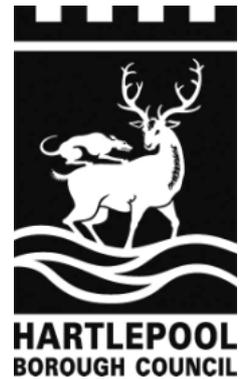


# REGENERATION SERVICES COMMITTEE AGENDA



20 June 2013

at 9.30 am

in Committee Room B  
Civic Centre, Hartlepool

MEMBERS: REGENERATION SERVICES COMMITTEE

Councillors C Akers-Belcher, S Akers-Belcher, Cranney, Dawkins, Fisher, Morris and Payne

1. **APOLOGIES FOR ABSENCE**

2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

3 **MINUTES**

- 3.1 To receive the Record of Decision in respect of the meeting held on 22 May 2013 (previously circulated)

4 **BUDGET AND POLICY FRAMEWORK**

None

5. **KEY DECISIONS**

- 5.1 Skills Support for the Workforce – *Director of Child and Adult Services and Director of Regeneration and Neighbourhoods*



**6. OTHER ITEMS REQUIRING DECISION**

- 6.1 Mill House Leisure Centre – Options for Future Pool Configuration – *Director of Child and Adult Services*

**7. ITEMS FOR INFORMATION**

- 7.1 Quarterly Update Report for Public Protection – *Assistant Director (Regeneration)*
- 7.2 Baden Street Regeneration Initiative: Progress Update – *Assistant Director (Regeneration)*
- 7.3 European Social Fund NEET Provision: North East – *Assistant Director (Regeneration)*
- 7.4 Social Housing Stock Redesignation (due to Welfare Reform Act 2012) – *Assistant Director (Regeneration)*

**8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT**

**FOR INFORMATION:**

**Date of next meeting – 18 July 2013 at 9.30 am at the Civic Centre, Hartlepool.**



# REGENERATION SERVICES COMMITTEE

20th June 2013



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

**Subject:** SKILLS SUPPORT FOR THE WORKFORCE

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 This is a key decision (test (i)), forward plan reference number CAS011/13.

## 2. PURPOSE OF REPORT

2.1 To seek approval from the committee to accept funds to manage the delivery of the Tees Valley European Social Fund bid for Skills Support for the Workforce

## 3. BACKGROUND

3.1 In December 2012 the Skills Funding Agency (SFA) issued an invite to tender for ESF funds. At this stage there was the opportunity to bid for a project for Skills Support for the Workforce.

3.2 The tenders for these bids were launched on a sub regional basis with only 2 contracts being issued across the North East. These were based on the LEP areas. The deadline for submission of these bids was very tight and was set at the 17<sup>th</sup> January

3.3 After initial discussions with a range of organisations the partnership of the Local Authority Adult Learning Providers in the Tees Valley came together to discuss the possibility of submitting a joint bid to deliver the project across the sub region. It was agreed that Hartlepool Adult Education would lead on this and submit the bid on behalf of the partnership. The bid was written with the assistance of the Economic Regeneration team.

3.4 In May 2013 the SFA contacted the service to inform that we had been successful in the bidding process and that they would issue a contract to deliver the project across the Tees Valley.

- 3.5 The Skills Support for the Workforce project is designed to provide a range of training and support programmes to assist employed individuals to:
- Enhance their skills in order to become more successful in the labour market
  - Advance their career prospects
  - Reduce the risk of long term unemployment and welfare dependency.

The project is designed to target SMEs in key sectors where skills are needed to meet greatest employer needs.

The targeted sector areas are: Logistics, Chemical Processing/Engineering, Digital, Advanced Manufacturing/Engineering and Health & Social Care. The project will also have funding to work with employers to establish their training needs and to raise awareness of and participation in apprenticeships.

- 3.6 The tender also specified that the primary target group is those adults with a basic skills need or those without a full level 2 qualification. Furthermore the project should target priority groups such as females, those with a disability, ethnic minorities and those aged 50 or over.
- 3.7 The main deliverables as stated in the bid are shown below.

Number of participants	2162
No of starts on learning programmes	2162
Number of achievements	1771
Number of starts progressing to apprenticeships	440
Number of starts progressing to accredited learning	937

- 3.8 The training within project will be delivered by the Tees Valley Local Authority Adult Learning services and other subcontractors who will be appointed to deliver in the specialist sectors.
- 3.9 In order to complement existing business networks, the Economic Regeneration teams of the Local Authorities will also be closely involved in liaising with employers.

#### 4. PROPOSALS

- 4.1 The Adult Education service will prepare a delivery plan to meet the requirements of the funders. In order to do this there will be close liaison with the other Local Authority partners to deliver the objectives as agreed in the bid. The project will be overseen by a steering group consisting of representatives from all the Local Authority partners. The objectives are to be agreed with the SFA and will take into account the needs identified by the LEP and local businesses working in the targeted sectors.

- 4.2 The service will be responsible for the overall management of the project and ensuring that all targets are met.
- 4.3 Following the contract clarification meeting with the SFA, they have agreed the project be 'branded' and have agreed with the generic brand Tees Valley Skills.

## **5. FINANCIAL CONSIDERATIONS**

- 5.1 This project is fully funded from the Skills Funding Agency so there are no financial implications. The total amount allocated in the bid is £2,773,397 over 2 years. These funds will be used to deliver and commission the training required and to deliver the other targets as required in the bid.

There will be funds allocated within this for the management and administration of the project. The project will begin in June 2013 and will continue until July 2015.

## **6. STAFF CONSIDERATIONS.**

- 6.1 Within the project there will be the need to recruit dedicated project staff to fulfill all the objectives. In total it is envisaged that there could be a need for an additional 10 staff to work on the project. This is in addition to the staff required by the partners to deliver the training.

## **7. RECOMMENDATIONS**

- 7.1 It is recommended that the committee approve:
- Acceptance of the ESF contract for the delivery and management of this project.
  - That the project be branded Tees Valley Skills.
  - Refer appointment of additional staffing requirements to deliver the project to the Finance and Policy Committee.

## **8. REASONS FOR RECOMMENDATIONS**

- 8.1 The Adult Education service has experience of managing similar successful regional and sub regional projects. The partnership approach will bring added value to the training opportunities and ensure the training is targeted to meet local demand. This project will provide the opportunity for employees to access much needed training to improve their skills. It will also give employers access to advice on further training opportunities and allow them to up-skill their current staff or to re-skill staff as required by changing market demands.

- 8.2 The project is fully funded from ESF funds and a branded project is required to ensure full credit is given to the source of funds and the project outcomes.
- 8.3 The constitution required all structural changes relating to staffing modifications due to grant funding to be referred to Finance and Policy Committee.

## 9. BACKGROUND PAPERS

The tender specification 'Skills Support for the Workforce (SSW) North East' and the resultant offer letter notification are attached as **Appendix 1**.

## 10. CONTACT OFFICER

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**European Union**  
**European Social Fund**  
 Investing in jobs and skills



**convergence**  
 for economic  
 transformation



**Skills Funding  
 Agency**

<b>ITT Reference</b>	<b>ITT 29360</b>
<b>ITT Title</b>	<b>ESF Skills Support for the Workforce</b>
<b>Notice Date</b>	<b>07 June 2013</b>
<b>Procurement Lot</b>	<b>Tees Valley LEP &amp; LRF</b>
<b>Name of Tendering Organisation</b>	<b>Hartlepool Borough Council</b>

The Skills Funding Agency [The Agency] has now completed the evaluation process of the responses to the above tender. We are pleased to be writing to advise your organisation that the tender has been successful and it is the Chief Executive of The Agency's intention to award a contract to your organisation for the provision of

**ESF Skills Support for the Workforce.**

This offer is conditional on the Chief Executive of The Agency making final due diligence checks on your company.

The Intention to Award a Contract letter will contain an indicative funding allocation. This allocation may not be the amount of funding you requested in your bid. Please refer to the Contracting section of the Invitation to Tender document

Your organisation needs to be aware that under the EU Procurement Directives this Intention to Award a Contract is subject to a mandatory standstill period of 10 days during which time unsuccessful organisations may, if they so choose, challenge the decision following the issue of Award Decision Notices. The Award Decision Notice will be sent to your organisation on **3 May 2013**.

Therefore during this period you are requested not to undertake any actions with regard to this Award as to do so would be entirely at your own risk and cost.

The Agency would like to congratulate your organisation on its tender being successful, and thanks your organisation for taking part in this procurement process. The Standstill period ends on **13 May 2013**

Yours faithfully

Keith Smith  
 Executive Director Funding & Programmes



## SKILLS FUNDING AGENCY

**ESF 2012 - 2015**  
**Tender Ref: 29360**

### **Skills Support for the Workforce (SSW)** **North East**

**December 2012**

**What you need to do to respond to this specification:**

- Read the entire 'Read Me First' and relevant Specification before answering any questions.
- Decide which procurement lots you would like to bid for.
- Answer all common questions in the *ESF Skills Support for the Workforce* Generic Questions (Bravo code: 29350) **once** regardless of how many procurement lots and specifications you are bidding for.
- Each regional ITT has a set of 15 questions relating to each LEP / Core City. Ensure that you have **answered these for each LEP / Core City** that you are bidding for.
- If you are bidding for the Local Response Fund answer questions 1b and 2b, 3 to 14. If necessary use question 15 to provide further information.
- Complete and submit 'Bid Supporting Evidence' spreadsheet, incorporating Implementation Plan, delivery profiles, costings and subcontracting details for each LEP / Core City.

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1. Foreword
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4. Common Service Requirement, including:
  - a. Aim
  - b. Bidder Requirements
  - c. Product Requirements
  - d. Local Response Fund
  - e. Funding
  - f. Eligibility
  - g. Area of Delivery
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Appendix A – Examples of Potential Skills Interventions

Appendix B – Local Response Fund

Appendix C – Funding Rates and Deliverables

Definition of Terms

Abbreviations

## 1. Foreword

*The Skills Funding Agency and the Agency's European Social Fund (ESF) External Advisory Group (EAG) are delighted to announce this tender opportunity.*

*The work that the EAG has undertaken over the last six months has paved the way for an approach to the procurement and management of ESF that meets the needs of local communities, including learners and employers, whilst maintaining the economies of scale provided by the Agency.*

*Local Enterprise Partnerships (LEPs) have a vital role to play in determining the effective use of European funding at local level. We have therefore worked with all LEP areas on this specification for Skills Support for the Workforce, to engage them in identifying their skills priorities so they can be included in the specification for their locality.*

*This has led to an ESF specification which responds to local workforce needs. Each LEP's priorities are described within a LEP level unit of procurement to ensure a local the focus to delivery.*

*The Agency is committed to working with key stakeholders to meet priorities identified through dialogue with local LEPs and Core Cities. This is not intended as a one-off exercise but the start of the journey to deliver successful future ESF partnership programmes.*

## 2. Introduction

1. This tender will purchase solutions that respond to local skills needs to support employed individuals, especially young adults (aged 19 and over) to:
  - enhance their skills in order to become more successful in the labour market
  - advance their career prospects
  - reduce the risk of long term unemployment and welfare dependency.
2. This specification is purchasing solutions for the area defined by European Social Fund (ESF) budget boundaries as a Co-Financing Plan region. Each regional specification includes individual procurement lots that respond to each Local Enterprise Partnership (LEP) or Core City's needs. Each LEP / Core City has been included within a single specification. Organisations are invited to tender for one or more lot at LEP / Core City level.
3. Organisations are required to provide skills interventions to support the skills needs articulated by each LEP / Core City in the Co-Financing Plan Service Requirements. Where a LEP / Core City has not specified a skills intervention, then the bidder may consider the skills interventions identified in Appendix A
4. This specification has been produced by working with each LEP and Core Cities involved in the first wave of City Deals to identify emerging requirements in each locality. The Co-Financing Plan requirements reflect these discussions. The Chief Executive of Skills Funding (the Chief Executive) will procure provision to focus on existing ESF priorities and targets to support these requirements.
5. The Chief Executive is seeking bids that best support the needs of local employers and employees at LEP or Core City level and encourages consortia to deliver the entirety of each procurement lot within their bid.
6. Following the work with LEPs and Core Cities the Agency has adopted a procurement approach which is responsive to local needs and allows organisations to respond more flexibly as additional or changing needs are identified. This has been developed and endorsed by an External Advisory Group which has included representation from LEPs, Core Cities and Department of Work and Pensions.
7. The Chief Executive is seeking organisations to provide an enhanced service to address the needs of learners or employers that cannot be met elsewhere by the Agency. This means that providers who are able to deliver the activity they specify within their existing funding allocation will not receive additional funding. The activity must not duplicate existing provision available in the LEP / Core City area.
8. This ESF funding can be used to:
  - offer workplace support to meet needs identified at local level and specified later within this specification
  - enhance the existing Apprenticeship offer
  - develop capacity in the existing provider network

- prepare or encourage employers and / or employees to participate in an Apprenticeship.

### 3. Context

9. The Chief Executive is a statutory post and corporation solely established by the Apprenticeship Skills Children and Learning Act 2009. The Chief Executive is responsible for securing adult Further Education and skills training in England to ensure that people and businesses can access the skills training they need to succeed in playing their part in society and in growing England's economy. The Chief Executive exercises her responsibilities in the context of policy set by BIS and informed by the needs of businesses, communities and regions, and sector and industry bodies. The Skills Funding Agency (the Agency) describes the Chief Executive and the staff appointed by her to assist her in carrying out her functions.
10. The Agency is a European Social Fund (ESF) co-financing organisation.
11. Whilst responding to local skills needs for employed individuals, bidders must also consider the relevance of the following strategies:
  - Skills for Sustainable Growth identifies that investing in training has many economic and social benefits to employers and individuals, especially people with low skills. However, there are many reasons why employers and individuals may choose not to invest in learning and skills.
  - Supporting Youth Employment, commits to ensuring that young people have the opportunity to engage in the labour market in order to advance their career prospects. It has set out clear objectives to both increase the opportunities available to young people, and to increase employer engagement and investment in training through significant expansion of the Apprenticeship scheme.
  - The Holt Review 'Making Apprenticeships more accessible to small and medium sized enterprises' recommended creating an environment in which SMEs can develop their own training provision or work with providers and others to design apprenticeships that address skills shortages quickly and effectively, without reducing quality. A particular focus in the first instance will be on sectors where there is high demand and low supply and to continue to develop employer-focused training provider models and networks.
  - The Government's Local Growth White Paper has set out a number of roles for the Local Enterprise Partnerships (LEPs), including their role of supporting high-growth businesses, working with local employers and training providers. The Agency is therefore working with the growing network of LEPs and Core Cities to ensure that the skills supported through this procurement exercise address local needs. This specification has been constructed to reflect each LEP and Core City (first round only) within a single specification at Co-Financing Plan level.

- The 2011 Government commissioned the Little Review 'Creating an Inclusive Apprenticeship Offer' that recommended actions that could help create a more inclusive Apprenticeship offer for people with learning difficulties and disabilities.

#### **4. Common Service Requirements**

This section provides the requirements that are common to all Co-Financing Plan regions and each LEP / Core City.

