

Learning & Economy Scrutiny Panel

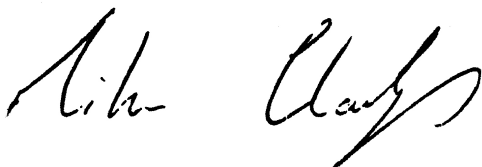
Councillors:

A. Atkinson, D. Barnett (Chair), G. Beckwith (Vice-Chair), D. Bennett, D. Broadley, T. Clark, R. Cook, J. Docherty, E. Edwards, R. Ellis, K. English, W. Gray, L. Marshall, P. Murray, T. Parry, G. Reid, A. Shield, W. Tyrie, D. Walton, J. Williams, R. Young.

N.B Please note all Members are invited to attend the meeting to discuss the County Durham Economic Strategy which is a cross cutting issue.

Dear Councillor,

Your attendance is invited at a meeting of the Learning & Economy Scrutiny Panel to be held in the Council Chamber, Civic Centre, Consett on 4th September 2007 at 4.00 p.m. for consideration of the undernoted agenda.



MIKE CLARK

Chief Executive Officer

Agenda

1 DECLARATIONS OF INTEREST

To receive any disclosure by Members of personal interests in matters on the agenda, identify the item on the agenda, the nature of any interest and whether the Member regards the interest as prejudicial

under the terms of the Code of Conduct.

2 **MINUTES**

To approve the minutes of this panel's meeting held on 12th June, 2007 as a correct record.

(Herewith 'A')

Attached Documents:

[MINUTES \(A\)](#)

3. **WORKLESSNESS**

To receive a presentation by Bernie Topham (Derwentside Employment Team) on progress and future plans.

4. **SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08**

To consider the report of the Director of Corporate Administration & Policy (Herewith 'B')

Attached Documents:

[SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08 \(B\)](#)

5. **SICKNESS MANAGEMENT**

To consider the report of the Head of Organisational Development (Herewith 'C')

Attached Documents:

[SICKNESS MANAGEMENT \(C\)](#)
[SICKNESS MANAGEMENT Appendix 1](#)

6. **COUNTY DURHAM ECONOMIC STRATEGY**

To consider the report of the Deputy Chief Executive (Herewith 'D')

Attached Documents:

[COUNTY DURHAM ECONOMIC STRATEGY \(D\)](#)

7. **COUNTY DURHAM COUNCILS REGENERATION INSPECTION**

To consider the report of the Deputy Chief Executive (Herewith 'E')

Attached Documents:

[COUNTY DURHAM COUNCILS REGENERATION INSPECTION \(E\)](#)

8. ENTERPRISE PLACE - FUTURE OPERATION

To consider the report of the Deputy Chief Executive (Herewith 'F')

Attached Documents:

[ENTERPRISE PLACE - FUTURE OPERATION \(F\)](#)

9. EXCLUSION

THE PRESS AND PUBLIC ARE LIKELY TO BE EXCLUDED FROM THE MEETING FOR THE FOLLOWING ITEMS OF BUSINESS ON THE GROUNDS THAT THEY INVOLVE THE LIKELY DISCLOSURE OF EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 9 OF PART 1 OF SCHEDULE 12(A) OF THE LOCAL GOVERNMENT ACT 1972 (AS AMENDED).

10. CONSETT AND STANLEY MARKETS

To consider the report of the Deputy Chief Executive (Herewith 'G')

Agenda prepared by Lucy Stephenson Democratic Services 01207 218249

email: l.stephenson@derwentside.gov.uk

LEARNING & ECONOMY SCRUTINY PANEL

Minutes of a meeting of the Learning & Economy Scrutiny Panel held on Tuesday 12th June, 2007 at 4.00 p.m. in the Council Chamber, Civic Centre, Consett.

Present

Councillor D. Barnett (Chair)
Councillor G. Beckwith (Vice-Chair)

Councillors T. Clark, R. Cook, J. Docherty, E. Edwards, K. English, W. Gray, L. Marshall, T. Parry, G. Reid, D. Walton and J. Williams.

Apologies

Apologies for absence were submitted on behalf of Councillors A. Atkinson, D. Bennett, D. Broadley, R. Ellis, P. Murray, A. Shield, W. Tyrie, R. Young.

In Attendance

Councillor D.G. Llewellyn

1. DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

2. MINUTES

The minutes of the following meetings were agreed as a correct record:
Learning Scrutiny – 6th March, 2007
Economy Scrutiny – 17th January, 2007

3. CHAIRS ANNOUNCEMENT

The Chair advised members that before they progressed onto the agenda items he would like to take the opportunity to introduce Ginny Williams, Partnership Development Officer (DCC) and Lester Crawford, Schools Regeneration Officer, who played an important role in the Learning aspect of the Scrutiny Panel. He asked both to introduce themselves to the committee and provide a brief introduction to members outlining the work they do with the panel.

Lester Crawford also advised that members were welcome to come along to a Breakfast Seminar on the work of the partnership at the Greenhouse, Greencroft Industrial Estate on Tuesday 26th June, 2007 at 8.30 am till 10.30 am.

4. TANFIELD LEA BUSINESS CENTRE

The Head of Economic & Community Development provided members with a presentation to advise the new members of the panel of the work to date on the Tanfield Business Centre.

He advised that the purpose of the report was to provide an update on the funding position of the 40,000 sq ft Business Centre in Tanfield Lea.

He advised members of the current status of the development and advised that after 12 months of final stage negotiations ONE NorthEast had offered funding of £3 million to the project with 2 significant caveats, those are outlined in a draft offer letter received and are as follows:

- *For a period of 10 years from the opening of the Business Centre, the applicant shall provide an annual statement of income and expenditure in respect of its operation with 20% of any surplus being paid to the Agency.*
- *The applicant shall enter into a separate agreement with the Agency allowing the Agency to take a 50% share in the net proceeds from the sale of the applicant's current development land ownership at Tanfield Lea North Industrial Estate.*

He advised that although those conditions represented a fundamental change in focus from the agency, there was no doubt that they would continue to treat all projects in the future in the same way. He further added that each district within County Durham Economic Partnership, with current projects under scrutiny had been made fully aware that a return on surpluses for ONE is required and that they will not receive funding approval until this had been agreed.

In conclusion the Head of Economic & Community Development advised that the Centre was due to open in March 2009.

Councillor Docherty asked for clarification over the amounts of funding awarded from the following bodies; ARDF, Council and ONE.

The Head of Economic & Community Development advised that the figures were as follows:

ARDF £1.8 million

Council £1.9 million

ONE £1.3 million

Councillor Docherty then added that in her opinion the scheme was excellent and the report to members was also very informative.

The Chair then asked if he felt it was achievable to run the scheme to budget, and in response the Head of Economic & Community Development advised that he was certain it was very achievable and would be seeing a surplus in approximately 3 years.

RECOMMENDED: that the content of the report be noted.

5. ADDRESSING WORKLESSNESS IN DERWENTSIDE: THE DERWENTSIDE EMPLOYMENT TEAM PERFORMANCE UPDATE

The Head of Economic & Community Development presented the report which provided members with an update on the progress made by the Derwentside Employment Team in tackling worklessness in Derwentside. He provided the new members of the panel with a presentation outlining the background and work of the Team it also provided an update to the figures of Registrations by Benefit and Job Outcome by Benefit as follows:

	Registered clients	IB/SDA	IS	JSA/PWD	JSA	CARER	SSP ONLY	NO BENEFIT	
Nov-06	47	19	5	12	6		1	4	
Dec-06	48	12	6	17	8	1		4	
Jan-07	110	54	5	21	28			5	
Feb-07	69	30	3	11	14	1		10	
Mar-07	111	30	15	17	36	0	0	13	
Apr-07		29			47			6	
May-07		53			43		1	9	
TOTAL	385	227	34	78	182	2	2	51	
	JOBS	IB/SDA	IS/LP	JSA	JSA/PWD	JSA/EX OFFENDER	CARER	SSPONLY	NO BENEFIT
Nov-06	9	5		1	3	1			
Dec-06	7	4			2				1
Jan-07	23	10	3	2	4		1		3
Feb-07	21	9	1	4	3				4
Mar-07	44	11	2	14	15				2
Apr-07		15		24					4
May-07		16		24					5
TOTAL	104	70	6	69	27	1	1	0	19

He advised that since the creation of the Derwentside Employment Team 2 further job positions had been created through the PCT to help target those with Mental Health problems.

