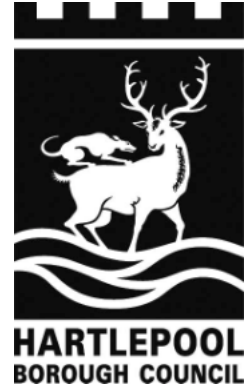


CABINET AGENDA



Monday 2 April 2012

at 9.15 am

in Committee Room B,
Civic Centre, Hartlepool

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hill and H Thompson.

1. **APOLOGIES FOR ABSENCE**
2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
3. **MINUTES**

To receive the Record of Decision in respect of the meeting held on 19 March 2012 (previously circulated)

4. **BUDGET AND POLICY FRAMEWORK**

4.1 No Items

5. **KEY DECISIONS**

5.1 Consultation Outcome in Relation to Denominational Transport – *Director of Child and Adult Services*

6. **OTHER ITEMS REQUIRING DECISION**

6.1 Civic Lottery Fund Grant Applications 2011/2012 – 3rd Round – *Director of Child and Adult Services*

7. **ITEMS FOR DISCUSSION/INFORMATION**

7.1 Innovation Fund – *Director of Regeneration and Neighbourhoods and Director of Child and Adult Services*

7.2 Flexible Support Fund – *Director of Regeneration and Neighbourhoods*

CABINET REPORT

2nd April 2012



Report of: Director of Child and Adult Services

Subject: CONSULTATION OUTCOME IN RELATION TO
DENOMINATIONAL TRANSPORT

SUMMARY

1. PURPOSE OF REPORT

To inform Cabinet of the outcome of the consultation exercise relating to the removal of free transport to denominational schools and to confirm that a further report will be presented relating to proposals for savings options.

2. SUMMARY OF CONTENTS

This report confirms the outcome of the consultation process following the Cabinet decision on 5th December 2011 relating to the removal of existing free transport provision to students attending a secondary denominational school.

3. RELEVANCE TO CABINET

The report provides detail relating to the consultation exercise which forms part of the 2012/13 savings programme

4. TYPE OF DECISION

Information / Key Decision Forward Plan Reference CAS120/12. Test 2 applies.

5. DECISION MAKING ROUTE

Cabinet 2nd April 2012.

6. **DECISION(S) REQUIRED**

The Council on 23rd February confirmed additional one off funding was to be made available to sustain denominational transport for a further year (academic year 2012/13).

Arrangements for transport on grounds of religion or belief under Section 509 of the Education Act 1996 states that the provision is discretionary (need not be implemented or can be discontinued). Cabinet is therefore asked to note the outcomes of the consultation process as detailed in **APPENDIX 1** and agree to receive a further report and make recommendations to Council on a way forward, outlining the issues and options relating to implementation of Options 2 and 3.

Report of: Director of Child and Adult Services

Subject: CONSULTATION OUTCOME IN RELATION TO
DENOMINATIONAL TRANSPORT

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet of the outcome of the consultation exercise relating to the removal of free transport to denominational schools and to confirm that a further report will be presented relating to proposals for savings options.

2. BACKGROUND

Denominational Provision

- 2.1 The denominational review looked at removing free transport to faith schools except where there is a legal requirement which must be met. At present, under the current Home to School Transport Policy, the Council provides free transport to pupils who attend their nearest suitable school of their parents practicing faith.
- 2.2 At present, 382 pupils at English Martyrs School are provided with free denominational travel to and from the school, with 44 of those pupils being from low income families.
- 2.3 Councils have to consult on significant changes to their policies, particularly if entitlement to transport is being withdrawn. Guidance on best practice for these issues indicates that any consultation period should be at least 28 days during term time. A longer period could be considered depending on the extent and nature of the changes being proposed. All interested parties have been fully consulted, including students, parents, the Roman Catholic Diocese, the school and the wider community. Consultations on these savings proposal included an option for a charging arrangement to parents/carers in order to see the continuation of existing provision.
- 2.4 A summary illustrating the outcome of the consultation is attached to this report as **APPENDIX 1**.

3. OPTIONS ANALYSIS

- 3.1 The Council decision on 23rd February 2012 confirmed additional one off funding was to be made available in order to sustain denominational transport for a further year (academic year 2012/13). This opportunity is to

allow a further review of the savings options relating to the proposed removal of free transport to denominational schools.

- 3.2 The consultation outcome (**Appendix 1**) demonstrated a preference to sustain free transport to denominational schools, however if the Council agrees to the removal of free transport, a significant number of consultees expressed a clear preference to see the Council arrange transport and introduce a concessionary rate, starting September 2013. Taking the consultation outcome into consideration, the Cabinet is asked to consider options for consideration from September 2013 onwards. The options for consideration are presented below.
- 3.3 **Option 1:** Continue as at present, to provide free transport to denominational secondary schools.
- 3.4 **Option 2:** Remove free transport to all denominational secondary schools starting September 2013 (target efficiency would be achieved).
- 3.5 **Option 3:** Starting September 2013, free concessionary transport will cease for all new pupils starting at denominational schools except for those where there is a legal requirement to do so. Existing pupils at denominational schools who already received discretionary school transport will continue to do so until they move school or changed address.
- 3.6 Under this option, alternative ongoing revenue savings of £353,000 will need to be found from other council services over the period 2013/14 – 2018/19 after which the full £125,000 p.a. savings target is achievable. If savings are to be made from denominational transport from September 2013 onwards a scheme will need to be developed which reflect the options 2 and 3 above for the Council to consider.

4. FINANCIAL IMPLICATIONS

- 4.1 The additional one off funding provided will support the continuation of the existing denominational provision for academic year 2012/13. In order for Council to make a final decision in relation to options 2 and 3 above a further report will be provided detailing the issues and implications of each option.

5. KEY RISKS

5.1 The table below summarises key risks associated with delivery of the savings:

Project	Risks	Notes
Review of denominational transport provision	<ul style="list-style-type: none"> • Perceived travel risks or unfairness • Objections from Dioceses and Parents • Shift in pupil numbers away from English Martyrs 	<ul style="list-style-type: none"> • Current provision is discretionary and expensive. • Low income families will continue to receive free transport. • Alternative means through buy back or public transport provision. • Most other local authorities are also reviewing the continued provision of denominational provision.

6. RECOMMENDATIONS

6.1 Arrangements for transport on grounds of religion or belief under Section 509 of the Education Act 1996 states that the provision is discretionary (need not be implemented or can be discontinued). Cabinet is therefore asked to note the outcomes of the consultation process as detailed in **Appendix 1** and agree to receive a further report and make recommendations to Council on a way forward, outlining the issues and options relating to implementation of Options 2 and 3.

