

CABINET

MINUTES AND DECISION RECORD

21 February 2011

The meeting commenced at 9.15 am in the Civic Centre, Hartlepool

Present:

The Mayor, Stuart Drummond - In the Chair

Councillors: Jonathan Brash (Performance Portfolio Holder)
Robbie Payne (Deputy Mayor) (Finance and Procurement Portfolio Holder),
Pam Hargreaves (Regeneration and Economic Development Portfolio Holder),
Gerard Hall (Adult and Public Health Services Portfolio Holder).
Cath Hill (Children's Services Portfolio Holder),
Hilary Thompson (Culture, Leisure and Tourism Portfolio Holder),

Officers: Paul Walker, Chief Executive
Andrew Atkin, Assistant Chief Executive,
Chris Little, Chief Finance Officer
Alyson Caman, Legal Services Manager
Joanne Machers, Chief Customer and Workforce Services Officer
Dave Stubbs, Director of Regeneration and Neighbourhoods
Alan Dobby, Assistant Director, Resources and Support Services
Damien Wilson, Assistant Director, Regeneration and Planning
Sylvia Pinkney, Public Protection Manager
Alastair Rae, Public Relations Manager
Angela Hunter, Principal Democratic Services Officer

172. Apologies for Absence

Apologies for absence were received from Councillor Peter Jackson (Cabinet Member without Portfolio).

173. Declarations of interest by Members

Councillor Hilary Thompson declared a non prejudicial interest in item 6.1.

174. Minutes of the meeting held on 7 February 2011

Received.

Councillor Payne referred to the comments he made at the last meeting of

Cabinet and whilst he apologised unreservedly if the comments had upset any officers, he reiterated his views and the strength of feeling he had on the subject. It was noted that all Cabinet Members were equally passionate and committed to ensuring the best outcome for the residents of the town.

175. Local Enterprise Partnership/Tees Valley Investment Plan (*Director of Regeneration and Neighbourhoods*)

Type of decision

Key Decision – Test (i) and (ii) applies.

Purpose of report

To provide an update on the progress of the Tees Valley Local Enterprise Partnership (LEPs) following Government's decision to abolish Regional Development Agencies (RDA).

To explain the proposed new governance arrangements for Tees Valley Unlimited (TVU) as it undergoes the transition from an informal public / private partnership with no legal status into a sub-regional LEP.

Issue(s) for consideration by Cabinet

The Mayor presented a report which provided a brief background on the creation of LEPs following the Government's arrangement to abolish RDAs along with information on the proposed governance arrangements for TVU as it undergoes the transition into a LEP for the sub-region. The report outlined the legal status of the LEP highlighting the role of the Leadership Board, Executive and the sub-board structure.

The Managing Director of the TVU/LEP was in attendance and provided further information which covered:

- The role of TVU/LEP and the benefits for Hartlepool through a sub-regional approach
- The proposed staffing structure for the newly streamlined organisation
- The Tees Valley Economic Regeneration Investment Plan
- Membership of the Board

Members were informed that due to the current economic climate and budget pressures, the budget of TVU was being reduced from £9m to £2m. This funding would be via contributions from the five local authorities within the Tees Valley. The importance was emphasised of all five local authorities working together through the TVU/LEP to ensure that the maximum benefits were achieved for the Tees Valley area. The Managing

Director provided further detail on the Regional Growth Fund and the creation of modern enterprise zones.

A Member commented that this was the first time Cabinet Members had the opportunity to engage with a representative from Tees Valley Unlimited directly and this was welcomed. However, there were a number of issues questioned including how the TVU/LEP would ensure all Members felt engaged. The Managing Director of the TVU indicated that the TVU/LEP was keen to engage with Members and suggested that a way forward may be to introduce six monthly update reports to Cabinet. In addition to this, better ways of engaging with the business, community and voluntary sectors was also being explored. It was recognised that the key to the success of any collaborative arrangements was effective regular communication and engagement with all those involved. This included the provision of updates from the Members and Officers directly involved with the TVU/LEP through membership of the Board.

