



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE AGENDA

Monday, 22 January 2024 at 10.00 am in the Bridges Room - Civic Centre

From the Chief Executive, Sheena Ramsey

Item	Business
1	Apologies
2	Minutes (Pages 3 - 10) The Committee is asked to approve as a correct record the minutes of the meeting held on 27 th November 2023.
3	Final Report on Review of Leisure (Pages 11 - 34) Report of the Director of Public Health
4	Implementation of the Council's Fuel Poverty Action Plan (Pages 35 - 44) Report of Strategic Director Housing, Environment and Healthy Communities
5	Review of Community Wealth Building - Six Monthly Monitoring Report (Pages 45 - 50) Report of the Strategic Director Corporate Services and Governance
6	Work Programme (Pages 51 - 54) Report of the Chief Executive and the Strategic Director Corporate Services and Governance

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Public Document Pack Agenda Item 2

GATESHEAD METROPOLITAN BOROUGH COUNCIL

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE MEETING

Monday, 27 November 2023

PRESENT: Councillor(s): C Buckley, R Beadle, D Bradford, B Clelland, J Green, S Green, I Patterson, J Simpson, J Turner and J Wallace

APOLOGIES: Councillor(s): J Eagle, D Burnett, D Duggan, T Graham, M Hall and K Wood

CR15 MINUTES

The minutes of the meeting held 16 October 2023 were approved as an accurate record.

CR16 PERFORMANCE MANAGEMENT & IMPROVEMENT FRAMEWORK 2023-24

The Committee received a report on the Council's Performance Management & Improvement Framework, reporting performance on the delivery of Council priorities for the period 1 April 2023 to 30 September 2023. An overview was given of performance relevant to the role and remit of Corporate Resources Overview and Scrutiny Committee. The framework has been put together to support Gateshead Council's THRIVE strategy. It was noted that some metrics included in the report are annual measures which are reporting figures at a six-month mark.

A presentation was also given to the Committee on making data accessible for scrutiny, including a demonstration of Power BI and how this can be used to track data for the Office for Local Government.

The Committee noted that a more visual view of the data would support better public and scrutiny understanding of the presented content.

There was discussion by the Committee of the consideration of cyber attacks and other impacts to online systems and the effect this would have on residents. This issue is high on the Council's strategic and operational register and these risks are being assessed. It was noted that Gateshead Council has a particularly robust IT security infrastructure.

REVOLED:

- i. The OSC commented on and discussed the report.
- ii. The OSC recommended an item on school exclusions be discussed by Families OSC.

- iii. The OSC recommended the performance report to Cabinet for consideration in January 2024.

CR17 ANNUAL BUDGET REVIEW REPORT

The Committee was given a report reviewing the 2022/23 budget and updating on the achievement of the 2023/24 budget savings to date.

Budget Review 2022/23

The revenue budget set was delivered. There were no savings delivery to report on in 2022/23.

The overall 2022/23 revenue outturn position for the Council including non-service budgets and financing this resulted in a net revenue positive balance of £3.4m. This position is after the application of agreed reserves funding to support financing of the budget and resulted in a net addition to the Council's general fund re-serve.

Active budget management and additional scrutiny took place during the year in order to help achieve this outturn. Although the overall outturn was positive, the position masks overspends in some services and includes a number of year-end transactions that have impacted on the final position. The positive outturn remains a significant achievement given the financial pressures faced by the services and enables the Council's sound financial position to be maintained within an extremely challenging economic and financial context.

Budget Review 2023/24 – six-month position

The projected revenue outturn for 2023/24 at the second quarter following management intervention is £2.7m over budget. (First quarter was £1.1m over). The position per Group and Service was reported to Cabinet 21 November 2023.

The most significant budget challenge is in relation to children's social care placements and home to school transport.

It is the intention to deliver within the overall revised budget by the financial year end and progress will be reported at quarter three.

Savings Review 2023/24

Cabinet agreed £13m of savings in the 2023/24 revenue budget which will be challenging. Financial control and monitoring of budgets is crucial. Progress is being closely monitored and those requiring further consultation and engagement will be the subject of future reports to Cabinet.

The Committee commended the report and requested a further look at the spending for child placements in the Borough in the 2024/25 work programme.

CR18 EVIDENCE GATHERING AND INTERIM REPORT

A presentation was given to the Committee on the emerging recommendations from the closure of two leisure centres. A full report was presented to the previous meeting of the committee.

The emerging recommendations outlined are as follows:

1. Consider the lessons learned from this review and incorporate them into the procurement process as appropriate.
2. Be clear about the risks the Council should retain as part of the procurement process.
3. Share information from this review with the community asset groups to enable them to learn from the Council's experience.
4. Apply future price increases to all customers and not just new customers for all traded services unless there is a commercial reason to do something different.
5. Review the council's contingency planning arrangements for sudden and potentially catastrophic reductions in income (e.g. pandemics, unplanned major work etc) based on the Council's experience of Covid.
6. Ensure appropriate monitoring of the impact of sector competition and market trends within the Council's trading services.
7. Conclude future service reviews as quickly as possible to prevent the situation from worsening.
8. Ensure appropriate contract management is undertaken for all procured sites.

The Committee asked for an addition to recommendation 6 on employment conditions.

RESOLVED:

- i. The Committee accepted the recommendations.

CR19 ANNUAL REPORT ON IMPLEMENTATION OF WORKFORCE STRATEGY

A presentation was giving an update on the performance management workforce strategy was given to the Committee. The presentation focused on:

- Sickness absence
- Employee wellbeing and equality, diversity, and inclusion
- Employee turnover
- Health and safety update

Sickness absence

Covid, viral infection and stomach/digestion concerns account for the highest number of days lost up to the date of the meeting covering 2022 and 2023. While there has been a spike in COVID absences recently, however overall there is still

positive change.

The top reason for absence in 2023 was stress/depression/anxiety. There has been a significant decrease in COVID absences in 2023 compared to the same period in 2022.

Most of the sickness days are caused by short term absence rather than long term absence. The service with the highest number of sickness absence days was Adult Social Care, where 22.18 days were lost. Within ASC there is a requirement to remain away from work for so many days if the cause of absence is covid which impacts on the number of days an employee needs to be off work.

Children's Social Care have the highest number of days lost due to work-related stress absence (1,502 days). A work stress audit has been planned for this department. The audit of Children's Social Care will be used help identify solutions on a wider scale for workplace stress. Adult Social Care have the highest number of non-work-related stress days (3,835 days).

Ongoing work is being done on stress in the workplace, this is focusing on culture change. The key to success is supporting absences due to non-work reasons as this is the higher cause.

Work related and non-work-related stress days lost by grade show a higher number of days lost in lower grades, however this will be presented by percentages in future meetings due to a higher number of workers on lower grades.

Employee wellbeing and equality, diversity, and inclusion (EDI)

A permanent staff member has been recruited to focus on EDI. Alongside this change, a number of initiatives are being worked on:

- A workforce EDI policy has been drafted
- A single source has been made for employees to get information on health and wellbeing, via the intranet and there is also a plan to make one for councillors
- Training is available for managers in identifying an employee who has a problem with their emotional health
- Posters have been created showing free information and organisations available to help with mental health
- Launched VivUp benefits platform, and exploring a package with them to get an employee wellbeing programme

Have begun a disability passport initiative, for employees to outline their to be given information about an employee's health without them having to repeat sensitive information routinely

The EDI maturity model was explained in that level 5 outlines what an exemplar employer does to facilitate positive EDI in the workplace which is what Gateshead

Council is aiming to achieve., It was explained that it is recognised that society is fast changing and that maintaining a level 5 standard will require constant work.

Employee turnover

As of 30 September 2023, employee turnover was 9.28%. This is similar with other local authorities and higher than many other sectors. The highest percentage turnover is in the Office of the Chief Executive and that this is relative to the total headcount and that within this Service the headcount is low..

It was explained that resignation as a coverall rationale is the highest reason given for employee turnover in all teams except for Environment and Fleet Management, which was end of fixed term/temporary contract. Property and Assets had the highest number of leavers (98). However, was not understood was the reason behind why an employee resigned.

It was explained that as a result of not having detailed understandings as to why an employee resigns, that a new exit interview was launched in August 2023. 142 surveys have been sent to employees since this date, with a response rate of 37.32% as completing an exit interview is voluntary. The rate of responses is expected to grow as the survey becomes more established, which will help the results to become more encompassing. The current top reason for leaving is opportunities to grow professionally and enhance career. No employees who responded to the survey have left due to stress.

Health and safety

School reporting rates of near misses over the last six months (from 1 April to 20 September 2023) were at 13%. Overall the rates of verbal abuse have reduced, but threatening behaviour has increased. The data also indicates that schools need development on why and how to report this.

An audit was conducted of the Council Warning Alert System (CWAS). The action being taken from the audit is:

- Ensure that the right people have access to the CWAS system, with clearer guidance on how to use it.
- Personal Safety Training has been revised following work with the Workforce Development Team.
- The Personal Safety Procedure is being reviewed and consulted on to provide:
 - Managers with more detailed guidance about how to minimise the risks of threatening behaviour within their teams through risk assessment.
 - Greater clarity on the steps to take to deal with an incident should one occur (this in turn will hopefully reduce future incidents).
- Libraries have introduced a 'code of conduct' for customers to follow. If

general behaviour is unacceptable then customers may be suspended from the library service. This will be considered by other services and how to apply a similar model of prevention.

- In broader terms - Colleagues in the Safer Communities team have also been involved with the Safer Streets project, to look at understanding and reducing ASB problems in parts of our community.

The Committee previously requested an update on risk assessments. The council's approach to risk assessments follows the Health and Safety Executive five steps to risk assessment and are carried out in accordance with council procedure CGS-HS-40 Risk Assessment.

Service Directors, head teachers, managers, and supervisors are responsible for ensuring work-related hazards are identified and suitable and sufficient risk assessments are undertaken and recorded.

Council services and schools are required to identify and train some staff as competent risk assessors. There is a requirement for risk assessments to be reviewed at least annually. Risk assessments audited as part of the Service Director/ Head Teacher Audit process (HS39).

The presentation was commended by the Committee.

RESOLVED: -

- i. The Committee noted the presentation.
- ii. For the next presentation to include updates on the following:
 - o Examples of personal growth training and support for staff
 - o A closer look at absences in social care, particularly on short term absences being repeated or singular.

CR20 WORK PROGRAMME

The committee reviewed the work programme and noted the following changes;

A report on Old Town Hall will be brought to the January meeting of the Corporate Resources OSC.

The Committee agreed it was no longer necessary to have a standing item on world affairs.

RESOLVED: -

- i. The committee noted the proposed amended programme.

- ii. The committee noted the work will be brought to the Committee to identify any additional policy issues, which the Committee may be asked to consider.

Chair.....

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TITLE OF REPORT: **Review of Leisure Services – Final Report**

REPORT OF: **Alice Wiseman, Director of Public Health**

SUMMARY

This report explains the reasons why Cabinet took a decision to close two leisure facilities in July 2023. It will cover the rationale for review, process, key challenges/ themes, and potential recommendations.

