


## THE CABINET

### AGENDA

Meeting to be held in the Civic Centre (Committee Room No. 1) on  
Wednesday 7 November 2012 at 2.00 p.m.

#### Part I

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	Report of the Head of Law and Governance (copy attached).	

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Information contained in this agenda can be made available in other languages  
and formats on request.

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**Local Government (Access to Information) (Variation) Order 2006**

**The reports contained in Part II of the Agenda are not for publication as the Cabinet is considered likely to exclude the public during consideration thereof as they contain information relating to the financial or business affairs of any particular person (including the authority) (Paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972). The public interest in maintaining this exemption outweighs the public interest in disclosing the information because of the serious consequences for the authority and others if the information should come into the public domain.**

## Part II

13. **Minutes of the Meeting of the Cabinet held on 24 October 2012 Part II**

(Copy to be printed separately).

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Report of the Deputy Chief Executive (copy herewith).

 **Denotes Key Decision.**

**\* Denotes Regulation 10 Notice issues – item which is a key decision which is not included in the 28 Day Notice of Key Decisions.**

ELAINE WAUGH  
Head of Law and Governance

Civic Centre  
SUNDERLAND

30 October 2012.

**CABINET MEETING – 7 NOVEMBER 2012**  
**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

MINUTES, PART I

**Author(s):**

Head of Law and Governance

**Purpose of Report:**

Presents the minutes of the last meeting held on 24 October 2012 Part I.

**Action Required:**

To confirm the minutes as a correct record.



**At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 1) on Wednesday 24 October 2012 at 10.00 a.m.**

**Present:-**

Councillor Trueman in the Chair

Councillors Blackburn, Gofton, Kelly and Speding

**Part I**

**Minutes**

The minutes of the meeting of the Cabinet held on 10 October 2012 Part I (copy circulated) were submitted.

(For copy report - see original minutes).

1. RESOLVED that the minutes of the last meeting be confirmed and signed as a correct record.

**Receipt of Declarations of Interest**

There were no declarations of interest.

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors P. Watson, P. Smith and G. Miller.

## **Local Government (Access to Information) (Variation) Order 2006**

At the instance of the Chairman, it was:-

2. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to the financial or business affairs of any particular person (including the authority) (Paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972). The public interest in maintaining this exemption outweighs the public interest in disclosing the information because of the serious consequences for the authority and others if the information should come into the public domain.

(Signed) H. TRUEMAN,  
Chairman.

### **Note:-**

The above minutes comprise only those relating to items during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.



**CABINET MEETING – 7 NOVEMBER, 2012**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

RESPONSE FROM SCRUTINY COMMITTEE – 11 OCTOBER, 2012 –  
PROPOSALS FOR BUDGET CONSULTATION 2013/2014

**Author(s):**

Head of Law and Governance

**Purpose of Report:**

To advise the Cabinet of the views of the Scrutiny Committee on the proposals for the budget consultation strategy and framework to inform the preparation of the Budget for 2013/2014.

**Description of Decision:**

That the Cabinet be requested to note the views of the Scrutiny Committee.

**Is the decision consistent with the Budget/Policy Framework?** Yes

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

To comply with the constitutional requirements taking account of central government guidance.

**Alternative options to be considered and recommended to be rejected:**

There are no alternative options recommended.

**Is this a “Key Decision” as defined in the Constitution?** No

**Is it included in the 28 day Notice of Decisions?** No

**Scrutiny Committee:**



**RESPONSE FROM SCRUTINY COMMITTEE –  
11 OCTOBER, 2012 – PROPOSALS FOR BUDGET CONSULTATION 2013/2014**

**Report of the Head of Law and Governance**

**1. Purpose**

- 1.1 To advise the Cabinet of the views of the Scrutiny Committee on the proposals for the budget consultation strategy and a framework to inform the preparation of the 2013/2014 budget.

**2. Description of Decision**

- 2.1 That the Cabinet be requested to note the views of the Scrutiny Committee.

**3. Background**

- 3.1 The Cabinet at its meeting held on 10 October, 2012 gave consideration to a joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services which outlined proposals for the budget consultation strategy and framework.
- 3.2 The report was referred to the Scrutiny Committee for its views, in the context of the budget framework.

**4. Comments of the Scrutiny Committee**

- 4.1 The Scrutiny Committee endorsed the budget consultation strategy and framework for 2013/14.

**5. Reason for Decision**

- 5.1 To comply with the constitutional requirements taking account of central government guidance.

**6. Alternative Options**

- 6.1 There are no alternative options recommended.

**7. Background Papers**

Report to the Cabinet on 10 October, 2012.

Minutes of the Management Scrutiny Committee, 11 October, 2012.



<p><b>CABINET MEETING – 7 NOVEMBER, 2012</b></p> <p><b>EXECUTIVE SUMMARY SHEET – PART I</b></p>	
<p><b>Title of Report:</b> RESPONSE FROM SCRUTINY COMMITTEE – 11 OCTOBER, 2012 – BUDGET PLANNING FRAMEWORK 2013/2014 AND MEDIUM TERM FINANCIAL STRATEGY 2013/2014 – 2015/2016</p>	
<p><b>Author(s):</b> Head of Law and Governance</p>	
<p><b>Purpose of Report:</b> To advise the Cabinet of the comments of the Scrutiny Committee on a joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services which identified the key factors influencing the development of the Council's financial plans into the medium term and sets out the headlines and context for the Medium Term Financial Strategy for 2013/2014 to 2015/2016.</p>	
<p><b>Description of Decision:</b> That the Cabinet be requested to note the comments of the Scrutiny Committee.</p>	
<p><b>Is the decision consistent with the Budget/Policy Framework? Yes</b></p>	
<p><b>If not, Council approval is required to change the Budget/Policy Framework</b></p>	
<p><b>Suggested reason(s) for Decision:</b> Adoption of the Budget Planning Framework forms an essential part of the process of the preparation and compilation of the Revenue Budget for 2013/2014.</p>	
<p><b>Alternative options to be considered and recommended to be rejected:</b>  There are no alternative options recommended.</p>	
<p><b>Is this a "Key Decision" as defined in the Constitution?</b>                      No</p>	<p><b>Scrutiny Committee</b></p>
<p><b>Is it included in the 28 day Notice of Decisions?</b>                              No</p>	



**RESPONSE FROM SCRUTINY COMMITTEE – 11 OCTOBER, 2012 –  
BUDGET PLANNING FRAMEWORK 2013/2014 AND MEDIUM TERM  
FINANCIAL STRATEGY 2013/2014 – 2015/2016**

**Report of the Head of Law and Governance**

**1. Purpose of Report**

- 1.1 To advise the Cabinet of the comments of the Scrutiny Committee on a joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services which identified the key factors influencing the development of the Council's financial plans into the medium term and sets out the headlines and context for the Medium Term Financial Strategy for 2013/2014 to 2015/2016.

**2. Description of Decision**

- 2.1 That the Cabinet be requested to note the comments of the Scrutiny Committee.

**3. Background**

- 3.1 The Cabinet at its meeting held on 10 October, 2012 considered and approved a joint report of the Chief Executive and Executive Director of Commercial and Corporate Services which requested approval for the proposed Budget Planning Framework which will guide the preparation of the Revenue Budget for 2013/2014 and requesting the Cabinet to note that the full Medium Term Financial Strategy 2013/2014 to 2015/2016 would be presented in February.
- 3.2 The report was referred to the Scrutiny Committee for its comments in the context of the approved consultation arrangements for the Council's Budget.

**4. Comments of the Scrutiny Committee**

- 4.1 The Scrutiny Committee supported the proposed Budget Planning Framework and endorsed the Medium Term Financial Strategy and recommended that both were submitted to Council for approval.

**5. Reason for Decision**

- 5.1 Adoption of the Budget Planning Framework forms an essential part of the process of the preparation and compilation of the Revenue Budget for 2013/2014.

6. **Alternative Options**

6.1 There are no alternative options recommended.

7. **Background Papers**

Report to the Cabinet on 10 October, 2012.

Minutes of the Management Scrutiny Committee, 11 October, 2012.



**CABINET MEETING – 7 NOVEMBER, 2012**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

RESPONSE FROM SCRUTINY COMMITTEE – 11 OCTOBER, 2012  
CAPITAL PROGRAMME SECOND REVIEW 2012/2013 (INCLUDING TREASURY  
MANAGEMENT)

**Author(s):**

Head of Law and Governance

**Purpose of Report:**

To advise the Cabinet of the comments of the Scrutiny Committee on a report of the Head of Law and Governance which provided an extract from the report on the Capital Programme Second Review for 2012/2013 (including Treasury Management) including details of new schemes that have been added to the Capital Programme which are referred by Cabinet to Council for approval.

**Description of Decision:**

That the Cabinet be requested to consider the comments of the Scrutiny Committee and request the Council to approve the inclusion of the additional scheme for 2012/2013 costing over £250,000 as set out in Appendix A.

**Is the decision consistent with the Budget/Policy Framework?      Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

To respond to variations in the Capital Programme which have arisen since the 2012/2013 First Capital Programme Review was approved to enable effective budgetary control to be exercised.

**Alternative options to be considered and recommended to be rejected:**

No alternative options are proposed.

**Is this a “Key Decision” as defined in the Constitution?**      Yes - the new capital project detailed at Appendix A estimated to cost above £250,000

**Scrutiny Committee**

**Is it included in the 28 day Notice of Decisions?**      No.



**RESPONSE FROM SCRUTINY COMMITTEE –  
11<sup>TH</sup> OCTOBER, 2012**

**CAPITAL PROGRAMME SECOND REVIEW 2012/2013 (INCLUDING TREASURY  
MANAGEMENT)**

**Report of the Head of Law and Governance**

**1. Purpose**

- 1.1 To advise the Cabinet of the comments of the Scrutiny Committee on a report of the Head of Law and Governance which provided an extract from the report on the Capital Programme Second Review for 2012/2013 (including Treasury Management) including details of a new scheme that have been added to the Capital Programme which was referred by Cabinet to Council for approval.

**2. Description of Decision**

- 2.1 That the Cabinet be requested to consider the comments of the Scrutiny Committee and request the Council to approve the inclusion of the additional scheme for 2012/2013 costing over £250,000 as set out in Appendix A.

**3. Background**

- 3.1 The Cabinet, at its meeting held on 10<sup>th</sup> October, 2012, gave consideration to a report of the Executive Director of Commercial and Corporate Services. The report advised of reprofiling of projects since the First Capital Review for 2012/13 was approved in July 2012, the inclusion of additional schemes and revisions to costs and resourcing for 2012/13 since the First Capital Review was reported and provided an update on progress in implementing the Treasury Management Borrowing and Investment Strategy for 2012/2013.
- 3.2 The matter was referred to the Scrutiny Committee, for advice and consideration in the context of inclusion of additional schemes for 2012/2013 costing over £250,000 which are set out in an attached extract of the original Cabinet report.

**4. Comments of the Scrutiny Committee**

- 4.1 The Scrutiny Committee supported the proposed additional scheme as set out in the extract to the report and recommended that the scheme was submitted to Council for approval

**5. Reason for Decision**

- 5.1 To respond to variations in the Capital Programme which have arisen since the 2012/2013 First Capital Programme Review was approved to enable effective budgetary control to be exercised.

**6. Alternative Options**

- 6.1 No alternative options are proposed.

**7. Background Papers**

Report to the Cabinet on 10<sup>th</sup> October, 2012.

Minutes of the Scrutiny Committee, 11<sup>th</sup> October, 2012.

Appendix A

**CAPITAL PROGRAMME SECOND REVIEW 2012/2013 – EXTRACT  
OF REPORT**

	<b>£000</b>
<b>Additional Schemes 2012/2013 Capital Programme</b>	
Hendon Burn Culvert Safety Access – Scheme to improve culvert safety access and minimise flood defence risk fully funded from the Environment Agency Flood and Coastal Erosion Risk Management Programme	325



**CABINET MEETING – 7 NOVEMBER, 2012**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

RESPONSE FROM MANAGEMENT SCRUTINY COMMITTEE –  
11 OCTOBER, 2012 - REVENUE BUDGET SECOND REVIEW 2012/2013

**Author(s):**

Head of Law and Governance

**Purpose of Report:**

To advise the Cabinet of the comments of the Committee on an aspect of the report on the Revenue Budget Second Review 2012/2013 namely, requesting the Council to approve the transfer of funds.

**Description of Decision:**

That the Cabinet be requested to consider the comments of the Scrutiny Committee and request the Council to approve the proposed transfer of funds

**Is the decision consistent with the Budget/Policy Framework?** Yes

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

To respond to variations in expenditure and income which have arisen in 2012/2013 and enable effective budgetary control to be exercised.

**Alternative options to be considered and recommended to be rejected:**

No alternative options are proposed.

**Is this a “Key Decision” as defined in the Constitution?**

No

**Is it included in the 28 day Notice of Decisions?**

No.

**Scrutiny Committee**





**RESPONSE FROM SCRUTINY COMMITTEE –  
11 OCTOBER, 2012**

**REVENUE BUDGET SECOND REVIEW 2012/2013**

**Report of the Head of Law and Governance**

**1. Purpose**

- 1.1 To advise the Cabinet of the comments of the Scrutiny Committee on an aspect of the report on the Revenue Budget Second Review 2012/2013 namely, requesting the Council to approve the transfer of funds.

**2. Description of Decision**

- 2.1 That the Cabinet be requested to consider the comments of the Scrutiny Committee and request the Council to approve the proposed transfer of funds as set out below.

*‘savings on capital financing charges as a result of slippage on the capital programme and income from interest on investments are anticipated to result in savings of approximately £4m at year end. It is proposed that these amounts and any further underspendings arising from unspent contingencies at the end of 2012/2013 are earmarked to support the overall 2012/13 position and transitional costs arising from the 2013/2014 budget setting process’.*

**3. Background**

- 3.1 The Cabinet, at its meeting held on 10<sup>th</sup> October, 2012, gave consideration to a report of the Executive Director of Commercial and Corporate Services. The report gave details of the overall Revenue position following the Revenue Budget Second Review for 2012/2013 including proposed contingency transfers for the second quarter of 2013/2014.
- 3.2 The matter was referred to the Scrutiny Committee, for advice and consideration on the issues of transfer set out in 2.1.

**4. Comments of the Scrutiny Committee**

- 4.1 The Scrutiny Committee supported the transfer of funds to support the overall 2012/13 position together with the transitional costs from the 2013/14 budget setting process and recommended that the transfer was submitted to Council for approval.

**5. Reason for Decision**

- 5.1 To respond to variations in expenditure and income which have arisen in 2012/2013 to enable effective budgetary control to be exercised.

**6. Alternative Options**

- 6.1 No alternative options are proposed.

**7. Background Papers**

Report to the Cabinet on 10 October, 2012.

Minutes of the Management Scrutiny Committee, 11 October, 2012

<p><b>CABINET MEETING - 7 NOVEMBER 2012</b></p> <p><b>EXECUTIVE SUMMARY SHEET - PART 1</b></p>	
<p><b>Title of Report:</b> Procurement of Framework Arrangements for Construction Services</p>	
<p><b>Author:</b> Deputy Chief Executive</p>	
<p><b>Purpose of Report:</b> To seek Cabinet approval to the procurement of new contract framework arrangements for the delivery of construction related services for internal and external clients.</p>	
<p><b>Description of Decision:</b> Cabinet is recommended to;</p> <p>i) Authorise the Executive Director of Commercial and Corporate Services to procure 5 construction related Frameworks that will replace the existing arrangements that expire on the 31<sup>st</sup> May 2013. The new Frameworks will be in place from April 1<sup>st</sup> 2013 up to and including 31<sup>st</sup> May 2017.</p>	
<p><b>Is the decision consistent with the Budget/Policy Framework</b> *<del>Yes</del>/<del>No</del></p>	
<p><b>If not, Council approval is required to change the Budget/Policy Framework</b></p>	
<p><b>Suggested reason(s) for Decision:</b></p> <p>The new framework agreements will provide the skills and capacity to continue current civic building maintenance work, respond to peaks in demand, and to retain existing business and compete for new business opportunities.</p>	
<p><b>Alternative options to be considered and recommended to be rejected:</b></p> <p>The alternative option is to not enter into the framework arrangements. This will result in an under-capacity in the service to deliver existing and planned commitments the consequence of which will be an unacceptable risk to the delivery of the service.</p>	
<p><b>Impacts analysed;</b></p> <p>Equality <input type="text" value="N/A"/> Privacy <input type="text" value="N/A"/> Sustainability <input type="text" value="N/A"/> Crime and Disorder <input type="text" value="N/A"/></p>	
<p><b>Is this a "Key Decision" as defined in the Constitution?</b> Yes/<del>No</del></p> <p><b>Is it included in the 28 day Notice of Decisions?</b> Yes/<del>No</del></p>	<p><b>Scrutiny Committee</b> Skills, Economy and Regeneration</p>



**REPORT OF THE DEPUTY CHIEF EXECUTIVE**

**PROCUREMENT OF FRAME WORK SERVICE PROVIDERS**

**1. PURPOSE OF THE REPORT**

- 1.1 To seek Cabinet approval to the procurement of new contract framework arrangements for the delivery of construction related services for internal and external clients.

