

# CABINET

## MINUTES AND DECISION RECORD

15 October 2012

The meeting commenced at 9.30 am in the Civic Centre, Hartlepool

### **Present:**

The Mayor, Stuart Drummond - In the Chair

Councillors: John Lauderdale (Adults and Public Health Services Portfolio Holder)  
Paul Thompson (Finance and Corporate Services Portfolio Holder)

Also Present: John Maddison and Albert Pattison – Mayor's Community Advisory Panel.

Stephen Catchpole, Managing Director, Tees Valley Unlimited.

Officers: Andrew Atkin, Assistant Chief Executive,  
Chris Little, Chief Finance Officer  
Peter Devlin, Chief Solicitor  
Dave Stubbs, Director of Regeneration and Neighbourhoods  
Damien Wilson, Assistant Director, Regeneration and Planning  
Sally Robinson, Assistant Director, Prevention, Safeguarding and Specialist Services  
Louise Wallace, Director of Public Health  
Julian Heward, Public Relations Officer  
David Cosgrove, Democratic Services Team

### **84. Apologies for Absence**

Councillor Cath Hill (Children's and Community Services Portfolio Holder).

### **85. Declarations of interest by Members**

None.

### **86. Minutes of the meeting held on 4 October 2012**

Confirmed.

## **87. Sub Regional Tenancy Strategy** (*Director of Regeneration and Neighbourhoods*)

### **Type of decision**

Key Decision (test (ii)). Forward Plan Reference No. RN 16/12.

### **Purpose of report**

The Draft Tees Valley Tenancy Strategy was submitted for Cabinet's approval.

### **Issue(s) for consideration by Cabinet**

The Assistant Director, Regeneration and Planning reported that on 19th March 2012 Cabinet gave approval to the framework document that formed the Council's consultation proposals on the future letting of affordable housing in order to comply with the Localism Act.

The five Tees Valley Local Authorities had consulted on and produced the Draft Tees Valley Tenancy Strategy. This was in accord with the established Tees Valley wide approach to lettings via the Compass Choice Based Lettings Scheme and broader partnership working. Tees Valley also submitted a sub regional response to the Government's 'Local Decisions: A Fairer Future for Social Housing' consultation in January 2011 in which we set out our early thinking about the key objectives of social housing reform.

The full Strategy document was set out as an appendix to the report. The report included details of the consultation process and responses and the proposed monitoring and review of the strategy.

The Mayor questioned if the strategy included the additional flexibility in terms of choice based lettings that Hartlepool had required. The Assistant Director commented that a further report would be submitted to Cabinet in December on that aspect of the strategy.

### **Decision**

1. That the Draft Tees Valley Tenancy Strategy, set out as appendix 1 to the report, be approved
2. That the Technical Appendix (Appendix 2 to the report), the Tees Valley protocol for ending a fixed-term tenancy (Appendix 3 to the report) and the Impact Assessment that has been carried out on the strategy (Appendix 4 to the report) be noted.

## **88. City Deal** (*Director of Regeneration and Neighbourhoods*)

### **Type of decision**

No decision required at this time.

### **Purpose of report**

To inform Cabinet of the potential for the Tees Valley, as a functional economic area, to submit a proposal for a “City Deal” as part of the Government’s drive to encourage cities to maximize their economic potential and in so doing stimulate growth in the national economy.

### **Issue(s) for consideration by Cabinet**

The Assistant Director, Regeneration and Planning reported on the background and up-to-date position in relation to the government’s proposals for a City Deal. The Assistant Director outlined one of the main issues around the potential designation of the Tees Valley under City Deal would be the devolvement of decision making and budgetary control under the scheme to Tees Valley Unlimited (TVU) from the local authorities.

Comment was made that it was hoped that should the bid succeed it would not subsequently be biased towards Middlesbrough. The Mayor commented that he believed that the bid was already being termed as ‘Middlesbrough and surrounding area’ by the government. If this was the case then getting the buy-in to the deal could be difficult for Hartlepool and other Tees Valley authorities. The Assistant Director stated that there was no suggestion that Middlesbrough would lead or control the budget; it was very much a Tees Valley approach. The outcome of the bid was still awaited, the original decision having been delayed since 18 September.

### **Decision**

1. That the work undertaken to date to prepare the ground for a potential Tees Valley City Deal bid be endorsed.
2. That the continued support by officers from this Council to develop a potential City Deal bid for Tees Valley be endorsed.
3. That further update reports be submitted to Cabinet as required, including a comprehensive report once a draft bid had been prepared.

## **89. Draft Hartlepool Health and Wellbeing Strategy** *(Director of Public Health)*

### **Type of decision**

Non-key decision.

### **Purpose of report**

The purpose of this report was to present to Cabinet the first draft of the Joint Health and Wellbeing Strategy (JHWS) and the results of the recent consultation exercise that were integral to the development of the strategy.

