

AUDIT AND GOVERNANCE COMMITTEE

AGENDA



Thursday 3 October 2019

at 10.00 am

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

MEMBERS: AUDIT AND GOVERNANCE COMMITTEE

Councillors Black, Hall, Hamilton, Harrison, James, Loynes and Ward.

Standards Co-opted Member; Ms Clare Wilson.

Parish Council Representatives: Parish Councillor John Littlefair (Hart) and Parish Councillor Alan O'Brien (Greatham).

Local Police Representative: Superintendent Alison Jackson.

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 5 September 2019 (to follow).

4. AUDIT ITEMS

4.1 Mazars Report – Annual Audit Letter – *Assistant Director Finance and Customer Services*

4.2 Internal Audit Plan 2019/20 Update – *Head of Audit and Governance*

5. STANDARDS ITEMS

5.1 Regulation of Investigatory Powers Act 2000 (RIPA) – *Chief Solicitor*



6. STATUTORY SCRUTINY ITEMS

Crime and Disorder Issues

6.1 Investigation into Anti-Social Behaviour in Hartlepool: Provision of Evidence:-

- (i) Covering Report (*Statutory Scrutiny Manager*)
- (ii) Presentation by Cleveland Fire Brigade; and
- (iii) Presentation by Cleveland Police

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

7.1 To receive the minutes of the meeting held on 1 July 2019.

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

8.1 Extract of the minutes of the Finance and Policy Committee held on 27 August 2019.

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

9.1 To receive the minutes of the meeting held on 17 June 2019.

10. MINUTES FROM RECENT MEETING OF SAFER HARTLEPOOL PARTNERSHIP

No items.

11. REGIONAL HEALTH SCRUTINY UPDATE

No items.

12. DURHAM, DARLINGTON AND TEESSIDE, HAMBLETON, RICHMONDSHIRE AND WHITBY STP JOINT HEALTH SCRUTINY COMMITTEE

12.1 To receive the minutes of the meeting held on 27 November 2018.

13. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

For information: -

Date and time of forthcoming meetings –

Thursday 7 November, 2019 at 10.00 am
Thursday 5 December, 2019 at 10.00 am
Thursday 9 January, 2020 at 10.00 am
Thursday 6 February, 2020 at 10.00 am
Thursday 12 March, 2020 at 10.00 am



AUDIT AND GOVERNANCE COMMITTEE

3 October 2019



Report of: Assistant Director Finance and Customer Services

Subject: MAZARS REPORT- ANNUAL AUDIT LETTER

1. PURPOSE OF REPORT

- 1.1 To inform Members of the Audit and Governance Committee that arrangements have been made for representatives from Mazars to be in attendance at this meeting, to present the content of the report Annual Audit Letter.

2. BACKGROUND

- 2.1 This report updates the Audit and Governance Committee on the key messages from the 2018/19 audit of Hartlepool Borough Council by Mazars. The audit was made up of two elements:
- Mazars audit of the financial statements; and
 - Mazars assessment of arrangements for achieving value for money in the use of resources.

- 2.2 The Annual Audit Letter was circulated to all members of the Council on 19.09.19 for information.

3. FINDINGS OF MAZARS

- 3.1 Details of key messages are included in the main body of the report attached as Appendix 1. It is a positive report which includes an unqualified opinion on the Council's financial statements and an unqualified Value for Money conclusion.

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 may 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 That the Audit and Governance Committee:

i. Note the report of Mazars.

12. REASON FOR RECOMMENDATIONS

12.1 To ensure the Audit and Governance Committee is kept up to date with the work of our External Auditor.

13. BACKGROUND PAPERS

13.1 Mazars Annual Audit Letter.

14. CONTACT OFFICER

14.1 John Morton
Assistant Director Finance and Customer Services
Civic Centre
Victoria Road
Hartlepool
TS24 8AY

Tel: 01429 523003
Email: John.Morton@Hartlepool.gov.uk



Annual Audit Letter

Hartlepool Borough Council

Year ending 31 March 2019





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Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers 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 the Annual Audit Letter

Our Annual Audit Letter summarises the work we have undertaken as the auditor for Hartlepool Borough Council for the year ended 31 March 2019. Although this letter is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (the NAO). The detailed sections of this letter provide details on those responsibilities, the work we have done to discharge them, and the key findings arising from our work. These are summarised below.

Area of responsibility	Summary
Audit of the financial statements	<p>Our auditor's report issued on 31 July 2019 included our opinion that the financial statements:</p> <ul style="list-style-type: none"> • give a true and fair view of the Council's financial position as at 31 March 2019 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 2018/19.
Other information published alongside the audited financial statements	<p>Our auditor's report issued on 31 July 2019 included our opinion that:</p> <ul style="list-style-type: none"> • The other information in the Statement of Accounts is consistent with the audited financial statements.
Value for Money conclusion	<p>Our auditor's report concluded that we are satisfied that in all significant respects, the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.</p>
Reporting to the group auditor	<p>In line with group audit instructions issued by the NAO, on 31 July 2019 we reported to the group auditor in line with the requirements applicable to the Council's WGA return.</p>
Statutory reporting	<p>Our auditor's report confirmed that we did not use our powers under s24 of the 2014 Act to issue a report in the public interest or to make written recommendations to the Council.</p>

2. AUDIT OF THE FINANCIAL STATEMENTS

Opinion on the financial statements

Unqualified

The scope of our audit and the results of our work

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2019 and of its financial performance for the year then ended.

Our audit was conducted in accordance with the requirements of the Code of Audit Practice issued by the NAO, and International Standards on Auditing (ISAs). These require us to consider whether:

- the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management in the preparation of the financial statements are reasonable; and
- the overall presentation of the financial statements provides a true and fair view.

Our auditor's report, issued to the Council on 31 July 2019, stated that, in our view, the financial statements give a true and fair view of the Council's financial position as at 31 March 2019 and of its financial performance for the year then ended.

Our approach to materiality

We apply the concept of materiality when planning and performing our audit, and when evaluating the effect of misstatements identified as part of our work. We consider the concept of materiality at numerous stages throughout the audit process, in particular when determining the nature, timing and extent of our audit procedures, and when evaluating the effect of uncorrected misstatements. An item is considered material if its misstatement or omission could reasonably be expected to influence the economic decisions of users of the financial statements.

Judgements about materiality are made in the light of surrounding circumstances and are affected by both qualitative and quantitative factors. As a result we have set materiality for the financial statements as a whole (financial statement materiality) and a lower level of materiality for specific items of account (specific materiality) due to the nature of these items or because they attract public interest. We also set a threshold for reporting identified misstatements to the Audit and Governance Committee. We call this our trivial threshold.

The table below provides details of the materiality levels applied in the audit of the financial statements for the year ended 31 March 2019:

Financial statement materiality	Our financial statement materiality is based on 2% of gross revenue expenditure	£5.682 million
Trivial threshold	Our trivial threshold is based on 3% of financial statement materiality.	£0.170 million
	We have applied a lower level of materiality to the following areas of the accounts:	
Specific materiality	- termination benefits	£100,000
	- senior officer remuneration	£94,000
	- members allowances	£6,000

2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to significant risks

As part of our continuous planning procedures we considered whether there were risks of material misstatement in the Council's financial statements that required special audit consideration. We reported significant risks identified at the planning stage to the Audit and Governance Committee within the Audit Strategy Memorandum and provided details of how we responded to those risks in our Audit Completion Report. The table below outlines the identified significant risks, the work we carried out on those risks and our conclusions.

Identified significant risk	Our response	Our findings and conclusions
Management override of controls 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 override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.	We addressed this risk by performing audit work in the following areas: <ul style="list-style-type: none"> • accounting estimates impacting on amounts included in the financial statements; • consideration of identified significant transactions outside the normal course of business; and • journals recorded in the general ledger and other adjustments made in preparation of the financial statements. 	There are no matters arising from our work on management override of controls
Valuation of property, plant and equipment The Council employs a valuation expert to provide information on revaluations, however there remains a high degree of estimation uncertainty associated with the revaluations of PPE due to the significant judgements and number of variables involved.	We addressed this risk by considering the Council's arrangements for ensuring that PPE values are reasonable and we engaged our own expert to provide data to enable us to assess the reasonableness of the valuations provided by the external valuer. We also assessed the competence, skills and experience of the valuer. We discussed methods used with the valuer and challenged the assumptions used. We used indices provided by our own expert to confirm the assets not revalued are unlikely to have materially changed in value. We sample tested revaluations in year to valuation reports and supporting calculation sheets and ensured the calculations were correct and agreed to source data such as floor plans.	We are satisfied the estimate is reasonable and materially correct.

2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to significant risks (continued)

Identified significant risk	Our response	Our findings and conclusions
Defined benefit liability valuation 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.	We discussed with key contacts any significant changes to the pension estimates. In addition to our standard programme of work in this area, we evaluated the management controls you have in place to assess the reasonableness of the figures provided by the Actuary and considered the reasonableness of the Actuary's output, referring to an expert's report on all actuaries nationally. We reviewed the appropriateness of the key assumptions included within the valuations, compared them to expected ranges and reviewed the methodology applied in the valuation. We also considered the adequacy of disclosures in the financial statements.	Our work has provided the assurance sought. The material change relating to the impact of the McCloud legal case on pension liabilities is a national issue and the Council has adjusted the accounts.

2. AUDIT OF THE FINANCIAL STATEMENTS

Internal control recommendations

As part of our audit we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls.

Our work did not identify any internal control issues to bring to your attention

3. VALUE FOR MONEY CONCLUSION

Value for Money conclusion

Unqualified

Our approach to Value for Money

We are required to consider 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

Our auditor's report, issued to the Council on 31 July 2019, stated that, in all significant respects, the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31st March 2019.

Sub-criteria	Commentary	Arrangements in place?
Informed decision making	<p>We reviewed financial, performance and risk management reports throughout the year and attended meetings of the Audit and Governance Committee. We did not identify any concerns regarding data quality or the decision-making process. We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk based approach, we did not identify any significant issues or exceptions in the Council's arrangements:</p> <p>a) Acting in the public interest, through demonstrating and applying the principles and values of sound governance;</p> <p>b) Understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management;</p> <p>c) Reliable and timely financial reporting that supports the delivery of strategic priorities; and</p> <p>d) Managing risks effectively and maintaining a sound system of internal control.</p>	Yes

1. Executive summary

2. Audit of the financial statements

3. Value for Money conclusion

4. Other reporting responsibilities

5. Our fees

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3. VALUE FOR MONEY CONCLUSION

Sub-criteria	Commentary	Arrangements in place?
Sustainable resource deployment	<p>Financial and performance reports demonstrate a history of achieving cost reductions without adversely affecting services to date and a balanced budget was set for 2019/20 after contributions of £3.8m from reserves. The medium term financial strategy is in place up to 2021/22 and includes a total deficit of £5.662m for 2020/21 and 2021/22. Work is ongoing to identify savings to address the deficit.</p> <p>The Council has adequate reserves in the medium term, including £27m in revenue reserves at the end of March 2019. We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk-based approach, we did not identify any significant issues or exceptions in the Council's arrangements:</p> <ul style="list-style-type: none"> a) Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions; b) Managing and utilising assets effectively to support the delivery of strategic priorities; and c) Planning, organising and developing the workforce effectively to deliver strategic priorities. 	Yes
Working with partners and other third parties	<p>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, leading on some children's services locally and regionally, and with the other local authorities as part of the Tees Valley Combined Authority.</p> <p>We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk-based approach, we did not identify any significant issues or exceptions in the Council's arrangements:</p> <ul style="list-style-type: none"> a) Working with third parties effectively to deliver strategic priorities; b) Commissioning services effectively to support the delivery of strategic priorities; and c) Procuring supplies and services effectively to support the delivery of strategic priorities. 	Yes

3. VALUE FOR MONEY CONCLUSION

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 Value for Money 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 Completion Report, 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.

