

# REGENERATION SERVICES COMMITTEE

## DECISION RECORD

29<sup>th</sup> August 2013

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

**Present:**

Councillor Robbie Payne (In the Chair)

Councillors: Stephen Akers-Belcher, Kevin Cranney, Keith Dawkins and Keith Fisher.

Also Present: In accordance with Council Procedure Rule 5.2 the following substitutions were in place: -  
Councillor Rob Cook for Councillor Christopher Akers-Belcher  
Councillor Brenda Loynes for Councillor Dr George Morris.

Councillors Jonathan Brash, Allan Barclay and Paul Thompson.

Officers:

- Dave Stubbs, Chief Executive
- Peter Devlin, Chief Solicitor
- Denise Ogden, Director of Regeneration and Neighbourhoods
- Damien Wilson, Assistant Director, Regeneration
- John Mennear, Assistant Director, Community Services
- Sylvia Pinkney, Public Protection Manager
- Patrick Wilson, Employment Development Officer
- Pat Usher, Head of Sport and Recreation
- David Worthington, Head of Culture and Information
- Andrew Golightly, Principal Regeneration Officer
- Nigel Johnson, Housing Services
- Joanne Burnley, Principal Environmental Health Officer
- Gemma Day, Principal Regeneration Officer
- Linda Igoe,
- Alison Carr, Head of Finance (Regeneration and Neighbourhoods)
- Laura Stones, Scrutiny Support Officer
- Steve Hilton, Public Relations Officer
- David Cosgrove, Democratic Services Team

## 22. Apologies for Absence

Councillors Christopher Akers-Belcher and Dr George Morris.

## **23. Declarations of Interest**

None at the Commencement of the meeting. During the discussions recorded at Minute 39 “Referral from Council”, Councillor Brash declared a personal interest.

## **24. Minutes of the meeting held on 18<sup>th</sup> July 2013**

Confirmed.

## **25. Medium Term Financial Strategy (MTFS) 2014/15 Savings Proposal** (*Director of Regeneration and Neighbourhoods*)

### **Type of decision**

Budget and Policy Framework

### **Purpose of report**

To enable members to consider the initial 2014/15 savings proposals relating to the Committees remit and to feedback comments to the Finance and Policy Committee.

### **Issue(s) for consideration by the Committee**

The Director of Regeneration and Neighbourhoods outlined the current financial situation affecting the Council and the savings required over the forthcoming financial years. The report to the Finance and Policy Committee on 2nd August 2013 provided an update on the latest position. In relation to the 2014/15 budget, the report advised Members that the Council faced a gross budget deficit of £8.524m. The gross budget deficit could be reduced to £4.594m without impacting on services through a combination of permanent budget savings and one-off factors. The Finance and Policy Committee report also detailed departmental savings proposals with a total value of £4.376m.

Assuming the proposed departmental savings were implemented there was a net unfunded deficit for 2014/15 of £0.218m. At this stage it was anticipated that this amount could be bridged from the 2014/15 New Homes Bonus which would be payable for 7 years commencing 2014/15. This income was not yet guaranteed and would depend on the share of the national New Homes Bonus funding the Council received, although at this stage this was a reasonable planning assumption. It should be noted that this proposal will mean that in 2014/15 total support for the core revenue budget from the New Homes Bonus would be £1.4m.

The Director highlighted to Members the savings proposals outlined in Appendix A to the report which set out the savings that had been identified within the remit of the Regeneration Services Committee. The Chair questioned the saving identified from the mobile library service. The

Assistant Director, Community Services indicated that the identified saving of £53,000 was from the whole library service. The service was currently under review, including the mobile library service, and a report would be brought to Members in the near future.

**Decision**

That the report and the 2014/15 proposed savings be noted and comments forwarded to Finance and Policy Committee at its meeting on 19 September 2013.

**26. Youth Contract Project** (*Assistant Director of Regeneration*)

**Type of decision**

Key Decision – test ii applies. Forward Plan Reference No. RN0713.

**Purpose of report**

To seek approval to allow the Council to deliver the new Youth Contract project on behalf of Pertemps People Development Group (PPDG) Ltd.