It was noted that any collaborative arrangements were also dependent on all the organisations involved having the same level of commitment. It was confirmed that officers and Members from the five boroughs involved in the TVU/LEP were all committed to achieving the best results for the Tees Valley area. A Member sought clarification on the provision of other LEPs in the region and what impact this would have on the Tees Valley LEP. The Managing Director of the TVU/LEP confirmed that any LEP bordering the Tees Valley area could provide positive benefits by being utilised to create a bigger solid base to tackle wider regional issues such as offshore sustainable wind energy.

In response to a question from a Member about the recent budget cuts announced by the Government, the Managing Director of TVU/LEP reiterated the need to review the core purpose activity every six months whilst looking at the long term growth of sectors that would have a continuing role in the economy. The level of buy-in from the private sector was questioned. The Managing Director of TVU/LEP confirmed there was significant buy-in from major corporate companies but acknowledged that engaging more effectively with small medium enterprises (SMEs) needed to be explored further. It was recognised that the local authority had a good relationship with the business sector in the town and this needed to be harnessed and developed further to increase buy-in of SMEs.

A Member questioned how new jobs could be created when the budget for the TVU/LEP was to be reduced from £9m to £2m. The Managing Director of TVU/LEP commented that in areas such as the north east, recessions lift more slowly than in other more affluent areas. The encouragement of further investment in sectors that have growth potential was needed. It was noted that there were concerns that the private sector did not have the capacity to absorb the public sector jobs being cut. The Managing Director of TVU/LEP emphasised the need to ensure that those leaving jobs had sufficient training for potential future employment including access to schemes to set up their own businesses.

The potential of renewable energy was discussed as this was a specialised area of growth and the importance of educating young people in this area was recognised. It was noted that there were a number of smaller very successful companies operating within the town that were working with cutting edge world class companies on an international scale. This was also an area that should be promoted as part of the education of the young people within schools to highlight the potential of creating their own businesses.

The Assistant Director, Regeneration and Planning suggested that the six monthly update reports be provided to Cabinet in October, as a half yearly report and March as an end of year report.

Decision

- (i) The progress made towards the transition into a LEP by TVU was noted.
- (ii) That six monthly reports be submitted to Cabinet in October and March each year from representatives of the newly established LEP on the progress to implement the Tees Valley Economic Regeneration Investment Plan along with an activity report relating to the Hartlepool Borough.

176. Selective Licensing of Private Landlords – Proposed Additional Areas for Designation *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non Key.

Purpose of report

To report on the recommendations from the New Deal for Communities (NDC) evaluation report into selective licensing published in November 2010.

To set out proposals for the areas to be considered for designation as additional selective licensing areas (i.e. phase 2).

Issue(s) for consideration by Cabinet

The Mayor presented a report which outlined the background and requirements for designating areas to be subject to selective licensing of private landlords. The report provided an update on the progress being

made with the phase 1 areas. The findings and recommendations of the evaluation carried out by New Deal for Communities in 2010 were outlined. Evidence was provided for Members to consider which areas should be tackled next (ie designated) and a revised timetable for consultation and finalising the areas to be designated was included.

Members raised concerns at the number of options provided within the report as Members had suggested previously that the worst areas should be tackled first. Clarification was sought on why there was no detailed financial information provided within the report. The Director of Regeneration and Neighbourhoods confirmed that the scheme was self-financing from the income received from licenses issued. In response to a question from a Member, the Public Protection Manager confirmed that to date three cases for prosecution had been prepared for submission to the courts, but the individuals concerned had applied for licences prior to the date they were due to appear in court. A Member commented that his ward had been an area that had previously suffered with problems of anti-social behaviour and since the introduction of the licensing scheme in this area, there had been a significant reduction.

A discussion ensued on the different options included within the report and it was suggested that all areas identified be included with a priority list identified starting with the worst areas affected. The importance of undertaking enforcement where necessary was stressed to ensure as many landlords signed up to the scheme as possible. There was a general consensus that Option 1 should be taken forward although it was recognised that the areas for improvement of the scheme identified within the NDC evaluation report should be examined prior to the scheme being rolled out further across the town.