Risk	Work undertaken	Conclusion
<p>The Council was forecasting a net overspend on the 2018/19 budget and had identified a predicted budget deficit for 2019/20 estimated at £6m. We understand that the Council is in the process of identifying savings, but there are no easy choices as any measures that might impact minimally on front line services have already been taken.</p> <p>We need to ensure our knowledge of the Council's financial planning arrangements and its monitoring of the planned delivery of savings, remains up to date in order to ensure we give the correct VFM conclusion.</p>	<p>The measures the Council now takes in securing its financial sustainability through the 2019/20 budget process and beyond, was a key area of audit focus in our 2018/19 value for money audit work.</p> <p>The Council was able to contain in year financial pressures during 2018/19 and the outturn was an underspend of £51k.</p> <p>In addition, when the 2019/20 budget was set, the predicted budget deficit was reduced and the use of £3.8m of reserves was used to balance the budget (rather than the £6m initially indicated).</p>	<p>It is clear that the Council faces some of the most difficult decisions it has ever faced in balancing the budget going forwards.</p> <p>Although the Council does have reserves available to minimise the immediate impact, in accordance with the Council's own strategy, these are a temporary or transitional cushion while the savings needed are identified and delivered.</p> <p>In addition, the reserves available to support the budget are reducing and the available balances will soon reach the minimum needed to deal with unforeseen circumstances and risk, and will not be available to support the revenue budget in the way that they have in recent years.</p> <p>The key message from those councils that have already faced a financial crisis, such as Northamptonshire and others, is the importance of taking early action to secure financial sustainability before the position becomes unmanageable.</p> <p>The position beyond 2019/20 is very uncertain as much depends on the outcome of the comprehensive spending review, fair funding review and the measures that will be taken in relation to the future operation of the business rates system. However, it seems unlikely that the overall financial position for the Council will improve sufficiently to allow it to defer any of the difficult decisions that are now needed.</p> <p>Decisive action to bridge the budget gap over the medium term is a key priority for the Council.</p>

4. OTHER REPORTING RESPONSIBILITIES

Exercise of statutory reporting powers	No matters to report
Completion of group audit reporting requirements	Below testing threshold
Other information published alongside the audited financial statements	Consistent

The NAO's Code of Audit Practice and the 2014 Act place wider reporting responsibilities on us, as the Council's external auditor. We set out below, the context of these reporting responsibilities and our findings for each.

Matters on which we report by exception

The 2014 Act provides us with specific powers where matters come to our attention that, in our judgement, require reporting action to be taken. We have the power to:

- Issue a report in the public interest;
- Make a referral to the Secretary of State where we believe that a decision has led to, or would lead to, unlawful expenditure, or an action has been, or would be unlawful and likely to cause a loss or deficiency; and
- Make written recommendations to the Council which must be responded to publicly.

We have not exercised any of these statutory reporting powers.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We submitted this information to the NAO on 31 July 2019.

Other information published alongside the financial statements

The Code of Audit Practice requires us to consider whether information published alongside the financial statements is consistent with those statements and our knowledge and understanding of the Council. In our opinion, the other information in the Statement of Accounts is consistent with the audited financial statements.

5. OUR FEES

Fees for work as the Council's auditor

We reported our proposed fees for the delivery of our work in the Audit Strategy Memorandum, presented to the Audit and Governance Committee in April 2019.

We have completed our work for the 2018/19 financial year, but at the time of producing this report, we have not yet finalised our audit fees for the year. If the final fee varies from that in the table below, we will write to the Chief Financial Officer setting out the proposed variation and any reasons for the variation, and seeking agreement to it. Any variations to the final fee will also require the approval of Public Sector Audit Appointments Limited, which manages the contracts for our work.

Area of work	2018/19 proposed fee	2018/19 final fee ***
Delivery of audit work under the NAO Code of Audit Practice	£83,882	£83,882

*** Please note that at the time of producing this report, the audit fee has not yet been finalised.

Fees for other work

We have been engaged to carry out non-audit work in relation to the Council's housing benefit subsidy claim. We expect to be engaged to undertake the assurance work in relation to teachers' pensions, although this has not been confirmed at the time of preparing this report.

Area of work	2018/19 proposed fee	2018/19 final fee ***
Housing Benefit Subsidy Claim	£12,900	£12,900
Teachers' Pensions	£3,800	£3,800

*** This work has not yet been completed so we are unable to confirm the final fee at this stage.

6. FORWARD LOOK

Financial outlook

It is clear that the Council faces some of the most difficult decisions it has ever faced in balancing the budget going forwards. Although the Council does have reserves available to minimise the immediate impact, in accordance with the Council's own strategy, these are a temporary or transitional cushion while the savings needed are identified and delivered.

In addition, the reserves available to support the budget are reducing and the available balances will soon reach the minimum needed to deal with unforeseen circumstances and risk, and will not be available to support the revenue budget in the way that they have in recent years. The key message from those councils that have already faced a financial crisis, such as Northamptonshire and others, is the importance of taking early action to secure financial sustainability before the position becomes unmanageable.

The position beyond 2019/20 is very uncertain as much depends on the outcome of the comprehensive spending review, fair funding review and the measures that will be taken in relation to the future operation of the business rates system. However, it seems unlikely that the overall financial position for the Council will improve sufficiently to allow it to defer any of the difficult decisions that are now needed.

Decisive action to bridge the budget gap over the medium term is a key priority for the Council.

How we will work with the Authority

We will focus our work on the risks that your challenges present to your financial statements and your ability to maintain proper arrangements for securing value for money.

In the coming year we will continue to support the Council by:

- continued liaison with the Council's Internal Auditors to minimise duplication of work;
- attending Audit and Governance Committee meetings and presenting an Audit Progress Report including updates on regional and national developments; and
- hosting events for staff, such as our Local Government Accounts workshop.

We will meet with key Council officers to identify any learning from the 2018/19 audit and will continue to share our insights from across local government and relevant knowledge from the wider public and private sector.

In terms of the technical challenges that officers face around the production of the statement of accounts, we will continue to work with them to share our knowledge of new accounting developments and we will be on hand to discuss any issues as and when they arise.

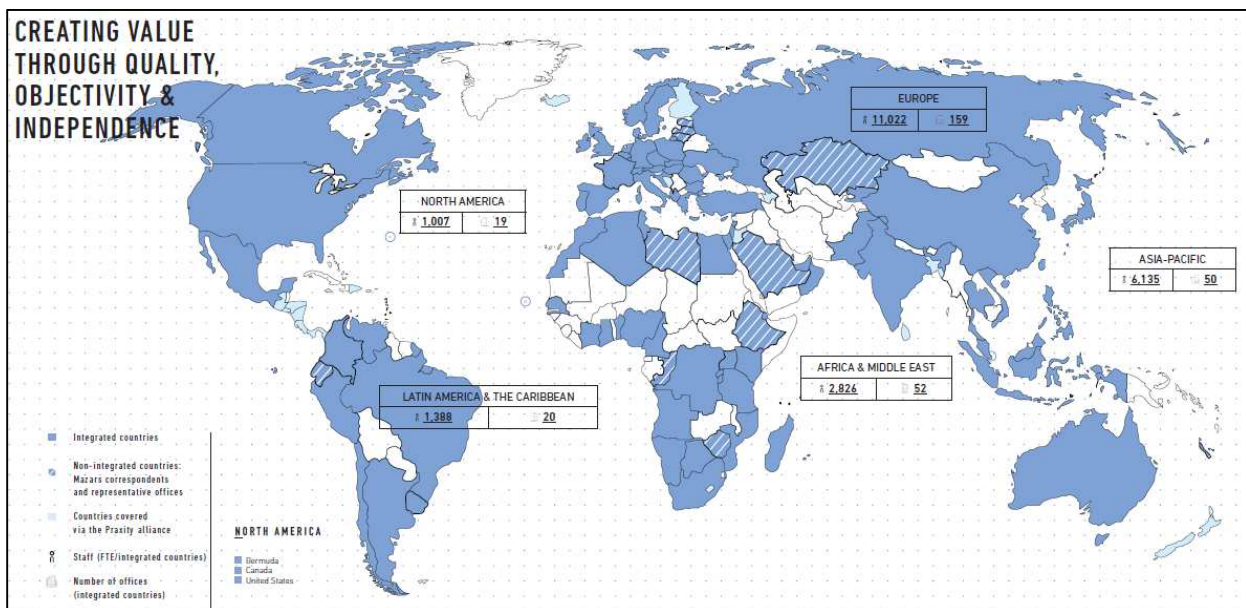
The Council has taken a positive and constructive approach to our audit and we wish to thank Members and officers for their support and co-operation during our audit.