Background

The Corporate Resources Overview and Scrutiny Committee, at its meeting on 12 June 2023 requested a review of Leisure Services to be included within the 2023/24 work programme. The review was carried out over a 4 month period and this final report has been prepared on behalf of the Committee setting out the main findings / conclusions and emerging recommendations.

Report structure

1. The final report is attached at Appendix 1. It covers the following key areas:
 - Policy context and rationale for review
 - Aims of the review
 - How the review was carried out - methodology
 - Analysis of evidence – issues / challenges emerging from review
 - Emerging Recommendations

2. At it's meeting on 27 November 2023, the Committee considered an interim report and requested that an additional recommendation be included within the report for the Council to keep under review the employment conditions of employees engaged to deliver traded services. This has been added as Recommendation 9 in the report at Appendix 1.

Recommendations

3. Corporate Resources Overview and Scrutiny Committee is requested to:
 - (i) Consider and comment on the information provided in the report, the findings and the recommendations.
 - (ii) Agree the final report be presented to Cabinet for consideration.

Contact: Andrea Tickner

Ext 5995

OSC REVIEW OF LEISURE SERVICES – FINAL REPORT

1. Policy context and rationale for review

- 1.1 For many years the Council has tried to reduce its funding of leisure services by implementing a range of initiatives to either increase income or reduce expenditure, however a significant amount of council funding has continued to be required as set out in various reports considered by Cabinet since 2015/16, and as part of the review. The full list of Cabinet reports was provided to the Committee.
- 1.2 On 25 October 2022 Cabinet considered a report advising that the existing delivery model for Leisure Services was no longer affordable and that the service was continuing to significantly overspend its allocated budget provision. Cabinet agreed to procure an external delivery partner to manage the service in the future, and to explore the rationalisation of leisure centres.
- 1.3 Further work was undertaken to identify which centres should remain open and which should be considered for closure. As part of this work a public consultation process took place which was extended, and on 20 June 2023, Cabinet agreed to close Gateshead Leisure Centre and Birtley Swimming Centre on 31st March 2023, and continue discussions with organisations that had expressed an interest in exploring community asset transfers.
- 1.4 The decision to close the 2 facilities was driven by the ongoing subsidy that was required to fund Leisure Services at a time when the Council's funding gap was increasing due to ongoing reduction of funding from Central Government, increased demand for statutory services, and rising service delivery costs. The relatively consistent subsidy of between £3m and £4m was no longer available.

2. Aims of the review

- 2.1 Corporate Resources Overview and Scrutiny Committee were keen to fully understand the reasons why Cabinet had been asked to close the 2 leisure centres, and to learn lessons from past experience in order to inform the procurement process and also ensure that the groups proposing to undertake the Community Asset Transfers benefitted from the Councils experience.

3. How the review was carried out – methodology

- 3.1 The Evidence Gathering Session was structured below:
 - a. Introduction by Alice Wiseman, Director of Public Health
 - b. Presentation from David Evans from Mansfield District Council via TEAMS
 - c. PowerPoint presentation by Lindsay Murray, Michael Lamb, John Shiel and Andrea Tickner explaining:
 - i. The strategy for the provision of Leisure Services, it's implementation and outcomes.

- ii. The financial information since 2015, highlighting what impact the Strategy had in terms of financial performance.
 - iii. How COVID impacted the service, and how it responded.
 - iv. Other issues taken into account led to the recommendation to Cabinet.
 - v. Initial thoughts from officers on lessons learned.
- d. Dave Cove, Director from FMG presented a summary of the work they undertook in Gateshead, benchmarking outcomes and their findings via TEAMS.
- e. Matthew Grant from Birtley Aquatics talked about working towards the Community Asset Transfer of Birtley Swimming Centre.
- f. Robert Waugh from Gateshead Active talked about working towards the Community Asset Transfer of Gateshead Leisure Centre.

4. Analysis of evidence – issues / challenges emerging from review

- 4.1 Alice Wiseman described the high-level financial pressures that the council is facing and highlighted that the Council are not alone in facing significant budgetary challenges, particularly in the delivery of non-statutory services such as sports and leisure. She highlighted that the Council made decisions to use the Leisure employees as part of the response to Covid and that prevented the Leisure Centres from opening as soon as other leisure provision elsewhere in the country, and she confirmed that this was the right decision at that time.
- 4.2 Alice set out the agenda for the session and the Committee was informed of many leisure centres and in particular pools that are having to close as set out in recent Sports England and Swim England publications.
5. Presentation from David Evans from Mansfield District Council
- 5.1 David Evans presented to the Committee via Teams and his key messages included:
- Mansfield Council are similar to Gateshead in that they very rarely outsource services.
 - Significant savings were achieved of £1m when they outsourced the service initially in 2012 (prior to that the services were delivered in house).
 - As the contract was coming to an end Mansfield Council considered the options of procuring a new contract, bringing the contract back in house or negotiating with the existing operator, Serco, and they decided to re-tender for a new contract.
 - Mansfield now operate 3 centres and transferred one to a Community Interest Company. They are building a new centre currently.

- Their initial contract was focused on delivering a good sport and leisure offer, but the second contract focuses on Health and Wellbeing outcomes, as the market has significantly moved on. The new contract is more inclusive and enables open engagement with partners.
- The second contract made further savings and by year 4, the Council are confident that they will receive income from the operator.
- Mansfield estimate that they have saved between £7m and £8m over the 10 year life of the first contract and they are in the fortunate position of being able to open a new facility in the Summer of 2024 which the operator will also manage.
- Feedback from service users is much better than it was when the Council operated the service as the Operator has the flexibility to better meet local needs and respond and adapt more quickly to changing circumstances and this has significantly improved the customer experience.
- A large number of employees were transferred to and have been retained by the operator and employees have been provided with additional opportunities that would not have been available via the Council's employment.
- Over time, the provider has become a trusted partner of the Council and it is recognised that they have extensive market knowledge and expertise which coupled with their industry contacts makes them an excellent operator and enables a greater transfer of risk enabling the Council to spend time and energy on other things.
- Their client role is undertaken by a Health and Wellbeing Manager who has a good background in the leisure industry, and Mansfield Council found this experience to be crucial in developing a strong relationship with the contractor whilst enabling a degree of healthy and informed challenge.

5.2 A number of questions were asked by the Committee:

Q1. Did the cost to customers change?

5.3 David replied that he thought not, although it was difficult to remember whether they received a price increase early in the contract, however the Council closely managed this element of the contract and retained a level of control through an approval process. If there were any price increases in the first few years they were minimal and based on inflation rather than being hiked.

11 years later in the new contract Mansfield Council had foregone the tighter controls, and they trust the operator to pitch the pricing at appropriate levels based on their knowledge and competition within the market.

Q2 You have 4 centres, how many of them had swimming pools?

5.4 David replied that two centres had pools, the one that had transferred to the Community Interest Company did not have a pool and the new centre that is opening in 2024 will have a pool.

Q3. You said that Serco had improved the Health and Wellbeing outcomes, can you elaborate on this?

5.5 David replied that initially, health and wellbeing outcomes were difficult to measure because they emerge over a long period of time and only operational and quantitative KPI's were measured e.g. how many people attended each activity. Mansfield Council recognised that outcomes are hard to quantify therefore they developed quantifiable case studies with people who had been subject to GP referrals and made videos and documented how physical and mental health had improved due to exercise. They are now happy to take testimonies and case studies as evidence that outcomes have improved. David said that it is very difficult to measure outcomes and they have got to be monitored differently, not just based on KPI's,

Q4 What was the biggest cost saving?

5.6 David replied that operational costs including energy had reduced together with staffing costs as the operator employed less people both in the centres and within the back office. Mansfield Council had employed around 200 staff at the point of transfer to the operator, and the operator now employs about 100 staff. The operator also has a greater understanding of the market and sector in which they operate and had greatly increased income. Where costs have had to increase income has also increased and the operator knows better than the Council how to increase income through greater participation. Classes now sell out and have waiting lists. There is significant marketing put into the service and there are a range of various membership options which is also driving income. The Council operated in a very transactional way but the operator has provided some investment into the facilities including a 4G pitch which brings in additional income and enables them to compete with the market and increase market share by taking business from other gyms in the area.

Q5. It is clear that there is additional Capital Investment required at Gateshead. Was that the case in Mansfield and who is responsible for Building Maintenance for example if a new roof was required?

5.7 David confirmed that the Council retained the risk of maintaining some of the big stuff e.g. if a centre requires a new roof, the Council would be responsible. Conditional surveys were carried out to determine what needed to be done and the allocation of maintenance is shared, but with the Council retaining some of the more expensive areas. David confirmed that they sought a shadow bid from the operators during the tender process to determine what was the most economical way forward and they identified that a hybrid model towards building maintenance was the best solution. He believed that most Councils operate in a similar way. David also suggested that sometimes the operator would offer to undertake some elements of building maintenance and the Council would pay the operator to undertake the work as this was the best option. He believed that they got more from the operator than what is outlined in the contract based on their relationship.

Q6. Have the fees gone up since the start of the contract?

5.8 David responded that price increases in line with inflation had been applied and nothing more. Sometimes the operator might ask for more, however they have to produce a business case to demonstrate how income would increase or a positive outcome would be achieved, but the Council would only go ahead with an increase in fees if there was a demonstrable business case. Mansfield are performing exceptionally well since Covid, and income is back to pre-Covid levels and volumes of casual swimming has increased to deliver £1m in income which was significantly more than the operator forecasted within their tender submission. Mansfield have a similar level of deprivation to Gateshead and Covid has not had a significant impact there and David suggested that Mansfield had a bit of a success story since Covid due to good cost controls of the operator. They have now managed to tap into what was a previously untapped market with people using services that they were previously not using.

Q7. How did you get into the untapped market?

5.9 David replied that the level of physical activity has increased within the Borough both within facilities and outside facilities. They have had a slight increase in population, but they can demonstrate that their population is more active than it used to be. This is down to the experience of the operator. There is also an element of taking market share from other operators (e.g. private gyms) in the area.

Q8. What made Mansfield take this course of action, what was the catalyst?

5.10 David confirmed that their main driver was financial. They looked at neighbouring councils and saw that they were getting better services for less money and they decided that they needed to take a different course of action. They knew that they could make significant savings and they got to a point where they did not feel as though the service was performing as well as it could, and it was not providing what people needed due to a range of competing demands. They did not feel that the Council was best suited to delivering Leisure Services and working with an operator enabled them to transfer risks that the operator was best placed to manage to enable the Council to focus on other things. The decision was financially driven, and Mansfield wanted to deliver better services based on what they saw happening locally.

6. PowerPoint presentation by Lindsay Murray, Michael Lamb, John Shiel and Andrea Tickner

6.1 Lindsay opened the presentation by informing the Committee that Cabinet received a report on 24 February 2015 highlighting potential budget savings through a new strategy that redefined the Council's vision, values, and commercial strategy. She went on to present that in December 2015 the leisure service would be: *"sustainable, and customer focused to ensure healthy, active Gateshead communities and would deliver the Council's priorities of Live Well Gateshead and Live Love Gateshead."*

A service which integrates and connects to broader services and cultural offers so that residents can participate in a range of services for their wellbeing and leisure.