**2. DESCRIPTION OF DECISION**

- 2.1 Cabinet is recommended to;

Authorise the Executive Director of Commercial and Corporate Services to procure 5 construction related Frameworks that will replace the existing arrangements that expire on the 31<sup>st</sup> May 2013. The new Frameworks will be in place from April 1<sup>st</sup> 2013 up to and including 31<sup>st</sup> May 2017.

**3. BACKGROUND**

- 3.1 The Council's Building Services function currently utilises a number of contract framework arrangements to provide additional skills and capacity depending upon the demand and nature of the construction and maintenance work that it is tasked with delivering.
- 3.2 The current frameworks have been extended for the maximum period allowed and now expire on 31 May 2013 with no further option to extend. These frameworks are:
- ACT - General Building Works
  - JC Maintenance - Doors and Shutters
  - LMS - Fencing
  - Sekura – Windows
  - AMS – Asbestos Surveying

There is therefore a need to commence a new procurement process to put new frameworks in place beyond the 31<sup>st</sup> May 2013. A review of the existing arrangements has demonstrated that any new frameworks should be more responsive to immediate Council requirements and cover some gaps in existing provision. The frameworks will also apply to work undertaken on behalf of external clients such as schools.

**4. Proposals**

- 4.1 The new framework agreements will therefore be organised as follows:

## **Supply Chain**

### **Framework 1**

- Lot 1 - Asbestos Removal
- Lot 2 - Asbestos Analytical Services
- Lot 3 - Demolition

### **Framework 2**

- Lot 1 - Roofing
- Lot 2 - Hard and Soft Landscaping
- Lot 3 - Fencing
- Lot 4 - Ground Works
- Lot 5 - Brickworks
- Lot 6 – Joinery/ General Building

### **Framework 3**

- Lot 1 - Electrical Contractor
- Lot 2 - Fire Alarm installers
- Lot 3 - Security Systems installers (Alarms, CCTV, Security & Access control)
- Lot 4 - Plumbing Services including Water Hygiene Works and Domestic HW
- Lot 5 - Mechanical Contractors (Heating installation)
- Lot 6 - Air conditioning contractors
- Lot 7 - Ventilation and Ductwork contractors

### **Framework 4**

- Lot 1 - Aluminium Windows and Doors
- Lot 2 – Curtin Walling contractors
- Lot 3 – Timber windows & Doors
- Lot 4 – UPVC windows & Doors
- Lot 5 – Roller shutter supply & maintenance

### **Framework 5**

- Lot 1 - Scaffolding

- 4.2 The new frameworks will cover the first 2 stages of a 5-stage assessment process for sub-contractors, and therefore incorporate a more streamlined, efficient and cost-effective approach to the management of sub-contractors:
1. Professional competencies/ affiliations.
  2. A detailed assessment to evaluate competency of the sub-contractor before appointment.
  3. Detailed project assessment of how they are to carry out their works, to include risk assessments/ method statements/ programme etc.

4. On-site monitoring, to include weekly progress meetings and appraisals that are recorded.
5. Evaluation of performance on set criteria that provides an overall score for their performance.

## **5. REASON FOR DECISION**

- 5.1 The new framework agreements will provide the skills and capacity to continue current civic building maintenance work, respond to peaks in demand, and to retain existing business and compete for new business opportunities.

## **6. ALTERNATIVE OPTIONS**

- 6.1 The alternative option is to not enter into the framework arrangements. This will result in an under-capacity in the service to deliver existing and planned commitments the consequence of which will be an unacceptable risk to the delivery of the service.

## **7. RELEVANT CONSIDERATIONS/CONSULTATIONS**

- 7.1 The Director of Commercial and Corporate Services has been consulted and his views are contained in the report.

## **8. BACKGROUND PAPERS**

- 8.1 No background papers were relied upon in the preparation of this report.





**CABINET MEETING – 7 November 2012**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Disposal of land at the former Newcastle Road Baths site, Newcastle Road, Sunderland

**Author(s):**

Report of the Deputy Chief Executive

**Purpose of Report:**

To seek approval for the disposal of land at the former Newcastle Road Baths site to Esh Developments Limited, for residential development.

**Description of Decision:**

Cabinet is recommended to:

i) Agree to the disposal of the Council's freehold interest in 2.47 acres (1 hectare) of land at the former Newcastle Road Baths site to Esh Developments Limited, for residential development, and otherwise on terms to be agreed by the Deputy Chief Executive.

**Is the decision consistent with the Budget/Policy Framework?**

**\*Yes/**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

To enable the provision of new residential development and to obtain a capital receipt in respect of surplus land that is not required for operational purposes.

**Alternative options to be considered and recommended to be rejected:**

The alternative options are:-

(i) To accept one of the lower offers that has been received. This option would not satisfy the Council's duty to obtain Best Consideration for the land

(ii) To not dispose of the site. This would leave the Council with the ongoing maintenance liability of land that is no longer required for operational purposes.

Both options have been considered and are not recommended.

<b>Impacts analysed;</b>	
<b>Equality N/A</b>	<b>Privacy N/A    Sustainability Y    Crime and Disorder N/A</b>
<b>Is this a “Key Decision” as defined in the Constitution?</b> <p style="text-align: right;"><b>Yes</b></p>	<b>Scrutiny Committee</b>
<b>Is it included in the 28 day Notice of Decisions?</b> <p style="text-align: right;"><b>Yes</b></p>	

**DISPOSAL OF LAND AT THE FORMER NEWCASTLE ROAD BATHS SITE,  
NEWCASTLE ROAD, SUNDERLAND**

**REPORT OF THE DEPUTY CHIEF EXECUTIVE**

**1. Purpose of the Report**

To seek approval for the disposal of land at the former Newcastle Road Baths site to Esh Developments Limited, for residential development.

**2. Description of Decision (Recommendations)**

Cabinet is recommended to:

i) Agree to the disposal of the Council's freehold interest in 2.47 acres (1 hectare) of land at the former Newcastle Road Baths site to Esh Developments Limited, for residential development, and otherwise on terms to be agreed by the Deputy Chief Executive.

**3. Background**

The Council owns the freehold of the land at Newcastle Road, the site of the former Newcastle Road Baths, shown edged bold on the attached plan.

At its meeting of 17<sup>th</sup> January 2011 Cabinet agreed to advertise the disposal of the former Newcastle Road Baths site in accordance with acceptable planning uses.

The site was marketed for sale in accordance with the Council's strategy for the disposal or retention of surplus land approved by Cabinet on 2<sup>nd</sup> December 2009 (as amended by Cabinet on 7<sup>th</sup> September 2011) using a two stage sealed tender exercise which ensures that the proposals of those bidding are acceptable in planning terms and an offer is then accepted that represents Best Consideration

**4. Current Position**

Bids received were considered in accordance with the appropriate evaluation criteria assessing quality of development proposals and gross financial offer. Three bids met the planning and design criteria and the bidders were invited to put forward a financial bid.

Three financial bids were received and the highest and most financially advantageous bid representing Best Consideration was from Esh Developments Limited.

The bids were submitted on a “greenfield basis”. In accordance with strategy for the disposal or retention of surplus land approved by Cabinet on 2<sup>nd</sup> December 2009 (as amended by Cabinet on 7<sup>th</sup> September 2011) the initial gross offer from Esh Developments Limited will be reduced to reflect any abnormal development costs that are considered reasonable following consideration of site investigations and surveys.

In addition, if planning permission for the proposed development is conditional upon the provision of affordable housing, the initial gross offer may be adjusted to reflect the loss of value as a consequence of the requirement for affordable housing

## **5. Reasons for the Decision**

To enable the provision of new residential development and to obtain a capital receipt in respect of surplus land that is not required for operational purposes.

## **6. Alternative Options**

The alternative options are:-

(i) To accept one of the lower offers that has been received. This option would not satisfy the Council’s duty to obtain Best Consideration for the land

(ii) To not dispose of the site. This would leave the Council with the ongoing maintenance liability of land that is no longer required for operational purposes.

Both options have been considered and are not recommended.

## **7. Impact Analysis**

**7(a) Equalities –N/A**

**7(b) Privacy Impact Assessment (PIA) – N/A**

**7(c) Sustainability**

### **Sustainability Impact Appraisal**

Sunderland Strategy Objectives cross check with decisions outcomes:

**• Prosperous City**

No impact

**• Healthy City / Safe City**

The selected development will be constructed in line with current best practice including a minimum code level 4 of the Code for Sustainable Homes Sustainability Assessment Method, the criteria of Building for Life and provide reduced carbon emissions.

- **Learning City**

No impact

- **Attractive and Inclusive City**

Disposal of the development site to the preferred developer will result in the regeneration of a cleared site on a main gateway to the city.

Significant environmental impacts:

- Meets environmental legislation  
The selected development will be constructed in line with current best practice including a minimum code level 4 of the Code for Sustainable Homes Sustainability Assessment Method, the criteria of Building for Life and provide reduced carbon emissions.
- Limits environmental hazards  
See above
- Limits local environmental impact  
See above
- Reduces material consumption  
No impact
- Reduces risks from weather and climate change  
See above
- Reduces waste creation and disposal  
No impact
- Improves sustainable transport communications  
No impact

**7(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion – N/A**

**8. Other Relevant Considerations / Consultations**

The Head of Financial Resources and the Head of Law and Governance both on behalf of the Executive Director of Commercial and Corporate Services have been consulted and their comments are contained in this report.

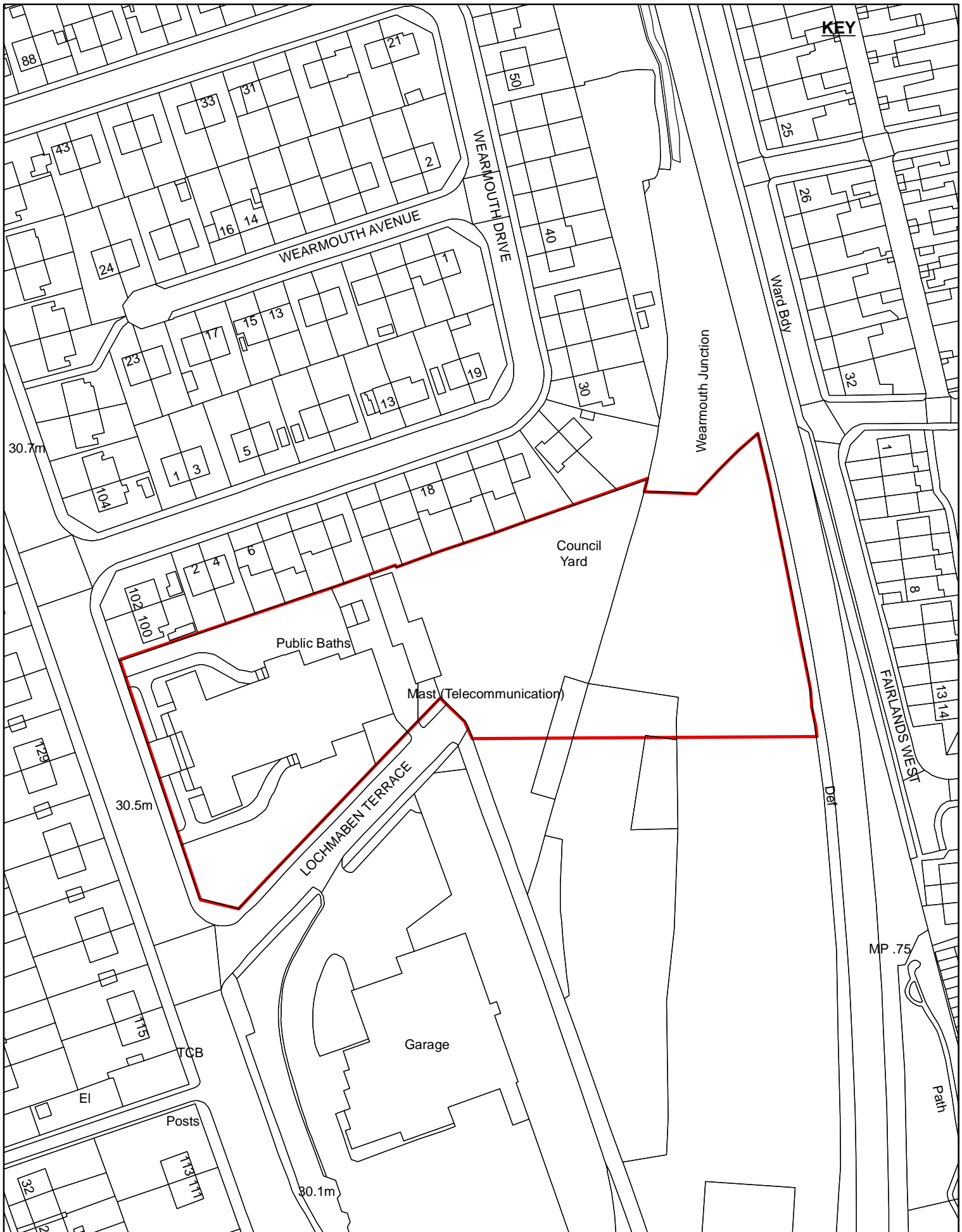
A tender exercise has been undertaken which has ensured that Best Consideration is being obtained for the disposal of the land in accordance with Section 123 of the Local Government Act 1972 which is the statutory provision enabling local authorities to dispose of land.

**9. List of Appendices**

Appendix 1, Plan of former Newcastle Road Baths site.

**10. Background Papers**

There were no background papers relied upon to complete this report.



KEY

Sunderland  
City Council  
Office of the  
Chief Executive  
Civic Centre  
Sunderland

Newcastle Road Baths Site

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Date: 15/10/12	Scale: 1:1250
Map Ref: NZ 3958ne	Rev. 00
Drg. No: 0000	





<p><b>CABINET MEETING – 7 November 2012</b></p> <p><b>EXECUTIVE SUMMARY SHEET – PART I</b></p>	
<p><b>Title of Report:</b> Disposal of land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland</p>	
<p><b>Author(s):</b> Report of the Deputy Chief Executive</p>	
<p><b>Purpose of Report:</b> This report seeks approval of Cabinet to delegate authority to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland.</p>	
<p><b>Description of Decision:</b> Cabinet is recommended to; i) agree to delegate authority to the Deputy Chief Executive in consultation with the Leader and Cabinet Secretary to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland to Connor Solutions Limited.</p>	
<p><b>Is the decision consistent with the Budget/Policy Framework?</b></p>	<p><b>Yes</b></p>
<p><b>If not, Council approval is required to change the Budget/Policy Framework</b></p>	
<p><b>Suggested reason(s) for Decision:</b> The Lease of Unit 3 Rainton Bridge South dated 21 August 2001 from the Council to Connor Solutions Limited contains a tenant's, option to purchase the Council's freehold interest in the premises and expansion land adjacent to the same. The Tenant is to exercise this option in accordance with the terms of the Lease.</p>	
<p><b>Alternative options to be considered and recommended to be rejected:</b> Given the contractual obligations under the terms of the lease, there are no alternative options.</p>	
<p><b>Impacts analysed;</b></p> <p><b>Equality N/A Privacy N/A Sustainability Yes Crime and Disorder N/A</b></p>	

<p><b>Is this a “Key Decision” as defined in the Constitution?</b> Yes</p> <p><b>Is it included in the 28 day Notice of Decisions?</b> Yes</p>	<p><b>Scrutiny Committee</b></p>
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**DISPOSAL OF LAND AND PREMISES AT UNIT 3 RAINTON BRIDGE SOUTH,  
HOUGHTON LE SPRING, SUNDERLAND**

**REPORT OF THE DEPUTY CHIEF EXECUTIVE**

**1.0 Purpose of the Report**

1.1 This report seeks approval to delegate authority to the Deputy Chief Executive to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland.

**2.0 Description of Decision**

2.1 Cabinet is recommended to;  
i) agree to delegate authority to the Deputy Chief Executive to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton le Spring, Sunderland to Connor Solutions Limited.

**3.0 Background**

3.1 The Council owns the freehold interest in Unit 3 Rainton Bridge South, a 30,000 sq ft industrial unit, together with the adjacent land which comprises a 1.6 acre development site identified as expansion space for the unit.

3.2 Unit 3 Rainton Bridge South is occupied by Connor Solutions Limited under the terms of a Lease dated 21 August 2001.

3.3 The terms of the Lease include a Tenant's 'option to purchase the freehold interest' in the premises and expansion land adjacent to the same. The Tenant is to exercise this option in accordance with the terms of the Lease.

#### **4.0 Current Position**

4.1 Following the exercise of the notice the Council are required to use their reasonable endeavours to reach agreement as to the Open Market Value of the of the land and premises with the Tenant. In absence of an agreement the matter will be referred to a third party to determine. The agreed price will represent Best Consideration for the Council. Once agreement has been reached, the Tenant can serve notice requiring the sale to be completed within 21 days.

#### **5.0 Reasons for Decision**

5.1 The Lease of Unit 3 Rainton Bridge South dated 21 August 2001 between the Council and the Connor Solutions Limited contains a Tenant's option to purchase the freehold interest in the premises and expansion land adjacent to the same. The Tenant is to exercised this option in accordance with the terms of the Lease.