MAZARS AT A GLANCE

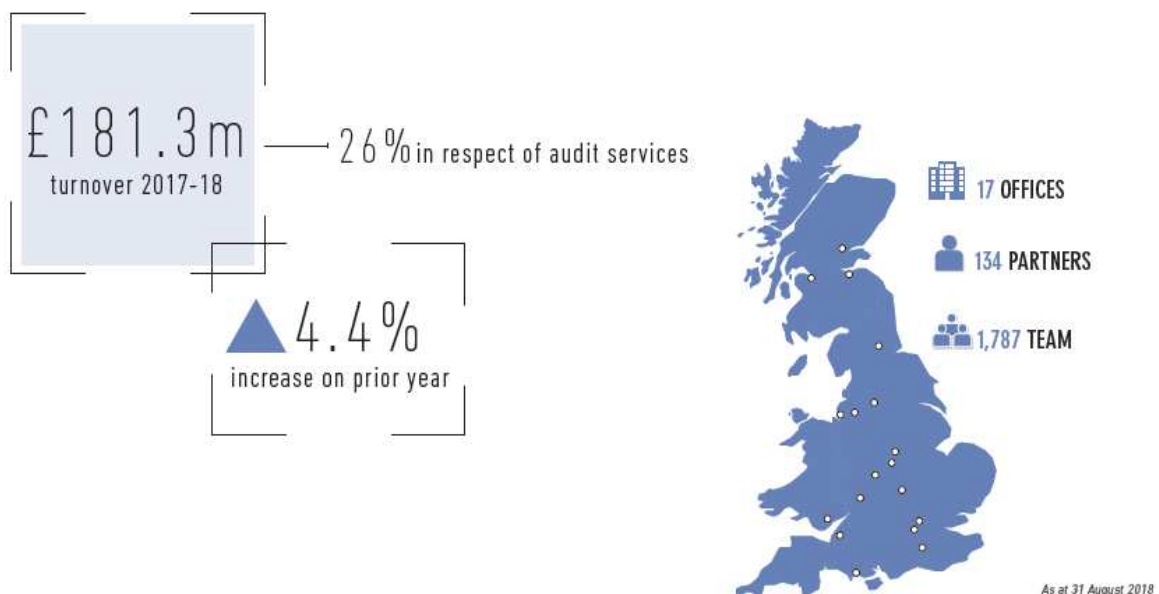
Mazars LLP

- Fee income €1.6 billion
- Over 86 countries and territories
- Over 300 locations
- Over 20,000 professionals
- International and integrated partnership with global methodologies, strategy and global brand

Mazars Internationally



Mazars in the UK



CONTACT

Gavin Barker

Director and Engagement Lead

Phone: 0191 383 6300

Mobile: 07896 684771

Email: gavin.barker@mazars.co.uk

Cath Andrew

Senior Manager

Phone: 0191 383 6300

Email: cath.andrew@mazars.co.uk

AUDIT AND GOVERNANCE COMMITTEE

03 October 2019



Report of: Head of Audit and Governance

Subject: INTERNAL AUDIT PLAN 2019/20 UPDATE

1. PURPOSE OF REPORT

- 1.1 To inform Members of the progress made to date completing the internal audit plan for 2019/20.

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. Recommendations to mitigate the risks identified have been agreed and a follow up audit will be carried out to ensure satisfactory implementation.

Table 1

Audit	Objectives	Recommendations	Agreed
Greatham Primary	Ensure school finance and governance arrangements are in line with best practice.	- The Governing Body should develop an Anti-Fraud and Corruption Policy. It may consider adopting the HBC Policy to meet the needs of the school.	Y
		- Specific fund allocation information should be published on the school's website.	Y
		- Consider adopting the HBC Model Policy for Information Governance.	Y

Audit	Objectives	Recommendations	Agreed
Springwell	Ensure school finance and governance arrangements are in line with best practice.	- The Governing Body should develop an Anti-Fraud and Corruption Policy. It may consider adopting the HBC Policy to meet the needs of the school.	Y
		- Orders should be used for all goods and services with a few limited exceptions. These orders should then be committed on the school's financial system to prevent overspending.	Y
		- Adequate income records should be used to reconcile all income received by the school, the date on which it was banked and entered onto the school's financial system.	Y
		- The school should consider adopting the HBC Model Policy for Information Governance. A copy has been provided to the school.	Y
		- Cheque signatories who leave the employment of the school should be removed from the bank mandate immediately.	Y
		- Contract Procedure Rules should be followed when acquiring goods/services in excess of £5,000	Y

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
Building Maintenance Contract	Satisfactory
Cash/Bank	Satisfactory
Salaries	Satisfactory
Stores	Satisfactory
Mobile Phones	Limited
Independent Safety Advisory Group	Satisfactory
Private Lettings	Satisfactory
Carlton Centre	Satisfactory
Members Allowances	Satisfactory
Church Street Scheme	Satisfactory
Trade Refuse	Satisfactory
Troubled Families Grant	Satisfactory
Youth Employment Initiative Grant	Satisfactory

For Members information, Table 3 below leaf 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.

As indicated in table 2, one 'limited assurance' audit report has been issued and information on this is provided in paragraph 3.5.

- 3.5 Mobile phones has been assessed as limited assurance due to the fact that it was not possible to give assurance that the Council had an accurate record of all mobile phone assets. It was not possible in all cases to establish who has those assets/where they are and whether the correct charges were being made by EE for these assets and whether the correct budget has been recharged the correct amount. To mitigate the risks identified a Corporate Management Team report has been presented by the Assistant Director – Corporate Services, gaining approval for a change in the way in which mobile phones are managed across the authority. It was agreed that CICT Section develop the following:
- A mobile phone usage policy and terms and conditions of use form.
 - A request form for new orders, accessible on the intranet. Head of Service will be required to approve any new request providing the following details; Job role of the person who the phone is for, Uses for phone so the right kit/tariff can be applied, Budget code for recharging.
 - For existing mobile phones, an exercise is to be carried out to determine who they belong to and where they should be charged to.

- The usage of all phones and the mobile phone usage policy will be very clear that any account inactive or not used for 3 months or more will be terminated (unless it is made clear that the phone account is being used as an emergency phone only or other reason such as long term sickness).
- A log will be kept of all mobile phones, who they are assigned to, approval of the relevant Head of Service, what tariff they are on and regular monitoring of usage so that appropriate cancellations can take place.

These actions agreed and implemented to mitigate the risks identified will also be subject to a follow up audit to ensure that they are embedded and operating appropriately across the Authority.

3.6 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.

3.7 Table 4 below details the audits that were ongoing at the time of compiling the report.

Table 4

Audit	Objectives
Flexi Scheme	Ensure Council procedures are adhered to.
Officers Expenses	Ensure all payments are in line with HBC policies and procedures
Internet/Email Controls	Arrangements are in place that ensure adequate security in the use of Internet/email.
Direct Payments	Ensure payments are made in line with Council and statutory guidance.
Public Health Contracts	Ensure contracts are awarded and monitored adequately.
Computer Audit – Children Services	Ensure all departmental software applications are recorded and used in line with all relevant statutory and internal requirements.
Debtors	Debtor records are bona fide, complete and accurate and the correct person/organisation is charged the correct amount, at the correct time and is only charged for those goods and services they have received.
Energy Management	HBC has adequate strategic and operational arrangements in place for the management of energy consumption.
Creditors	Review the systems and procedures in place for ordering, receiving and paying for goods and services to ensure that the supplies of goods and services are properly authorised and comply with Authorities Financial Procedure Rules.
Housing Benefit	Ensure all payments made are compliant with statutory requirements.
Open Spaces	Ensure adequate arrangements are in place to manage budgets and operate in line with Council procedures.
Community Infrastructure Levy	Statutory requirements are complied with
Computer Audit – Virus Checker Defence Systems	Arrangements are in place that ensure adequate security arrangements are in place in respect of defence against malicious IT attack.
Ground Maintenance	Ensure adequate arrangements are in place to manage budgets and operate in line with Council procedures.
Local Council Tax Support Scheme	Ensure all payments made are compliant with statutory requirements and the local scheme.

- 3.8 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.

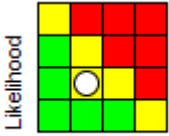

14. CONTACT OFFICER





14.1 Noel Adamson
Head of Audit and Governance
Civic Centre
Victoria Road
Hartlepool
T24 8AY



Tel: 01429 523173

Email: noel.adamson@hartlepool.gov.uk

Appendix A

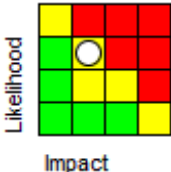
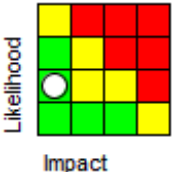
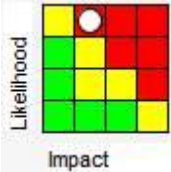
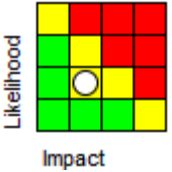
Audit	Objective	Assurance Level		
Building Maintenance Contract	Review the strategic framework; maintenance planning; budgetary control; allocation of works and performance management.	Satisfactory		
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented	
A formal documented approach is not in place to ensure that surveys are undertaken on all properties, by a suitably qualified person and results of surveys are reported appropriately.		A procedure will be produced for undertaking condition surveys based on Royal Institute of Chartered Surveyors (RICS) best practice.		





Audit	Objective	Assurance Level		
Cash/Bank	Adequate procedures are in place to manage and reconcile HBC cash and banking arrangements.	Satisfactory		
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented	
Loss and/or theft of income may go undetected. Training issues may not be identified.		CCTV will be reviewed where appropriate by the Revenues Manager.		
Loss and/or theft of income may go undetected. Training issues may not be identified.		Monitoring arrangements for Central Accountancy Integra spreadsheet will be recorded in the Revenues Team Cashiers book promptly.		



Loss and/or theft of income may go undetected. Training issues may not be identified.		Enhanced monitoring procedures have been put in place and formal performance statistics will be reported individually to staff members on over/under bankings.	
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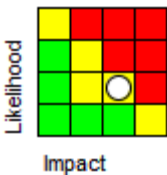
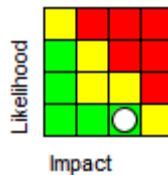
Audit	Objective			Assurance Level
Salaries	Ensure all payments made are accurate, timely and comply with relevant legislation.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

Audit	Objective			Assurance Level
Stores	Adequate procedures are in place to manage, secure and account for HBC stores.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

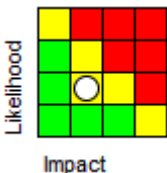
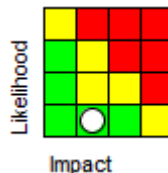
Audit	Objective	Assurance Level		
Mobile Phones	Ensure adequate arrangements are in place to manage mobile phones	Limited		
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented	
Without an adequate policy/guidelines in place to control the service, users are not aware of their responsibilities and any restrictions to use.		It is proposed that a CMT report will be presented, seeking approval to enhance the way in which mobile phones are managed across the authority. If CMT agrees this proposal the suggested action is to develop a mobile phone usage policy and terms and conditions of use form.		
Inventory lists for mobile phones have not been kept up to date and is not accurate which may result in the inability to identify mobile phone misuse and/or the continuing need of mobile phones.		<p>CMT will agree the responsibility for the overall control of mobile phone arrangements:</p> <ul style="list-style-type: none"> -a request form to be devised for new phone orders moving forward which is accessible on the intranet. Head of Service will need to approve any new request for their team with the following details: <ul style="list-style-type: none"> • Job role of the person who the phone is for. • Uses for phone so the right kit/tariff can be applied. E.g. text and talk/email/internet. • Budget code for recharging. -For existing mobile phones, an exercise carried out to determine who they belong to and where they should be charged to. -CICT monitor the usage moving forward for all phones and the policy will be very clear that any account inactive or not used for 3 months or more will be terminated (unless it is made clear that the phone account is being used as an emergency phone only or other reason such as long term sickness). -A log will be kept of all mobile phones, who they are assigned to, approval of the relevant Head of Service, what tariff they are on and regular monitoring of usage so that appropriate cancellations can take place. 		