A service which is driven by business and financial objectives, as well as customer satisfaction, retention and growth and maximises the use of its assets – buildings, employees, ICT and partners - to serve Gateshead residents and beyond.

A service which in the period of the Council Plan (2020) is no longer directly subsidised by Gateshead Council and is returning income to the Council to invest in Gateshead priorities”

- 6.2 Working with a leisure consultant, Knight, Kavanagh and Page (KKP), a more commercial strategy was developed including:
- A new, more commercial vision.
 - A review of the commercial/charging policy.
 - The development and implementation of a “Business Development Function” to focus on increasing income.
 - A new activity programme.
 - Greater customer focus that was central to the new strategy.
- 6.3 Lindsay went on to explain that Cabinet approved the rebranding of the service to Go Gateshead Sport and Leisure on 11 October 2016, and the rebranding included:
- A new membership scheme.
 - Introduction of a new pricing structure.
 - Reinvestment of some of the savings into increased marketing and communication activities and roles.
 - A range of digital marketing and website improvements.
- 6.4 Lindsay also advised of a new workforce strategy based on:
- Improved staff engagement.
 - New approach to recruitment (right skills and expertise).
 - Improved training and development of employees.
 - Revised pay and rewards scheme.
 - Cultural changes.
- 6.5 Lindsay also described the greater customer focus which included:
- Feedback cards.
 - Mystery shopper.
 - Annual customer survey.
 - Introduction of customer forums.
 - Customer service champions.
 - Customer service training.
- 6.6 The new commercial strategy was designed to increase income to the service through:
- Sales approach.
 - Go membership (increase and retain).
 - Clip N Climb.
 - Go Bears Den.

- Aquatics.
 - 3 G Pitches.
- 6.7 Lindsay highlighted that although the income increased as planned, the costs also increased and therefore the base budget required (i.e. subsidy) remained about the same at £3m each year.
7. Michael then presented about the position just before Covid:
- A huge amount of work had been undertaken to improve leisure services but despite this the subsidy had remained the same.
 - The new management arrangements within Public Health and Wellbeing had barely had time to bed in when the COVID lockdown began on 23 March 2020.
 - This was quickly followed by a greater focus on Revenue Savings as the Council's budget gap was increasing and a savings target of 20% (£600k was set for the service to deliver in the Budget 2021/22 – Revenue Savings Proposals agreed by Cabinet on 19 January 2021.
 - In September 2021, the Council recruited FMG Consulting to provide independent expert advice on proposed changes to the way the service was delivered using a Sport England's Strategy Outcomes Planning Guidance tool that was funded by Sport England.
- 7.1 Michael went on to explain that the impacts of Covid were significant to the Leisure Service. When the Government announced that the lockdown was over, Gateshead had one of the highest number of cases in the UK. Leisure Service employees had been redeployed during Covid in a myriad of different ways including manning the test and trace centres, supporting community hubs to transport food to people who needed it, acting as Covid marshalls and a number of employees were furloughed. Most of the Covid response work was required for several weeks following the end of the lockdown period and there were insufficient employees available to safely open the Leisure Centres.
- 7.2 Other commercial gyms within the Borough opened immediately, however Gateshead leisure sites did not open for a couple of months. There was a slower than average return to Gateshead leisure centres to pre-Covid numbers for most activities as people were afraid to gather, particularly the older Gateshead leisure customers.
- 7.3 Michael went on to explain that when the centres were able to re-open, there was a shortage of leisure employees available to staff the leisure centres. This was reflected across the County where there was a shortage of key roles including pool attendants and lifeguards.
- 7.4 In addition, a number of staff had to self-isolate due to contracting COVID leading to further shortages of staff. Some employees found alternative employment both within the council and with other employers. Recruiting new employees was difficult as many were afraid to work in a public setting due to the relatively unknown risks of COVID.

- 7.5 An additional pressure that applied to Gateshead Council was that the review of Leisure Services restricted the service from offering permanent employment contracts and this led to shortages of key roles as potential employees sought permanent employment elsewhere. This situation continued throughout the review period and led to temporary facility closures, reduced opening hours, reduced activity programmes and the postponing of all marketing of the service.
8. John presented the overall Council financial context highlighting:
- £191.6m removed from budgets since 2010
 - Challenging Medium Term Financial Position requiring significant use of reserves to enable planned savings.
 - Significant increasing cost pressures relating to increases in demand, inflation, utilities and pay. Reducing government support. Reliance on council tax and business rates.
 - Closure of Leisure Centres needed as savings option.
 - Financial Gap of costs over funding of circa £50m.
 - Savings requirement is smoothed using reserves but MUST have a plan to achieve significant level of cuts.
 - Council's revenue budget available for services is squeezed. Majority relates to social care or fixed liabilities. Statutory duties under threat and needing to make savings.
 - Little option but to find significant savings from cutting discretionary services such as leisure and savings requirement is still needed now.
- 8.1 John also highlighted the plight of a number of other local authorities who have had to issue a S114 notice, with at least another 40 in financial difficulty and/or close to doing so. He confirmed that Gateshead are in a fortunate position of not having to consider issuing a S114 notice at this time, but this could only continue if further significant savings are identified from the budget.
- 8.2 John then described the Leisure Service Financial Context including:
- Historical subsidy of £3 million to £4 million per year
 - Unable to deliver to budget on an annual basis.
 - Most venues consistently overspending.
 - Huge increase in energy costs and impact on venues.
 - Huge impacts from Covid
 - Large competing private sector gym offer across Gateshead including 33 gyms and a new large, modern facility being planned in the Metrocentre
- 8.3 John also explained that gym activities provide the largest element of the Leisure Service income and that subsidises other activities such as swimming which does not cover its cost. He also reminded the Committee that in January 2021 there was a further reduction in budget/savings required from

Leisure Services of £1.2m which was not achieved and had to be carried forward. He went on to explain that yearly pay awards, competition from private gyms in a small radius that can offer newer equipment, longer opening hours, and cheaper memberships coupled with the increase in energy costs have all had an impact on the financial sustainability of the Council's Leisure Service.

8.4 John provided a table of financial performance applicable to the Leisure Service that is within the scope of the review. He confirmed that despite all of the excellent work that had been carried out to increase income as described by Lindsay, the overall costs (subsidy) of the service had consistently remained at over £3m per annum and he confirmed that this is no longer affordable.

8.5 John then took the Committee through each Leisure Centre in turn and highlighted it's financial performance as follows:

Birtley Swimming Centre

8.6 Birtley Swimming Centre was established in 1972. It has been subsidised each year since 2015/16 within a range of between £342k to £659k (the highest figure was during the year of closure due to Covid). In 2022/23 it required a subsidy of £469k. It also requires £172k additional repairs and maintenance works within the next 5 years with a further £806k in the next 20 years to replace the mechanical systems. This is in addition to the plant maintenance of £124k. It has an old slide that is out of order and requires removal as it is uneconomical to repair.

Birtley Leisure Centre

8.7 Birtley Leisure Centre is currently managed by an external company but the contract is not in the Council's favour with substantial previous capital investment by the operator built into the contract costs. Since 2015/16 it has been subsidised each year within a range of between £186k to £256k (highest subsidy in 2022/23). The facility was established in 1950 and extended in 1994. It requires £106k capital expenditure over the next 5 years and £685k over the next 20 years to replace the electrical and mechanical systems. Its future will be reviewed when the current contract expires in 2028.

Blaydon Leisure Centre

8.8 Blaydon Leisure Centre was established in 2010 and shares a site with the NHS. There is an agreement in place to allocate costs between the Council and the NHS and this is currently being reviewed. It has been subsidised in all but one year since 2015/16 within a range of £118k and £1m (highest subsidy during the year of closure due to Covid). In 2019/20 it appeared to generate an income of £26k, however since Covid it has required an ongoing subsidy and the subsidy required in 2022/23 was £363k. It requires £12k lifecycle costs over the next 5 years with £1.4m over the next 20 years and £113k in plant maintenance.

Dunston Leisure Centre

8.9 Dunston Leisure Centre was established in 1963 (Extended in 1975 and refurbished in 2010). It has been subsidised every year since 2015/16 within

a range of between £294k to £989k (highest subsidy during the year of closure due to Covid). The subsidy required in 2022/23 is £380k. It requires approx. £138k lifecycle maintenance over the next 5 years with an additional £1.3m over the next 20 years including repairs to the roof, and replacement of electrical, mechanical and swimming pool systems, in addition to £123k on plant maintenance.

Heworth Leisure Centre

- 8.10 Heworth Leisure Centre was built in 2010. It has been subsidised every year since 2015/16 within a range of between £344k and £917k (highest subsidy during the year of closure due to Covid). It requires £4k strategic maintenance over the next 5 years and £743k is required for the electrical and mechanical maintenance over the next 20 years with an additional £124k required for plant maintenance. It has a Flow rider which is currently out of action, but also expensive to maintain and run and it has limited use and limited appeal.

Gateshead Leisure Centre

- 8.11 Gateshead Leisure Centre was established in 1935, refurbished in 1975 and 2009. It is a very large and uneconomical site with lots of surplus space to heat and light. It has required a subsidy each year since 2015/16 within a range of between £354k and £1.6m (highest subsidy during the year of closure due to Covid). It requires significant lifecycle works over the next 20 years including roof repairs of £1.9m over the next 5 years, and £7.2m to replace the electrical, mechanical and swimming pool systems with £114k for plant maintenance. No one today would design a site as large and sprawling and costly to operate as Gateshead Leisure Centre.

- 8.12 John recapped the Leisure Services financial position including:

- The Council is putting in a subsidy of between £3m to £4m per annum and this has the potential to increase further with inflation and operating costs greatly increasing.
- The service has been set a budget which it has failed to operate within, and most of the sites have consistently overspent year on year.
- The impacts of Covid were devastating for the financial position of the service for a range of reasons that Michael had outlined. Every site's financial projection has worsened since Covid.
- Energy costs have been particularly volatile, and Leisure Services are one of the Council's largest consumers of energy.
- The income continues to be eroded through the increasing competition of new Gyms across Gateshead and we are in a situation where costs are increasing, and income has the potential to continue to reduce.
- This service was no longer affordable to the Council particularly in the context of the ongoing funding gap.

9. Andrea then presented information about the ongoing investment required by the service. She highlighted that this is a rapidly changing and increasingly difficult market that is very commercial and aggressively marketed. In order to be a contender in such a market, huge levels of investment are required to

maintain and keep modernising the facilities to keep them attractive. Gateshead has relatively old facilities, even our newest sites are 13 years old. The infrastructure and IT systems have now become outdated. Operating within a rapidly changing market requires continuous updating and redesigning of the programming offered, the marketing campaigns and communications, and regular updating of equipment. This is in addition to the operational maintenance, and we have learned by working on the procurement specification that customer expectations keep rising. She too concluded that the service was no longer affordable.