#### **6.0 Alternative Options**

Given the contractual obligations under the terms of the lease, there are no alternative options.

#### **7.0 Impact Analysis**

7(a) **Equalities** – N/A

7(b) **Privacy Impact Assessment (PIA)** – N/A

7(c) **Sustainability**

##### **Sustainability Impact Appraisal**

Sunderland Strategy Objectives cross check with decisions outcomes:

- **Prosperous City**

No impact

- **Healthy City / Safe City**

No impact

- **Learning City**

No impact

- **Attractive and Inclusive City**

No impact

**7(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion – N/A**

**8. Other Relevant Considerations / Consultations**

The Head of Financial Resources and the Head of Law and Governance both on behalf of the Executive Director of Commercial and Corporate Services have been consulted and their comments are contained in this report

A valuation exercise will confirm that Best Consideration is being obtained for the disposal of the land in accordance with Section 123 of the Local Government Act 1972 which is the statutory provision enabling local authorities to dispose of land.

**9. List of Appendices**

Appendix 1, Plan of land and premises at Unit 3 Rainton Bridge South.

**10. Background Papers**

There were no background papers relied upon to complete this report.



<p><b>CABINET MEETING – 7 November 2012</b></p> <p><b>EXECUTIVE SUMMARY SHEET – PART I</b></p>	
<p><b>Title of Report:</b> Commissioning of Youth Activities and Activities for younger children from April 2013</p>	
<p><b>Author(s):</b> Executive Director Children’s Services</p>	
<p><b>Purpose of Report:</b> To seek the agreement of Cabinet to procure youth activities and activities for younger children from April 2013 for a period of two years.</p>	
<p><b>Description of Decision:</b> That Cabinet:</p> <ul style="list-style-type: none"> <li>a) note and consider the process and consultation undertaken to shape and influence the commissioning of youth activities and activities for younger children;</li> <li>b) agree that these services can be procured for a period of two years from April 2013;</li> <li>c) Agree to receive a further report in March 2013 on the outcomes of this process.</li> </ul>	
<p><b>Is the decision consistent with the Budget/Policy Framework?      *Yes/No</b></p>	
<p><b>If not, Council approval is required to change the Budget/Policy Framework</b></p>	
<p><b>Suggested reason(s) for Decision:</b> Existing contracts have already been extended by 12 months to end of March 2013 on the understanding that there would be a full re-commissioning of contracts from April 2013. In addition, the new contracts will be based upon new specifications focusing on outcomes for children and young people and extending existing contracts would not allow this important improvement to be made</p>	
<p><b>Alternative options to be considered and recommended to be rejected:</b> The alternative option would be to further extend current contracts. However this will not provide the most effective method of delivering this service as it would not take into account the focus upon outcomes, the views of elected members and young people or the current needs assessment.</p>	
<p><b>Impacts analysed:</b></p> <p>Equality <input type="checkbox"/> Privacy <input type="checkbox"/> N/A Sustainability <input type="checkbox"/> N/A Crime and Disorder <input type="checkbox"/> N/A</p>	





**COMMISSIONING OF YOUTH ACTIVITIES AND ACTIVITIES FOR YOUNGER CHILDREN**

**REPORT OF THE EXECUTIVE DIRECTOR OF CHILDREN'S SERVICES**

**1. Purpose of the Report**

- 1.1 To seek the agreement of Cabinet to procure youth activities and activities for younger children from April 2013 for a period of two years.

**2. Description of Decision (Recommendations)**

- 2.1 That Cabinet:

- a) note and consider the process and consultation undertaken to shape and influence the commissioning of youth activities and activities for younger children;
- b) agree that these services can be procured for a period of two years from April 2013;
- c) agree to receive a further report in March 2013 on the outcomes of this process.

**3. Introduction/Background**

- 3.1 Commissioned youth services within the five locality areas of Sunderland have, since 2010, been delivered via contracts with voluntary sector organisations in all wards. There are 24 contracts in all with one for each ward except where two wards are combined because of cross boundary issues. There is also one city wide contract for the black and ethnic minority (BME) community.
- 3.2 These contracts ensure the delivery of a minimum of three universal youth work sessions per ward using different methods including centre based, detached work, music and arts, personal development opportunities, outdoor education experiences and health workshops. Provision must be available at weekends, during school holidays and on an evening and delivered in places and venues which are accessible and appeal to young people. Although not part of the commissioned contracts, the session based services are complemented by the XL Youth Village and Bus provision which provides one area mobile session per week, and for 40 weeks of the year, a youth village programme. The basis for delivery of the XL provision is also within scope for potential future review although the focus of the work that informs this report is the re-commissioning of ward based contracts.

- 3.3 All contracts have ward-based measures around contact, participation, recorded and accredited outcomes. Performance has been regularly monitored and inspected with payment linked partly to the achievement of these targets. Performance against targets has been consistently good with some contracts exceeding the anticipated targets.
- 3.4 Contracts were originally awarded for two years from April 2010 for a period of two years with the ability to extend for a further two years if appropriate. An extension of one year was agreed with providers in February 2012 with the proviso that each provides an additional session for 8 to 12 year olds and holiday sessions where these were not already part of the offer. This was proposed because of an identified gap in activities for younger children and was accommodated by the providers at not additional cost to the Council.
- 3.5 A number of elected members were involved in the needs assessment and commissioning arrangements which secured existing contracts but it is recognised that greater consistency and influence across all areas would enable more effective shaping of provision in localities.

#### **4. Current Position**

- 4.1 Statutory Guidance released in August 2012 in relation to 'Positive for Youth' confirmed the Government's intention to retain the duty on local authorities to secure, as far as is practicable, sufficient services and activities to improve the wellbeing of young people (section 507B of the Education Act 2006). The duty also requires local authorities to take into account young people's views and publicise information about what is available. The guidance focuses strongly on the essential principles which local authorities should follow in planning and commissioning services for young people, responding to local needs and priorities. Positive for Youth also focuses very clearly on the achievement of better outcomes for young people. This resonates with the Council's prioritisation of outcomes within a framework for People, Place and Economy and a move towards outcomes based planning and commissioning. The development of new service specifications for young people and activities for younger people has therefore at its core a set of key outcomes for young people that providers will be measured against. Whilst performance measures such as participation and contact will still play a part, qualitative outcomes will also be measured within the new contracts.

- 4.2 The re-commissioning exercise for youth activities and activities for younger people and the development of outcomes-based service specifications began in July 2012 with the development of detailed needs assessments for each of the five areas. This included an analysis of key issues affecting young people in each area and in particular the needs of vulnerable groups, eg those with disabilities, black and ethnic minorities, young carers. An audit of activities and facilities for young people (including those provided by other organisations) was undertaken to establish coverage and to identify any gaps in provision. In addition early consultation was held with elected members, young people, schools and providers to assess the impact of what is currently working well across the city and where elements of the provision may be working less successfully. The consultation also focused on which outcomes should be included in the service specification. In order to provide the widest possible perspective, young people who do not currently access youth provision or activities were also consulted.
- 4.3 During September and October 2012, a draft service specification for providers (based upon the results of consultation described in 4.2) has been developed through extensive input and direction from the newly constituted People Boards that have in turn made recommendations to Area Committees. This is attached at Annex 1 to the report. The involvement of the People Board, which will be ongoing throughout the commissioning process, has shaped and influenced the specification for youth contracts for each locality. Whilst there is much in common in relation to the proposed generic outcomes, these have been differentiated according to the needs and characteristics of each area. Whilst Annex 1 provides an illustration of the generic outcomes which will be contained in the service specification there will be slight changes or additions for each area specification.
- 4.4 People Boards and Area Committees have also had a key role in shaping the service specifications for each area in terms of how, when and where activities will be delivered i.e. determining how to use the three ward based sessions (7.5 hours for 52 weeks per year) in a flexible way to meet the needs of service users and in specifying the locations for delivery. In some areas this includes proposals to 'bank' at least one weekly session in term time to be used flexibly during holiday periods or at other peak periods throughout the year. All Area Committee recommendations with regard to the service specifications are included at Annex 2 to this report. Elected members will continue to be informed and involved in the procurement process through the input of the People Boards.

4.5 Under the extension arrangements, current contractual arrangements, at least one hourly session per week has been provided for the 8-12 age range at no additional cost. As a result of discussions with People Boards and earlier consultation, it has become clear that the new service specification should address the traditional view of youth provision as being for 13-19 given the evidence that younger children now access (or potentially present a need to access) services at an earlier age. The age parameters for 'youth activities' is proposed therefore to be 11-19, with activities for younger children provided for 8-10 year olds. There is a clear difference between youth activities and activities for younger children (often described as play) and so it is proposed that these will be offered to providers as separate service specifications, clearly with age appropriate outcomes for the younger children.

## **5. Next Steps**

5.1 Should Cabinet approve the recommendation to procure new services for Youth Activities and activities for younger children from April 2013 the timeline to progress this is broadly as follows:

- November 2012 - Evaluation criteria developed and procurement exercise begins
- December/ January 2013 - Evaluation of tenders and engagement with providers
- March 2013 - Further report to Cabinet and award of contracts
- April 2013 New services begin

## **6. Financial Implications**

6.1 The total available budget for 2013/14 is £970,000 which includes for all commissioned services for 11-19 year olds, 8-10 year olds and city-wide contracts related to the inclusion agenda. This sum takes into account reductions agreed in the Budget Planning Framework 2010 – 2014 of £253,000 in 2012/13 and a further £168,000 in 2013/14. This budget does not factor in any further reductions that may be required or the potential for savings through the procurement exercise to secure new contracts.

## **7. Legal Implications**

7.1 The procurement of new services will be undertaken in accordance with the Council's procurement procedures with the intention to begin new services from 1st April 2013.

## **8. Reasons for the Decision**

- 8.1 Existing contracts have already been extended by 12 months to end of March 2013 on the understanding that there would be a full re-commissioning of contracts from April 2013. In addition, the new contracts will be based upon new specifications focusing on outcomes for children and young people and extending existing contracts would not allow this important improvement to be made

## **9. Alternative Options**

- 9.1 The alternative option would be to further extend current contracts. However this will not provide the most effective method of delivering this service as it would not take into account the focus upon outcomes, the views of elected members and young people or the current needs assessment.

## **10. Relevant Considerations/Consultations**

- 10.1 Consultation has been extensive and is described above at Section 4 above.

## **11. Impact Assessments**

- 11.1 An equality impact assessment will be completed as part of the commissioning process and factored into the timeline. The service specification requires all providers bidding to deliver service to undertaken their own equality impact assessment. Sunderland City Council will require the service provider to comply with the Council's Equality Policies.

## **12. Background Papers**

- 12.1 To be quantified and added.

Annex 1: Draft Service Specification

Annex 2: Area Committee Recommendations



## **SUNDERLAND CITY COUNCIL**

### **CHILDREN'S SERVICES DIRECTORATE**

#### **Specification for the provision of activities for youth services for young people 11-19.**

## **1. INTRODUCTION/BACKGROUND**

### **1.1 Brief Description**

This service specification details what is required of the service provider contracted with Sunderland City Council to deliver activities for a youth service 11-19. It highlights the general principles that underpin the service, the service delivery requirements and standards that form an integral part of the contractual arrangements between Sunderland City Council and the service provider.

### **1.2 Principles**

Our core principles that underpin all our work with young people and families:

1. There is respect and trust for all people, valuing diversity and actively promoting equality
2. All young people and their families have access to services
3. Young people and families take an active role in the planning and design of services and are supported to make informed choices about the services they receive.
4. Young people and families' needs and the services assessed to meet those needs are identified as early as possible
5. Services are outcome focussed, based on best practice and delivered to high quality standards by staff who are appropriately trained and supported
6. Services are focused on those young people and families who are, or are likely to become, in need of additional support
7. Services provide the best possible value for money.
8. Services adopt a 'whole family' and collaborative approach to delivery and improving outcomes

In implementing these principles, consideration must always be given to the young person's age and level of understanding.

### **1.3 Partnership working**

The Service Provider will be expected to participate in the overall management and evaluation of the service, to assess and evaluate the effectiveness of meeting local needs, especially within the Outcomes Framework. The provider will establish and maintain effective partnership working with agencies who are working with families of young people aged 11 -19 years to maximise the potential of local facilities and resources. This may include uniformed groups, church based provision, community centres and health based projects.

### **1.4 National/local guidance**

The legislation, regulations and guidance on which this service specification is based, is contained in the following:

- Children Act 1989
- Children Act 2004
- Children and Young Persons Act 2008
- Child Poverty Act 2010
- Equality Act 2010
- Every Child Matters
- Health and Safety at Work etc Act 1974
- Working Together 2010
- Positive for Youth 2012
- Statutory guidance for local authorities on services & activities to improve young people's well-being June 2012
- Sunderland City Council's Health and Safety Policy
- Sunderland Safeguarding Children's Board (SSCB) procedures

The above list is not exhaustive and it will be the responsibility of the service provider to comply with the requirements of all legislation where applicable.

*Updates of documents can be obtained via the city council.*

## 1.5 Local Analysis of Needs

See Appendices

## 2. OUTCOMES

Corporate Plan Key Priority	Targeted Outcomes for young people aged 11-19
<b>PEOPLE</b>	
A city where everyone is as healthy as they can be and enjoys a good standard of wellbeing.	Young people make informed choices about contraception use and their sexual health.
	Young people make informed choices about drug and alcohol use.
	Young people make informed choices about smoking.
	Young people have good emotional and mental health.
	Young people make informed choices about healthy lifestyle.
	Young People take part in Physical wellbeing activities
A city with high levels of skills, educational attainment and participation.	Young people have the opportunity to develop key skills as well as practical and creative skills through their involvement in youth work activities.
	More young people are in education, training or employment.
	Young people access positive activities.
A city which is, and feels, even safer and more secure.	Young people feel safe in their home, social settings and city environments.
	Youth workers agree and implement limits for acceptable behaviour with young people and encourage them to reflect on their actions



	and attitudes and accept responsibility.
	Young people promote equality, inclusiveness and have an understanding of diversity.
	Young people promote a positive image of themselves.
A city that ensures people are able to look after themselves wherever possible.	Young people are supported in dealing with issues that affect their lives and are encouraged to gain understanding of these in order to help themselves and others.
	Young people understand their rights and responsibilities.
<b>PLACE</b>	
An attractive, modern city where people choose to invest, live, work and spend their leisure time.	Young people are supported with housing issues.
A responsible, well looked after city that is adaptable to change.	Young people develop an awareness of democracy and politics.
A city where cultural identity and vibrancy act as a significant attraction.	Young people take part in out of centre activities.
	Young people are satisfied with the service they access.
<b>ECONOMY</b>	
A new kind of university city.	Young people are valued citizens of the city demonstrating their commitment to active citizenship.
An inclusive city economy for all ages.	More young people are in education, training or employment.

### 3. DESCRIPTION OF THE SERVICE

The purpose of providing activities for 11 - 19 year olds is to encourage positive behaviour and raise aspirations. The youth service will provide and facilitate informal education opportunities, which enable young people, within its target age range, to maximise their potential; to respond critically and creatively to their everyday experiences and to contribute to the cultural, social and political life of the City.

#### 3.1 Eligibility criteria

Young people aged 11 – 19 years in Sunderland will be eligible to access universal youth services. Any young person with identified needs will be eligible for additional services.

#### 3.2 Differing needs of service users

The service will be tailored to meet the differing needs of young people and their families, including those who are harder to reach, to ensure that they have equal opportunity of access.

#### 3.3 Location and opening hours

The service will be locally based in Sunderland and the service will be flexible, and will be available at hours which primarily meet the needs of the service users.

### **3.4 Referral process**

This is primarily an open access service. Targeted services for more complex needs will be allocated via locality based Common Assessment Framework (CAF) panels. The service provider will complete common assessments as and when more complex needs are identified within families.

### **3.5 Activities provided under the contract**

The successful contractor will:

- Provide methods of delivery such as centre based, detached and outreach, that are flexible to the needs of young people and the communities in which they live; be available in the evenings after school, at the weekends and in the school holidays.
- Ensure provision includes a range of activities, opportunities and experiences that support young people to make positive and constructive choices, gain skills and emotional competence.
- A minimum of two sessions per ward and additional sessions where the need is identified. **3 weekly/weekend/area wide tbc following consultation?**
- Actively engage young people in the decision making and governance of their service provision.
- Be responsive to the needs of the service ensuring better outcomes for young people, by participating in city wide events and consultation.
- **Take on the line management of YDG youth work staff listed in each of the individual ward profiles including supervision, appraisal and training if appropriate in line with the Management of Part time Staff Guidelines. (appendix 1) needs further discussion**

Should the service provider identify that more than the agreed sessions are required they will contact the commissioner within the Local Authority to explore additional sessions.

**FINALISE THIS SECTION FOLLOWING CONSULTATION**

### **3.6 Recruitment/Promotion/Marketing of the service**

The service provider will promote the service as widely as possible to the general public, relevant voluntary and statutory agencies, young people as appropriate. The service provider will be encouraged to make good use of media opportunities used by young people to promote positive outcomes and effective partnerships across the council and other agencies.