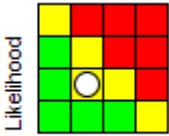
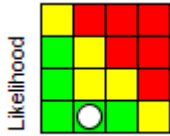

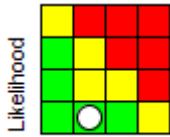
Employees might not be aware of the terms and conditions for mobile phone use.	 <p>Likelihood</p> <p>Impact</p>	<p>It is proposed that a CMT report will be presented, seeking approval to enhance the way in which mobile phones are managed across the authority. If CMT agree the proposal the suggested action is:</p> <ul style="list-style-type: none"> -Phone user asked to sign a single corporate declaration form which reflects the corporate mobile phone use policy. 	 <p>Likelihood</p> <p>Impact</p>
Recharging of telephone costs is not accurate. The Council maybe incurring unnecessary costs.	 <p>Likelihood</p> <p>Impact</p>	<p>It is proposed that a CMT report will be presented, seeking approval to enhance the way in which mobile phones are managed across the authority. If CMT agrees the proposal the suggested action is:</p> <ul style="list-style-type: none"> -For existing mobile phones, an exercise carried out to determine who they belong to and where they should be charged to. -A log will be kept of all mobile phones, who they are assigned to, approval of the relevant Head of Service, what tariff they are on and regular monitoring of usage so that appropriate cancellations can take place. 	 <p>Likelihood</p> <p>Impact</p>

Audit	Objective			Assurance Level
Independent Safety Advisory Group (ISAG)	Ensure HBC meets its statutory requirements.			Satisfactory
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented	
The ISAG is not operated as per expected / per guidance.	 <p>Likelihood</p> <p>Impact</p>	Terms of reference, policy and protocol to be drafted and agreed by the ISAG at the meeting of 7 October 2019. Letter inviting British Transport Police and Maritime and Coastguard Agency to be sent.	 <p>Likelihood</p> <p>Impact</p>	



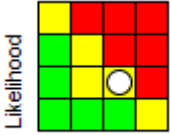

Decisions have not been made by the group as a whole or some members have not provided a response from their organisation's perspective.		ISAG members to provide a written response to each Part 2 submission, directly onto the comments form on Resilience Direct. This needs to clearly state whether there are no comments to make or whether there are comments, and state what these are, clearly and concisely.	
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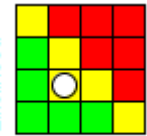
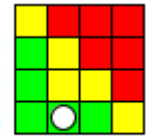
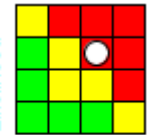
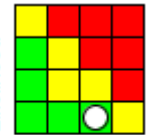
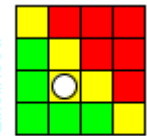
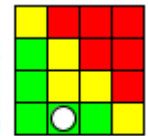
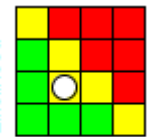
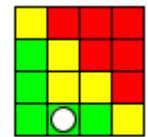
Audit	Objective			Assurance Level
Private Lettings	Adequate management arrangements are in place to manage the private lettings function in line with agreed priorities.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

Audit	Objective			Assurance Level
Carlton Centre	Ensure Centre is run in line with HBC priorities and plans.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
Without adequate controls, all income due to the Authority may not be received or promptly and accurately recorded.			Cash Income processes will be reviewed.	

Inadequate stock records are maintained which may result in the loss, theft and/or misappropriation of goods.	 <p>Likelihood</p> <p>Impact</p>	Stock Check to take place.	 <p>Likelihood</p> <p>Impact</p>
Without adequate controls, all income due to the Authority may not be received or promptly and accurately recorded.	 <p>Likelihood</p> <p>Impact</p>	Gift Shop Review including monitoring and banking.	 <p>Likelihood</p> <p>Impact</p>

Audit	Objective			Assurance Level
Members Allowances	Ensure compliance with the Regulations and provide assurance that payments made to Members are in accordance with rates within the scheme for duties performed.			Satisfactory
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented	
No unmitigated risk identified.				

Audit	Objective	Assurance Level		
Church Street Scheme	Ensure adequate arrangements are in place for the awarding of the contract; Contract management; Contract review; Payment & Funding management; and Exit/termination of the contract.	Satisfactory		
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented	
Non-compliance with the Authority's Contract Procedure Rules and corporate procurement procedures.		The use of a performance bond is an optional requirement of the NEC contract. Historically we have always specified the use of the bond but not always acted upon this. Given that we normally use a contractor off our own select tender list which contains suppliers that have already been vetted and approved by the council the need for a bond is seldom required. The bond option has historically been left in to cover us in case the select tender list is not utilised and a tender is issued as an open tender as this would potentially lead to a previously unused contractor delivering the work, in which case we would request the bond. The team will now review the requirement for a Bond on a contract by contract basis rather than deciding post award.		
Non-compliance with the Authority's Contract Procedure Rules and corporate procurement procedures.		X16 retention, is another optional clause that is at the discretion of the Project Manager whether this should be included or not. The need for the retention depends on the complexity of the job and the risk of defects potentially occurring. On this scheme the need for a retention was not required as all works were paid for post work and payment would not have been authorised if the Project Manager was not satisfied. The team will review contract document on a case by case basis in relation to retention.		

Audit	Objective	Assurance Level		
Trade Refuse	Ensure adequate Policy & procedures, Charges, Agreements/Contracts, Income and Recovery arrangements are in place.	Satisfactory		
Risk Identified	Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented	
Incorrect charges may arise.		Charges to be sent to the Assistant Director/Director for approval.		
Customer non-compliance with the authority processes and legal requirements.		A review of all contracts and duty of care forms to be undertaken to ensure they are updated annually.		
Income collected is not recorded and cannot be reconciled. Income may not be promptly collected.		A reconciliation will be completed to ensure all invoices and internal journals have been raised and income has been received.		
Incorrect charges may arise, failure to maximise income.		A review of the premium waste service to be undertaken to ensure the service is cost effective.		

Audit	Objective			Assurance Level
Troubled Families Grant	Ensure grant terms and conditions are adhered to.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
Incorrect data may be recorded resulting in a reduction of grant award.			Unfortunately we were unable to double check our employment/benefits info with our DWP advisor due to leave and sickness, this will be rectified in the future.	

Audit	Objective			Assurance Level
Youth Employment Initiative grant	Ensure grant terms and conditions are adhered to.			Satisfactory
Risk Identified		Risk Level prior to action implemented	Action Agreed	Risk Level after action implemented
No unmitigated risk identified.				

AUDIT AND GOVERNANCE COMMITTEE

3 October 2019



Report of: Chief Solicitor

Subject: REGULATION OF INVESTIGATORY POWERS
ACT 2000 (RIPA)

1. PURPOSE OF REPORT

- 1.1 To give an annual report to members on activities relating to surveillance by the Council and policies under the Regulation of Investigatory Powers Act 2011.

2. BACKGROUND RIPA

- 2.1 Hartlepool Borough Council has powers under the Regulation of Investigatory Powers Act 2000 (RIPA) to conduct authorised covert surveillance.
- 2.2 This report is submitted to members as a result of the requirement to report to members under paragraph 4.47 of the Covert Surveillance and Property Interference Revised Code of Practice (August 2018) which states that:

Elected members of a local authority should review the authority's use of the 1997 Act and the 2000 Act and set the policy at least once a year. They should also consider internal reports on use of the 1997 Act and the 2000 Act on a regular basis to ensure that it is being used consistently with the local authority's policy and that the policy remains fit for purpose.

3. BACKGROUND

- 3.1 All directed surveillances (covert, but not intrusive), use of covert human intelligence sources (CHIS) and acquisition of Communication's data require authorisation by a senior Council officer and the exercise of the powers is subject to review. The controls are in place in accordance with the Human Rights Act, particularly the right to respect for family and private life.

- 3.2 The Investigatory Powers Commissioner's Office (IPCO) now oversees the Council's exercise of surveillance powers under RIPA. This was formerly undertaken by the Office of Surveillance Commissioners (OSC).
- 3.3 A confidential database of authorised surveillances is maintained, charting relevant details, reviews and cancellations.
- 3.4 Substantial changes were made to the powers of Local Authorities to conduct directed surveillance and the use of human intelligence sources under the Protection of Freedoms Act 2012.
- 3.5 As from 1 November 2012 Local Authorities may only use their powers under the Regulation of Investigatory Powers Act 2000 to prevent or detect criminal offences punishable by a minimum term of 6 months in prison (or if related to underage sale of alcohol and tobacco – not relevant to this Council). The amendment to the 2000 Act came into force on 1 November 2012.
- 3.6 Examples of where authorisations could be sought are serious criminal damage, dangerous waste dumping and serious or serial benefit fraud. The surveillance must also be necessary and proportionate. The 2012 changes mean that authorisations cannot be granted for directed surveillance for e.g. littering, dog control, fly posting.
- 3.7 As from 1 November 2012 any RIPA surveillance which the Council wishes to authorise must be approved by an authorising officer at the council and also be approved by a Magistrate; where a Local Authority wishes to seek to carry out a directed surveillance or make use of a human intelligence source the Council must apply to a single Justice of the Peace.
- 3.8 The Home Office have issued guidance to Local Authorities and to Magistrates on the approval process.

4. RIPA AUTHORISATIONS

- 4.1 In the period 2018/2019:

Communications Data	Nil
CHIS	Nil
Directed Surveillance	1

5. INSPECTIONS

- 5.1 The Council received a request from IPCO regarding a 'desktop' examination in October 2018. Whilst the Investigatory Powers Commissioner advised that there was no need for a physical inspection, the desktop review identified certain matters which required remedy and the following

recommendations were made with the Council's responses also outlined below:-

1. **Whilst RIPA awareness training has been undertaken since the last inspection, there is a need for regular training and awareness to be developed and introduced throughout the Council and in order that those who may engage RIPA powers, remain “match fit”** – Arrangements are to be made for *regular annual training to be introduced throughout the Council for those Officers who may engage in RIPA powers. An all day RIPA training session was held on 16th October 2018 and the next training event will be held on 7th October 2019.*
2. **Whilst the Senior Responsible Officer (SRO) has received Authorised Officer training, their use to authorise RIPA applications should only be as a last resort. Their primary role as SRO is to oversee the use of RIPA powers by other Council employees** – *the recommendation has been noted and the Policy has been amended to clarify that the SRO will authorise RIPA applications only in exceptional circumstances (in the absence of the other authorised officers)*
3. *The Council's Policy documents, whilst recently updated, should be further amended - the policy has been updated to reflect the areas identified.*

6. SURVEILLANCE POLICY

- 6.1 The Council's RIPA Policy is available on the Council's intranet and is appended to this report. Minor amendments are proposed to to update hyperlinks and reference to officer titles.

7. ACTIVITY IN THE CURRENT YEAR

- 7.1 Looking forward, the Council's procedures continue to be strengthened in the light of best practice, while noting that corporately authorisation process is very rarely appropriate or necessary.
- 7.2 Training for authorising officers and other key officers continues to be undertaken.
- 7.3 Awareness of RIPA to continue to be raised across the Council.
- 7.4 A RIPA update has been sent to relevant officers.
- 7.5 Information continues to be made available on the RIPA pages of the Council's intranet and internet.