Councillor D. Walton entered the meeting at this point.

The Head of Economic & Community Development in conclusion then proceeded to run through the Plans for the Team for 2007/08 as follows:

- Organise and run Health and Lifestyle Coffee mornings/drop ins each month in the community for Incapacity Benefit and Lone parents.
- Self esteem confidence building course as well as self assertiveness courses
- Opportunities for Advisors to work from Health Centres/GP Surgeries
- Working with employers recruiting within Derwentside.

Councillor Docherty then asked if once the funding has ceased for the team would the work done be seen as a strong enough case to ensure a team was established permanently within the District.

In response the Head of Economic & Community Development advised that since the establishment of the team the results had exceeded expectations and in his opinion was sure this would provide good ground to ensure the team continued after funding ceased.

The Partnership Development Officer advised that in a meeting earlier that day at Durham County Council a meeting had taken place where it was agreed that the ESF would commit £1.3 million by June 2008 for employability schemes that would be run through New College Durham.

Councillor Docherty added that she thought it was paramount to work together with partners to achieve the best possible service to those in unemployment.

The Director of Development & Asset Management added that it was critical for Derwentside to work with the Job Centre Plus on a Regional level and the role of the LEA Board also played an important part in the success of the scheme.

RECOMMENDED: that the content of the report be noted.

6. WORK PROGRAMME 2007-08

The Director of Development & Asset Management provided a brief introduction to members on the issues that were discussed at the Joint Scrutiny Panel meeting on the 6th June that were agreed as possible areas for scrutiny for the ensuing year.

The Executive Support & Scrutiny Manager then asked members to identify from the list the issues which were felt to be of high priority and others which were felt to be more suitable for task & finish groups / scoping exercises. In addition those that were classed as regular items that would be like to be seen as continual reporting back items.

The Chair added that it was up to the discretion of members how they would like to see this taken forward, and added in his opinion Tanfield Lea would be an item he would like to see continual updates on throughout the year.

Councillor Docherty added that she felt that Asset Management was an important issue that was not included in the list this would ensure members were made aware of what assets the Council has and what is available for future income.

The Director of Development & Asset Management added that there were certain areas that would come to the panel for information but not necessarily items that are priority issues for scrutiny in the remaining three meetings this municipal year.

Councillor Edwards added that the list was massive and it would be useful to know how many of the items would actually be possible to scrutinise this year.

Councillor Clark added that in his opinion Attendance Management was a priority issue for scrutiny and he would like to see updates on this every 3 – 4 months.

Councillor Llewellyn (Portfolio Holder) suggested to members that something like the Economic Strategy would be ideal to scrutinise as the current strategy lapsed in 2006.

The Executive Support & Scrutiny Manager advised that if members felt there was not enough time scheduled to scrutinise the issues they wanted, members could call further meetings of the panel as and when required. He also advised that there was the opportunity to organise sub-groups and become more involved in the actual writing of the reports.

Councillor Walton then added that in his opinion the format of the meeting did not lend itself to prioritising issues and making nominations for interested members, he suggested that a matrix be devised as a paper tool for members to note which items they felt were of high priority and Councillors could also nominate themselves to issues they were interested in.

The Chair added that he agreed with the comments of Councillor Walton.

Discussion then ensued over the timing of the meetings and it was the general opinion of members that meetings held in the Chamber should be done so at 6.00p.m. and in cases where outside venues were to be used these meetings could commence at 4.00 p.m.

In response the Executive Support & Scrutiny Manager advised that he would take on board the comments of the members but he also advised that Members that some flexibility would be required.

The Chair then added he thought frequent meetings would be required as the panel was now taking on the work of two previous panels, he also suggested to

Members that a space be allocated on all future agendas for sub-groups to report back to the rest of the panel.

Councillor Marshall suggested that the meetings should alternate between 4.00pm and 6.00pm to be fair to those members who work through the day.

The Executive Support & Scrutiny Manager in response to comments reminded members that if more meetings were to be called a review of staff resources may be required.

AGREED: that a matrix be developed and circulated to Members to identify key areas for scrutiny and the priority items for the ensuing year.

The Chair thanked Members and Officers for their input and closed the meeting.

Conclusion of meeting

The meeting closed at 5.24 p.m.

Chair.

TITLE:	SCRUTINY OF RED RISK RATED BEST VALUE PERFORMANCE INDICATORS 2007/08
TO/ON:	LEARNING AND ECONOMY SCRUTINY 4TH SEPTEMBER 2007
BY:	DIRECTOR OF CORPORATE ADMINISTRATION AND POLICY
PORTFOLIO HOLDER:	DEPUTY LEADER
STATUS:	REPORT

1 PURPOSE OF REPORT

- 1.1 The purpose of this Report is to inform the panel of the action planning initiatives in place for the eight best value performance indicators (BVPIs) rated as a red risk for the first quarter of 2007/08.
- 1.2 In particular reference is made to the four red risk rated indicators that fall within the Learning and Economy Scrutiny remit. These indicators include: BVPI 11a that monitors the top 5% of the workforce who are women; BVPI 11b that measures the top 5% of employees who are from BME communities; BVPI 12 that investigates the number of days lost as a result of absence from work and BVPI 17a that monitors the percentage of local authority employees from ethnic minority communities.

2 BACKGROUND

- 2.1 The final Year End Performance Monitoring report for 2005-06 introduced a traffic light risk rating system to identify the Best Value Performance Indicators where anticipated performance was deemed to be at risk of falling into or remaining within the bottom performing quartiles nationally.
- 2.2 An advantage of the current Performance Monitoring Risk Rating System is that it enables risk ratings assigned at the beginning of the financial year to be amended throughout the year to reflect slippages or significant improvements in overall performance. This re-assessment process is carried out at quarterly intervals throughout the year and reported to the Executive Committee.

All red risk indicators are required to complete an Action Plan and all completed Action Plans must be referred to the relevant Scrutiny Panel. A description of each the BVPIs that have been assigned a red risk rating for 2007/08 is detailed below along with the relevant Scrutiny Panel to whom they should report. In addition the frequency of reporting is included to reflect anticipated changes for each indicator throughout the year.

BVPI	Title	Scrutiny Panel	Frequency
11a	% women in to 5% earners	Comm/Strong Comm	A
11b	% BME in top 5% earners	Comm/Strong Comm	A
12	Days lost to absence	Learning/Economy	Q
17a	% BME LA employees	Comm/Strong Comm	A
127a	Violent crime/1000 pop	Comm Safety/Strong Comm	Q
119e	% Satis parks/open spaces	Environment/ Health	A
199d	Street Cleaning fly tipping	Environment/Health	A
213	Homelessness prevention	Environment/Health	Q

A = Annually

Q = Quarterly

3 RELEVANT MATERIAL CONSIDERATIONS

3.1 Action Plans are produced for each of these indicators at the start of the financial year for inclusion in the Quarter 1 Performance Monitoring Report to Executive. This ensures that poor levels of performance are addressed at an earlier stage in the financial year. A short summary of performance to date for each of the indicators that report to Learning and Economy Scrutiny is included below:

- **BVPI 11a** – The number of women in the top 5% of earners increased during 2006/07 from 11.43% in 2005/06 to 19.23% in 2006/07. This situation has arisen as a result of an increase in the number of female employees in this category. Performance for BVPI 11a, however continues to fall significantly below the lowest ‘All England’ quartile boundary, which in 2005/06 was 22.22%. This indicator reports annually to Scrutiny and an update of initiatives being developed to improve performance against this indicator during 2007/08 will be presented to members at a future Learning and Economy Scrutiny meeting.
- **BVPI 11b and 17a** - BVPI 17a measures the percentage of ethnic minority employees working for the authority and this indicator currently falls within the bottom performing quartile nationally. Initiatives to address poor performance for this indicator are included within a joint Action Plan along with BVPI 11b that monitors the percentage of the top 5% of earners that are from black and minority ethnic communities. The total BME population for Derwentside in 2001 was 0.6% and therefore a smaller percentage of employees would be expected to fall within this indicator. This indicator reports annually to Scrutiny and an update regarding performance will be presented to members at a later stage in the year.
- **BVPI 12** – The average number of days lost to absence during the first quarter of 2007/08 is 2.11 days per employee and performance has improved in comparison to the same period in 2006/07 when the figure was 2.61 days. Details of absence for the previous year and what has been done to address this within the Council is set out in a separate report to the Panel.