##### **Aim**

12. The aim of this funding is to:

- respond to local skills priorities, identified by Local Enterprise Partnerships (LEPs) and first round of Core Cities
- meet the needs of employed adults in the local workforce by adding value to existing provision - including Adult Skills Budget (ASB) provision and provision funded from other Agency funding in the areas of delivery specified in this ITT
- increase participation by employed adults in education, employment or training (including Apprenticeships) through locally defined, delivered and where appropriate innovative interventions.

##### **Common Service Requirements**

13. This provision is to support sustainable employment and promote the in-work progression of employed individuals with low skills through the delivery of work related skills training. The Chief Executive is seeking to fund provision that will raise the level of attainment achieved by these individuals, enabling them to improve their employment status and to move them on to undertake higher levels of training.

14. Successful proposals will demonstrate how, through a package of interventions and innovative approaches to delivery, they will deliver locally tailored solutions to meet the skills and Apprenticeship priorities of employers and employees within the area of delivery. This will be achieved through the delivery of skills provision leading to the onward progression of the individual to a full Apprenticeship or other in-work training.

15. The Agency encourages organisations to work in partnership to be able to address all of the LEP / Core City needs within a single bid. Delivery models are encouraged that take account of a broad cross-sector approach to the delivery of the project and ideally include local authorities, FE colleges, work based learning providers, voluntary and community sector, with strong links to the key stakeholders, LEPs and Core Cities to ensure continued relevance of the delivery within the local context.

16. Interventions must complement the local vision identified by LEPs and Core Cities and add value to the local area's strategy to increase the participation, attainment

and aspiration of its employed workforce.

17. Many LEPs / Core Cities have expressed a desire to be directly involved in the ongoing governance of contracts delivering the provision in response to this tender within their area. Bidders must describe how they engage the LEP / Core City in the ongoing governance to ensure stakeholders can steer the activity and respond to labour market changes and opportunities, as well as policy changes. Successful organisations will be required to share ongoing performance management data with the LEP / Core City on a regular basis as part of an ongoing dialogue to respond to LEP / Core City needs.

### **Bidder Requirements**

18. The bidder must be able to demonstrate a good understanding of the main skills and Apprenticeship priorities for the area in which they intend to bid – and demonstrate how they have and will actively engage with all local stakeholders in the continued direction of the project and its interventions
19. Successful applicants will demonstrate how they will work with existing local delivery organisations to maximise the benefits of existing provision and funding and avoid duplication with existing activities.
20. The bidder must be able to demonstrate the ability to undertake robust initial assessment of eligible individuals. Vocational training delivered must be regulated units and qualifications on the Qualifications and Curriculum Framework and be able to support individuals into higher levels of training and workplace progression.
21. The bidder will also support individuals by providing:
  - regular progress reviews
  - exit interviews and individual tracking.
22. The bidder must demonstrate how they intend to deliver the provision and provide access for individuals within the geographic area in which they intend to deliver. Implementation plans submitted with the bid must describe how delivery can commence as soon as possible after contracts have been issued. This should include any recruitment processes or other processes or relationships that the bidder needs to establish.
23. In line with freedoms and flexibilities for training organisations, response to local need will not be dictated by the Agency, but the evaluation criteria for this specification will include the bidder's ability to demonstrate established linkages with and understanding of local stakeholder needs, including LEPs / Core Cities where applicable. Where the identified priorities of these stakeholders are appropriate to this specification, bidders will need to reflect how these will be supported with this provision.
24. In addition, bidders must be able to demonstrate how the activities they are bidding for will lead on to further support for wider skills priorities and economic

development within stakeholder strategies.

### **Product Requirements**

25. Proposals must include a mix of activities to support the skills priorities and interventions identified by each LEP / Core City.
26. Successful organisations will manage their budget to deliver a suite of solutions alongside meeting the targets laid out in the Co-Financing Plan Service Requirements in section 5 of this specification. This may involve a mix of high and low cost support, though all participants must engage in learning activity as part of their programme, in keeping with their individual needs.
27. Through consultation and dialogue with LEPs and Core Cities a number of activities have been identified at each local level and are detailed in the Co-Financing Plan Service Requirements in section 5 of this specification. Where a skills issue has been identified but no specified skills intervention, tendering organisations may consider the Skills Interventions listed in Appendix A of this document. Evaluators will assess how the bid has responded to a LEP / Core City's needs.

### **Local Response Fund**

28. Each Co-Financing Plan has made available a Local Response Fund as an opportunity to develop provision to respond to ongoing and emerging skills issues identified by LEPs / Core Cities. The funding is available at each lot level to develop an agreed plan of solutions with the key local stakeholders and then deliver the planned activities. This fund will offer the flexibility to respond to emerging skills issues and will not require the bidder to articulate the solutions when the tender is returned, these will be developed and agreed once contracts have been awarded. Organisations will have to demonstrate how they will facilitate this process and particularly how they will:
  - a) consult with key stakeholders in relevant localities to establish the nature and origins of the barriers identified where these have not already been identified
  - b) identify, develop and trial new approaches to overcoming the barriers
  - c) evaluate and share good practice on an ongoing basis with stakeholders, the Agency, and other Agency-funded Apprenticeship providers.
29. Organisations interested in delivering this fund must respond to the relevant questions and indicate which geographical lots they would like to deliver.
30. Further details are available in Appendix B of the specification.

### **Funding**

31. Activities delivered through this procurement will be funded using the standard rates detailed in Appendix C.

32. Incentive payments are available to encourage learner access, participation and achievement for those participants identified as a priority by a LEP / Core City. The priority groups will be agreed for each locality with the LEP / Core City before delivery commences and will reward participation for those groups currently difficult to attract.
33. Similarly payments will be available to reward progression of a participant to Apprenticeships or other in-work learning after the skills intervention funded from this programme has been completed.
34. Further details of the payments are included in Appendix C.

### **Eligibility**

35. Individuals supported through this tender must:
- be employed in a business employing no more than 250 staff or no more than 49 staff for activity delivered at Level 4
  - aged 19 or over
  - be eligible for ESF funding as defined in the Agency's Funding Rules document and the ESF operational guidance Manual 2.
36. Geographic eligibility will be based on the employer's location and will only support individuals resident in England.
37. This funding can only be used for activities that:
- add value to existing Adult Skills Budgets and other Agency funded provision
  - do not displace Government policy in key areas.  
For example full Level 3 (and above) qualifications for learners aged 24 and over cannot be funded as this will displace 24+ Advanced Learning Loans.
38. The primary target group for this provision is employees with low skills (defined as those with either no qualifications or whose highest previous qualification is below Level 2). However, funding can be used to support learners with intermediate and higher level skills to respond to LEP / Core City needs.
39. Where growth or skills shortage sectors have been identified by the LEP / Core City (or nationally by the BIS Industrial Strategy if no local priority identified), this funding offers the following flexibility beyond the usual Agency policy constraints:
- Smaller units of delivery can be funded that are not full qualifications. This includes units to deliver at Level 2 for those with an existing Level 2 qualification and units and awards for Level 3 and above. Information on delivering can be found on the Agency's website.
  - Licences to practice that are not a legal requirement.
40. Contracts will be awarded to bidders on the basis that at least 50 per cent of the activity will be the delivery of education and training, that is activity that is funded

as Learning. Successful bidders are expected to organise their delivery to manage this.

### **Area of delivery**

41. Through this procurement exercise the Chief Executive will ensure full national coverage. This will be through contracts managed at individual LEP / Core City level and specifications at each Co-Financing Plan region level to reflect the needs of LEPs and Core Cities. Bids will therefore need to clearly define their geographic delivery parameters and be in line with the Co-Financing Plan requirements.

### **ESF requirements and information**

42. Successful bidders will be funded from the ESF 2007-13 Programme and this provision is designed to contribute to the Agency Co-Financing Plan targets. An aim of ESF is to support those who face barriers and disadvantages to progressing in skills and employment. The Chief Executive will be contracting for delivery between May 2013 and July 2015.

43. In line with Government policy on freedoms and flexibilities for training providers, specific cohort targets will not be set. However, all contracts issued through this tender will contribute to the Co-Financing Plans, taking into account and supporting the following priority groups and cross cutting themes, especially where they have not yet been met. It is expected that this funding must therefore impact upon those target groups whilst encouraging progression to full Apprenticeship delivery or other in-work training.

- participants with basic skills needs
- females
- participants with disabilities
- participants with health problems (London only)
- participants aged 50 or over
- ethnic minorities
- sustainable development.

44. This tender is for Priority 2 and Priority 5 (Cornwall and Isles of Scilly), 'Developing a skilled and adaptable workforce'. Resources will be focused on people in the workforce who lack basic skills or qualifications. Priority 2 and Priority 5 aims to help people gain relevant skills and qualifications needed for their career progression and for business growth and innovation in the knowledge economy.

45. The Agency is an ESF Co-Financing Organisation and operates programme level match funding, utilising its own sources of public funding as match funding for ESF funded activity. Bidders do not need to provide their own match funding.

46. Successful bidders will need to comply with ESF requirements for the eligibility, publicity, evaluation and audit of ESF funded activity. Further information is

available in the ESF Operating Manual 1 on the [ESF in England website](#).

### Cross Cutting Themes

47. Gender Equality and Equal Opportunities is a cross cutting theme of the ESF Framework. The programme maintains the dual approach to promoting gender equality and equality of opportunities by funding specific activities which target women and disadvantaged groups as well as integrating equal opportunities into the planning, implementation, monitoring and evaluation of the programme as a whole.
48. Action to promote equality and diversity is an integral part of the Agency's business objectives. A world-class workforce can only be created if we remove barriers, eliminate discrimination, address disadvantage and raise the aspirations of both present and potential learners.
49. Sustainable Development (SD) activity is a mandatory requirement of all projects funded through the ESF programme. Applicants will be required to have in place an operational SD policy and implementation/action plan within six months of the project start date. Performance monitoring of the project will include a review of progress against the implementation/action plan on a quarterly basis.
50. Bidders will need to ensure their activity will be delivered to support these cross cutting themes. Activity will need to promote and engage with priority individuals, such as those with protected characteristics. More information on the delivery requirements of each cross cutting theme can be found within Section 3 of the Agency's [Funding Rules](#).

### State Aid

51. As activity under this tender will be supporting employers either directly or indirectly and is classed as "State Aid". The bidder will be expected to follow the [Agency's Funding Rules](#) for State Aid.

### **Other Requirements**

#### Information, Advice and Guidance

52. Where the activity requires effective Information, Advice and Guidance successful bidders will either hold the [Matrix standard](#) or will provide an equivalent level of support, for example by sub-contracting this aspect of delivery to partners who are Matrix-accredited. Applicants must state whether they hold the Matrix standard for IAG or are working towards it.

#### Quality

53. Applicants must demonstrate in their tenders how they will provide training to the required quality. Bidders will need to demonstrate they have a track record of

delivering high quality provision to learners, employers or employees. Evidence of inspection grades of 3 or above or external quality assurance.

#### Apprenticeship Training Agencies

54. Where proposed activity is to develop an Apprenticeship Training Agency (ATA) or provision will be delivered via this route the bidder must ensure that these comply with requirements set out in the [Funding Rules](#). New ATAs are classified as 'in development' but they are required to be evaluated for full recognition within six months. Information on ATAs and the Recognition Process can be found on the [Apprenticeship website](#) along with a list of nationally recognised ATAs.
55. Additional advice and guidance regarding ATA set up, quality and the requirements of the recognition process is available from NAS .
56. Money available through this procurement exercise cannot be used to support ongoing operational costs of ATAs.

#### Accredited and Non Accredited Learning

57. Bidders delivering activity described as 'Learning' activity are required to deliver qualifications as part of the Qualifications and Credit Framework (QCF) or the National Qualifications Framework (NQF). Where there is no appropriate accredited qualification available in the QCF providers must use the same approach that is used for the [Innovation Code](#) to deliver new provision, working in partnership with an awarding organisation to develop a new qualification that will recognise this new provision. There may be a few exceptional circumstances where this approach is not appropriate and these will be considered on a case-by-case basis by the Agency.

#### **Contracting details**

58. The Chief Executive will award contracts at LEP/Core City level, with the most effective number of contracts required to ensure that the full range of specified needs will be met for each LEP/Core City area. The Agency encourages consortia that are able to deliver interventions to support all skills needs across an entire LEP / Core City lot. The Agency is not obliged to offer a contract for the entirety of the bid and could offer a contract for part or parts of the bid submitted.
59. Applicants are invited to submit proposals for one, or more of the geographical areas within the funding available. In the instance of an applicant securing provision for more than one LEP or Core City area, the contract issued will differentiate between these areas.
60. Applicants should refer to the sample contract documentation issued with the ITT.
61. The contracts will allow individuals to start training from May 2013 and achieve by 31 July 2015 at the very latest. Progression related outcomes may be claimed

after this date up until the deadline for the final Individual Learner Record return for the 2014/15 academic year (likely to be November 2015). This is the last point at which claims for outputs can be made and following this the contract will be reconciled and closed. Failure to return participant information will seriously impair the Agency's ability to make payments for eligible outputs.

62. The bidder must have the capacity to deliver provision immediately from the start of the contract.
63. The Chief Executive will undertake rigorous performance management and will regularly intervene to address issues of under performance. This will align to the Agency's quarterly performance management process. The Chief Executive reserves the right to decrease or increase the contract value in response to the demand for quality provision and in order to maximise the impact of ESF funding across all of Priority 2 and Priority 5. Funding will be removed from organisations which are under performing.
64. Due to the changing economic and political landscape, the Agency's approach and associated processes may change during the life of this Programme. Therefore the bidder will be expected to adapt their offer and processes accordingly and the contract may be varied subject to:
  - ongoing review of the bidder's performance
  - the continuing availability of funding
  - the continuing support to the Agency in its obligation to deliver value for money
  - any changes to either ESF, Agency or Government policy as reflected in the Agency's Funding Rules
  - variations to include 16-18 provision
  - ongoing review to ensure the LEP / Core City requirements are being met.
  - ongoing review of the funding rates
65. Unless a business case can be made the Chief Executive will usually financially restrict contracts issued as follows:
  - Providers with a recommended funding limit (RFL) will not be issued contracts to exceed this limit. RFL is determined by analysing published accounts. New providers will be set an RFL prior to contract approval
  - If an existing college or provider does not have an RFL, then they will not be issued a contract for more than 100 per cent in value of their existing total contract value across all the Agency's funding streams.

## Part B Specification – North East Co-Financing Plan

### Area of Delivery

This specification and the requirements within it, relates to the geographical areas covered by the following Local Enterprise Partnerships (including Local Authorities or Districts):

- **North Eastern** (County Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside, Sunderland)
- **Tees Valley** (Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton-on-Tees)

### Funding Available

The indicative amount of funding available within this unit of procurement is **£13,500,000**. Indicative funding available at Local Enterprise Partnership level is detailed in the table below. The Agency may issue contracts that total more than this should additional budget become available:

Local Enterprise Partnership area	Lot Number	Indicative Funding Available	Lot Number	Indicative Local Response Fund
North Eastern	1	£8,594,000	2	£1,517,000
Tees Valley	3	£2,880,000	4	£509,000

## Minimum Outputs Required

As part of this specification, we are seeking, as a minimum, the following outputs to be delivered by the successful organisation(s):

- Participants without Basic Skills
- Participants without Level 2
- Participants with a Disability or Learning Disability
- Participants who gain Basic Skills

## Specification Service Requirements at Local Enterprise Partnership level

The following tables detail the specific requirements identified by the Local Enterprise Partnerships, and the skills priorities within these.