7. BACKGROUND PAPERS

7.1 Cabinet Report: 5th December 2011
Council Decision: 23rd February 2012

8. CONTACT OFFICERS

8.1 Peter McIntosh, Head of Planning and Development Officer, Child and Adult Services Department

Paul Robson, Consultant Integrated Transport Manager, Regeneration and Neighbourhood Services Department

APPENDIX 1 Evaluation**Denominational Transport Consultation - Final Report**

Q1. It is proposed that free transport to faith schools stops; except where there are legal requirements which must be met

Answer Options

I am in favour of the proposed changes to the denominational transport policy
I am not in favour of the proposed change to the denominational transport policy

Response Percent

1.7%
98.3%
Number who answered question
Number who skipped question

Response Count

10
581
591
4

Q2. If the proposal is agreed by Cabinet I would prefer

Answer Options

The Council to arrange transport and to charge a concessionary fare
To make my own transport arrangement

Response Percent

88.0%
12.4%
Number who answered question
Number who skipped question

Response Count

490
69
557
38

Q3. If the proposal is agreed by Cabinet I would ask that the concessionary change is introduced from

Answer Options

September 2012 (all students)
September 2013 (all students)
New starters to be charged a concessionary rate from September 2012. Provision will then be progressively withdrawn, except for starters prior to September 2012

