

# REGENERATION AND ECONOMIC DEVELOPMENT PORTFOLIO

## DECISION RECORD

15th October 2010

The meeting commenced at 3.30pm in the Civic Centre, Hartlepool

### **Present:**

Councillor Pamela Hargreaves (Portfolio Holder for Regeneration and Economic Development)

Officers: Damien Wilson, Assistant Director (Regeneration and Planning)  
Mick Emerson, Principal Economic Development Officer (Business)  
Jo Wilson, Democratic Services Officer

## **22. Local Enterprise Partnerships Update** *(Assistant Director (Regeneration and Neighbourhoods))*

### **Type of decision**

Non-key

### **Purpose of report**

To provide a progress report on the setting up of the Local Enterprise Partnerships (LEPs) in response to the Government's decision to abolish Regional Development Agencies (RDAs).

### **Issue(s) for consideration by Portfolio Holder**

In June 2010 the Government announced that they intended to abolish RDAs, replacing them with LEPs to enable locally elected leaders to work with businesses to lead on local economic development. The Regional Growth Fund, estimated at £1 billion, had also been announced. The aim of this was to provide support for sustainable economic growth projects and create new private sector jobs in areas traditionally reliant on public sector employment. A total of 56 bids had been received by the Government for LEP proposals, 6 from the north east region as follows:

- Northumberland and North Tyneside
- Newcastle and Gateshead
- South Tyneside and Sunderland
- Durham

- Tees Valley
- North East Economic Partnership (incorporating the Association of North East Councils, the North East Economic Partnership bid and the Northern Business Forum)

The proposals were being considered by ministers in detail. The five Tees Valley local authorities had built up an effective delivery framework and TVU was currently undergoing a review in order to create a more streamlined organisation geared up and resourced to deliver the LEP. The Council's current contribution of £315,810 to TVU was not expected to change in the short term. However the TVU was exploring potential funding opportunities to compensate for the loss of core funding from One North East and the HCA.

The Portfolio Holder referred to plans to appoint a new managing director as part of the TVU review questioning whether the appointee would have the necessary skills to lead the LEP in the future. The Assistant Director advised that the underpinning objectives of the organisation would remain essentially the same irrespective of whether it was the TVU or LEP and therefore the managing director should be able to make a seamless transition. The Portfolio Holder also highlighted the significant financial sums which would be involved in setting up the new structure at a time of tough decisions about services and jobs in the public sector. The Assistant Director acknowledged this but said that all decisions made on the organisation would now require executive approval. There would also be presentations on LEPs to local business leaders and, as requested by the Portfolio Holder, elected members and political groups.

The Portfolio Holder asked that she be given the opportunity to make comment upon the proposed governance arrangements prior to their implementation. They should also be discussed at the informal briefing meetings before final agreement by Cabinet. Following their implementation there should be regular formal updates to the portfolio holder with representatives from the organisation providing twice yearly updates to Cabinet. The Assistant Director felt that the Portfolio Holder updates should be given quarterly, with the frequency increased as required.

## **Decision**

That the progress made with regard to the development of a Tees Valley bid for a LEP be noted and that further update reports be received as events unfold.

## **23. Tees Valley Economic Regeneration Investment Plan** *(Assistant Director (Regeneration and Neighbourhoods))*

### **Type of decision**

Non key

### **Purpose of report**

To inform the Portfolio Holder of the progress being made to develop a Tees Valley Economic Regeneration Investment Plan and the timetable for completion of the plan and to consider the role this plan may have in drawing down funding from the Homes and Communities Agency (HCA) and the recently launched Regional Growth Fund

### **Issue(s) for consideration by Portfolio Holder**

The Assistant Director highlighted the process to develop the Tees Valley Economic Regeneration Plan linking its development to the key aims outlined in the Tees Valley Statement of Ambition, namely to drive the transition to a low carbon economy and to create a diversified and inclusive economy. The development of the plan had taken place following full engagement with the Directors of Regeneration with informal agreement being reached regarding the projects to be included in the portfolio covering the period up to 2014/15. A list of these projects was appended to the report, including a significant number of Hartlepool projects. Priority had been given to the most critical projects where funding was expected over the next 3 years. Details of the timetable for the adoption of the plan were given within the report leading up to the submission of an approved draft to the HCA in November 2010. Tees Valley Unlimited had also been exploring alternative delivery options which relied less around conventional grant funding and more around an ability to explore creative mechanisms for exploring or optimising publically owned assets. The Portfolio Holder was advised that while the Action Plan committed plans and proposals to paper there would be no financial commitment without consideration by Cabinet and approval by Council, at which time a full risk assessment would be undertaken.

### **Decision**

That the progress being made towards the development of a Tees Valley Economic Regeneration Investment Plan be noted and that a further report be submitted to Cabinet once the draft plan has been presented to the Leadership Board.

## **24. Update in Respect of the “Buy Local” Campaign** (Assistant Director (Regeneration and Planning))

### **Type of decision**

Non-key

### **Purpose of report**

To update the Portfolio Holder on the development of Hartlepool’s “Buy Local” campaign.