**Issue(s) for consideration by the Committee**

The Employment Development Officer reported that in November 2011, the Government launched the Youth Contract which was an investment of almost £1 billion of funding to support the participation of 16-24 year olds in education, training and employment. Through the Youth Contract, the Government had ring-fenced £126 million in England to support disengaged 16 to 17 year olds to move into education, training or employment with training. Due to funding requirements, all young people must be 16 or 17 years old, not in education, employment or training (NEET) and fit into one of the following categories:

- Have not achieved more than 1 GCSE grade A\* - C
- Young offenders
- Care leavers
- Young people serving community sentences

PPDG won the tender to deliver the Youth Contract across the North East and made enquiries with the Council's Economic Regeneration Team to deliver the Youth Contract in Hartlepool on their behalf. PPDG stated that they would initially deliver the project from September 2012 to September 2013, with the Council delivering thereafter, subject to Members approval at this meeting.

PPDG had proposed that from 1<sup>st</sup> September 2013 to 31<sup>st</sup> March 2016:

- Tees Valley Works (TVW) (which is a part of the Economic Regeneration Team) deliver the project.
- TVW and staff within Economic Regeneration Team to work with the 90 eligible young people.
- TVW to then support 75% (68) of the learners to re-engage in

training, education or employment (with training). The training or education must last a minimum of 180 guided learning hours with the programme approved by the Education Funding Agency (EFA).

- TVW must ensure that at least 50% (45) of the learners remain in sustained training, education or employment (with training). To achieve this outcome, the 45 learners must complete the minimum 180 guided learning hours on a programme.

The Employment Development Officer indicated that he was confident the programme could be delivered and there were no financial risks for the authority as the payment was by results and would be delivered by existing staff. It was also anticipated that there would be no need to go to third party contractors to provide support to any of the young people. Each of the programmes delivered would be bespoke to the individual.

Members welcomed the contract as the Council had an excellent track record in delivering programmes to young people consider NEET. There was some concern at the northeast contract having being awarded to PPDG when local authorities had a significant track record in delivering this kind of work.

Members expressed concern at the tight criteria applied to those eligible for the programme and this was acknowledged by officers but this was the parameters that had to be worked within. Members welcomed the contract and congratulated officers on securing the work and hoped that it would deliver successful outcomes to the young people that qualified for the programme.

### **Decision**

That the Committee approves the delivery of the new Youth Contract project on behalf of PPDG.

## **27. Selective Licensing** (*Assistant Director (Regeneration)*)

### **Type of decision**

Key decision – tests i and ii apply. Forward Plan Reference No 20 / 12.

### **Purpose of report**

To outline the findings of the consultation carried out with key stakeholders in the existing Selective Licensing areas and seek direction from members in terms of proceeding.

### **Issue(s) for consideration by the Committee**

The Principal Regeneration Officer outlined the findings of the consultation (the qualitative research / anecdotal evidence) carried out with key stakeholders in the existing Selective Licensing areas, which had been undertaken to complement the data analysis already undertaken (presented to Cabinet in September 2012). Appendix 1 to the report summarised the

review findings. Alongside this, as Appendix 2 to the report, was the initial borough wide analytical work that has been undertaken, related to the consideration of any new proposed designation in the town.

Four broad options for consideration were set out briefly in the report; these were: -

Option 1 - Borough wide licensing

Option 2 - Licensing priority wards

Option 3 - Licensing of distinct streets and / or areas

Option 4 - Do nothing

It was proposed that a Working Group be established to explore the preferred option of the Committee, in more detail, identify associated risks and resource implications and work up justifiable proposals for presentation back to the Regeneration Services Committee for consideration and approval to begin the consultation process. The group would initially consist of key local authority officers (from Housing Services, Legal, Neighbourhood Management, Community Safety etc.), with the opportunity to extend invites to other key service providers for example, the Police, as the process evolves. Early consultation with ward members of the potentially affected wards would also need to be arranged.

The Chair welcomed the report and nominated the Vice-Chair, Councillor Cranney to the Working Group and also considered that the Police should be involved in the work of the working group from the outset. The Chair suggested that Option 4 – Do Nothing should be discounted immediately.