Response Percent

12.4%
45.4%
42.3%
Number who answered question
Number who skipped question

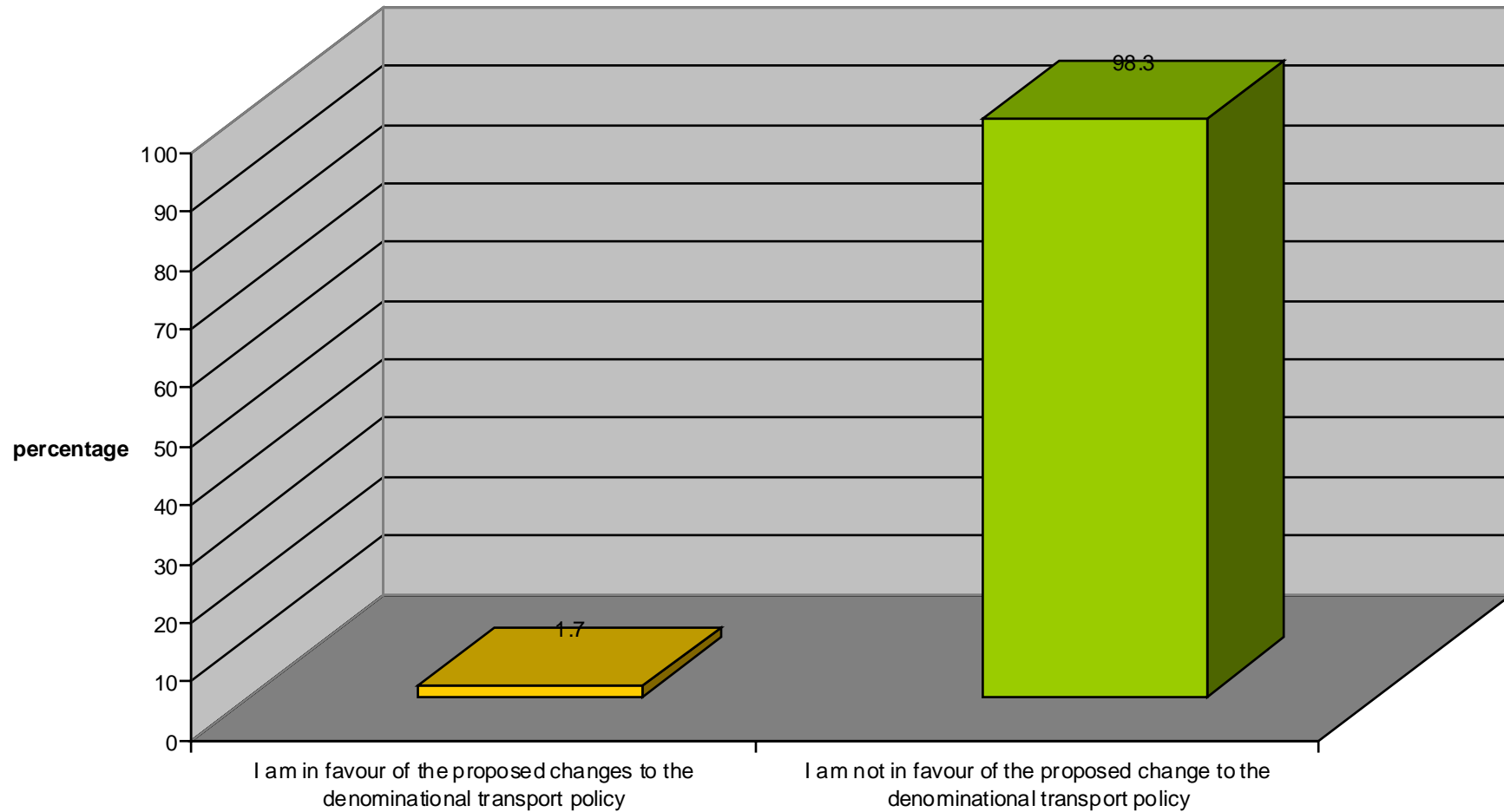
Response Count

67
246
229
542
53

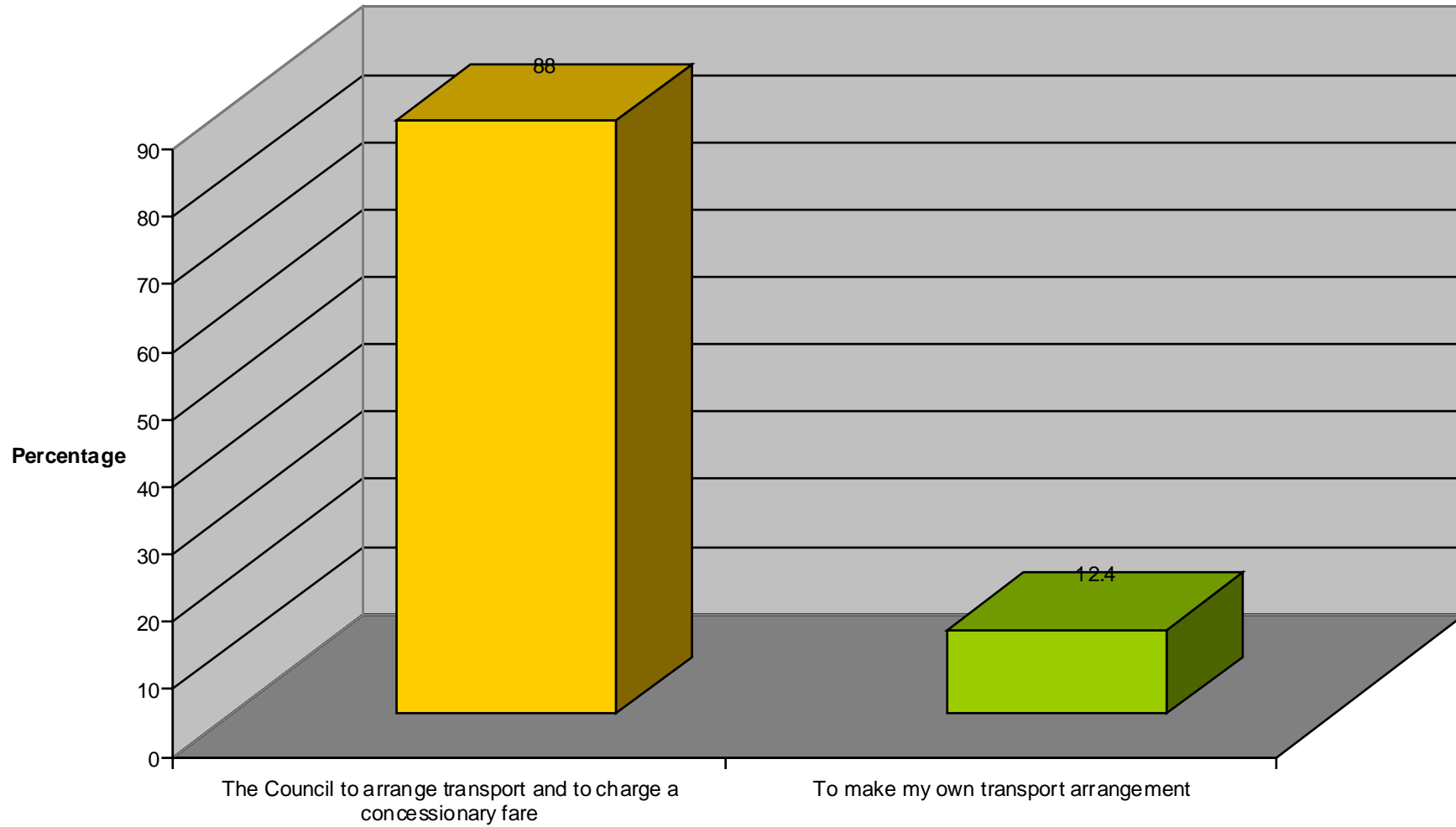
Q4. I am a

Answer Options	Response Percent	Response Count
a - parent or guardian of a child attending a denominational secondary school	49.1%	249
b - parent or guardian of a child attending a denominational primary school	21.3%	108
c - representative of a denominational school	17.0%	86
d - representative of a non-denominational school	2.6%	13
e - diocesan/church representative	10.1%	51
Other		108
	Number who answered question	507
	Number who skipped question	88

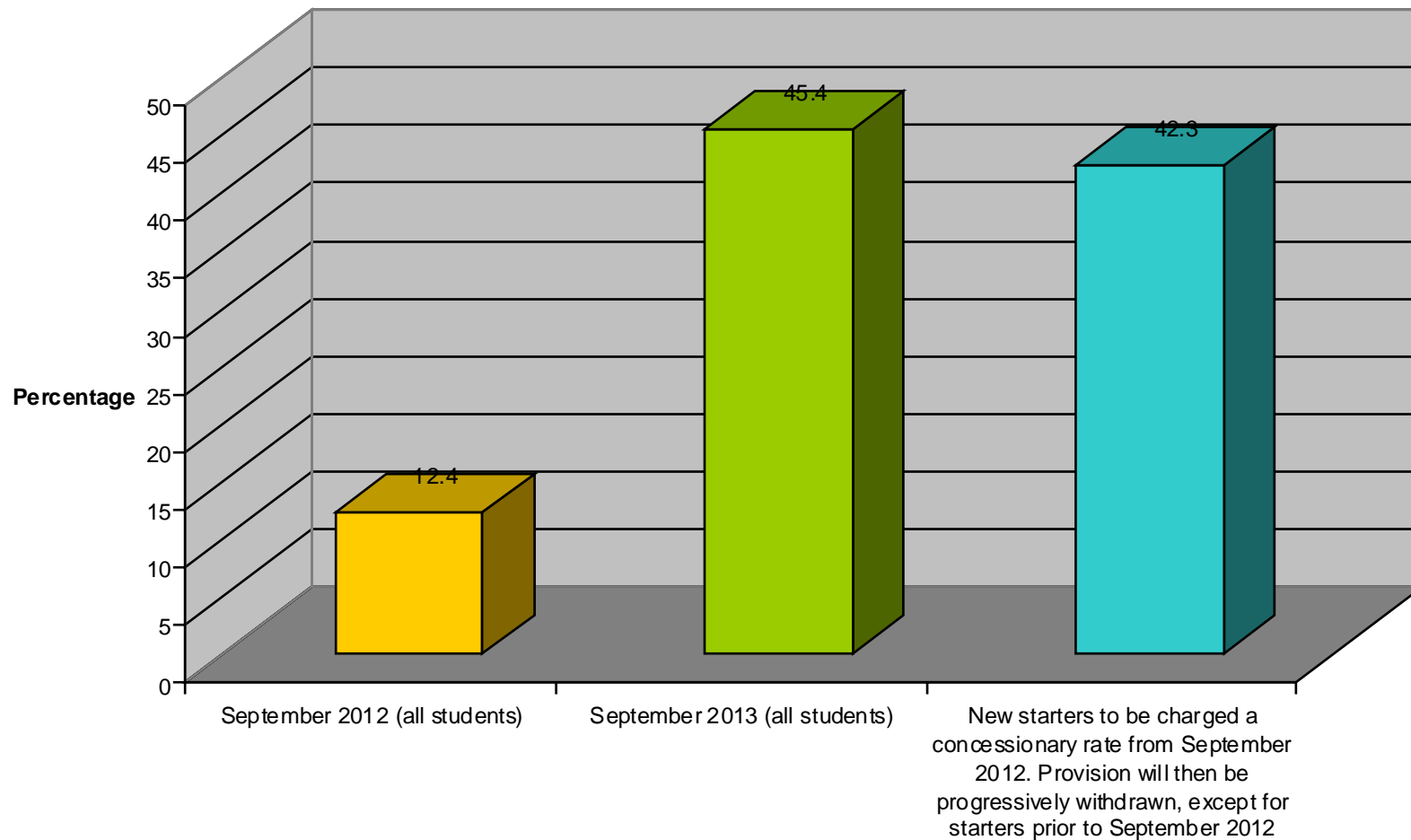
**It is proposed that free transport to faith schools stops;
except where there are legal requirements which must be met**



If the proposal is aged by Cabinet I would prefer



If the proposal is agreed by Cabinet I would ask that the concessionary charge is introduced from



CABINET

2nd April 2012



Report of: Director of Child and Adult Services

Subject: CIVIC LOTTERY FUND GRANT APPLICATIONS
2011/2012 – 3RD ROUND

SUMMARY

1. PURPOSE OF REPORT

The purpose of this report is to advise and seek approval for the third round of Civic Lottery Fund Grant applications for the 2011/2012 financial year.

