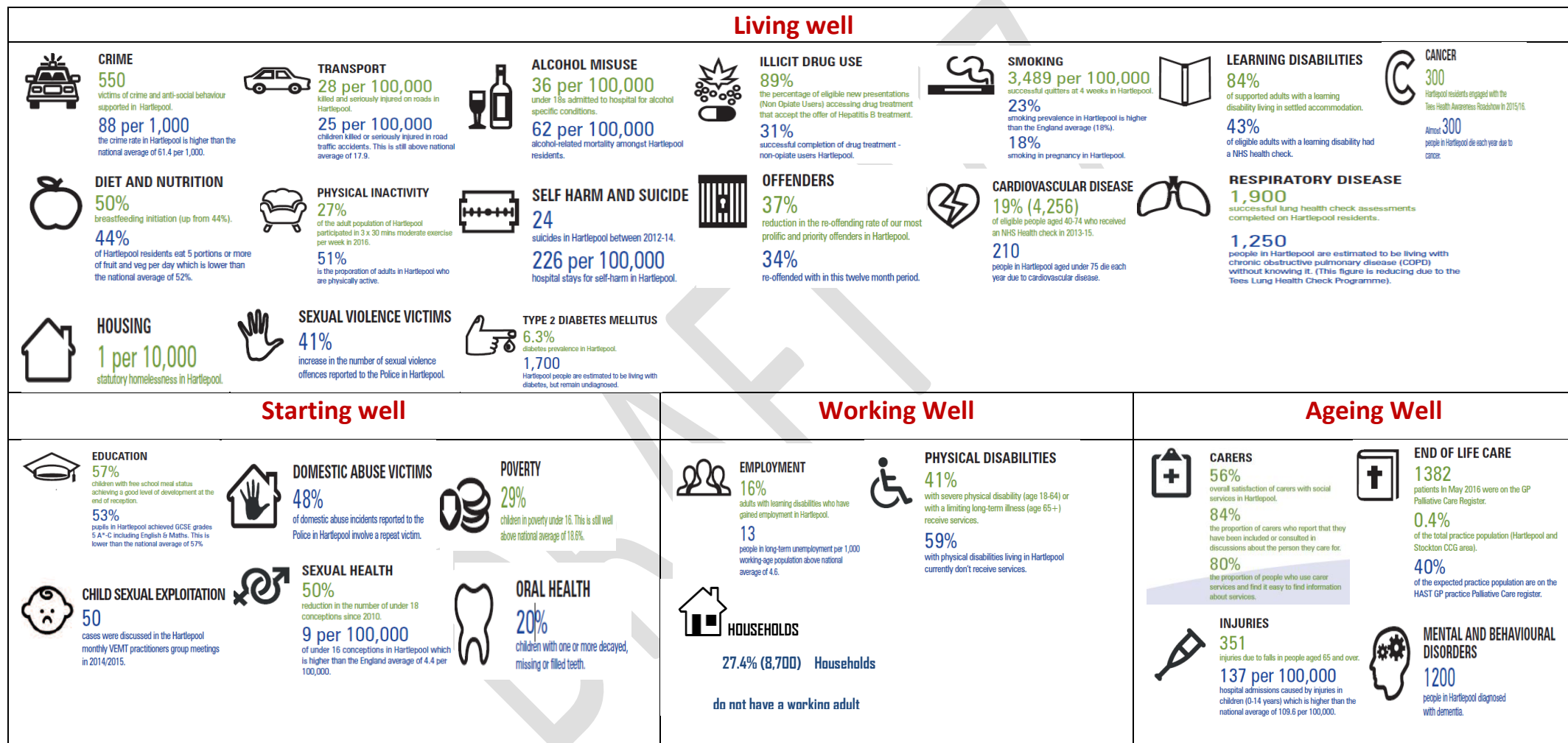




In Hartlepool, the areas where the most vulnerable members of our population live reflect the areas with the highest indices of multiple deprivation. A similar picture is also reflected for the areas with the highest levels of income deprivation affecting children and older people and those with a long-term illness/disability ([Hartlepool Neighbourhood Information.pptx](#)). Our facilities that could be used to promote health and wellbeing are strategically located in the areas of greatest need for easy access ([PH Asset points map a.pdf](#)). The Borough also boasts of a beautiful coastline, parks, tourist attraction sites, and local schemes implemented by voluntary and community sector (VCS) organisations etc, which would be explored for health and wellbeing benefits.

Our Story

What do we need to be mindful of?



Key: Green text = Success | Blue text = Requires Improvement

Our Priorities

What we want to achieve and why?

The HWB considered our achievements from the previous strategy, findings from the JSNA and available intelligence from partner organisations and agreed four main priority areas to focus on during the lifetime of this strategy – **Starting, Working, Ageing and Living Well**. After our consultation with the general public it was suggested to include an additional priority theme – **Dying Well**.

Starting Well – All Children and young people living in Hartlepool have the best start in life.

Children who grow up in loving and supportive families are most likely to be happy, healthy and safe. Life experiences involve critical transitions - emotional and physical changes in early childhood; moving from primary to secondary and tertiary education; starting work; leaving home and starting a family; and retirement. Each transition stage can affect health and wellbeing by pushing people into more or less disadvantaged paths. Children and young people who have been disadvantaged in the past are at the greatest risk and their children are more likely to be also disadvantaged. We want to ensure access to high quality universal services such as health care and education; early intervention when needed, and targeted support for children, young people and families who are in difficulties. We want to prevent children and young people from developing emotional problems; having to live in poverty, or where they or their families are affected by abuse, violence or misuse of substances, so that we prevent problems being passed from generation to generation.

Working Well - Workplaces in Hartlepool Borough promote and support healthy living.

Access to fulfilling, paid work has long been a significant determinant of people's wellbeing. Economically, fulfilling work provides a secure income, while in social terms; such work can offer a sense of purpose and social connection. People who are economically less well-off have substantially shorter life expectancy and more illnesses than those in meaningful employment. In addition, supporting those who work to be healthy and well means they are able to better support and care for their dependents (children and/or the elderly). We want workplaces in Hartlepool to be healthy places with supportive practices and environments that enable

employees to sustain healthy lifestyle choices. Hartlepool has a higher than average number of people with learning disabilities in employment. We want to sustain this achievement and we also want to work with our communities to support young people and people with limiting ill-health into fulfilling employment for positive health and wellbeing gains.

Ageing Well – Older People in Hartlepool live active and independent lives and are supported to manage their own health and wellbeing.

Similar to most areas in England, the proportion of older people in Hartlepool is increasing. For instance, the number of people who were aged 85 years or more in 2005 was 1,400; this increased to 2,100 by 2015 and will continue to increase to 3,330 by 2025 and to 4,700 by 2035. Although most people are living longer, the majority of their latter years (approximately 20 years for males; and 26 years for females) are lived with poor health and wellbeing. We want to support people to develop and maintain health and independence as long as possible so that they can live life to the full. When people start to develop a long-term health problem, we want to focus on preventing them from developing further health and social problems. We want to see local services focused on those who have the greatest need, to reduce health inequality and to enable a greater focus on prevention of ill health.

Living Well –Hartlepool is a safe and healthy place to live with strong communities.

Enabling those who live in Hartlepool to be healthy and well for a lifetime involves much more than good health and social care services. Many different things impact on health and wellbeing – housing, jobs, leisure, sport & access to open spaces, education, health services and transport. We want Hartlepool to be a healthy place with supportive neighbourhoods and communities which are strong and resourceful, making best use of their community assets.

Dying Well – People in Hartlepool take steps to avoid premature deaths and are also supported for a good death.

Despite the fact that all of us will die one day, some of us will experience death suddenly or prematurely; others will die after a period of illness or frailty, which can sometimes be protracted over time. We want to engage our communities so that people from Hartlepool are supported to die with dignity, compassion and that relevant support is available to carers to deal with dying and death.

Our residents

What do they say?

To ensure that the strategy is focusing on the issues that residents consider to be of importance, findings from community face to face consultations and online survey have been used to set actions for the priority areas. There was an acknowledgement by residents of the need to ensure longer term and sustained prevention programmes are put in place and that collective action by residents, voluntary and community, private and public sector organisations should be promoted to implement the strategy. It was also highlighted to identify and target vulnerable and at risk groups in order to reduce inequalities and to use our current community assets for health, care and wellbeing to facilitate implementation.

247 Responses to the online survey were received from across all age groups and evenly spread across all wards. 30 additional people also participated in three face-to-face community workshops. Further discussions were also held with bespoke groups including Healthwatch, BME and children and young people's groups that provided further input to help shape the actions (appendix 1). The priority actions decided by our residents are themed below:

Starting Well

- Harm from alcohol and substance misuse
- Emotional wellbeing, resilience and mental health
- Educational attainment and aspirations for children and young people
- Parenting skills
- Excess weight in children and young people
- Domestic Abuse

Working Well

- Training and employment for people with disability/mental health/long-term conditions
- Training and employment for young people
- Workplace-based programmes to improve health and wellbeing and access to health services
- Access to good jobs, volunteering and apprenticeships
- Poverty

Ageing Well

- Social isolation
- Support for carers
- Safety, crime and anti-social behaviour
- Mental health
- Integrated health, care and wellbeing packages
- Access to health, care and wellbeing services

Living Well

- Tobacco harm/smoking
- Excess weight
- Emotional wellbeing and mental health
- Physical activity
- Screening and early identification for preventable ill-health
- Immunisations

There was a further suggestion to include 'Dying Well' as another priority area.

These priority actions are expanded further into our plan for delivery.

Our plan for delivery – Current and ongoing

Majority of the priority actions identified by our residents are already being worked on by partners and is inter-dependent on the delivery of a number of town wide/Tees/regional strategies, policies and action plans. We will continue to align our business with implementation of these strategies, policies and action plans.

Priority Outcomes	Actions already in Progress		
	Improving Health and Care Services	Improving Health & Wellbeing	Protecting Health
Starting Well	*Improve access for emotional wellbeing and Child and Adolescent Mental Health Services (CAHMS)	*Implement programmes that promote emotional wellbeing and resilience *Improve school readiness, educational attainment and aspirations for children and young people *Implement parenting programmes	*Promote healthy relationships through education, early help and support *Promote uptake of childhood immunisations in deprived wards
Working Well	*Implement workplace based screening programmes to improve health and wellbeing and improve access to health services *Implement workplace wellbeing accreditation and charter schemes for businesses and organisations	*Improve training and employment for people with disability/mental health/long-term conditions *Provide training and employment for young people *Implement programmes to reduce poverty	*Promote uptake of vaccinations for at risk professional groups e.g. health and social care *Promote uptake of vaccinations for people with long-term conditions
Ageing Well	*Provide integrated health, care and wellbeing packages *Improve access to health, care, mental health and wellbeing services	*Implement networking initiatives to reduce social isolation and loneliness *Implement and strengthen programmes that provide support for carers	*Promote safer neighbourhoods and reduce crime and anti-social behaviour
Living Well	*Provide integrated care packages and to include prevention *Deliver the right care, at the right time, in the right place by working as locally as possible and shifting the balance of care out of hospital to community providers including Housing and VCS organisations	*Implement programmes to reduce drugs and alcohol harm *Implement programmes to reduce tobacco harm *Implement programmes to promote physical activity, improve diets and reduce excess weight *Implement programmes to improve emotional wellbeing and mental health	*Implement programmes to reduce impact of drugs and alcohol misuse on children and young people *Implement programmes to reduce tobacco harm in children and young people
Dying Well	*Implement evidence based end of life care packages in appropriate settings	*Implement bereavement and counselling services	*Promote uptake of 65+ flu vaccinations *Promote screening and early identification for preventable ill-health



Our plan for delivery – Looking ahead

In addition, we want to do some things very differently from the way we have previously operated. This means that we will invest in the health and wellbeing assets in our communities to enable our residents facilitate the desired cultural changes that will improve the health and wellbeing of our local area. The Board will also focus on a few targeted projects across the life course and ensure that together with our wider community partners, we collectively deliver over the lifespan of this strategy to get it right for our population.