The Vice-Chair commented that the current licensing areas had brought great benefits to some areas of the town but there was the knock on displacement effect that was now beginning to blight the areas on the immediate edge of the licensed area and this needed to be a factor that the working group must consider when identifying new licensing areas.

The Chair thanked the officers for a very comprehensive report and looked forward to the outcomes of the working group's considerations.

### **Decision**

1. That the findings of the report at Appendix 1 in relation to the existing Selective Licensing designation be noted;
2. That the findings of the analytical work at Appendix 2 be noted and that Options 1, 2 and 3 go forward for further exploration; and
3. That the proposal to set up a Working Group be approved and that the Vice-Chair be appointed to the working group and that the Police be invited to be involved from the outset.

**28. Health and Safety Service Plan 2013/14** (*Assistant Director (Regeneration)*)

**Type of decision**

Non-key.

**Purpose of report**

To consider the Health and Safety Service Plan for 2013/14.

**Issue(s) for consideration by the Committee**

The Plan detailed the Service's priorities for 2013/14 and highlighted how these priorities will be addressed. The Public Protection Manager outlined the Health and Safety Service Plan for 2013/14, submitted as an appendix to the report, highlighting the completed health and safety interventions and enforcement activities.

Members noted that the activities were reported in percentage terms rather than the number of visits as had been the case in the past. The Public Protection Manager indicated that percentages had been used for comparative purposes as the number of visits to premises each year could vary quite significantly.

**Decision**

That the Health and Safety Service Plan for 2013/14 be approved.

**29. Food Law Enforcement Service Plan 2013/14** (*Assistant Director (Regeneration)*)

**Type of decision**

Non-key.

**Purpose of report**

To consider the Food Law Enforcement Service Plan for 2013/14.

**Issue(s) for consideration by the Committee**

The Public Protection Manager reported that the Food Law Enforcement Service Plan for 2013/2014, set out as an appendix to the report, detailed the Service's priorities for 2013/14 and highlighted how the priorities would be addressed. The Public Protection Manager highlighted that over the past year the number of four and five star rated food premises had increased and the number of two star or lower rated premises had fallen.

Members questioned how many inspections were unannounced and the Public Protection Manager indicated that all inspections were unannounced with greater emphasis being placed on those with lower ratings.

Inspections were carried out immediately after any complaints were received about a premises. Members questioned if the growing number of

fast food outlets was placing pressure on the team. The Public Protection Manager indicated that across the town, the number of such outlets had not increased significantly. What was more of an issue were those premises where management and/or ownership changed. These required, effectively, a fresh inspection regime to ensure that all the appropriate training and management procedures were in place.

**Decision**

That the Food Law Enforcement Service Plan for 2013/14 be approved.

**30. Museum Accreditation – Collections Policies Review and Adoption** (*Assistant Director, Child and Adult Services (Community Services)*)

**Type of decision**

Non-key

**Purpose of report**

To recommend the approval of updated policies relating to the acquisition, disposal, care and interpretation of objects in the Museum and Art Collection.

**Issue(s) for consideration by the Committee**

The Assistant Director, Community Services reported that the “Accreditation Scheme for Museums and Galleries in the United Kingdom, Accreditation Standard 2011”, usually just referred to as “Accreditation”, is the national quality standard for museums. It defines best practice and identifies the standards to which a museum or gallery must work to be recognised as a professional and trustworthy organisation. It is administered by the Arts Council England (ACE) on behalf of the Department of Culture, Media and Sport (DCMS). Hartlepool had achieved and maintained accreditation standard for the 25 years since its introduction.

There were four new and updated policies for Members approval as part of the accreditation process. These were:

- Collections Development Policy 2013.
- Collections Care and Conservation Policy 2013.
- Documentation Policy 2013.
- Access and Learning Policy 2013

In addition two new action plans were now required to meet the Accreditation Standard. These were:

- Collections Care and Conservation Plan 2013-2018
- Documentation Plan 2013-2018.

All six policies and plans were submitted as appendices to the report.

