The meeting commenced at 10.00 a.m. in the Civic Centre, Hartlepool

Present:

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

Officers: Damien Wilson, Assistant Director (Regeneration and Planning)  
Antony Steinberg, Economic Development Manager  
Jeff Mason, Head of Support Services  
Steve Hilton, Public Relations Officer  
Rob Smith, Senior Regeneration Officer  
Patrick Wilson, Employment Development Officer  
Jo Wilson, Democratic Services Officer

27. Redevelopment of the Crown House site – feasibility and design (Assistant Director (Regeneration and Planning))

Type of decision
Non-key

Purpose of report
To update the Portfolio Holder on the background and progress of the Crown House project and to seek endorsement for the preparation of design and feasibility works, using HBC funding, for the development of a specialist business incubation centre on the site.

Issue(s) for consideration by Portfolio Holder
The Senior Regeneration Officer detailed the background and context of the Crown House project to develop a specialist incubation facility on the site for businesses within the creative industries sector. Following the acquisition and demolition of Crown House design and feasibility works would be carried out in order to gain a more detailed understanding of the project and determine a preferred delivery model. The feasibility work would determine the most appropriate scale and nature of the new
workspace facilities. Delivery of the scheme could range from private to public sector led models with various forms of joint delivery in between and the feasibility work would build up the details of each option so that an assessment could be made. HBC architects would develop outline designs and build costs for the scheme which would help inform the feasibility work on the preferred business model. A targeted marketing exercise would then be undertaken to ascertain developer interest. More detailed feasibility work would be undertaken externally in accordance with the agreed Tees Valley Consultancy Framework. Subject to the outcome of the feasibility works and funding availability it was hoped that the redevelopment of the site would commence by 2012. Funding for the purchase and demolition had been secured through a combination of Single Programme and Regeneration match funding from the council Capital Programme. As there had been a saving in the cost of demolition officers had approached One NorthEast for approval to use the money saved to carry out the design and feasibility work. However this request had been turned down as One NorthEast were keen that the allocated first phase monies only be used for acquisition and demolition. Council resources would be required to complete this work and an application had been submitted to the Capital Programme to fund the design and feasibility works from the 2011/12 budget. The outline design costs had been estimated at £75,000 with the feasibility work estimated at £20,000.

The Portfolio Holder highlighted the estimated cost of £75,000 for HBC officers to carry out design works saying this seemed excessive in the current economic climate. However the Senior Regeneration Officer advised that this option would give better value for money than using external providers. He confirmed that this cost would cover concept designs, outline specifications and a preliminary cost plan. Future procurement arrangements will depend upon the outcome of the feasibility work. The Portfolio Holder acknowledged the need to speculate to accumulate however £95,000 was a large amount of money to spend at a time when substantial cuts were being made to council finances. She queried whether the department would be able to manage the cost. The Senior Regeneration Officer indicated that there were funds available which could be applied for to support this project. The Portfolio Holder queried whether council money used could be recouped but was advised that as this would be coming from the Capital Programme fund it could not be recouped.

In terms of the more detailed feasibility work the Portfolio Holder queried whether all the names included on the Tees Valley Consultancy Framework would be local. The Economic Development Manager indicated that the Framework was a preferred list of providers and as such they could be based anywhere in the UK. The Portfolio Holder queried what contingencies were in place if none of the companies listed were able to provide the necessary expertise. The Economic Development Manager advised that if that was the case the council would be able to procure in the normal way as there was no obligation to use an unsuitable provider simply because they were included on the list.
The Portfolio Holder expressed her continued support for the project which had massive potential. She suggested that officers look at similar facilities across the UK with a view to making the Crown House redevelopment as cutting edge as possible in order to attract businesses and other users. She was also pleased to note the development of links to Hartlepool College of Further Education and Cleveland College of Art and Design given the potential numbers of graduates who might wish to start up businesses. She requested that officers keep her informed at all parts of the design stage.

Decision

I. That the preparation of design and feasibility works for the creation of a specialist business incubation centre on the former Crown House site be approved, using HBC's in-house resources to prepare outline designs and costings with the feasibility works completed externally.

II. That the use of funds from the Council’s Capital Programme to contribute towards the design and feasibility works as identified in paragraph 6.2 be endorsed.