8. RECOMMENDATIONS

- 8.1 To note the report and approve the RIPA Policy.

9. REASONS FOR RECOMMENDATIONS

- 9.1 To enable the Council to operate the RIPA system effectively and as required by law and guidance.
- 9.2 Members of the Audit and Governance Committee are responsible for approving the RIPA Policy on an annual basis as referred to in Section 3 of the Policy.

10. CONTACT OFFICER

- 10.1 Hayley Martin
Chief Solicitor and Senior Responsible Officer for RIPA
Hayley.martin@hartlepool.gov.uk
01429 523003

AUDIT AND GOVERNANCE COMMITTEE

3 October 2019



Report of: Statutory Scrutiny Manager

Subject: INVESTIGATION INTO ANTI-SOCIAL BEHAVIOUR
IN HARTLEPOOL: PROVISION OF EVIDENCE

1. PURPOSE OF REPORT

- 1.1 To introduce evidence for consideration as part of the next stage of the Committee's investigation into 'Anti-social Behaviour in Hartlepool.'

2. BACKGROUND INFORMATION

- 2.1 Members will recall that at the meeting of this Committee on the 25th July 2019, the Scope and Terms of Reference for the investigation were agreed. This was followed by an initial 'setting the scene' presentation on the 5th September 2019.
- 2.2 The Committee will at today's meeting focus its attentions on:
- i) The powers available to the local authority and its partners to curb anti-social behaviour and the various stages of progressing action.
 - ii) The services provided across partner organisations and challenges facing the provision of services (now and in the future).
 - iii) Anti-social behaviour reporting processes and in doing so gain an understanding of the:
 - Challenges / deterrents to reporting; and
 - Support provided to residents in submitting complaints in often difficult situations.
- 2.3 In considering these issues, presentations will be given at today's meeting by representatives from the Cleveland Fire Brigade and Cleveland Police, as detailed below.
- 2.4 Cleveland Fire Brigade – presentation to cover:
- i) The anti-social behavior challenges in delivering services (now and in the future).
 - ii) What, if any, powers the organisation has to deal anti-social behaviour and the various stages of progressing action.

- iii) Views on the reporting processes and actions taken.
- iv) Examples of 'good practice' in terms of anti-social behavior by other Fire Authorities that may be useful for the Committee to be aware of.
- v) How services / activities to prevent and respond to anti-social behaviour could be better provided within the resources available.

2.5 Cleveland Police Authority – presentation to cover:

- i) Powers available in relation to anti-social behavior and the various stages of progressing action.
- ii) Services provided across partner organisations and challenges facing the provision of services (now and in the future).
- iii) Anti-social behaviour reporting processes - providing an understanding of the:
 - Challenges / deterrents to reporting; and
 - Support provided to residents in submitting complaints in often difficult situations.
- iv) How services / activities to prevent / respond to anti-social behaviour could be better provided within the resources available.

2.6 The Committees investigation will be progressed in the coming week with a further meeting on the 7th November 2019, at which evidence will be provided in relation to:-

- i) Examples of good practice / successes by local authorities, partners and other bodies (statutory and voluntary) in curbing anti-social behaviour:
 - In Hartlepool; and
 - Across the Country.
- ii) Expert evidence and research / previous reports:
 - Hartlepool Borough Council – Overview and Scrutiny Investigation into Anti-Social Behaviour (2004); and
 - Nottingham Trent University – Anti-Social Behaviour: Living a Nightmare.
- iii) Feedback from Councillors Black and Hamilton following attendance at the Tackling Anti-Social Behaviour Conference on the 15th October 2019.

2.7 In addition to the above, a programme of community engagement / evidence gathering activities has been developed (to follow) and members are asked to identify which they would be interested in participating in. The results of the programme of events will be fed back to the Audit and Governance Committee on the 5th December 2019.

3. RECOMMENDATION

- 3.1 It is recommended that the Members of the Audit and Governance Committee consider the evidence presented and seek clarification on any relevant issues where required.

Contact Officer: - Joan Stevens – Statutory Scrutiny Manager
Chief Executive's Department
Hartlepool Borough Council
Tel: 01429 284142
Email: joan.stevens@hartlepool.gov.uk

BACKGROUND PAPERS

The following background paper(s) was/were used in the preparation of this report:-

- a) Hartlepool Borough Council Scrutiny Investigation – Anti Social Behaviour
[Anti Social Behaviour | Hartlepool Borough Council](#)
- b) SHP Annual Strategic assessment 2018.
- c) Community Safety Plan 2017 – 2020 (Year 3

HEALTH AND WELLBEING BOARD

MINUTES AND DECISION RECORD

1 July 2019

The meeting commenced at 10 a.m. in the Civic Centre, Hartlepool

Present:

Councillor Moore, Leader of Council (In the Chair)

Prescribed Members:

Elected Members, Hartlepool Borough Council – Councillors Buchan,
C Richardson (as substitute for Councillor Thomas) and Ward
Representatives of Hartlepool and Stockton-on-Tees Clinical Commissioning
Group – Dr Nick Timlin and Nicola Bailey
Director of Children's and Joint Commissioning Services, Hartlepool Borough
Council – Sally Robinson
Director of Adult and Community Based Services, Hartlepool Borough Council,
Jill Harrison
Representatives of Healthwatch - Margaret Wrenn

Other Members:

Assistant Director of Joint Commissioning, Hartlepool Borough Council – Danielle
Swainston
Representative of Cleveland Police – Steven Graham
Representative of Tees, Esk and Wear Valley NHS Trust – Dominic Gardner
Representative of North Tees and Hartlepool NHS Trust – Julie Parkes (as
substitute for Dr Dwarakanath)
Representative of GP Federation – Fiona Adamson
Representative of Headteachers – Julie Thomas
Observer – Statutory Scrutiny Representative, Hartlepool Borough Council -
Councillor Hall

Also in attendance:-

Councillor Harrison, Hartlepool Borough Council
Cath Hitchen, SEND Professional Adviser, Department for Education

Hartlepool Borough Council Officers:

Craig Blundred, Deputy Director of Public Health
Joan Stevens, Statutory Scrutiny Manager
Amanda Whitaker, Democratic Services Team

1. Apologies for Absence

Elected Member, Councillor Thomas

Director of Public Health, Hartlepool Borough Council – Dr Pat Riordan
Denise McGuckin, Director of Regeneration and Neighbourhoods
Representatives of Healthwatch - Ruby Marshall
Representative of the NHS England – Dr Tim Butler
Representative of Hartlepool Voluntary and Community Sector – Tracy Woodall

2. Declarations of interest by Members

Councillor Ward declared a personal interest as a Director of a Wellbeing Company.

3. Minutes

The minutes of the meeting held on 4 March 2019 were confirmed.

4. Review of the Role and Purpose of the Health and Wellbeing Board *(Director of Public Health)*

The report set out proposals with regard to the strategic approach to improving Health and Wellbeing outcomes. The Board was requested to review the following proposals:

- There is a need to identify the top five issues that have the most significant impact on the health and wellbeing of the population of Hartlepool.
- That we determine the key health and wellbeing outcomes which we seek to achieve in relation to these issues.
- We jointly agree to the development of five multi-agency workstreams to deliver the high impact outcomes which we seek.
- The five workstreams are co-owned and therefore delivered in partnership. In order to do this the Health and Wellbeing Board needs to develop a sense of common purpose and commitment to the five workstreams.
- A strategic delivery plan supporting these workstreams is agreed by the Health and Wellbeing Board.
- The delivery plan identifies the measures of success for the workstreams including key outcomes; KPIs and ownership of the deliverables. This should be reported to the Health and Wellbeing Board on a quarterly basis to monitor progress.
- The Health and Wellbeing Board more effectively engages with the public in Hartlepool in determining what the important issues are and also in monitoring success in delivering the outcomes.

Agreement was sought to a workshop being scheduled to address the specific issues. The Chair encouraged all Board Members to attend the workshop.

Decision

The Board approved:

- The proposed review of the role and purpose of the Board.
- That a workshop take place in September in order to agree the way forward.

5. Face The Public Event - Feedback *(Director of Public Health)*

Board Members were advised that the Health and Wellbeing Board's Face the Public Event for 2019 had been held on the 11th March 2019 and had focused on 'starting well' as a priority outcome identified within the Director of Public Health's Annual report and Joint Health and Wellbeing Strategy (2018 – 2025). The event had been attended by 29 representatives from a variety of partner organisations and residents, with a number of questions explored as detailed in the report. A summary of comments made at the event was appended to the report.

Decision

- (i) The Board noted feedback from the Face the Public Event.
- (ii) It was agreed that the outcomes of the Face the Public Event be utilised to inform the review of priorities going forward as part of the refresh of the Joint Health and Wellbeing Strategy and Healthy Weight Strategy.

6. Update on the Healthy Weight Strategy and Proposal to Develop a Whole Systems Approach to Obesity Prevention *(Director of Public Health)*

The Board was reminded that in August 2014, the Board had selected child obesity as a priority and had requested that work start on developing a Childhood Obesity Strategy. A town wide obesity conference was held in February 2015 and following this, the Healthy Weight Strategy had been developed which had been approved by the Board in September 2015. Key successes to date were set out in the report.

It was recognised that Partners needed to work differently to ensure that the prevalence of obesity in the town was reduced. It was proposed:-

- That the priorities in the Healthy Weight Strategy are refreshed.
- That adopting the Whole Systems approach to obesity prevention is fundamental to our aim to decrease the number of overweight and obese people in the town
- That the leadership of the Healthy Weight Strategy reflects the requirements of the Whole Systems approach and recognises the strong leadership provided through the local authority.

Board Members were advised that the next steps would be a second workshop in July to consider mapping the provision of services in the Borough, setting up a system network to coordinate the work and the development of a social movement to support the aims of the project.

Following presentation of the report, the Director of Children's and Joint Commissioning Services highlighted links to the Child Measurement Programme and concerns which she had received relating to the way the Programme is implemented. The Deputy Director of Public Health acknowledged issues associated with the wording of the letters sent to parents.

Decision

- (i) The Board approved the Whole Systems Approach to obesity prevention.
- (ii) The Board approved bringing the Healthy Weight Strategy in line with the Whole Systems Obesity proposals.

7. Developmental Of Neurodevelopmental Pathway

(Director of Children's and Joint Commissioning Services and Hartlepool and Stockton-on-Tees Clinical Commissioning Group)

The report shared with Board Members the development of a neurodevelopmental pathway which would replace the existing ASD pathway. Board Members were presented with background information including estimated prevalence of ASD, referral numbers and waiting times for diagnosis. An expert reference group had been established which had reviewed parental consultation and best practice in other areas to draft a new model. The Hartlepool and Stockton model had been developed and was appended to the report. A task and finish group had been established in Hartlepool to develop and trial the pathway. The work to date was set out in the report. It was noted that the Group would continue to develop the pathway and trial the different elements of the pathway and report to the Board in 6 months on progress.