2. SUMMARY OF CONTENTS

The report asks Cabinet to consider 9 applications from local organisations, 6 of which have not previously been supported with funding from the Civic Lottery.

3. RELEVANCE TO CABINET

Cabinet has responsibility for determining the level of grant awards from the Civic Lottery.

4. TYPE OF DECISION

Non-key decision.

5. DECISION MAKING ROUTE

Cabinet to determine awards at meeting 2nd April 2012.

6. DECISION(S) REQUIRED

The report asks members to approve/note:-

1. Grant aid to those organisations as recommended and detailed in **APPENDIX 2.**

Report of: Director of Child and Adult Services

Subject: CIVIC LOTTERY FUND GRANT APPLICATIONS
2011/2012 – 3RD ROUND

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to advise and seek approval for the third round of Civic Lottery Fund Grant applications for the 2011/2012 financial year.

2. BACKGROUND

- 2.1 In accordance with the procedure previously approved by the Grants Committee, the annual amount available for distribution of lottery grants is based upon the real rate of interest earned by the capital investment during the previous financial year. The amount is calculated on an apportionment of the Authority's interest balances to reserves; therefore, the total funding available for distribution in 2011/2012 is £ 8,500.
- 2.2 At a previous meeting of the Grants Committee Members agreed that £1,500 should be made available for Senior Citizens' summer outings and Christmas Parties. Therefore the balance available for distribution for the remainder of the year is £7,000.
- 2.3 **APPENDIX 1:** Civic Lottery Fund Grant Application Guidelines includes the Civic Lottery criteria and provides information for applicants relating to what can be funded, including funding for specific activities; Senior Citizens outings and Christmas parties and team activities.
- 2.4 The current criteria for eligibility and distribution from the Civic Lottery Grant Fund require the Grants Committee to consider applications three times a year, in order that an overall view of applications can be obtained. In previous years, one third of the balance available has been distributed at each of the three meetings. As Members agreed that this approach should be maintained in this financial year, the amount available for distribution at this meeting will be £2,333 plus the balance remaining from the previous funding round of £12 making the total available for distribution at this meeting £2,345.
- 2.5 Before making recommendations in relation to the applications to the Civic Lottery, Officers consider each application on its own merits and ascertain which elements of the application could be supported from the Lottery to provide meaningful financial support to the group, to enable the project to go ahead. Also, the numbers of beneficiaries from the project are taken into consideration and whether or not the group has been supported from the Lottery previously. The criteria states that team activities and groups of teams can only be awarded grants of up to £200 per team and up to a maximum of £300 per group. This criteria is taken into consideration when a

group applies for funding for a team activity regardless of the amount the group applies for.

- 2.6 In regard to the grants to Senior Citizens Summer Outings and Christmas parties, Officers have delegated powers to distribute between £60 and £100 dependant up on the size of the group. Members will note that there are 2 requests for 'party funding' towards the Queens Diamond Jubilee for street parties in the current list of applications.
- 2.7 As there is an existing structure in place to deal with requests of this nature, the existing criteria has been applied.
- Groups with under 30 members can apply for a maximum of £60 for their street party.
 - Groups with over 30 members can apply for a maximum of £100 for their street party.

Following some publicity to community groups in February/March it is highly likely that a number of additional requests will be received in time for the next Grants Committee meeting scheduled for the 14th May 2012. (Fourteen are expected to date). If Members approve the recommended allocations in **Appendix 2** at today's meeting the Civic Lottery Fund for 2011/2012 will be exhausted.

- 2.8 It is suggested that at the first meeting of the Grants Committee in the new financial year, Officers identify eligible street party applications from within the £1,500 annual allocation for Senior Citizens outings and Christmas parties. Should undue pressure be placed on this allocation then Members have the option of allocating additional funds towards Queens Diamond Jubilee parties. This will mean a consequent reduction in the Civic Lottery Fund balance for disbursement at later meetings of Grants Committee later in the year.

In order to assist the Cabinet with the allocation of Civic Lottery funding Officers have considered each application to the fund and have made recommendations in relation to the allocation of funding, details of which can be found as **Appendix 2**. The total sum sought in Round 3 is £5,810.

Applications for consideration where no previous grants have been awarded

Copies of the application forms are available in the Members' Library.

App. No.	Organisation	Reason for Application	Total Cost	Sum Sought
3500	Aquaforce Swimming Academy	Assistance with hiring of hall for indoor training	£1,000	£300
3504	Throston Hotspur FC under 18's	Assistance with league and pitch fees	£547	£500

App. No.	Organisation	Reason for Application	Total Cost	Sum Sought
3505	St. Francis Under 18's FC	Assistance with transport costs and the purchase of first aid kits	£962	£200
3507	The Peppermint Girl Band	Assistance with the costs of attending grand final of 'Open Mic' competition	£2,120.75	£750
3511	The Elwick Millennium Association	Assistance with the costs of Queens Diamond Jubilee Celebrations - June 2012	£415.00	£100
3512	Burn Valley Ladies Bowling Club	Assistance with costs of Queens Diamond Jubilee Celebrations	£270	£160

Applications for consideration – second and subsequent requests

Copies of the application forms are available in the Members' Library.

App. No.	Organisation	Reason for Application	Total Cost	Sum Sought
3498	Seaton Carew Bowling Club (ladies)	Assistance with consortium fees and transport to away matches	£800	£300

Previous Grants:-

1 previous approved 22/9/10 for £300

3506	Hartlepool Hospice	To contribute towards cost of Complimentary Therapy Services	£7,900	£1,500
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Previous Grants:-

8 previous grants last one approved 22/9/10 for £400

3509	Hartlepool Headland Amateur Boxing Club	Assistance with the costs of staging a boxing tournament in Hartlepool	£2,900	£2,000
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Previous Grants:-

7 previous grants last one approved 22/9/2010 for £350

3 RECOMMENDATIONS

The report asks members to approve/note:-

1. Grant aid to those organisations as recommended and detailed in **Appendix 2.**

4. CONTACT OFFICER

John Mennear, Assistant Director (Child & Adult Services)

5. BACKGROUND PAPERS

Applications to the Civic Lottery 2011/2012

HARTLEPOOL BOROUGH COUNCIL

CIVIC LOTTERY FUND

GRANT APPLICATION GUIDELINES



Background

The Chief Solicitor advises me that pursuant to Section 7 of the Lotteries and Amusements Act 1976, a local authority may promote a local lottery for any purposes, and in doing so must give such publicity to the objects of the local lottery as will be likely to bring them to the attention of persons purchasing tickets or chances, these objects are then reflected in the eligibility criteria. The authority are under a duty to apply the money accruing from the lottery (including interest) only to the objects of the lottery being that for which the lottery was promoted - as extended by the Secretary of State.