### **3.7 Nominated Officers**

To facilitate good working relationships, Sunderland City Council will provide the service provider with an appropriate member of staff as a contact point and notify the service provider of any changes of personnel, which may occur. The service provider will also nominate a contact and notify Sunderland City Council should a change occur.

#### 4. BUDGET/PAYMENT ARRANGEMENTS

[For this section include the following:

- the **budget** for the service and how the service should be costed, e.g. state maximum budget or whether a unit cost/overall cost is required for the service for the term of the contract
- what **payments arrangements** should be in place, e.g. monthly or quarterly payments in advance/arrears

Discuss with the commissioner the procurement options.]

#### 5. COMMISSIONING STANDARDS

The service provider will be expected to ensure that they comply with the following commissioning standards:

- 5.1 Routine collation of standard information (quantitative and qualitative) being provided to the Local Authority every 3 months.
  - 5.1.1 Completion of a basic template to record individual data to support the outcomes. This should include:
    - Name
    - Age or date of birth
    - Gender
    - Location
    - Ethnicity
    - Disability
    - Date of accessing the service
    - Referral source (if appropriate)
    - Outcomes as a result of accessing the service

See Appendices

- 5.2 Measure outcomes – This will help the service demonstrate how well it is improving for children and young people and provide the commissioner with an understanding of the impact of the service for young people.
- 5.3 Conduct an Equality Impact Assessment – This will help the service to meet the legal requirements of the equalities framework and to ensure equality to service users within service delivery
- 5.4 Gain customer insight – This may be through conducting annual satisfaction surveys with service users to inform service improvement and understand changing needs of the community
- 5.5 Practitioner insight – This will help build up evidence based practice from frontline staff to understand what has worked well and what could be improved.
- 5.6 It is expected that performance measurement and monitoring will be undertaken through the collection of data against achievement of outcomes. Further detailed information will be collected by the service provider at the request of Sunderland City Council in order to demonstrate improved outcomes and satisfy the commissioning standards detailed above. The specifics of this information will be developed jointly by Sunderland City Council and the service provider.

## **6. TARGETS**

To be agreed with the provider

## **7. SERVICE STANDARDS**

### **7.1 Common Assessment Framework (CAF)**

The service provider will work in collaboration with other services and in accordance with Sunderland's Common Assessment Framework for children and families.

### **7.2 Staffing levels, training, qualifications and experience**

The service provider will ensure that prior to appointment all workers who have unsupervised access to a young person, have completed and satisfied the necessary safety checks and obtained:

- Detailed background information
- Two credible written references of which one must be the current or latest employer
- An Enhanced Criminal Records Bureau Disclosure.

The service provider shall at all times, including during workers' holidays, illnesses or any other absences, provide sufficient suitably trained Workers to ensure the service is provided in accordance with this service specification.

Sunderland City Council acknowledge the contribution that can be made by volunteers (unpaid workers) in enhancing service delivery and would therefore encourage service providers to involve volunteers in the provision of this service whilst observing best practice in their deployment, training and support.

The service provider shall provide the Sunderland City Council with such details as may reasonably be requested of any person(s) used in connection with the provision of the service.

**STAFF TRAINING AND QUALIFICATIONS STILL TO BE ADDED**

### **7.3 Management of staff, professional supervision and HR/employment standards**

The service provider must issue all Workers with job descriptions and written contracts.

The service provider must provide, on request, evidence of training programmes, and supervision and appraisal systems for all Workers.

The costs of employment of trained workers shall be the responsibility of the service provider. All paid workers shall be employed in accordance with current Employment Legislation.

### **7.4 Policies, procedures and systems**

#### **7.4.1 Equality**

Sunderland City Council will require the service provider to comply with the Council's Equality Policies which are listed below:

- The provider must deliver the service treating all people in a considerate and respectful way and showing sensitivity towards a person's beliefs, background, and way of life, personal needs or circumstances. This applies to anyone that the provider comes into contact with, or has access to (in person, over the telephone and in writing) in performing the contract throughout the duration of the agreement
- The service provider must demonstrate how it complies with all equality law when recruiting and managing its workforce.

#### **ADD INCLUSION STATEMENT**

#### **7.4.2 Health and safety**

The service provider must comply with all health and safety legislation in force and all health and safety policies of Sunderland City Council.

#### **7.4.3 Confidentiality**

The service provider must have a confidentiality policy and procedure that all staff are aware of and have received training.

Sunderland City Council will make available to the service provider any information they consider to be necessary to ensure that the agreed support to the young person is provided. In the spirit of mutual trust between Sunderland City Council, young person and service provider the following principles will apply:

- Personal information must be treated as confidential
- Information is to be used only for the purpose for which it is given
- Information must not be passed to a third party without the written agreement of Sunderland City Council and/or the young person or subject to the donor of the information except as permitted by statute and regulations and then only if ratified by Sunderland City Council
- Should a breach of confidentiality occur, Sunderland City Council may take appropriate action as is necessary in the circumstances.

#### **7.4.4 Safeguarding children and young people**

The provider will adhere to national and local procedures and guidance to safeguard Children and Young People.

The Sunderland Safeguarding Children's Board website has published policy and practice guidance in relation to safeguarding children and is available from the following website; [www.sunderlandscb.com](http://www.sunderlandscb.com).

All agencies providing services to or for Children, Young People and their families must be able to evidence that they have:

- Senior Management commitment to the importance of safeguarding and promoting children's welfare
- A clear statement of responsibility towards children and young people that is available to all staff
- A clear line of accountability for work on safeguarding and promoting the welfare of children and young people
- A mechanism in place to ensure service development that takes into account the need to safeguard and promote welfare, informed where appropriate, by the views of children, young people and their families.

- Safe recruitment procedures in place pre-post
- Effective inter-agency working to safeguard and promote the welfare of children and young people
- Effective information sharing.

#### **7.4.5 Participation and Engagement of Service Users**

Service providers should be actively involving service users in all decisions that affect their lives and in the monitoring, evaluation and feedback of services they receive.

Every effort should be made by providers to provide a range of opportunities for service users to contribute to the service delivery process in order to achieve change and ensure best outcomes.

The service provider will be required to evidence how they have involved service users in a real and meaningful way.

#### **7.4.6 Complaints procedures**

The Service Provider is required to demonstrate that there is written procedure for the handling of grievances and disciplinary matters.

#### **7.4.7 Information systems**

The service provider will be expected to use the Electronic Youth Services database provided by Sunderland City Council, when recording performance related data. They may also be required to set up their own monitoring and recording systems to provide additional information for routine monitoring and review meetings. These systems will be subject to the approval of Sunderland City Council.

### **8. MONITORING ARRANGEMENTS**

The service will be subject to an annual review and the service provider should be able to demonstrate a commitment to continuous improvement throughout the term of the Agreement.

The service provider is expected to attend quarterly meetings with Children's Services in order to share the information that is collected and discuss any issues. This will inform the annual review.

The service will be expected to receive announced and unannounced visits from Children's Services throughout the term of the agreement.

Standards of service provision, performance indicators and monitoring criteria are outlined in this document and may be subject to continuing negotiation during the course of the service development and delivery with the service provider.

## **Annex 2: Recommendations of the Coalfields People Board October 2012**

- 1) The Area Committee are requested to consider the inclusion of additional outcomes as part of the Outcomes Framework:-

No additional outcomes were identified.

The following items will be incorporated as part of the generic service specification:-

- Need to work better with partner agencies
- The service provided needs to be attractive to young people and advertised/promoted in an appropriate way
- Signposting and referrals to other youth provision and specialist services is important (for harder to reach young people)
- Inspection and quality assurance is important to ensure young people are getting the best possible support.

- 2) The Area Committee are requested to consider the inclusion of the following specific requirements of the area which have not already been addressed in the Draft Service Specification for both 8-10 and 11-19 provision:-

- Detached and outreach are important to engage young people who do not access centre based provision
- Need to ensure delivery is based on what young people want
- Travel and transport should be considered in providing accessible provision
- Request for the equivalent of three sessions per ward per week 11-19 and one session per ward per week 8-10 all year round but flexible days/hours within the holiday periods
- Area vs. ward based discussion – consultation indicates ward based preference, local providers
- Important that the range of facilities and resources available in the area (including parks and outdoor spaces) are utilised to provide choice and best value for money
- Providers to be asked how they would ensure the sessions are staffed at all times/cover for holidays, sickness etc. in response to paragraph 7.2 on the document circulated and that the individual providers have the required qualifications.

The above items will be incorporated as part of the generic service specification.

- 3) The Area Committee are requested to consider the following additional questions / statements to be included within the evaluation criteria used when awarding youth contracts:-

- Working across ward boundaries to ensure accessibility in meeting the needs of young people in the Coalfields
- Demonstrating effective partnerships, use of existing locations and pooling of resources to support choice and value for money
- How will you ensure evidence of holiday and sickness cover is built into the service proposal
- Staff qualification, experience and knowledge is important. How would you develop your staffing structure to deliver this service in the Coalfields to meet these requirements
- Co-operation and co-ordination between providers in neighbouring wards is essential to make best use of resources. How will you demonstrate effective partnerships to meet the needs of young people.

The above questions were agreed.

### **Recommendations of the East People Board October 2012**

1)The Area Committee are requested to consider the inclusion of additional outcomes as part of the Outcomes Framework:-

- Young People take part in Physical wellbeing activities and teambuilding
- More young people are in education, training or (paid or unpaid) employment
- Including demonstration of an understanding of racism issues and respect agenda.
- Including an understanding of Domestic Violence issues
- Young people are valued citizens of the city demonstrating their commitment to active citizenship.
- Young people understanding progression routes into further education and what financial support is available
- 12 employability skills

The above items will be incorporated as part of the Outcomes Framework.

2) The Area Committee are requested to consider the inclusion of the following specific requirements of the area which have not already been addressed in the Draft Service Specification for both 8-10 and 11-19 provision:-

- Minimum 2 generic/ 1 flexi sessions minimum 48 weeks
- Updates of documents can be obtained via [www.education.gov.uk](http://www.education.gov.uk)
- Effective partnerships may include uniformed groups, faith based provision, community centres and health based projects
- To provide services in line with the Outcomes Framework specifically around the issues identified Active Citizenship, Racism Awareness, Domestic Violence Awareness, Smoking Cessation where appropriate.



- To look at a nominal charge for youth sessions which will be used as additional funding for that project
- Seconded youth work staff (management fees and training budgets)
- Staff qualifications minimum requirements to be agreed
- Recruitment/promotion/marketing of the service.

The above items will be incorporated as part of the generic specification.

3) The Area Committee are requested to consider the following additional questions / statements to be included within the evaluation criteria used when awarding youth contracts:-

- Working across ward boundaries and demonstrating effective partnerships to meet the needs of young people in the East
- How would you address health issues within your service delivery to meet the needs of young people in the East.
- How does the applicant propose to engage with young people who are not interested in participating in positive activities

The above questions were agreed

**Options for delivery are:**

3 sessions 11-19 (year round but flexible days/hours within the holiday periods) **Agreed option**

2 sessions for 11-19 with additional provision in school holidays or 2 sessions 11-19 and 'bank' 3rd session to use to address additional needs across the ward or locality including school holidays

**plus**

1 session for 8-10 (year round but flexible days/hours within the holiday periods) **Agreed option**

**Recommendations of the Washington People Board October 2012**

1) The Area Committee are requested to consider the inclusion of additional outcomes as part of the Outcomes Framework:-

- To include health related issues and safety awareness to include bullying and domestic violence – also drugs, alcohol and sexual health issue (raised by young people at the State of the Area Debate by young people themselves)
- Increase skills and self confidence, helping young people to be job ready.

The above items will be incorporated as part of the Outcomes Framework

2) The Area Committee are requested to consider the inclusion of the following specific requirements of the area which have not already been addressed in the draft service specification for both 8-10 and 11-19 provision:-

- The partnership section should look to include -Faith groups, schools, community centres, health based projects and services, uniformed groups
- Providers will be encouraged to raise additional funding to provide additional/new activities giving added value to the contract
- Providers will be encouraged to work with other service providers and local organisations to avoid duplication of services
- Transition in relation to the different age groups and moves to and between the different provision/services will be addressed
- Washington were not in favour of charging for provision - this will be removed from the service specification
- Provision should include a wide range of services and link with local amenities and make good use of outdoor spaces
- The service provided needs to be attractive to young people and advertised/promoted in an appropriate way
- Signposting and referrals to other youth provision and specialist services is important (for harder to reach young people)
- Inspection and quality assurance is important to ensure young people are getting the best possible support.

The above will be incorporated as part of the generic specification.

**Options for delivery are:**

3 sessions 11-19 (year round but flexible days/hours within the holiday periods) or

2 sessions for 11-19 with additional provision in school holidays or 2 sessions 11-19 and 'bank' 3rd session to use to address additional needs across the ward or locality including school holidays **Agreed option**

**option**

plus

1 session for 8-10 (year round but flexible days/hours within the holiday periods) **Agreed option**

3) The Area Committee are requested to consider the following additional questions/ statements to be included within the evaluation criteria used when awarding youth contracts:-

- How would you address centre based issues e.g. delivery in outdoor spaces or the deployment of detached youth work given there may be issues in some wards with regard to suitable bases and/or centre based activity?
- For the those young people who do not actively engage in youth provision, how would you ensure a creative approach to engagement and communication?
- How would provide a wide and varied range of activities demonstrating effective partnerships, use of existing locations and pooling of resources to support choice and value for money?
- The area profile indicates the need to address emotional health and well being. How would you support this in your delivery?

- Flexibility is required to respond to additional identified needs. How would you determine and inform consideration as to how the flexible resource should be deployed?

The above questions were agreed.

### Recommendations of the West People Board October 2012

- 1) The Area Committee are requested to consider the inclusion of the following additional outcomes as part of the Outcomes Framework:-

<b>Corporate Plan – Key Priority</b>	<b>Targeted Outcomes for young people aged 11 - 19</b>
<b>PEOPLE</b>	
A city where everyone is as healthy as they can be and enjoys a good standard of wellbeing	Young People have good emotional, physical and mental health.
A city with high levels of skills, educational attainment and participation	Young People understand the progression routes into further education, employment and training and where they can access support to follow these routes.
A city which is, and feels, even safer and more secure	Young People demonstrate and promote equality, inclusiveness and have an understanding of diversity.
<b>ECONOMY</b>	
An inclusive city economy for all ages	Young People understand the progression routes into further education, employment and training and where they can access support to follow these routes.

The above outcomes were agreed.

- 2) The Area Committee are requested to consider the inclusion of the following specific requirements of the area which have not already been addressed in the generic service specification for both 8-10 and 11-19 provision:-

- Provide delivery in specified locations in each ward in the West
- 1 session per week per ward 52 weeks of the year for 8 – 10 age group
- 2 sessions per week per ward 52 weeks of the year for the 11 – 19 age group
- 1 flexible session per week per ward that can be delivered in consultation with ward Councillors (e.g banked and used to provide holiday activity, to target ASB hotspots, to be delivered as an additional weekly session)
- BME provision to be discussed

- Additional funding gained by the provider must not be matched to contracted provision and be used to provide sessions/activity separate to those funded via the youth contract.

The above items will be incorporated as part of the generic service specification.

3) The Area Committee are requested to consider the following additional questions / statements to be included within the evaluation criteria used when awarding youth contracts:-

- How does the provider propose to engage those young people who do not appear to be interested in participating in youth activity
- How does the provider propose to engage 'NEET' young people.

The above questions were agreed.

### **Recommendations of the North People Board October 2012**

1) The Area Committee are requested to consider the inclusion of the following additional outcomes in the Outcomes Framework:-

- Particular reference to bullying and how organisations deal with both the victim and the perpetrator with questions as to how bullying incidents are recorded

It was suggested that an additional outcome is not required but would be included in the service specification - 'Young people feel safe in their home, social setting and city environments' to be measured by the feedback from young people

As such no additional outcomes were recommended

2) The Area Committee are requested to consider the inclusion of the following specific requirements of the area which have not already been addressed in the generic service specification for both 8-10 and 11-19 provision:-

- 8 – 10 year olds – Similar to 11-19 however specific outcomes and method of delivery would differ. Suggested delivery is for 1 session per week per ward plus some provision during school holidays
- 11 – 19 year olds - Two options were discussed for Area Committee consideration:

#### **Options for delivery**

- Option 1 - 3 sessions per week per ward as a standard service throughout the year including some provision during school holidays
- Option 2 - 2 sessions per week per ward with a full and comprehensive holiday programme

**Agreed option** was 2 sessions 11-19 and 'bank' 3rd session to use to address additional needs across the ward or locality including school holidays **plus** 1 session 8-10 per week per ward.

- 3) The Area Committee are requested to consider the following additional questions / statements to be included within the evaluation criteria used when awarding youth contracts:-
- How will you build effective partnerships to make best use of resources and maximise outcomes for young people?  
(Strengthening partnerships with local organisations and businesses was identified as a key area for development at the board meeting. This statement will be used to draw out information in relation to how providers will best use resources already available in the North such as existing organisations, facilities, the beach front etc)
  - How will you ensure young people are supported in preparation for training and work? (Job readiness was identified as being an essential outcome. This statement will be used to draw out information in relation to enhancing softer skills to support young people to be job ready)

The above questions were agreed.