- 9.1 Andrea also highlighted other consideration that formed part of the review process and led to the Cabinet recommendations. In the past, leisure services were considered to be a public service as only Councils provided and operated leisure facilities. This is no longer the case and commercial organisations now tend to dominate the market, managing more leisure facilities than Councils, and because this is their only focus they have become expert at it. When you contrast this with the huge number of services that the Council provides, it is understandable that operators are highly competitive and able to drive improvements that Council's are no longer able to do.
- 9.2 Andrea informed the Committee that operators also have the benefit of economies of scale and that provides them with greater expertise in sports and leisure activities, and the ability to transfer knowledge about what is working well from one region to another very quickly. They can also invest in and develop something once (i.e. a marketing campaign or a sports activity) and be able to roll it out across a large number of sites.
- 9.3 Andrea also commented that Covid has led to some customers not returning to leisure centre activities because they found alternative ways to keep fit during Covid and they have simply retained the new ways. This too has impacted on potential customer numbers.
- 9.4 Andrea believed that it was clear that the Council was no longer the best organisation to operate leisure centres.
- 9.5 Another part of the review process had involved speaking to other Councils to see if they were doing anything different, or if they had found a solution to the issues that were being faced in Gateshead. In all cases, the Council's that had managed to reduce their leisure budget had done so through a procured strategic partner/operator and a number of them had also had to close down facilities. A slide was referred to that highlighted the number of pool closures in the UK between 2020 and 2023, and examples were provided of other local authorities that were looking to make savings from their leisure provision including Chorley, Woking, Lincolnshire, Kirklees, Thameside, Belper; and reference was made to the difficulties Newcastle were facing with the building of a new leisure centre.
- 9.6 Andrea informed the Committee that the review concluded that a more radical solution was required because:
 - much work had been done to address leisure service overspend but not succeeded and the subsidy of between £3m-£4m remained despite a huge effort made to reduce it, and in the context of the Council's financial position this could not continue.

- A significant capital investment of approx. £14.5 would have been required over the next 20 years and this is not affordable.
 - The service is suffering from outdated facilities, IT systems, lack of financial and operational data and poor IT infrastructure which is impacting on service delivery. To correct this would require further investment in the service.
 - Work had been carried out to understand how the service is achieving the Council's Strategic Outcomes and sadly there was no evidence that by operating a leisure service, the council is reducing obesity rates or facilitating greater participation in activities from our residents who need the service the most.
- 9.7 Andrea informed the Committee that officers had asked Cabinet to make some difficult decisions (which they did) including:
- To procure a partner to deliver Leisure Services across the Gateshead sites.
 - To rationalise the sites and close 2 facilities on 21 July 2023, (Gateshead Leisure Centre and Birtley Swimming Centre).
 - To explore Community Asset Transfers for the 2 sites that were recommended to close.
10. Michael provided the Committee with an update of work that had been undertaken to salvage the service and make improvements following Covid and the 2 site closures :
- The remaining sites are now fully open.
 - Energy audits have taken place across all sites to try to address the huge energy price increases and recommendations have been implemented.
 - Health and Safety audits have taken place and although the service came out well, a small number of minor improvements were identified and have now been implemented.
 - A new staffing structure has been developed to facilitate the closure of the 2 sites and the transferring of employees to the sites which are remaining open. This was achieved with no compulsory redundancies.
 - The closure of the sites also required new rotas to be developed to enable the centres to remain open longer but not increase costs unnecessarily. The new rota has been implemented since 21 July and is working well.
 - The pricing structure has been reviewed and amended in line with current market prices and it also applies to all members, new and existing members.
 - A marketing plan is being developed.
 - New staffing arrangements have been negotiated at Birtley Leisure Centre to reduce costs.
- 10.1 Michael also recognised that closing 2 sites has had a negative impact on the users of those sites, however he highlighted a number of positive outcomes of the review including:
- More public swimming,

- More swimming lessons offered,
 - The remaining sites are busier,
 - Work is progressing well to facilitate community assets of the sites that have closed,
 - Membership numbers have reduced but not as greatly as anticipated as some customers are now using other Council sites,
- 11 Andrea then highlighted some of the lessons learned that have been identified by officers including:
- Recognising the fragility of income and expenditure in an extremely volatile Leisure market.
 - Applying future price increases to all customers not just new customers.
 - Continuing to regularly review service delivery models and consider how best to utilise the new Best Value guidance.
 - Improving contingency planning for sudden and significant (catastrophic) reductions in income (e.g. pandemics, unplanned major works, etc) based on our experience of Covid.
 - Continuing to monitor the impacts of competitors and market trends.
 - Ensuring that future reviews are concluded quickly to prevent the situation from worsening.
 - Acknowledging that within the current financial climate, it is anticipated that there will be further difficult decisions to make across the Council.
- 12 The following questions were asked of the officers:
- Q9. Two points - recruitment problems during and immediately after covid. Were you considering applicants with previous experience of leisure services background, or looking at people who would like to be trained? Why was Gateshead different to Mansfield and why could we not recruit ?*
- 12.1 There was a national shortage of a number of key leisure roles including swimming instructors and lifeguards, as during covid there was no training going on and the lack of training was a national issue. The Council experienced further challenges compared to other leisure providers and gyms as the Council was reviewing its Leisure Services and that led to us only being able to offer temporary contracts to avoid making redundancies further down the line, and that meant our roles were less attractive than other organisations.
- Q10 There is a pool of people out there, but they work for private sector, are the 33 gyms suffering same problem as we did?*
- 12.2 As already mentioned the key area for staff shortages was around swimming and pool side staff. Local gyms don't have pools, and they were more likely to offer permanent contracts and therefore be viewed as a more attractive employer.
- Q11. How long does it take to train a swimming instructor?*
- 12.3 In order to be a swimming instructor you would have to have suitable experience. Alice confirmed that she had been a swimming instructor many years ago and it took about 3-4 months to get through the training however it might be more rigorous and therefore take longer now.

Q12 Capital investment about who is responsible for the management of the building, most options require some degree of investment from the council on an ongoing basis, this is something we need to bear in mind as we are privatising the service but not the building, we need to consider this.

12.4 The Council has worked with FMG to develop a matrix of who is responsible for what elements of maintenance and we will work with the operator to seek external funding wherever possible.

Q13 Are employees in private gyms self-employed?

12.5 This may be the case however it will depend on the gym and how its structured. A number of them operate 24 hours and have very few employees.

Q14 Leisure Centre Gateshead was it £2m for roof repairs and £7m for the future, is that over 10-15 years?

12.6 The repairs for Gateshead Leisure Centre are over the next 20 years with the roof repairs being potentially required over the next 5 years.

Q15 How much would flow rider cost to repair?

12.7 It would likely cost £40k to repair, however it is costly to operate and has limited appeal and therefore as part of the procurement process we might ask what ideas operators would have in terms of reuse of that space to see what ideas the market has.

Q16 How much is the service costing per year to subsidise now, about half a million per year?

12.8 Despite all of the work we have done to reduce costs the Council is subsidising leisure services in the region of between £3m and £4m per year and this is no longer affordable in the current financial climate.

Q17 We aren't in it to make a profit, but we are in it to keep up the health within Gateshead. Have they (customers) gone elsewhere because we have lost them and will they come back and what is the current cost?

12.9 We didn't open up the centres as quick as others did, and there are not many discretionary services left where we are able to reduce budgets and we have £50m savings still to make. When we looked at this in more detail we identified that there are only a small number of people benefiting from the £3m to £4m we are subsidising each year. There are other things we could be doing with that money that would benefit more people within the Borough. We anticipate that when we have a procured partner, they will be able to attract some of the customers from other gym providers.

Q18. Do we have anything in place that doesn't cost money as it costs money to go to leisure centres e.g. walking clubs?

12.10 The answer is yes. Councillors may remember that there was a lot of publicity in the summer encouraging people to play football. We also received funding for social prescribing which we will use to help to encourage people to build activity into their daily lives. We have part of leisure services which looks to access funding to bring older people and children into activity. We could bring this other work around the active communities partnership to OSC in the future.

Q19 There are 33 private gyms across Gateshead who can make it work, how can we not?

12.11 The private gyms do not operate swimming pools and they have less staff available to users than the Council does as our clients are different and our risk assessments identify the number of employees we require. Some of the gyms operate with no or very few staff available at certain times of the day or night.

Q20 Since 2015/16 onwards there has been a series of managerial or political failings but there is no accountability of officers or politicians in the report. Whether we are looking at leisure services, or housing repairs we need to see accountability. If we don't identify accountability, how can we ensure this won't happen again?

12.12 During the early years we focussed on increasing income and we achieved what we set out to do, however during the most recent review we focussed on overall subsidy and overspend. The overspend was coming down before covid, however we need to focus on what the service is costing us and what the bottom line is telling us which is different to what we focussed on initially.

13. Dave Cove, Director of specialist leisure consultants FMG presented to the Committee and explained that they often carried out work with and on behalf of Sports England and they were engaged by the Council to carry out a review and deep dive into the service performance. Dave had visited each of the Leisure centres to complete an audit and undertake benchmarking activity and he highlighted that:

- Based on benchmarking in May 2022 Gateshead's income recovery from Covid was at 75% compared with the sector average of 90%-100%. Similarly Gateshead's fitness membership recovery rate was at 60% compared with the sector average of 90-100%. This resulted in loss of income and membership.
- Facilities were not opened quickly enough or with full hours.
- Dave confirmed that the leisure centre sites were situated in the most appropriate places based on geographical spread and population size.
- He outlined the immediate priorities at the time of the review being to get staff back into the service, filling vacancies and reopening the facilities fully and increasing opening hours at all sites. He confirmed that this had been done as Michael had described.

13.1 FMG's wider findings included the need to:

- Review the staffing structure
- Be more flexible with the use of Studio Space (to incorporate more fun and family activities)

- Develop the activity programmes to specialise in community delivery as there was currently no flexibility, creativity or innovation at the sites. The current class programme is not fit for purpose.
- Invest in, or overhauling the systems and processes linked to membership data as the current ICT systems are outdated and do not provide the appropriate data to drive promotional activity.
- Review the pricing structure as some members had never had a price increase since joining the schemes many years ago (price for life), and also to reconsider the concessionary pricing for those on low income.
- Implement an energy audit (which he acknowledged had been completed and consider ways to reduce energy costs further.
- Improve communications and marketing via the website, social media, and other customer touchpoints.
- Consider terms and condition as high percentages of the council's staff were working overtime at increased rates (e.g. double time) where as the industry has moved to 7 days per week salaries.
- Be mindful that the existing facilities are considered by the industry to be old, have lots of wasted space and are not energy efficient.
- Improve marketing which is underdeveloped and was put on hold during the review.
- Consider that the sports hall at Gateshead Leisure Centre was mainly used for football whereas the industry is changing to having more dedicated outdoor space allocated for football.