From 1977-1982 a Civic Lottery was promoted by this Council, and a Civic Lottery Fund was established, the original object being for leisure recreational or environmental projects. There is provision in the legislation under Section 7(4) for the consent of the Secretary of State to be given to the appropriation of lottery funds to purposes outside the consent, for an amendment in the Council lottery, to include the provision of grants to local charitable organisations, and on the 4th December 1989 the said consent was granted. Any further departure from the current criteria would require similar consent.

Current Criteria of the Civic Lottery Fund

The current eligibility criteria for assistance from the Civic Lottery Fund is as follows:-

1. Any application must be for either leisure, recreational or environmental projects, and following approval by the Secretary of State in December, 1989, it is now also possible for charitable organisations to qualify for assistance.
2. The Grants Committee will consider applications for assistance 3 times during the municipal year in order that an overall view of applications can be obtained.
3. The Grants Committee will assess each application on its merit.
4. Applicants must be based in the Borough of Hartlepool.
5. Applicants should be either organisations or individuals supported by a club/organisation.
6. Applicants are restricted to applying for assistance only once every 12 months.
7. The maximum amount of grant allocated is restricted to £2000.
8. Grants must be claimed within one year of their approval.

Supplementary Criteria:

Specific criteria relating to funding for team activities, including football, netball and jazz bands:

- i) Teams must comprise a majority of residents from areas of disadvantage as identified by the 1991 Census.
- ii) Grants of up to £200 per team or band up to a maximum of £300 per group may be awarded as a contribution towards running costs. These costs are likely to include pitch and league fees and transport.
- iii) Grant aid should not be used to establish new teams.
- iv) Applications for equipment will not be supported, i.e. the purchase of strips, nets, balls etc.

Specific criteria relating to funding for senior citizen groups:

Funding is available for senior citizens groups for either a summer outing or a Christmas party (not both). This is subject to funds being available and based on the number of members in the club.

- i) Senior citizens groups with under 30 members can apply for a maximum of £60 for an outing or party.
- ii) Groups with over 30 members can apply for a maximum of £100 for an outing or party.

Recommendations for Civic Lottery 3rd Round 2011/2012

6.1 Appendix 2

Number	Group	Reason	Previous grants	Total Cost	Requested	Recommend
3498	Seaton Carew Bowling Club (ladies)	Assistance with transport costs to away matches. A contribution to the transport costs of each away match is being recommended.	Yes	£800	£300	£280 towards transport costs for away matches
3500	Aquaforce Swimming Academy	To provide assistance with hire of hall for indoor training during the winter. To contribute to the cost of hall hire at Dyke House School.	No	£1,000	£300	£280 towards hire of hall
3504	Throston Hotspur FC	Assistance with league and pitch fees – maximum that groups can apply for is £300 - see criteria.	No	£547	£500 (max £300)	£280 towards pitch and league fees
3505	St Francis Under 18's	Assistance with transport and first aid kits – new team – Fund does not support new teams therefore the application is rejected as it does not meet the criteria.	No	£962	£200 (max £300)	Application rejected.
3506	Hartlepool Hospice	Assistance with Complimentary Therapy services. To date £6,000 has been raised to contribute towards the costs of the Complimentary Therapy services – several applications for funding are still outstanding.	Yes	£7,940	£1,500	£555 towards the cost of Complementary Therapies
3507	The Peppemints Girl Band	Assistance with the costs of attending the grand final of the 'Open Mic' competition in London. Train travel costs for 5 young people recommended.	No	£2,120.75	£750	£290 towards cost of train travel for young people
3509	Hartlepool Headland Amateur Boxing Club	Assistance with costs of Boxing Tournament held in Hartlepool to raise funds for club.	Yes	£2,900	£2,000	£500 towards costs of trophies, and printing of tickets etc.
3511	The Elwick Millennium Association (membership 300)	Assistance with costs of Queens Diamond Jubilee party.	No	£415	£100	£100 to purchase bunting, paper cups, plates, balloons, craft

						items, a cake
3512	Burn Valley Ladies Bowling Club (membership 25)	Assistance with costs of Queens Diamond Jubilee party	No	£270	£160	£60 to purchase bunting, posters and refreshments

CABINET REPORT

2nd April 2012



Report of: Director of Regeneration and Neighbourhoods and
Director of Child and Adult Services

Subject: INNOVATION FUND

SUMMARY

1. PURPOSE OF REPORT

To update Cabinet on the current position of the Department for Work Pensions (DWP) Innovation Fund and the Tees Valley Unlimited's (TVU) application form for Round Two.

2. SUMMARY OF CONTENTS

The report provides background information to the DWP Innovation Fund which is targeted at addressing youth unemployment and includes the expected delivery and financial payment model and the details of the TVU application form for Round Two.

3. RELEVANCE TO CABINET

The employment and skills and child poverty agenda falls within the Regeneration and Economic Development and Skills and Child and Adult Services Portfolios respectively. However, due to the potential contract value and the need for close cross sub-regional work with the five local Authorities and TVU, the report has been submitted to Cabinet.

4. TYPE OF DECISION

Non Key.

5. DECISION MAKING ROUTE

Report previously submitted to Cabinet on 15th August 2011.
To be considered by Cabinet on 2nd April 2012.

6. DECISION(S) REQUIRED

The report is for information. If TVU are successful with their DWP Innovation Fund application, then a further report will be submitted to Cabinet.

Report of: Director of Regeneration and Neighbourhoods and
Director of Child and Adult Services

Subject: INNOVATION FUND

1. PURPOSE OF REPORT

- 1.1 To update Cabinet on the current position of the Department for Work Pensions (DWP) Innovation Fund and the Tees Valley Unlimited's (TVU) application form for Round Two.

2. BACKGROUND

- 2.1 On 12 May 2011, the Government announced a package of measures to help address youth unemployment. These included a new 'Innovation Fund' of up to £30 million over 3 years from 2012 to support social investment projects. Projects will support disadvantaged young people to improve their educational attainment and prevent those most at risk from becoming long term unemployed.
- 2.2 Bids can be submitted for up to £3m per annum over a period of up to 3 years. Targeted geographical areas are said to be those where youth unemployment/not in education, employment and training (NEET) rates are particularly high. Within the initial DWP documentation, 'Teesside' was specifically identified as one of those areas most in need.
- 2.3 From the published DWP literature, there is a clear indication that DWP are looking for this project to be delivered predominately by third sector/smaller providers and that the exercise is also being used as a capacity building opportunity for such organisations.
- 2.4 The Innovation Fund is being commissioned via two rounds. The first round of the fund focused on 14-24 year olds and provision starts shortly. DWP has recently confirmed that £16.5million of funding has been allocated under Round One.
- 2.5 Round Two was announced in January 2012, with the remaining £13.5 million still available to compete for. This round focuses on disadvantaged young people aged 14 and 15 years to improve their attendance, attitude and behaviour at school and reduce their prospects of becoming long term NEET. Projects can work with these young people for up to three years and claim outcomes during this period.