<b>North Eastern Local Enterprise Partnership</b>
<b>Skills Priorities and Issues to be Addressed</b>
Skills gaps can be found in the following sectors: <ul style="list-style-type: none"><li>• Advanced Manufacturing (including Offshore and Marine, automotive)</li><li>• Low carbon technologies</li><li>• Retail</li><li>• Creative industries/design, including software engineering</li><li>• Hospitality, Travel and Tourism<ul style="list-style-type: none"><li>• Programmes of learning across all levels responding to employers needs</li></ul></li></ul>
The Newcastle Gateshead Accelerated Zone is looking to increase jobs in the following sectors – <ul style="list-style-type: none"><li>• Professional business services</li><li>• Financial services</li><li>• Creative industries</li><li>• Higher Education and Health</li><li>• Retail and Hospitality.<ul style="list-style-type: none"><li>• Programmes of learning across all levels responding to employers needs</li></ul></li></ul>
The Enterprise Zone is looking to accelerate growth in: Offshore Wind and Renewable Sector (River Tyne North Bank, Blyth) Electric Vehicles and associated smart technologies (around the Nissan site) The wider supply chain and related sectors. <ul style="list-style-type: none"><li>• Programmes of learning across all levels responding to employers needs</li></ul>
Employability and work readiness skills are a key concern raised by a number of employers.

<ul style="list-style-type: none"> <li>• Programmes of learning to address work readiness in recently recruited employees</li> </ul>
<p>The key agenda is ensuring skills provision is responsive to employer demand, and addressing market failures in the system, e.g. in moving to align individual and employer demands, and ensuring that provision is not skewed to provision of low demand skills</p> <ul style="list-style-type: none"> <li>• Programmes of learning across all levels responding to employers needs</li> </ul>
Enabling all young people (19 – 24)to access Apprenticeship opportunities
Creating more progression opportunities in Apprenticeships
Transforming the Apprenticeship mix to increase the percentage of Apprenticeships undertaken at L3 and above.
Driving up demand from new employers for Apprenticeships, including large organisations and SMEs especially to employ apprentices aged 19 -24
Increase employer demand for Apprenticeships especially in high value growth sectors.
A local priority is that Apprenticeship provision in the NELEP area supports the delivery of the Enterprise Zone (sectors identified above).
Pre apprenticeship pathways for individuals who have not got the necessary skillset to undertake an Apprenticeship would be a priority allowing them to progress to higher level qualifications.
A shortage of skilled workers and skills gaps in engineering and also in terms of STEM as a whole exists.
<b><i>Tees Valley Local Enterprise Partnership</i></b>
<b>Skills Priorities and Issues to be Addressed</b>
<p>Key sectors where skills are needed to meet greatest employer needs:</p> <ul style="list-style-type: none"> <li>• Health &amp; Social Care;</li> <li>• Digital;</li> <li>• Advanced Manufacturing/Engineering;</li> <li>• Chemical Processing/Engineering;</li> <li>• Logistics</li> </ul> <ul style="list-style-type: none"> <li>• Programmes of learning across all levels responding to employers needs</li> </ul>
<p>Ensure that support is available for a full range of skills needed by the key employers and their supply chains, (so not necessarily just for the obvious roles within these – e.g. could be for marketing /finance /customer service skills within any of these sectors.)</p> <ul style="list-style-type: none"> <li>• Flexible funding which would allow either existing staff to up-skill or new employees to come in from other (less buoyant) sectors and be re-</li> </ul>

trained with sector specifics on top of their transferable skills
<p>Target funding to address the issues facing the Tees Valley over the ageing labour market. It has been identified that there are insufficient numbers of young people who will enter the jobs market in the next 5 years, and even those that do can't fill the gaps which will be left due to the extremely large numbers of skilled workers who will leave for retirement over the next 5-10 years.</p> <ul style="list-style-type: none"> <li>• Programme of education and training focusing on over 25's retraining/reskilling</li> </ul>
<p>A funding model is required which is flexible enough to respond to the need to retrain where necessary to meet growing /changing business need.</p> <ul style="list-style-type: none"> <li>• Employer responsive flexible funding model</li> </ul>
<p>At present growth is predominately by the same companies taking more apprentices, rather than new companies joining the employer base</p> <ul style="list-style-type: none"> <li>• Engage new employers in the Apprenticeship programme</li> </ul>
<p>A large numbers of smaller companies may find it difficult to take on an apprentice or are unclear / cautious about the system. We therefore need to offer more information and support to SMEs and easier ways to both recruit and for another body to act as the employer on behalf of smaller companies.</p> <ul style="list-style-type: none"> <li>• Development of a system to support SME recruitment to Apprenticeships such as the ATA model</li> </ul>
<p>Employer driven approach like the Employer Ownership pilot should be supported.</p> <ul style="list-style-type: none"> <li>• Employer driven solutions to Apprenticeship delivery</li> </ul>
<p>Financial support should be offered as an incentive to companies both to increase the number of apprentices to both use the Apprenticeship system and to train up additional numbers of apprentices over those needed, who can then go out to support the supply chain of smaller businesses</p> <ul style="list-style-type: none"> <li>• Support to companies to recruit apprentices</li> </ul>
<p>The perception of Apprenticeships is critical and needs to be addressed – they should be seen as the equivalent of formal education routes and should be marketed as a parallel pathway to an exciting and varied career.</p> <ul style="list-style-type: none"> <li>• Marketing of Apprenticeships</li> </ul>
<p>A cross sector Tees Valley employer have reported they also wish to take on older workers with transferable skills. They would welcome the opportunity to re-train to meet new demands.</p> <ul style="list-style-type: none"> <li>• Education and training targeted at over 25s</li> </ul>
<p>Large numbers of engineering employers have been emphasising that whilst they do need fully qualified engineers, there is also a greater need for</p>

'technicians' at Level 2 & Level 3.

- Education and training targeted at engineering technicians level 2 and 3

## Appendix A – Examples of potential skills interventions

Bidders should first prioritise provision that responds to skills priorities and interventions as identified by relevant LEPs and Core Cities and specified in section 5 of this document. In addition and where no specific priority has been articulated by the LEP/Core City, tendering organisations may consider the following list of potential skills interventions.

The list provides examples that have been identified by LEPs or Core Cities throughout the country as skills interventions that could be used to help address generic or specific skills issues. This list is not exhaustive but could offer ideas to organisations as to the types of activity that could be funded through this tender.

As specified below, where growth or skills shortage sectors have been identified by the LEP / Core City (or nationally by the [BIS Industrial Strategy](#) if no local priority has been identified) this funding offers the following flexibility beyond the usual Agency policy constraints:

- Smaller units of delivery can be funded that are not full qualifications. This includes units to deliver at Level 2 for those with an existing Level 2 qualification and units at Level 3 and above where 24+ Advanced Learning Loans are unable to support local need
- Licences to practice that are not a legal requirement.

### ***Provision / Infrastructure***

- Develop new approaches to delivering Apprenticeships.
- Fund additional training to complement existing Apprenticeship Frameworks. (Note providers with existing Adult Skills Budgets will not be issued contracts for training that could otherwise be funded through their existing allocation).
- Coaching and mentoring skills development for employees responsible for managing / supporting the development of apprentices in the workplace.
- Engagement in skills competitions to support the raising of standards and skills levels of those involved in vocational skills.
- Unit or modular delivery that will help meet employer needs, including delivery of units at Level 2 for those with an existing Level 2 qualification and Level 3 and above where 24+ Advanced Learning Loans are unable to support local need.
- Licences to practice that are not a legal requirement.
- Innovative approaches to addressing basic skill needs in the workplace.
- Entry and Level 1 skills provision, including individual units and employability skills, where the learner is not eligible under mainstream funding to support progression to a Level 2.
- Programmes at sub-Level 1 through to units at Level 3 that offer a clear progression pathway to Level 4 and above.
- Employability skills provision for the recently employed and those in low skilled to include communication skills, presentation skills, customer service, IT, working with others and team working.
- Support for providers to build capacity where set up costs are particularly high and /or in areas of new Apprenticeship frameworks.

- To facilitate effective relationships between employers and providers to develop provision that is relevant to employer needs.

### ***Learner Access, Support and Progression***

- Pre-Apprenticeship pathways for employed individuals without the necessary skill set to undertake an Apprenticeship and for individuals entering the labour market for the first time.
- Development of effective progression routes for Apprenticeships, in particular from Level 2 to Level 3.
- Learner engagement activity to drive up Apprenticeship participation amongst under represented groups.
- Models to increase the number of Apprenticeships in the third sector to support paid staff.
- Skills development activity for volunteers, including preparation for Apprenticeships if appropriate.
- Trial alternative models of support to address barriers to recruitment, retention, completion and progression in Apprenticeships, including greater support for Functional Skills if required.
- Involvement in national skills competitions and pre competitions activity to drive up levels of expertise in Apprenticeships and skills and enable individuals to realise their full potential.
- Support for specific groups such as those with learning difficulties and disabilities or people returning to work after a period of absence.
- Information, advice and guidance for recently employed individuals to ensure a smooth transition from benefits to employment and to support progression.
- Develop support networks/mentoring for younger employees to develop professionally, including the training of workers aged over 50 to act as mentors and assist in succession planning.

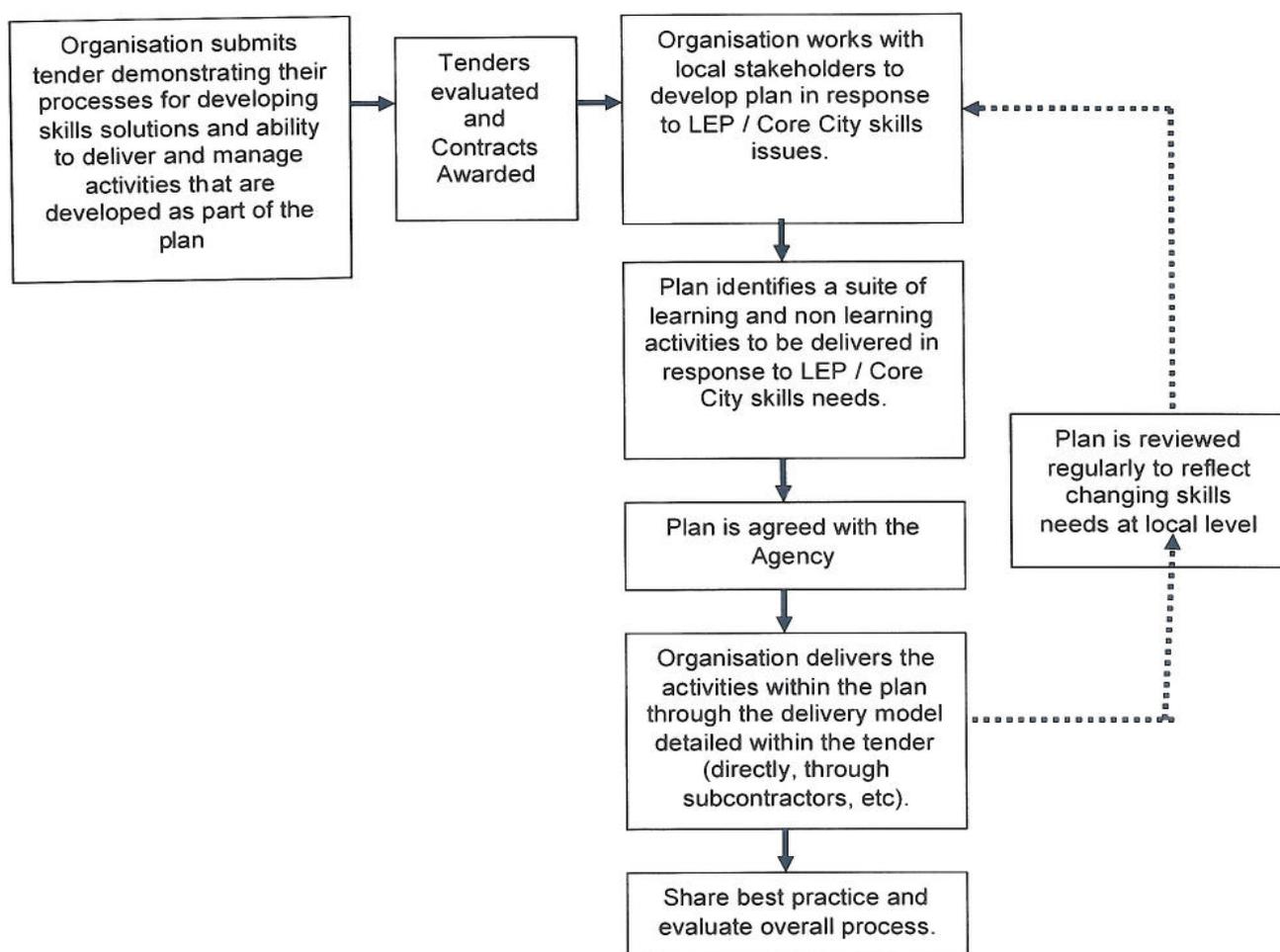
### ***Employer Engagement and Support***

- Employer engagement activity to drive up Apprenticeship participation amongst under represented groups.
- Support for micro businesses and SMEs to participate in Apprenticeships, including help with planning, capacity building and additional costs.
- Activity to address issues around accessibility to training within rural areas.
- Activity to engage SMEs in the development of training provision (to support the Holt recommendations).
- Packages of support to employers to enhance recruitment, selection, induction and retention.
- Support for employers to engage in skills competitions.
- To provide training, mentoring and other support to SMEs and micro businesses to develop management and leadership capacity.
- Brokerage activity and impartial advice and guidance for SMEs and micro businesses.
- Activity to raise employer awareness of local workforce training and support opportunities.

- Skills health checks to recommend skills development strategies for employers and link them into funded provision.

## Appendix B: Local Response Fund

Each Co-Financing Plan has made available separate lots at each LEP / Core City level to develop new and innovative approaches to provision delivery and reducing barriers to learning. The Local Response Fund can be used to develop solutions to current or future skills issues identified by LEPs / Core Cities. The available funding will be used to develop an agreed plan of solutions with the key local stakeholders and then deliver the planned activities. This offers the flexibility to respond to emerging skills issues and will not require the bidder to articulate the solutions when the tender is returned, these will be developed and agreed once contracts have been awarded.



### Purpose

To respond to emerging skills issues and encourage the ongoing development and piloting of innovative solutions to address participation, achievement and progression, in support of delivery of the overall specification, with a particular focus on:

- overcoming barriers to participation, achievement and progression for under represented groups of learners and/or SMEs engagement

- overcoming barriers to participation, achievement and progression in specified/prioritised localities or communities such as Enterprise Zones, Core Cities, Rural Communities or sectors
- engaging new employers / employer representatives and other stakeholders who have the potential to influence the delivery of learning

### **Funding available**

Each Co-Financing Plan has set aside funding for a bid, or multiple bids, that will cover each LEP / Core City Area, with the objective of widest coverage by at least one organisation holding funding for Local Response Fund.