### **Decision**

1. That all four reported policies, and the two new action plans as set out in the appendices to the report be approved.
2. That Committee recognises and supports the work of Culture and Information Services in continuously meeting the Accreditation Standard.

## **31. Brierton Sports Provision – Outcome of Funding Bids for new 3G Artificial Turf Pitch and Pricing Model** *(Assistant Director, Child and Adult Services (Community Services))*

### **Type of decision**

Non-key.

### **Purpose of report**

To update members on the outcome of funding bids made to Sport England and the Football Foundation in respect of the Brierton site and approve the pricing model related to the new sports provision.

### **Issue(s) for consideration by the Committee**

The Assistant Director, Community Services reported that at a meeting of 17th December 2012, Cabinet considered a number of options for sports facilities and the relocation of the Council services on the site as well as a number of alternative locations for future residential development at the former Brierton School site. Cabinet consequently approved the adoption of an option moving forward and as part of this, a new 3G artificial turf pitch (ATP) was included in order to enhance the playing pitch provision and offset the loss of part of the existing playing fields for residential development in order to satisfy Sport England's statutory responsibilities. This also involved a re-designation of playing field land and the need for new pitches and / or pitch improvement works. At the meeting, Cabinet also expressed the need for Officers to explore any funding opportunities to assist with the cost of the new sports provision.

The Assistant Director, Community Services reported that Sport England had subsequently awarded the maximum grant award of £50,000. This was conditional upon the match-funding requirement of £180,000 from the Council.

The Football Foundation had also approved a capital grant offer of 97% of the total project cost estimated at £620,800 subject to a maximum grant payment of £602,800. This would, therefore, also require a match-funding contribution estimated at £18,000 from the Council.

This was extremely good news and very welcome funding from the two organisations concerned that obviously see the opportunities that this partnership project has the potential to bring to Hartlepool.



The provision of the funding for the 3G ATP is subject to planning permission being granted. This, as the Committee would be aware, was currently out for public consultation and was expected to be taken to Planning Committee in September, provided approval was granted and allowing time for the procurement process, work could possibly start by November 2013.

Members welcomed the funding gained and congratulated officers in achieving such high levels of funding for the scheme. Some concern was expressed at the pricing model set out in the appendix to the report. Officers indicated that it was anticipated that much of the use of the pitches would be 'structured' use through clubs which were charged very competitive rates. The pricing model at Brierton would also affect the pricing at Grayfields and it was indicated that the annual review of charges report later in the year would propose reducing the charges at Grayfields to bring them into line with those proposed for Brierton. Members also indicated that the facilities needed to have adequate parking as there were already significant parking issues in that area.

#### **Decision**

1. That the successful outcomes of the grant applications made to Sport England and the Football Foundation for sports improvements at the Brierton site.
2. That the adoption of the pricing model for the 3G ATP as set out at Appendix 1 to the report is endorsed.
3. That the five-year partnership arrangement with Greatham FC and the proposed Football Development Plan as set out at Appendix 2 to the report is endorsed.

## **32. Quarter 1 – Financial Management Report** *(Director of Regeneration and Neighbourhoods and Chief Finance Officer)*

#### **Type of decision**

For information

#### **Purpose of report**

To inform members of 2013/14 forecast General Fund budget outturn for the Regeneration and Neighbourhoods Department and specific details for the services this Committee is responsible.

#### **Issue(s) for consideration by the Committee**

The Director of Regeneration and Neighbourhoods outlined the budget position for the Regeneration and Neighbourhood Services department as it related to the Committee, together with a brief comment on the reasons for the forecast outturn.

#### **Decision**

That the report be noted.

### **33. Six Monthly Monitoring of Agreed Scrutiny Recommendations** *(Scrutiny Manager)*

#### **Type of decision**

Non-key

#### **Purpose of report**

To provide members with the six monthly progress made on the delivery of scrutiny recommendations that fall within the remit of this Committee.

#### **Issue(s) for consideration by the Committee**

The Scrutiny Support Officer reported on the progress made against the investigations undertaken by the previous Regeneration and Planning Services Scrutiny Forum. These recommendations now fell within the remit of the Regeneration Services Committee. The report provided a detailed explanation of progress made against each scrutiny recommendation since the last six monthly monitoring report had been presented to the Regeneration and Planning Services Scrutiny Forum in February 2013.