- 2.6 Targeting 14 and 15 year olds is a preventative measure, aimed at reducing the number of young people that go on to become long term NEET at aged 16 years and above. Tackling the number of NEETs is a key priority for the Council and in January 2012, Hartlepool reported NEET at 7.6% for those 16 to 19 years and Not Known at 3.3%. This is against a Tees Valley average of 10.2% NEET and 5.7% Not Known.
- 2.7 For most young people, being NEET is a temporary state – in the two years after completing compulsory education, just over one in six young people is NEET at some point, but only one in twenty-five are NEET for 12 months or more. Evidence shows that whilst the experience of a single disadvantage can create difficulties for young people, multiple disadvantages can interact and exacerbate one another, leading to more harmful and costly outcomes for both the young person and society as a whole.
- 2.8 Under Round Two of the Innovation Fund, it is expected that bids will focus on innovative ways of addressing the issues and barriers which lead to the following priority groups becoming long term NEET.
- Young people in gangs
 - Carers (either for their own child or others, and pregnant young women)
 - Young people who are Gypsy, Roma or Traveller
 - Homeless (rough sleepers; living in women's refuges, hostels, friends/relatives floors)
 - Looked after / in care / care leavers;
 - Refugees or former asylum seekers who have been granted Refugee Status, Indefinite Leave to Remain, or Humanitarian Protection;
 - Substance misusers;
 - Those who are supervised by the Youth Offending Team;
 - Those with Mental health issues;
 - Those with family issues - receiving support from family intervention projects, or a parent or sibling in custody or with substance misuse issues.

3. OBJECTIVES OF THE INNOVATION FUND

3.1 The Innovation Fund has three key objectives:

- Objective 1 – This is the main objective of the fund – To deliver support to help young people who are disadvantaged, or at risk of disadvantage, helping them participate and succeed in education or training and thereby improve their employability, reducing their longer term dependency on benefits.
- Objective 2 - Test the extent to which we generate Annual Managed Expenditure (AME) savings, other wider fiscal and social benefits, and deliver Social Return on Investment.

- Objective 3 - Support the development of the social investment market, the capacity building of smaller delivery organisations and generate a credible evidence base which supports social investment arrangements.

4. SOCIAL INVESTMENT PARTNERSHIP MODEL

4.1 DWP is seeking proposals from a range of Social Investment Partnerships, comprising one or more 'Investors' and one or more 'Delivery Partners' to deliver. Social Investment Partnerships may have up to three layers, i.e. Investors, intermediaries and delivery partners.

A) Investors: Each partnership will have at least one potential investor. These investors could include:

- Multiple individuals or organisations investing via a Social Impact Bonds (SIBS) model or similar.
- Single organisations or individuals.
- DWP prime providers.

B) Delivery Partners: The delivery partners will deliver the services to young people. These organisations will have the skills and expertise to deliver support to the most disadvantaged young people in deprived areas. We expect that many of them - although not necessarily all - will be from the third sector. All of the costs incurred by the delivery partners will be met by the Investors; therefore, partners will not have to take the risk of outcome payments.

C) Intermediaries: Some Social Investment Partnerships may also involve an intermediary. The role of the intermediary could involve (but is not limited to):

- Identifying appropriate investors and delivery partners and bringing them together;
- Organising specific investment arrangements such as SIBS to underpin the relationship; and
- Supporting the partnership by managing the performance of the delivery partners.

NB – It is understood that DWP expect that Local Enterprise Partnerships (LEPs)/Local Authorities would be more likely to take on the role of an Intermediary if they wish to be involved in this initiative (i.e. rather than be an investor or delivery partner).

4.2 The key requirement is that the investor(s) must have the willingness and ability to underwrite the full delivery costs and to take on the risks associated

with payment by outcomes. DWP would not expect the Investors to have a direct role in delivery, but they will be able to provide management and systems support to the delivery bodies if they wish to do so.

5. OUTCOMES AND PAYMENT MODEL

5.1 **Appendix 1** contains a definitive list of the outcomes which can be proposed by bidders, the definition of each outcome and the evidence requirements for payment validation purposes. It also shows the maximum amount DWP will consider paying for each outcome. It is worth highlighting that:

- The total cost of outcomes payable to each individual participant cannot exceed £11,700. This figure is based on the cost of out of work benefits to a young person over a three-year period.
- DWP will pay for one or more outcomes per participant which can be linked to improved employability.
- DWP will not consider projects with a financial liability (subject to all outcomes being met) in excess of £3 million per year, as they wish to run a number of projects in order to test the concepts.
- Each project will run for up to three years. In Round One, the average contract value per year was approximately £910,000 per annum.

6. TEES VALLEY UNLIMITED

6.1 Following the announcement of the Innovation Fund in May 2011, a Task and Finish Group was established consisting of officers from TVU and the five local authorities to investigate the possibility of submitting a Tees Valley wide application form under Round Two.

6.2 On 5th August 2011, TVU submitted a 'letter of intent' to confirm to DWP that an application would be submitted under Round Two.

6.3 On announcement of Round Two, the TVU Management Group agreed for the Task and Finish Group to progress a funding application which included:

- The TVU advertising through the North East Procurement Organisation (NEPO) for expressions of interest (EOI) for 'Social Investors, Intermediary and Delivery Partners'. Within Hartlepool, key partners including Hartlepool Works and Hartlepool Voluntary Development Agency (HVDA) and its partners were made aware of these opportunities*.
- From this EOI exercise, A4e proposed to be an Intermediary and approximately 25 organisations applied to be delivery partners. The

partners applications have now been scored and approximately 12 organisations are currently going through a due diligence process.

- Raising awareness of the Innovation Fund to schools, the 11-19 sub-regional group, the five local authorities Integrated Youth Support Services and post-16 providers.
- Designing the proposed delivery model with partners from the local authorities, particularly the 11-19 Advisers and Economic Development officers.

***NB:** There has been some interest shown from a number of organisations who have the financial capability in which to fund a three year project. This includes a community foundation consisting of 300 private companies who have a shared interest in promoting wider corporate and social responsibilities. However, to date, no firm commitment has been made.

- 6.4 As part of the NEPO exercise, A4e initially submitted an EOI to state that they wished to be an Intermediary. On 16th February 2012, A4e met with TVU and the five local authorities to state that they had put forward a proposal to their internal 'Insight Investment Board' to secure investment for the delivery of a Tees Valley wide Innovation Fund bid. A4e then stated that they had secured this investment but rather than compete with the TVU bid, proposed that they work together. This would mean A4e submitting a stand-alone Tees Valley wide bid which would include their portfolio of Investors, A4e acting as the Intermediary and utilising the TVU delivery partners.
- 6.5 A report was submitted to the TVU Management Group on 22nd February 2012 and it was agreed that the A4e offer would be declined and an Initial Application Form (IAF) submitted by TVU.