### **Bid Requirement**

Bidders to submit a proposal for how they would go about utilising funding from the Local Response Fund by setting out how they would:

- a) consult with key stakeholders in relevant localities to establish the nature and origins of the barriers identified; (unless these are generally accepted)
- b) identify, develop and trial new approaches to overcoming the barriers (that may include supporting other providers with their learners)
- c) evaluate and share good practice on an ongoing basis with stakeholders, the Agency, and other Agency-funded Apprenticeship providers

### **How**

Bidders are invited to bid to develop solutions to address particular skills issues identified either now or during the contract. Successful bidders will need to:

- describe how they will work with local stakeholders and employers to develop solutions to address local skills issues.
- describe how they will take into account how existing programmes funded by the Agency can support the emerging skills issues.
- describe the delivery model that they will adopt for delivering the emerging solutions - will these be delivered directly themselves or through subcontract arrangements?
- need to give the Agency assurance of the systems that they have in place to deliver a range of learning and non-learning solutions to meet emerging skills needs.
- describe ways they will engage more employers to offer apprenticeships and also describe how they will encourage more learners onto apprenticeships.

They do not need to articulate the skills solutions that will be delivered as part of the tender submission.

### **Further Details**

A successful bidder's first deliverable will be to produce their Local Response Fund Plan. This will detail the activities that they have developed to address the skills needs of a locality. The Agency will approve the plan before any activity can commence.

Activities delivered through the plan will be funded as either learning or non learning activities and will be paid through the most appropriate deliverables and rates described elsewhere in this specification.

A bidder will be expected to amend and update the plan on an ongoing basis to respond to emerging skills needs of the locality. Further iterations of the plan will still require Agency approval before the activities can start.

The successful bidder will be expected to work with the LEP / Core City and relevant governance groups to develop the plan.

There will be a deliverable and rate paid to the organisation upon completion of the evaluation and best practice sharing.

### **Restrictions**

The fund can only be used to support activities that are eligible within the broader criteria outlined elsewhere within the specification. Therefore, the following cannot be funded:

- Activity that displaces other activity contracted for by the Agency, such as Adult Skills Budget or ESF.
- Activity that goes against existing government policy such as full Level 3 qualifications for over 24s as this will displace 24+ Advanced Learning Loans.
- Participants under the age of 19.

### **Payment:**

Bidders successful in securing funding through the Local Response Fund will be able to access funding for the agreed activities within the plan and for the evaluation and sharing of best practice. Agreed activities will be funded in accordance with the funding rates detailed in Appendix C for 'learning', 'non learning' and 'incentives'.

## Appendix C – Funding Rates and Deliverables

The catalogue below is a suite of Deliverables and associated Funding Rates that can be used by bidders to support the activity that they are specifying within their tender. In compiling this catalogue, the Agency has followed these principles:

- Standard rates for learning provision
- Greater alignment with other Agency funding rates
- Increased diversity of rates to reflect sector variances
- Use rates to target sector / area priorities
- Use funding to target outstanding ESF targets
- Reward progression to Apprenticeships, Level 3 and higher qualifications.

### Learning

The Agency has developed a rates model that allows flexibility based on size of qualification and sector, moving towards a similar approach to mainstream delivery. The solution developed using existing systems will pay uplifts based on qualification size at the start of training and uplifts based on sector upon completion of training.

Bidders delivering activity described as 'learning' activity are required to deliver qualifications from the Qualifications and Credit Framework (QCF) or the National Qualifications Framework (NQF).

Code	Deliverable	Rate
S2	Participant assessment, planning and support	£50
S33	Start on learning activity	£40
SU1	Start of training (Credit 5-12) uplift <sup>1</sup>	£186
SU2	Start of training (Credit 13-24) uplift <sup>1</sup>	£574
SU3	Start of training (Credit 25-36) uplift <sup>1</sup>	£1115
SU4	Start of training (Credit 37+) uplift <sup>1</sup>	£837
S34	Participant on programme at 13 weeks (where qualification is 25 credits or greater)	£1000
A28	Learning Achievements	£100
AU1	Achievement on Programme Weighting B (uplift) <sup>2</sup>	£20
AU2	Achievement on Programme Weighting C (uplift) <sup>2</sup>	£50
AU3	Achievement on Programme Weighting D (uplift) <sup>2</sup>	£100
AU4	Achievement on Programme Weighting E (uplift) <sup>2</sup>	£125

<sup>1</sup>The size of the qualification (number of credits) are listed on the Agency's website as '[Qualifications and Credit Framework qualifications confirmed for public funding](#)'.

<sup>2</sup>Programme weightings can be identified through the Learning Aims Database or Learning Aims Reference Application. For the purposes of claiming an achievement uplift the following should be applied:

<b>Programme Weighting</b>	A	B	C	D	E	F	G	H	J	K	L
<b>Achievement Uplift</b>	N/A	AU 1	AU2	AU3	AU4	AU2	AU4	AU2	AU1	AU2	AU1

A provider will only be able to support an individual participant with a maximum of one learning intervention. Each learning intervention will commence with a start payment (S33) and conclude with an achievement payment (A28). An exception applies where the learning intervention is a *unit*, on this basis an individual participant will be able to receive up to three *units* providing these are identified at the outset through the Participant Assessment, Planning and Support deliverable.

Where there is no appropriate accredited qualification available in the QCF providers must follow the same approach that is used for the [Innovation Code](#) to develop the provision in partnership with an awarding organisation. The Agency will fund these qualifications based on the size of the qualification (number of credits) and the rates above. Organisations will be required to submit an ILR using the following Learning Aims Reference for those qualifications. The start uplifts (SU1 to SU4) and achievement uplifts will still be claimed through the Delivery Statement:

<b>Learning Aim Reference (LAR)</b>	<b>Learning Aim Title</b>	<b>Start training uplift where applicable</b>	<b>Achievement training uplift where applicable</b>
ZINN0001	Innovation Code Award (1 to 6 credits)	No start uplift applicable	AU1 to AU4
ZINN0002	Innovation Code Award (7 to 12 credits)	SU1	AU1 to AU4
ZINN0003	Innovation Code Certificate (13 to 24 credits)	SU2	AU1 to AU4
ZINN0004	Innovation Code Certificate (25 to 36 credits)	SU3	AU1 to AU4
ZINN0005	Innovation Code Diploma (37 to 48 credits)	SU4	AU1 to AU4
ZINN0006	Innovation Code Diploma (49 to 72 credits)	SU4	AU1 to AU4

There may be a few exceptional circumstances where this approach is not appropriate and these will be considered on a case-by-case basis by the Agency.

### Activity previously described as Non Accredited Learning:

In the past the Agency has funded non accredited learning using separate deliverables. For Skills Support for the Workforce providers must use QCF qualifications and units where these exist and if not develop an appropriate qualification following the Innovation Code approach described above. The Innovation Code style approach exists to design and deliver new provision to meet the needs of local employers and learners where there is no current qualification offer. A provider should follow these steps:

- Search '[Qualifications and Credit Framework qualifications confirmed for public funding](#)' list for an existing qualification or unit. (Tip: Search the spreadsheet for key words using the 'Find...' function within the Edit menu).
- If you can demonstrate that there is no appropriate qualification in existence you can use the Innovation Code approach to design and deliver new provision to meet the needs of local employers and learners.

### Incentives

The incentive payments listed below are to be used as additional payments to providers for learners that meet specific criteria.

Code	Deliverable	Rate
E15	Priority Learner Incentive	£100
P15	In-work progression – Apprenticeships	£750
P16	In-work progression – accredited training	£375

Priority Learner Incentive will be used to make an additional payment to support access, participation and achievement for those learners identified as priority learners in a specific LEP / Core City area (this could include sector priorities, ESF target areas, etc). This payment can be applied for learners starting, on programme at 13 weeks and on achievement. Therefore a total of £300 will be available for each learning intervention for this incentive.

Progression Premium: This additional payment can be made to a provider when a learner starts the next stage of learning following the activity that this specification is paying for. If the learner has been engaged in the next stage of learning for a minimum of six weeks of one of the following activities then the payment can be applied:

- Learners who start an Apprenticeship Framework
- Learners who start a Level 3 or above qualification following the funded activity.

- **Worked Example for Learning Activity:**

<b>Learner Activity</b>	<b>ILR or Delivery Statement Requirement</b>		<b>Provider Payments</b>
Participant assessment planning and support	Complete ILR		S2
Learner Starts	ILR completed using	existing QCF Learning Aims Reference (LAR)	S33
		<b>OR</b>	
		Innovation Code LAR	
	<b>AND where applicable</b>		
	Delivery statement completed for start uplift (qualifications more than 5 credits )		SU1 to 4
<b>AND where applicable</b>			
Delivery statement for priority learner incentive		E15	
At 13wks on programme	ILR completed for qualifications larger than 25 credits		S34
	<b>AND where applicable</b>		
	Delivery statement completed for priority learner incentive		E15
Learner Achieves	ILR completed using	existing QCF LAR	A28
		<b>OR</b>	
		Innovation Code LAR	
	<b>AND where applicable</b>		
	Delivery statement completed for sector uplift delivered in Sectors SSA2 to SSA5		AU1 to 4
	<b>AND where applicable</b>		
Delivery statement completed for priority learner incentive		E15	
<b>AND where applicable</b>			
Progression into Apprenticeship	Delivery statement for in-work progression – Apprenticeships		P15
<b>OR</b>			
Progression into other training	Delivery statement for targeted learner incentive		P16

### Non Learning Activity

Where appropriate to respond to the specific LEP / Core City needs an organisation can potentially be funded using the following deliverables and rates. The specific

combination of deliverables and costs will be agreed with the organisation at the point of contract and will be to support the proposed activities. Bidders should use this information to cost their proposals.

Code	Deliverable	Rate
C2	Company Engagement - Completion of training needs analysis (TNA) for company. (Note: Only applicable in certain Co-Financing Plan specifications to support needs articulated by LEP / Core City).	£100
CB5	Capacity Building – to build capacity within the provider base to deliver Apprenticeships and other workplace learning. This includes the development of Apprenticeship Frameworks, the establishment of innovative delivery models and networks to meet specific needs articulated at LEP / Core City level. This must not include any training activity.	Agreed actual costs

### Local Response Fund

Code	Deliverable	Rate per unit
M34	Develop Plan	No funding
M4	Project evaluation completed	£500

Bidders successful in securing funding through the Local Response Fund will be able to access funding for the activities developed and agreed with the Agency through the deliverables described as 'Learning', 'Non Learning' and 'Incentive' specified elsewhere within the catalogue.

At the end of the project contractors can achieve a further payment for the completion of a project report that summarises the project achievements, challenges and best practice.

The Agency reserves the right to use additional deliverables within the contract if the deliverables identified above are not appropriate for the solutions being delivered.

## Definition of Terms

**Regulated unit(s) and/or qualification(s) on the QCF:** Qualifications and Credit Framework (QCF) unit(s) and qualification(s) that are on the Learning Aim Reference Application (LARA) (or successor systems) and approved for public funding.

**Apprenticeship start:** An individual has completed six full weeks (42 days) in the Apprenticeship from the start date and the start has been registered through the Individualised Learner Record (ILR).

**Provision start at higher level:** An individual has completed six full weeks (42 days) in the training provision from the start date and the start has been registered through the Individualised Learner Record (ILR).

**Accredited Training:** Qualifications and Credit Framework (QCF) unit(s) and qualification(s) that are on the Learning Aim Reference Application (LARA) (or successor systems) and approved for public funding.

**Non-Accredited Training:** Learning that does not appear on the Learning Aim Reference Application (LARA) (or successor systems) and is not approved for public funding.

**ESF Co-financing organisation:** Organisation that brings together the ESF and match funding in a single funding stream. Co-Financing Organisations are beneficiaries.

**Agency Co-financing Plan targets:** Each priority axis in the operational programme has a small number of quantified targets for outputs and results. Targets are quantified (i.e. have a number attached to them), whilst indicators do not. Targets can be found in the relevant [ESF Framework](#).

**Partnership working:** This relates to working with local stakeholders.

**Micro Businesses:** This relates to organisations employing less than 10 employees.

**Small and Medium sized Enterprises:** This applies to organisations employing less than 250 employees.

**Group Training Associations:** Typically, a GTA is a company limited by guarantee and a registered charity whose objects require that surpluses be reinvested. There is usually a group of subscribing member employer companies from which senior executives are drawn to form a GTA board.

## Abbreviations

Agency	Skills Funding Agency
ASB	Adult Skills Budget
ATA	Apprenticeship Training Agency
BIS	Department for Business, Innovation and Skills
BME	Black and Minority Ethnic
ESF	European Social Fund
FE	Further Education
GDP	Gross Domestic Product
GTA	Group Training Association
GVA	Gross Value Added
IAG	Information, advice and guidance
ILR	Individualised Learner Record
ITT	Invitation to tender
LAR	Learning Aim Reference
LARA	Learning Aim Reference Application
LCR	Liverpool City Region
LEP	Local Enterprise Partnership
LDD	Learning difficulties and/or disabilities
NAS	National Apprenticeship Service
NEET	Not in Education, Employment or Training
NQF	National Qualification Framework
QCF	Qualification Credit Framework
RFL	Recommended Funding Limit
SD	Sustainable Development
SME	Small and Medium size Enterprise
SSA	Sector Subject Area
STAM	Science, Technology, Advanced Manufacturing
STEM	Science, Technology, Engineering, Mathematics
TNA	Training Needs Analysis
Vol&Comm	Voluntary and Community

# REGENERATION SERVICES COMMITTEE

20<sup>th</sup> June 2013



**Report of:** Director of Child & Adult Services

**Subject:** MILL HOUSE LEISURE CENTRE – OPTIONS FOR  
FUTURE POOL CONFIGURATION

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key decision.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to advise members of the Regeneration Committee of available options regarding the future configuration of the swimming pools at Mill House Leisure Centre. This is linked to the ongoing need for savings and efficiencies from Council services as part of the financial budget for 2014/15.
- 2.2 The report also highlights some essential maintenance work that is required to be carried out on the pool circulation and filtration pipe-work that has already been approved as part of the Council's Capital programme for 2013/14.

## 3. BACKGROUND

- 3.1 The design, construction and use of swimming pools have changed considerably over the years and these are still continuing to develop. The biggest boom in terms of swimming and leisure provision in the UK took place in the 60s and 70s when the number of pools grew dramatically.
- 3.2 The pools at Mill House Leisure Centre were originally constructed in 1972 and apart from the installation of a waterslide in the 1980's and the removal of the 3 stage diving platform, little alteration has been made to its traditional and original 'L' shaped 33.3m / 25 m design.
- 3.3 There are now however estimated to be less than eighty 33.3m pools remaining in operation throughout the UK. Designed to achieve a 100m swimming distance (3 lengths), this length of pool was typical from the

Victorian era through to the 1970's with the common profile being a 6 lane width, with shallow end for beginners, increasing to a 3.4m to 3.8m deep end, often with diving facilities. This is the case with the main pool at Mill House although it also has a 25m length as part of the 'L' shaped configuration.