#### **Decision**

That the report be noted.

### **34. North East Home Loans Partnership and other financial assistance** *(Assistant Director (Regeneration))*

#### **Type of decision**

For information

#### **Purpose of report**

To update the Committee about progress on the North East Home Loans Partnership and other financial assistance administered by Housing Services.

#### **Issue(s) for consideration by the Committee**

The Principal Environmental Health Officer outlined for the Committee's information the progress of the North East Home Loans Partnership and other financial assistance administered by Housing Services which included three different funding streams for grants and loans since 2010 as follow:-

- North East Home Loans Partnership funding –on going but with limited capacity as it now relies on funding being recycled back into the fund – a waiting list is held for eligible applicants;
- Home Plus Grants – administered by the Council –on going but is very limited as it also relies on funding being recycled back into the fund when housing regeneration funding or charges on property are repaid – a waiting list is held for eligible applicants;
- Warm Homes Funding – administered by the Council – one off none

recurring funding provided by the Department of Health in 2012/13 – Housing Services and the Director of Public Health are in dialogue with the Clinical Commissioning Group about future funding.

Members expressed concern that with the move to maintaining more elderly people in the community, there would be increased pressure on the Home Plus Grants. The Assistant Director, Regeneration commented that a separate report had been presented to Finance and Policy Committee on 28 August 2013 regarding 'Warm up North' which is a project looking to provide a regional 'Green Deal' scheme for partners in the North East. The purpose of the scheme was to improve the energy efficiency of domestic properties and non-domestic publicly owned properties across the North East with a view to reducing energy consumption and carbon emissions, whilst also helping to tackle fuel poverty. This would look to target around 200 to 300 properties in Hartlepool and would cover a lot of the work previously under the Home Plus scheme.

#### **Decision**

That the report be noted.

### **35. Sport and Physical Activity Team – Six monthly progress report** (*Assistant Director, Child and Adult Services (Community Services)*)

#### **Type of decision**

For information

#### **Purpose of report**

To inform and update members on the work of the Sport and Physical Activity Team.

#### **Issue(s) for consideration by the Committee**

The Assistant Director, Community Services indicated that the report updated members on the work of the Sport and Physical Activity Team which was part of the Council's Sport and Recreation Service. This area of work included Summerhill Outdoor Activity Centre and Country Park, the Outdoor Activities Service, GP Referral Programme, Learn to Swim (including Primary School Lessons) and all targeted work aimed at increasing participation in Sport and Physical Activity.

Members questioned if there were services directed at elderly residents. The Head of Sport and Recreation indicated that services were aimed across all age ranges but there were specific 50+ programmes and programmes aimed at the elderly, some of which were delivered in residential care settings.

Members commented that the recent free swims initiative had proved to be very successful and the impetus from the scheme should not be lost. A Councillor did indicate that some parents had commented that while their

children's admission had been free to the Mill House pool, their admission did feel expensive. The Assistant Director, Community Services indicated that a report would be brought to the committee on the free swims programme.

**Decision**

That the report be noted.

**36. Culture and Information Services Progress Report – January-July 2013** (*Assistant Director, Child and Adult Services (Community Services)*)

**Type of decision**

For information.

**Purpose of report**

To inform and update members of the work of the Culture and Information Services over the last 6 months.

**Issue(s) for consideration by the Committee**

The Assistant Director, Community Services indicated that the report outlined the work of the Culture and Information Services across the Borough. These services were provided at venues including: Burbank Community Centre; Central Library; Hartlepool Art Gallery; Hartlepool Maritime Experience; Headland Library; Museum of Hartlepool; Owton Manor Community Centre and Library; Seaton Community Centre; Seaton Library; Masefield Centre; Town Hall Theatre and Throston Library.