What we will do.				
Targeted Project	Ways of working			
	MECC	Targeting groups	Working with VCS	Media campaigns
Overarching	*Provide generic brief intervention training to enable all agencies to identify the needs of their clients and respond/refer to services as appropriate *Support development of community networks, making best use of digital technology and community assets. *Develop a local directory of Health, Care and Wellbeing services to help signpost potential service users and facilitate social prescribing *Develop and agree a local prevention model that aligns VCS and public sector service delivery for health, care and wellbeing.			
Mental health & emotional wellbeing	*Use the WHO public mental health framework to strengthen the local approach to improving public mental health	*Building on the community hubs model, implement the 'Five Ways to Wellbeing' programme in settings *Building resilience for adults, older people and communities should be coordinated by developing a programme that embeds asset based approaches together with the Five Ways to Wellbeing.	*Develop and implement a Borough-wide programme to promote the Five Ways to Wellbeing	*Use the Five Ways to Wellbeing approach to develop local resources for social marketing to improve population mental health
Drugs and alcohol harm	*Implement opportunistic health promotion through health care settings and crime institutions	*Revise and implement the multi-agency drugs and alcohol harm reduction strategy for the Borough	*Utilise a link worker model through the VCS for social prescribing and accessing services	*Work with Balance North East to implement targeted campaigns
Health inequalities incl domestic abuse and poverty	*Implement opportunistic economic assessment models e.g. maternity/primary care/ mental health settings/housing providers etc *Develop and implement a HBC model for 'pathways to a successful career' for 11-16 year olds *Adapt local policies to help achieve a 'Healthy Borough' status	*Pilot a Health-led employment initiative for people with LTCs/disability. *Utilise local intelligence from social services and police to identify at risk groups for domestic abuse *Conduct case study reviews of a sample of DV victims to provide insight for planning prevention programmes	*Implement a community peer development model by building on the work of the 'Hartlepool Action Lab' delivered by Joseph Rowntree Foundation	*Develop and adopt a social value charter for the borough *Work with PCC's office to establish a social marketing approach across Tees for domestic abuse
Dying Well	*Adapt local policies to help achieve a 'Compassionate Borough' status	*Develop a gap analysis against the 'Public Health approaches to end-of-life care' toolkit	*Develop and Implement a local Dying Well community charter *Develop and implement a multi-agency support pathway for Dying Well	*Use local media to raise awareness of cases and prevention from premature mortality

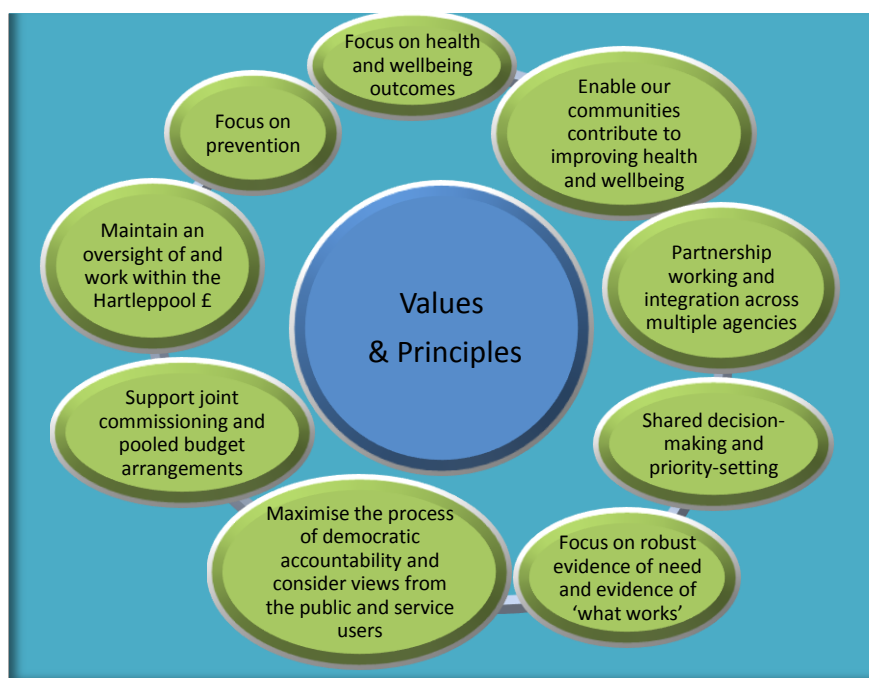
Monitoring and evaluation

How will we know we have been successful?

In order to measure success, the Board will monitor progress through quarterly performance reports and seek to maximise resources and secure external resources into the Borough. We will embed a culture of evaluation by working better with the academic institutions to utilise an action research approach that will help test new models of delivery and embed a continuous improvement ethos. Below are the outline indicators that will be monitored for each priority theme.

Priority	Measures	
	What we hope to achieve (outcome of interest)	How we will know we are on the right path (process/output indicators)
Overarching	VCS is driving prevention programmes in communities.	<ul style="list-style-type: none"> ✓ MECC training offer that includes brief intervention skills is produced with library service and delivered to staff of local agencies ✓ Comprehensive local directory of community assets and services is produced ✓ Hartlepool multi-agency health, care and wellbeing prevention model is developed and implemented
Starting Well	Number of children affected by inter-generational cycle of vulnerability e.g poverty, domestic abuse, drugs and alcohol is decreasing.	<ul style="list-style-type: none"> ✓ Reducing trend in LAC/child protection cases that result from domestic abuse/substance misuse is observed ✓ Increasing proportion of children on FSM achieving 5+ GCSEs (including Maths and English) is observed ✓ Increasing proportion of 11-16year olds are offered opportunities for work experience or apprenticeship
Working Well	Number of people from Hartlepool with a disability/long-term illness in employment is increasing. Number of young people from Hartlepool in employment is increasing.	<ul style="list-style-type: none"> ✓ Increasing trend in % of people aged 16-64 in employment is observed ✓ Health-led employment initiative is piloted, evaluated and fully implemented ✓ Reducing trend in gap in employment rate between those with a long-term health condition/learning disability/mental health and the overall employment rate is observed
Ageing Well	Majority of older people in Hartlepool are independent and not socially isolated.	<ul style="list-style-type: none"> ✓ Community peer support and networking model is developed and implemented ✓ Increasing trend in the % of adult carers who have as much social contact as they would like is observed ✓ Increasing trend in the % of adult social care users who have as much social contact as they would like is observed
Living Well	Hartlepool Borough provides an enabling environment that supports residents to take up and sustain a healthy lifestyle.	<ul style="list-style-type: none"> ✓ Healthy Borough status is achieved ✓ Social value charter is developed and adopted for the borough ✓ Increasing trend in % of people utilising outdoor space for exercise/health reasons is observed
Dying Well	Residents of Hartlepool and their carers/families are provided with appropriate support to deal with dying and death.	<ul style="list-style-type: none"> ✓ Compassionate Borough status is achieved ✓ Dying Well community charter is developed and adopted by the Borough ✓ Integrated multi-agency support pathway for dying well is developed and implemented

Our principles and values

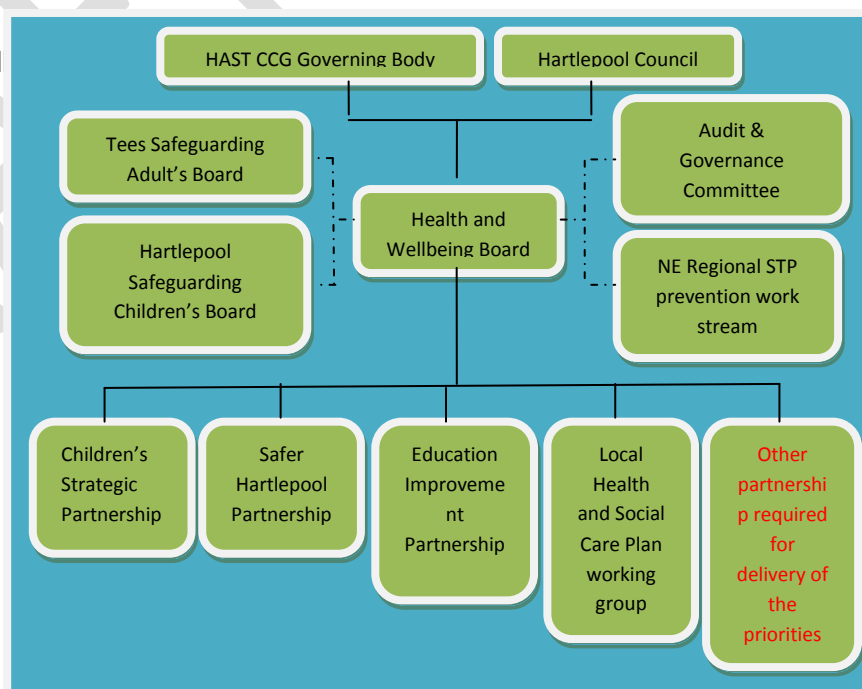


The Health and Wellbeing Board operates within a set of principles and values. The Joint Health and Wellbeing Strategy implementation provides the opportunity to maximise partnerships and evidence base, generating new ways of tackling health and wellbeing challenges. This includes recognising and mobilising the talents, skills and assets of local communities to maximise health and wellbeing outcomes.

Our governance arrangements

Who will hold us accountable?

This Strategy is owned by the Health and Wellbeing Board, reviewed by the Board every 3 years to ensure that it remains relevant and continues to reflect local priorities. Each year the Board will agree an action plan setting out how the Strategy will be delivered. The action plan will set out agreed timescales for delivery and clear ownership for the actions. The action plan will also include a number of performance indicators which will be used to assess the progress being made. The key risks for implementing the Strategy will also be identified.



The Audit and Governance Committee of the Council will hold the Board accountable for implementing the Strategy. In addition there will be other Council/Borough-wide/regional partnerships whose work will help to deliver the Strategy.

Appendix 1: Links to reports from community consultation

1. Online survey report ([Online Survey results summary.docx](#))
2. Summary report from community workshops ([Summary of comments from Community Consultation Workshops.docx](#))

DRAFT



NHS
Hartlepool and Stockton-on-Tees
Clinical Commissioning Group



NHS
North Tees and Hartlepool
NHS Foundation Trust

Tees, Esk and Wear Valleys **NHS**
NHS Foundation Trust

NHS
England

H&SH **healthwatch**
Hartlepool & Stockton Health Hartlepool

Document version control

Version	Date	Comments	Owner
1.0	23/5/17	Developed initial framework for the strategy document	EM
	25/5/17	Included narrative on the rationale for the agreed priorities	EM
	31/5/17	Amended section on priorities to reflect comments from PEJ. Included model on 'values & principles'	EM
	8/6/17	Completed sections on 'principles and values' and 'interdependencies'	EM
	21/6/17	Inserted info graphics on 'our story' section	EM
	29/6/17	Completed 'monitoring and evaluation' section and started developing the key facts	EM
	13/7/17	Completed the 'our residents' and 'our actions' sections with initial findings from community surveys and workshops.	EM
	17/7/17	Completed the 'our residents' section with rest of comments for other workshops; Inserted the GIS map of health and wellbeing assets; updated the 'our actions' section.	EM
2.0	21/7/18	Updated the whole report based on comments from HWB partner round table workshop. Embedded hyperlinks to consultation reports as appendix 1.	EM
	15/8/17	Replaced info graphic on page 5 with updated version following comments from HWB workshop	EM
3.0	18/8/17	Updated the 'looking ahead' and 'monitoring and evaluation' sections	EM
	21/8/17	Updated whole report based on comments from HWB pre-agenda meeting	EM
4.0	25/8/17	Started updating whole report based on comments by CMT	EM
5.0	29/8/17	Completed update to the whole report based on comments by CMT	EM
6.0	5/9/17	Started updating whole report based on comments from HWB workshop	EM
7.0	8/9/17		EM

AUDIT AND GOVERNANCE COMMITTEE

20 September 2017



Report of: Statutory Scrutiny Officer

Subject: ELECTIVE SURGERY AT THE UNIVERSITY HOSPITAL OF HARTLEPOOL SITE AND HIGH QUALITY MATERNITY SERVICES - SCOPING REPORT

1. PURPOSE OF REPORT

- 1.1 To make proposals to the Audit and Governance Committee for the conduct of its forthcoming investigation in to 'Elective Surgery at the University Hospital of Hartlepool (UHH) Site and High Quality Maternity Services'.