### **Issue(s) for consideration by Cabinet**

The Director of Public Health reported on the consultation feedback from the first phase of public consultation undertaken on the JHWS. The report set out details of the feedback from the 465 responders to the initial consultation details of which had been reported to the Shadow Health and

Wellbeing Board. The next round of consultation was ongoing with the draft strategy being submitted to the Scrutiny Coordinating Committee later this week and the Shadow Health and Wellbeing Board at its meeting on 26 October.

The Mayor welcomed the consultation responses received so far but considered that this excellent feedback should not be lost and that there should be some mechanism of ensuring that there was feedback to the public of how their comments had been incorporated in the finalised strategy. The Director indicated that there would be an opportunity for feedback as part of the development process of the strategy. A report would be forthcoming to Cabinet on the future composition of the Board beyond April 2013 and the development of the action plan that would underpin the finalised strategy.

#### **Decision**

That the first draft of the Joint Hartlepool Health and Wellbeing Strategy be received.

### **90. The Future of EU Funding and Tees Valley Unlimited Partnership Business Plan Progress Update** *(Director of Regeneration and Neighbourhoods)*

#### **Type of decision**

Non-key.

#### **Purpose of report**

To provide information on the future of European Union (EU) Structural funding and the implications for the UK, Tees Valley and Hartlepool.

The report also provided information on progress achieved to date on the key objectives contained within the Tees Valley Unlimited [TVU] Business Plan.

#### **Issue(s) for consideration by Cabinet**

The Assistant Director, Regeneration and Planning reported on the background to the EU consultation on the future of Structural Funding which included funding under European Regional Development Fund (ERDF) and the European Social Fund (ESF).

Tees Valley and Durham had been identified as a 'transition region' along with eight other regions in England and Scotland. However, this would be subject to a final review during 2012 and based on the GDP average over the 2007 – 2009 period, (the current assessment being based on the 2006 – 2009) or indeed a later assessment in early 2013, based on the 2008 – 2010 period. Currently, the Tees Valley and Durham GDP is 82.1% of the EU average, placing it well within the transition area as defined and it was not anticipated that this would change, irrespective of which statistical time period was used.

The UK Government did not currently favour “transition” area status and the official line was that cohesion funding should go to the poorer EU states, however, there was a broad recognition that the proposal for transition areas was likely to proceed. Notwithstanding this, the Government was, as yet, undecided as to whether funds would be devolved to the transition regions for local management or whether they would operate a national contract arrangement for transition areas or some hybrid.

The Assistant Director indicated that officers from Tees Valley Unlimited (TVU) and Durham County Council (DCC) had been actively involved in the UK Transition Region Group along with other potential Transition areas and were already lobbying on an agreed activity plan. Should the area be selected as a transition area, there would need to be close working arrangements between the Tees Valley and Durham, though this was not anticipated to be an issue.

In relation to the TVU Partnership Business Plan Progress Report, the Assistant Director outlined the main progress and activity under the under the five objectives.

The Mayor commented that there had been some criticism of the earlier rounds of RGF allocations in some areas. The Assistant Director indicated that many of those comments related to the arduous due diligence process the government had put in place that was an expensive and time consuming process for companies to go through after the grant had been awarded. The process did ensure that companies had robust business plans in place to utilise the funding.

The Managing Director of TVU indicated that many of the delays in the awarding of RGF monies did relate to the companies themselves. There were examples of some funding not being utilised as a parent company declined to provide the guarantees required. While the system in place wasn't perfect it was the only grant system available. An announcement was expected later this month on the third round of RGF which included four major bids from TVU including schemes for Durham Tees Valley Airport, and a scheme to offer businesses a bank loan support fund.

The Mayor was concerned that from a political aspect, RGF was seen as a driver to economic growth but that the creation of jobs would fall behind the pace of public sector cuts. The Managing Director of TVU agreed that this could be the case. RGF was only one tool in economic recovery, much depended on the confidence to invest in the private sector. There were some indications that spending was increasing and that there was also growth in the housing market but these needed to be seen in government figures. While the north east had a larger manufacturing base than other areas, there was still a need for greater inward investment. If Tees valley and Durham received the EU Transitional Region Status that would be followed by significant ERDF investment which would be a huge boost to the north east economy.

There were still, however, issues that needed to be tackled now and the Assistant Director highlighted the issues of banks not lending to companies as a major concern. There was evidence locally that companies were not being supported by the banks, not due to the businesses falling short of requirements but due to internal decisions within the banks. The Mayor commented that if there was evidence of such difficulties around the Tees Valley then there should be a case made to government by the Tees Valley authorities and TVU highlighting this problem. The Managing Director of TVU commented that one of the proposals that TVU had submitted in this round of RGF was a fund to make it feasible for banks to lend to companies by topping up approved bank loans.

**Decision**

1. That the report be noted.
2. That the approach being taken to secure transition area status with Durham County Council be endorsed.
3. That further Tees Valley Unlimited progress report be requested seeking consideration and endorsement of the Tees Valley Investment Plan and Infrastructure Plan.

The meeting concluded at 10.10 a.m.

**P J DEVLIN**

**CHIEF SOLICITOR**

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