**CABINET MEETING – 7 NOVEMBER 2012**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

EMPTY HOMES CLUSTER PROJECT AND AMENDMENTS TO THE COUNCIL'S HOUSING FINANCIAL ASSISTANCE POLICY IN RELATION TO EMPTY PROPERTIES.

**Author(s)**

Executive Director of Health, Housing and Adult Services

**Purpose of Report:**

The purpose of the report is to:-

- i) Seek Cabinet's approval for amendments to the Council's Housing Financial Assistance Policy April 2011 to March 2014.
- ii) Update Cabinet with regard to the Council's Empty Property Projects.
- iii) Seek approval for an Empty Homes Cluster Project funded £472,105.15 from Homes and Communities Agency Clusters of Empty Homes Fund and £472,105.15 from Council New Homes Bonus funding.
- iv)

**Description of Decision:**

Cabinet is invited to:

- a) Agree to the amendments of the Council's Housing Financial Assistance Policy (policies FAP 12 and FAP 15) as set out in this report.
- b) Receive and note the empty property projects progress report
- c) Approve an Empty Homes Cluster Project funded £472,105.15 from Homes and Communities Agency Clusters of Empty Homes Fund and £472,105.15 from Council New Homes Bonus funding.

**Is the decision consistent with the Budget/Policy Framework?      Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision**

Implementing the Council's Empty Property projects, in line with the revisions set out within the amended Housing Financial Assistance Policy, will provide the Council with the opportunity to reduce the wasted resource of empty properties in the City through assisting owners to bring them back into use and increase the opportunity to secure optimum New Homes Bonus funding.

**Alternative options to be considered and recommended to be rejected:**

The Council could leave the Housing Financial Assistance Policy as it is but this would not allow the Executive Director of Health, Housing and Adult Services to utilise the Homes and Communities Agency (HCA) funding or New Homes Bonus Funding in a manner flexible enough to encourage the acquisition and/or refurbishment and return to use of empty properties. In turn the New Homes Bonus payments, rewarded for returning empty properties back into use, would not be perpetuated in future years. Residents from the Council's Housing Register would not be rehoused as quickly. This course of action, therefore, is not recommended.

**Impacts analysed:**

Equality  Privacy  Sustainability  Crime and Disorder

Is this a "Key Decision" as defined in the Constitution? Yes

Scrutiny Committee

Is it included in the 28 day Notice of Decisions? Yes

**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND ADULT SERVICES**

**EMPTY HOMES CLUSTER PROJECT AND AMENDMENTS TO THE COUNCIL'S HOUSING FINANCIAL ASSISTANCE POLICY IN RELATION TO EMPTY PROPERTIES**

**1.0 Purpose of the Report**

1.1 The purpose of the report is to:

- i) Seek Cabinet's approval for amendments to the Council's Housing Financial Assistance Policy April 2011 to March 2014.
- ii) Update Cabinet with regard to the Council's Empty Property Projects.
- iii) Seek approval for an Empty Homes Cluster Project funded £472,105.15 from Homes and Communities Agency Clusters of Empty Homes Fund and £472,105.15 from Council New Homes Bonus (NHB) funding.

**2.0 Description of the Decision**

2.1 Cabinet is invited to:

- a) Agree to the amendments of the Council's Housing Financial Assistance Policy (policies FAP12 and FAP 15) as set out in this report
- b) Receive and note the empty property projects progress report.
- c) Approve an Empty Homes Cluster Project funded £472,105.15 from Homes and Communities Agency Clusters of Empty Homes Fund and £472,105.15 from Council NHB funding.

**3.0 Introduction/Background**

3.1. The Empty Property Action Plan 2011 – 2012 presented to Cabinet in November 2011 is updated for 2012 – 2013 and is incorporated into the Housing and Neighbourhood Renewal Team's Area Operational Plans.

3.2 The NHB grant is awarded to Councils by the Government each October and is based on increases in the housing stock, including empty properties brought back into use. In 2011/2012 the Council received £0.577m and this amount will be paid each year for a 6 year period through the NHB. In 2012/2013, it received £0.575m for a six year period, giving a total of £1.152m for 2012/2013. Of this £0.500m was approved by Cabinet in June 2012 towards funding the Hendon Orphanage project.

3.3 In November 2011, Cabinet agreed that the £0.577m of New Homes Bonus funding for 2011/2012 could be used for the following 2 projects:

- i) £0.250m of the funding to be used to offer equity loans to owners to refurbish empty properties.
- ii) £0.327m to be put into a loans fund which Registered Providers, or similar organizations, could bid for in order to purchase and improve problematic empty homes.



- 3.4 In March 2012, the Government announced, through the HCA, that there was a further £50 million pounds being made available to local authorities, through its “Clusters of Empty Homes Programme” to return empty properties back into use in areas where 10% or more of properties are empty. This Council made a joint bid with Gateshead Council (in view of the HCA’s eligibility criteria of returning a minimum of 100 empty properties back to use) and in May 2012, the Council received confirmation that its Clusters bid had been successful. The HCA awarded £472,105.15 of funding to Sunderland City Council to refurbish 80 properties in the cluster areas of Millfield, Hendon, Sulgrave and Sunderland North and this seeks the approval from Cabinet to undertake the programme with matched contributions through £472,105.15 of its NHB funding. Gateshead Council will be returning a further 25 empty properties back into use through its own portion of the funding.
- 3.5 **External Projects** - The Council’s Empty Properties Team is also working with a number of external organizations to help them identify empty properties to return to use in the Sunderland area, using funding from the HCA. The organisations are Gentoo, the Cyrenians and Centrepoint. Details of these projects can be found at Appendix 1.
- 3.6 As a consequence of increased funding becoming available for empty properties, there is a need to amend Section FAP15 of the Financial Assistance Policy (Empty Homes Assistance) to better reflect the funding available and the outcomes required from these projects. The proposed change will allow the Council flexibility to offer the type of loan that is felt to be most appropriate to the property in question; this may be a repayment loan, equity loan or interest free loan. Adopting the use of repayment loans in appropriate cases will also allow the Council to recycle funds at a quicker pace than has been the previous case for empty property assistance. The policy also allows for area based grants for empty property improvements.

#### 4.0 **Current Position**

The Council aims to return 407 empty properties back into use and the empty properties projects will help contribute to this target. A summary of the progress of the Council funded projects and external projects can be found at Appendix 1. However, Cabinet is requested to particularly note the following:

- 4.1 **Empty Property Equity Loans** - This scheme is progressing well with a good uptake from owners particularly from the East and Coalfield areas of the City.
- 4.2 **Empty Property Acquisitions Project** - Despite an invitation being sent to all Registered Providers and similar organisations, only one organisation (Back on the Map) has applied for loans from the £0.327m loan fund (to the full value of the fund) to acquire and refurbish 5 empty properties in the Hendon area.

The application meets all of the criteria for the project. Back on the Map is not a Registered Provider but with its social purposes including regeneration within the Hendon area and the provision of affordable housing, it may be properly classed as “a similar organisation” as referred to in the Cabinet report of November 2011. The loan will be paid back to the Council by March 2024 through the monthly rental income from the properties in question. If there is insufficient rental to repay the loan by 2024, Back on the Map will use its own money or funding through other sources to repay the loan e.g. Cluster funding for the Hendon area could be used. Section FAP 15 of the Financial Assistance Policy (which currently restricts the provision of assistance to owner occupiers and accredited landlords) requires amendment in order that financial assistance can be made available for Registered Providers, or similar organisations, for the purpose of acquiring and improving empty properties.

- 4.3 **Clusters Project** - following confirmation of the HCA funding, empty properties officers are currently contacting all owners of empty properties in the cluster areas. The financial assistance for this project is through half repayment loan and half grant. This will enable the Council funding to be recycled with the HCA element being offered as an interest free loan to make the assistance more attractive to empty property owners. Sections FAP 12 and FAP 15 of the Financial Assistance Policy require additional amendment to allow for this flexibility. This is in the context of the Regional Financial Assistance Policy and allows for the grant to be repaid within a stated period if a property is sold within a period of up to 5 years. The target for this financial year is 23 empty properties to be refurbished and brought back into use.

There has not been a big uptake to date by owners, many of whom are choosing to refurbish the properties through their own funds with other properties being above shops and used for storage. However, empty property officers are working hard to contact all owners on the lists and are hopeful of meeting this year's targets and regular meetings are being held with the HCA to look at best practice. The HCA has also established a national Empty Homes Clusters Network, the first meeting of which was held on 28 September in Manchester and at which Sunderland was represented.

It is anticipated that expenditure of £0.271m will take place in 2012/2013 with the balance of £0.673m taking place in 2013/2014.

- 4.4 **External Projects** - work is progressing with Gentoo and the Cyrenians to identify empty properties for either acquisition and/or refurbishment. Centrepont's project will be starting in 2013/2014 with 10 properties being refurbished in the Sunderland area in that financial year and a further 10 in 2014/2015.
- 4.5 To allow the Executive Director of Health, Housing and Adult Services to utilise funding from the Homes and Community Agency for Empty Property work and to allow the Council to maximise the opportunity presented through New Homes Bonus funding, it is necessary to change policy FAP 15 of the Financial Assistance Policy, in relation to empty homes. The previous and new versions of this policy is attached at Appendix 2. Further flexibility will also be gained through the proposed amendments to policy FAP12 (assistance in connection with Area/Themed Based Assistance) which is also shown in Appendix 2. The full version of the Financial Assistance Policy can be found on the Council's website [www.sunderland.gov.uk/index.aspx?articleid=1928](http://www.sunderland.gov.uk/index.aspx?articleid=1928) As well as the criteria set out within the Financial Assistance Policy, conditions will be applied by Five Lamps, the Regional Loans Administrator, at the point of awarding the loan under policy FAP15. These are outlined below:

- i) A full financial assessment of the applicant will need to be undertaken, should a repayment loan be the preferred loan product.
- ii) Where an equity product is preferred a full financial assessment is not required however, verification will be required to ensure the applicant is not discharged bankrupt or has County Court Judgements against him that are deemed unacceptable. A full assessment of the property must be undertaken to ensure sufficient equity is available.
- iii) To assist stimulate the market it is proposed to remove the condition that an applicant must have owned the property for a period of 12 months prior to the date of application for assistance.
- iv) To improve the level of protection when securing loans against properties it is proposed to include a new condition excluding applicants that have been discharged bankrupt from the offer of financial assistance.

4.6 To ensure Empty Property Assistance is used to bring empty properties back into occupation a new condition stating that the property must be occupied within three months of the works being completed and must not remain unoccupied for any more than three months in each year of the term of the loan has been introduced.

4.7 To support Sunderland's drive to improve standards in the private rented sector the condition which obligates landlords to become members of local Accreditation Schemes for the lifetime of the loan will remain.

## **5.0 Reasons for the Decision**

5.1 Implementing the Council's Empty Property projects will provide the Council with the opportunity to look at innovative and proactive ways to reduce the wasted resource of empty properties across the City and thus, increasing the opportunity to secure New Homes Bonus Funding.

## **6.0 Alternative Options**

6.1 The Council could leave the Financial Assistance Policy as it is but this would not allow the Executive Director of Health, Housing and Adult Services to utilise Council's and the Homes and Communities Agency (HCA) funding in a manner flexible enough to encourage the acquisition and/or refurbishment and return to use of empty properties. In turn the New Homes Bonus payments, rewarded for returning empty properties back into use would not be perpetuated in future years. Residents from the Council's Housing Register would be rehoused as quickly. This course of action, therefore, is not recommended.

## **7.0 Relevant Considerations/Consultations**

7.1. **Financial** - The Executive Director of Commercial and Corporate Services has been consulted on the financial implications. All Council funding will be repaid to the Council either as an equity or repayment loan.

As noted in the report £0.577m is available from the New Homes Bonus funding for the Empty Homes projects listed above plus £472,105 for the Clusters project. A further £472,105 has been provided by the HCA for the cluster's project. Other funding is provided through Gentoo, the Cyrenians, Back on the Map and Centrepont.

## 7.2 Risk Analysis

- 7.2.1 There is a risk that the proposed New Homes Bonus projects will not perpetuate the bonus for future years. This risk has been mitigated by proposing a number of different projects, increasing the likelihood of delivery. Additionally, if the fund established for Registered Providers and similar organizations is not exhausted, this will be transferred to the loans project and vice versa. This additional flexibility will mitigate the risk of the funding not being spent. The projects will be monitored carefully, using the PRINCE II methodology. The Housing and Neighborhood Renewal Team also has a good “track record” in delivering successful projects. Additionally, empty properties which fall into the definition of the NHB will be focused on.
- 7.2.2 There is a risk that the Council cannot deliver the return to use of 80 empty properties in the cluster areas. This risk has been mitigated by contacting all owners with empty property in the whole of the cluster areas rather than focusing on the more problematic properties. The Empty Property Team is looking at different ways to market the benefits of the scheme together with partners such as the Access to Housing Team, the HCA and Northumbria Police.
- 7.3 **Legal Implications** – The Head of Law and Governance has been consulted and her comments taken into account in the preparation of this report.
- 7.4 **Consulting the Public.** – Empty property projects have been raised at the State of the Area debates, residents’ meetings and through the Council’s website.
- 7.5 **Equalities** – There is no direct negative impact with regard to equalities and the project will create more affordable housing for key workers and vulnerable households, including those threatened with homelessness.
- 7.6 **Project Management Methodology** – The Council’s project management methodology will be used. Officers have been trained in PRINCE 2.
- 7.7 **Sustainability** - The project meets aim 5 of the Sunderland Strategy.

## 8.0 List of Appendices

Appendix 1 – Empty Property Projects – Summary Sheet

Appendix 2 – FAP 12 and FAP 15 of the Housing – Financial Assistance Policy 1 April 2011 – March 2014 (former and revised versions)

## 9.0 Background Papers

There were no background papers relied upon to complete this report.



Empty Property Projects Appendix 1

PROJECT NAME	PROJECT DELIVERY/BACKGROUND	TIMESCALES	TARGET NUMBER OF PROPERTIES BROUGHT BACK INTO USE	LEASE and REFURBISH or ACQUISITIONS	AMOUNT/FUNDING	Progress
<b>1. HCA AND GENTOO LOANS PROJECT</b>	Empty Property Team to identify 5 empty properties across the City. Landlords must be accredited. Gentoo to manage the project and the properties for at least 5 years. The tenants will be nominated from Council's Housing Register.	April 2012 to March 2013	5	The owner signs a lease agreement with Gentoo for 5 years. Property fully refurbished. (After the 5 years the property goes back to owner to manage or can it be renewed with Gentoo)	£50,000 HCA and match funded £50,000 through Council empty property loan. (See below) Funding recycled through rental income for empty property work. Refer to Cabinet Report dated 2 November	One property referred to Gentoo for schemes of work. Empty Property Team working with other interested owners.
<b>2. HCA AND GENTOO GRANT PROJECT 2011/12</b>	Empty Property Team to identify properties. Landlords must be accredited. Gentoo managing the project and the properties. Tenants all nominated from Council's Housing Register.	Complete by June 2012	3 of which 3 are New Homes Bonus (NHB) properties.	The owner signs a lease agreement with Gentoo for 5 years. Property fully refurbished.(After the 5 years the property goes back to owner to manage or can it be renewed with Gentoo)	£6,500 SIB - for 1 property in the Coalfield area. Homes and Communities Agency - £60k (£20K per property) and not recyclable. Refer to Cabinet Report dated 2 November 2011.	Refurbishments complete. Three tenants signed up - 2 in Coalfields and 1 in Hendon.
<b>3. COUNCIL EQUITY LOANS PROJECT 2012-13</b>	Housing and Neighbourhood Renewal Team is managing the project overall and Empty Property Officers identify the properties. Home Improvement Agency (HIA) is delivering the project on a day to day basis. Five Lamps, the Regional Loans Administrator, is administering the loans. Landlords must be accredited landlords with the Council. The owners manage the property/ies themselves. Nomination rights from the Council's Housing Register.	To be refurbished and tenanted/occupied by March 2013	15 of which 5 are New Homes Bonus properties (to date)	Properties refurbished to the Decent Homes Standard. Council loan registered as a land charge against the property and owner to match fund the other half of the total cost.	£250,000 in total from NHB. Up to 30K per property 50% council and 50% owner, including professional fees. Loan repaid on sale of the property. Funding available for recycling. Refer to Cabinet Report dated 2 November 2011.	15 loan applications and 5 potential loan applications to match fund the Gentoo scheme from across the City. All properties have been inspected by Home Improvement Agency. First applications have been sent to 5 Lamps.
<b>4. COUNCIL ACQUISITIONS PROJECT</b>	Back on the Map, to deliver the project. Nomination rights from the Council's housing register.	1 March 2013	5 All New Homes Bonus	Back on the Map to acquire, refurbish and manage the properties in the Middle Hendon area.	£327,000 from NHB. Approx £60k per property to acquire and refurbish. Can be topped up through Back on the Map's funds or cluster funding. Repaid monthly through rental income over a 12 year period. Refer to Cabinet Report dated 2 November 2011.	Working with Back on Map to identify potential properties for acquisition. Report to Cabinet November 2012
<b>5. CLUSTERS OF EMPTY HOMES PROJECT HCA</b>	Council submitted bid to HCA to offer loans to refurbish and occupy 80 empty properties in Sulgrave, Hendon, Millfield and the North area. Properties to be identified by empty property team. Landlords must be accredited and tenants will normally be nominated from the Council's housing register.	01 March 2014	80	Refurbish the property to Decent Homes Standard. Properties managed by owners.	Funding £944,210 in total. 50% grant from HCA and 50% from the Council. Refer to DMT report dated 2nd May 2012.	Team currently making contact with all owners in the cluster areas. 23 properties to be refurbished by March 2013.