3.2 An Action Plan has been produced for each of the red risk rated indicators that report to Learning and Economy Scrutiny Panel and included in Appendix 1 of this report.

4 RECOMMENDATIONS

4.1 Members of the Learning and Economy Scrutiny Panel are requested to note the content of this report.

For further information contact Anne Smith, Performance Management Officer, Telephone 01207 218208 or E-Mail anne.smith@derwentside.gov.uk

Directorate: Executive Director		Director: Mike Clark / Ian Jones					
Scrutiny: Learning and Economy							
BVPI	Title	Performance			Corporate Aim		
		2004/05	2005/06	2006/07	Together with our partners achieve organisational excellence		
BV 11a	Percentage of top 5% of earners that are women	13.88%	11.43%	17.14%			
Responsible Officer	Ian Jones	2006/07 Quarterly Performance		Qtr 1	Qtr 2	Qtr 3	
Named Officer responsible for performance data collection	Lesley Allison	Direction of travel		17.14			
		2007/08 Quarterly Performance		Qtr 1	Qtr 2	Qtr 3	Qtr 4
		Target		17.24%	13.79		
		Target achieved		19.23%			
Monitoring Frequency	Monthly	Reporting Frequency		Quarterly to Exec and Annually to Scrutiny			
Action Plan							
Action/Milestone	Responsible Officer	Deadline	Actual Date completed	Resources Required	Outcome/Impact		
Explore best practice of neighbouring Authorities	I Jones	Dec 2006	Completed	Within resources	Review of internal policies and procedures		
Review all vacancies at this level with a view to reviewing methods for encouraging female applicants	I. Jones	Ongoing	Ongoing		Increased number of female applicants		
Review access to management/supervisory training and take up of 3 rd and 4 th tier female employees	I. Jones	March 2007	Ongoing		Review of Corporate Training Programme		

Directorate: Executive Director		Director: Mike Clark / Ian Jones					
Scrutiny: Learning and Economy							
BVPI	Title	Performance			Corporate Aim		
		2004/05	2005/06	2006/07	Together with our partners achieve organisational excellence		
BV 11b	Percentage of top 5% of earners that are from BME communities and percentage of workforce from BME communities	0.00%	0.00%	0.00%			
BV 17a		0.38%	0.39%	0.14%			
Responsible Officer	Ian Jones	2006/07 Quarterly Performance for 11b		Qtr 1 0.00%	Qtr 2	Qtr 3	
Named Officer responsible for performance data collection	Lesley Allison	Direction of travel					
		2007/08 Quarterly Performance for 11b		Qtr 1 0.00%	Qtr 2 0.00%	Qtr 3 0.00%	Qtr 4
		Target		Qtr 1 0.00%	Qtr 2	Qtr 3	Qtr 4
		Target achieved		✓			
Monitoring Frequency	Monthly for 11b Annually for 17a	Reporting Frequency		11b – Quarterly to Exec and annually to Scrutiny 17a - Annually to Scrutiny			
Action Plan							
Action/Milestone	Responsible Officer	Deadline	Actual Date completed	Resources Required	Outcome/Impact		
Review current best practice of neighbouring Authorities	I Jones	Dec 2006	Completed	Within resources	Review of internal policies and procedures		
Review all vacancies at this level with a view to reviewing methods for encouraging minority ethnic applicants	I. Jones	Ongoing	Ongoing	Within resources	Increased number of applicants from ME community		

Directorate: Executive Director		Director: Mike Clark / Ian Jones					
Scrutiny: Learning and Economy							
BVPI	Title	Performance			Corporate Aim		
		2004/05	2005/06	2006/07	Together with our partners achieve organisational excellence		
BV 12	Number of days/shifts lost to absence	11.02 days	12.01 days	11.36 at 4/12/06 10.44 at 31/3/07			
Responsible Officer	Ian Jones	2006/07 Quarterly Performance		Qtr 1 2.75	Qtr 2 5.66	Qtr 3 Not collected	Qtr 4 10.44
Named Officer responsible for performance data collection	Lesley Allison	Direction of travel		↕			
		2007/08 Quarterly Performance		Qtr 1 2.11	Qtr 2	Qtr 3	Qtr 4
		Target		Qtr 1 2.5	Qtr 2 5	Qtr 3 7.5	Qtr 4 10
		Target achieved		✓			
Monitoring Frequency	Monthly	Reporting Frequency		Monthly			
Action Plan							
Action/Milestone	Responsible Officer	Deadline	Actual Date completed	Resources Required	Outcome/Impact		
Review Sickness monitoring protocols & develop Action Plan	I. Jones	Jan 2007 May 2007	Ongoing		Regular reporting to Learning Scrutiny		
Review Occupational Health provision	I. Jones	Dec 2006			More efficient and effective service resulting in improved management of sickness		
Explore best practice of neighbouring Authorities	C. Budd (Policy Unit)	Dec 2006	Ongoing	Within existing funding	Review of internal policies and procedures and Report to Learning Scrutiny		

Directorate: Executive Director			Director: Mike Clark / Ian Jones				
Scrutiny: Learning and Economy							
BVPI	Title	Performance			Corporate Aim		
		2004/05	2005/06	2006/07	Together with our partners achieve organisational excellence		
BV 12	Number of days/shifts lost to absence	11.02 days	12.01 days	11.36 at 4/12/06 10.44 at 31/3/07			
Responsible Officer	Ian Jones	2006/07 Quarterly Performance		Qtr 1 2.75	Qtr 2 5.66		
Named Officer responsible for performance data collection	Lesley Allison	Direction of travel		↔			
		2007/08 Quarterly Performance		Qtr 1 2.11	Qtr 2	Qtr 3	Qtr 4
		Target		Qtr 1 2.5	Qtr 2 5	Qtr 3 7.5	Qtr 4 10
		Target achieved		✓			
Monitoring Frequency	Monthly	Reporting Frequency		Monthly			
Action Plan							
Action/Milestone	Responsible Officer	Deadline	Actual Date completed	Resources Required	Outcome/Impact		
Organise a Performance Clinic with Directors and Divisional Heads to discuss sickness management	T. Gorman	April 2007	18 th April 2007	Within existing funding			
To work with the Audit Commission who are currently looking at sickness levels across the North East with a view to developing a Best Practice Guide	I. Jones	Ongoing	Ongoing		To have a more effective service to address sickness and absence rates.		