28. Regeneration and Neighbourhoods Departmental Plan Monitoring Report – April to October 2010
(Assistant Director (Regeneration and Planning))

Type of decision
Non-key

Purpose of report
To inform the Portfolio Holder of the progress made against the Regeneration and Neighbourhoods Departmental Plan 2010/11 over the period April to October 2010

Issue(s) for consideration by Portfolio Holder
The report showed details of progress against actions contained in the Departmental Plan and the second quarter outturn of key performance indicators. There were a total of 14 actions and 9 performance indicators assigned to this portfolio holder. Of these 1 action – to facilitate the reuse of the Jacksons Landing buildings through a range of partners – had been delayed as a result of the severe economic conditions and the Portfolio Holder was asked to extend the due date against this action. Four performance indicators relating to employment had also been classified as requiring intervention. Details were given within the report. The Portfolio Holder queried whether all was being done to achieve hit these targets and indicators. The Head of Support Services confirmed this.
Decision

That the progress of key actions be noted along with the latest position with regard to risks and that the proposed Action date change be approved.

29. **Skills Funding Agency – Tendering Opportunity**  
*(Assistant Director (Regeneration and Planning))*

**Type of decision**

Non-key

**Purpose of report**

To update the Portfolio Holder on the Skills Funding Agency's (SFA) new tendering opportunity.

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

Hartlepool's Going Forward Project was developed to produce targeted interventions to support young people, prevent disengagement from mainstream learning and re-engaged young people currently identified as not in education, employment or training (NEET). It was a partnership between the Economic Development Division and Child and Adult Services, funded through SFA and European Social Funding. In September 2010 the partners submitted a joint expression of interest to the SFA to deliver a new NEET reduction project in Hartlepool whereby young people's participation in education, employment or training would be increased through locally defined and delivered interventions focusing on work to prevent disengagement, support during periods of learning transition and re-engagement of young people who are NEET or at risk of becoming so. Targeted participants would be aged 14-19 years and priority would be given to those young people over-represented in the NEET cohort including those with learning difficulties or disabilities, those in care, parents and those living in deprived areas. In October 2010 the SFA confirmed that this expression of interest had been accepted and the tendering opportunity could be applied for. The total funding available for the North East was £12,973,000, Hartlepool had been allocated approximately £613,000. The project would be 100% externally funded.

The Portfolio Holder expressed her support for the project and the Going Forward Project generally in re-engaging young people NEET. She felt that while this was a success story further education establishments should be judged more on the progression of their students rather than the number of students initially on roll. The Employment Development Officer agreed, saying OFSTED and the SFA should challenge them. In terms of the bid the best quality service was needed. Attempts had been made to ensure that the council bid would be the only one with the support of external partners including young connections, colleges and schools. The Portfolio
Holder queried whether these providers should be named in the bid as was the intention as this might give an expectation of involvement on the part of the providers. The Employment Development Officer acknowledged this concern but said that the SFA wanted assurance that the process of identifying partners had already happened. However anyone named in the bid would be advised that their inclusion was not a guarantee of involvement. The Portfolio Holder requested that regular reports be brought to her informally regarding organisation involvement and reasons behind decisions. She also asked that she be informed if and when the bid was successful.

Decision
That the report be noted and approval be given to the application for this funding by the Regeneration and Planning Division.

30. Working Neighbourhoods Fund (WNF) – Quarter 2 (2010/11) Update (Assistant Director (Regeneration and Planning))

Type of decision
Non-key

Purpose of report
To update the Portfolio Holder on the position of the Working Neighbourhoods Fund (WNF) programme at the end of Quarter 2 of the 2010/11 financial year.

Issue(s) for consideration by Portfolio Holder

In February 2009 Council approved the 2009/10 budget and 2010/11 indicative budget for the WNF programme. There was currently £5,167,838 remaining from the 2009/10 allocation with an indicative allocation of £5,387,049 for 2010/11. Following an announcement by the new coalition government in May 2010 HBC received confirmation that the Area Based Grant (ABG) would be cut by £1.662 million. As the WNF budget is part of the ABG an in-year budget reduction of £706,549 was agreed and approved by Council in August 2010. The new revised budget for 2010/11 is therefore £5,022,196, including £83,696 underspend from the previous year. The final budgets for 2010/11, taking account of over and underspends from 2009/10 and in-year budget reductions, were set out in an appendix to the report. Also appended to the report was the financial position at the end of quarter 2. This showed that £2,664,186.68, 53% of the grant available for 2010/11, had been spent by the end of quarter 2. Expenditure provided directly to Primary and Secondary Schools had been fully spent. There were no financial implications for the Council as this funding had already been allocated through the budget process.
The Portfolio Holder queried whether there had been any indications of a replacement for WNF. The Employment Development Officer indicated that nothing had been suggested by the Government.

**Decision**

That the spend position of the WNF programme at the end of Quarter 2 2010/11 be noted.

The meeting concluded at 4:10pm

P J DEVLIN

CHIEFSOLICITOR

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