6. CYRENIANS PROJECT HCA	Cyrenians project - focus on properties in wards above the city average of empty properties. Identified by the Empty Property Team. Aimed at rehousing former addicts. Refurbishments undertaken by social arm of the Cyrenians. Managed by the Cyrenians.	01 March 2014	4	Acquire, refurbish and managed by the Cyrenians.	£60,000 in total to purchase and refurbish the property. 50% funded through HCA and 50% funding Cyrenians. Refer to DMT report dated 2nd May 2012.	Empty Property Team working closely with the Cyrenians to identify properties. One property referred to Cyrenians by Empty Property Team.
7. CENTRE POINT HCA	Centrepoint project - aimed at young people across the city with focus on wards above the City average of empty properties. Identified by empty property team - focus on cottages.	01 March 2015	20	Refurbish and lease - managed by Centrepoint.	which £12,000 will be spent on the refurbishment. £168,000 HCA funding plus £168,000 match funding through rental income. Refer to DMT report dated 2nd May 2012.	Bid approved. Awaiting contact as project does not start until next financial year.
TOTAL PROJECTED EMPTY PROPERTIES BROUGHT BACK INTO USE			TOTAL 132			

**Key**

	Council managed projects
	Projects managed by a third party with properties identified by the empty property team.



**Revised  
Housing  
Financial Assistance Policy**

**1<sup>st</sup> APRIL 2011- 31<sup>st</sup> MARCH 2014**



Ref No	Type of assistance available	Product Information	Eligibility	Other Information	Cost	Outcome
<b>AREA / THEME BASED ASSISTANCE</b>						
<b>As the needs of each area are identified, a range of renewal assistance will be offered which may include the following:</b>						
<b>FAP 12</b>	Financial Assistance is available for works which will enhance confidence and perception of specific Neighbourhoods within the area.	<p>As the needs of each area are identified, a range of renewal assistance may be available which may include the following:</p> <ul style="list-style-type: none"> <li>• Schemes designed to tackle specific issues, such as prevention of crime, or particular housing defects affecting a number of homes</li> <li>• Block improvement or Facelift schemes</li> <li>• Schemes to bring Clusters of empty homes back into use.</li> </ul> <p>Assistance may be in the form of a loan as described within FAP 5,6 or 7 or a grant</p>	<p>Assistance will usually be available;</p> <ul style="list-style-type: none"> <li>• Within specific neighbourhoods that require support, in accordance with the Council's plans, produced in conjunction with local people, for comprehensive improvement of the area.</li> <li>• Both owner occupiers and, within block schemes, landlords who employ good management practices.</li> <li>• The assistance will be based upon the type of works involved, the tenure of the property and financial resources available to the owner occupier.</li> </ul>	<ul style="list-style-type: none"> <li>• The grant/loan condition period is up to 5 years, and will begin upon approval of the financial assistance. If the property is disposed of during this period, then payment of the financial assistance will be required to be paid back in accordance with a sliding scale of repayment. (For more information see conditions).</li> <li>• Where the property is let to a tenant, the landlord must ensure that the property meets any local 'Accredited Standard' and that he becomes a member of any local Landlord Accreditation Scheme. This standard and membership should be maintained throughout the grant condition period. This standard will be agreed with the landlord prior to approval of the financial assistance.</li> </ul>	<p>A contribution from the owners towards the works is normally required. The contribution will be specified for each scheme.</p> <p>A financial test of resources may be available to owner occupiers to assess their ability to make a contribution.</p>	Contribute to meeting the Decent Homes Standard and promoting confidence in areas

Ref No	Type of assistance available	Product Information	Eligibility	Other Information	Cost	Outcome
FAP 15	<b>EMPTY HOMES ASSISTANCE</b>	Financial Assistance may be available to owners of empty properties for works which will bring the property up to a Decent standard, Accreditation standard or as a minimum to remove all category one hazards present.	<p>Assistance will usually be available to an owner (this may include a Registered Provider (RP)) or similar organisation where the property has been empty for at least six months and;</p> <ul style="list-style-type: none"> <li>• The property owner cannot afford the works from their own finances, and cannot access a loan from a bank, building society or other reputable lender to help pay for the works, or</li> <li>• The works would not be financially viable without assistance from the Council.</li> </ul>	<p>In determining eligibility the Council may also consider;</p> <p>Evidence of local need and the negative effect of the long term empty property.</p> <p>Where the property is to be let preference may be given to;</p> <p>Existing members of approved local Landlord Accreditation Schemes</p> <ul style="list-style-type: none"> <li>•Landlords (including RPs or similar organizations) offering low rental charges</li> <li>•The offer of nomination rights to the Council.</li> </ul>	<p>Assistance is discretionary and subject to the availability of finance.</p> <p>Assistance towards the cost of eligible works may be available in the form of;</p> <p>Repayment Loan (Capital and Interest) up to a maximum of £15,000</p> <p>Assistance to RP (or similar organisation) for the acquiring and improving of empty properties to a maximum of £65,000.</p> <p>or,</p> <p>Equity Loan up to a maximum of £35,000 (maximum of 80% of available equity). Note – Where an applicant is unable or unwilling to demonstrate an ability to make repayments required for a Repayment Loan only an Equity Loan can be offered</p> <p>In addition, Interest Free Loans to fund a maximum of 50% of the cost of works up to £35,000 may be offered.</p> <p>An administration fee will be chargeable, which will be included within the loan / grant provided</p>	Bringing empty properties back into use, contributing to both area regeneration and decent homes outcomes



**Existing  
Housing  
Financial Assistance Policy**

**1st APRIL 2011- 31<sup>ST</sup> MARCH 2014**

Ref No	Type of assistance available	Product Information	Eligibility	Other Information	Cost	Outcome
<b>AREA RENEWAL</b>						
<b>As the needs of each area are identified, a range of renewal assistance will be offered which may include the following:</b>						
<b>FAP 12</b>	<b>Financial and practical assistance support in connection with Block Improvement Schemes</b>	<p>To achieve renovation and improvement of properties within defined areas in line with Housing Strategy priorities</p> <p>The assistance provided may be financial and / or the Council may itself (or through an appointed contractor or contractors), with the agreement of owners, undertake works to properties</p>	The various forms of financial assistance will become available for specific blocks or groups of properties identified via comprehensive area assessments.	Assistance will be available to owner occupiers and may also be available to accredited or licensed landlords subject to a contribution	Contributions may be required and will be determined on a scheme by scheme basis and agreed by Cabinet	Contribute to meeting the Decent Homes Standard and promoting confidence in areas

Ref No	Type of assistance available	Product Information	Eligibility	Other Information	Cost	Outcome
<b>EMPTY HOMES ASSISTANCE</b>						
FAP 15	<b>EMPTY HOMES ASSISTANCE</b>	<p>To achieve a reduction in the number of vacant properties where there is proven demand for the property type and the area in which it is located</p> <p>To provide a financial incentive with a view to returning vacant residential premises back into sustainable use and to achieve a reduction in the overall number of vacant properties across the City</p>	<p>Assistance to owners and prospective owner occupiers will normally be provided in the form of a loan (see FAP 5,6,7) following independent financial advice.</p> <p>Empty property assistance may be available towards 50% of eligible works costs for accredited landlords and owner/occupiers if they are unable to access a loan from a commercial lender on reasonable terms.</p> <p>Grant / loan limit of £35,000 applies</p> <p>Assistance is discretionary and subject to the availability of finance</p>	<p>The owner or prospective owners of the property would have to confirm that it is their intention for either themselves or their family members to occupy the premises, once the renovation work is completed. Where the property is to be let, the loan is only available to accredited landlords and that the property must be available for letting for a five year period and the council must receive nomination rights from the landlord.</p> <p>The property must have been empty for at least 6 months.</p> <p>Preference will be given to properties in renewal areas or residents living in renewal areas who are being displaced due to the Council's Renewal Programme."</p>	<p>When the property is disposed of full payment of the original loan amount will be required. See specific repayment information in FAP 5,6,7)</p> <p>Assistance is discretionary and subject to available finance. The Council will also determine priority status of the empty homes and /loans will only be awarded to fund repairs or improvements deemed essential to meet the decent homes standard.</p> <p>Loans will be entirely at the Council's discretion and will only be considered for properties determined by the Council as requiring intervention and warranting incentive for renovation.</p> <p>An administration fee will be chargeable, which will be included within the loan / grant provided</p>	Bringing empty properties back into use, contributing to both area regeneration and decent homes outcomes

**CABINET MEETING – 7 NOVEMBER 2012**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

European Regional Development Fund (ERDF) project – Low Carbon Social Housing Pilot

**Author(s):**

Malcolm Page, Executive Director of Commercial and Corporate Services  
Neil Revely, Director of Health, Housing and Adult Services

**Purpose of Report:**

The purpose of this report is to ask Cabinet to approve the delivery of the project and funding package and to agree project management, partnership and procurement arrangements.

**Description of Decision:**

Cabinet is asked to:

- To agree that the Low Carbon Energy project proceeds as explained in this report
- To agree that the Council is applicant and accountable body for the project and acts as project manager
- To agree that the Council enters into partnership and contract delivery arrangements with the project partners (the Registered Social Landlord and the Distribution Network Operator) and sub-contractors where appropriate
- To agree that the Council procures a supplier or consortium of specialist training services for the targeted Small and Medium Sized Enterprises SMEs currently estimated at between £250,000-£300,000
- To agree to the procurement of other appropriate services, including external project evaluation, energy audit and community consultation work

**Is the decision consistent with the Budget/Policy Framework?      Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

Cabinet approval is being sought as the project involves the management of external funding of more than £250,000. Approval is also required for the project management, procurement and partnership arrangements.

**Alternative options to be considered and recommended to be rejected:**

Four alternative options have been considered as follows:

Do nothing - This option has been rejected as it does not contribute to local carbon reduction targets, business development opportunities or the deployment of renewable energy innovations to achieve savings in energy bills for some local householders.

Reduce the scale of the project - This option has been rejected because of its more limited contribution to reducing carbon emission levels and its inability to adequately develop the capacity and skills of local SMEs.

Increase the scale of the project - This option is rejected due to the unavailability of the additional match funding that would be required.

An alternative delivery model - This option is rejected as this delivery method would not be able to deliver the combination of outputs, research, training and deployment activities that the project proposes.

**Impacts analysed:**

Equality  Privacy  Sustainability  Crime and Disorder

**Is this a “Key Decision” as defined in the Constitution?**

**Yes**

**Is it included in the 28 day Notice of Decisions?**

**Yes**

**Scrutiny Committee**



**Report of the Executive Director of Commercial and Corporate Services and the Director of Health, Housing and Adult Services**

**1.0 Purpose of the Report**

1.1 The purpose of this report is to ask Cabinet to approve the delivery of the project and funding package and to agree project management, partnership and procurement arrangements.

**2.0 Description of Decision (Recommendations)**

2.1 Cabinet is asked:

- To agree that the Low Carbon Energy project proceeds as explained in this report
- To agree that the Council is applicant and accountable body for the project and acts as project manager
- To agree that the Council draws up partnership and contract delivery arrangements with the project partners (the Registered Social Landlord and the Distribution Network Operator) and sub-contractors where appropriate
- To agree that the Council procures a supplier or consortium of specialist training services for the targeted SMEs currently estimated at £250,000-£300,000
- To agree to the procurement of other appropriate services, including external project evaluation, energy audit and community consultation work

**3.0 Background**

3.1 The project has been developed in response to a call for ERDF projects that will “support the application and testing of innovative energy efficiency and renewable energy measures in existing social housing”. This call was unusual in that it directed ERDF resources at social housing properties; nevertheless, the benefits still have to be focused on support for SMEs. It has taken considerable time and consultation to develop a project that meets the criteria and to identify a social housing partner that can also provide match funding for the ERDF.

3.2 The project will deliver a low-carbon social housing exemplar in Sunderland, by focusing on the trialling and deployment of a range of energy saving and low carbon technologies in houses that are regarded as hard to treat because of their design or physical condition. The technologies will be tested and deployed in approximately 100 social houses that meet the tightly defined criteria of the project and are suitable for the installation and monitoring requirements of all partners. The tenants of these properties should benefit from a considerable reduction in their fuel bills.

- 3.3 The project will also develop the capacity and expertise of SMEs in the renewable energy and technology sector and its supply-chain, through a package of training and support. This will enable businesses to respond to the increased demand in the application of innovative domestic energy measures and create 23 new jobs.
- 3.4 Sunderland's project is only one of two in the region that has been given an ERDF approval. No other local authority is leading on a project under this competitive call for proposals.
- 3.5 The value of the project is therefore significant not only in its contribution to the low carbon economy, but in terms of raising the profile of the City Council and its partners in developing flagship projects. In addition, it will also develop the skills and expertise of staff involved in developing and delivering low carbon initiatives.
- 3.6 The project is structured around 3 work packages, as follows:
- **Work Package 1: Project management, survey and feasibility work, monitoring, evaluation and dissemination**  
This will involve a range of activities including community engagement, energy surveys, a research study, and feasibility work to identify the appropriate technologies to be tested and installed. In addition, it will involve ongoing engagement with householders to record their energy use, experiences and behaviours.
  - **Work Package 2: SME engagement, demand stimulation and diversification**  
This work package will target SMEs, primarily in the construction and installation sector, with the aim of training them to achieve the Micro-generation Certification Standard and thereby improving their workforce skills and business competitiveness in the growing micro-renewable energy sector.
  - **Work Package 3: Deployment, purchase and installation of technologies**  
This work package will concentrate on designing, procuring, testing and deploying the technologies in the targeted hard to treat properties. The types of measures to be installed separately or combined will include:
    - Communal Boiler – energy efficient and reduces CO2 emissions
    - Eco Gen CHP boiler - an energy efficient boiler that generates electricity whilst providing heat and hot water for the home
    - Photovoltaic – solar panels and photovoltaic cells that generate electrical power
    - Solar Thermal – a renewable energy system for generating domestic hot water
    - Voltage optimiser – controlled reduction in the voltages received by energy consumer allowing electrical equipment to benefit from optimised supply

#### **4.0 Current Position**

- 4.1 The ERDF grant for the project was approved on 13 December 2010 with an official start date of 01 April 2011 on condition that the funding and partnership agreements were confirmed prior to implementation. This is a pilot project that has required considerable research and technical feasibility work over the past 18 months in order to reach the delivery stage.
- 4.2 The project will commence delivery following Cabinet approval, however, funding can be claimed retrospectively for any eligible expenditure incurred since 1 April 2011. It is now anticipated that the project will be completed by 31 March 2014. Match funding from the Low Carbon Networks Fund has been approved and confirmation of the Home Group's contribution is expected in November.
- 4.3 Partners have identified up to 100 properties in Sunderland for investment in energy saving technologies. In addition, approximately 1,000 properties will be offered voltage optimisers. A mapping exercise has been completed to identify which technologies will be appropriate for each property. The target areas now include properties in 5 wards – Silksworth, Ryhope, Pallion, St Annes and Grindon (see Map 1 – Property locations). Consultation with relevant householders will be undertaken by Home Group, in consultation with Members and residents, and full training in using the energy devices will be provided.

#### **5.0 Reasons for the Decision**

- 5.1 Cabinet approval is being sought as the project involves managing external grant support of more than £250,000. Approval is also being sought for the project management, procurement and partnership arrangements.

#### **6.0 Alternative Options**

- 6.1 A full options analysis is included in the project's Business Case for ERDF funding and is summarised below.
- 6.2 The first option would be to do nothing. This option has been rejected as it will not attract over £2.2m of external grant funding to the City to develop a coordinated approach to investing in energy reductions and enabling local businesses to benefit from this investment and to improve their position in this market. In addition, it would not contribute to local carbon reduction targets, business development opportunities or the deployment of local renewable energy innovations.

- 6.3 A second option would be to reduce the scale of activity by targeting fewer social housing properties. The main disadvantages of this option would be its more limited contribution to carbon reduction targets, fewer more expensive outputs, limited ability to trial and test a range of technologies in different housing and household types, and reduced capacity to deliver. In addition, if scale of delivery was reduced, outcomes and outputs would suffer disproportionately (because of the higher average unit cost per output achieved), fewer SMEs could be supported, and fewer properties could be targeted. This option is therefore rejected because of its more limited impact on carbon emission reductions and the capacity and skills of local and regional SMEs.
- 6.4 A third option would be to increase the scale of activity allowing the project to extend the trials to a larger and wider range of properties. This would allow the project to engage with a larger number of SMEs thereby delivering greater economies of scale. It would offer improved value for money as a result, although doubling the number of target properties would require additional match funding to complete the funding package. This option therefore is rejected due to additional match funding not being available.
- 6.5 A fourth option would be to deliver the project using an alternative delivery method and not use the availability of ERDF to ensure that it is implemented in Sunderland. The council and its partners would have no control over the geographical focus or technological mix of energy applications and could not ensure that local businesses and householders would benefit from the project. In the current financial climate it is unlikely that this project would go ahead. This option is therefore rejected.