Board Members discussed issues arising from the report and Partners spoke in positive terms in relation to the pathway. An Elected Member highlighted that the report referred to five times as many boys being diagnosed as girls. The Tees, Esk and Wear Valley NHS Trust representative undertook to verify with clinicians and report back to the Board. The Chair agreed to circulate a copy of the response.

Decision

- (i) The development of a neurodevelopmental pathway was noted.
- (ii) It was agreed that a progress report is presented to the Health and Wellbeing Board in six months.

8. **SEND (Special Educational Needs and Disabilities) Inspection Revisit and SEND Improvement Plan** (*Director of Children's and Joint Commissioning Services*)

The Board was advised that the joint local area SEND Inspection had identified serious weaknesses and the local area had been required to produce a written statement of action. A SEND revisit had been undertaken in January 2019 to review progress against the serious weaknesses (the letter from Ofsted and CQC was appended to the report and outlined the findings from the revisit). Inspectors had been sufficiently assured in the following two areas that sufficient progress had been made:

- a) Weaknesses in providing the clear and timely information, advice and support that families need.
- b) Weaknesses in the monitoring of the effectiveness of services in improving outcomes for children and young people who have special educational needs and/or disabilities.

However inspectors were not assured in the remaining two areas:

- c) Inconsistencies in the timeliness and effectiveness of the local area's arrangements for identifying and assessing children and young people's special educational needs and/or disabilities.
- d) Weaknesses in the strategic joint commissioning of services for children and young people who have special educational needs and/or disabilities.

The local area had been required to submit an Improvement Plan in response to the revisit findings to the DfE (appended to the report). During the re-visit, inspectors had raised concerns that the governance arrangements were not robust and leaders were not holding each other to account to ensure swift and timely progress on the areas of weaknesses. A review of the governance arrangements had been undertaken with a review of the terms of reference for the Strategic SEND Board (appended to the report) and the Operational SEND group (appended to the report).

It was highlighted that due to the cross cutting nature of SEND it was important that the Board hold all organisations to account for the implementation of the SEND Code of Practice and delivery of the Improvement Plan. It was therefore proposed that the Board is the governing board for the implementation of the SEND strategy.

Following presentation of the report, the Assistant Director of Joint Commissioning responded to the Chair in terms of plans to address quality assurance issues and assured Board Members that reports would be submitted to the Board. The role of the Board was reiterated and the Chair encouraged all Board Members to fulfil their responsibilities.

Decision

- (i) The Board noted the SEND revisit findings and the SEND improvement plan.
- (ii) That Board approved the revised SEND governance arrangements with the Health and Wellbeing Board being the overarching governing body holding all partners to account. This includes terms of reference for Operational and Strategic SEND groups.

9. Better Care Fund 2018/19: Q4 Performance Update (*Director of Adult & Community Based Services*)

The report provided the background to the Better Care Fund reporting arrangements and summarised the National Conditions and performance measures. Performance reports were submitted to NHS England on a quarterly basis. The Q4 return covering the period January – March 2019 had been submitted in April 2019 and had confirmed that all national conditions continued to be achieved. An analysis of performance data had also been provided which was summarised in the report.

Decision

The Board retrospectively approved the Hartlepool Better Care Fund Quarter 4 return and noted the current positive position in relation to performance, with three of the four key indicators, and a dramatic improvement in delayed transfers of care, achieved.

10. Verbal Update/Presentations (*Hartlepool and Stockton-on-Tees Clinical Commissioning Group*)

The Board received updates from the Chief Officer, Hartlepool and Stockton-on-Tees Clinical Commissioning Group (CCG) in relation to the following:-

- (i) Whorlton Hall – Board Members were informed verbally of the background to the current complex police investigation arising from the BBC Panorama's undercover filming which appeared to show abuse at Whorlton Hall. The Chief Officer explained the role of the CCG and referred to the co-ordination of commissioning of alternative accommodation for the residents of Whorlton Hall. The support received from the Tees, Esk and Wear Valley Trust was acknowledged and individuals were continuing to be supported in their new placements. It was highlighted that the situation was very complex and difficult for all concerned. An update report would be submitted to a future meeting of the Board.

Board Members discussed issues arising from the update. It was highlighted that Cygnet Health Care, who owned Whorlton Hall, also owned a care home in Hartlepool. Following clarification sought from Board Members, assurances were provided regarding safeguarding and review arrangements in that Home. The Director of Adult and Community Based Services advised Members that she would include

updates in regular reports to the Council's Adult and Community Based Services Committee which could also address also a question raised regarding Dignity and Care Champions.

- (ii) North East Integrated Care System – A presentation detailed background information, purpose and key challenges relating to an Integrated Care System (ICS) for the North East and North Cumbria. Features and key principles of established ICS Partnership Assemblies were outlined together with the key benefits to local people.

Merger Application - Proposals for new Clinical Commissioning Groups for Tees Valley and Durham CCGs – A presentation updated the Board on the current CCGs arrangements covering Teesside, Darlington and Durham. The presentation outlined the role of CCGs and the additional benefits which it was considered a merger could provide. Options were detailed to the Board as follows:-

- Single CCG across the ICS i.e. Cumbria and the North East
- Single CCG across the 5-CCG collaborative: merger of Darlington CCG, Durham Dales, Easington & Sedgefield CCG; Hartlepool & Stockton-on-Tees CCG; North Durham CCG and South Tees CCG.
- Single CCG across each Integrated Care Partnership: i.e. the southern ICP (South Tees CCG, Hartlepool and Stockton on Tees CCG and Darlington CCG) and the central ICP (Durham Dales, Easington and Sedgefield CCG, North Durham CCG, South Tyneside CCG and Sunderland CCG)
- Two CCGs with a shared management structure i.e. a single Tees Valley CCG and a single Durham CCG whilst retaining a shared management structure.

Based on principles and expected benefits, option 4 was considered by the CCG to work best as it would retain a local focus whilst making greater savings, it would support pathway transformation and greater equality in clinical outcomes across our populations and would strengthen work with the Local Authorities. It was considered also that it would help to use clinical leadership effectively across a broader population base, it would support financial sustainability and was considered to be likely to be supported by partners, stakeholders and NHS England.

The Clinical Commissioning Group was working with local Healthwatch organisations to engage with patients and the public to get their views on plans. Views were being sought also from Partners, Health and Wellbeing Boards, Councils and stakeholders to get their views also. These would inform the decisions the CCG Governing Bodies would make at the end of August. Following clarification regarding timescales, the Chair requested Board Members to submit their comments on proposals, by 19th July, in order that a response on behalf of the Board could be submitted.

11. Any Other Items which the Chairman Considers are Urgent

The Chairman ruled that a request by a member of the public, in attendance at the meeting, that 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 matters could be dealt with without delay

A member of the public expressed concerns regarding infection control associated with the alleged manipulation of water quality results. Concerns were expressed also regarding incidents of listeria linked to patient deaths linked to an alleged listeria outbreak.

The Chair advised that he was not aware of background to the concerns expressed and informed the member of the public that he was happy to discuss the issues with the member of the public following the meeting. The Chief Officer of the Clinical Commissioning Group added assurance that the listeria issue was being addressed.

Meeting concluded at 11.40 a.m.

CHAIR

EXTRACT

33. Reshaping Drug and Alcohol Treatment Services

(Director, Children and Joint Commissioning Services and Director of Public Health)

Type of decision

Key Decision (tests (i) and (ii) apply) Forward Plan Ref. No. CJCS082/18.

Purpose of report

To seek agreement from Finance and Policy Committee to approve the model for the future delivery of Drug and Alcohol Treatment Services and agree the procurement process for a new integrated model commencing from 01 June 2020.

Issue(s) for consideration

The Director of Public Health reported that the Committee had at its meeting on 11 March 2019 considered a report outlining an option appraisal for the future delivery arrangements for the drug and alcohol treatment service. The meeting considered the options and, upon officer recommendation, decided to support an enhanced current service to receive all new referrals and provide immediate social and psychological support, and to engage with external providers to provide the clinical element.

A further report was presented to Finance and Policy Committee on 22 July 2019 outlining an alternative recommendation for the future delivery arrangements for the drug and alcohol treatment service with a recommendation to move to a completely commissioned model. Members debated this option and requested that Officers review and assess the viability of parallel options to put to members at a future Finance and Policy Committee meeting. Members also requested a briefing on the issues relating to the recent clinical audit and this took place on 7 August. 2019.

Two options for the future of the services were now set out in detail within the report and were presented to Committee by the Consultant to Public Health in Drugs and Alcohol. Option A would retain the in-house model with a full service restructure and re-modelling and approach the market to identify a commissioned partner to design and build a new clinically integrated model that recognises our treatment needs in Hartlepool. Option B would procure and commission a single provider to provide the whole service via a tendering process. Details of the benefits and risks of each of the options was explored within the report.

Members considered the two options set out in the report and sought assurance that some of the issues raised within the Member Briefing were already been tackled within the service. The Consultant to Public Health in Drugs and Alcohol assured Members this was the case. Members and Trade Union representatives also expressed a wish to protect the jobs of the existing workforce and, therefore, supported Option A. The Chair also

EXTRACT

questioned when in the procurement process it would be clear if Option A was achievable and the Consultant to Public Health in Drugs and Alcohol stated this would be quite early in the process.

Decision

1. Members supported the preferred Option A as it provided the best opportunity for service transformation and integration with wider primary and secondary care.
2. The Committee noted the proposal to strengthen the leadership arrangements in the service during the interim period.

TEES VALLEY JOINT HEALTH SCRUTINY COMMITTEE

MINUTES

17 JUNE 2019

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

Present:

Hartlepool Borough Council: Councillors G Hall and B Harrison.
Redcar and Cleveland Borough Council: Councillor S Smith.
Stockton-On-Tees Borough Council: Councillors E Cunningham and
C Gamble.

Officers: Peter Mennear and Judy Trainer, SBC
Caroline Bradey, MBC
Joan Stevens, HBC Statutory Scrutiny Manager
David Cosgrove, HBC Democratic Services Team

1. Appointment for Chair for 2019/20 Municipal Year

Councillor G Hall, Hartlepool Borough Council, was appointed Chair for the ensuing year.

Councillor Hall in the Chair.

2. Appointment for Vice-Chair for 2019/20 Municipal Year

Councillor N Cooney, Redcar and Cleveland Borough Council, was appointed Vice-Chair for the ensuing year.

3. Apologies for Absence

Darlington Borough Council: Councillors W Newall.
Hartlepool Borough Council: Councillor B Loynes.
Middlesbrough Borough Council: Councillors A Hellaoui, J McTigue and
E Polano.
Redcar and Cleveland Borough Council: Councillors D Reese and
N Cooney.
Stockton-On-Tees Borough Council: Councillor L Hall.

4. Declarations of Interest

None.

5. Minutes of the meeting held on 11 March 2019

Confirmed.

6. Protocol for the Tees Valley Joint Health Scrutiny Committee

The Joint Committee was presented with the protocol which governed the working of the Joint Committee and provided a framework for the Joint Committee's work.

Decision

That the protocol be noted.