- 3.4 Swimming is the UK's largest participation exercise sport and is one of the most popular forms of adult exercise participation in Hartlepool (Active People Survey). This, combined with the current requirement for all children to be taught to swim, brings to the forefront the need to add to and improve facilities with the result that more people now take part in water-based activities that at any time in the past.
- 3.5 Members will be aware that the facilities at Mill House have a limited life span estimated at 15 years and Officers continue to explore ways of making provision for a replacement leisure centre facility. However in the interim, with the limitations on Council budgets and the need to generate further efficiencies, Officers have considered what options are available to upgrade, refurbish and/or extend existing facilities to make the most of the swimming facilities at Mill House.
- 3.6 The condition and configuration of the pools at Mill House are now the main source of customer comment and criticism. Whereas this was once directed at the condition of the pool changing facilities, this is no longer the case since the investment in refurbishing these to create a new changing village in 2010/11 as part of an overall £1m investment programme.
- 3.7 At the same time, as part of the 2011/12 efficiency savings programme, the public opening times of the pools was reduced during weekday term-time to allow for the accommodation of Primary Schools buying back the Council's learn to swim service.
- 3.8 Since 2011, the town has had two swimming clubs both of whom continually seek to increase the amount of pool time they can access at Mill House. This often cannot be accommodated as the current pool configuration does not lend itself easily to mixed programmed use and would impact further on the limited amount of public water time available.

#### **4. PROPOSALS**

- 4.1 As pool operators, we need to be able to provide a swimming facility that not only provides for all types and levels of swimmer, but also maximises revenue opportunities and the most successful facilities are those that appeal to a wide variety of users.
- 4.2 To achieve this, greater flexibility of the main pool needs to be achieved and certainly, 33.3m pools are now considered to be things of the past. The Amateur Swimming Association's competition requirements are now associated with 25m or 50m pools with the 33.3m no longer being used thus

the current revenue stream for Mill House is generated purely by recreational community swimming, programmed lessons and water based exercise classes as well as swim club training use.

- 4.3 The main option to increase flexibility comes with the addition of a bulkhead installation into the pool and the ultimate of the addition of a movable floor which allows the pool to be split into sections for a mixture of water-based activities such as recreational swimming, swimming lessons, lane swimming, club training sessions, water aerobics classes and deep water activities to take place simultaneously.
- 4.4 The installation of bulkheads in swimming pools has long been accepted as the best way of providing this adaptability of use which can significantly enhance the programme variety on offer to the public. These can either be movable or static and with the latter option would make the addition of a movable floor also possible. Recent examples of these being added into local existing pools are those at Billingham Forum as well as Woodhouse Close, Bishop Auckland.
- 4.5 There are 3 different options possible:
- Static Bulkhead
  - Moveable Bulkhead
  - Do nothing

These are explored further in section 5 of the report.

## 5. AVAILABLE OPTIONS

- 5.1 Attached at **Appendix 1**, Diagram 1 is a picture of a typical bulkhead installation. If this was considered to be a credible option moving forward for Mill House, Diagram 2 shows the optimum positioning of the bulkhead in the Main Pool. This would have the effect of splitting the pool into 2 two main areas; a 25m and a 20m pool but different limited configurations would be possible if this was movable.
- 5.2 The advantages and disadvantages of the possible options are as follows:-

### **Option 1 - Static Bulkhead**

Advantages:

- Greater flexibility of water space
- Increased availability of a wider pool programme to suit all needs and demands
- Easier to meet the town's swimming clubs training needs without impacting on public time
- Creation of ASA standard 25m short course competition pool
- Opportunity to re-introduce previously reduced public sessions
- Opportunity to increase income generation

- Less expensive than moveable bulkhead
- Greater savings on lifeguarding requirements than could be achieved with Option 2
- Could incorporate improvements to the pool circulatory system
- Could also include the option of a movable floor at a later date

Disadvantages:

- Permanent fixture

Cost estimate - £100,000 inclusive of estimate for loss of revenue income

### **Option 2 - Moveable Bulkhead**

Advantages:

- Greater flexibility of water space
- Increased availability of a wider pool programme to suit all needs and demands
- Easier to meet the town's swimming clubs training needs without impacting on public time
- Creation of ASA standard 25m short course competition pool
- Opportunity to re-introduce previously reduced public sessions
- Opportunity to increase income generation
- Some savings possible on lifeguarding requirements

Disadvantages:

- More expensive than static model
- Less stable than static
- Operating costs higher
- Ongoing associated maintenance costs
- Complications with integrating pool circulation pipe-work
- The addition of a moveable floor not possible

Cost estimate - £160,000 inclusive of estimate for loss of revenue income.  
(This estimate in particular is subject to further determination.)

### **Option 3 - Do nothing**

Advantages:

- Pool remains as is, but with no additional benefits

Disadvantages:

- Loss of opportunity to generate income
- No additional public use
- No additional capacity for swimming lesson sessions
- Loss of ability to refresh pool hall

Cost estimate - £48,000 pa in lost savings

- 5.3 To undertake this development, the installation work would have to be carried out during this current financial year to ensure that financial savings

for 2014/15 could be achieved. Whilst this would require a closure of the pool, essential aforementioned maintenance work is already due to be carried out this financial year on the replacement of the pool circulation and filtration pipe-work as part of the Council's approved capital programme. If a bulkhead was therefore also to be installed, ideally, this should be carried out at the same time. A common allowance can then be made for loss of revenue income during the period of closure and of course, have less impact on the public

- 5.4 Officers from the Sport and Recreation service are currently discussing the works programme associated with the filtration pipe-work with colleagues from Building Consultancy. It was felt prudent however at this time to explore the options open to the Council to improve the pool configuration and present these to Committee.
- 5.5 Option 1 is the preferred recommendation to maximize cost savings and avoid additional revenue costs which would be incurred in the moveable option

## **6. FINANCIAL CONSIDERATIONS**

- 6.1 The renewal of the main pool circulation and filtration pipe-work, strainer boxes, calorifiers and rate flow instrumentation estimated at a cost of £114k has already been approved as part of the Council's capital programme for 2013/14 at the meeting held on February 14<sup>th</sup> 2013.
- 6.2 With regards to the funding of any additional works, Mill House Leisure Centre currently has a revenue reserve balance of £100k. This was originally created as a result of the reassessment of the rating value of the Centre nearly 10 years ago over several years resulting in the reimbursement of rates previously paid. At that time, Members agreed to establish this as a reserve to be used in a fallback situation to support the upkeep and development of Mill House, the current balance stands at £100,000.
- 6.3 Officers have had some early discussions with companies who could provide a bulkhead and/or movable floor installation and as it stands, the estimated cost of a static bulkhead (Option 1) and allowing for loss of income whilst the work was undertaken is likely to be contained within the available reserve of £100k. Option 2 (movable bulkhead) would however be unlikely to be achieved within the budget available, whilst this could be investigated further, the benefits of a movable bulkhead, along with its additional operational costs would not appear to be justifiable as an option. Based on a total cost of £100,000 and assumed savings of £48,000 per annum the pay back period of the project is just over 2 years.
- 6.4 Given that there is still an ultimate need to replace Mill House Leisure Centre as it reaches the end of its economic life, this will be a consideration for Members to make given the cost of the available options. Either of the

options 1 and 2 would produce savings and the opportunity to increase income generation to varying degrees but obviously need to be weighed up in the context of their cost given that it is not a long-term solution for the town's swimming needs. Members will be aware that in accordance with the Indoor Sports Facility Strategy, in addition to the existing pools at Mill House (or its replacement), a new 25 metre and learner pools are also required as an aspiration at Brierton Community Sports Centre.

- 6.5 Given the proposed level of investment into Mill House, Officers would also take the opportunity to seek out external funding grants using the Council's investment as a match funding contribution to further enhance the "cosmetic" aspect of the Pool Hall. This would focus on the visual appearance of the facility which is currently looking extremely tired and unlike the filtration pipework, is not hidden away from the public's view.
- 6.6 With respect to the opportunity that a new bulkhead would bring to reduce operating costs and increase income, Officers estimate that the effective pay-back period for the level of investment required for a static bulkhead installation (thought to be in the region of approximately £100k to include loss of income) would be achieved over a period of 2.2 years.

## 7. RECOMMENDATIONS

7.1 Officers would recommend that:-

- (i) Committee approves the closure of the pool at Mill House Leisure Centre around November 2013 in order to undertake the required work on the pool filtration system. Officers will advise Committee of the affected dates once a works programme has been finalised.
- (ii) Committee approve the principle of installing a static pool bulkhead (Option 1) into the main pool during the same closure period which is to be funded from the Mill House Leisure Centre revenue rates reserve. This will enable the procurement process to be undertaken.
- (iii) Committee approve that Officers pursue external funding opportunities to further enhance the pool hall facilities.

## 8. REASONS FOR RECOMMENDATIONS

- 8.1 The pool filtration work is required as part of an already agreed essential maintenance programme which can only be achieved as a result of a planned closure.
- 8.2 The installation of a static bulkhead is linked to the need for greater savings and efficiencies as part of the 2014/15 Council budget. Whilst there will be the initial installation cost and loss of income to consider, this could be achieved by utilising the specific available reserve funding for Mill House Leisure Centre for a project of this type. The annual savings are estimated

at £48,000 and the payback is estimated 2.2 years.

8.3 Should Members not agree to implement this proposal the opportunity to secure an estimated £48,000 savings pa would be lost and the anticipated savings required in 2014/15 would need to be found elsewhere or from reduced service provision.

8.4 However, an additional loss would be the flexibility to be achieved within the swimming pool and the increased availability for public use and group swim sessions.

## 9. BACKGROUND PAPERS

Report to Council – 14<sup>th</sup> February 2013 - Medium term financial strategy – Budget and policy framework 2013/2014 to 2016/2017

## 10. CONTACT OFFICERS

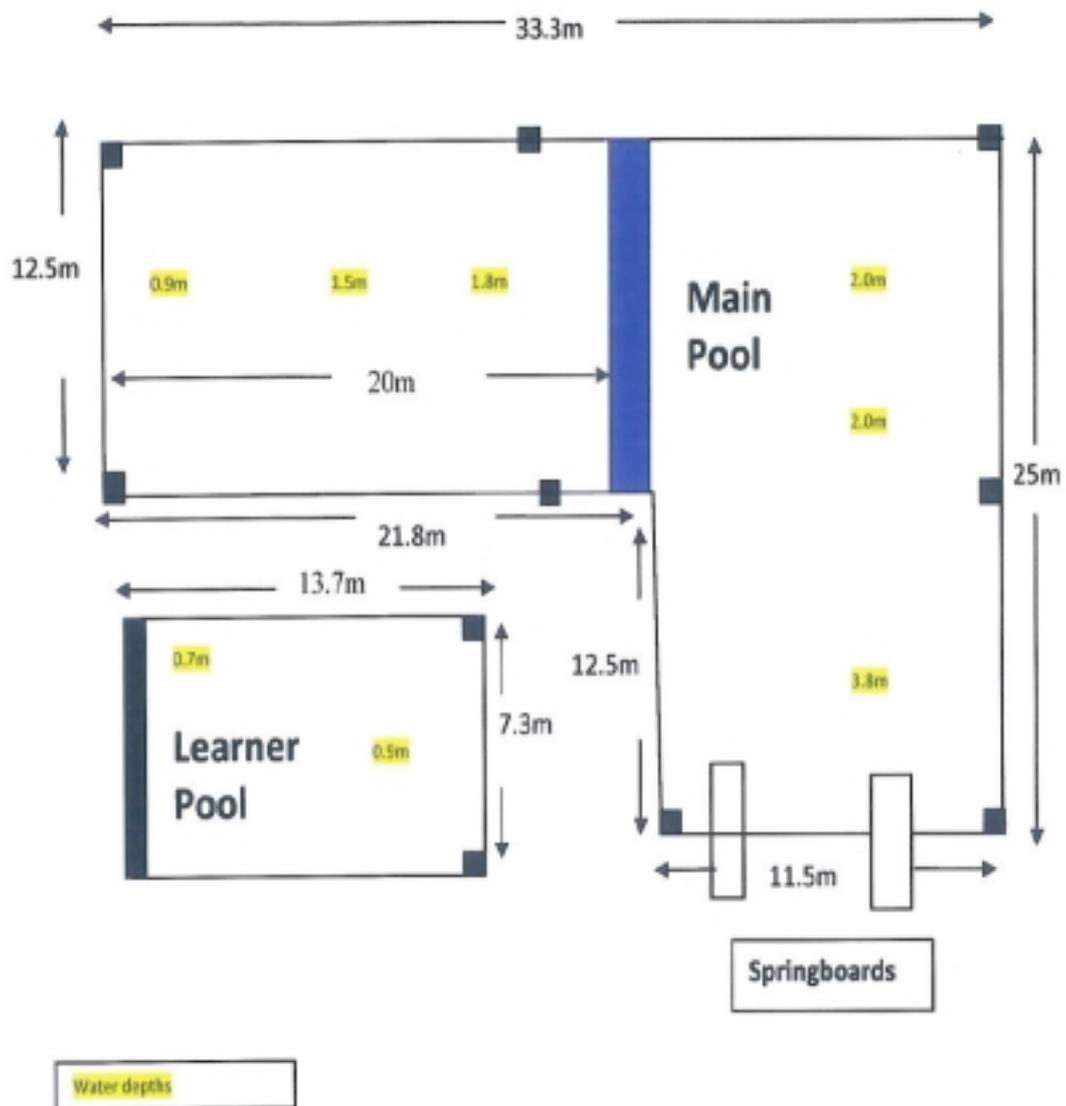
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Diagram 1 – Example of typical pool bulkhead installation



Diagram 2 – Proposal for Main Pool at Mill House Leisure Centre



# REGENERATION SERVICES COMMITTEE

20<sup>th</sup> June 2013



**Report of:** Assistant Director (Regeneration)

**Subject:** QUARTERLY UPDATE REPORT FOR PUBLIC PROTECTION

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

This report is for information.

## 2. PURPOSE OF REPORT

2.1 To update the Regeneration Services Committee on performance and progress across key areas of the Public Protection service.

## 3. BACKGROUND

3.1 The Public Protection service consists of three discrete teams: Commercial Services, Environmental Protection and Trading Standards & Licensing.

3.2 The Commercial Services Team carries out inspections, complaint investigations and sampling to ensure that food is safe and fit to eat and that workplaces are safe.

3.3 The Environmental Protection Team is involved with noise and pollution related matters as well as providing a comprehensive service for pest control and managing and promoting the open market.

3.4 The Trading Standards & Licensing Team ensures that the business sector complies with a wide range of trade and consumer legislation. The team also issues and carries out enforcement relating to a large variety of licences, including Alcohol, Entertainment, Takeaways, Taxis, Gambling and Fireworks.

3.5 This report provides an update on performance and progress across key areas of the Public Protection service for 2012/13.

#### 4. OUTLINE OF WORK

4.1 The work carried out by the Public Protection Service falls into three distinct areas:

1. Planned work. This consists predominately of programmed interventions, sampling and projects.
2. Reactive work. This involves responding to matters such as accident notifications, complaints and infectious disease notifications.
3. Licensing. The processing and issue of licenses and permits.

#### 5. PROGRAMMED WORK

5.1 The majority of the work programmed for 2012/13 for the Food, Health & Safety at Work and Trading Standards service areas is detailed in their respective service plans.

5.2 Planned Work. All interventions carried out by the service are risk based in accordance with national guidance. The table below details the number of inspections carried out in each area of work.