2. BACKGROUND INFORMATION

- 2.1 On 21 June 2017, the Audit and Governance Committee agreed to undertake an investigation into 'Elective Surgery at the UHH and High Quality Maternity Services'.

Maternity

- 2.2 The National Maternity Review¹ (February 2016) set out a vision for maternity care, as detailed below:-

Our vision for maternity services across England is for them to become safer, more personalised, kinder, professional and more family friendly; where every woman has access to information to enable her to make decisions about her care; and where she and her baby can access support that is centred around their individual needs and circumstances. And for all staff to be supported to deliver care which is women centred, working in high performing teams, in organisations which are well led and in cultures which promote innovation, continuous learning, and break down organisational and professional boundaries.

- 2.3 A number of recommendations resulting from the review were made and organisations were asked to implement these, the review can be viewed at

¹ Better Births, Improving Outcomes of Maternity Services in England
6.3 AG 20.09.17 Elective surgery at the University Hospital of Hartlepool site and high quality maternity services scoping report
HARTLEPOOL BOROUGH COUNCIL

<https://www.england.nhs.uk/wp-content/uploads/2016/02/national-maternity-review-report.pdf>

- 2.4 North Tees and Hartlepool NHS Foundation Trust (NTHFT) provide maternity services across two sites, the UHH and the University Hospital of North (UHNT) Tees. The UHH has a birthing centre that provides care for women and families in the Hartlepool area. The service is for low risk women and is midwife-led, with no medical cover.
- 2.4 The maternity unit at the UHNT is a consultant led unit, the aim of the maternity unit is to support normal births by providing midwifery-led care but where support is required in labour and delivery a team of obstetricians, anaesthetists, neonatologists and theatre staff are available. In addition the hospital has a neonatal intensive care unit to support any baby that requires additional help when they are born.

Elective surgery

- 2.5 Elective surgery is planned and scheduled in advance because it does not involve a medical emergency. UHH provides elective treatment and one of the recommendations in the Hartlepool Matters² report is to review existing arrangements to explore options to increase the levels of planned surgery undertaken from the Hartlepool hospital site.

3. OVERALL AIM OF THE SCRUTINY INVESTIGATION/ENQUIRY

- 3.1 To examine how a high quality integrated service can be provided for Hartlepool residents, focusing on elective surgery on the UHH site and high quality maternity services.

4. PROPOSED TERMS OF REFERENCE FOR THE SCRUTINY INVESTIGATION/ENQUIRY

- 4.1 The following Terms of Reference for the investigation are proposed:-

Maternity

- (a) To identify the maternity services that are provided at the UHH to understand local need and demand;
- (b) To explore the variability of access to maternity services at NTHFT, focusing on the quality of care, outcomes and differences between a mid-wife led unit and a consultant led unit, including the factors that determine where a baby will be born;
- (c) To examine the usage figures for the maternity services provided by NTHFT for the past three years to determine whether the services have seen an increase/decrease in usage and the reasons for this;

² Hartlepool Matters – Shaping the Future of Health and Social Care in Hartlepool

- (d) To examine the usage figures of comparative NHS Trusts that provide mid-wife led units to establish whether or not they have seen a rise/fall in the number of births at the units over the past three years;
- (e) To consider expert evidence to understand how high quality safe services can be achieved and maintained in order to provide the best outcomes for mothers and their babies;
- (f) To examine how maternity services at NTHFT will be provided in the future, taking into account potential changes that may emerge as part of the Sustainability and Transformation Partnerships (STP) or any future service reconfigurations; and
- (g) To ensure that Members are fully informed to participate in the broader STP.

Elective surgery

- (h) To identify the elective surgery services that are provided at the UHH to understand local need and demand;
- (i) To explore the variability of access to elective surgery services, focusing on the quality of care and outcomes at the UHH;
- (j) To examine the number of patients using the elective surgery services at the UHH over the past three years to determine whether the services have seen an increase/decrease in usage and the reasons for this;
- (k) To explore how a high quality integrated service can be provided for Hartlepool residents at the UHH for elective surgery and consider expert evidence to understand how this can be achieved;
- (l) To examine how elective surgery at NTHFT will be provided in the future, taking into account potential changes that may emerge as part of the Sustainability and Transformation Partnerships (STP) or any future service reconfigurations; and
- (m) To ensure that Members are fully informed to participate in the broader STP.

5. POTENTIAL AREAS OF ENQUIRY / SOURCES OF EVIDENCE

- 5.1 Members of the Committee can request a range of evidential and comparative information throughout the Scrutiny review.
- 5.2 The Forum can invite a variety of people to attend to assist in the forming of a balanced and focused range of recommendations as follows:-

- (a) Member of Parliament for Hartlepool;
- (b) Chair of Hartlepool's Adult Services Committee;
- (c) Ward Councillors;
- (d) Director of Child and Adult Services;
- (e) Director of Public Health;
- (f) Hartlepool and Stockton-on-Tees Clinical Commissioning Group;
- (g) GP's / Specialist GP's;
- (h) North Tees and Hartlepool NHS Foundation Trust;
- (i) Hartlepool Healthwatch;
- (j) Care Quality Commission;
- (k) NHS England;
- (l) Royal College of Obstetricians and Gynaecologists;
- (m) Royal College of Midwives;
- (n) North East Ambulance Service;
- (o) Local residents;
- (p) Local groups (i.e antenatal groups, mother and baby groups)
- (q) Voluntary and Community Sector groups; and
- (r) Representatives of minority communities of interest or heritage.

5.3 The Forum may also wish to refer to a variety of documentary / internet sources, key suggestions are as highlighted below:-

- (a) CQC State of Care (2015)
- (b) National Maternity Review (February 2016)
- (c) Healthwatch England briefing on Maternity Care (December 2015)
- (d) Maternity Survey 2015 (Picker Institute, February 2015)
- (e) Feedback received as part of Hartlepool Matters
- (f) Health and Wellbeing Strategy (maternity comments)

6. COMMUNITY ENGAGEMENT / DIVERSITY AND EQUALITY

6.1 Community engagement plays a crucial role in the Scrutiny process and diversity issues have been considered in the background research for this enquiry under the Equality Standards for Local Government. Based upon the research undertaken, paragraph 5.2 includes suggestions as to potential groups which the Forum may wish involve throughout the inquiry (where it is felt appropriate and time allows).

7. REQUEST FOR FUNDING FROM THE DEDICATED OVERVIEW AND SCRUTINY BUDGET

7.1 Consideration has been given, through the background research for this scoping report, to the need to request funding from the dedicated Overview and Scrutiny budget to aid Members in their enquiry. At this stage no additional funding has been identified as being necessary to support Members in their investigation. Members, however, may wish to seek additional funding over the course of the investigation and the pro forma attached at **Appendix A** outlines the criteria on which a request will be judged.

8. PROPOSED TIMETABLE OF THE SCRUTINY INVESTIGATION

- 8.1 Detailed below is the proposed timetable for the review to be undertaken, which may be changed at any stage:-

20 September 2017 – Scoping Report

25 October 2017 – Local Perspective – Maternity and Elective Services:-

Setting the Scene presentation to cover:-

- (a) The maternity services that are provided at the UHH to understand local need and demand;
- (b) The variability of access to maternity services, focusing on the quality of care, outcomes and differences between a mid-wife led unit and a consultant led unit, including the factors that determine where a baby will be born;
- (c) The elective surgery services that are provided at the UHH to understand local need and demand; and
- (d) The variability of access to elective surgery services, focusing on the quality of care and outcomes at the UHH;

15 November 2017 – Service Usage figures

Evidence to cover:-

- (a) The usage figures for the maternity services provided by NTHFT for the past three years to determine whether the services have seen an increase/decrease in usage and the reasons for this;
- (b) The usage figures of comparative NHS Trusts that provide mid-wife led units to establish whether or not they have seen a rise/fall in the number of births at the units over the past three years;
- (c) The number of patients using the elective surgery services at the UHH over the past three years to determine whether the services have seen an increase/decrease in usage and the reasons for this;

24 January 2018 – Expert evidence

- (a) To consider expert evidence to understand how high quality safe services can be achieved and maintained in order to provide the best outcomes for mothers and their babies;

- (b) To explore how a high quality integrated service can be provided for Hartlepool residents at the UHH for elective surgery and consider expert evidence to understand how this can be achieved.

14 February 2018 – Future service proposals

- (a) To examine how maternity services at NTHFT will be provided in the future, taking into account potential changes that may emerge as part of the STP or any future service reconfigurations; and
- (b) To examine how elective surgery at NTHFT will be provided in the future, taking into account potential changes that may emerge as part of the STP or any future service reconfigurations; and

14 March 2018 – Draft Final report

9. RECOMMENDATION

- 9.1 Members are recommended to agree the Audit and Governance Committee's remit of the investigation outlined in paragraphs 4 and 5 and the proposed timescale outlined in paragraph 8.

Contact Officer: - Joan Stevens – Statutory Scrutiny Officer
Chief Executives Department – Legal Services
Hartlepool Borough Council
Tel: - 01429 284142
Email:- joan.stevenshartlepool.gov.uk

BACKGROUND PAPERS

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

- (a) National Maternity Review, Better Births, Improving Outcomes of Maternity Services in England – February 2016
- (b) Hartlepool Matters – Shaping the Future of Health and Social Care in Hartlepool
- (c) Care Quality Commission Inspection Report – University Hospital of Hartlepool – February 2016

APPENDIX A

**PRO-FORMA TO REQUEST FUNDING TO SUPPORT
CURRENT SCRUTINY INVESTIGATION**

Title of the Overview and Scrutiny Committee:
Title of the current scrutiny investigation for which funding is requested:
To clearly identify the purpose for which additional support is required:
To outline indicative costs to be incurred as a result of the additional support:
To outline any associated timescale implications:
To outline the ‘added value’ that may be achieved by utilising the additional support as part of the undertaking of the Scrutiny Investigation:
To outline any requirements / processes to be adhered to in accordance with the Council’s Financial Procedure Rules / Standing Orders:
To outline the possible disadvantages of not utilising the additional support during the undertaking of the Scrutiny Investigation:
To outline any possible alternative means of additional support outside of this proposal:

AUDIT AND GOVERNANCE COMMITTEE

20th September 2017



Report of: NHS Hartlepool and Stockton on Tees
Clinical Commissioning Group

Subject: Public Consultation - Transforming Care
Respite Services

1. APPLICABLE CATEGORY

- 1.1 For information to Hartlepool Borough Council Audit and Governance Committee.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to provide updates to the Hartlepool Borough Council Audit and Governance Committee in relation to:
- the progress of the project
 - the findings of the initial stakeholder engagement activities
 - service options
 - consultation
- 2.2 This paper follows previous distributions and presentations that have been taken to Tees Valley Overview and Scrutiny Committee in October 2016, January 2017 and July 2017.
- 2.3 In addition, presentations have been taken to Hartlepool Borough Council's Adult Services Committee in November 2016 and June 2017.

3. BACKGROUND

- 3.1 The Transforming Care agenda and the NHS Five Year Forward View includes a strong emphasis on personalised care and support planning, personal budgets and personal health budgets to put people at the centre of their care to enable maximum choice and control about how needs are met.
- 3.2 There is a need to co-design and implement an effective, resilient and flexible community model of services and support to facilitate timely

discharge from inpatient setting and to prevent admissions to such facilities.

- 3.3 The NHS Five Year Forward View focusses on breaking down the barriers in how care is provided between family doctors and hospitals, between physical and mental health and also between health and social care.
- 3.4 The Care Act 2014 strengthens Local Authority and Clinical Commissioning Group obligations to Carers to ensure that they are supported in their roles.
- 3.5 Hartlepool and Stockton-on-Tees Clinical Commissioning Group and South Tees Clinical Commissioning Group (the CCGs) are reviewing existing respite care services for adults with a Learning Disability in relation to the intentions of the national Transforming Care agenda.
- 3.6 The review focusses on health respite services for people with Learning Disabilities and complex needs in the CCG areas. This is to ensure that these services appropriately meet the needs of the population now and into the future.
- 3.7 The CCGs are working in partnership with four Local Authorities across the CCG areas to ensure that the review considers the services available for people with complex health and social care needs. A Respite Task and Finish Group with membership from CCGs, NECS and Local Authorities has been established and is working together to further the project.
- 3.8 The NHS Act 2006 (including as amended by the Health and Social Care Act 2012) and S.3a of the NHS Constitution sets out a range of general duties on CCGs and NHS England which include requirements around involvement and engagement of users of health services at different stages of the commissioning process. NECS has a role in supporting the CCGs to deliver on these obligations.