7. TVU INITIAL APPLICATION FORM (IAF)

7.1 The TVU IAF outlines that:

- TVU will be the intermediary.
- Stockton Borough Council will be the contract holder.
- This will be a three year, Tees Valley wide project aimed at providing intensive support to 14 to 15 year olds who have been identified as high risk of becoming disengaged from school and/or long term NEET.
- In the three year period a minimum of 500 and a maximum of 1500 young people could be supported, dependent on the funding awarded.
- There will be dedicated mentors to support young people to improve their attitude, attendance and behaviour and to assist them through the stages of year 10 and 11 and the transition into post 16 activity.

- There is an aim of securing £1million per annum for three years from social investors to fund the project. TVU will be asking any investor(s) to set aside funding up front, so that they can be assured that it is readily available to cover claims from the delivery partners.
- Delivery partners will be confirmed at a later date. Additional provider's services may be brokered in.

7.2 It should be noted that at the IAF stage, the social investors do not have to be named.

8. TVU HIGH LEVEL DELIVERY STRUCTURE

- 8.1 This project will complement and add value to the five local authority's existing Early Intervention structures. Each area has co-ordinated multi-disciplinary teams who offer dedicated support to vulnerable families. Initiatives such as Troubled Families and ESF Families with Multiple Problems are linked to these teams and Innovation Fund delivery partners will be integrated within them, providing an enhanced holistic assessment of the whole family through the Common Assessment Framework.
- 8.2 There will be three strands to the project – prevention, transition and re-engagement to target disadvantaged young people.
- 8.3 The delivery partners who are predominantly from the third sector; none of whom will deliver over 20%; will offer dedicated Transition Mentors to each young person and provide intensive pastoral support and progression routeways to post-16 activity.
- 8.4 There will be a Steering Group established which will lead on identifying and addressing non-participation on programmes, improving links to employers, capacity building within the third sector and enhancing safeguarding procedures.

9. THE COMMERCIAL TIMELINE

9.1 The high-level timetable for the Innovation Fund bidding round is as follows:

Deadline for IAF responses	10am 2 March 2012
Short-listed Bidders Announced	w/c 23 April 2012
Issue Invitation to Tender and Supporting Documentation	w/c 23 April 2012
Deadline for Invitation to Tender responses	10am 29 June 2012
Announcement of Preferred Bidders	w/c 13 August 2012

Post Tender Discussions	August 2012
Contract Award	Late Summer /Early Autumn
Service Commencement	Late Summer /Early Autumn

10. NEXT STEPS

- 10.1 The IAF was submitted prior to the deadline on 2nd March 2012 and TVU and the local authorities will continue to aim to secure investment from organisations to deliver the project, particularly if TVU are invited to the final submission stage. Although social investors do not need to be named at this initial stage, they will need to be shown within the second and final bidding stage. Without investment, DWP will obviously not support the project.

11. RISK IMPLICATIONS

- 11.1 The main risk will be to the social investor(s). They will not be paid unless the delivery partners achieve their targets. Therefore, it is vital that the delivery partners are chosen based on their expertise, specialism and track record of successfully delivering such programmes.

12. FINANCIAL AND CONTRACTUAL IMPLICATIONS

- 12.1 Until the contract is awarded, there is limited information known on the financial and contractual implications. However, the social investor will only be paid on outcomes but will have to provide grant funding to the delivery partners. Also, Stockton Borough Council will be the accountable body for this contract and will therefore be wholly responsible for total contract compliance.

13. RECOMMENDATIONS

- 13.1 The report is for information. If TVU is successful with their DWP Innovation Fund application, then a further report will be submitted to Cabinet.

14. BACKGROUND PAPERS

- 14.1 The Department for Work & Pensions –Innovation Fund Provider Guidance <http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/innovation-fund/>

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APPENDIX 1 – OUTCOMES

This table provides a definitive list of the outcomes DWP will pay for; a clear definition of each outcome; the maximum price DWP will pay for that outcome; and the type of evidence we expect Delivery Bodies to collect and store for payment validation purposes.

Please note; Following the Wolf Review, DfE are undertaking a review of which qualifications for 14-16 year olds should contribute to performance tables. The findings are due early in 2012 and may impact on the list of acceptable NQF level 1 and 2 qualifications (for the Year 10-11 age group) which we have provided in this annex. If changes are made following the DfE review, we will discuss the implications and agree any revisions with the selected Innovation Fund contractors at that point.

You can read the full consultation at;

<http://www.education.gov.uk/consultations/index.cfm?action=consultationDetails&consultationId=1766&external=no&menu=1>

The total cost of outcomes payable to each individual participant cannot exceed £11,700. This figure is based on the cost of out of work benefits to a young person over a three-year period.

Whilst the aim of Round Two of the Innovation Fund is to support 14 and 15 year olds, we recognise that successful projects will be working with individuals for up to three years and will therefore also pay for outcomes achieved during this period.

Nature of outcome by age group of young person	Definition of outcome	Maximum Price of Outcome	Examples of Evidence required for Payment Validation Purposes
Age 14 and 15 years			
"Progress Measures"			
Improve attitude to school	The young person demonstrates a sustained improvement in both their attendance and behaviour at school. This must be verified by a teacher.	£700	Confirmation letter from school/teacher/home tutor
Improved attendance at school	'Persistent truancy' means deliberate absence for days or weeks at a time. This has to decrease to attendance levels associated with the average student.	£1,400	Confirmation letter from school/teacher/home tutor or Copy of Attendance Record

Improved behaviour at school	Poor behaviour at school can be defined as those “w hose behaviour is unacceptable, w ho break school rules or w ho fail to follow a reasonable instruction (Section 91 of Education and Inspection Act 2006)”. Students w ho have a pattern of this behaviour have to decrease this significantly.	£1,300	Confirmation letter from school/teacher/home tutor
QCF accredited Entry level qualifications (below GCSE)	These include the follow ing: Skills for Life at Entry level, Entry level aw ards, certificates and diplomas, Foundation Learning Tier pathw ays and Functional Skills at Entry level	£900	Confir mation from school or copy of certificate
Age 16 years plus			
Improved attitude to school/education	The young person demonstrates a sustained improvement in both their attendance and behaviour at school. This must be verified by a tutor.	£700	Confirmation letter from school/teacher/home tutor
Basic Skills	Obtaining basic skills, w ith literacy and numeracy focus	£900	Copy of certificate
Level One NQF or equivalent	Up to 1st Level 1 NQF or equivalent	£1,100	Confirmation from education/training establishment or copy of certificate
Level 2 NQF or equivalent	Up to 1st Level 2 NQF or equivalent	£3,300	Confirmation from education/training establishment or copy of certificate
Level 3 NQF or equivalent	Up to 1st Level 3 NQF or equivalent	£5,100	Confirmation from education/training establishment or copy of certificate

<p>Entry into First Employment (16 or more hours per week) with training element (e.g. an Apprenticeship, or work-based learning)</p>	<p>16 or more hours of work per week, which must be sustained for a minimum of 13 weeks. A sustained job outcome payment will be generated if a further 13 weeks is sustained in employment. This must also have a training element which contains a minimum of 280 guided learning hours per year.</p>	<p>£5,500 (£3,500 after 13 weeks and an additional £2,000 after 26 weeks)</p>	<p>Confirmation letter from employer Self-Employment job outcomes will need to be supported by a letter from a recognised business start up organisation which must include a business plan or evidence of trading that is clearly linked to the company and be proportionate to the business.</p>
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CABINET REPORT

2nd April 2012



Report of: Director of Regeneration and Neighbourhoods

Subject: FLEXIBLE SUPPORT FUND

SUMMARY

1. PURPOSE OF REPORT

To update Cabinet on the current position of the Department for Work and Pensions (DWP) Flexible Support Fund (FSF).