<b>Interventions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Food Hygiene	108	102	95	140	445
Food Standards	64	60	48	90	262
Feed Hygiene	0	6	7	8	21
Animal Health	0	7	1	8	16
Health & Safety	46	54	63	160	323
Trading Standards	27	150	213	86	476
Licensing	22	30	20	27	99
Prescribed Processes	0	0	0	17	17
Smoke Free	107	176	157	195	635

5.3 The intervention programmes were generally on target. In certain areas, such as Trading Standards, Food Standards and Health & Safety, targets were not achieved and the shortfall will be added to the 2013/14 intervention programme.

5.4 A programme of sampling to assess the microbiological quality and composition & labelling of food and water has been carried out in accordance with the Food Law Enforcement Service Plan.

The table detailed below provides the details of the samples taken.

Sample Details	Q1	Q2	Q3	Q4	Total
Microbiological Water *	49	43	53	46	191
Microbiological Food & Environmental	63	73	85	103	324
Food Labeling & Composition	23	30	39	47	139
Water Chemical	5	4	4	4	17

- Microbiological water samples are taken from swimming pools, spa pools, private water supplies & mains supplies.

5.5 The following projects have been carried out this year.

- **Consumer credit advertising;** Officers have been monitoring the local press and have only found a small number of advertisements from companies in Hartlepool offering credit. One problem was identified and the company contacted. A guidance leaflet is being prepared to send out to companies.
- **Average weight of food.** Some food products such as bread may be packed to an “average” weight, which means that, within a group e.g. one type of loaf produced at one time, some loaves will be heavier and some slightly lighter than the declared weight.

Unannounced inspections were conducted of supermarkets and large numbers of food products were weighed in situ using a highly accurate calibrated weighing machine.

Products weighed included hundreds of loaves of bread (baked within the Hartlepool stores), meat products (mince, steaks etc) and cheese.

The findings were that the average of the food weights was always in excess of the stated quantity, usually by a significant amount.

One loaf of bread was found to be significantly below the permitted amount. This was identified prior to being put out for sale and destroyed.

- **Weighing equipment in shops taking in goods for recycling;** This project aimed to identify if any of the local clothing recycling shops were conducting any undesirable practices which would harm the interests of consumers. Legislation which could be contravened includes the Weights and Measures Act, Subordinate Weights and Measures legislation (NAWI's & NAWM's) and The Consumer Protection from Unfair Trading Regulations (CPR's).

The undesirable issues targeted were:

- Inaccurate/unchecked/unsuitable weighing machines
- Poor weighing techniques (bag touching floor etc)
- Incorrect price/weight conversion by shop staff
- Misleading price indications.

To assess compliance a two pronged approach was adopted. Initially, a number of test purchases were conducted by an undercover officer who took bags of clothing (of predetermined weight) to the shops and sold the clothing as a typical consumer would. Subsequently an inspection of the premises was conducted by an officer where any issues that were identified were raised and addressed.

The shops are required to use appropriate weighing equipment of sufficient accuracy. Prices paid must correspond with the advertised prices (per kilogram).

- of the 8 transactions , 4 gave rise to a non-compliance (the officer was paid less than what was expected )
- This was typically due to the fact that the premises wrongly claimed that they would round UP AND DOWN to the nearest full kilogram when determining the price to be paid. It was found however that the premises only rounded down.
- equipment used was sufficiently accurate.

The proprietor was warned to ensure that rounding UP occurred in future when appropriate.

Further test purchases will be conducted at a later date to ensure that the recommendations are still being adhered to. This project is also being repeated at a regional level.

- **Air conditioning units;** Commercial users of Air Conditioning Units are required, by law, to have the energy efficiency of such equipment checked.

Officers visited a wide range of premises to ensure that the requirements were being complied with. Letters were sent to a number of companies advising of failings but no actions remain outstanding.

- **UV protection in children's clothing;** A number of items of children's clothing claiming to have UV protection have been sampled and all were found to be compliant.
- **Trade Association Membership;** Trade association membership can be beneficial to both traders and consumers. Consumers may choose a trader who belongs to trade associations as reassurance that the trader has the correct skills in their specific field of trade, and possibly a formal route for the resolution of complaints. For a business, being a member of a trade association can provide access to better insurance premiums, support and sharing of best practice with like minded trades people. The Trading Standards section has carried out some research to identify whether any traders are falsely claiming membership of a trade association in order to generate more business.

The project involved a selection of local traders. All aspects of the trader's advertisements were investigated, including website advertisements, local press, yellow pages and vehicle advertisements

Of the 29 traders who had their association logos investigated, only three were displaying logos, or making claims of affiliation with a trade association without the correct credentials to do so. This is a non compliance rate of 11.5% this is a much lower result than the findings during our previous financial year. Two of the traders who were claiming false association were claiming to be Council approved, when this was not the case.

- **Olympic logos:** Retail and media observations revealed very little Olympic related marketing in Hartlepool. During the Olympics and Paralympics there was very little Olympic merchandise offered for sale, what was offered was found to be genuine. Following the end of the games Olympic merchandise has been seen in bargain bins etc which appear to be genuine
- **Keep It Out Campaign:** Publicity material has been issued to all tobacco retailers in Hartlepool in conjunction with local radio advertising. Following the campaign two crime stoppers reports of illegal tobacco sales in Hartlepool were received.
- **Digital switchover:** A press release was issued prior to the first switchover date. We have not found any evidence of sharp practices with regard to aerial upgrades or received any consumer complaints.
- **Overloaded Vehicles** Trading Standards Officers are also Weights & Measures Inspectors and in December took part in a multi-agency operation to identify overloaded vehicles using the highway.

On 3<sup>rd</sup> December, five vehicles were stopped and four were found to be overloaded, one by only 7% who was let off with a warning, the other three were significantly over, one scaffolding vehicle and two coal wagons which were over by 450kg, 1270kg and 1610kg respectively.

All were issued with £200 fixed penalty notices by the Police at the time and advised re future conduct and manufacturers maximum plate weights.

On 20<sup>th</sup> December a total of seven vehicles were stopped. Four out of the seven were overloaded at 565kg, 900kg, 950kg and 1260kg. All were issued with £200 fixed penalty notices by the Police at the time and advised regarding future conduct. Due to the success of the operation further dates will be arranged.

- **Halloween & Christmas** Numerous Halloween and Christmas Samples were purchased and tested. No significant faults were discovered but one manufacturer has been advised to amend its labelling.
- **Operation Christmas Spirit 2** Trading Standards & Environmental Health officers visited a total of 28 premises to test alcoholic drinks that were being

offered for sale. Each premises had their spirits checked and a cellar safety inspection carried out. The cellar safety check provided officers with a good insight into health and safety compliance and an excellent opportunity to look for counterfeited stock.

One premise was found to be selling either watered down or substituted Smimoff vodka and a full investigation into this food fraud is now taking place. The bottle was seized and has been sent away for analysis.

The visits were well received by the traders who welcome such inspections as it would help identify any unscrupulous traders who are gaining unfair commercial advantages by retailing counterfeit produce.

- **Takeaway Rice Survey:** 10 samples of plain boiled rice were sampled from Indian takeaways in Hartlepool. Only 1 of these samples was found to be unsatisfactory. Following a visit by an officer, a resample of rice was submitted. This was deemed to be satisfactory.
- **Medical Weighing Instruments** In November, the first visit as part of Trading Standards' project to check the legality of person weighing machines used by the NHS was conducted. The visit was made to the University Hospital of Hartlepool. Visits to Hartlepool based clinics and GP surgeries will be conducted at a later date.

The Non-Automatic Weighing Instruments Regulations 2000 have for the first time brought NHS scales into the remit of Trading Standards who traditionally have a duty to solely inspect scales that are "in use for trade". Given that medication quantities are often linked to a persons weight, it is important to ensure accuracy of such readings.

Trading Standards nationally conducted checks of hospital weighing machines in 2008 and the results were concerning with a large number of non-complying scales found. In light of these previous findings, the hospital was happy for Trading Standards to attend and to check if matters had improved.

The first visit as part of this Trading Standards project revealed that problems have largely been addressed. Of the 70 machines tested at the hospital only eight posed an issue. Typically this was due to some scales being 'old' and wear and tear had resulted in inaccurate readings. Some of these older scales were only 'class 4' whereas a better standard 'Class 3' machine is more suitable for the usage to which they were being put. While usage of a Class 4 scale may be appropriate for less critical usage such as 'record keeping', the risk is that such machines may accidentally get used for more critical uses. As a result of our advice, the hospital removed the problem scales from use.

- **Survey of low risk premises, focusing on schools, nurseries and care homes.** The aim of this survey was to support Local Authorities in the use of swabbing as an alternative intervention in food businesses previously shown to be complying with the principles of food law. The focus of the study was on

premises handling or serving food to potentially vulnerable groups including young children and the elderly.

During the survey swabs of plates, bowls or food trays, clean food preparation areas and a cloth used for cleaning of surfaces used for preparation of food were taken. Thirteen premises were visited. Unsatisfactory results were reported for swabs taken from two sink areas and one chopping board and two cleaning cloths. Advice was given and re-samples taken.

- **Survey of Hygiene in Tattoo and Piercing Premises.** This survey aimed to use microbiological methods to assess the general cleanliness and hygiene standards in place in premises engaged in Tattooing or body piercing activity. All six premises registered in Hartlepool as offering tattooing were visited.

The survey involved taking swabs from treatment couches and work surfaces and collecting tap water used for hand washing. All swabs produced satisfactory results, however, *Pseudomonas aeruginosa* was detected in two water samples. Whilst this bacterium rarely causes infection in healthy people it can cause a wide range of infections. Advice was given and re-samples were taken. In one of the premises, it was necessary for the taps to be replaced as cleaning proved ineffective.

- **Meat Species Sampling.** In November 2012 ten samples of Lamb Madras, from Indian Takeaways or Restaurants, were taken and sent for analysis for meat species. Of the ten samples, two were found to contain beef. The businesses were contacted and advice was given. Follow up samples were taken and found to be satisfactory.
- **Peanut Sampling.** Five ‘peanut free’ meals of Chicken Korma were purchased anonymously and analysed for peanut protein. All five Chicken Kormas were found to contain peanut protein at a concentration which could cause serious illness in an allergic individual. Visits were made to each of the businesses. In addition advice letters were sent to all Indian and Chinese premises in Hartlepool and a press release was sent out. Following these unsatisfactory results further sampling was carried out. Peanut free meals were ordered from the five premises where problems had been identified. Ingredients such as coconut powder, almond powder and base stock were also sampled from the premises. With the exception of one premises, all of the meals were found to be peanut free. However peanuts were identified in the coconut powder and almond powder. Advice to all relevant businesses, including the retailers and suppliers is being provided relating to these findings.
- **Tobacco Control Inspections** In accordance with one of the goals in the Smoke Free Hartlepool Alliance Delivery Plan for Trading Standards to visit all retailers of tobacco products during the year tobacco control inspections have been progressed during the quarter.

Inspections this year include examining retailers recording of refusals of sales to people without adequate identification who appear to be under 18 or 21 or 25 in accordance with the retailers policy and compliance with alcohol

licensing conditions that also relate to tobacco sales with regard to proof of age schemes, point of sale notices and reminders and provision of adequate CCTV.

Tobacco Control Inspections for 2013 began in January and at the end of March 31% of Hartlepool tobacco retailers had been inspected with 26% of those premises visited found to be incorrect in some respect - 16% of which being incorrect with regard to tobacco legislation, 8% found to be not fully compliant with smoke free premises requirements and 13% not complying with the provision of CCTV conditions.

These non-compliances included incorrect display of required warning and advisory notices and incorrect positioning of CCTV cameras required to monitor sales counter activity and the exterior curtilage of the premises.

- 5.6 Legislation came into force on 6<sup>th</sup> April 2012 prohibiting the public display of tobacco products in large shops. There are 3 premises in Hartlepool to which the legislation applies and all have been visited in quarter 1 and found to be compliant.
- 5.7 Underage Sales work. During this quarter 30 attempts were made by underage volunteers to purchase alcohol, tobacco, fireworks & intoxicating substances 10 were successful.
- 5.8 **Feed Hygiene and Primary Production Inspections for Food and Feed –** During the year officers carried out a programme of comprehensive inspections of feed businesses for which the Authority received grant funding from the Food Standards Agency (FSA). The interventions were designed to support the National Enforcement Priorities for Feed identified by the FSA.

## 6. REACTIVE WORK

- 6.1 The reactive work carried out by the Public Protection service is in the main complaint related. Other reactive work relates to accident & infectious disease notifications. Details of all reactive work are given in the table below.

Number of Complaints by Service Area	Q1	Q2	Q3	Q4	Total
Food	17	21	7	7	52
Health & Safety at Work	8	5	2	3	18
Pest Control - Rats	211	187	176	179	735
Pest Control - Mice	73	52	50	57	232
Pest Control - Insects	104	218	47	35	404
Noise - Commercial	1	7	0	0	8
Noise - Domestic	115	205	83	108	511
Air Pollution	15	25	12	12	64
Trading Standards	82	154	90	79	405
Accident Notifications	18	13	11	12	54
Licensing	11	12	5	12	40
Infectious Disease Notifications	36	43	41	25	145

6.2 **Sandwich investigation** Following a complaint alleging a cockroach in a sandwich bought in Hartlepool, an officer visited the shop in question and found that the sandwiches concerned were labelled as being made in Middlesex. This seemed suspicious and an internet search could not confirm the existence of this business. Several attempts to contact Ealing Borough Council met with no success.

Other retailers in Hartlepool were visited over the following days and any which caused concern were purchased for further investigation. The FSA Food Fraud Unit was contacted but no relevant information was held in connection with these premises.

Some of the sandwiches were being supplied by a business in Middlesbrough and the labelling was inadequate in several respects. Officers worked with EHOs at Middlesbrough Council to resolve this issue.

Sandwiches were also sent away to the lab for microbiological testing, with those from outside the Teesside area all proving satisfactory. However, listeria was detected in some of the Middlesbrough sandwiches and this resulted in further work with their EHOs to resolve the issue. Follow up samples were all clear.

An EHO at Ealing Council was contacted at this point and was able to confirm that manufacturers in London were producing up to 14,000 sandwiches a day, which are taken to 'distribution hubs' where other companies take over the deliveries. Sandwiches are delivered all over England in this manner. An officer intercepted a delivery vehicle in Hartlepool and was able to confirm that a professional operation was being run, with appropriate labelling and temperature control.

During the course of the investigation, some sandwiches were discovered with very long shelf lives, labelled as 'modified atmosphere' and made in Preston. Chorley Council was contacted and were able to produce a fact sheet

concerning this process, the only manufacturer of its type in Britain. Samples were submitted and came back all clear.