4. CURRENT SERVICES

- 4.1 Currently NHS commissioned bed based respite provision is provided to the Hartlepool and Stockton-on-Tees CCG population by Tees Esk and Wear Valleys NHS Foundation Trust at Aysgarth, Stockton.

5. PROGRESS TO DATE

- 5.1 Work has been undertaken to map the respite services currently available, commissioned directly by NHS Hartlepool and Stockton-on-Tees Clinical Commissioning Group and by Local Authorities and by other means.
- 5.2 Analysis of capacity and activity within service settings has been undertaken in significant detail to enable a robust understanding of the current operation of the NHS respite services.

- 5.3 Analysis of the individual assessed needs of the people who access the service has been undertaken in significant detail to support with robust understanding of the individual needs, prevalence and co-morbidities that exist within NHS respite services.
- 5.4 Work has been undertaken to understand the needs in relation to the current and potential population, available predictions and population indicators have been reviewed together with information that is available about numbers of Children and Young People who are known to Health and Social Care and who are currently in Transitional arrangements.
- 5.5 A Market Engagement exercise has been completed to consider capacity and capability within the market for any future potential procurement activity. Other research has been undertaken to look at models for delivery of respite care and support in place across the Country.
- 5.6 Further more detailed market engagement is planned, and will be facilitated by Inclusion North to explore opportunities and challenges in relation to;
 - Needs led delivery
 - Models/options/choices for respite opportunities
 - Efficiencies/Innovation
 - Personal outcomes and positive experiences
 - Competent Workforce
 - Transport
 - Sustainability and viability
- 5.7 Development work with the current provider of NHS bed based respite services continues in relation to the development of the assessment and allocations criteria.
- 5.8 Stakeholder engagement activities have been undertaken by local Voluntary Community Sector Organisations and have sought views and involvement from approximately 120 individuals across Tees. In addition 86 completed parent carer surveys were received as well as feedback from a variety of Voluntary Community Sector Organisations who provide support and services to people with Learning Disabilities and their Carers.
- 5.9 There has been a delay to the project due to the implications of the election purdah period and the project group has adhered to best practice guidance from the NHS England in respect of the timing of the announcements of consultation. The project was due to have made available ameliorated services to people with Learning Disabilities and Complex Needs by April 2018, the revised date is now September 2018.

6. CURRENT AND FUTURE NEED

- 6.1 There are currently 43 people from the Hartlepool and Stockton-on-Tees localities regularly accessing services at Aysgarth, Stockton. It is recognised that only a very small number (fewer than 6 individuals) from Hartlepool access this service, because most people have their needs met through Continuing Healthcare Funding commissioning arrangements.
- 6.2 There are fewer than 6 Children and Young People who will rise 18 in the next four years who currently access bed based short break respite services at Baysdale and who are likely to need similar types of support into their adulthood and would be likely to be referred to Aysgarth (based on geographic location)
- 6.4 There are 28 Children and Young People, across Tees who are known to Local Authority Transitions Teams and special school nursing who are due to rise 18 in the next four years and who are likely to have significant complex needs and/or Behaviour perceived as challenging and who will have respite needs.
- 6.5 There are a further 523 Children and Young People aged 14+ on Tees who are known to Local Authority Children's Teams who may have respite needs into the future.
- 6.6 In addition, there may be a group of individuals who may also need to receive community based respite support following inpatient discharge under the Transforming Care programme in coming months.

7. ENGAGEMENT ACTIVITIES COMPLETED SO FAR

- 7.1 A range of engagement activities have been completed in January and February 2017 to seek views about the following:
 - what respite means to different people (for example people with Learning Disabilities, families, Carers and providers of services etc.)
 - who benefits and how
 - what works well with current services
 - what needs to improve
 - how could services be delivered differently in the future to ensure that they fully meet the needs of those using them, in the most appropriate way.
 - how do people receive support in an emergency
 - how services work together (including transport)
- 7.2 Engagement activities that have been developed include:
 - a work placement for a person with lived experience to support with the facilitation of engagement and to support the involvement of other people with Learning Disabilities
 - surveys for families and carers

- discussion groups across the CCG areas
 - Information about personal experiences have been gathered
 - distribution of information and engagement materials to relevant stakeholders
 - CCG and NECS attendance and discussion at Learning Disability Partnership Boards and other stakeholder forums across the Tees region.
- 7.3 Work has been undertaken to ensure that engagement activities have been effective and accessible to people with Learning Disabilities, their families and Carers, this has included active and direct promotion of engagement opportunities and also sessions being held in a variety of locations and at various times of the day, including evenings and weekends.
- 7.4 The CCGs are working with Project Choice and have identified two appropriate individuals who can support in relation to the engagement activities and other aspects of the review for up to 6 months. The opportunity has enabled these individuals to gain valuable and transferrable skills for future employment and provided opportunity for experiencing the world of work. Both placements have ended at the time of writing this report but have been in place for between 2 months and 6 months.
- 7.5 Inclusion North were appointed to co-ordinate and quality assure a series of sessions to be facilitated by relevant Voluntary Community Sector Organisations to ensure that the CCGs can actively listen to the views of the people who participate.
- 7.6 Facilitated discussions took place throughout January and February 2017, located in each of the geographic boundaries (minimum of three focussed sessions in each area) that are included within the Tees Project in order to capture a wide section of individuals, ensuring that the CCGs have included a selection of people who have complex needs. Participation was widely promoted and encouraged across relevant stakeholder and networks.
- 7.7 A parent carer survey was developed and circulated to relevant individuals who were currently using NHS provision or who were identified as being stakeholders in the service.
- 7.8 Clear information (including an easy read version) was published on both CCG websites since December 2016 to provide details and the background to the review and also provides guidance about how to get involved, either by completion of a questionnaire or by becoming involved with the facilitated discussions. Background information about current respite service provision, and why the review is taking place was also provided to support those who took part in the engagement activity.

- 7.9 The findings of the engagement activities and feedback from the completed Parent Carer surveys were collected together and some common themes, priorities and challenges have been identified.
- 7.10 A report summarising the engagement activities and the information that was obtained from the activities in January and February 2017 has been made available online, easy read and accessible updates about the findings of the activities have been published. In addition we have communicated directly (and provided the summary report, easy read leaflet and newsletter) to those people who left their contact details as part of the engagement.

8. SERVICE OPTIONS

- 8.1 The respite review project continues to analyse information from a wide range of sources, feedback from people, their families and also the provider market confirms the following:
- Respite services enable people who use services and their carers to recharge their batteries and to create new opportunities to maximise their long term wellbeing
 - Demand and need is growing for people who currently use the service and for those who could potentially need to use the service in the future
 - The complexity of need is increasing
 - There are potential gaps in the current offer
 - There is potential duplication
 - National and local policies influence operational delivery
 - Availability of choice needs to improve
 - Flexibility/responsiveness of services need to improve
 - Cost effective and appropriate transport options need to be made available
 - Access to and allocation of service provision needs to be effective, flexible and responsive
- 8.2 This information, research on other models, Market Engagement and informal engagement findings have been utilised to develop a number of possible options for the provision of respite for people with Learning Disabilities and complex needs in the future. These scenarios at this stage are ideas about how Learning Disability respite services could be further developed or potentially delivered differently to best meet the needs of the local population and to support with delivery of collective commitments under the Transforming Care agenda.
- 8.3 Further development work has been completed to articulate in detail what the future options might look like. It is the intention that these will be developed with individuals, families and parent carers as part of ongoing engagement and consultation opportunities.

- 8.4 Seven scenarios have been considered and two of these scenarios are to be taken forward as options for consultation based on the priorities for the CCG and for the people who benefit from respite services and considered how well each of the scenarios meet these priorities.
- 8.5 The two options that have been taken forward are options that best meet the priorities that have been identified by the people who provided information as part of the initial engagement and by the CCGs. The options are described below

Option 1

- Change the respite needs assessment and allocations process making it more needs-led
- Buy a range of beds in community settings instead of the beds within 2 Bankfields Court and Aysgarth
- Buy a range of community opportunities
- Buy flexible, clinically led outreach support

Option 2

- Change the respite needs assessment and allocations process making it more needs-led
- Continue to buy some beds/services within 2 Bankfields Court and Aysgarth
- Buy a range of community opportunities
- Buy flexible, clinically led outreach support

9. CONSULTATION

- 9.1 It is recognised that the options for the future delivery of respite opportunities, could mean a significant change to the way that health funded respite services for people with Learning Disabilities and complex needs are provided. As such these proposals are subject to formal consultation with the public.
- 9.2 The CCGs will continue to work with the Hartlepool Audit and Governance Committee, and with various scrutiny forums with members of the four Tees Local Authorities throughout the review. Relevant Council Committees will be kept informed on progress and feedback and will be asked for advice, guidance and scrutiny in relation to the respite review project.
- 9.3 A Consultation Plan and subsequent Consultation Documentation has been developed which outlines in detail the consultation process and timelines.
- 9.4 The Consultation commenced on 4th September 2017 and will continue until 10th November 2017. The consultation period has been slightly reduced given the following circumstances:

- high levels of initial engagement both in July 2015 and between December 16 and February 17 have been undertaken (and was extended at the request of a Carer's group)
- initial engagement was targeted with people who currently use services or who may use services in the future
- information from peers and experts by experience has been used in the development of the options
- best practice guidance has been followed in relation to the commencement of consultation outside of school holidays
- specialist facilitators will be engaged in the delivery of consultation events and activities
- it is important to move this project on and to improve services for individuals as soon as possible, especially given the unavoidable delay due to election purdah period

9.5 There are 4 public consultation events planned, one session in each of the Four Tees Local Authority Boundary Areas. The consultation event for Hartlepool will be held on **Wednesday 20th September between 6pm and 8pm at Hartlepool College.**

9.6 In addition to the main public consultation events, there will be a series of smaller more focused facilitated discussion sessions. There will be a minimum of three sessions in each of the Local Authority Boundary Areas. The dates for the confirmed facilitated discussion sessions are listed below. At least 1 additional date will be provided which will be shared with the Hartlepool Audit and Governance Committee at the time of the meeting on 20th September.

Date	Time	Venue
Tuesday 19 September 2017	10.00am – 12.00pm	Belle Vue Centre Kendal Road Hartlepool TS25 1QU
Tuesday 10th October 2017	1.00pm – 3.00pm	Belle Vue Centre Kendal Road Hartlepool TS25 1QU

9.7 Inclusion North will prepare, deliver and quality assure these facilitated discussion sessions with the support and input of local Voluntary and Community Service Organisations who have developed networks to support this programme of activity.

9.8 Further to a recommendation made by Tees Valley Overview and Scrutiny Committee on 20th July 2017, arrangements have been made to speak directly to the staff who are currently involved in the delivery of services to people with complex needs. Tees Esk and Wear Valleys Foundation Trust are supportive of this approach.

9.9 The Consultation seeks views and ask questions about the following:

- What are their views and opinions about the options that have been considered?
- What are their views and opinions about the two options that have been identified to be taken forward?
- What will be important to be included within the menu of services?
- Are there any other ideas about what we could do instead or as part of the menu of services that would meet all of the priorities that we have talked about?

10. FINANCE

- 10.1 In terms of services available in the future these are unlikely to cost less but will achieve better value for money and more varied outcomes for the people who receive them. In the future, services will be needs led rather than demand led.
- 10.2 In terms of the associated costs of consultation, there has been agreement from Hartlepool and Stockton-on-Tees CCG about this and a consultation budget has been identified, by virtue of the complexities of needs for some of the individuals whose views are important.

11. RISK IMPLICATIONS

- 11.1 The Respite Task and Finish Group will be responsible for the identification and mitigation of risk and as such maintain and manage a detailed Risk Log.