7. Work Programme / Meeting Timetable 2019/20

The Joint Committee was presented with an outline work programme for the ensuing year which drew on the previous work programme of the Joint Committee covering ongoing issues and investigations outstanding from the previous municipal year. A proposed schedule of meetings was set out with an indicative list of items that would, at this time, come forward for each of the meetings.

Members suggested that the following items should also come forward during the year to the Joint Committee: -

- An update on Respite Breaks in the Tees Valley and any response to the referral to the Secretary of State by Middlesbrough and Redcar and Cleveland Borough Councils.
- An update on breast cancer screening services and any response to the proposed referral to the Secretary of State by Middlesbrough Borough Council.

Decision

1. That the programme of meetings (as set out below) be approved.
2 September 2019
13 December 2019
13 March 2020

All meetings commencing at 10.00 am to be held at the Civic Centre, Hartlepool.

2. That the schedule of work programme items set out in the report be approved together with the addition of –
An update on Respite Breaks in the Tees Valley and any response to the referral to the Secretary of State by Middlesbrough and Redcar and Cleveland Borough Councils.
An update on breast cancer screening services and any response to the referral to the Secretary of State by Middlesbrough Borough Council.

8. Any Other Items which the Chairman Considers are Urgent

None.

Members noted that the next meeting of the Joint Committee would be held on 2 September commencing at 10.00 am at the Civic Centre, Hartlepool.

The meeting concluded at 10.30 am

CHAIR

Durham Darlington Teesside Hambleton Richmondshire and Whitby STP Joint Health Scrutiny Committee

At a meeting of the **Durham Darlington Teesside Hambleton Richmondshire and Whitby STP Joint Health Scrutiny Committee** was held in the Council Chamber, Town Hall, Darlington on **Tuesday 27 November 2018 at 2.00p.m.**

Present:

Councillors W Newall and L Tostevin (Darlington Borough Council)
Councillors J Robinson, J Chaplow and R Bell (Durham County Council)
Councillors B Loynes and G Hall (Hartlepool Borough Council)
Councillors J Blackie and H Moorhouse (North Yorkshire County Council)
Councillors S Bailey and L Hall (Stockton-on-Tees Borough Council)

Scrutiny Officers

Peter Mennear (Stockton-on-Tees Borough Council)
Alison Pearson (Redcar and Cleveland Council)
Stephen Gwilym (Durham County Council)
Caroline Breheny (Middlesbrough Borough Council)
Joan Stevens (Hartlepool Council)

Other Officers

Christine Shields, Assistant Director of Commissioning, Performance and Transformation, Darlington Borough Council

NHS STP, Trust and CCG Representatives

Alan Foster, STP/ICS Lead
Sue Jacques, Chief Executive, County Durham and Darlington NHS Foundation Trust
Siobhan McArdle, Chief Executive, South Tees Hospitals NHS Foundation Trust
Deepak Dwarakanath, Medical Director, North Tees and Hartlepool NHS Foundation Trust
Stewart Findley, Chief Officer, North Durham, DDES, Darlington, Hartlepool and Stockton and South Tees CCGs
Mary Bewley, Head of Communications and Engagement, North of England Commissioning Support

Apologies

Councillor J Taylor (Darlington Borough Council)
Councillors B Brady, E Dryden and A Hellaoui (Middlesbrough Council)
Councillor J Clark (North Yorkshire County Council)
Councillors N Cooney, M Ovens and R Goddard (Redcar and Cleveland Borough Council)
Councillor L Grainge (Stockton-on-Tees Borough Council)
Daniel Harry, North Yorkshire County Council
Julie Gillon, Chief Executive, North Tees and Hartlepool NHS Foundation Trust

17. Substitute Members

None.

18. Declarations of Interest by Members

None.

19. Minutes

Agreed that the minutes of the meeting held on 25 September 2018 be confirmed and signed by the Chair as a correct record.

20. An integrated Care System for the North East and North Cumbria (i) Developing Integrated Health and Care Partnerships

Alan Foster, STP/Integrated Care System Lead gave a presentation regarding the development of an Integrated Care System (ICS) and associated Integrated Care Partnerships (ICP) across North Cumbria and the North East Region. The Committee were advised that the North East and North Cumbria had declared their position as an aspirant Integrated Care System under a programme developed by NHS England and NHS Improvement. The North Cumbria and North East region currently consisted of 3 STP footprints which, under the ICS Programme, would develop a shared ambition to the best in England and Europe for health and care outcomes.

Mr Foster stated that the Cumbria and North East was a relatively high performing area for health and care albeit with some performance and finance challenges. It has a long established geography with a positive history of joint working across a highly interdependent system of clinical services where patient flows remain mostly within this area. Members have been advised in previous reports of service sustainability and configuration issues which have remained unresolved and fragmentation following the Health and Social Care Act 2012 that has made system wide decision making difficult.

The Committee noted that faster progress on improving health outcomes for the population was needed with more empowered patients supported by fully integrated health and social care. The system also needed to deliver a sustainable, equitable and affordable core offer of acute services as well as a strengthened collective decision making process for “at scale” improvement initiatives.

The presentation reaffirmed a unanimous commitment from NHS bodies to become an Integrated Care system with robust governance arrangements. The ICS would develop a vision and strategy supported by a suite of enabling workstreams. The ICS would create 4 Integrated Care Partnerships based upon existing population density/patient flows and hospital sites whilst preserving place based clinical leadership. These ICPs would be empowered to deliver sustainable acute services through managed clinical networks across multiple sites.

Mr Foster stressed that an ICS was not a statutory organisation in itself but rather an agreed partnership of individual organisations working to improve health and care based upon:-

- Developing a shared vision and high-level plan across NHS organisations;
- Reaching a formal agreement with NHSE/I to implement faster improvements in population health outcomes;
- Taking devolved responsibility for key NHS resources, and
- Collaborating across boundaries, e.g. clinical staff from different organisations working in networks 'horizontally' across hospitals but also integrating 'vertically' with GP and community services.

Integrated Care Partnerships were alliances of NHS Providers that work together with local commissioners to deliver care by agreeing to collaborate rather than compete. In this context providers could include hospitals, community services, mental health services and GPs as well as social care, independent and third sector providers.

Mr Foster also referenced plans by NHS England and NHS Improvement to develop seven joint regional teams led by directors tasked with developing more integrated local leadership. One of these teams would cover the North East and Yorkshire footprint. He stated that the ICS wanted to take more control over the resources it received and also take local decisions around staff recruitment, training and retention.

Members then considered the emerging outline of ICP geography with 4 ICPs being set up based around population density, patient flows and existing hospital sites. These would be for North Cumbria; North; Central and South.

In setting out the ICS approach to planning, Mr Foster indicated that a five year revenue budget settlement was anticipated for the NHS covering 2019-20 to 2023-24 which should provide a degree of certainty in developing the NHS Long Term plan. The new NHS approach to planning would include a review of standards, new financial architecture and more effective workforce and physical capacity planning. It will then be for the ICS to develop their own strategic plan which will deliver the NHS Long Term Plan and set out how the local NHS system will be run using available resources. In preparation for this all organisations (commissioners and providers) will be required to aggregate their plans into a single operating plan. This whole system plan for North Cumbria and the North East would in turn be signed off by all organisations by summer 2019.

Councillor Blackie stressed the dependency of rural communities in the area he represented upon those acute services provided at Darlington Memorial Hospital, James Cook Hospital, Middlesbrough and the Friarage Hospital, Northallerton. In acknowledging the development of the ISC and ICPs he stated that assurances were needed that acute services will be provided across the whole region equitably.

Councillor Moorhouse, whilst acknowledging and agreeing the development of ICPs based around existing population density, highlighted the different population demographics across the North Cumbria and North East SC footprint and the importance of health and social care providers and commissioners developing services that meet specific needs of local communities. She gave the area of Hambleton, Richmondshire and Whitby as an example of a locality where there was

a greater elderly population with highly complex health needs which would require a different approach to some more urbanised areas of the region.

She stated that for such people it was more likely that care was provided in a more community based service model rather than at acute hospital centres. Mr Foster referenced the excellent work being undertaken across the Hambleton, Richmondshire and Whitby CCG locality in respect of “frail elderly” and this being an example of the desire to provide care more locally. He advised the Committee that demand placed upon the health and social care system by frail elderly and the increase in such work was at the forefront of a specific workstream.

Councillor Bell referenced the proposal for a North East and Yorkshire regional development team and what that may mean for the 3 site acute centre model previously discussed by the Committee. He asked whether an emerging ICS would include North Yorkshire colleagues who sit on the STP Joint OSC at present. In response, Mr Foster indicated that Yorkshire was potentially to be covered by 3 ICS which added to the complexity of partnership working and the development of relationships across multiple provider and commissioning organisations. He stressed however that no “iron curtain” would descend upon patients seeking treatment within the region and that above all else patients would be put first. Councillor Bell welcomed that reassurance.

Cllr Robinson suggested that with the development of ICS and ICP structures there appeared to be a move back to the 1970’s structures within the NHS of Regional and Area health authorities. He asked whether County Durham was definitely to be included in the Central ICP? Mr Foster indicated that this was still being discussed and that a letter had been sent by the Leader and Chief Executive of Durham County Council seeking clarification on this issue.

Mr Foster stressed that the development of ICPs would not necessarily determine where patients would go for acute services but was rather about developing the opportunity for joint working amongst the NHS across organisational boundaries. In response to a question from Councillor Loynes, Mr Foster stressed that the ICP boundaries on the map within the presentation were merely indicative of population density and all areas of the region would be covered by an ICP. Councillor Tostevin expressed some doubt about the ability to develop and manage sustainable relationships under the ICS/ICP system as she felt this was much easier to achieve within a single organisational structure. Mr Foster acknowledged that the agenda for change was considerable and that to deliver the changes necessary, partnerships needed to work. He stressed that whilst there was no suggestion that Local Government structures would change under the ICP development programme it was evident that relationships across the NHS were developing and delivering increased collaborative arrangements which was a particular strength within the region. Councillor Tostevin responded that she was also worried about the reality of the timeframes potentially being discussed for the establishment of ICS/ICPs given the huge amount of work currently being undertaken across the NHS and Local Government in terms of health and social care integration.