- 6.3 **Out Of Hours Noise.** The Public Protection Division provided an out of hours noise service between 10:00pm and 3:00am every Friday and Saturday night from Friday 1<sup>st</sup> June 2012 through to Sunday 2<sup>nd</sup> September 2012. The service dealt with a total of 115 calls over the three month period. The majority of the calls concerned noise from parties and amplified music. Most of the complaints were resolved informally with the individuals concerned. Two of the visits resulted in the service of noise abatement notices.
- 6.4 **Legionella.** Two cases of legionella were reported during the third quarter and both were investigated by officers from the service. No links were established between the two cases and close liaison with the Health Protection Agency was maintained throughout.
- 6.5 **Unsafe Electrical Cabling** Following the receipt of a complaint from a National trade body, Trading Standards Officers investigated the safety of fire safety cabling that was being imported into the EU by a Hartlepool company. Close working between officers, the company concerned and the trade body has ensured that the product now complies with statutory requirements.
- 6.6 **Potentially Unsafe Vodka** Following a complaint about potentially dangerous imported vodka, a visit to a local off-licence was conducted with Trading Standards Officers and HMRC and resulted in the seizure of 2 and a half pallets of alcohol which had not had duty paid. HMRC will issue a financial penalty in due course.
- 6.7 **Tobacco Control** 2 domestic premises were visited by Trading Standards staff and Cleveland Police following the receipt of intelligence. One occupier, a grandfather in his 70's, had approximately 2000 cigarettes seized after he admitted selling to schoolchildren.

The second raid, carried out in December, discovered a quantity of cigarettes hidden in the garden and which had no duty paid. The cigarettes were seized by the Police and the issue passed onto to HMRC.

- 6.8 **E.coli 0157: Control of Cross – Contamination in Sandwich Shops Survey** E.coli O157 is a bacteria associated with raw foods such as meat, fruit and vegetables that have been in contact with the soil and are not supplied as ready-to-eat. E.coli 0157 food poisoning has featured heavily in the news over the years with major outbreaks in Lanarkshire, South Wales, Germany and France.

The Food Standards Agency (FSA) issued guidance to clarify the steps that food businesses that handle raw and ready-to-eat food need to take to control the risk of food becoming contaminated by E.coli 0157 bacteria and to protect their customers. By targeting food hygiene procedures such as effective cleaning in food preparation areas and hand hygiene, this can help prevent or minimize cross-contamination occurring.

In March 2013 Officers carried out a focused survey of 10 sandwich shops, which had a poor inspection history, to assess compliance with the guidance. This involved observing practices, completion of a survey questionnaire and swabbing food preparation surfaces, equipment, and food handlers' hands.

Of the samples obtained 1 swab, which was taken from a fridge handle, was classed as unsatisfactory and another swab, taken from a chopping board, was reported as borderline. The premises were revisited and the results discussed with the food business operator. Follow up swabs were taken, which were deemed to be satisfactory.

Each of the premises received a report detailing contraventions of the FSA guidance and/or statutory requirements noted by the sampling officer and remedial action required. Contraventions included: absence of staff training on procedures for controlling E.coli O157 contamination, staff did not change protective clothing between handling raw and ready-to-eat food, the same sinks were used to clean raw and ready-to eat equipment and the same wash hand basin was used for staff handling raw and ready-to-eat foods.

The findings of the survey demonstrated a lack of food handlers' knowledge concerning the risk of E.coli O157 cross-contamination in this type of premises. In particular the majority of food business operators were unaware that root vegetables that had been in contact with soil and are not supplied as ready-to-eat could be a source of E.coli O157. An information leaflet informing them of the key control measures to minimise E.coli O157 was provided and further surveys are planned to continue to raise awareness.

- 6.9 **Salt and Fat Content of Sandwich Fillings.** An additional survey was also carried out in the same sandwich shops to analyse the fat and salt content of sandwich fillings made with mayonnaise. All sample results were reported as satisfactory for fat content, however although there are no targets set by the FSA for the salt content of sandwich fillings, it was found that there was clearly scope to reduce the quantity of this ingredient.

The recommended maximum daily intake of salt for an adult is 6g and the majority of the sandwich fillings analysed were found to contain one - sixth of this daily allowance.

A letter detailing the results was sent out to each of the surveyed premises along with a leaflet containing advice on how to reduce the salt and fat content of their sandwich fillings.

## 7. LICENSING

- 7.1 The number of licenses & permits issued by the service are detailed in the table below. The majority are issued under delegated powers, however if an objection is received during the consultation process or the applicant does not meet the necessary criteria the application will be determined by a Licensing Sub Committee

<b>Number of Licenses / Permits Issued</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
HC / PH - Drivers	96	118	152	130	496
HC / PH - Vehicles	73	109	98	81	361
Operators Licenses	3	1	3	0	7
New Licensing Act Applications	4	7	4	3	18
Licensing Act - Variations	2	2	5	3	12
Licensing Act - Personal licenses	10	12	11	11	44
Licensing Act - Temporary Events Notice	39	58	78	25	200
Licensing Act (Other)	54	36	32	37	159
Street Trading applications	5	14	2	4	25
Other	7	22	17	7	53

## 7.2 License Reviews

Premises that are licensed to sell alcohol can have those licenses reviewed if there are complaints about crime, anti-social behaviour or nuisance. Licensing hearings are held before a licensing sub-committee.

During 2012/13 two licenses were reviewed – one at the request of Cleveland Police and one by Trading Standards following an underage sales test purchase operation.

On both occasions the licensing sub-committee added new conditions to the license to ensure that similar problems would not happen again.

## 7.3 Taxi Spot Checks

In addition to 6 monthly mechanical checks licensing officers carry out additional 'spot checks' of hackney carriages and private hire vehicles to ensure that vehicles standards are being maintained.

During 2012/13 a total of 472 spot checks were carried out.

## 7.4 Licensing Training

In January 2013 the Licensing Team was accredited to offer Licensing Act training and examinations to prospective licensees. The first course took place in March 2013 and all 12 entrants who attended the day passed the nationally accredited examination at the end.

The provision of this service will ensure that licensees in Hartlepool receive training on those issues that are most relevant to the town whilst generating revenue for the Council.

## **8. ENFORCEMENT**

- 8.1 During the first quarter, 2 Health & Safety Prohibition Notices were served. They related to the inadequate guarding of a band saw. In the second quarter, 4 Food Improvement Notices were served 3 for the provision of hot water and 1 for the provision of a wash hand basin. In the third quarter, 5 Health & Safety Prohibition Notices were served and one Health & Safety Improvement Notice. In the final quarter, 4 Health & Safety Improvement Notices were served.
- 8.2 **Prosecution for Supply of Unsafe Baby's Dummy** Quest Personal Care, a Bury based company, was successfully prosecuted for an offence of supplying an unsafe baby's soother on 19<sup>th</sup> November 2012. The issue came to light following a complaint that a baby had almost choked on a dummy that had fallen apart whilst being used. A detailed criminal investigation followed during which it was identified that the dummies had been imported into the UK on the strength of a forged safety certificate from the supplier in China. The company pleaded guilty and received a fine of £2000 plus £15 Victim Surcharge and ordered it to pay full costs of £1975 plus the legal costs of £990 incorporating Counsel's Fee (£540 inc VAT). This is also resulted in a significant amount of press coverage.

## **9. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS**

- 9.1 There are no implications under Section 17.

## **10. RECOMMENDATIONS**

- 10.1 That the Regeneration Services Committee notes the content of the report and the progress made across key areas of the Public Protection service.

## **11. BACKGROUND PAPERS**

- 11.1 There are no background papers.

## **12. CONTACT OFFICER**

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# REGENERATION SERVICES COMMITTEE

20<sup>th</sup> June 2013



**Report of:** Assistant Director (Regeneration)

**Subject:** BADEN STREET REGENERATION INITIATIVE:  
PROGRESS UPDATE

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 The report is for information.

## 2. PURPOSE OF REPORT

2.1 To provide Committee Members with an update on the progress to date regarding the pilot Baden Street Regeneration Initiative. The report is to complement the updates provided as part of the quarterly housing reports, which will be considered by the Regeneration Services Committee.

## 3. BACKGROUND

3.1 Intervention from the Council and its partners has been required in order to help stabilise the area and prevent further decline. The key principles of the regeneration initiative are based on the proposals of the Working Group, in consultation with landlords and agents, to address the range of problems and issues in the locality. The concentrated incidents of crime, anti-social behaviour and vandalism in Baden Street have led to the continual increase in the number of empty properties and very low levels of housing demand.

3.2 The problem has been exacerbated further by the empty houses themselves becoming a target for theft, vandalism and anti-social behaviour, resulting in the condition of these properties being generally very poor and in many cases uninhabitable. This has, altogether, contributed to re-letting issues and the spiral of decline in the street and its subsequent poor reputation leaving local residents desperate for change.

3.3 Left unchecked the problems in Baden Street had the potential to intensify and there was a fear that the problems may spread to neighbouring streets and lead to the degeneration of the wider area, which has been relatively unaffected by the acute problems.

- 3.4 The pilot scheme introduced is a locally based approach to the regeneration of the street and is a people and place based intervention. The detailed project proposal was endorsed by the Portfolio Holder under the Community Safety and Housing Executive Portfolio in September 2011.

#### **4. PROGRESS UPDATE**

- 4.1 The Council and its partners have already made significant progress in addressing the underlying problems and issues. Feedback from the Neighbourhood Policing Team (NPT) indicates that service calls to the street have significantly reduced over the past 6 months and, although the NPT remain a fundamental partner in the delivery of the initiative, the street is no longer a ward priority area in terms of dedicating and focusing NPT operational resources. Officers do however continue to sustain high visibility patrols in the street, as appropriate.
- 4.2 Between 2011/12 and 2012/13 there has been a 29% reduction in the recorded crime and a 50% reduction in incidents of recorded anti-social behaviour in Baden Street, which along with feedback from the Police continues to reassure.
- 4.3 Feedback from residents residing in the street indicates that there has been a noticeable improvement in terms of incidents of crime and anti-social behaviour. Residents have however shared their frustrations with regards to the timescales for the delivery and implementation of the scheme, but are gradually starting to see the street undergo positive social and physical changes to the daily living environment, and have commented that the street is much quieter than it has been previously. Landlords visiting the area in recent months have also reaffirmed this.
- 4.4 The initial timescale of 12 months for the delivery and implementation of the scheme was in hindsight too short term for realistic change to be achieved and did not account for the unforeseen structural issue affecting a number of properties in the street. The refurbishment work required to many of the properties was also more extensive than originally anticipated.
- 4.5 A number of quick win projects have however been delivered in an effort to sustain community engagement and deliver positive results. These small projects support the scheme in the longer term and have assisted by building momentum and profile of the initiative by demonstrating change.
- 4.6 Projects have included improving the quality of the CCTV camera in the street, arranging training for officers from the Neighbourhood Policing Team to effectively operate the camera and establishing an Operational Protocol between the Council's Community Safety Team and the Neighbourhood Policing Team for all mobile, non covert, CCTV provision across the town. The locks on the alley gates have also been changed to ensure only residents who reside in the area have access to the keys, and North East Security (NES) Services Ltd. has been employed. All of these actions form

part of the Risk Management Strategy for the scheme whilst also improving community safety. The road has also been resurfaced as part of the Council's Highway Resurfacing Programme for 2012.

- 4.7 Eligible residents have been supported to apply to the Warm Homes Healthy Hartlepool Fund to provide measures in their properties to improve energy efficiency and reduce the impact of cold housing on health. Works have included the installation of a central heating system and draft proofing to combat excess cold. Tenants have also been supported to report disrepair in their homes, to the Council's Housing Standards Team, to make sure landlords undertake the necessary work to ensure their homes are safe and secure. Tailored workshops have also been arranged to cover any identified needs for example, a financial management workshop was held in conjunction with Hartlepool Credit Union Ltd. and an employability and skills session with officers from the Family Wise Project.
- 4.8 The focus of the work is now aimed at assisting landlords to find an appropriate and suitable solution to bring their empty property back into use and, continuing to support residents, particularly those who are affected by the Welfare Reform. Work also continues to be ongoing to identify suitable tenants for the street, ensuring prospective tenants have been appropriately vetted and referenced checked, and completed a successful application to the Council's Good Tenants Scheme (GTS).
- 4.9 Overall there has been a positive response from landlords with regards to the principles of the scheme, but it has taken time to instill confidence and encourage individuals to invest in their properties, as many landlords have experienced the problems outlined in section 3.2 of this report.
- 4.10 When the original business case for the scheme was prepared there were 22 empty properties in the street. To date, 27% of these properties have been brought back into use and overall 86% of owners of eligible empty properties are actively engaged.
- 4.11 Five of these properties were re-let in the early stages of the scheme with a further property re-let in November 2012 following an extensive refurbishment programme completed by the Council's Facilities Management section. The completion of the refurbishment and successful re-letting of the property in November 2012 was used as a case study to demonstrate to landlords what can be achieved. In addition 4 properties have been purchased through the Council's Empty Property Purchasing Scheme and work on the refurbishment of these properties has already commenced. The Council's Legal Team has also recently been instructed to progress with the purchase of a further 2 properties. These initiatives have had a positive impact in terms of demonstrating the Council's commitment to the regeneration of the street and encouraging additional landlords to work with the Council. A further 3 landlords have sought their own independent quotations for the work and are currently on site with the refurbishment programme. One of these properties is due for completion in the next couple of weeks.

- 4.12 The original budget to deliver the scheme totalled £215k, to support the implementation of the first phase focussed on bringing the empty properties back into use and addressing the concentrated problems, to assist with assuring the long term sustainability of the street.
- 4.13 To date, there has been revenue expenditure of £8k and capital expenditure of £35k plus commitments of £15k to support the activities outlined in sections 4.6, 4.7 and 4.11 of the report. Around 43% of this will be repaid by owners over the next 5 years. Based on these figures so far it appears the scheme is proving good value for money.
- 4.14 Six landlords are in the process of seeking independent quotations or assessing their position with regards to selling their property to the Council. There are however 3 owners who are not actively engaged in the scheme presently. A number of owners have also recently changed managing agents with the intention of improving the management of their properties going forward. There are a number of case studies relating to properties that have been re-let, which evidences the multifaceted approach for example, an individual who was recently supported to move into the street shortly afterwards secured employment.
- 4.15 Work to ensure landlords participate in the scheme continues. Support from the Empty Homes Officer is to be provided in terms of enforcement action, as required.
- 4.16 The planned external facelift painting scheme and the installation of the fall pipe covers is to be actioned, in the coming months, in order to complement the property refurbishment work that has been undertaken.
- 4.17 Although there is still some way to go in terms of aesthetically improving the street, the scheme has started to gain momentum and it will be crucially important to keep this momentum going over the coming months to rebuild its reputation, change perceptions and improve public confidence. Residents within the neighbourhood have started to see increased activity in terms of the ongoing work to individual properties, and there are instances in which landlords that are not eligible for the scheme beginning to invest in their properties to improve conditions, which helps with the overall revitalisation of the street. In early June, a landlord in this position successfully re-let their property with support from the Council, which is an example of the partnership activity underway. As work progresses it is anticipated that there will be a rising confidence in the community about the future of the street.
- 4.18 Key messages about the scheme are disseminated to the community, as appropriate, through leaflet drops, at meetings of the Burn Valley North Residents' Association and by word of mouth via the officers involved in the delivery of the scheme. Local residents kept informed of developments have generally been pleased to hear about the progress that has been made so far. Residents continue to be eager to ensure the scheme delivers its overall aims and objectives.

## **5. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 5.1 Impact Assessments have been carried out on all housing services strategies. Equality and diversity is considered in all activities relating to the delivery of the scheme.

## **6. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS**

- 6.1 The scheme has been designed with the intention of addressing crime and anti-social behaviour and improving community liveability, and has already contributed to reductions in recorded incidents, as outlined in section 4.2 of this report. The scheme has contributed towards this through the work detailed in section 4.6.