Directorate: Executive Director			Director: Mike Clark / Ian Jones				
Scrutiny: Learning and Economy							
BVPI	Title	Performance			Corporate Aim		
		2004/05	2005/06	2006/07	Together with our partners achieve organisational excellence		
BV 12	Number of days/shifts lost to absence	11.02 days	12.01 days	11.36 at 4/12/06 10.44 at 31/3/07			
Responsible Officer	Ian Jones	2006/07 Quarterly Performance		Qtr 1 2.75	Qtr 2 5.66	Qtr 3 Not collected	Qtr 4 10.44
Named Officer responsible for performance data collection	Lesley Allison	Direction of travel		↔			
		2007/08 Quarterly Performance		Qtr 1 2.11	Qtr 2	Qtr 3	Qtr 4
		Target		Qtr 1 2.5	Qtr 2 5	Qtr 3 7.5	Qtr 4 10
		Target achieved		✓			
Monitoring Frequency	Monthly	Reporting Frequency		Monthly			
Action Plan							
Action/Milestone	Responsible Officer	Deadline	Actual Date completed	Resources Required	Outcome/Impact		
Review feedback and suggestions from Performance Clinic	I Jones	July 2007	July 2007		Draft improvement plan produced		
Pilot improvement plans in General Services	I Herdman	September 2007			Development of revised management processes		
Increase stress awareness and training	I Jones	October 2007		£4,000 from corporate budget	Inclusion in annual development plan		

Directorate: Executive Director			Director: Mike Clark / Ian Jones			
Scrutiny: Learning and Economy						
BVPI	Title	Performance			Corporate Aim	
BV 12	Number of days/shifts lost to absence	2004/05	2005/06	2006/07	Together with our partners achieve organisational excellence	
		11.02 days	12.01 days	11.36 at 4/12/06 10.44 at 31/3/07		
Responsible Officer	Ian Jones	2006/07 Quarterly Performance		Qtr 1 2.75	Qtr 2 5.66	
Named Officer responsible for performance data collection	Lesley Allison	Direction of travel		↔		
		2007/08 Quarterly Performance		Qtr 1 2.11	Qtr 2	Qtr 3
		Target		Qtr 1 2.5	Qtr 2 5	Qtr 3 7.5
		Target achieved		✓		
Monitoring Frequency	Monthly	Reporting Frequency		Monthly		
Action Plan						
Action/Milestone	Responsible Officer	Deadline	Actual Date completed	Resources Required	Outcome/Impact	
Develop health education programme	I Jones	October 2007		Staff time and marketing materials	Health education in place, reduction in absence due to better understanding and earlier intervention	
Action Plan	I Jones	December 2007			Feedback upon pilot project and improvement plan to Learning Scrutiny	

TITLE:	SICKNESS MANAGEMENT
TO/ON:	LEARNING SCRUTINY – 4th SEPTEMBER 2007
BY:	HEAD OF ORGANISATIONAL DEVELOPMENT
STATUS:	REPORT FOR INFORMATION

1. EXECUTIVE SUMMARY

The purpose of this report is to provide Members with details of sickness absence for 1 April 2006 to 31 March 2007, compared with absence for same period in the year 2003/4 to date. Absences are categorised as follows:

	2003/4	2004/5	2005/6	2006/7
Sickness duration	%	%	%	%
Short term 0-5	7.81	9.39	9.0	7.0
Medium term 6 – 19	15.64	19.42	19.0	13.5
Long term 20 over	76.55	71.19	72.0	79.5
TOTAL	100.00	100.00	100.00	100.00

During the last year there have been some significant changes to the structures and functions associated particularly with regard to the transfer of Housing, Building Services and Leisure to new companies. In light of these changes the data that has been supplied within this report relates to those services that have remained with the Council.

This report provides details of the main causes of absence, predicted trends and actions being undertaken to address sickness absence within the Council.

2. INTRODUCTION

As members will be aware the management of sickness absence is an important issue both within the Council and through national performance indicators. The aim of any sickness management scheme is not to prohibit genuine sickness but to achieve improved employee attendance through effective monitoring and management of employee absence. Excessive absence can create a financial burden upon the authority and increase pressure on other staff.

Within the Directorates there are some differences in absence levels but statistical data alone does not give a totally realistic picture. The effect of long-term absence and the actual numbers in a Directorate can provide a somewhat distorted picture, for example one long-term absence in a small division or unit can have a significant impact upon the average absence within that operational area. This information is however useful in a very simplistic way for future trend comparison. Detailed analysis of the nature and level of absence for Directorates and the Authority as a whole is attached as (Appendix 1). Analysis shows the three major causes of absence over the

last 12 months are the same as in previous years i.e. stress, back and neck injuries and muscular skeletal.

2.1 Stress/Anxiety

The Council tries to manage this area of sickness absence through various policies and procedures that provide support to its staff. From data gathered and information gained through welfare visits, medical analysis and professional advice, 28% of the total absence within the Council has been due to stress. In percentage terms this is a decrease of 1% as compared with last year. This is extremely disappointing as this is an area where work has been undertaken to try and identify reasons for stress and provide greater awareness to employees of the support that is available to them.

Of the total of 5,500.9 days lost 1538.71 days have been identified as stress related. From those identified as suffering from stress 10 employees accounted for a total of 62% of such absences. Four employees have left the Council and the others have returned to work.

During periods of prolonged absence the Council has continued to act as a reasonable employer offering support and counselling and has looked at ways of enabling a speedy and effective return to work.

Awareness training is being targeted to stress hot spots within the District. In addition a range of training materials have been made available to all employees in the form of a workbooks and a CD Rom.

2.2 Back and Neck Injuries

As can be seen from Appendix 1 in 2005/6 back and neck injuries have accounted for approximately 9% of absence, compared to 16.36% in the previous year. The figures include employees who through the nature of their work suffer 'wear and tear' and as such have required a long period of absence to recuperate and return to work. This is in part due to the fact that the Council has an aging workforce, especially in the manual areas of activity. Work has been undertaken to train employees in areas such as manual handling to reduce potential injury and this has gone some way towards reducing back and neck injuries. The departure of Building Services to Derwentside Homes has had an impact upon this category as a large proportion of absences were in this area.

Of a total 5500.09 days lost, 479.46 days have been due to back and neck injuries. From those identified as suffering from this 4 employees accounted for a total of 60% of absences. Three employees have left the Council and a decision upon the other is awaiting further medical advice.

The Council has purchased an e-learning programme that provides information upon posture and seating with regard to work-stations which is aimed at reducing office based absences due to back and neck problems. In addition to this it is intended to provide update training for manual employees where risk of this is at its highest.

2.3 Muscular Skeletal

This has increased in relation to the proportion of overall sickness absence and currently represents 20% as compared to 17.00% in 2005/6. This represents a total of 1092.47 days being lost. Again a small number of employees has accounted for a large proportion of the recorded absences. In this instance 4 employees accounted for 27% of the actual total. Of those 2 are back to work, 1 is no longer employed and the other has been referred for consideration for ill health retirement .

There has been a lot of work undertaken in relation to manual handling training and it is anticipated that this work will help to reduced the incidence of muscular skeletal problems over the next review period.

3 DIRECTORATE ANALYSIS

The following data sets out analysis of absence within specific operational areas and highlights any key issues that have been identified through the data produced. Figures are based upon full time equivalent data in order to give some form of comparability based upon staffing ratios. Where absence numbers have increased this demonstrated by ↑ and where the figure has gone down this is signified by ↓ .

3.1 ECONOMIC AND COMMUNITY DEVELOPMENT

↓ **Economic Development** - Absence equivalent for this area of activity equates to 4.49 days per employee for 2006/7. Within the current figures 2 employees have accounted for 43% of absence. One has left the Council and the other has now returned to their substantive position. For other absences there were a variety of reasons including back, neck and muscular skeletal. This figure represents a significant decrease from 466.45 days to 181.16 as compared to 2005/6.

↓ In comparative terms for the first quarter of this year absence levels are down from 43 days to 21.4.

↓ **Land and Property** – The FTE for this division equated to 4.1, which was well below the Council target for the year. Compared to 2006/7 days absent decreased from 232.98 to 105.98 days. There have been no underlying trends with the majority being occasional absences.

↓ In comparative terms for the first quarter of this year absence levels are down from 33 days to 25.6.

↑ **Revenues and Benefits** –The FTE for the last year was higher than the previous years rising from 9.57 to 20.25 days per employee, quite a significant increase. A total of 8 employees accounted for 65% of absence with 5 employees identifying the reason being stress amounting to 46% of the total days absence within the Division.

↓ In comparative terms for the first quarter of this year absence levels are down from 216 days to 124.

3.2 EXECUTIVE DIRECTORATE

↓ **Executive Directorate** - This part of the Council had the lowest absence rate at a FTE of 0.46 days per employee with no underlying trends or reasons for absence.

↓ There have been no reported absences for the first quarter of the year.

↑ **Human Resources** - Absence within this area of activity have increased from 24 the previous year to 43.5. The current rate equates to a FTE of 3.95 with one employee having a major impact accounting for 40 days (92%) of absences, which was due to a serious health condition.