In conclusion, it was suggested that an estimated timetable be produced for the roll out of the scheme to the areas identified within the report.

Decision

- (i) Option 1 was selected for the second phase of the selective licensing scheme for consultation with residents, landlords and other stakeholders.
- (ii) A further report be submitted to Cabinet in April 2011 identifying an estimated timetable for the roll out of the scheme to the areas identified within the report for phase 2 of selective licensing, taking into account the results of the consultation and operational arrangements.

177. Job Evaluation Appeals (*Chief Customer and Workforce Services Officer*)

Type of decision

Non Key.

Purpose of report

To obtain Cabinet ratification of the proposed arrangements to progress the outstanding Job Evaluation Appeals.

Issue(s) for consideration by Cabinet

The Portfolio Holder for Performance presented a report which detailed the background to and agreement reached in principle with the trade unions in respect of a revised process and timetable for Job Evaluation Appeals.

A Member sought clarification on what 'sore thumbed' factors were. The Chief Executive indicated that this referred to issues that 'stuck out like a sore thumb' in the appeal documentation. In response to clarification sought from a Member, the Chief Customer and Workforce Services Officer confirmed that in Table 1, the figures in brackets identified the number of employees as opposed to the number of posts.

Decision

The progress to date and the proposed arrangements to progress the outstanding Job Evaluation Appeals were noted.

178. Local Asset Backed Vehicles (*Director of Regeneration and Neighbourhoods*)

Type of decision

For information and comment.

Purpose of report

To provide background information on the setting up of Local Asset Backed Vehicles (LABVs) and the basic principles of their function and role.

To update Members on the progress made in considering their suitability as

a regeneration model for Hartlepool.

Issue(s) for consideration by Cabinet

The report outlined what LABVs were and why the Council should consider setting up an LABV to take forward the regeneration of Hartlepool, using as its core key physical assets in its ownership as a mechanism for leveraging in private sector investment and developers.

The report also considered the basic principles around which LABVs were established and operated, including explaining what needed to be taken into account when selecting a development partner or partners.

Finally, the report highlighted the work that was currently underway which would help inform any decision to establish or otherwise, an LABV for Hartlepool. It was noted that a further report would be submitted to Cabinet in April 2011.

Members sought clarification on the difference between the LABV scheme and the recently approved scheme to seek expressions of interest in four different sites at Seaton. The Assistant Director, Regeneration and Planning confirmed that the Seaton scheme was a mini version of a LABV scheme and if proved successful could include other priority sites within the town. In response to questions from Members, the Assistant Director confirmed that if external expertise was required to progress either of these schemes the costs would be increased. However, it was suggested that such expertise may be already employed within the local authority although this would mean that the officers would need to be allowed to dedicate time to the setting up of these schemes.

It was noted that the authority had progressed the creation of LABV ahead of other authorities in the Tees Valley area and it was questioned whether the sharing of expertise along with the possible generation of income had been considered. The Assistant Director indicated that the creation of a Tees Valley LABV would be extremely complex and difficult to manage. However, once the LABV scheme had been progressed further, there was no reason why the expertise gained in-house could be shared with other local authorities. As with all proposed schemes, the Chief Finance Officer confirmed that protecting the authority's financial position was a priority through looking at future pay back and the potential for risk to the authority. The Assistant Director confirmed that the position would be clearer once the level of interest in the Seaton sites was known at the end of March.

In response to concerns expressed by a Member, the Assistant Director confirmed that where assets remained in the ownership of the Council, there was less incentive for the private sector to take on those assets. Through a LABV they would be joint owners and this would encourage more interest for them to invest and deliver regeneration. However, if any scheme failed, the assets would revert back to the ownership of the local

authority.

Decision

- (i) The report was noted regarding the setting up of LABVs and the work underway to identify the potential to establish an LABV for Hartlepool.
- (ii) Regular update reports would be submitted to Cabinet on the feasibility of an LABV for Hartlepool with the first report in April 2011.

The meeting concluded at 11.02 am

P J DEVLIN

CHIEF SOLICITOR

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