### **Issue(s) for consideration by Portfolio Holder**

In January 2009 traders at the Hartlepool Enterprise Centre started the “Buy Local” campaign to consider how to increase turnover during the economic downturn. Phase 1 involved a discount booklet and open days at the Centre, while phase 2 saw the development of the Indoor Market Initiative whereby new businesses were supported with rent and rates on 20 empty stalls over a 6 month period. The outdoor market was also relocated in June 2010. The campaign had subsequently received a lot of positive feedback locally and a website had been developed allowing consumers to apply for a registration card which could be used on a wide range of discounts. A number of advertising routes had also been utilised with the result that 70 businesses and 600 consumers were now registered on the website.

Plans to take the campaign to the next level were now being considered. These included the preparation of leaflets, visits by Enterprise Centre staff to business groups and shopping parades and the formation of a business ambassadors group from different sectors. The ultimate aim was that the project would become self funding by selling advertising, premier listings and database information on the website. Subscriptions might also be considered. However the cost/effectiveness ratio of advertising in the local press would be evaluated.

The Assistant Director referred to work of a similar nature he had taken part in at another local authority whereby events such as Christmas and the world cup had been used as a stepping off point. The Principal Economic Development Officer indicated that businesses at the Marina and Navigation Point were planning a Christmas event and it might be possible to link the buy local campaign to this. The Portfolio Holder indicated her support for this. The Principal Economic Development Officer commented that there was a need to engage with other town businesses and bring them on board by explaining the benefits of the campaign to them in terms of intertrade. The Portfolio Holder acknowledged this however she felt that this might be better accomplished by demonstrating a clear business case outlining the benefits of joining the scheme for local traders. Further research will be carried out which would then inform a concurrent marketing campaign carried out using more traditional media outlets. If commercial

advantages could be effectively demonstrated it was more likely that further financial resources could be accrued. Other possible sources of promotion might include a small Christmas market, advertising on the back of parking tickets and including a buy local offer as part of the push to encourage council tax payments via direct debit. The Principal Economic Development Officer reported that the latter suggestion could be developed in time for the issuing of bills for the next financial year.

### **Decision**

That the update be noted

## **25. Tees Valley Enterprise Arcade** (Assistant Director (Regeneration and Planning))

### **Type of decision**

Non key

### **Purpose of report**

To update the Portfolio Holder on the development of the Tees Valley Enterprise Arcade Project which Hartlepool Borough Council is managing on behalf of the Tees Valley Industrial Programme (TVIP) Enterprise Stream.

### **Issue(s) for consideration by Portfolio Holder**

The Tees Valley Enterprise Arcade was approved as part of the Enterprise Theme of Tees Valley Industrial Programme. In December 2009 the Government had announced an investment of £60 million into the Tees Valley to support the economy following Corus' decision to close their Redcar operations. The Enterprise Arcade was intended to offer the opportunity to test trade a retail business and was being managed by Hartlepool Borough Council due to their experience with the Indoor Market project. An "arcade" would be operated in Middlesbrough, Redcar and Stockton, each offering a test trading opportunity for at least 10 individuals with 6 months discounted occupation of the venue. Sites were still being sought for the individual arcades and a coordinator had been appointed with responsibility for the day to day activities. It was imperative that the arcades be up and running well in advance of the festive period. There was no direct revenue cost to the Council other than officer time.

The Portfolio Holder was pleased that Hartlepool had been awarded the contract to manage this campaign as it reflected well on the work carried out on the Indoor Market project, which she had heard referred to in glowing terms around the region. In terms of the Arcade project the Portfolio Holder requested further information on the funding arrangements. The Principal Economic Development Officer indicated that a breakdown of costs would

not be available until early 2011 however prior to that he would be able to give updates relating to the operational side.

### **Decision**

That the report be noted.

## **26. Support for Retail Businesses** *(Assistant Director Regeneration and Planning)*

### **Type of decision**

Non-key

### **Purpose of report**

To provide an update to the Portfolio Holder in respect of a variety of mechanisms supporting retail businesses

### **Issue(s) for consideration by Portfolio Holder**

Over the last 12-18 months a variety of projects had been developed to support retail businesses as follows;

- Indoor Market Initiative
- Relocation of the Outdoor Market
- Improvements to Neighbourhood Shopping Parades
- Development of Business Modernisation Grants
- Development of Navigation Point Business Association
- Early stage development of a potential Town Centre Business Association

Details of previous actions, recent developments and proposed future actions were given for each of the projects. The uncertainty of future funding was highlighted. The Portfolio Holder suggested that there might be benefits in pulling all the projects together, something the Assistant Director felt could be accomplished through the Retail Revival Strategy. The Principal Economic Development Officer advised that he would be using the Council's Viewpoint questionnaire to ascertain public views in this area. The Portfolio Holder also suggested that officers look into the possibility of creating a financial return on the council's initial investment in helping business start up. Repayable grants or a share of the profits were suggested.

The Portfolio Holder was pleased to note the success of the changes to the outdoor market, despite stallholders' opposition to the original proposals. There had been an increase in traders and in footfall. She was encouraged that the economic development team continued to be involved in the development of the town's markets, whilst appreciating that the operational

aspects continued to be the responsibility of Public Protection.

**Decision**

That the report be noted

The meeting concluded at 4:30 pm

**P J DEVLIN**

**CHIEF SOLICITOR**

**PUBLICATION DATE: 20<sup>th</sup> October 2010**