13.2 Dave described the work that went into the deep dive exercise using Gateshead Leisure Centre as an example (but confirming that similar work had taken place across all Gateshead Leisure Centres) and highlighting the relatively poor performance of the sites in general based on benchmarking data in terms of recovery of income, fitness memberships and annual visits since Covid. He provided a map that pinpointed the private sector gyms within Gateshead and confirmed that there was a lot of competition for this market. He also highlighted that the Go Access Card (which was designed for those on low income) had a poor take up of only 3% of the overall membership which did not reflect the demographics within the Borough.

13.3 Dave also produced information about Gateshead Leisure Centres service performance based on benchmarking with the market. In a large number of instances the site was underperforming and performance was deteriorating in 2022/23. He acknowledged that the size of the site impacted on its performance and confirmed that it would be difficult for the Council to make this site work financially.

13.4. Dave concluded that at Gateshead Leisure Centre:

- There was a huge area to heat and maintain, much of which was underutilised,
- There was an attractive soft play and clip n climb facility, but with an older billet system for clip n climb which resulted in higher staffing costs than other systems on the market,

- There was no café cart or other refreshments near the family area which impacts on secondary spend, with users having to walk c50m to get refreshments
- The Swimming development manager has suggested a number of service improvements that can help to accommodate additional swimming lessons
- The main sports hall mainly utilised for football and there was not much evidence of club and development programming.

14. The following questions were asked of Dave:

Q21. We were told we had to close 2-3 leisure centres for the viability of the others, if the community asset transfers go ahead do you think they will undermine the other 3, is it viable for all 5 to operate?

14.1. Dave responded that there should be enough customers to operate all 5 sites although there will be an element of customers moving from site to site and this can sometimes cause issues with programming, however the new operator will ensure that the sites compliment each other rather than compete with each other through improved activity planning.

Q22. Gold membership would only apply to the 4 centres, if the community assets get up and running could we work with them to have membership across all site?

14.2. Dave responded that currently the income is allocated to the site where the customer had taken out the membership not which site they currently use. The Operator will bring in new membership arrangements and there may be a package where users can access more than one site in addition to a membership category where only one site can be accessed however the equivalent of Go membership will only apply to Council sites and not the community asset transferred sites, and the Council will benefit from the operators experience of what works best and what doesn't.

Q23 If the Council had decided in 2015 to outsource centres, then would we be in this position now?

14.3 David responded that it is difficult to say, and he couldn't say that the Council wouldn't need to close sites, but he was confident that based on the experience of Councils elsewhere including Mansfield who explained their position earlier, the Council would have been in a better financial position.

15 **Progress with Community Asset Transfers**

Birtley Swimming Centre

15.1 Matthew Grant, Treasurer of the Gateshead and Whickham Swimming Club and leading the project team which are working on the community asset transfer of Birtley Swimming Centre gave an outline of the progress made to date, outlined their plans, and presented a business case for the transfer of the centre to Birtley Aquatics. The key messages from his presentation included:

- Following the announcement in late January 2023 that Birtley Swim Centre was likely to close, the committees of the swimming clubs at Birtley, and Gateshead and Whickham, agreed to form a joint project team, to investigate the potential for a Community Asset Transfer for Birtley Swim Centre.
- Initially this was a small team of just four volunteers, however between March and the end of May, they developed a new operating model and a detailed business case for Birtley swim centre, if it was run as a Community asset.
- They demonstrated to council officers, that by operating the pool in a different way, the centre could be financially viable, and generate sufficient income to cover its operating costs.
- They also submitted a project plan to officers which has a reopening date of approximately April 2024.
- The group are currently working on the next phase of their project which requires more extensive and detailed analysis and wider engagement of the Birtley community.
- The project team now consists of 16 team members including many people with significant experience of swimming activities.
- They also have a list of other volunteers with additional skills and experience required for the asset transfer to work effectively.
- They have established six sub project teams covering the HR, IT and operational requirements, their Crowdfunding project, fundraising from other sources and the procurement of a Learn to Swim supplier.
- They are working closely with Elswick Community Pool in Newcastle which closed in 2015 and reopened in 2019, and Elswick have been kind enough to share lots of information with the group and are considered to demonstrate best practice in the running of community pools. Elswick Community Group have provided advice on timetabling, staffing and other operational issues.

15.2 Matthew went on to describe the business planning process they had undertaken:

- The first major piece of work was to develop a viable business case that addressed the significant financial challenge.
- The Council was operating the site with an operating loss of £340k per annum, however the business case that the group have developed shows income exceeding costs by about £30k per annum.
- The savings had come from employment costs (reduction of £250k) as the centre will operate:
 - with the introduction of multiskilled roles to enable staff to be more flexible.
 - Alternative spinal boards will be used at the centre to enable less staff to be required.
 - A leaner shift rota has also been designed which aligns to the activities and new pool timetable.
- The group will also make a significant saving of at least 80% (and possibly 100%) on business rates as they will be a Charitable Incorporated Organisation.
- A wider range of pool activities will increase income (forecasted to increase by £124k) through attracting more school swimming to the pool

from a wider catchment area, sessions for home schooled children, use by local swimming clubs that did not previously use the pool, the procurement of an experienced and proven supplier to run the public swimming lessons, and a broader range of swimming activities for the public including single sex sessions, family swimming, disability swimming, aquafit, inflatable fun sessions, NHS therapy sessions and pool parties and swim camps during school holidays.

- There will be extended opening hours too.

15.3 Matthew shared information about the fundraising that was planned for the centre and the need to raise at least £100k to reopen the pool and he explained how that money would be spent. He also elaborated on the plans to raise these funds, through various grants, fundraising activities and community and business donations. He highlighted that they had been successful in their initial phase of fundraising via a Crowdfunding campaign.

15.4 Other work that was progressing well included:

- Agreeing the constitution and the trustee roles for their charitable incorporated organisation, which will be called Birtley Community Aquatic Centre,
- Submitting the application to the Charities Commission to get the new governance group registered.
- Identifying the cost and timing of all required capital work and the operating expenditure which is required before the pool reopens.
- Agreeing water time and pricing with the future customers of the centre, such as Birtley, and Gateshead and Whickham swimming clubs, plus other clubs and local schools.
- Procuring the Learn To Swim supplier which will be completed by the start of November.
- Working on the operational tasks, asset maintenance and health and safety plans to manage the pool safely and efficiently.
- Finalising the systems that will be used by the centre and firming up on the IT infrastructure and hardware, which will support these systems.
- Developing the HR policies and procedures based on those used at Elswick Community Pool as a starting point.
- Reviewing and finalising the documents that will govern the asset transfer, including the operating lease, and obtaining legal advice on these documents.
- Continuing to update the financial business case from the outputs of all the other work
- Producing a detailed implementation plan for phase 3 to facilitate the reopening of the pool by April 2024.

15.5 Matthew informed the Committee that the final phase of work, following Cabinet approval of the community asset transfer would include:

- recruitment and training of staff,
- agreement of contracts with customers,
- undertaking any capital work required before the pool reopens,
- marketing the new facility

- setting up the systems and processes to manage the centre
- Cleaning and redecorating the centre

16 The following questions were asked:

Q24. You said centre was built in 1970, its at that age where there will be big capital investments required. How are you taking this into consideration?

16.1 Matthew replied that one of the documents they were provided with by the Council was an asset condition survey that listed the work required over the coming years including replacement of engine room and electrical work. There is nothing required for first years and the group is getting an independent survey done. They have had external engineers look at the building, and they seem to be impressed by the state of the asset and the Elswick pool manager was impressed with the pool plant room. Matthew acknowledged that in the long term they would have to seek external funding for large scale building repairs and maintenance.

Q25. Have you started recruiting volunteers, and are you actively recruiting from your swimming club?

16.2 Matthew replied that the recruitment process had not started yet as the focus had been on getting the trustees and board members in place. The board have a lot of skills and experience, and they have asked for people who would like to volunteer on reception and such like to come forward, however they do not want to rely on volunteers for the day to day operation of the centre.

Q26. The pool timetable is very ambitious, is it based on Elswick?

16.3 Matthew replied that it is very similar to Elswick and based on activities already undertaken by other swimming pools including what the Council used to operate and planned to provide from that particular pool. There is also a lot of interest from schools which has been taken into account.

Gateshead Leisure Centre

17. Robert Waugh provide the Committee of Gateshead Active's plans to re-open Gateshead Leisure Centre

17.1 He informed the Committee that Gateshead Active are not for profit organisation, formed in November 2022, initially comprising of like minded people who want Gateshead Leisure Centre to remain open. It has applied for charitable status to enable it to benefit from tax reliefs and business rate reliefs, and to provide more opportunity to access other funding.

17.2 Gateshead Active plan to develop the building so it's a more of a community hub, and by no means do they have answers on what grants will be available but will bid for them as and when they become available.

17.3 Not all of the activities will be within the charitable status as they intent to also create a commercial arm for example to run the café which will be available to users of the facility as well as the wider community and undertake other

trading activities. The group plan to introduce a more competitive membership offer, through an increased focus on marketing and social media presence. It is their aim to create a community hub rather than a traditional leisure centre.

- 17.4 The key costs they have identified at the moment include recruitment and employment costs, IT software and hardware costs and some capital costs for the building. They are working with a consultancy CIC towards a funding bid through big lottery funding and also working towards an interest only loan of £200k with payback over an 8-year period. They have raised an initial £8700 through crowd funding and have some smaller grant funding available to them. They acknowledged that the Council had applied for funding for them to support their utility costs. Their current business case predicts them to make a loss in the first 2 years due to the initial upfront costs.
- 17.5 Lessons learned from the Council include advice on the staffing structure but with some cost reductions. The Council had plenty of ideas and some are quick wins that Gateshead Active will pursue. The Council were unable to reduce cost in some areas where a charitable organisation can (e.g. reduction in business rates).
- 17.6 There would be a number of changes made to the activities that they provide including opening a 24 hour gym, virtual escape rooms, pool table, table tennis, inflatable darts, E sports and inflatable activities in order to use as much of the centre space as possible. They are also looking at the possibility of lazer tag and 10 pin bowling as future developments.
- 17.7 There will be an increase in business to business working at the site in terms of potential café, sports bar, pop up shops, sports therapy and other community businesses.
- 17.8 The groups priority is to continue to work on their grant applications and to work with the officer working group to finalise the business plan and progress with the transfer of the Leisure Centre. Once the transfer is complete the immediate infrastructure will be installed.

18. The following questions were asked:

Q27 24 hours of operation, Pure Gym has an ideal spot next to students and Tesco car park, how would you make this work at the Gateshead Leisure Centre site?

18.1 Robert responded that he believed the gym has a 24-hour license for this type of activity, and the group are looking at alternative access so there is direct access to the gym. Unlike the sites mentioned, it would be staffed 24-7, which would provide reassurance to women users and this is something that the group would like to open from day one. Restricting the access to the Gym area only would reduce staffing costs and make it affordable.

Q28. Inflatable dart board, what is that?