↑ In comparative terms for the first quarter of this year absence levels are up from 0 days to 61.

3.3 INFORMATION SERVICES

→ **I.T.**- There has been little improvement in absence levels which were at 360.21 days, a FTE of 10.02, which is higher than the performance target set by the Council. Of the absence data produced there was a high amount of occasional absences for some staff, however as in other operational areas a long-term absence did have some significant effect upon the figures. Overall 2 employees accounted for 137 days with stress (61%) being the main reason for non-attendance at work.

↓ In comparative terms for the first quarter of this year absence levels are down from 137 days to 37.7.

3.4 ENVIRONMENTAL SERVICES

↓ **Planning and Building Control** –This area of operation has seen a significant fall in the absence levels as compared to 2005/6 with days absent falling by from 416.5 to 223.16 days which is almost a reduction of 50%.

↓ In comparative terms for the first quarter of this year absence levels are down from 70 days to 16.5.

↓ **Environmental Health** - In relation to FTE the level of absence within this Division was 1.92. Absence levels for the year have significantly improved equated to 40.0 days with 2 employees accounting for 75% of total absenteeism. In 2005/6 the absence levels were 278.44 days. This Division now has the second lowest absence rates within the Council. In comparative terms for the first quarter of this year absence levels are down from 43 days to 21.4.

↑ In comparative terms for the first quarter of this year absence levels are up from 0 days to 2.

↓ **General Services** - The largest sections of the Council there has been a decrease from 2080.4 to 1966.14 with the FTE reducing by almost 2 days per employee when compared with the 2005/6 figures. Reasons for absence relate mainly to muscular skeletal, back/neck and stress. With regard to long-term absence 10 employees accounted for 900 days (46%) of total absence.

→ In comparative terms for the first quarter of this year absence levels are down from 482 days to 481.

3.5 FINANCE

↓ **Accountancy** – During the period April 2006 to 31st March 2007 the Division had an average of 1.42 days, a significant decrease as compared with the previous year of 6.76 days absence per employee. Absence for the year amounted to 13.5 days and was the second lowest in the Council.

↑ In comparative terms for the first quarter of this year absence levels are up from 0.5 to 1.5 day.

→ **Audit and Risk** – This Division had the third lowest level of absence within the Council with a FTE absence rate of 3.33 all absences were occasional, this has remained constant with the FTE for 2005/6 being 3.34.

↓ In comparative terms for the first quarter of this year absence levels are down from 4 days 1.

3.6 CORPORATE POLICY AND ADMINISTRATION

↓ **Policy** – The Policy Division has experienced a slight decrease in the number of days lost as compared with 2005/6 from 283.32 to 267.69. Three employees accounted for 54% of the total absence within the Division.

↓ In comparative terms for the first quarter of this year absence levels are down from 118 days to 31.

↑ **System Integration** - This area of operation has seen a significant increase in the number of days lost as compared to 2005/6 with the average FTE at 21.49 from 16.72 last year. Seven employees on long-term absence accounting for 61% of absence with reasons varying from heart, muscular skeletal and stress. Overall days absence for 2006/7 amounted to 1054.74 days.

↑ In comparative terms for the first quarter of this year absence levels are up from 150 days to 310.

↑ **Legal and Licensing** - This unit has had 101.48 days absence for 2006/7 with one employee who no longer works for the Council accounting for 51% of total absence. The FTE for this team was 2.80 which is well below the Council target. For 2005/6 absence levels were at 31.7.

↓ In comparative terms for the first quarter of this year absence levels are down from 39 days to 23.8.

4 ACTIONS

In addition to ensuring compliance with existing monitoring procedures and case reviews the following activities were undertaken during 2005/6.

4.1 **Monitoring:** Sickness monitoring lies primarily with the line manager. A return to work monitoring procedure was introduced some time ago and especially in 'hot spot' areas of absence personnel staff and managers have worked together to seek to address issues surrounding absence.

Monthly absence data is provided to Directors to assist them in considering absence levels and trends within their service areas. This data is reviewed at directorate meetings and where appropriate personnel staff have attended to provide advice. Due to system problems data transfer in the middle part of the year was problematic however this has now been rectified.

Divisional Managers have been instructed to include in their service plan a local performance indicator for absence and work will be undertaken to identify 'hot spots' and monitor issues surrounding absence. Last year the key focus was on long-term absence.

4.2 **Occupational Health Monitoring:** Where any period of absence extends beyond four weeks in the majority of cases referral is made to the Occupational Health Physician where advice and guidance on action is given. On occasions early intervention has taken place and employees have been referred to specialist consultants for advice.

4.3 **Counselling:** The counselling service was changed early in 2005 due to the withdrawal of service from the then provider due to retirement. A new provider has been engaged and feedback has been very positive and close liaison has continued to try and identify issues and deal with any problems.

4.4 **Training and Development:** Training has been provided on sickness management and stress awareness. The Safety Officer has also carried out training on manual handling and safety awareness to try and reduce incidents of accidents at work.

4.5 **Display Screen:** A training package is available for all employees using ICT equipment so as to try and reduce work-station problems and issues surrounding position and posture.

- 4.6 **Health Education:** A series of events have been held to raise health awareness including men's health (including weight and blood pressure checks), breast cancer and smoking cessation. It is intended to extend this programme in conjunction with the local PCT to provide better health education to all employees of the Council. This year targeted publicity will be produced to address key areas of absence.
- 4.7 **Managers Workshop:** A workshop for managers was organised in April to look at ways of improving sickness management to which the HR Manager of Castle Morpeth was invited as they were an authority that had had a significant reduction in absence levels. From that event suggestions were put forward and work is currently under way to pilot some initiatives in General Service. If successful this will be rolled out to the rest of the Council.

5 **CONCLUSION**

The data produced has shown that there has been a decrease in absence levels for last year to 10.44 days per employee. The downward trend has not however met the expected target of 10.00 days which is disappointing.

Obviously the decision to create a single unitary authority could have an effect upon staff morale and attendance. Directors will continue to work to reduce absence levels and ensure that appropriate support and monitoring mechanisms are in place.

Ian Jones
Head of Organisational Development

Division	FTE Staff	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Grand Total	Days per Employee
Accountancy	9.5	0	0.5	0	2	0	1	0	0	0	0	9.5	0.5	13.5	1.42
Audit & Risk	6	0	4	0	4	0	4	0	0	0	0	0	8	20	3.33
Economic Development	40.36	26	14	3	0	3	8	48	60.11	7.05	5	0	7	181.16	4.49
Env Health	20.81	0	0	0	0	0	0	10	5	5	0	0	20	40	1.92
Executive Support	7.32	0	0	1.73	0.86	0	0	0.81	0	0	0	0	0	3.4	0.46
General Services	164.76	121	162	198	115	90.5	58	177	223.16	182.26	252.41	190	196.81	1966.14	11.93
Human Resources	11	0	0	0	0.5	2	6	2	0	3	13	0	17	43.5	3.95
Information Services	35.32	46	60	31	34	41	20	43.65	14.56	14	4	35	17	360.21	10.2
Land & Property	25.82	2	3.4	27.55	18	5	1.34	3.85	13.23	6.59	4.51	12.74	7.72	105.93	4.1
Legal & Licensing	7.35	13.05	7	19	2	15	0	21	20	1	0	0.81	1.62	100.48	13.67
Planning & Building Ctrl	29.54	16	15.5	39	18.5	30.5	8	13.62	34.5	3	19.5	16.04	9	223.16	7.55
Policy	22.3	31.73	33.35	52.89	30.31	6.86	21	28.89	1.32	1.78	26.08	28.78	4.7	267.69	12
Revs & Bens	55.31	40.68	85	90	90.5	137	103	99	110	110.5	134.5	60	60	1120.18	20.25
System Integration	49.07	76.5	0	74	63	104.5	123.49	136.15	94.86	84.09	105.24	105.44	87.47	1054.74	21.49
Grand Total	484.46	372.96	384.75	536.17	378.67	435.36	353.83	583.97	576.74	418.27	564.24	458.31	436.82	5500.09	

DDC Total	484.46	9.24	9.38	10.68	10.36	10.44	10.16	10.78	11.22	11.12	11.41	11.4	11.35
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Title:	County Durham Economic Strategy (CDES) 2007- 2013
To/On:	Learning and Economy Scrutiny 4th September 2007
By:	Deputy Chief Executive
Portfolio:	Economy
Status:	Report

1. INTRODUCTION

- 1.0 The purpose of this report is to provide an update on the draft County Durham Economic Strategy (CDES) 2007-2013; to highlight any issues of significance to Derwentside; and to consider any actions that need to be taken by the Council. The formal draft of the strategy has not yet been issued; therefore this report is based on the latest version.