## 7.0 Relevant Considerations / Consultations

- (a) **Financial Implications:** The total cost of the project is £2,262,232. The funding package would comprise:
- ERDF £1,131,116
  - Home Group £572,015
  - Northern Powergrid (Low Carbon Network Fund) £500,000
  - Sunderland City Council (officer time) £59,101

ERDF grant will provide up to 50% of the project's eligible costs. There is no additional cost to the Council.

The following table shows indicative costs:

<b>Work Package 1</b>	<b>Cost</b>
Technical feasibility work, energy audits, consultation, project management, smart meter and voltage control installation, and research and energy usage monitoring (to be led by CE Electric)	£530,000
Project evaluation by Durham University	£25,000
Project management, procurement, legal and financial support from the council	£126,313
Other costs including meeting costs, publicity and dissemination	£12,500
<b>Work Package 2 (to be tendered by the council)</b>	
Skills and training needs analysis	£7,500
Awareness seminar and recruitment programme	£17,154
Marketing and recruitment	£3,686
Project Management	£42,959
Specialist Training, Accreditation/Certification	£246,000
<b>Work Package 3 (to be led by Home Group)</b>	
Micro-renewable technologies and installation costs	£1,216,853
Showcase energy demonstration home	£34,266

- (b) **Risk Analysis:** A full risk analysis has been completed as part of the ERDF Business Case including considering risks such as slow progress towards the achievement of outputs, duplication, failure to secure funding and lack of cohesion between partners. The risk register will be reviewed on a monthly basis by the project steering group. Within Work Package 1, regular checks will be undertaken to ensure that management of the project complies with ERDF regulations as part of the legal agreement with Home Group and Northern Powergrid.
- (c) **Employee Implications:** The project will be managed by the Director of Health, Housing and Adult Services with support from the Executive Director of Commercial and Corporate Services. It is estimated that the City Council will provide a contribution of £59,101 in officer time over the period 01 April 2011 to 31 March 2014. The level of project management support is less than one full-time equivalent post and is appropriate to the size of grant. The costs of legal, procurement and finance advice have been included in the project's budget.
- (d) **Legal Implications:** the proposal reflects detailed consideration of the partnership, governance and procurement options to agree the most appropriate approach. All procurement undertaken will comply with EU and Council procedures.

- (e) **Policy Implications:** The project will contribute to the delivery of Aim 2 of the City's Economic Masterplan - 'a national hub of the low-carbon economy' - as well as addressing fuel poverty and contributing to national and local carbon reduction targets. In addition, the project will provide a test-case for developing the energy supply and use model for low carbon communities, as well as preparing the city and its partners for future opportunities such as the Community Energy Saving Programme, Green Investment Bank and regional initiatives to reduce carbon emissions and energy costs. The results, evaluation activities and lessons learned will be used to present holistic solutions that are readily transferable to other communities in Sunderland and to demonstrate the city's progress to wider audiences. The project will directly contribute to the City's Climate Change Action Plan and Covenant of Mayors 2020 targets.
- (f) **Implications for Other Services:** The project has been developed jointly by two of the council's service areas. Other services will be involved as appropriate.
- (g) **The Public:** The project will work with Home Group, a Registered Social Landlord with properties and tenants in Sunderland, and Northern Powergrid, the Distribution Network Operator for the North East of England. A community engagement plan will be drawn up to raise awareness of the initiative and engage residents in its implementation, which will include 100 households providing energy data and feedback on renewables installed in their properties.
- (h) **Reduction of Crime and Disorder – Community Cohesion / Social Inclusion:** As above, the community will be consulted on the impact of the low carbon energy techniques as and when appropriate. One of the goals of the project will be to reduce fuel bills thereby contributing to a reduction in fuel poverty in the city.
- (i) **Project Management Methodology:** The project will be managed and monitored using the council's project management methodology.
- (j) **Equalities:** All residents will be provided with training and support through the community engagement plan to ensure that the technologies installed in their houses are appropriate to their needs and circumstances.

## 8. Glossary

None.

## 9. List of Appendices

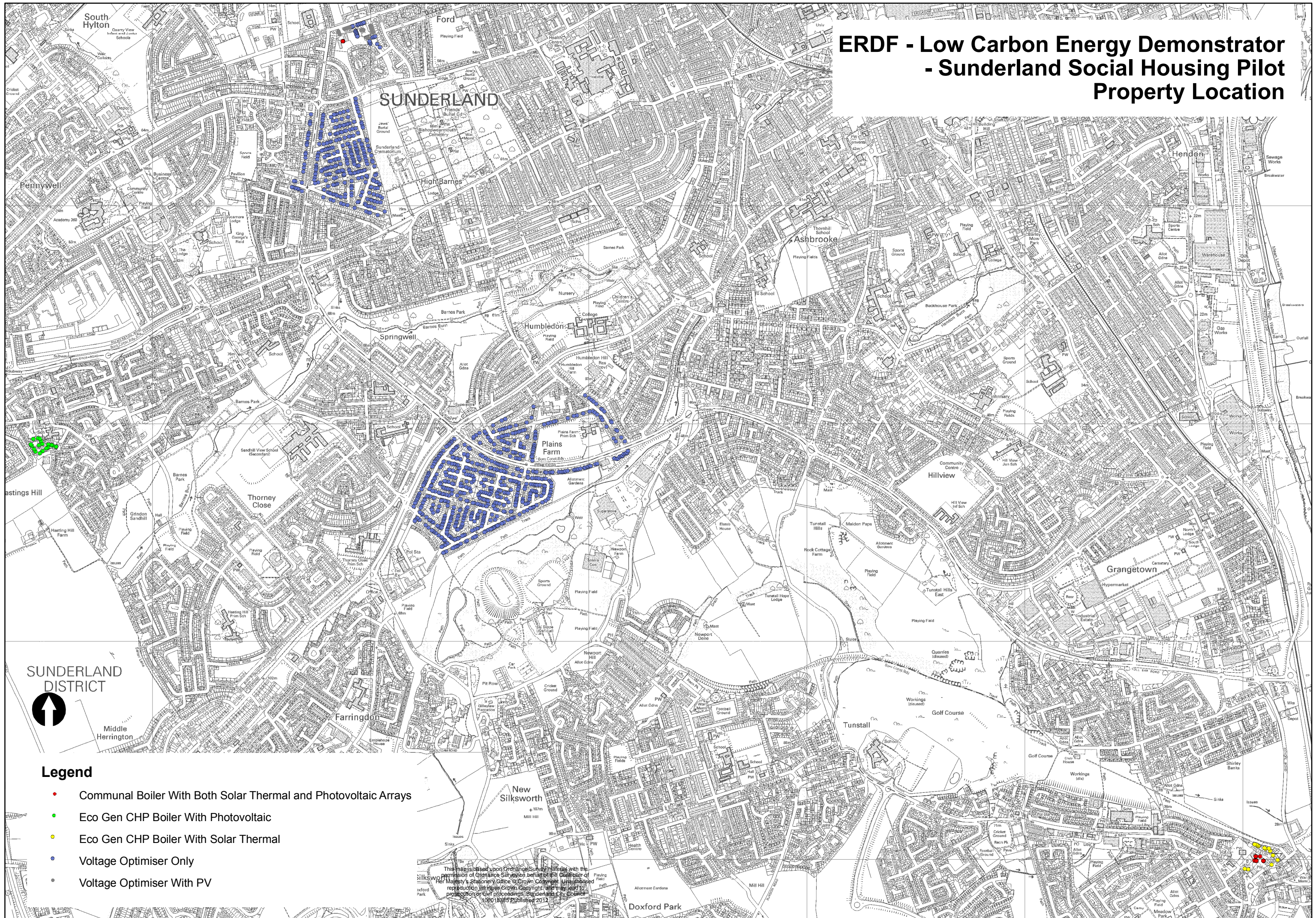
Appendix 1 - Map 1 – Property Locations.

## 10. Background Papers

None.



# ERDF - Low Carbon Energy Demonstrator - Sunderland Social Housing Pilot Property Location



- Legend**
- Communal Boiler With Both Solar Thermal and Photovoltaic Arrays
  - Eco Gen CHP Boiler With Photovoltaic
  - Eco Gen CHP Boiler With Solar Thermal
  - Voltage Optimiser Only
  - Voltage Optimiser With PV







**CABINET MEETING – 7 NOVEMBER 2012**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

SUNDERLAND VOLUNTARY PRIVATE LANDLORD ACCREDITATION REVIEW REPORT

**Author(s):**

EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND ADULT SERVICES

**Purpose of Report:**

The purpose of the report is to:-

- i) seek Cabinet's approval with regard to the recommendations from the recent review of the private landlord accreditation scheme, and
- ii) allow for necessary amendments to the existing delegated decision arrangements

**Description of Decision:**

Cabinet is invited to:

- a) agree to the recommendations from a recent review of the private landlord accreditation scheme that will seek to update the scheme in keeping with legislative changes; make the scheme 'fit for purpose' and meet relevant strategic aims and objectives and
- b) agree to amending the delegated decision framework to allow an efficient and consistent approach with regard to the enforcement of the accreditation scheme.

**Is the decision consistent with the Budget/Policy Framework?      Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

Implementing the recommendations from the review of the private landlord accreditation scheme will provide the Council with the opportunity to look at innovative and proactive ways to improve the standards of accommodation and management approaches within the private-rented sector across the City.

It will also allow for a more strategic approach to be taken with regard to the role of the private-rented sector and provide for a central set of standards that are enhanced for different tenant niche markets and in line with other partners requirements, such as the University standards which are particular for students

The review of the private landlord accreditation scheme takes into account, within its recommendations, the new area-based team structure and allows for a more tailored approach within each locality in relation to the private-rented sector.

**Alternative options to be considered and recommended to be rejected:**

The Council could continue with the existing accreditation scheme which provides for loose partnership working arrangements that are not clearly linked to strategic aims and objectives. The current scheme does not reflect tenant niche markets and has a one size fits all approach which has resulted in diluted achievements of the scheme. However, to work within a central framework of standards for the private-rented sector and allow for enhanced standards depending on the market allows for greater partnership working and strategic achievement as well as continuing improvement within the private-rented sector.

The role of the private-rented sector in the provision of accommodation has and continues to increase, with no signs of slowing down, therefore a strategic and effective response must be taken; to do nothing could result in a mass of problems and financial consequences.

The arrangements of the existing scheme does not reflect the recent growth of the private-rented sector in terms of the types of landlords that are now entering the market; key strategic aims that are required such as working with the University in respect of student accommodation and the provision of new working arrangements on an area based level to address local problems. Therefore, the continuation of the current accreditation scheme is not recommended.

**Impacts analysed:**

Equality  Privacy  Sustainability  Crime and Disorder

**Is this a “Key Decision” as defined in the Constitution?** Yes

**Is it included in the 28 day Notice of Decisions?** Yes

**Scrutiny Committee**

**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND ADULT SERVICES**

**SUNDERLAND VOLUNTARY PRIVATE LANDLORD ACCREDITATION REVIEW REPORT**

**1.0 Purpose of the Report**

- 1.1 The purpose of the report is to:-
- i) seek Cabinet's approval with regard to the recommendations from the recent review of the private landlord accreditation scheme, and
  - ii) allow for necessary amendments to the existing delegated decision arrangements

**2.0 Description of Decision**

- 2.1 Cabinet is invited to: a) agree to the recommendations from a recent review of the private landlord accreditation scheme that will seek to update the scheme in keeping with legislative changes; make the scheme 'fit for purpose' and meet relevant strategic aims and objectives and b) agree to amending the delegated decision framework to allow an efficient and consistent approach with regard to the enforcement of the accreditation scheme.

**3.0 Introduction/Background**

- 3.1 In England, over a million more households rent privately now compared to 5 years ago. Growth of this nature has not been seen in a housing tenure since the post-war rise in social housing.
- 3.2 There are a number of reasons for the rapid growth of private renting, and a number of reasons for expecting it to continue:
- Social change as people co-habit later in life and renting and house-sharing become ever more socially acceptable;
  - High house prices and lack of availability of mortgage credit;
  - The promotion and use of the private rented sector by local authorities to house those in housing need or who are homeless;
  - Restricted access and long waiting lists for social housing.

Alongside this, the supply of private rented homes has been buoyant by the growth of the small scale buy-to-let landlord, with many using rental properties as an alternative to a pension fund.

The private rented sector has a growing role to play in meeting the housing needs and demands that are prevalent in the city. Whilst there has been growth in the sector over the past few years, there is potential for more growth and for it to become a viable option for people seeking accommodation in the city. The private rented sector is also becoming popular with institutional investors as it is seen as being less risky than investment in homes for sale, with investors prepared to take a long-term return on their investment. A separate piece of work looking at the role of the private rented sector in the city is currently underway and this will be the subject of a report at a later date. Having good landlords with good standards is crucial to a viable private rented market and the Accreditation Scheme is a vital part of this.

3.3 The Strategic Housing Market Assessment which was undertaken in 2007 confirms that the ability for households to access the social rented sector has become increasingly difficult and as a result, private rented accommodation has become the only viable option for many households. However, issues such as stock condition, the short-term length of tenancy and dwelling quality all point to concerns regarding the role of some sections of the private-rented sector in promoting long-term community sustainability and quality of life.

3.4 The most recent Private Sector Stock Condition Survey (PSSCS) was undertaken in 2007.

The following is a summary of the main findings with regard to the private-rented sector:

- 8137 dwellings were private rented.
- 5139 households in private rented accommodation are economically vulnerable.
- The oldest housing age profile is associated with the private-rented sector.
- Category 1 hazards (as defined by the Housing Act 2004 framework) and significant disrepair are higher in particular areas including the private-rented sector.
- The most common failure found with regard to the Decent Home Standard was in terms of poor energy efficiency and patterns of non-decent housing are also higher in the private-rented sector.

3.5 The PSSCS does state that Sunderland had made significant progress in addressing poor housing conditions since the previous survey which was undertaken in 2002, but underlying problems are still required to be addressed and these include:

- Continued poor performance of the private-rented sector
- Remaining linkages between vulnerable households and non-decent housing
- The continued concentration of problems within the oldest housing stock
- Remaining pockets of long-term vacant properties.

- Above average rates of fuel poverty in the private-rented sector
  - Above average rates of failure to meet the Decent Homes Standard in the private-rented sector
- 3.6 The Council has always been proactive in working with its partners to improve housing quality and housing management standards in the private-rented sector and in 2001 were one of the first Council's, both nationally and regionally, to introduce a voluntary accreditation scheme for private landlords.
- 3.7 The current accreditation scheme is designed as a partnership between the Council and private landlords to improve the quality of the private-rented sector, and the aims of the scheme are to encourage, acknowledge and actively promote good standards of private rented accommodation and to assist landlords and tenants to undertaken their respective responsibilities to each other.
- 3.8 The scheme also provides a means of discerning between those landlords who wish to work with the Council and those who do not.
- 3.9 The current accreditation scheme involves a degree of self-regulation and as such relies on a level of goodwill and trust on the part of the Council. It is a condition that the physical condition of properties, the level of provision of basic amenities and management practices are fair and reasonable, and not liable to be prejudicial to the health, safety and welfare of tenant or the community.
- 3.10 The scheme does provide benefits to accredited landlords including the vetting of prospective tenants.
- 3.11 It is clear that the existing scheme is carrying out important work which is resulting in improvements in the private rented sector. As of October 2012 there are 370 accredited private landlords holding 2155 properties within the city.
- 3.12 As well as the number of landlords accredited and properties improved, the scheme operates as a mechanism for building communication links to landlords, and staff work closely with landlords, developing knowledge of the sector generally and becoming trusted officers with the landlords.
- 3.13 The improvements made in the private-rented tenure have been reported to Cabinet previously and for which the current accreditation scheme has assisted. It is now time to review and update the scheme to reflect current market conditions, changes in legislation and updated strategic aims and objectives.

## 4.0 Current Position

4.1 Housing quality, choice and range remains an issue for parts of the city, which is seen as low-quality stock, restricting mobility and having a negative impact upon perception of place caused by vacant and derelict properties. This can also have a detrimental impact on the effective functioning of the labour market.

4.2 There are a number of niche markets within the City's private rented sector and these can be defined in terms of demand and supply characteristics, distinctive rental practices and specific types of central policy intervention that shape the way the sub-markets operate.

Distinct sub-markets include:

- Young professionals, whose presence in the private rented sector reflects a complex amalgam of choice and constraint;
- Students;
- The housing benefit market, where landlord and tenant behaviour is largely framed by the housing benefit administration;
- Rentals that are deemed to be at the very bottom of the private rented sector, where landlords accommodate often vulnerable households in extremely poor quality property;
- Immigrants whose most immediate option is private renting;
- Asylum seekers, housed through contractual arrangement with government agencies
- Temporary accommodation.