12. EQUALITY AND DIVERSITY

- 12.1 Any project undertaken on behalf of the CCGs is subject to compliance with S.149 of the Equality Act 2010 and measures are in place to ensure the public sector equality duty is met.
- 12.2 An Equality Impact Assessment has been produced and reviewed several following the initial engagement activities and will be subject to further review and update as the project progresses.
- 12.3 Inclusion North and the voluntary sector organisations that facilitated the discussion groups will be instructed to ensure that members of groups with protected characteristics, as defined in the Equality Act, were included in future consultation discussions. Work has been done in relation to the discussion of any perceived impacts that might arise from any changes to services with participants as part of the on-going Equality Impact Assessment process.

13. BACKGROUND PAPERS

13.1 Background Papers for consideration alongside this paper are available online at <http://www.hartlepoolandstocktonccg.nhs.uk/news/projects/transforming-care-review-respite-services-people-learning-disabilities-complex-needs/>

14. RECOMMENDATIONS

14.1 The recommendation is that Hartlepool Borough Council Audit and Governance Committee is requested to:

- Note the progress of the project
- Note the proposed further co-development of the service options
- Note the formal consultation

15. CONTACT OFFICER(S)

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NHS Hartlepool and Stockton-on-Tees CCG
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AUDIT AND GOVERNANCE COMMITTEE

20 September 2017



Report of: Statutory Scrutiny Officer

Subject: North Tees and Hartlepool Foundation Trust
Representation on the Health and Wellbeing Board

1. PURPOSE OF REPORT

- 1.1 To inform the Committee of a request received from the Chief Executive of North Tees and Hartlepool NHS Foundation Trust regarding the representation of the Trust on Hartlepool's Health and Wellbeing Board.

2. BACKGROUND INFORMATION

- 2.1 The Chief Executive, on 3 August 2017, received a letter from the Chief Executive of North Tees and Hartlepool NHS Foundation Trust. The letter refers to discussions at a recent Board of Directors meeting, in respect of health and wellbeing arrangements, and requested that the inclusion of a representative from the Trust on the Health and Wellbeing Board be reconsidered.
- 2.2 The Health and Wellbeing Board, at its meeting on the 4 September 2017, considered the request and expressed support for the inclusion of a representative from the Trust on its membership, with particular emphasis on the importance of partnership working in relation to the Sustainability and Transformation Partnership, Better Health Programme and Hartlepool Matters.
- 2.3 The original decision by Full Council to remove the Trust from the membership of the Health and Wellbeing Board resulted from a recommendation by the Audit and Governance Committee. In light of this, and in recognition of the views expressed by the Health and Wellbeing Board, the Committee is asked to express a view in relation to the reappointment of a Trust representative on to the Board. The Committee's views are to be fed in to Full Council, to inform consideration of the Trust's request.

3. RECOMMENDATIONS

- 3.1 That the Audit and Governance Committee express a view in relation to the request for a representative from the North Tees and Hartlepool NHS Foundation Trust to be re-appointed to the Health and Wellbeing Board.

BACKGROUND PAPERS

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

No background papers were used in preparation of this report.

Contact Officer:- Joan Stevens – Statutory Scrutiny Officer
Chief Executive's Department – Legal Services
Hartlepool Borough Council
Tel: 01429 284142
Email: joan.stevens@hartlepool.gov.uk

HEALTH AND WELLBEING BOARD

MINUTES AND DECISION RECORD

26 June 2017

The meeting commenced at 10 a.m. in the Civic Centre, Hartlepool

Present:

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

Prescribed Members:

Elected Members, Hartlepool Borough Council – Councillors Buchan, Clark and Thomas

Representatives of Hartlepool and Stockton-on-Tees Clinical Commissioning Group – Dr Timlin and Lisa Tempest (as non –voting substitute for Alison Wilson)

Interim Director of Public Health, Hartlepool Borough Council – Dr Paul Edmondson-Jones

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

Representatives of Healthwatch – Margaret Wrenn

Other Members:

Representative of the NHS England – Dr Butler

Representative of Tees Esk and Wear Valley NHS Trust –David Brown

Representative of Cleveland Police – Jason Harwin

Representative of Headteachers – Julie Thomas

Also in attendance:-

Pam Lee, Senior Screening & Immunisations Manager, NHS England North (Cumbria and North East)

Judy Gray, Hartlepool Healthwatch

Mr Hobbs

Hartlepool Borough Council Officers:

Esther Mireku, Acting Consultant in Public Health

Joan Stevens, Statutory Scrutiny Officer

Amanda Whitaker, Democratic Services Team

Prior to the commencement of business, the Chair welcomed new members to the Board and Board Members introduced themselves.

1. Apologies for Absence

Representatives of Hartlepool and Stockton-on-Tees Clinical Commissioning Group – Alison Wilson
Director of Regeneration and Neighbourhoods, Hartlepool Borough Council – Denise Ogden
Representative of Healthwatch - Ruby Marshall
Chair of Audit and Governance Committee – Councillor Ray Martin-Wells
(minute 4 refers)

2. Declarations of interest by Members

Councillors Christopher Akers-Belcher and Thomas reaffirmed their declaration of interests as employees of Hartlepool Healthwatch

3. Minutes

- (i) The minutes of the meeting held on 13 March 2017 were confirmed.

There were no matters arising from the minutes

- (ii) The minutes of the meeting of the Children's Strategic Partnership held on 14 March 2017 were received.

4. Health and Wellbeing Board Referral – Reporting Arrangements for Delayed Transfers of Care *(Chair of Audit and Governance Committee)*

In the absence of the Chair of the Audit and Governance Committee who had submitted his apologies for the meeting, the Statutory Scrutiny Officer reported back to the Health and Wellbeing Board the outcome of its referral to the Audit and Governance Committee.

The Board was advised that the Audit and Governance Committee at its meeting on the 23 March 2017, had welcomed indications that good progress had been made in relation to Delayed Transfers of Care, as outlined in the report. It was also noted that returns would continue to be reviewed on a monthly basis, with Hartlepool Borough Council monitoring all delays that were attributed to social care, to ensure that all possible actions were taken to facilitate timely and safe discharges from hospital. On this basis, it had been agreed that no further action was required by the Committee at this time.

The Chair of the Adults Services Committee updated the Board on the improving situation in terms of nursing bed provision in the town.

The Chair of the Board referred to the intended continuing review of delayed transfers of care and requested that the outcome of the monitoring be reported to the Board. The Statutory Scrutiny Officer agreed to report that

information to the Board.

Decision

The report was noted and the Statutory Scrutiny Manager agreed to submit further reports to the Board on the outcome of the Audit and Governance Committee's monitoring of delayed transfers of care.

5. Update of Screening and Immunisation Programmes across Hartlepool (*Interim Director of Public Health*)

The Interim Director of Public Health introduced a report which updated the Board on uptake of the Public Health screening and immunisation programme across Hartlepool, including responsibilities under the Health and Social Care Act 2012. Given the Board's previous decision to undertake a more in depth consideration of immunisation and screening, a representative from NHS England had been invited to the meeting of the Board, which had been held on 5th December, 2016, to provide a presentation in relation to immunisation in Hartlepool.

At this Board meeting, a detailed presentation was received by Pam Lee, Senior Screening & Immunisations Manager, NHS England North (Cumbria and North East). The presentation addressed the following issues:-

- Screening – what, why and how?
- Cancer – Breast, Bowel, Cervical
- Abdominal Aortic Aneurysm
- Diabetic Eye
- Ante Natal and New-born

It was noted that the National Screening Committee determined programmes to be delivered based on burden of disease and mortality and that there was a quality assurance process for all programmes. The presentation set the context in terms of cases of each of the above areas and advised the Board of what was being done in each identified area.

In terms of what Hartlepool Health & Well Being Board could do, the presentation highlighted the following areas with particular reference to the role of Partners in increasing the uptake of working age adults attending Diabetic eye screening:-

- Focus on prevention – smoking/alcohol/obesity
- Community development work – why don't people engage with the programmes?
- Work with CCG to reduce practice variation

The Interim Director of Public Health explained that one of his responsibilities was to provide assurance in terms of screening and referred to the roles of

other Partners. Following the presentation, Board Members debated issues arising from the presentation including the areas upon which to focus. The representative of Cleveland Police offered the services of the Police in terms of local community work and a debate took place regarding issues associated with child obesity.

Board Members appreciated the depth of information which had been collated by NHS England and recognised that although data was not patient identifiable, it could be helpful if data was provided according to locality of the three community hub areas. The Senior Screening & Immunisations Manager responded, to a request for information to be available on a ward basis, that she would work with the Interim Director of Public Health and to also share lessons learnt from Middlesbrough initiatives where there had been an increase in screening uptake.

Concern was expressed at the apparent downward trend in screening of individuals with learning disabilities. Views were sought from the Senior Screening and Immunisations Manager with reference to users mental health services and that possibly some work needed to be progressed addressing those concerns. The Board was advised that a lot of work had been done to flag people with learning disabilities and work was ongoing with Mental Health Trusts. The representative of the Tees Esk and Wear Valley NHS Trust assured the Board that his Trust was picking up that agenda.

Following a request for clarification from the Chair of the Board in relation to breast cancer screening, the Senior Screening and Immunisations Manager agreed to feedback to the Interim Director of Public Health in relation to the increased uptake in breast cancer screening in Stockton.

The Interim Director of Public Health highlighted that the Health and Wellbeing Strategy (2013 - 2018) Refresh was to be considered later in the meeting, which included a key priority area of 'working well'.

Decision

- (i) The Board noted the current uptake of the screening and immunisations programme for Hartlepool; and
- (ii) Board Members agreed to provide local systems leadership advice to improve uptake of screening and immunisation programmes across Hartlepool.
- (iii) That the issues raised at the meeting be addressed in the Health and Wellbeing Strategy (2013 - 2018) Refresh

6. Better Care Fund: 2016/17 Q3 and Q4 Returns *(Director of Child and Adult Services)*

The report provided the background to the National Conditions and performance measures associated with the Better Care Fund. Performance reports were submitted to NHS England on a quarterly basis. The deadline for submission of the Q3 return (covering the period October – December 2016) was 3 March 2017, and the deadline for the Q4 submission (covering January – March 2017) was 31 May 2017. The Q3 and Q4 returns had confirmed that all national conditions continued to be achieved, and provided analysis of performance data which was summarised in the report. Further detail was provided within the report on performance measures.

Decision

The Board noted the 2016/17 Q3 and Q4 returns, which were submitted on behalf of the Health and Wellbeing Board using delegated authority as agreed previously by the Board.

7. Pharmaceutical Needs Assessment (PNA) Review *(Interim Director of Public Health)*

The Board had published its first PNA on the 25 March 2015, in accordance with statutory requirements. The National Health Service (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013 set out the legislative basis for the updating of PNA's, including the duty of Health and Wellbeing Boards (HWB's) to 'publish a statement of its revised assessment within 3 years of its previous publication of a PNA'. The HWB is required to keep the PNA up to date by maintaining the map of pharmaceutical services, assessing any on-going changes which might impact pharmaceutical need or require publication of a Supplementary Statement, and by publishing a full revised assessment before the 25 March 2018. Details of actions required to maintain the current PNA and the planning process for the publication of a fully reviewed PNA were outlined in the report.

Decision

- i) The Board acknowledged the content of the report including the outline plan and timetable towards the review of the PNA of the Hartlepool HWB, commencing immediately.
- ii) The Board delegated authority to the current/or acting Director of Public Health (DPH), in conjunction with the Chair of the HWB, for approval of the draft PNA 2018 for release to formal 60 day consultation.

- iii) The Board approved the continued delegation of authority to the current, or acting, Director of Public Health (DPH), in conjunction with the Chair of the Board, for elements of the maintenance and use of the PNA, and for the DPH to approve, as required:
- Publication of minor errata/ service updates as on-going notifications that fall short of formal Supplementary Statements to the PNA (for example changes of ownership, minor relocations of pharmacies, minor adjustments to opening hours and service contracts that do not impact on need);
 - Any response on behalf of the Hartlepool HWB to NHS England (42 day) consultation on applications to provide new or amended pharmaceutical services, based on the PNA; and
 - Any initial determination with respect to the potential for either a Supplementary Statement or need for full review. Publication of Supplementary Statements to be ratified by the HWB at suitable periodic intervals (e.g., annually) as required.
- iv) In accordance with the NHS Pharmaceutical Services regulations, now that the Board is in the course of making its revised assessment for 2018, the Board will monitor any changes to availability for pharmaceutical services in its area in the intervening period. The Board will publish a Supplementary Statement on any changes (to availability) where (if) it is satisfied that immediate modification of its pharmaceutical Needs Assessment (2015) is essential in order to prevent significant detriment to the provision of pharmaceutical services in the town.
- v) Agenda items related to consultation, review, maintenance (including Supplementary Statements) and future publication of the Hartlepool PNA be received as required at future Board meetings.