2. BACKGROUND

- 2.1 The draft County Durham Economic Strategy (CDES) is currently being developed by the County Durham Economic Partnership and sets out a long-term vision for the economy of County Durham, namely:

By 2023 County Durham will be a modern dynamic economy, a key part of a thriving and prosperous North east, characterised by high levels of employment and income with residents and businesses taking advantage of opportunities in the County and regional economy.

- 2.2 The strategy outlines a set of objectives and actions crucial to the long term regeneration of the County. It makes it very clear that the County faces a massive challenge in closing the gap with both regional and national economies. In 2004, output per head in County Durham was 81% of the regional average and 62% of the national average. The reasons for the gap are explained by a combination of factors including:

- Lower than average levels of participation in the labour market;
- A mix of industries where high value employment such as manufacturing is declining and growth only in low value added services; and
- Low productivity in sectors, except manufacturing.

- 2.3 The strategy estimates that increasing participation (employment) to national levels and changing the mix of industries would only address some 28% of the gap. The productivity gap is the most significant issue to be addressed and includes key factors such as:

- Workforce skills
- Capital investment in research, development and innovation
- Business competitiveness in global markets

2.4 The output gap is unlikely to be bridged in the life of the strategy up to 2013. To make significant progress, County Durham needs to exceed regional and national indicators by 2023. The headline indicators are:

- Number of enterprises
- Employment rate
- Average earnings
- Productivity per employee
- Educational attainment
- Residents qualified to NVQ3,4 and 5

2.5 The CDES has identified four strategic objectives and areas of intervention:

- 1. To develop an enterprise culture**
 - changing attitudes to business and encouraging enterprising behaviour
 - increasing number of new businesses
- 2. A competitive economy**
 - supporting a sustainable manufacturing base
 - developing new sectors
 - improving workforce skills
 - providing modern business space
- 3. To increase economic participation and reduce social exclusion**
 - targeting worklessness
 - addressing areas of multiple deprivation
- 4. To create conditions for growth**
 - long term and innovative actions taking account of European, national and regional policies
 - improved image and branding of county Durham

2.6 The CDES recognises the need to differentiate the differing needs and opportunities of different parts of the County by developing a Spatial Framework for Action. This includes:

- Durham City – visitor destination and knowledge based investment location
- The East Durham A19 Corridor – a major employment location for both city Regions
- Bishop Auckland Darlington Corridor – linking to Darlington and the Tees Valley City Region
- North and West Durham – an investment location close to the Tyne and Wear City Region.
- The A1 (M) corridor – linking the County to both City Regions
- University of Durham – part of Science City and inter-action with business and NETPark.

2.7 A draft Action Plan is under preparation to translate the CDES into operational objectives and outcomes. The Action Plan will identify programmes and projects to be delivered over the next five years plus. The Action Plan also sets out the contribution the County will make to the Regional Economic Strategy (RES) and the City Region Plans for Tyne and Wear and Tees Valley.

3.0 MATERIAL CONSIDERATION

3.1 The preparation of the CDES is taking place against a period of uncertainty in Local Government and in advance of the Comprehensive Spending Review (CSR) due in the Autumn. At the same time, the Government has published a Sub-national Review of Economic Development and Regeneration that emphasises the role of local councils and Regional Development Agencies in promoting economic prosperity.

3.2 The Council has taken a strong lead in contributing to the preparation of the CDES, acknowledging both the serious state of the County Durham economy and also the key contribution that Derwentside needs to play in supporting the growth of a modern, prosperous County Durham economy to 2013 and beyond. In addition, it has also been stressed that the overall strategy needs to be more “aspirational” across the entirety of the County, whilst making a strong case for the need for additional resources/capacity if the document is to achieve the desired stepped change to improvements in the County’s economy.

3.3 There have been some concerns that the evidential base for the CDES did not fully support all of the proposed spatial priorities and did not adequately recognise the key role or potential of existing and future employment sites in Derwentside. The CDES currently identifies priorities for North West Durham as:

- A programme of urban renaissance focussed on Consett, Stanley and Chester-le-Street
- Enhancements to employment sites such as Tanfield North Industrial Estate; and
- Strengthening the regional tourism offer through Beamish and the Riverside.

3.4 The need for a Derwentside Economic Development Strategy remains clear to ensure there is both a focus on local needs and opportunities and also to re-enforce and further develop aspects of the CDES that relate directly to Derwentside. There could be for example a local need for additional employment sites in Derwentside that is not currently reflected in the CDES.

4.0 CONCLUSIONS

4.1 The need for a CDES is clear as is the role of Derwentside within a prosperous economy for County Durham.

- 4.2 Officers will continue to work with the County Durham Economic Partnership to ensure the CDES is robust and relevant to the needs of Derwentside residents and businesses.

For Further Information Contact:

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Title:	County Durham Councils Regeneration Inspection
To/On:	Learning and Economy Scrutiny 4th September 2007
By:	Deputy Chief Executive
Portfolio:	Economy
Status:	Report

1. Introduction

1.0 The purpose of this report is to provide an overview of the inspection of regeneration in County Durham recently undertaken by the Audit Commission.

2. Background

2.1 The inspection of regeneration covered all eight local authorities in the county and was not a detailed review of any of the districts or county council regeneration services. The inspection does not make any judgements about individual councils or provide any scored judgements. It does however contain recommendations for the councils to consider and act upon.

2.2 The inspection recognised that agencies other than local councils have lead roles, statutory responsibilities and control substantial budgets for regeneration. The inspection did not cover these agencies that include, One North East, Job Centre Plus, GO-NE and the LSC.

2.3 The inspection was based on a strategic assessment of:

- The impact of the councils' collective regeneration activity on the residents of County Durham;
- The effectiveness, value for money and level of community engagement;
- The ability of councils to manage relationships and partnerships with a range of agencies and to respond to change; and
- The robustness and consistency of strategic direction across the county and the performance and capacity to deliver.

2.4 The inspection focussed on how councils work together to address economic issues facing the county, namely:

- The competitiveness of existing businesses
- Worklessness and health
- Entrepreneurship and skills
- Town centres and tourism
- Integration between housing, transport and economic development.

2.5 The Audit Commission has stated that the inspection was designed to help councils strengthen their ability to respond to the Sub-national Review of Economic Development and Regeneration which suggests an enhanced role for local councils.

3. Material considerations

3.1 The published inspection report makes some judgemental comments on the collective performance of local councils, including:

- Design of regeneration services has often reflected the funding available and has tackled the symptoms of decline rather than the underlying problems;
- Councils engage well with residents and this is leading to genuine empowerment in *some* places;
- Engagement with businesses has been less than satisfactory though a range of useful networks (including Derwentside Engineering Forum) do operate;
- Access to regeneration services is good for *most* people but is less so for groups not easily categorised, such as “old people” who still want to work;
- Councils *have* delivered on promises to create jobs, reduce dependence on manufacturing, improve educational attainment, improve skill levels, provide modern infrastructure, reduce dereliction and improve town centres; and
- Councils *have not* achieved the broader aim to close the gap in economic growth between the county and Great Britain. Productivity has declined relative to the rest of the country; employment rate, business density and educational attainment is below the national average; and much of the housing stock and town centres do not meet modern aspirations;
- Councils tackle problems within administrative boundaries and opportunities are taken up in isolation , rather than together;
- Regeneration has been focussed on the most disadvantaged but there is little evidence of relative improvement;
- Councils have improved value for money, avoided duplication and levered in private funds but have tended to underspend and not use assets collectively. The overall value for money of regeneration activity in transforming the economy is not improving;
- Strategies exist but are not aligned across the county; few strategies have targets; councils do not believe that existing strategies are capable of closing the performance gap between the County and Great Britain;
- Performance is monitored rather than managed; learning does not take place across the County;
- Leadership in the County is fragmented; the strategic capacity of the County to produce real change is limited.