18.2 Robert described it as an inflatable dart board using inflatable footballs with Velcro on an inflatable dartboard.

Q29. *What is your intended opening date?*

18.3 Robert responded that we aim to have a launch event on 31 December 2023 with the site opening in January 2024, however they are currently working through this with the officer working group as in order to achieve this a report would have to be considered and approved by Cabinet in December 2023. The group have ramped up their work to achieve the deadlines and they need to make sure they have staff in place to input into the policies and operating procedures.

Q30. *Have you advertised for staff recently?*

18.4 Robert replied that yes, they had advertised to fill some key posts. They had received about 50 applicants and to open within the planned timescales, key staff had to be in place before the centre re-opens.

Q31 *You would not be alone on running such a centre and we have evidence that in some cases asset transfers work better under communities than under council control (Whickham Thorns, and Dunston Activity Centre) where a network of partnerships come together, and went from strength to strength and I hope that it works here, but is there anywhere else locally taken on a centre the same size as this centre?*

18.5 Robert replied that they have looked at how Newcastle Eagles have developed their business and have spoken to a lot of operators in the market to learn how they run leisure centres and this learning will feed into how they make best use of the facility. In most other sites space is at a huge premium but the Gateshead Leisure Centre may be able to hold events for the local community as it has a capacity for over 2000 people. It is difficult to compare as there are no examples of similar organisations or similar sites.

19. Throughout the meeting Councillors acknowledged that;
- Significant lessons need to be learned, in terms of increasing the subsidy to maintain service provision and my mind goes to adult and children's services and other statutory services of the Council and what difference the additional funding could have made in those services.
 - When things weren't working this should have been brought to us and if a similar situation happened again we need to be much more responsive.
 - We need to be clear about what risks we will retain (with regard to the procurement of an operator).
 - We can't blame covid on everything and energy on everything.
 - If every year we set a budget and fail to achieve it, and we over spend against the budget over a number of financial years, the budget cannot have been set right in the first place.
 - Councillors are being asked how they support community assets and I think this is something councillors and officers need to explore together.
 - We tend to see a plethora of discretionary services on which we are asked to make a decision, however we need to see the budget in its entirety for the full picture.

Emerging Recommendations

20. The initial recommendation that are merging from this work include:

Recommendation 1 – consider the lessons learned from this review and incorporate them into the procurement process as appropriate.

Recommendation 2 – be clear about the risks the Council should retain as part of the procurement process.

Recommendation 3 – share information from this review with the community asset groups to enable them to learn from the Council's experience.

Recommendation 4 – apply future price increases to all customers and not just new customers for all traded services unless there is a commercial reason to do something different.

Recommendation 5 – review the council's contingency planning arrangements for sudden and potentially catastrophic reductions in income (e.g. pandemics, unplanned major work etc) based on the Council's experience of Covid.

Recommendation 6 – ensure appropriate monitoring of the impact of sector competition and market trends within the Council's trading services.

Recommendation 7 – conclude future service reviews as quickly as possible to prevent the situation from worsening.

Recommendation 8 – ensure appropriate contract management is undertaken for all procured sites.

Recommendation 9 –to keep under review the employment conditions of employees engaged to deliver the Council's traded services.

TITLE OF REPORT: Implementation of the Council's Fuel Poverty Action Plan

REPORT OF: Colin Huntingdon, Strategic Director, Housing, Environment and Healthy Communities

Summary

Update on fuel poverty and the implementation of our fuel poverty action plan.

Background

1. According to the National Energy Action (NEA) the average annual energy bill, under the Ofgem price cap, is £1,928. NEA estimate there are currently 6.5 million households in poverty, unable to afford to heat their homes to the temperature needed to keep warm and healthy. This figure of 6.5 million significantly exceeds their previous prediction, which in October 2021 was 4.5 million.
2. NEA provide a definition of fuel poverty as follows:

“A household is in fuel poverty if it needs to spend 10% or more of its income on energy in order to maintain a satisfactory heating regime”.

However, the government uses the Low-Income Low Energy Efficiency definition (LILEE) for fuel poverty in England, they consider a household to be fuel poor if:

“They are living in a property with a fuel poor energy efficiency rating of band D or below.
and when they spend the required amount to heat their home, they are left with a residual income below the official poverty line.”

This means there are three important elements in determining whether a household is fuel poor:

- Household income
- Household energy requirements – energy efficiency is a key driver of fuel poverty, as higher energy efficiency reduces a household's fuel costs for a particular size of property.

- Fuel prices – the energy price cap, which keeps suppliers from setting their default tariff higher than a set amount, is largely determined by wholesale energy prices.

The fuel gap (NB: this term is used below) is the additional income that would be needed to bring a household to the point of not being fuel poor.

3. Those in fuel poverty pay a significant proportion of their income just for energy, meaning that they often have to cut back on other essentials, as well as self-rationing their own heating. This can lead to and exacerbate various physical and mental health problems, including respiratory and circulation conditions. People living in fuel poverty use coping tactics such as only heating one room, not using their heating at all, not cooking food, and not having friends or family over.
4. The Annual Fuel Poverty Statistics Report, 2021 (2019 data) tells us that households living in urban areas are most likely to be in fuel poverty, but rural households have the largest fuel poverty gap with an average shortfall of £600 compared to £200 for an urban property. When considering these figures, however, please note they are from 2019 and therefore the real shortfall for both urban and rural is likely to be higher than this.
5. This same report tells us the proportion of households in fuel poverty was highest for private renters at 26% (average shortfall of £150) whilst owner occupiers have the highest average gap at £255. Owner occupiers who own their home outright are slightly less likely to be fuel poor (7.8%) than those with a mortgage (8.6%), partly due to their minimal housing costs.
6. Single parents have the highest proportion of households in fuel poverty and couples aged over 60 have the highest average gap at almost £300.
7. Households with an ethnic minority occupant have a higher likelihood of being in fuel poverty but generally have a lower average gap than a white occupant at £175, compared to £225.
8. It is estimated that Gateshead has in excess of 12,000 fuel poor households, this is a conservative estimate and one we believe will continue to rise year on year. In response to this Gateshead Council created a Health and Wellbeing Implementation Plan within which there is a commitment to “develop local support and food networks to reduce food and fuel poverty.”
9. Further, Gateshead Council has a fuel poverty action plan which has been supported from Council reserves which includes several priorities namely:
 - Information gathering and sharing.
 - Signals and targeting of groups most at risk.

- Improving energy efficiency
- Income maximization and reducing fuel costs.
- Ensuring adequate fuel/energy advice and support is readily accessible to residents.
- Campaigning for policy change

Taking each of these priorities in turn, progress and next steps are outlined below.

Information Gathering and Sharing

We have been able to identify and map our existing data sets on fuel poverty and now have data up to 2021 that we can use to ensure our activity is evidence based. You can see this map at Appendix 1

We have identified the hard to heat homes in our council stock as well as those disconnected from the grid, and are proactively seeking to support these groups through a targeted approach to the distribution of the Department for Work and Pensions Household Support Fund (HSF)

Generally, in our council stock we know which properties have pre-payment meters, but it is accepted it is impossible for us to be sure of other tenures. Again, we have made provision through the HSF for these groups.

Our Warm Space Network has been a useful vehicle for the distribution of information and promotional materials, supporting residents and signposting them for help.

Next steps:

- Continue to develop our advice, information, and guidance around fuel poverty, increase our distribution network and signposting tools.
- Create a Gateshead Fuel Poverty Forum to bring cross sector partners together to ensure we have a full understanding of all the work, opportunities, and challenges around fuel poverty in Gateshead and can respond in a targeted way.

Signals and Targeting Groups Most at Risk

Gateshead Council has collaborated with a range of VCSE agencies to deliver scores of energy roadshows across the Borough. Partners include but are not limited to Northern Powergrid, Northumbria Water, Northern Gas Networks, Citizens Advice Gateshead, and Groundworks NE Green Doctors.

The energy roadshows have taken place in public venues such as the Civic Centre, Trinity Square, and Blaydon Shopping Centre as well as more targeted roadshows with communities of interest, such as St Chads

Community Project, Salvation Army, Chopwell Community Centre, Embells in Felling, and others.

During the roadshows residents had the opportunity to talk to us about the challenges they are facing, to receive information leaflets, to speak to experts about their problems on the day, but also to receive follow-up advice for more complex problems. The nature of these roadshows makes it difficult to quantify exactly how many people benefitted, or what they did with the information they received from us, but we do know that 246 residents accessed high quality, free and impartial advice on energy, including tips for saving energy and staying warm. A further 38 residents booked and attended a further 1-2-1 sessions with a qualified Energy Specialist to look at more complex issues.

Further, all our Warm Space hosts can attend refresher training to include understanding the signals of fuel poverty and signposting residents to the most appropriate service for their issue. Further, in January 2024, Warm Space providers will be invited to attend an online and/or in-person training session on fuel poverty. This will be co-delivered by an Energy Specialist Advisor from Citizens Advice Gateshead and a representative from 2-Way Tenancy Solutions CIC.

Next Steps:

- We will continue to work with partners to maintain a programme of energy road shows.
- We will continue to develop the tools available to support our Warm Space hosts to signpost and make good referrals.

Improving Energy Efficiency

Council frontline officers and Warm Space providers continue to signpost residents to services such as Green Doctor. This allows a specialist energy adviser to visit the home, discuss energy use and to fit instant energy saving measures such as radiator reflectors, draft exclusion, chimney balloons and low energy lightbulbs. This is also an opportunity to discuss their supply and identify any discounted tariffs available etc.

Our officers continue to work with Northern Gas Networks to identify and support residents who are off grid, and we have a sum of money set aside from the Department of Work and Pensions Household Support Fund to support with reconnection and re-establishing a sustainable supply.

The Council's Energy Services Team is also becoming more public-facing and is launching Gateshead's ECO4 Flex with delivery partners EON and EDF, which will provide insulation measures, boiler upgrades, heating controls etc. Available to vulnerable residents, low-income residents and those with certain health conditions. Go-live date later in January 2024.

Gateshead Council is also part of a successful bid for the regional Local Energy Advice Demonstrator, headed by North of Tyne Combined Authority. A retrofit advice programme aimed at hard to reach residents and hard to treat homes. An Energy Advice and Engagement Officer will be allocated to Gateshead, providing retrofit advice, assessments and engagement.

Increasing Income and Reducing Fuel Costs

Income maximization is at the heart of supporting households to deal with rising energy costs. Gateshead Council supports residents with this in a number of ways, we have highlighted examples below:

- I. In 2022/2023 Citizens Advice Gateshead supported more than 20,000 Gateshead residents and secured financial gains (additional income) of more than £12m for local people. Right now, the Council is working with Citizens Advice Gateshead to roll out a benefit take-up scheme as part of our commitment to income maximization.

Are you entitled to claim welfare benefits?

citizens advice Gateshead

DATE	VENUE
15th January 2024	Birtley Library Durham Road, Birtley, DH3 1LE
17th January 2024	Wrekenton Hub High Street, Wrekenton, NE9 7JR
19th January 2024	FACT Springwell Road, Gateshead, NE9 7AB

Appointment slots each day:
9.30am, 10:45am, 12:30pm, 1:45pm and 3:00pm

With the help of our service, you can find out if you are eligible for any welfare benefits or social tariffs.