8. Health and Wellbeing Strategy (2013 - 2018) – Refresh (Interim Director of Public Health)

The report sought approval of the Project Plan / Timetable for the refresh of the Health and Wellbeing Strategy (2013 – 2018) and the priorities identified for inclusion as the basis for the refreshed Strategy. The Health and Social Care Act 2012 required the Local Authority, with partner agencies including the NHS, to develop a joint Health and Wellbeing Strategy based on the Joint Strategic Needs Assessment (JSNA). The Health and Wellbeing Strategy

(2013-2018) had been developed in 2012-2013 in order to comply with this statutory requirement. In complying with the requirements of the Health and Social Care Act 2012, and in order to ensure that the Strategy is fit for purpose and effectively reflects local priorities, the Board had approved the refresh of the Strategy at its meeting on the 13 March 2017. Approval was also given for the creation of a detailed Project Plan / Timetable to enable completion of the refresh process in line with the required deadline.

Board Members were advised that the Health and Wellbeing Strategy (2013-2018) was based upon the principles of the Marmot Report (2010) and focused on protecting and improving the health of the population through a range of evidence based interventions. In taking forward the development of the 2018 – 2023 Strategy, it was proposed that:-

- i) The refreshed Strategy focus on the four key priority areas (as detailed below) and that these, alongside the identification of major issues in relation to each, form the basis for an extensive consultation process:
 - Starting Well – maternal health, children and young people;
 - Working Well – workplace health, getting into work, poverty;
 - Ageing Well – isolation, dementia, long term conditions, older people;
 - Living Well – lifestyle issues, mental health, prevention;

The Project Plan, to complete the refresh, was set out in the report. The Statutory Scrutiny Manager highlighted an additional public consultation on priorities, to inform the Strategy, on 14th July, commencing at 10 a.m. in West View Advice and Resource Centre.

The Chair of the Board referred to earlier discussions relating to uptake of the Public Health screening programme and that in terms of what is 'working well', engagement should include key contacts in schools, businesses and GPs.

The Interim Director of Public Health responded to concerns expressed by a member of the public at what was considered to be an escalating trend of children with learning disabilities which were alleged to be linked to immunisation. The Interim Director highlighted that Public Health England was responsible for the evidence base for all screening and immunisation programmes. It was reported that the overwhelming evidence supported vaccinations being safe. The Chair of the Board advised Members that the member of the public had written a letter, which was to be considered under Any Other Business.

Decision

- (i) That the Board approved the:
 - Priority areas identified as the focus for the refreshed Strategy and consultation process detailed in the report; and
 - Updated Project Plan and Timetable for completion of the refresh as detailed in the report.
- (ii) That the Board consider a final draft of the refreshed Health and Wellbeing Strategy 2018 – 2023 at its meeting on the 4 December 2017, prior to its submission to Full Council on 15th March 2018.

9. Overview and Scrutiny Work Programme - Verbal Update *(Scrutiny Manager)*

Further to the meeting of the Council's Audit and Governance Committee held on 21 June 2017, the Statutory Scrutiny Officer advised the Board that each year Overview and Scrutiny identified, implemented and completed an annual work programme as a means of fulfilling its statutory responsibilities. The Audit and Governance Committee had been asked to consider the development of the 2017/18 Work Programme, identifying potential topics for investigation and indicative timeframes covering both areas of statutory scrutiny.

The Committee considered a range of potential issues for scrutiny in the 2017/18 municipal year and in selecting a topic emphasis was placed on the potential future impact of the Durham, Darlington, Teesside, Hambleton, Richmondshire and Whitby Sustainability and Transformation Plan (STP), the Better Health Programme and the implementation of the 'Hartlepool Matters' Plan.

Following detailed consideration of the information provided, and potential topics, the Committee had agreed that it would undertake one investigation in 2017/18, focusing its attention on Elective Surgery on the UHH site (Hartlepool matters) and high quality Maternity Services (STP) as an issue of significant local concern. This enabling Members to be fully informed as they participate in regional scrutiny of the STP and allowing capacity for scrutiny of other STP related issues, should the need arise.

It was noted that the Committee would be requesting information from Board Members and that a report would be submitted to the Board on the outcome of the investigation.

Decision

The update was noted.

10. Any Other Business

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

11. Letter

As referenced earlier in the meeting, a letter had been tabled at the request of a member of the public which reiterated the concerns which had been expressed earlier in the meeting in relation to the implications of the immunisation programmes.

Meeting concluded at 11.20 p.m.

CHAIR

Minutes from the recent meeting of the Finance and Policy Committee held on 27 July 2017 relating to Public Health**34. Catering Arrangements at Summerhill** (*Interim Director of Public Health*)**Type of decision**

Non-key decision.

Purpose of report

To review the catering provision at Summerhill after one year of operation.

Issue(s) for consideration

The Interim Director of Public Health reported that at the meeting on 14 March 2016 Members approved the option of using an in-house provider for a catering facility at Summerhill, for a period of a year. It was agreed that a report be submitted to the Committee at the end of the year setting out the viability of the operation. Full details were set out in the report showing that the financial position to 31 May 2017 was that there was a total net loss from the operation of £5347. Last year, the café traded daily (excluding most Sundays and Bank Holidays) from 27th May 2016 to 30th September 2016. The cafe was closed for the winter months except for additional opening of the facility that took place during part of the October half term week and for a further six separate days between October and December 2016 when special events were held at the venue. Following the winter break, the café reopened again on 10th April 2017 and the in house team had an agreement with the Public Health Department to continue this service until 31 August 2017. The fixed term contracts of café staff that were redeployed to Summerhill when the Inspirations Coffee House closed were also due to end on this date.

The Director went on to outline the options for the future of the cafe at Summerhill beyond the end of August. The options were –

Option 1: - Continue with current in-house provision but only open from Monday to Saturday for 14 weeks from May bank holiday to the end of August. Also to explore the potential for vending machines to be made available when cafe is closed. The current in-house provider would be prepared to provide the service during this peak period and there is confidence that the average £879 per week costs could be covered unless the summer weather was a really complete disaster.

Option 2: - Seek an alternative commercial or not for profit / charity / community provider who would be able to open the cafe over a longer period of the year, which might enhance the offer at Summerhill. One organisation is interested in such a venture and is currently putting together a business case to this effect which will be completed by the end of July.

Option 3: - Close cafe completely and/or install vending machines

The Director highlighted that the lack of coffee shop could have a negative impact on the number of visitors and patrons at Summerhill, thereby decreasing income. The footfall at Summerhill Visitors Centre (centre only) was 137,075 in 2016/17. There was, however, a high risk of financial loss to the Council if the in house catering team was to continue to provide the service and open the café outside of the main 14 week summer period.

A Member expressed concern at the potential of the organisation referred to in option 2 submitting a business plan for operating the cafe when other organisations had not had the same opportunity through an open tender process. The Chief Executive stated that the Council had been approached by a charitable organisation to operate a social enterprise operation. The Director of Regeneration and Neighbourhoods added that the organisation that had approached the Council was looking at a wider package providing a social value programme for veterans and this would involve more venues than just Summerhill and was not looking purely at a commercial operation but one centred on training. There would be a detailed report to Members on the proposal.

A Member commented that while such a proposal worthy of proper consideration when it came forward, the issue of the operation of the cafe at Summerhill raised greater concerns. It had been stated that when the Council operation was proposed, the Committee was assured by Members that it would make money when it hadn't and that the internal operation of the cafe went against the officer recommendation to invite tenders for operating the site. There had been a clear opportunity to create income which was missed. This was yet another report about a failed Council operated cafe.

Other Members commented that while the organisation that had approached the Council was worthy of support, there were other such groups who may wish to look to operating the cafe. It would be appropriate to put the operation out to tender to ensure the best opportunity for the Council and local tax payers. Reference was made to the recently approved social value policy of the Council's leased estate and it was confirmed that it would be up to individual organisations to demonstrate they met the criteria against the policy for discounted rents.

Members commented that one of the issues that had held back the cafe at Summerhill was the costs of staffing that had precluded Sunday and Bank Holiday opening. Members commented that any future operator should be required to open seven days a week during the opening season including bank holidays. Members also referred to the operation of the cafe at Christ Church by Catcote Futures.

A member of the public referred to previous cafe operations and expressed a hope that no further similar operations would be undertaken at tax payers

expense. Another member of the public indicated that there had been reference to the new Community Hubs having a refreshment offer and was it intended these would be cafes as well. The Interim Director of Public Health indicated that the organisation referred to were looking at a package which may include Summerhill and the community hubs. Much depended on the viability of the proposal and which would be assessed once received. A Member of the public also highlighted that as the centre was closed on a Sunday at Summerhill, it also meant that the toilets were also unavailable to visitors.

The Chair suggested that option 2 be expanded to include the potential for other not for profit / charity / community providers to come forward with proposals for the cafe and that if this proved to be unviable, then an open tender process as set out in option1 be adopted.

Decision

1. That the position regarding the operation of the catering facility at Summerhill be noted.
2. That the continuation of the service offer as outlined in Option 1 until the end of August be approved.
3. That officers to progress Option 2 to take effect from Spring 2018 on the basis that the operation of the cafe be initially open to not for profit / charity / community providers, potentially together with the operation of a refreshment offer at the three community hubs, and should this not prove to be viable, then an open tender procedure be undertaken.
4. That the Chief Executive be authorised, in consultation with the Chair and Vice-Chair of Finance and Policy Committee, to evaluate the business cases and select a third party provider should that prove to be a viable option.

TEES VALLEY HEALTH SCRUTINY JOINT COMMITTEE

A meeting of the Tees Valley Health Scrutiny Joint Committee was held on 26 April 2017.

PRESENT: Councillor E Dryden (Chair) – Middlesbrough Council, J Taylor - Darlington Council, I Jeffrey - Redcar and Cleveland Council, B Harrison – Hartlepool, E Cunningham, L Grainge, and L Hall - Stockton Council.

ALSO IN ATTENDANCE: S Fenwick - Redcar and Cleveland Council, P Mennear - Stockton Council, L Stones – Hartlepool Council, M Cotton – Assistant Director Communications and Engagement (North East Ambulance Service), Dr Lanigan Head of Planning and Business Development and Jennifer Illingworth – Director of Quality Governance (Tees, Esk and Wear Valleys NHS Trust).

OFFICERS: C Breheny.

APOLOGIES FOR ABSENCE Councillor Taylor, Belcher, Martin-Wells, Biswas, Harding, Reed, Cunningham, Newall and Tostevin.

DECLARATIONS OF INTERESTS

Cllr Grainge declared a non-prejudicial interest in relation to item 4 as she was employed by Unison and represented NEAS staff members.

1 MINUTES - TEES VALLEY HEALTH SCRUTINY JOINT COMMITTEE 26 JANUARY 2017

The minutes of Tees Valley Health Scrutiny Joint Committee held on 26 January 2017 were agreed subject to minor amendments being made.

2 MENTAL HEALTH SERVICES FOR CHILDREN AND YOUNG PEOPLE

The Democratic Services Officer explained that the NHS representatives scheduled to be in attendance at today's meeting had submitted their apologies. On 24 April 2017 advice was issued by NHS England (NHSE) Communications to all NHS Trusts advising staff against engagement in respect of political issues during the Purdah period.

The Chair expressed the view that this item had been on the agenda since January 2017 and was part of an evidence gathering session on this topic. It would not be used by Members of the Committee for political purposes. It was advised that despite efforts to offer reassurances that scrutiny was not a decision making body, and the Chair of the panel did not envisage any press issues arising, the invited representatives wished to withdraw from the meeting.

The Chair's view had been relayed to the invitees in advance of the meeting, however, the North of England Commissioning Support Service (NECS), Hartlepool and Stockton on Tees/Darlington CCG and Tees, Esk and Wear Valleys (TEWV) NHS Foundation Trust retained the view that on this occasion and in respect of this particular topic they were unable to attend.