3.2 The inspection report then proceeds to make a series of recommendations to the Councils, as practical pointers for improvement:

R1	Start and maintain a public debate on the future of the Durham economy
R2	Take steps to align strategies and strengthen collaboration
R3	Consider with partners, especially the LSC and Job Centre Plus how the importance of skills and aspirations can be embedded in the culture of County Durham.
R4	Ensure housing, transport and economic strategies are aligned to ensure where people live and work is sustainable.
R5	Strengthen leadership by providing a clearer focus for regeneration in County Durham, rationalise partnerships and make decision making transparent.
R6	Create an independent secretariat for the County Durham Economic Partnership
R7	Review how Councils use their resources to influence the private sector.

4.0 Conclusion

- 4.1 All local authorities have considered the Audit Commission report on regeneration services in County Durham. The report appears critical in a number of areas with some limited recognition of regeneration successes. Some concerns were expressed over the nature of the inspection and the fact that it was carried out mimicking an individual authority service inspection but across a number of separate authorities; however this is in part reflective of a new process attempting to incorporate older protocol. The wording of the inspection does not balance the fact that the councils individually, are rated good to excellent by the Audit Commission.
- 4.3 The publication of the inspection report came two days after the Governments publication of the Sub-national Economic Development and Regeneration review and seven days before the announcement of the proposal to create a single unitary authority for County Durham. There are a number of references in the recommendations that are can be linked to both agendas, from the notion that councils need to have greater influence and powers to address economic growth, to the fact that County Durham needs stronger leadership.
- 4.4 It would appear doubtful at this stage that the link between the judgements made in the inspection report, and the series of recommendations offered will facilitate the stepped change required to deliver progress in the regeneration of the County; however many of the items raised reflect work already underway in developing a County Durham Economic Strategy (CDES) with a clear action plan for implementation that recognises the significant gap in economic performance.
- 4.5 The recommendation that Councils need to work more closely with partners such as Job Centre Plus and LSC is also reflected in the Sub-national Review but importantly this suggests that national agencies should be given more local flexibility to be able to work more closely with local councils.

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Title:	Enterprise Place – Future Operation
On:	Learning and Economy Scrutiny – 4th September 2007
By:	Deputy Chief Executive
Portfolio:	Economy
Status:	Report

1. PURPOSE

- 1.1 The purpose of this report is to highlight the progress made by Enterprise Place since it began in 2003 and to consider a number of issues concerning the future operation of Enterprise Place beyond April 2008, when the current funding for the project comes to an end.

2 BACKGROUND

- 2.1 A key aim of the Derwentside Economic Development Strategy 2001-2006 was to support the development of local education, skills and enterprise. The Council was the lead organisation tasked with implementing this aim through the provision of an Enterprise Centre for young people that subsequently led to the development of Enterprise Place as a way of enabling young people to learn about entrepreneurial skills and attitudes.
- 2.2 Enterprise Place began in 2003 as a Department of Education and Skills (DfES) funded pilot project, operating under the direction of Archie Howat, Head Teacher of Tanfield School from temporary premises at Tanfield Lea North Industrial Estate. The project developed at a pace with the appointment of a dedicated manager in April 2004. In the 2004/05 academic year, Enterprise Place delivered some 2036 student teaching days which has risen to 2926 for the year 2006/07. Beyond these primary output figures Enterprise Place has been asked to consider how “teaching days” fundamentally impact the individuals involved, and to quantify the bottom line benefits of the programme.
- 2.3 All six mainstream secondary schools and twelve primary schools in Derwentside engage with Enterprise Place, which has established a reputation as an innovative and quality organisation delivering enterprise education in the District, County and Region as a whole. An outline of the programmes offered by Enterprise Place is set as an appendix to this report.
- 2.4 The project has been taken forward by the Council along with a number of key partners, including local secondary schools, Durham University, Roy Stanley from the Tanfield Group plc and the County Durham Economic Partnership.

- 2.5 A permanent facility for Enterprise Place was acquired by the Council in 2004 with funding from Single Programme. The former engineering factory at Tanfield Lea North Industrial Estate was then converted with a £350,000 contribution from the Council to provide a range of secure classrooms, offices, ICT training and support facilities for up to a maximum of one hundred and fifty students, staff and other potential users of the building.
- 2.6 The Council has more recently secured funding of £290,000 from Neighbourhood Renewal Fund (NRF) to cover salaries, development and running costs for Enterprise Place up to the end of March 2008. Local schools are contracting with Enterprise Place and contributing to approximately 25-30% of the running costs.
- 2.7 Enterprise Place has developed to become a valued organisation that provides enterprise education and workforce development for students and residents of Derwentside. The key partners of Enterprise Place are fully supportive of the need to sustain the project beyond March 2008, however they are unable to offer funding support to allow this to happen. The manager of Enterprise Place is currently developing a business plan/exit strategy to continue the project, examining a number of issues, including a legal structure that is sufficiently flexible to ensure delivery of the project up to and beyond 2008; a structure that allows the project to maximise income streams; and a structure that is accountable to all partners and stakeholders.

3.0 ISSUES TO CONSIDER

- 3.1 The need for young people to have the attitude and expertise to succeed in the global economy remains a key driver to the long term economic prosperity of Derwentside. Raising aspirations and levels of enterprise in all age groups from primary school to post sixteen is needed to ensure people are properly equipped to make the transition from school to the workplace. The draft Derwentside Economic Development Strategy 2008-2013 recognises the role that Enterprise Place could play in sustaining and embedding enterprise education at primary and secondary school in the area.
- 3.2 Enterprise Place has been developed to-date with substantial public funding from Derwentside District Council, Single Programme and NRF. Local schools have been able to make limited contributions of up to £9,000 per school per year. The long term sustainability of Enterprise Place is unlikely to be based on previous levels of public funding but will more likely require significant levels of income to come from schools outside of Derwentside and from other commercial opportunities. This will require Enterprise Place to form a legal structure that allows it to trade on the basis of a social enterprise or commercial business, generating sufficient levels of income to self sustain and enable an affordable service to be maintained for local schools and residents.

- 3.3 The steering group for Enterprise Place has considered a range of options for the continuation of the programme, the most appropriate legal structure and the accountability to stakeholders. These options have included the use of a “not-for-profit” social enterprise or a more commercial enterprise, but both are largely dependant on the appropriate business case being presented by the current manager. In examining opportunities it has been factored that whatever model is chosen, the ability to continue to deliver to Derwentside schools, whilst providing an opportunity to develop other funding streams and deliver services to schools and organisations outside of Derwentside is paramount.
- 3.4 The intention is that all staff will be transferred to a new organisation, subject to a sustainable trading position being established from April 1st 2008. Operational staff are currently seconded to Enterprise Place from the Tanfield Group, one of the original supporters of the project, with the Manager employed by Durham County Council Local Education Authority.
- 3.5 As part of contingency planning, a new company called Enterprise Place Limited has been formed in advance of the end of the public funding, to provide sufficient time to assess the long term sustainability of the project. Until business plans are completed it is not possible to state the most economically advantageous route for the programme but it was viewed as prudent by the steering group allow to formation of a limited company should it be needed. The new company was initially formed by the local business and local education authority representatives of the Project Steering Group. The steering group have subsequently felt that under this option the current Manager should be the sole Director, fully accountable to stakeholders through SLA’s and MOA’s (Memorandum of Agreements) but he would be employed by the business from April 2008. There is a recognisable danger from Officers of the Council that this formation and a sole director stance would be contrary to the principles/merits of social enterprise but the best route can be reconsidered once a full assessment of the business plan has taken place.
- 3.6 The facility provided by Enterprise Place at Tanfield Lea has proved a success with students and teachers and remains a key component to the long term success of the project. A formal lease will need to be completed between the Council and Enterprise Place Limited should the business occupy the building beyond April 2008.
- 3.7 The Council has been the steer behind the development of Enterprise Place which has the clear support of local schools and students. The Council now has an option to support the long term future of Enterprise Place and ensure it continues to deliver enterprise education for the benefit of residents and students of Derwentside. A Service Level Agreement (SLA/MOA) could be put in place and be co-terminous with the building lease to ensure local schools continue to benefit from Enterprise Place.
- 3.8 A market rent for the Enterprise Place facility has been estimated at £55,000 per annum. The Council has grant aided the project to the same