Gateshead Council

- II. Gateshead continues to prioritise connecting homes to heat networks, as a means to reduce energy costs, and carbon emissions. 820 Council homes are currently served by heat networks, and schemes aims to connect a further 800 homes (various tenures) over the next 3 years.
- III. Our Warm Space network continues to develop, with >90 venues across the Borough providing a range of services to include hot food, social interaction, physical activities, advice, signposting, and support.
- IV. Funded by the Fuel Poverty Reserve, the Council launched a small grants programme in November 2023 to support the continued provision of Warm Spaces during the winter months. The average application was for just under £1,280; 44 VCSE partners were awarded grants.
- V. Also from the Fuel Poverty Reserve, the Council funded 1,000 Winter Warmer packs which are being distributed to residents via Citizens Advice hubs across the Borough. Each pack is designed to keep the person warm, who would otherwise struggle to heat their home due to high fuel costs. Citizens Advice Gateshead is supplementing this provision by providing additional Winter Warmer packs following a successful Winter Warmer fundraising campaign.
- VI. Through a targeted approach to the DWP Household Support Fund the Council has been able to, through its own network of community hubs and referral partners across the VCSE, support residents to access fuel vouchers for topping up pre-pay meters.
- VII. Funded by Round 4 of the DWP Household Support Fund, the Council awarded 16 VCSE partners with a small grant to run cooking courses with a focus on supporting individuals who are at risk of going cold or hungry in the winter months. Upon course completion, participants can take away a cooking appliance such as a slow cooker, soup maker or microwave that will help them cook affordably at home. The average application was for just over £1,500 per organisation.

Next steps:

- Continue to fund advice, information, and guidance for Gateshead residents.
- Seek to create a small grant programme to continually develop our Warm Space Network.

Ensuring adequate fuel/energy advice and support is readily accessible to residents.

We have updated the advice, information, and guidance pages on the Council's website to improve the range and accessibility of information available to Gateshead residents to include resources linked to fuel poverty and energy advice and we have run topical articles in various formats to include Council news and various social media posts and articles.

Citizens Advice Gateshead employ >11 FTE energy advisers (these are not council funded but support council priorities) who are on hand to support Gateshead residents and council services with fuel poverty issues. Further, the Green Doctor service continues to grow, with Gateshead by far the largest refer to the service across the North East region.

We know within our council housing stock there are around 230 households who are disconnected from the national grid and unable to access gas or electricity. To ensure this vulnerable group has access to fuel to heat and light their homes we have commissioned 2Way Tenancy CIC to provide energy advice and tenancy support, to work with these households and their energy suppliers to reconnect the household and create the conditions for a sustainable energy supply.

Next Steps:

- Continue to develop and improve the on-line advice, information, and guidance resources on the Council's website.
- Continue to inform residents and provide signposting information through various communication channels.

Campaigning for policy change

Through our published articles and social media, we are constantly highlighting the challenges faced by our residents. The Corporate Management Team and our Service Directors are regularly talking to policy makers and decision makers about the alleviation of poverty, inequality and disadvantage.

Here are just three examples of our activity:

- The Thrive policy pledge sets a clear intention for lobbying and campaigning when we pledge to:
 - ✓ Tackle inequality so people have a fair chance
 - ✓ Support our communities to support themselves and each other
 - ✓ Work together to fight for a better future for Gateshead

- Gateshead Council has passed a motion to declare a cost-of-living crisis.
- We have written to the government to lobby for the continuation of the DWP Household Support Fund.

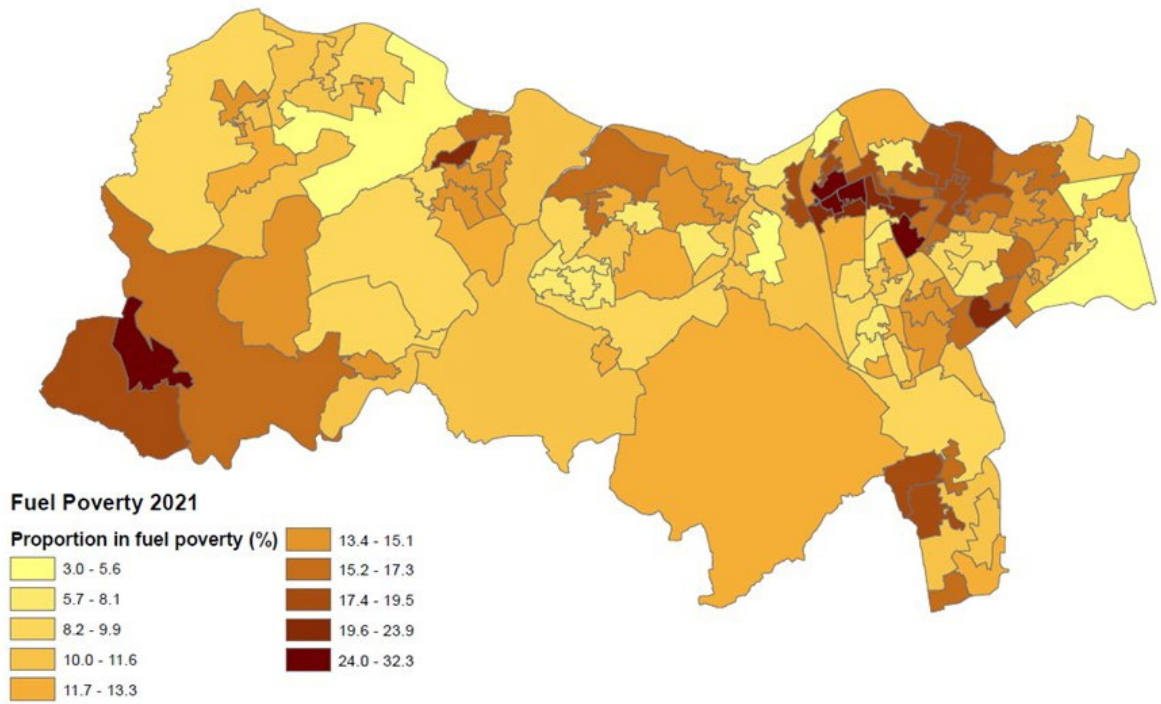
Next steps:

- Recruitment of Service Manager for the Communities and Volunteering Team. We anticipate the eventual post-holder will play a critical role in the further development of policy and supporting senior officers to lobby effectively.
- Develop a media campaign and communication strategy to identify and promote campaigning priorities.

Recommendations

10. The views of the OSC are sought on the above proposals, in particular on the proposed next steps.
11. OSC to note following a year long prohibition, a small number of energy companies to include British Gas, EDF and Octopus have been granted approval to resume force-fitting prepayment meters in people's homes.
12. OSC to note that the DWP Household Support Fund, which has evolved through four iterations, may well cease to exist from March 2024 although we and other local authorities are lobbying for its continuation. The DWP Household Support Fund has allowed us to provide small grants to thousands of Gateshead residents at risk of going cold or hungry.

Appendix I



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TITLE OF REPORT: **Monitoring of OSC Review of the implementation of
Community Wealth Building in Gateshead**

REPORT OF: **Mike Barker, Strategic Director, Corporate Services
and Governance**

SUMMARY

The purpose of this report is to provide a summary update to the Corporate Resources Overview and Scrutiny Committee on action taken to implement the recommendations of the review on Community Wealth Building.

1. Background

- 1.1 At its meeting on 13 June 2022, Corporate Resources and Overview Committee agreed the scope for the Community Wealth Building review focussing on:
- Making community wealth building central to Gateshead strategic direction through its strategy.
 - E-learning modules to be developed on community wealth building which are available via the intranet for all staff across the Council.
 - Review spend analysis of the top 100 suppliers to identify where contracts could be delivered locally, addressing gaps in the local supply chain and those opportunities offered to local suppliers.
 - Explore the development of social enterprises through the work of Economic Development.
 - Improve SME's access to contract opportunities through improving our internet pages and having a greater presence on social media.
 - Supporting the development of a more inclusive economy by working with other organisations to embed community wealth building through the Community Practice meetings and discussions at Anchor institute meetings.
- 1.2 Following several evidence gathering sessions the Corporate Resources Overview and Scrutiny Committee agreed a final report on 17 April 2023 which included the following recommendations:

Recommendation 1 – continue to drive community wealth building through commissioning and procurement, recruitment, and economic development activity.

Recommendation 2 – procurement documentation and communications should be reviewed to ensure that there are no barriers for local SME's (where this is possible).

Recommendation 3 – undertake further investigation as to why local organisations do not engage with tender processes.

Recommendation 3(a) – further networking activity for local suppliers and CVS's should be explored by Economic Development.

Recommendation 4 – ensure that all officers engaged in commissioning and procurement activity across the Council undertake the e-learning community wealth building module.

Recommendation 5 – continue with the engagement with anchor organisations to explore joint working on the following:

- Commissioning and procurement activity
- Recruitment drives and skills development
- Reviewing of land and property assets held by anchor organisations in Gateshead to see if they could be re-purposed
- Develop a carbon reduction/energy transition approach with anchor organisations
- To undertake workforce analysis, identification of gaps with parts/cohorts of citizens more distant from the labour market –

Recommendation 6 – further develop the social value work through the newly appointed Social Value co-ordinator role and by working with the VCSE sector, schools, voluntary groups, and internal colleagues to maximise social value benefits through future procurement opportunities. Look to develop 'Our Gateshead' web page to include social value 'asks', this would allow VCSE's, schools and voluntary groups, to submit social value requests and tenderers to see what those requests are and commit to deliver them during their contract period.

Recommendation 7 – Continue to develop and grow the generative economy working with local organisation to ensure they are fit to compete to maximise their success in future tender and quotation opportunities through pre- procurement market engagement sessions and by encouraging suppliers to attend the NEPO Business Club events.

Recommendation 8 – support the development of the social economy and alternative business models, including cooperatives and community interest companies that have the potential to provide goods and services that meet community need and address gaps in Council and anchor organisation supply chains.

Recommendation 9 – consider developing a social value framework for all planning and development to maximise future planning activity to maximise social and community benefits including residents access to employment opportunities arising from major regeneration projects through the Gateshead Works Service.

Recommendation 10 – Continue to explore opportunities for collaborating with the Anchor Alliance set up by the North of Tyne Combined Authority to enable us to build on the Anchor organisations we work with.