AGREED as follows:-

1. That the item be rescheduled and included as an item on the next agenda of the TVHSJC.

3 STAKEHOLDER ENGAGEMENT UPDATE – TRANSFORMING CARE: RESPITE SERVICES REVIEW

The Democratic Services Officer explained that the NHS representatives scheduled to be in attendance at today's meeting had submitted their apologies. On 24 April 2017 advice was issued by NHS England (NHSE) Communications to all Trusts advising staff against engagement in respect of political issues during the Purdah period.

The Chair expressed the view that this item had been on the agenda since January 2017 and was part of an evidence gathering session on this topic. It would not be used by Members of the Committee for political purposes. The Chair's view had been relayed to the invitees in advance of the meeting. However, NHS Hartlepool / Stockton on Tees Clinical Commissioning Group (CCG) and NHS South Tees CCG had advised that on this occasion they were unable to attend.

AGREED as follows:-

1. That the item be rescheduled and included as an item on the next agenda of the TVHSJC

NEAS CQC RATING AND RECRUITMENT

- 4 The Assistant Director of Communications and Engagement at NEAS was in attendance to provide an update on the work of the trust. The Committee was advised that an inspection by the CQC had been undertaken in November 2016 and NEAS had received a 'Good' rating. The Lead Inspector had stated that the NEAS had a lot of to be proud of and there were clearly many areas of good practice. There was a general culture of passion and enthusiasm at the trust and it was clear that everyone's first priority was the patient. Information was provided on what NEAS did well and a number of areas of outstanding practice were highlighted as follows:-

- Culture of compassion and commitment
- Clear Vision and Strategy
- Shift in patient engagement and staff wellbeing
- Improved relationships between Executives and Unions
- Front line clinical leadership improved
- Good IPC management practices
- High patient satisfaction
- Introduced Advanced Practitioners
- Active in Research
- Strong relationships with Sports Ground Safety Authority
- The "flight deck" system which monitors hospital capacity and demand in real-time to manage pressures in the system and divert patients to alternative care when necessary
- Enrolled in the Mind Blue Light Project

It was explained to the Committee that a new Chief Executive had been appointed and this had resulted in a culture change in the organisation.

The areas for improvement were presented and it was confirmed that NEAS, as was the case with all ambulance trusts throughout the country, was below the national standard for the dispatch of ambulances in response to 75% of Red1 and Red2 999 calls within 8 minutes. In 2016/17 the trust had achieved. Following the inspection the CQC had advised that a second dispatch desk was needed at Russell House, which would require additional investment from the Commissioners. The point was made that the Committee had previously expressed concerns in relation to the relocation of the 999 call centre at Ladgate Lane, which resulted in two sites in Newcastle. The Assistant Director of Communications and Engagements advised that the concerns expressed by the CQC related to the dispatch of ambulances and not to the answering of calls. If one centre went down the remaining centre was in a position to answer calls for the whole North East region.

The concerns raised were specific to the resilience element in that if one of the dispatch centres was out of action there was still a need to have another full time dispatch centre in operation. Under Regulation 17 i.e. Good Governance there was a need to build in that resilience. In response to a query, however, it was acknowledged that the two dispatch centres were in relatively close proximity.

The areas where NEAS needed to improve i.e. Must do – Regulation 17 were highlighted as follows:-

- Improve resilience of dispatch (Requires a dispatch desk at Russell House)

- Line management and clinical oversight of CFR's
- Safe storage of paper records
- Management of Clinical risk in EOC when dispatch stack increasing
- Business continuity plans for EOC require improvement
- Learning from incidents and complaints is shared
- Continue to reduce complaint and incident backlog

It was queried as to whether all ambulances were in-house ambulances or whether any supplementary services were used. It was acknowledged that due to fact NEAS did not have a full establishment of paramedic staff additional support was purchased from the British Red Cross and St John's Ambulance. The technicians working for both organisations were trained to a lower skill than a paramedic. This in-built inefficiency resulted in the need for back up to be dispatched to administer pain relief. It also resulted in a higher number of patients being conveyed to hospital.

It was advised that in 2013/14 NEAS received a red incident every 3 minutes, which meant it needed 27 ambulances available to respond, based on average job cycle times. In contrast in 2016/17 NEAS received a red incident every 2 and a half minutes, which meant it now needed 37 ambulances available to respond, based on current job cycle times. The Committee was shown a screen shot from NEAS' clinical escalation system, which showed an example of a stack of red calls waiting due to a lack of ambulance resources to send to Red1 and Red2 calls.

It was explained that an additional 393 paramedics would be needed for NEAS to match West Midlands Ambulance Service's proportion of paramedics per square mile. An additional 178 paramedics would be needed for NEAS to match the proportion of paramedics per 10,000 population to West Midlands Ambulance Service.

In terms of the number of life threatening red incidents these had increased during 2015/16 by over 6% since 2014/15. It was explained that the number of incidents that have been met within the 8 minute target for Red1 and Red2 remained relatively static for the last 3 years, with around 370 incidents per day being reached within 8 minutes. With the exception of the winter of 2014, up until August 2015 responding to this number of incidents had meant NEAS had achieved its 75% target. From August 2015 onwards, NEAS had experienced an increased number of red incidents, which meant that although it continued to respond to a similar number of incidents in 8 minutes, the figure converted to a lower percentage of total incidents.

With regard to completion times the time taken for crews to complete a job had increased by 19% between August 2013 and August 2016. The yearly average was likely to be higher once the winter months had been included. NEAS crews spent on average 11 minutes longer on each job. Based on 380,000 incidents per year this equated to 2902 days, or an extra 16 shifts a day for a year.

A number of areas were highlighted where NEAS needed to improve – should do - as follows:-

- Improve major incident training
- Staff are further encouraged and supported to report incidents
- Improve the system for monitoring cleanliness of PTS vehicles
- Improve training for dementia and mental health

It was explained that conveyance rates have reduced since April 2016 as more patients receive telephone and at scene treatment. Time lost to handovers over 15 minutes had reduced between March 2016 and March 2017 by 66%. The hospitals with the greatest amount of time lost to handover for December were NSEC (337 hours), Sunderland Royal (234 hours) and UHND (117 hours).

Reference was made the National Audit Office report published in January 2017, which compared the 2015-16 figures for urgent and emergency income per head of population by NHS ambulance trust. It was noted by the Committee that the sums varied by almost £10 per head of population across the various ambulance trusts as follows:-

- South East Coast - £36.60

- Yorkshire received - £34.90
- East of England - £30.30
- East Midlands - £29.80
- North East £26.70.

Committee was informed that commissioners had provided additional funding of £3.9m which would allow NEAS to employ an additional 42 paramedics in time, however NEAS believed this was not enough to achieve its performance targets.

NEAS also believed that one of the issues behind the challenging performance was the cumulative impact of individual NHS service reconfigurations across the region. This would need to be considered carefully in future, particularly in light of any changes emanating from STPs. NEAS was involved in discussions with the Durham Dales, Darlington Tees, Hambleton and Richmondshire STP.

It was advised that the largest clinical risk was as a result of delayed ambulance response for those patients predominately categorised as requiring a G2 30 minute response. These patients were experiencing long delays due to the increasing red incidents and the lack of both resources and clinical skill availability. It was acknowledged that moderate and serious harm/death reported incidents were a direct correlation to ambulance delay.

AGREED as follows:-

1. That the Commissioners and NEAS be invited to attend a future meeting of the TVHSJC to outline progress made in respect of the Action Plan following the CQC inspection.
 2. That information on the Mind Blue Light Project be forwarded to all Members.
 3. That local MPs be advised of the disparities in funding received by ambulance trusts per head of population throughout the county. The North East Ambulance Service (NEAS) received significantly less funding in 2016/17 compared with other ambulance trusts and the performance targets set were unobtainable without addition funding / support.
 4. That a copy of the National Audit Office reports from 2011 and 2017 along with a copy of the NEAS presentation be circulated to Members.
- 5.

TEES, ESK AND WEAR VALLEYS NHS FOUNDATION TRUST (TEWV) – QUALITY ACCOUNT 2016/17

The Committee was advised that the Tees, Esk and Wear Valley's NHS Trust (TEWV) had produced a Quality Account, which covered Mental Health and Learning Disability services for County Durham, York and most of North Yorkshire, as well as the 5 Tees Valley Boroughs. Locally specific data had been drawn from the full report for the benefit of the Committee.

Within the 2015/16 Quality Account the Trust had agreed the following four Quality Priorities for 2016/17:-

1. Continue to develop and implement Recovery focused services;
2. Implement and embed the revised harm minimisation and risk management approach;
3. Further implementation of the nicotine replacements programme and smoking cessation project;
4. Improve the clinical effectiveness and patient experience at times of Transition Monitoring Progress.

The Committee was advised that 33 of the 35 actions within these 4 priorities were Green and 2 actions were Red - priority 3 and 4 (Transitions and Nicotine). The first Red action related to the training element of implement and embed the revised harm minimisation and risk management approach. The target had been to train 3137 TEWV clinicians by the end of March 2017 (65 per cent of the total clinical workforce of 4827). It was advised that 2044 (42 per cent) of staff had

been trained. The period during which face to face training was to be provided had been extended and e-learning introduced from May 2017, in an effort to increase the proportion of staff trained.

The second Red action related to the training element of further implementation of the nicotine replacement programme and smoking cessation project. The target had been to train 75 per cent of community clinicians by the end of March 2017. During 2016/17 10 per cent of community staff had received the relevant training. The training period had now been extended to May 2017, in an effort to increase the proportion of staff trained.

In terms of the Quality Metrics 6 of the 9 were reported as Green and 3 Red at the end of March 2017 (full year). The 3 Red Quality Metrics were as follows:-

- Patient falls per 1000 admissions

It was advised that TEWV's position for the period April 2016 to the end of March 2017 was 64.32 i.e. 35.53 above the target of 28.79. This equated to 399 falls during this period; 120 related to people from the Tees Valley; 90 (23%) were classified low with minimal harm (patient required extra observation or minor treatment) and 27 (7%) were reported as moderate short term harm (patient required further treatment). It was explained that many of the older people in receipt of MH services were frail, displayed challenging behaviour and had complex health issues. Reporting of this issue had also improved in recent years and sustained efforts including additional training and the use of hip protectors were being made to prevent patient falls.

- Average length of stay for patients

TEWV's position for the period April 2016 to the end of March 2017 in MHSOP was 78.06 i.e. 26.06 above (worse than) target of <52 days. The median length of stay was 50 days. A number of factors impacted on achieving this target including Social Care provision, Care Home capacity and lack of Nursing Home placements, as well as the physical health difficulties experienced by older patients.

- Percentage of complaints satisfactorily resolved

The end of year data indicated that 74.87 per cent (143/191) of complaint letters did not have requests from the complainant for further review/action by the Trust. A follow up request was received in 25.13 per cent (48/191) of cases against a 10 per cent target. It was emphasised that the complaints received could be very complex. The Committee queried the type of complaints TEWV received and it was advised that they ranged from complaints regarding clinical treatment to concerns around waiting times.

The Committee queried whether the TEWV had a Whistleblowing Policy and it was confirmed that a policy had been in place for a number of years. Various reporting mechanisms were available and a designated independent person was in post to address any concerns raised. In addition staff also had the facility to report any concerns anonymously directly to the Chief Executive's Office through the TEWV intranet page. The primary reason for establishing the system had been to enable patient safety concerns to be escalated. The system was very well used for a host of staff issues, although not always related to patient safety, as originally intended. The Director of Nursing was a further point of contact along with the CQC if patients had any serious issues of concern.

The Quality Priorities for 2017/18 were as follows:-

- Ensure Safe Staffing in all services.
- Implement phase 2 of the Recovery Strategy (a 3 year priority).
- Reduce the number of preventable deaths.
- Reduce the occurrences of serious harm resulting from inpatient falls.
- Improve the clinical effectiveness and patient experience in times of transition from Child to Adult services (second year).

It was explained that during 2016/17 a new TEWV Quality Strategy was approved, which

included a set of metrics to monitor progress. The Quality Metrics within the Quality Account would be replaced to align with the Quality Strategy for 2017/18.