2. SUMMARY OF CONTENTS

The report provides background information relating to the FSF and the current position relating to the original application submitted to DWP/Job Centre Plus (JCP). In addition, confidential financial information is contained in **Appendix 1 (This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, para 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

3. RELEVANCE TO CABINET

The employment and skills agenda falls within the Regeneration and Economic Development and Skills Portfolio. However, due to the contract value and the need for close cross sub-regional work with the five local authorities within the Tees Valley and TVU, the report has been submitted to Cabinet.

4. TYPE OF DECISION

Non Key.

5. DECISION MAKING ROUTE

Previous report submitted to Cabinet on 15th August 2011.
To be considered by Cabinet on 2nd April 2012.

6. DECISION(S) REQUIRED

The report is for information. When the Council receives the contract from DWP, a further report will be submitted to Cabinet asking for approval to manage and deliver elements of the Tees Valley wide FSF project.

Report of: Director of Regeneration and Neighbourhoods

Subject: FLEXIBLE SUPPORT FUND

1. PURPOSE OF REPORT

1.1 To update Cabinet on the current position of the Department for Work and Pensions (DWP) Flexible Support Fund (FSF).

2. BACKGROUND

2.1 In July 2011, the Durham and Tees Valley JCP district announced the £1.8 million FSF which would be utilised by JCP and partners to support unemployed adults to enter into work. This funding amount was initially to be used by the end of March 2012, with the possibility of a further 12 months funding from April 2012.

2.2 Partners were invited to submit bids for the FSF direct to JCP and were advised to consider the key points as shown in paragraph 2.3 to 2.6.

2.3 The funding could be used to meet identified local need, plug gaps in provision and/or add value to existing services to achieve the maximum impact in helping unemployed adults to enter into work.

2.4 The key priority groups that the FSF must target are:

- Young people.
- Other customer groups with significant, persistent or multiple barriers to work.
- JCP non-Work Programme customers.

2.5 JCP specified that the funding must directly link people into work and must not duplicate other provision, such as Work programme or European Social Fund (ESF) programme. All bids should also have a focus on one or more sectoral areas such as Renewable energy, Retail, Health and Social Care, capacity building support for the third sector and support for small to medium sized employers to employ their first employee. JCP were also keen to see match funding allocated for any proposals submitted from partners for the FSF.

2.6 The approval process is as follows:

- Bids up to the value of £10,000 can be approved by the Durham and Tees Valley JCP District Manager.
- Bids between the value of £10,000 and £25,000 can be approved by the JCP North East Customer Services Director.
- Bids over the value of £25,000 must be approved by the national DWP Executive Board.

3. RAISING AWARENESS OF FSF TO PARTNERS

- 3.1 Alongside JCP inviting key partners to presentations to promote the FSF, the Council also organised workshops to advise Hartlepool's partners on this opportunity, such as Hartlepool Works members and Hartlepool Voluntary Development Agency. These workshops were used as a forum to ensure that any proposed FSF activities were co-ordinated, added value to existing services and were effectively aligned to key priorities including targeting the most disadvantaged unemployed adults, such as carers.

4. TEES VALLEY FSF APPLICATION

- 4.1 Following confirmation of this funding opportunity, the five local authorities within the Tees Valley and TVJ worked together to submit a partnership application proposal to cover this sub-region.
- 4.2 It was agreed by the above parties that Hartlepool Borough Council would lead on writing the bid and that it would be the accountable body for the contract if funding was secured.
- 4.3 An FSF application form was submitted to JCP in September 2011 with the original proposal for a six month programme to be delivered between September 2011 and March 2012. Within this application the five local authorities agreed to offer match funding to this FSF proposal. See **Appendix 1** for a financial breakdown of the original proposal. **(This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, para 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 4.4 The original proposed delivery model was:
- Delivery of a Tees Valley wide FSF project.
 - Assist 400 pre-Work Programme customers to enter into employment or an employed status apprenticeship, of which 80% will be 18-24 years.
 - Engage with 500 SME's to promote the project.
 - Deliver 10 Human Resource/Employment Legislation workshops to SME's.
 - Deliver 10 self-employment workshops.
 - Achieve Level 2 qualifications for the 80% of the 18-24 year olds (This service could be brokered to training providers).
 - The five local authority Economic Development Teams would be the delivery partners.
- 4.5 The FSF and match funding secured would be used to fund costs such as employer subsidy payments so that the targets would be achieved.

5. DELAYS IN THE DECISION MAKING PROCESS

- 5.1 Due to the contract value, there were delays in a decision being reached by DWP JCP. At the end of 2011, JCP requested that the start and end of the programme be moved between the period of January 2012 to June 2012 which was agreed by the five local authorities and TVU.
- 5.2 Unfortunately, no decision was made by DWP and the programme was unable to commence in January 2012. On 17th February 2012, JCP requested that Hartlepool Borough Council revise their original profiled job outcomes so that the project could be delivered between April 2012 to March 2013. TVU and the five local authorities revised the profiled job outcome targets as shown below and submitted it to JCP on the same day.

Profiled Job Outcome Targets												
April 12	May 12	June 12	July 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Total
5	10	20	30	45	70	70	55	20	15	30	30	400

- 5.3 On 29th February 2012, JCP contacted Hartlepool Borough Council to confirm that its application had been approved.

6. CONTRACTUAL AND FINANCIAL CONSIDERATIONS

- 6.1 At the time of submitting this report, the Council has still not received a copy of the contract and at this stage, cannot confirm key points including:
- The total amount of FSF offered.
 - Whether the contract stipulates that it will be payments on results or a grant payment.
 - The start and end date of the contract.
 - The definite number of outcomes to be achieved.

7. NEXT STEPS

- 7.1 The next steps will be for Hartlepool Borough Council to:
- Receive the contract from DWP to understand the contractual and financial implications of delivering the programme.
 - Submit a further report to Cabinet with information relating to the financial, contractual, human resource and risk implications.

8. RECOMMENDATIONS

- 8.1 The report is for information. When the Council receives the contract from DWP, a further report will be submitted to Cabinet asking for approval to manage and deliver elements of the Tees Valley wide FSF project.

9. BACKGROUND PAPERS

There are no background papers.

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