## **7. RECOMMENDATIONS**

- 7.1 The Committee is requested to note the contents of the report.

## **8. BACKGROUND PAPERS**

- 8.1 There are no background papers.

## **9. CONTACT OFFICER**

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# REGENERATION SERVICES COMMITTEE

20<sup>th</sup> June 2013



**Report of:** Assistant Director (Regeneration)

**Subject:** EUROPEAN SOCIAL FUND NEET PROVISION:  
NORTH EAST

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

For information only.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to inform members of a new tendering opportunity from European Social Fund (ESF) and co-financed by the Skills Funding Agency (SFA) and Education Funding Agency (EFA) to target 14-19 year olds who are not in education, employment or training (NEET) or at risk of becoming NEET.

## 3. BACKGROUND

- 3.1 On Thursday 16<sup>th</sup> May 2013, the Secretary of State for Education officially announced the tendering opportunity to procure provision funded by ESF and co-financed by SFA/EFA which supports young people who are aged 14-19 and who are NEET or at risk of becoming NEET.

## 4. TARGET GROUPS AND PRIORITIES

- 4.1 Delivery will target 14-19 year olds who are NEET or at risk of becoming NEET with particular focus on 16, 17 and 18 year olds and a more targeted focus on the following groups which are over represented in the NEET cohort who:
- have no or low level skills and/or attainment
  - have learning difficulties and/or disabilities, including those with mental health and other serious health issues
  - are supervised by the youth offending team
  - are young parents
  - are in care or leaving care

## 5. GEOGRAPHICAL AREA OF DELIVERY

5.1 The tender specification covers the North East and it states contracts will be awarded at a sub-regional level covering the following two areas,

1. Durham, Tyne and Wear and Northumberland; and;
2. Tees Valley

5.2 The SFA will contract the most effective number of projects required to ensure that the full range of specified needs will be met for the North East. The Agency states that it encourages partnership working and delivery arrangements that are able to deliver interventions to support all target groups and their related needs across an entire geographical area (i.e, Tees Valley sub-region).

5.3 The specification also goes on to outline that delivery should be defined by the needs of young people in each local authority area, but may focus on particular localities and NEET hotspots, such as:

- Darlington – delivery in all areas
- Hartlepool – delivery in all areas and particularly in Brus, Manor House and Stranton
- Middlesbrough – delivery in all areas and particularly in Brambles Farm, Gresham, North Ormesby, Pallister, Park End and Thorntree
- Redcar & Cleveland – delivery in all areas and particularly in Brotton, Domanstown, Grangetown, Lockwood, Loftus, South Bank and Zetland
- Stockton-on-Tees – delivery in all areas

## 6. FUNDING AVAILABLE

6.1 The indicative funding available across the Durham, Tyne and Wear and Northumberland and Tees Valley area is £5,281,553 and £2,173,618 respectively.

6.2 The average unit cost per participant is £2,126.80

6.3 The minimum number of participants to be recruited in the Durham, Tyne and Wear and Northumberland area is:

- 655 in Durham,
- 379 in Gateshead,
- 158 in Newcastle,
- 486 in Northumberland,
- 173 in North Tyneside,
- 292 in South Tyneside
- 340 in Sunderland.

6.4 The minimum number of participants to be recruited in the Tees Valley is:

- 249 in Darlington
- 79 in Hartlepool
- 199 in Middlesbrough
- 140 in Redcar & Cleveland
- 355 in Stockton

## 7. START AND END DATES

7.1 The contracts will start from September 2013 and participants will achieve all aims by 31<sup>st</sup> July 2015, with all participants tracked until 31<sup>st</sup> October 2015 (This is the final point at which claims for outputs can be made).

## 8. KEY RISK IMPLICATION - TUPE & PENSIONS

8.1 The tender states that:

8.1.1 Applicants are advised that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply where the contract awarded is for the provision of services currently being carried out by an existing provider.

8.1.2 Applicants must take their own legal advice on the application of TUPE.

8.1.3 Applicants need to be aware of the specific requirements which apply to transfer of public sector employees and should refer to:

*The Cabinet Office Statement of Practice (COSOP) on staff transfers in the public sector, January 2000*  
(<http://www.civilservice.gov.uk/documents/pdf/employment/stafftransfers2.pdf>) *Fair deal for staff pensions: procurement of bulk transfer agreements and related issues.*

8.2 The tender goes on to state that applicants may submit bids on the basis that TUPE does not apply but will be required to demonstrate how the Service they propose to deliver is significantly different from the Service previously delivered, and in such a way that it requires different skills, experience and equipment and how they will ensure continuity of the Service.

8.3 Advice will be sought with the Council's Human Resource, Finance and Legal Team to seek clarification on TUPE implications.

## **9. FINANCIAL CONSIDERATIONS**

- 9.1 This is a payment by results project and as such, the accountable body (and therefore the subcontractors) will not receive any funding until they have delivered the outcomes. Any financial model will be discussed in detail with Finance and reported to members.

## **10. STAFF CONSIDERATIONS**

- 10.1 At a Hartlepool level, the current Tees Valley Works team would deliver this tender opportunity as it complements the existing Going Forward Together NEET reduction project.

## **11. IMPACT ON CHILD / FAMILY POVERTY**

- 11.1 This project will positively contribute to tackling the longer term causes and consequences of child and family poverty by preventing young people from becoming long term NEET by providing individuals with access to provision that will enable them to reach their aspirational goals and become economically active.

## **12. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS**

- 12.1 This project will positively contribute to Section 17 by improving education and employment routeways for young people. This will include providing early interventions to intensive support programmes for individuals who have been identified as high risk of offending.

## **13. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 13.1 This project is aimed at supporting young people, regardless of their background, to achieve their career aspirational goals, particularly amongst vulnerable groups such as the seven priority groups shown below:
- Looked after children and care leavers;
  - Young offenders (including those leaving the secure estate);
  - Teenage parents;
  - Young carers;
  - Young people with specific learning difficulties and/or disabilities (SLDD);
  - Young people with mental health issues; and;
  - Young people with drug and alcohol misuse issues.

## **14. CONTRIBUTION TO OTHER COUNCIL PROGRAMMES AND PERFORMANCE INDICATORS**

14.1 This project will directly benefit other Council employment initiatives, such as the Hartlepool Youth Investment Project and Think Families, Think Communities. Also, the project will positively contribute to the following indicators:

- Improving the Overall Employment Rate:
- Improving the Overall Youth Employment Rate
- Reducing the Youth Unemployment Rate:
- Reducing the number of young people who are not in education, employment or training (NEET).

## **15. NEXT STEPS**

15.1 The deadline for submitting an application is Monday 17<sup>th</sup> June 2013. Therefore, an initial meeting has been arranged for Thursday 23<sup>rd</sup> May 2013 with representatives from the five Tees Valley local authorities to discuss in more detail the options for submitting a tender application.

15.2 Within this meeting the partners will review key issues relating to the tender, such as the pros and cons of a regional or sub-regional bid, TUPE and a preferred accountable body.

15.3 If a regional bid is considered as a preferred option, then additional meetings with the 12 North East local authorities will be required.

## **16. UPDATE REPORTS**

16.1 A further update report will be provided to members on the application submitted.

## **17. RECOMMENDATIONS**

17.1 Members are recommended to note the contents of this report.

## **18. CONTACT OFFICER**

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# REGENERATION SERVICES COMMITTEE

20th June 2013



**Report of:** Assistant Director (Regeneration)

**Subject:** SOCIAL HOUSING STOCK RE-DESIGNATION (DUE TO WELFARE REFORM ACT 2012)

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

The report is for information

## 2. PURPOSE OF REPORT

2.1 The Regeneration Services Committee will consider how Registered Providers of social housing have looked at possible re-designation of their properties following the introduction of the under-occupation charge (a measure contained within the Welfare Reform Act 2012). This report is for information and is intended to inform Regeneration Services Committee about the national and local context.

## 3. BACKGROUND

3.1 On 1<sup>st</sup> April 2013, the under-occupation charge in social housing was introduced and has brought in new rules for working age people claiming housing benefit. There is now a limit on the number of bedrooms that housing benefit will help pay for and this applies to working age tenants only, pensioners are exempt from the changes. From 1 April 2013, if you have more bedrooms than the new rules say you need, your 'eligible rent' will be reduced by:

- 14% for one extra bedroom; and
- 25% for two extra bedrooms

Local Authorities and Registered Providers (RPs) have been considering many options in response to the impacts that this will have and one option is to re-designate their stock.

3.2 Housing Hartlepool, who own 70% of the social housing stock in the town, has undertaken an assessment of those who will be affected by the under-occupation charge. They have 1152 properties that are under-occupied which are broken down as follows:

- o 845 that are one-bedroom under-occupied
- o 307 that are two-bedroom under-occupied

Within the stock that is owned by the Council and managed by Housing Hartlepool, 9 properties are under-occupied by one bedroom.

3.3 From information provided from the other Registered Providers there are approximately a further 300 properties in the town which are currently under-occupied and the majority of these are also under-occupied by one bedroom.

#### **4. PROPOSALS/DETAILS**

4.1 To date, across the country only two landlords have undertaken the option of re-designation and a third landlord has confirmed that they are considering this option. However, in preparing for and responding to the Welfare Reform Act 2012 all social housing providers will have considered a number of options to respond to the expected impacts of the introduction of the under-occupation charge. This consideration is made alongside organisations' business and asset management plans.

4.2 In April 2013, Knowsley Housing Trust (KHT) in Merseyside announced that they had reclassified 566 two and three-bedroom properties as smaller homes. KHT have a stock of 14,000 homes and have estimated that this action will cost it £250,000 in rental income per year. KHT have stated that they would have pursued this action regardless of welfare reform and the under-occupation charge because a stock review demonstrated that some of their existing homes are currently classified as having more bedrooms than they actually have and that their tenants were paying too much rent. They have undertaken this review to ensure that every charge on their properties is the right rent and that this was effectively an asset management decision.

4.3 Nottingham City Council has announced that they have reclassified more than 1000 two-bedroom flats in high-rise tower blocks. The main reason for undertaking this action is that these properties, which are deemed non-family accommodation, would be difficult to let out to tenants that would not under-occupy the property and would increase homelessness.

4.4 In April 2013, Leeds Council also confirmed that it is looking at reclassifying 865 homes. These include 398 three-bedroom, low-rise flats which could be re-designated as two-bedroom and 341 five-bedroom houses with a downstairs bedroom which could be reclassified as having four bedrooms. There are also 126 two-bedroom flats which the Council believes could be classed as one-bedroom. It has been cited that the reason for looking at pursuing this action is because these properties fall into the highest

percentage of properties that are affected by under-occupancy and also fall into lowest demand when finding new tenants. In addition their current layouts present a feasible option for re-designation. The Council has assessed that it will benefit from doing this through the savings that will be associated with the additional resources such as legal costs and additional staff that come with pursuing rent.

- 4.5 Locally, Housing Hartlepool (part of the Vela Group) has been preparing for Welfare Reform and the introduction of the under-occupation charge since the end of 2011 and has assessed how this impacts on its customers as well as the potential loss of income to the organisation. A number of options have been considered during this process. One of these options has included re-designating some stock. Part of this consideration was about balancing a reduction in income against managing the risk of bad debt and concerns around sustainability.
- 4.6 During 2012-2013 the numbers of existing Housing Hartlepool tenants on the Housing Waiting list has increased from one quarter to almost a third due to wanting to move as they are under-occupying their current home. Lettings to these transferring tenants have also increased from 11% of all lettings to 20% over the year.
- 4.7 Vela has introduced a Landlord Discretionary Housing Fund as a way of providing support to customers and this ensures that in the short term they are supporting those customers in properties exposed to the highest risk for the business. Therefore, at this stage, they are not recommending re-designation of stock to negate the impact of the under occupation charge.
- 4.8 However, in considering this they have recognised that there are a small number of properties where bedroom sizes are very small and further work is underway to ensure that those properties have been properly designated with the right number of reasonable sized bedrooms.
- 4.9 In addition, other Registered Providers that operate in Hartlepool have provided the Council with their current position regarding this. Tees Valley Housing has decided not to undertake re-designation on a large-scale due to funding implications with lenders which impacts on their asset and business planning management, in addition to the lack of clarity from DWP on calling similar properties two or three-bedroom based on the household sizes that occupy them. However, as an organisation they have decided to re-consider some property types where there is ambiguity on size and room use and a number of larger flats in high-rise tower blocks where local lettings policies have been operated to restrict household size. However, this is a small proportion of their total stock and is not applicable in Hartlepool.
- 4.10 Endeavour Housing has also explored this option internally in terms of financial viability and impact of risk to the business but so far has agreed that as they are trying to predict tenant's behaviour in terms of paying/moving etc. that at the current time they have decided not to progress this any

further. However they will be monitoring the impact of welfare reform closely and may consider this option at a later date.

- 4.11 Members will be aware that the Council owns 82 new build properties which are currently managed by Housing Hartlepool. The impact of re-designation of any of the Councils 82 social rented units will be problematic financially. The current business plan generates a small operating surplus over the next few years which operates as a contingency. However in year 7 the scheme operates with no surplus and any reduction in rental income as a result of re-designation of any of the properties would affect the ability to repay borrowing and the account would move into deficit. It would therefore be impractical to re-designate any of the 82 Council owned units due to the impact on rental income.
- 4.12 In considering large-scale reclassification of properties there are a number of issues that need to be thought about. These include, but are not limited to, the following:
- Lack of clarity around the definition of ‘bedroom’ in relation to the under-occupation charge;
  - Reduced rental income for the Registered Providers and the knock-on effect of this on any outstanding loans, asset and business planning;
  - Reduction in property values for reclassified stock meaning that loans may have to be renegotiated or may even be called in by the banks;
  - Restrictions in existing lending agreements leading to breaches of loan agreements;
  - The Council’s Housing Benefit section decides how many bedrooms a property has for Housing Benefit purposes;
  - The potential for the Housing Benefit section to reclaim ‘overpayments’ on reclassified properties and the uncertainty on how far back they could pursue this;
  - The administration required to undertake this option;
  - Equality issues for tenants who pay their full rent who could end up paying a higher rent for the same size property if their’s is not also reclassified;
  - The risk that providers might pursue re-designation in low demand areas only as a policy;
  - Future government policy might evolve.

## **5. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 5.1 There are no equality or diversity implications.

## **6. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS**

- 6.1 There are no Section 17 Implications.

## **7. RECOMMENDATIONS**

- 7.1 The Regeneration Services Committee is recommended to note the information gathered relating to the option of re-designating social housing stock as a response to the under-occupation charge element of the Welfare Reform Act 2012.

## **8. REASONS FOR RECOMMENDATIONS**

- 8.1 The recommendation ensures that the Regeneration Services Committee is informed about the current position nationally and locally regarding re-designation of social housing stock as a response to the under-occupation charge element of the Welfare Reform Act 2012.

## **9. BACKGROUND PAPERS**

- 9.1 Report to the Housing Hartlepool Board, 15 January 2013
- 9.2 [www.insidehousing.co.uk](http://www.insidehousing.co.uk) , 15 February 2013 and 8 April 2013
- 9.3 [www.guardian.co.uk](http://www.guardian.co.uk) , 3 May 2013

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