amount thus far, accepting that the risk would be offset through rental revenue of up to £20,000 per annum. An option open to the Council is to continue this arrangement to assist in the long term sustainability of the project. The production of a business plan will clearly show the financial position of the project, predicted April 2008. Although exact figures are still needed, early indications are that there will be difficulties in cashflow during the first 3 years. A further option open to the Council would be an interest free loan, at a level determined by the business plan assessment, repayable after 3 years; however with both the rental consideration and any cashflow assistance, if either were affordable to the Council, there would need to be careful consideration to the implication of other organisations needing similar assistance.

- 3.9 The range of external funders that have supported Enterprise Place to-date have been asked to endorse the development of the project as a social enterprise or commercial business and to agree that all the fixture and fittings of the project can be transferred by the Council to a new business from April 2008, without any financial penalty to the Council. A decision is awaited.

4. CONCLUSIONS

- 4.1 Enterprise Place has developed into a major initiative in support of developing local education, skills and enterprise. The Council has led the development of the project to-date and is now in a position to assess what level of service provision is appropriate to ensure Derwentside schools continue to benefit from Enterprise Place over the next few years.
- 4.2 The permanent facility for Enterprise Place provides an ideal base for the company to continue delivering a quality service to Derwentside schools and at the same time develop a trading position with schools and organisations outside of the District.
- 4.3 Council Officers are continuing to work with Enterprise Place, seeking ensure the long-term sustainability of the project. The availability of a robust business plan by December 2007, is considered by Officers to be critical; should funding becomes available the demonstrable viability of the project through the plan will be pivotal. Members views are sought as part of this on-going process and any comments received will form part of a further report to be considered once full financial and business plan documentation is produced.

For Further Information Contact:

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Appendix

Diagrammatical presentation of the Enterprise Education Portfolio

Schools				Workforce Development			Family Learning
Primary	Secondary	CPD	Materials	Private Sector	Public Sector	Voluntary / Community	Adults

Primary Education Programme

Enterprise Place's programme covers the Foundation Key Stage and Key Stages 1 and 2. The primary programme has been developed to:

- Cater to the educational attainment and concentration levels applicable and appropriate for children of this age
 - The programme is modular in construction, and can last from three to eighteen weeks, with varied entry/exit points and progression routes
 - The individual sessions are concise and delivered in our Centre
 - Preparatory and consolidation work are undertaken in the school
- Be as interactive as possible.

Our programme is entitled "All About Me" and develops two key themes:

- Preparation for Life
- Preparation for Work.

It is imperative that children of a young age are encouraged and nurtured to foster positive attitudes towards the development and application of key skills – for example, communication, problem-solving, decision-making, teamwork – that will benefit them in all aspects of life, and especially so in the world of work.

Our primary programme encourages children to recognise the innate talents and skills they possess, to consider how these can be developed, and how

these can be applied in the world of work, by using the example of real people and roles they are familiar with.

Enterprise Place also offers a transitional programme for Key Stage 2 children in Year 6, in readiness for their moving into secondary education.

Secondary Education Programme

For Key Stages 3, 4 and 5, supporting children aged 11 to 18, secondary enterprise education is offered under the acronym TOBIES[®], which stands for:

- Transforming Our Behaviour – Initiating Enterprising Success[®]

This acronym is designed to verify that everyone can and should be more enterprising, whilst acknowledging that not everyone wishes to be an entrepreneur.

We sell enterprise education to schools tailored to their specific needs. Our commitment is to engage with and listen to staff and students, to fully immerse ourselves and understand the school's position and perspective, to fully appreciate the desired learning outcomes, and then to develop and deliver a programme of intervention and support that meets these requirements.

Recent examples of enterprise education delivered include:

- Enterprise activity days or weeks for Years 7 through 13 covering, for example:
 - Year 7 Introduction to Enterprise
 - Year 8 / 9 'Choices' / Development of Enterprise Skills
 - Year 10 / 11 Preparation for Life / Preparation for Working Life
 - Year 12 BTEC Business Studies – Introduction to Enterprise
- Alternative curriculum provision

- 1 day per week over a half-term, in conjunction with a local hotel: students developed understanding of their enterprise capabilities and used their skills to provide Christmas Cakes for the elderly
- ASDAN Certificate Of Personal Effectiveness (COPE) Level 1 & Level 2
 - Year 9 Post-SATs
- School Nutrition Advisory Group (SNAG)
 - Cross-school activity (including students, Staff [teaching and non-teaching, including catering staff], Governors)
- Student Council
 - Regular (termly) support to cross-school student council
- Financial capability through Social Enterprise
 - Business competition (supported by Northern Rock Graduates).

Underpinning all secondary programme provision is the:

- QCA Curriculum Guidance on KS4 Work Related Learning
- Enhancement of Key Skills and innovative methodologies and the use of ICT (including Mind Mapping software).

CPD

Enterprising students need enterprising teachers and support staff. The up-skilling of the people is instrumental in embedding enterprise education into schools. Working with them, to develop their understanding, confidence with and competencies in being enterprising is a key aspect of our provision. We are committed to working with teachers to assist them to truly embed the ideals of enterprise education through all aspects of the curriculum and extra-curricula activities of the school.

Materials

Enterprise Place will sell enterprise education material to schools. There will be three aspects to this: we will sell

- Hard copy programme material to primary schools
- Hard copy programme material to secondary schools
- Licences to a restricted area on our website, where both primary and secondary school enterprise education programme material can be accessed.

Introduction to the Workforce Development Programme

The development of economic prosperity is a long-term goal. There are two pathways to achieve this:

- The skills development of those currently not economically active, or not as economically active as they could be. This group could include those currently not in employment (paid- or self-employment), or those currently not in education or training
- The skills development of those currently employed. There are two possible aspects to this:
 - A key means to increase overall economic prosperity is to develop the economic prosperity of existing businesses. To do this, employees need to be more productive, add more value; to achieve this they need to enjoy work and to fulfil their potential. We can work with organisations to stimulate intrapreneurship, through bespoke company programmes.
 - To place before employees the option of self-employment as a valid alternative career choice.

Within these two pathways, there is also the need to engage with the Voluntary / Community Sector, and with those adults (for example, parents / guardians) who could act as role models for young people, through the notion of Family Learning.

Enterprise Place offers a number of programme platforms under the heading of workforce development:

- A bespoke programme that fully caters to the desired learning outcomes of a particular situation / group. This will be an unaccredited course that leads to a Certificate of Attendance. This option will appeal to those individuals and/or groups, say, a local community group or employees who require some direction or support, with regards to nurturing their enterprise capability
- A nationally-recognised Level 2 course (Exploring Enterprise), accredited by the Institute of Leadership and Management, that delivers a broad-based introduction to the notion of and development of enterprise capability. The added value of Enterprise Place's delivery is the tie-in, throughout the course, to nationally recognised Key Skills (Communication, Problem-solving, Decision-making, Teamwork, ICT, Literacy, and Numeracy)
- The option to follow the above Level 2 course, but without wishing to seek the accreditation.

Family Learning Programme

A programme of family learning, that aims to stimulate and encourage parents and guardians of young people to be more confident at espousing enterprising attitudes and behaviours, and to work alongside and supporting enterprising children and young people. Possible delivery routes for this could be via partnerships with Sure Start or Children & Young Peoples Services.