(ii) Clinical Strategy Development – South Integrated Care Partnership

Siobhan McArdle, Chief Executive, South Tees Hospitals NHS Foundation Trust gave a presentation regarding clinical strategy development and the work proposed under the South Integrated Care Partnership (ICP). Ms McArdle explained that a vision and scope had been developed for the South ICP. The vision was to “work collaboratively to maintain local access with a focus on delivering out of hospital care and ensuring the sustainability of safe clinical services to meet the needs of the population.” The scope of the programme was “to develop a clinical strategy for the South Integrated Care Partnership with the aim of achieving and sustaining high quality hospital care across the area.” The scope of this work included the following acute provider organisations:

- County Durham and Darlington NHS FT
- North Tees and Hartlepool NHS FT
- South Tees Hospitals NHS FT

The Programme would cover acute health services commissioned and provided for the people of Darlington, Tees, Durham, Dales and Easington, Hambleton, Richmondshire and Whitby. University Hospital North Durham will continue to provide the existing range of services. Ms. McArdle reported that the clinical strategy for the South ICP would focus on how the following services would be delivered:-

- Urgent & Emergency Care
- Paediatric, Maternity (Gynaecology modelling interdependencies)
- Elective care:
 - Spinal
 - Breast
 - Urology
 - Frailty services
 - Stroke services

It was intended that the clinical strategy would be brought back to the Committee in January 2019 for consideration. Members were informed that the programme work builds on that undertaken as part of the Better Health Programme which had been reviewed to ensure a clear audit trail and evidence of previous stakeholder engagement. The starting point for the ICP was a working list of ideas that will be appraised against ‘must have’ criteria for viability. Thereafter modelling workshops would take place to build up and discuss scenarios. Ms. McArdle stressed that clinical standards were a key driver to improving quality and patient outcomes and indicated that viable ideas would be subject to robust financial and activity modelling (value impact assessment) and further evaluation through stakeholder engagement. As part of this work, individual service clinical case for change will develop the draft case for change with credible scenarios being identified for formal consultation.

As part of this process, the Committee were informed that the following operating principles had been put forward by the programme leads:-

- The needs of people will have priority over organisational interests;

- We will work in clinical networks across hospital sites - sharing scarce resources to maintain local services;
- We will work collaboratively, urgently and with pace on system reform and transformation;
- Costs will only be reduced by improving co-ordinated care;
- Waste will be reduced, duplication avoided and activities stopped which have limited value or where benefit to our population is disproportionate to cost.

As previously reported, Ms. McArdle confirmed that clinicians were currently developing the clinical strategy. In doing so she stated that the programme would preserve each hospital into the future by using them differently and in a more joined up way to benefit all patients. It was suggested that some changes and improvements may be necessary to services currently provided from different hospital sites. All three NHS Trusts wanted to introduce new ways of working so that clinicians can work easily across multiple organisations and clinical sites.

They were also committed to expanding the use of new roles and care models that would assist in managing demand and drive an improvement in health outcomes. The presentation concluded with a proposed timeline which included the proposed clinical review of the Value Impact Assessments developed for the services in question during December 2018. At the same time a strategic Oversight Group would meet to review the draft clinical strategy. Following any comments made as part of that process the Group would meet again in January to approve the final draft clinical strategy. Thereafter the various scenarios developed and the proposed pre-engagement activity and emerging plans for formal consultation and engagement would need to be brought back to the DDTHRW STP Joint OSC for consideration and comment. Ms. McArdle suggested that this could be done towards the end of January 2019. The proposed timeline concluded with plans for a formal launch of service reconfiguration with staff, external stakeholder and public engagement scheduled for March 2019. Members were advised that there were 6 key phases proposed in the programme timetable namely:-

- Phase 1 – Clinical Strategy Development
- Phase 2 – Pre-consultation engagement and develop business case
- Phase 3 – Public Consultation
- Phase 4 – Period of reflection
- Phase 5 – Decision making process
- Phase 6 – Final Business Case

Ms. McArdle concluded by emphasising that the programme was currently at Phase 1.

The Chairman then invited questions from members of the Committee. Councillor Bell referred to previous discussions that had taken place in the development of a 3 acute hospital site model as part of the Better Health Programme and asked whether there had been “in principle” agreement to retain that model and were clinicians sited on and have an for a collaborative working model across multiple hospital sites? Deepak Dwarakanath, Medical Director, North Tees and Hartlepool NHS Foundation Trust reported that clinicians across the South ICP were pushing for change to improve the quality of care available and delivered to patients. They also

recognised that current workforce pressures being experienced across the clinical areas being reviewed would not allow for these services to be delivered across all sites. He referenced current problems being experienced in respect of gaps in workforce rotas, increased shifts for current staff and the reliance on locum clinicians.

Councillor Blackie placed on record his thanks to the NHS organisations across the area who had delivered life-saving treatment to himself and expressed the fervent wish that the NHS Services in the area were not stretched to the point that they “fell down”. In discussing possible future service models, Mr Dwrarkanath suggested that most services would remain available in the three major sites (Darlington Memorial Hospital; University Hospital of North Tees and James Cook Hospital) and that ambulatory services/care was a key element in facilitating this. He also stressed that any changes advocated by clinicians would aim to future proof services across the region and that this would include enhanced IT provision.

Councillor Blackie asked whether 24/7 Accident and Emergency and Maternity and Paediatrics services would be available from the three sites as there have been any concerns expressed about potential changes in acute services along with the development of specialist centres and the importance of having appropriate and effective patient transport systems that facilitate access to these services. Ms McArdle reiterated the comments of Mr Dwrarkanath and the input of clinicians and stressed that work was ongoing across the North Yorkshire and South Tees NHS FT area in this respect.

Councillor Hall welcomed the reference to working at pace and stressed the importance of North Tees and Hartlepool NHS FT and South Tees NHS FT working collaboratively to improve services. She stated that it had been this lack of pace which had frustrated members of this committee particularly in terms of the absence of information about what services are planned for future delivery. In responding, Ms McArdle agreed with and noted the concerns around the pace of change, emphasising the importance of NHS Partners keeping local authorities engaged at the same pace.

Regarding transportation links and accessibility to services, Councillor Moorhouse referenced the Esk Valley Railway line which whilst being underused and poorly maintained was a potential asset that could be utilised to improve accessibility to services from North Yorkshire. The Chair referred to the proposed Value Impact assessments that are being drafted in respect of Urgent & Emergency Care; Maternity Paediatrics; Stroke, Frailty, Breast, Spinal and Urology services and urged care in how the delivery and publication of these was to be managed to avoid adverse public reaction and also the risk of premature referrals to the Secretary of State for Health and Social Care.

Mr Dwrarkanath stated that the region's two main trauma centres would remain at Newcastle and Middlesbrough and that it was anticipated that no other A&E facilities would close. He also suggested that there would be no probable change with Maternity/Paediatrics services. He did recognise that the medical leaders/professionals had been poor at promoting and managing maternity services.

Councillor Bailey emphasised the importance and need for robust public consultations for any potential service changes and continued local authority involvement and engagement in that process.

Councillor Bell referred to the involvement and engagement of local authorities in public consultation and suggested that NHS partners would need to give consideration to the potential impact that local authority election purdah may have on any consultation timeframes.

Councillor Loynes asked what any future proposals would mean for University Hospital Hartlepool. She referenced the loss of several acute services from the hospital including A&E and the apparent running down of maternity services at the hospital with women discouraged from giving birth at UHH. In echoing the sentiments of Cllr Loynes, the Chair suggested that alongside the potential service development proposals for North Tees University Hospital, James Cook Hospital and Darlington Memorial Hospital, there needed to be comprehensive long term strategies for University Hospital Hartlepool, Bishop Auckland Hospital and the Friarage Hospital, Northallerton.

In response, Ms McArdle indicated that those latter three points of service delivery referenced by the Chair were vital to the future of the former. She also stressed that the value impact assessments being drafted would aim to retain as much local access to services as possible. At the conclusion of the discussions the following action was agreed:

1. The report be noted; and
2. The Value Impact Assessments and associated engagement plans be brought back to a future meeting of the Committee in February 2019.

21. Darlington; Durham Dales Easington and Sedgfield; Hartlepool and Stockton; North Durham and South Tees CCGs Collaborative

Stewart Findley, Chief Officer, North Durham, DDES, Darlington, Hartlepool and Stockton and South Tees CCGs gave members a presentation setting out proposals for increased collaborative working arrangements across Darlington; Durham Dales Easington and Sedgfield; Hartlepool and Stockton; North Durham and South Tees CCGs.

He reminded members that the Health and Social Care Act 2012 established the statutory role of the Clinical Commissioning Group and sets out the statutory duties and requirements including those roles which are considered 'statutory' requirements, namely, that appointment of a Chair of the Governing Body, a Chief Officer, a Chief Finance Officer and an Executive Nurse.

Dr Findley indicated that many CCGs around the country are now either merging or creating joint committees and collaborative arrangements with a single agreed leader/Accountable Officer. The annual leadership assessment of CCGs by NHS England now also includes a focus on collaborative working. As a result, he indicated that the 5 CCGs in Durham and the Tees Valley (NHS Darlington CCG, NHS Durham Dales, Easington and Sedgfield CCG, NHS Hartlepool and Stockton-on-

Tees CCG, North Durham CCG and NHS South Tees CCG) had agreed to develop joint leadership and management arrangements. They appointed a single Accountable Officer from 1st October 2018 supported by two Chief Officers and a highly skilled Director team. He confirmed that the new accountable officer was Dr. Neil O'Brien. Members were also advised that NHS Hambleton, Richmondshire and Whitby CCG would also work closely with the 'collaborative' on areas of mutual interest, such as acute services commissioning.

Dr Findley explained the relationships between proposed Integrated Care Partnership footprints and existing CCG boundaries. The Committee was informed that the CCGs had identified a number of benefits to be derived from working more collaboratively including:-

- Working together to share expertise and capacity presents the opportunity to learn quickly, shorten delivery timescales and achieve stretching ambitions.
- Shared responsibility and delivery of the STP, working as key system leaders within a complex health and care system supporting the development of an Integrated Care System and Integrated Care Partnerships.
- Potential for greater overall clinical engagement and input.
- Support for both clinical and managerial succession planning across all CCGs.
- Greater potential for influence locally, regionally and nationally.
- An opportunity to re-focus, re-energise and align the team to support both the local and wider complex and significant transformation agenda by working at scale.
- Reputational benefits for CCGs as joint working brings shared benefits for delivery and improved performance.
- Management efficiencies in preparation for any running cost allowance reductions.

Members were advised that under the collaborative arrangement, place based commissioning would continue. This would be important as CCGs further develop integrated working with local authority and provider partners; develop and extend primary care and community services and ensure that services are responsive to local need and reduce the reliance on hospital based care. Dr Findley confirmed that each CCG would retain a strong local clinical voice and leadership whilst also retaining their individual statutory status.

Dr Findley reported that a robust governance framework would be developed which addressed statutory requirements at CCG level and also reflected an integrated approach across CCG and other partners as new relationships and ways of working were embedded. He stressed however that there would be no change to partnership working, existing governance and decision making, including the requirements for individual and joint consultation and engagement on service change proposals. During the discussion which followed, Dr Findley reported that there were now requirements that 20% of CCG running costs needed to move into clinical improvement and/or transformation. This equated to around £4m across the collaborative.

Members noted that the collaborative proposals positioned the CCGs well to deal with finance and performance challenges and support transformation plans. Local place-based teams would be supported by more robust integrated and at scale

“support” functions which would free capacity for local engagement and shared working with partners.

Agreed that the report and information be noted.

22. Chairman’s Urgent Items

None.

23. Any other business

None.

24. Date and Time of next meeting

The next meeting date was to be confirmed but would be around the beginning of February 2019.

The meeting ended at 3.45 pm.