4.3 It is acknowledged that there are wider concerns regarding the private rented sector other than the type of housing offer available and property condition and these include the following:

- Landlords/managing agents not managing their properties well or not understanding the process of property management.
- Landlords/managing agents not being aware of their legal rights and responsibilities.
- Absentee landlords.
- The issue of whether there is a 'healthy' level of private renting.
- Problems around community cohesion.
- Worries over anti-social behaviour of tenants in the private rented sector and whether this is exacerbated by landlord letting choices.
- Landlords using retaliatory eviction as means of discouraging tenants from complaining.

Many of these issues are somewhat addressed within the current accreditation scheme however the review of the accreditation scheme has given further consideration to these wider issues.

- 4.4 The Localism Act allows Council's, if they wish, to discharge their homelessness duty by the offer of private rented property, which could lead to more homeless people being offered private rented properties and it is likely the sector will be the only long-term housing destination for an increasing number of both vulnerable households and low and middle income families in work. It is therefore all the more important to have a robust Accreditation Scheme to ensure that people who are referred in to the private rented sector are referred to good landlords, with decent properties.
- 4.5 Widespread problems with 'amateur' landlords and exploitation by the small minority of 'rogue landlords' are a major concern for professional landlords, whose good reputation is undermined by this poor practice. The Council should also be concerned about the volume of problems they face, and the financial consequences of not addressing them strategically.
- 4.6 It is matters such as these described above which add weight to the need for the Council to engage strategically with the private sector and to introduce and actively promote further measures to seek to work in partnership with landlords to improve condition and management practices through an accreditation scheme which is 'fit for purpose' in terms of the current private-rented market.
- 4.7 The current accreditation scheme is mainly a property accreditation scheme whereby individual properties are accredited. The landlord is also classed as an 'accredited landlord' however there is no requirement for continued professional development.

Also, only a percentage of properties are inspected and there is no requirement for a landlord to provide full property portfolio details, therefore landlords can be selective as to those properties which are declared to the scheme.

- 4.8 The current I.T. arrangements in respect of the accreditation scheme do not allow for an effective approach in relation to marrying any requests for service in respect of housing disrepair, poor empty property management or anti-social behaviour to accredited properties/landlords, therefore it is difficult to ensure accredited landlords are adhering to the standards of the scheme.
- 4.9 The present enforcement measures to revoke, withdraw or suspend the accredited status of a landlord involve the convening of a panel consisting of senior council officers, private landlords and portfolio representation.

This process can be quite arduous therefore to ensure efficient and swift action is taken, the review of the scheme proposes another route with regard to enforcement of the standards and requirements of the accreditation scheme.

## **5.0 Strategic Aims**

- 5.1 Consideration should be given to wider strategic objectives when setting targets and monitoring performance.
- 5.2 The Sunderland Partnership developed a strategy to provide the long term framework for both organisations and individuals to work together to improve quality of life in Sunderland.
- 5.3 The vision is to 'Create a better future for everyone in Sunderland' which articulates where the City will be in 2025. As part of the Sunderland Strategy five strategic aims have been developed and these aims are underpinned by four cross cutting priorities one of which is Housing.

As outlined in the Housing Priorities Plan 2010 – 2025 these include:

- improving the 'carbon footprint' of existing housing stock by improving affordable warmth, reducing fuel poverty and the overall environmental impact of housing
  - Work with owners to invest in empty properties and bring them back into use and to consider different models of investment within the private-rented sector
  - Use of enforcement work to encourage investment in properties in disrepair
- 5.4 The Local Area Plans are due to be updated however it is anticipated that the previous themes will still remain an integral part to achieving the strategic aims having particular regard to the Attractive and Inclusive City Theme. In order to achieve this, the scheme will include:
    - Obtaining Energy Performance Certificates (EPC) and linking with relevant sections and agencies, such as Warmfront, to advise landlords about energy efficiency
    - Advising landlords to check local businesses who may offer discount with regard to energy efficiency
    - Monitoring the take up of energy improvement measures by accredited private landlords.
    - Actively market the Empty Property Assistance that is available to accredited landlords within the Financial Assistance Policy.
    - Monitoring the take-up of any financial assistance measures by accredited private landlords.
    - Reporting of the numbers of improved private rented properties in terms of disrepair standards, through intervention from the Housing and Neighbourhood Renewal Team, using both informal and formal actions.



- 5.5 The Empty Property Action Plan 2011-2012 aims to 'provide a proactive and innovative approach to the reduction in the number of empty properties in Sunderland to assist in the creation of sustainable communities in all neighbourhoods' and there are a number of methods prescribed within the plan to assist in achieving this.

The service has prioritised actions throughout 2011-2012 that the accreditation scheme supports and vice versa:

- Strive to reduce the number of empty properties across Sunderland.
- Reoccupy 360 empty properties across Sunderland with internal and external partners.
- Reduce homelessness across the City.
- Promote the landlord accreditation scheme
- Work closely with partners to explore the effect and impact of the New Homes Bonus on empty properties

## **6.0 Proposed Scheme and Operational Detail**

- 6.1 To enable the accreditation scheme to maximise its potential and to meet with the wider strategic objectives a proposed scheme, whereby both the landlords and his/her properties are accredited, offers the most effective way to improve standards in the private rented sector.

- 6.2 It can be seen that the new Housing and Neighbourhood Renewal Unit structure and approach of locally based teams will deliver the accreditation services, using a central framework of standards. In the first instance, this will be centrally coordinated by a lead officer.

This officer will champion the scheme and its collective processes in order that, over time, it will evolve into staff based in local areas delivering the accreditation scheme.

Additionally, a steering group of senior officers will oversee the continued development of the scheme.

This approach should help alleviate any concerns regarding management practices of the accreditation scheme and allow for smoother functioning.

- 6.3 Moving towards locally based teams delivering the accreditation scheme allows for a unique opportunity to build upon the existing good practice of the current scheme at a local level, engaging with private landlords, improving property conditions and raising awareness to tenants.

- 6.4 The reviewed scheme would have the following features:

- It is a hybrid scheme focusing on the accreditation of both landlords and properties;

- It proactively reaches out to private landlords and builds relationships in an informed and engaged manner;
- It seeks to inspect all properties and work alongside landlords to ensure that they meet agreed standards
- It seeks to provide relevant training and advice to landlords to improve their management standards
- It seeks to provide advice and raise awareness to tenants about the benefits of renting from an accredited landlord.
- It has ownership and is driven by relevant officers
- And works alongside other schemes such as the University scheme

Whilst there will be central aspects to the accreditation scheme it should maintain a local dimension through the locally based teams.

6.5 In keeping with the Houses in Multiple Occupation licensing regime, the accreditation should last for a maximum of 5 years with property inspection at the start of the accreditation process and every 2-3 years thereafter.

6.6 The benefits and incentives of the reviewed scheme should be reassessed and consideration should be given for the locally based teams to progress this with businesses in their area, with a view to businesses offering discounts to accredited landlords.

This will encourage investment into the local areas that have private rented accommodation thus boosting local economy as well as promoting the reputation of private landlords and raising awareness of the accreditation scheme within local communities.

6.7 In order for the scheme to become easily recognisable, the use of a brand or logo can have a high marketable advantage as well as providing prestige in relation to the accreditation scheme. The branding of a 'fit-to-rent' or 'allowed to let' logo is currently being explored with Corporate Communications.

6.8 The Economic Masterplan for Sunderland sets the aims for the City's economy and the agenda for the future economy of Sunderland. Part of the aim for Sunderland is to be "An entrepreneurial University City at the heart of a low carbon regional economy"

The 'residential offer' available to students and graduates is therefore of paramount importance and investment in the private-rented sector has to be, at the very, least maintained to match aspirations and retain a graduate workforce.

Information provided by the University confirms that there are approximately 2500 students residing in private rented properties and partnership working with the University could further ensure properties are to a high standard with good management and adequate facilities for student accommodation.

6.9 It is proposed that the Sunderland Private Landlord Voluntary Accreditation Scheme will encompass a sub-scheme in partnership with Sunderland University Accommodation Services.

6.10 The purpose of the sub-scheme will be to raise the quality of accommodation that is specifically targeted for student let and improve and enhance partnership working between the Council and the University.

It will enable students (and their parents/guardians) to differentiate between accommodation and landlords that have been accredited by the scheme, and unaccredited properties and landlords that may provide accommodation which is not of such a high standard.

6.11 Monitoring arrangements of the proposed scheme will include the links to the strategic objectives as described above and to drive forward the accreditation scheme within the Housing and Neighbourhood Renewal Team it is necessary to marry the scheme into the current I.T. systems to assist in the implementation and monitoring of the scheme.

6.12 If landlords are identified as breaching the requirements of the scheme a senior officer will make the decision to revoke the accredited status of the landlord. A letter will be issued to the landlord informing him/her of the decision and the reasons for the decision.

The letter will also set out the right to appeal against the decision and inform the landlord that he/she cannot avail to the benefits of the scheme from the date on the letter.

6.13 In order to make the process of the running of the scheme as efficient as possible it is proposed that any appeal to the decision will be undertaken by an independent officer, such as the Principal Housing Manager.

The appeal will allow for oral or written representation to be made by the landlord to the independent officer within a reasonable timescale of 21 days.

It is imperative that the written reasons provided to landlords in respect of the breach are detailed and clear as no further evidence can be provided or taken into account at the appeal.

If the landlord chooses to have an oral appeal hearing, the senior officer who made the decision should also attend.

6.14 The landlord can also have recourse to the local government ombudsman if he or she considers that there has been any maladministration in the handling of the appeal.

- 6.15 If there is no appeal made within the timescale, or the decision has been upheld following an appeal, the senior officer will instruct for the removal of the landlord from the accredited register and accredited properties closed from the I.T. system.

A letter will also be sent to all properties informing any tenants that accredited status is no longer applicable in relation to this landlord.

- 6.16 If the proposed decision making and review/appeal arrangements are accepted the Council's delegated decision document will need to reflect this.

- 6.17 Previous reviews of the accreditation scheme have focused on, in the main, the internal processes and procedures relating to the scheme.

This review encompasses all aspects of the assessment whether the current scheme is 'fit for purpose' and has resulted in recommendations not only to internal processes, but also expansion of the scheme to include partners and changes to the code of standards that vary substantially from the existing standards and reflect relevant changes in legislation and other good practice policies.

- 6.18 In conclusion, it is recommended that there is a complete re-launch of the reviewed scheme with no passport arrangements other than any relevant safety certificates and the fit and proper person declaration. Therefore new applications will be required from all existing accredited landlords.

## **7.0 Reasons for the decision**

- 7.1 As stated previously; the current accreditation scheme, which is 10 years old, encompasses the whole tenant niche market and is not reflective of legislative changes and strategic changes.

- 7.2 As the structure of the Housing and Neighbourhood Renewal Team has evolved to working on a local level, there is an opportunity to build on good practice and undertake targeted neighbourhood project work in relation to all aspects of the private-rented market, using innovative practices to encourage landlords to become accredited and actively help amateur landlords to professionalise and focus tough enforcement on the worst offenders in the private rented sector.

- 7.3 There is a need to strike a balance between sending the correct message to rogue landlords that their behaviour and practices will not be tolerated and keeping within the Department for Trade and Industry 1998 Enforcement Concordat which states that local authorities should help businesses comply with regulations before escalating them, and this approach will enable the Council to get that balance right.

## **8.0 Alternative Options**

- 8.1 The Council could continue with the current accreditation scheme however this will not provide the best catalyst to improve housing and management standards; improve partnership working or embrace strategic aims and objectives.
- 8.2 The current accreditation scheme no longer offers the market advantage and prestige that it should and the private-rented sector reputation must be improved in order to move away from it being the 'third choice' sector after owner occupation and social renting, as sometimes it is the only choice in the current economical climate.

## **9.0 Relevant Considerations/Consultations**

- 9.1 **Financial** – The recommendations with the review of the accreditation scheme will not involve additional costs. The current staffing resource will take forward the scheme.
- 9.2 **Risk Analysis** – There is a risk that the accreditation scheme may not meet some of the strategic aims and targets. This will be mitigated by meetings between line managers and staff and completion of performance reports
- 9.3 **Legal Implications** – Legal Services have been consulted with regard to the accreditation scheme with particular focus on the new review and appeal arrangements.
- 9.4 **Consulting the Public.** – Both internal and external partners have been consulted regarding the review of the accreditation scheme and comments and suggestions have been included where appropriate.
- 9.5 **Equalities** – There is no direct negative impact with regard to equalities and the review of the accreditation scheme will improve the quality of housing management and housing standards for all.
- 9.6 **Project Management Methodology** – The Council's project management methodology will be used.
- 9.7 **Sustainability** – The project meets with aim 5 of the Sunderland Strategy and other delivery plan objectives as detailed within this report.

## **10 Background Papers**

None.



**CABINET MEETING – 7 NOVEMBER 2012**  
**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Tyne & Wear Care Alliance Training Provider Procurement

**Author(s):**

Executive Director of Health, Housing and Adult Services

**Purpose of Report:**

To obtain approval to establish a Standing List of training providers using a Framework Agreement, in order to replace the existing Framework Agreement that expires in November 2012. The projected overall value of the expected funding exceeds £1 million over the next two years. The funding has been made available from the Skills Funding Agency for the provision of training to the independent social care sector.

**Description of Decision:**

Cabinet is recommended to agree:

- I. The development of a new Framework Agreement;
- II. The expenditure of the SFA funding in excess of £1 million over the next 2 years.

**Is the decision consistent with the Budget/Policy Framework?**      **Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

Adoption of the Framework approach is recommended in accordance with EC Directives. A current Framework Agreement is in operation, with an expiry date of 30<sup>th</sup> November 2012. The new Framework Agreement is required in order to continue the work of Tyne & Wear Care Alliance beyond that date.

**Alternative options to be considered and recommended to be rejected:**

Extend the existing Framework Agreement.

**Impacts analysed:**

Equality  Privacy  Sustainability  Crime and Disorder

<b>Is this a “Key Decision” as defined in the Constitution?</b> <b>No</b>	<b>Scrutiny Committee</b>
<b>Is it included in the Forward Plan?</b> <b>No</b>	



**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND ADULT SERVICES**

**SKILLS FUNDING AGENCY'S ADULT SKILLS BUDGET ALLOCATION TO THE TYNE & WEAR CARE ALLIANCE**

**1. Purpose of the Report**

- 1.1 To obtain approval to redraw the Tyne & Wear Care Alliance existing framework agreement in order to utilise additional funding made available by the Skills Funding Agency for the provision of training to the independent social care sector.

**2. Description of Decision**

- 2.1 Cabinet is recommended to agree:
- (a) The development of a new Framework Agreement;
  - (b) The expenditure of the additional SFA funding.

**3. Background**

- 3.1 The Tyne & Wear Care Alliance is a partnership hosted by the Council and funded jointly by the Skills Funding Agency, the Sector Skills Council Skills for Care and the Strategic Health Authority. The partnership exists in order to support and transform training provision in the Independent Social Care sector across Tyne & Wear.
- 3.2 In order to achieve the objective of providing training provision for the Independent Social Care Sector, the Partnership gathers Labour Market Information and Workforce Development data from its members. The Partnership then commissions training based on the requirements of members to support the National Minimum Standards for Social Care.

**4. Current Position**

- 4.1 In accordance with Council requirements, the Partnership developed a Commissioning and Procurement Strategy under the guidance and advice of the Corporate Procurement Manager.
- 4.2 Taking account of the applicable EU procurement Directives, a tendering exercise was undertaken, resulting in a framework of approved training providers, ranked according to the quality of training provision and their price.

- 4.3 The use of the framework agreement has had a significant, positive impact on the amount of individuals achieving vocational skills qualifications in the social care sector.
- 4.4 The framework agreement also makes best use of resources and generates efficiencies through the aggregation of services which if procured separately would lead to substantial increased costs.
- 4.5 The current term of the framework agreement expires on 30th November 2012.

## **5. Reasons for Decision**

- 5.1 To take full advantage of the efficiencies generated through the aggregation of services in the existing framework agreement with training providers without undertaking a further smaller scale procurement which would be unlikely to achieve the same cost advantages.

## **6. Alternative Options**

- 6.1 Extend the contracts of Training Providers under the existing Framework Agreement.
- 6.2 It is recommended that this option should not be taken for the following reasons:
- 6.3 The existing Framework Agreement has already been extended from November 2011, in accordance with the terms of the training contracts.
- 6.4 The current Framework Agreement has been in place since November 2009, with training providers committed to delivering training at prices agreed at that time. Extending the Framework Agreement further would risk training providers withdrawing from the Standing Lists as they are unable to reflect current market prices for their services.
- 6.5 The Tyne & Wear Care Alliance could not continue the current level of service provision if training providers withdrew from the Standing Lists.

## **7. Consultation**

- 7.1 Consultation and guidance have been taken from the Corporate Procurement Team and Legal Services.

## **8. Background Papers**

There were no background papers relied upon to complete this report.