2. What has happened since completion of the review and what is planned for the future.

- 2.1 The following progress has been made since the completion of the review: Recommendations 1, 5 & 10
- 2.2 Corporate Procurement have been working hard to bring together key organisations within Gateshead to establish the Gateshead Anchor Network organisations which include the Council, Gateshead College, Gateshead NHS Foundation Trust (GHFT) NE, and Cumbria Integrated Care Board (CICB), Connected Voice, Gateshead Job Centre, Newcastle United Foundation, Bloom and NEPO.
- 2.3 The Anchor organisations have all agreed participation going forward to look at ways we can stop the Gateshead £1 leaking out of the local economy.
- 2.4 The Council, Gateshead College, Gateshead Health NHS Foundation Trust, some of Gateshead’s biggest Anchors, alongside some other Gateshead employers, held a Careers / Recruitment Fair at Gateshead International Stadium earlier this year with the aim of supporting Gateshead residents into employment. This event was well attended with over 400 people attending to find out about roles and careers across these Gateshead employers. The employers represented had the opportunity to follow up with attendees on future vacancies / careers. Some residents were interviewed and offered posts on the night. Future joint careers / recruitment fairs will be held with the intention of increasing the number of employers able to attend.
- 2.5 The Anchors will continue to work together to undertake workforce analysis and identify any cohorts of gaps in the market, and we plan to have further recruitment events in the future.
- 2.6 The Anchors are considering how we can work together to reduce carbon. We are working with the Anchors to encourage them to sign up to the Gateshead Climate Pledge, to help us achieve net zero by 2030.
- 2.7 The Anchor Alliance Group established by North of Tyne Combined Authority has been put on hold until further notice.

Recommendations 2 & 3

- 2.8 The Procurement Team are currently reviewing tender documentation to make it easier for suppliers to tender. The new Procurement Act due out November 2024, aims to implement simpler procurement processes for suppliers.
- 2.9 Following the Committee meeting in March 2023, Procurement and Economic Development approached Northumbria University to

produce a report on Community Wealth Building. The report was received in October 2023 and the recommendations are currently being considered by officers as some of them will not be permissible under the new Procurement Act which is due to come into place November 2024. The University also provided an excel spreadsheet identifying all Not-for-Profit organisations in Gateshead, including VCSE's, charities etc which are based in Gateshead. The Procurement Team plan to engage with these organisations to understand the barriers to tendering. Economic Development have also invited this cohort of organisations to join their Gateshead Business Newsletter to get information on upcoming business and procurement events.

Recommendation 3 (a) & 7

- 2.10 As part of its work to attract, retain and develop business in the borough the Council's Business, Employment and Skills service relaunched the Gateshead Business Network in March 2023 following its suspension in response to COVID restrictions.
- 2.11 The Gateshead Business Network complements other business networks available to local companies, offering inclusive and regular events that all businesses can participate in free of charge. Events have been held on 22 March, 14 June, and 25 October 2023.
- 2.12 The Network is promoted through the Business Gateshead e-newsletter that also provides local businesses with the latest information on funding, support programmes and other business opportunities.
- 2.13 The Council plans to have an event in November where businesses will be invited to hear about upcoming tender opportunities, be provided with an overview of what we expect from a supplier, discuss Social Value, and take on board any feedback about barriers to tendering.
- 2.14 The Council's Business, Employment and Skills Service has worked with the Gateshead Local Enterprise Group and wider partners to increase the number of locally owned and generative enterprises in Gateshead and support their development. Since their update to the Corporate Resources Overview and Scrutiny Committee in March 2023 they have:
- Continued to provide a responsive enquiry handling service ensuring local firms can access the support they need, helping 351 businesses to navigate the range of local and national programmes available.
 - Supported 101 people to become more enterprise ready through community-based workshops and a programme of business start-up bootcamps delivered from Northern Design Centre.
 - 34 new businesses have been supported to commence trading so far in 2023/24;

- A Gateshead Connect service has been introduced with 2600+ supplier matches to 9 new contract opportunities.
- Commissioned a range of projects through the Council's Shared Prosperity Fund (UKSPF) programme to stimulate entrepreneurship within our communities particularly among under-represented groups and enhance existing capacity to meet demand.
- UKSPF was also used to commission projects that will support high value-added industries and growth sectors, to increase the number of jobs and Gateshead's market share, and to improve the resilience, security & stability of customer facing businesses through improved productivity and more responsible employment through programmes enabling digitalisation, scale up and investor readiness or innovation supporting the introduction of new products processes or access to new markets.
- The Council is working with social enterprise specialists, North East Business and Innovation Centre, to develop the existing ecosystem to promote a thriving social enterprise sector through the establishment of a network giving members the opportunity to network and learn from one another and advocating for this strong, economically, and social impactful sector.

Recommendation 4

- 2.15 Community Wealth Building training is now live via the Learning Hub, this is available to Members and Officers. There are two types of courses; a short course to give an overview, and an in-depth course for those involved in procurements. Since the training going live 12 months ago, 34 people have completed the short version, and 54 people have completed the in-depth training. Going forward, all Officers undertaking or participating in a procurement will be required to undertake Community Wealth Building Training.
- 2.16 The Council is also in process of drafting a Community Wealth Building Policy to embed of all the principles Council wide.

Recommendation 6 & 9

- 2.17 The Council has been working on developing 'Our Gateshead' a web page to support the delivery of social value in Gateshead, following consultation on the page with the VCSE's it was proposed the page was renamed to the 'Gateshead Exchange'. The Committee will receive a demo of the page which is now live on the Councils Internet and Intranet pages. Gateshead Exchange is designed to bring suppliers, schools, colleges, community groups and voluntary, community and social enterprises (VCSEs) together to provide social value to the communities of Gateshead.
- 2.18 The concept is simple. Local voluntary organisations, social enterprises,

schools, community groups, or any other type of organisation based in Gateshead can submit a 'Request support' form detailing their needs. Suppliers can view the page on the Gateshead Exchange and tailor their social value offers to the real needs of the people of Gateshead. Providers can also help by submitting an 'Offer Support' form highlighting what services or offers they can provide. By using Gateshead Exchange, we can identify the needs within Gateshead so the offers of support to be focussed on what is actually needed most in the Borough and to help Gateshead to Thrive.

What impact has this had across the Council?

2.19 Implementing the actions outlined above has enabled the Council to evidence progress in implementing Community Wealth Building and start to measure the impacts. Community Wealth Building is now considered across a range of activities undertaken by the Council and will help to retain wealth within the Borough.

What will we do next?

- 2.20 During the next 6 months the following actions are planned:
- Recommendation 2 – the review of procurement documentation will be completed, and new documentation implemented in accordance with the Procurement Act.
 - Recommendation 4 – officers involved in commissioning and procurement activity will have to complete the Community Wealth Building Training when they participate in a procurement process. The draft Community Wealth Building Policy will also be shared.
 - Recommendation 5 – the Anchors will continue to meet and explore opportunities for further joint working to retain maximum wealth in Gateshead.
 - Recommendation 8 – the Council will continue support the development of the social economy and alternative business models including intensive work with the 2 groups that are interested in progressing the Community Asset Transfers of the leisure centres that were closed by the Council.
 - Recommendation 9 – the Council will continue to support Gateshead to Thrive through the development of Social Value within the Borough, through promoting Gateshead Exchange and the use of Social Value Toolkit in procurements.

Recommendation of this report?

- 6.1 The views of the Overview and Scrutiny Committee are sought on:
- Whether the Committee is satisfied with progress against the actions to date?
 - Whether the Committee is satisfied with the impacts to date?

TITLE OF REPORT: Annual Work Programme

REPORT OF: Sheena Ramsey, Chief Executive
Mike Barker, Strategic Director, Corporate Services
and Governance

SUMMARY

The report sets out the provisional work programme for the Corporate Resources Overview and Scrutiny Committee for the municipal year 2023/24.

1. The Committee's provisional work programme was endorsed at the meeting held on 20 July 2023.
2. At its meeting on 16 October 2023, Councillors agreed to amend the work programme to enable that meeting to focus solely on the evidence gathering process for the OSC review of leisure
3. Further amendments were requested at the November meeting and Councillors have also agreed that further reports will be brought to future meetings to highlight current issues/identify any changes/additions to the work programme.
4. Appendix 1 sets out the current workplan taking account of the changes required to accommodate the evidence gathering session for the Review of Leisure Services, changes proposed by members of the Committee and further proposed amendments to balance up the work programme.

Recommendations

5. The Committee is asked to:
 - a. Note the proposed amended programme;
 - b. Note that further reports on the work programme will be brought to the Committee to identify any additional policy issues, which the Committee may be asked to consider.

Corporate Resources OSC Work Programme 2023-2024	
12 June 2023	<ul style="list-style-type: none"> • Performance Management and Improvement Framework – Year End Performance 2022-23 – Lindsay Murray • Resilience and Emergency Planning Annual Update – Michael Reynard (<i>including focus on strength/robustness of our response to emergencies caused by climate change, including the power network, thinking about high winds damaging power lines, felling trees, flood risks during heavy rainfall</i>) • Work Programme – Andrea Tickner
4 September 2023	<ul style="list-style-type: none"> • Health and Safety Performance – Annual report – Stephen Foggin / Michelle Brown • Update on voluntary sector resilience – Alison Dunn (<i>to focus on how voluntary sector is surviving in challenging financial times</i>) • Scoping Report – Leisure Services Review – Andrea Tickner • Work Programme – Andrea Tickner
16 October 2023	<ul style="list-style-type: none"> • Evidence Gathering – Review of Leisure Services – Alice Wiseman, Lindsay Murray, Michael Lamb, John Shiel, Andrea Tickner plus external guests.
27 November 2023	<ul style="list-style-type: none"> • Performance Management and Improvement Framework 2023-24 – Six Month Update Lindsay Murray/Richard Hall • Annual report on implementation of the Workforce Strategy – Michelle Brown • Annual Budget Review including savings delivery – John Shiel • Interim Report on Review of Leisure – Andrea Tickner • Work Programme – Andrea Tickner
22 January 2023	<ul style="list-style-type: none"> • (Impacts of World Events (including Brexit, legacy of Covid, Conflict in Ukraine etc)) – Removed from the workplan - Committee agreed that this report was no longer required at November meeting • Final Report on Review of Leisure – Andrea Tickner

	<ul style="list-style-type: none"> • Implementation of the Council’s Fuel Poverty Action Plan – Alison Dunn • Review of Community Wealth Building – Six Monthly Monitoring Report – Janine Copeland • Work Programme – Andrea Tickner
March 2024	<ul style="list-style-type: none"> • Corporate Asset Management Plan Annual Update – <i>(Potential to focus on use of assets in terms of efficiency and/or safety, use of the Civic Centre – whether there are plans to actively market the vacant space)</i> - Sandra Watson • Review of Budget Management Process - <i>(to focus on why overspend is usually forecast in Q3 and expenditure reduced to bring the budget back in line)</i> – John Shiel • Digital and Online Services – Marisa Jobling <i>(moved to balance up work plan)</i> • Update on progress with the Old Town Hall – Andrew Sloan <i>(Requested by the Committee at November meeting)</i> • Work Programme – Andrea Tickner
15 April 2024	<ul style="list-style-type: none"> • Information Governance Annual Update – Angela Simmonds-Mather • Review of Community Wealth Building – Six Monthly Monitoring Report – Janine Copeland • The Geographical Distribution of the Capital Programme – Peter Udall/John Shiel • Capturing wider regeneration benefits of Gateshead Quays – <i>(to explore the benefits of a wider geographical area including the Old Town Hall, the Town Centre, Baltic Quarter etc)</i> – Peter Udall • Work Programme – Andrea Tickner

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