In terms of next steps the Draft Quality Account had been circulated to all interested parties on 13 April and comments were required by 13 May 2017. The Quality Account would be submitted to Secretary of State on 30 May and published on the 30 June 2017.

Reference was made to reducing the number of preventable deaths and the panel requested the figures for 2016/17. It was advised that there had been 107 deaths recorded in 2016/17 and following careful consideration 2 of those cases had been viewed by TEWV Trust as preventable.

Reference was made to concerns raised locally and nationally in respect of Children and Young People's Mental Health Services. Yet no Quality Priorities, other than the one that made reference to transitions, specifically related to Children and Young People. The Committee was advised that very few children were in receipt on inpatient MH services and South Tees CCG had commissioned a Children's Crisis Team for all 4 Boroughs, with the exception of Darlington. The Crisis Team ensured that children were kept out of hospital 24 hours a day, 7 days a week and waiting times in the Tees Valley were much lower than in other parts of the country. Once a child / young person was on caseload a significant amount of work was undertaken to support them.

Reference was made to the high percentage of prisoners with mental health conditions and the services in place for them. It was confirmed that TEWV does provide input and a joint presentation with the prison service could be arranged for the Committee.

AGREED as follows:-

1. That a TVHSJC response be provided to the TEWV NHS Trust Quality Accounts 2016-17 be prepared and submitted to in advance of 15 May 2017 following approval by the Chair.
2. That further information on the joint work undertaken by TEWV with the prison service be presented to a future meeting of the Committee in 2017/18.

SAFER HARTLEPOOL PARTNERSHIP MINUTES AND DECISION RECORD

16th June 2017

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

Present:

Councillor: Christopher Akers-Belcher (In the Chair)
Councillor Steve Thomas
Denise Ogden, Director of Regeneration and Neighbourhoods
Clare Clark, Head of Community Safety and Engagement
Paul Edmondson-Jones, Interim Director of Public Health
Chief Superintendent Alastair Simpson, Cleveland Police
Lynn Beeston, Chair of the Youth Offending Board
Steve Johnson, Cleveland Fire and Rescue Authority
John Bentley, Safe in Tees Valley
Jean Golightly, NHS Hartlepool and Stockton on Tees Clinical
Commissioning Group

Rachelle Kipling was in attendance as substitute for Barry
Coppinger (Police and Crime Commissioner) and Mike Lane as
substitute for Sally Robinson (Director of Children's Services)

Also present: Councillor Marjorie James
Chief Inspector Matt Murphy-King, Cleveland Police
Inspector Nick Edgar, Cleveland Police
Jo Duffey, Cleveland Police
Gilly Marshall, Housing Hartlepool

Officers: Esther Mireku, Public Health Specialist
Jo Stubbs, Democratic Services Officer

1. Grenfell Tower

Prior to the meeting members held a minutes silence to remember the victims of the Grenfell Tower incident. The Chair advised that the MP had asked the Partnership to look at what steps could be taken to ensure something similar did not happen in Hartlepool. The Chair expressed his intention to make public the collaborative work which the Council had and would continue to undertake with Cleveland Fire and Rescue Authority specifically provision of sprinklers and use of appropriate cladding in all houses of multiple occupancy. Discussions had previously taken place between himself, the Chief Executive and representatives of the 13 Group who had assured them of their maintenance programme. He requested

permission from the Partnership that this be referred as an item at Council as part of the Chief Executive's Business Report.

Councillor James expressed her support for this proposal, referring to previous efforts to change planning legislation to require the installation of sprinklers in all houses over 4 storeys as well as those of multiple occupancy. She noted that the approximate cost to install sprinklers in a new building was £1500 and in the case of Grenfell many lives would have been saved. She urged Cleveland Fire Brigade to join forces with their colleagues across the country to have the legislation changed. The Director of Regeneration and Neighbourhoods anticipated new guidance on these matters would be released in the coming weeks.

Decision

That the Chief Executive highlight the collaborative work taking place between the Partnership and all registered housing providers and known private landlords of relevant properties to ensure the carrying out of fire safety checks and promotion of sprinkler systems and safe external materials as part of her Business Report at Council on Thursday 22nd June.

2. Apologies for Absence

Apologies were submitted by Julie Allan (Cleveland National Probation Service), Kay Glew (Thirteen Group), John Graham (Durham Tees Valley Community Rehabilitation Co) and Sally Robinson (HBC Director of Child and Adult Services)

3. Declarations of Interest

None

4. Minutes of the meeting held on 10th March 2017

Minutes approved – no matters arising.

5. Review of Police Control Room Presentation *(Representatives from Cleveland Police)*

Issue(s) for consideration

Inspector Nick Edgar from Cleveland Police was in attendance and gave a presentation on the recent review of Police Control Room services. Details were given on the reasons behind the review and the persons and groups who took part in the consultation. A brief video giving information on the work of the police and the central role played by control room personnel was shown at the meeting. Inspector Edgar advised that the ultimate aims were to protect communities from harm, particularly the vulnerable, to have

a sustainable, affordable and focused organisation and give officers and staff time to do their jobs with unnecessary tasks removed. An email address for feedback was supplied to members.

The Chair asked that a copy of the completed report and recommendations be provided to members.

The Housing Hartlepool representative asked how much training control room personnel were given in the role of outside agencies citing as an example the fact that their tenants were often given unrealistic expectations of what 13 Group could actually do. Inspector Edgar agreed that police knowledge of what partner agencies could and could do not do required improvement, suggesting this was something that could be brought up as part of the review.

A member queried whether links were being forged between the police and mental health providers. Inspector Edgar advised that the inclusion of a Mental Health Co-ordinator within the control room had been trialled over a 12-month period during which time they had reviewed and intervened in a number of events. However a police response was not always appropriate in these cases. The NHS Hartlepool and Stockton on Tees CCG representative referred to partnership work currently being undertaken in this area and its importance in helping provide a more nuanced response to those in need. Inspector Edgar stressed the importance of control room personnel being aware of the wide range of services available for those dealing with mental health issues. He also noted the wide range of information on domestic abuse services which was available on the police website and noted plans to make help available in other ways.

Decision

- That the presentation be noted and copies circulated to all members
- That a copy of the completed report and recommendations be provided to the Partnership.

6. Safer Hartlepool Partnership Development Day (*Director of Regeneration and Neighbourhoods*)

Purpose of report

- To provide an overview of discussions at the Safer Hartlepool Partnership Development Day on 8th May 2017;
- To consider the development of a Task and Finish Group to progress issues identified at the development day to ensure the Partnership is in a position to effectively address community safety issues in Hartlepool in the future

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods gave a brief overview of the development day. As introduced by the Home Office the six Hallmarks of Effective Partnerships were used as a tool to guide the discussions over the day. Members were asked to identify what had and had not worked well and what was important to ensure effective delivery of community safety priorities. These discussions were summarized and appended to the report. Key challenges identified by members included duplication with other boards, limited resources, inconsistent attendance at Partnership meetings and lack of clarity. It was felt that ways to address these concerns could include focussing on fewer and more targeted priorities, working collaboratively and improving information sharing.

Members agreed that a Task and Finish Group would be most appropriate to help progress the issues identified. Those volunteering to take part were the Head of Community Safety and Engagement, the Interim Director of Public Health, Councillor Steve Thomas, Chief Superintendent Alastair Simpson, the Safe in Tees Valley representative and the Police and Crime Commissioner representative.

Decision

That the report be noted and a Task and Finish Group constituted to progress the priorities identified.

7. Draft Community Safety Strategy 2017-2020 (*Director of Regeneration and Neighbourhoods*)**Purpose of report**

- To consider and agree a draft Community Safety Strategy 2017-20
- To agree the Partnerships sub groups, the Chairs of sub Groups and reporting arrangements to the Partnership
- To consider any specific areas that the Safer Hartlepool Partnership would like the sub-groups to investigate.

Issue(s) for consideration

The report set out the background to the statutory responsibility of Community Safety Partnership's to develop and implement a three year Community Safety Strategy setting out how it intended to address crime and disorder, substance misuse and re-offending issues in Hartlepool. In

January members had approved a draft timeline and consultation process for a new strategy. This had included consultation with over 250 residents as part of the Safer Hartlepool Partnership 'Face the Public' activities held during October/November 2016 and further discussions at the recent Safer Hartlepool Partnership development day. Following this a draft strategy had been formulated and was appended to the report.

The Strategic objectives for the 3 years were included as were the annual priorities for 2017-2018. It was proposed that the draft strategy be subject to an 8 week consultation period comprising an online consultation survey, targeted emails and discussions with community and residents groups. Presentations would also be made to Finance and Policy Committee, Audit and Governance Committee and the Council's Community Forums. The final strategy would be presented to the Partnership in September prior to consideration by Finance and Policy Committee and endorsement by Council in October.

Progress made against the plan would be managed and monitored by the Partnership through monitoring of Sub-Group Actions Plans. The proposed sub-groups for 2017-18 were Domestic Violence and Abuse, Safer Neighbourhoods and Substance Misuse. The Director of Regeneration and Neighbourhoods suggested that the Substance Misuse Group be chaired by the Interim Director of Public Health and this was agreed. It was further suggested by the Director of Regeneration and Neighbourhoods that the Domestic Violence and Abuse group be chaired by either the CCG or someone from the Councils Childrens and Adults Department and she would look into this. A proposal that the Neighbourhood Safety Group be chaired by the local Chief Inspector was agreed.

The Hartlepool and Stockton on Tees CCG questioned whether domestic violence and abuse would not be better served by a more collaborative approach Teeswide. There was general support for this approach and the PCCs representative confirmed that the OPCC were in the process of establishing such a group. The Head of Community Safety and Engagement also reminded partners that the Teeswide Reducing Re-offending Group was addressing partnership priorities in relation to offending and reducing offending behaviour.

In terms of the draft strategy itself the Head of Community Safety and Engagement agreed to include some performance measures in relation to deliberate fire setting. It was noted that more detailed and specialised statistics would be better suited for task groups rather than the overall strategy.

Decision

- That the draft strategy be approved for consultation
- That the Substance Misuse Sub-Group be chaired by the Interim

Director of Public Health

- That the Safer Neighbourhoods Sub-Group be chaired by the Chief Inspector
- That the Domestic Violence and Abuse Sub-Group be chaired by either the Director of Child and Adult Services or a representative from the Hartlepool and North Tees CCG

8. Any Other Items which the Chairman Considers are Urgent

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

The Chair noted that this was the final Partnership meeting for Gilly Marshall from Housing Hartlepool and Chief Inspector Lynn Beeston. He thanked them both for their contributions over the years and wished them both well for the future.

9. 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 item of business on the grounds that it 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 10 – Serious and Organised Crime Presentation – This item contained exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. (para 7).

10. Serious and Organised Crime Presentation *(Representatives from Cleveland Police)*

Issue(s) for consideration

Chief Inspector Matt Murphy-King and Jo Duffey, Analytical Co-ordinator for Cleveland Police, gave a presentation on the Serious and Organised Crime Local Profile. This had been commissioned by the Local Organised Crime

Partnership Board in 2015 and was aimed at developing a common understanding, providing information and allowing a targeted and proportionate use of resources. It was based on the 4P approach of pursue, prevent, protect and prepare. Published in 2016 it was based on 2015 data, predominantly from the police. Details were given of the numbers of people known to be involved in serious and organised crime across the Tees Valley, the reasons people tended to be drawn into that lifestyle and what form organised crime tended to take. As a result a Strategic Serious and Organised Crime Action Plan had been formulated based on the 4P approach. Plans had also been made to commission the next Local Profile.

Members discussed the issues raised by the presentation. Ms Duffey identified geographical areas of concern in Hartlepool saying it tended to proliferate around unstable families and upbringings. Inspector Murphy-King advised that the Action Plan was resulting in good progress particularly in working with communities and partners. The Chair suggested that the next profile include anonymised case studies so it was clear what impact was being had within the community. Ms Duffey indicated that case studies had originally been included and she would be happy to do so again. She also referred to the possibility of holding a training event for partners in the future. The Chair suggested that case studies be targeted at those geographical areas of particular concern. A member asked whether consideration had been given to the impact the introduction of Universal Credit might have.

Decision

That the presentation be noted

The meeting concluded at 11:35am

CHAIR