The Service also provided a number of services including: Arts and Outreach; Bibliographical services; Museum and library collections access and management; Enquiry service for libraries and museums; Events; Formal and informal learning opportunities in arts, libraries and museums; Marketing support to all Cultural Services; Literary and Reader Development Programmes; Loan-of resource and topic boxes from libraries and museums for schools; Home Library service, Mobile Library service; Reference and Information Service, Family and local history service; Room hires and long term lets for other Council Services and external agencies; Provision of a base for community events; Children's library services; Young people's Cultural Ambassadors scheme; lead for Tees Valley on First World War project.

**Decision**

That the report be noted.

**37. Nesta Innovation Fund** (*Assistant Director (Regeneration)*)

**Type of decision**

Non-key.

### **Purpose of report**

To inform members of external funding from the Centre for Social Action Innovation Fund to support young people to enter into employment and to advise on a proposed application by the Council for this fund.

### **Issue(s) for consideration by the Committee**

The Employment Development Officer reported that in May 2012, the Cabinet Office announced a £14 million Innovation Fund which formed part of the Government's new Centre for Social Action. The fund would be managed by the National Endowment for Science Technology and the Arts (NESTA) who also committed £4 million to the programme which was matched to the Cabinet Offices £10 million.

The Innovation Fund aimed to support innovative ventures and projects that use social action to achieve impact in the following four areas: -

- Ageing well: Helping people to age well, particularly by supporting people over 50 years to have a purpose, a sense of well-being and to be connected to others;
- Long-term health: Enabling people with long-term health conditions to have a better quality of life, particularly through the use of peer to peer networks and groups;
- Young people: Supporting and encouraging young people to succeed and find employment, for example through mentoring, coaching, and peer-to-peer networks, and;
- Impact volunteering: Using new approaches to 'impact volunteering' to mobilise volunteers to increase and enhance the outcomes achieved by public services.

The current funding round runs until 31st October 2013 with charities, social enterprises, public services and for-profit businesses all eligible to apply for grants of between £50,000 and £500,000 to support projects that deliver public benefit. However, in most cases match funding would be required.

Youth unemployment remained a key priority across the Tees Valley area with currently 7,675 or 12.3% of 18 to 24 year olds unemployed which is significantly higher than the regional and national rates. Therefore, this was an excellent opportunity to bid for additional resources to tackle youth unemployment. As this funding opportunity required that projects be delivered in more than one area, it is proposed that: -

- Hartlepool Borough Council will lead on developing a Tees Valley wide project specifically in partnership with the four local authorities across the sub-region and specialist delivery partners;
- The project will be aimed at 16 to 24 year olds who are not in education, employment or training (NEET) and live within the Tees Valley;
- Hartlepool Borough Council will be the accountable body and will

submit the expression of interest prior to the deadline of 31st October 2013;

- The project will offer young people mentoring and coaching to support them into employment with a specific focus on apprenticeships and employment with training, and;
- If successful, Hartlepool Borough Council's Economic Regeneration Team would manage the project.

To ensure that all key stakeholders were fully aware of this funding opportunity, there would be a number of consultation steps undertaken. If agreed with the four local authorities and TVU, Hartlepool Borough Council would apply for £500,000 from the Centre for Social Action Innovation Fund which would be matched across the local authorities by existing NEET projects. The exact amount of match funding is still to be confirmed. To be considered for this round of funding, an expression of interest form has to be completed by 31 October 2013.

Members questioned the level of support that would be given to the young people that would be supported through the scheme. The Employment Development Officer indicated that there would be a dedicated mentor for each young person to support them through the process from career identification to application, interview starting work and development training. The Assistant Director, Regeneration commented that many of the young people who would be the target of the scheme had little work ethic understanding and needed considerable support to progress into work.

Members commented that while the scheme would be welcomed, the real need that existed was for permanent jobs. The Assistant Director, Regeneration also stated that Council Officers worked closely with the business community to help them create new jobs. Members were also concerned that should the bid for the scheme be successful, there was a need to avoid any duplication with other offers for young people. The proposal to apply for the fund was supported and welcomed by Members particularly with the Economic Development Team leading the bid.

### **Decision**

That the report be noted and that a further report be submitted to Committee once a decision had been made by the external funder on the Council's application.

## **38. Any Other Items which the Chairman Considers are Urgent**

The Chairman ruled that the following items of business should be considered by the Committee as a matter of urgency in accordance with the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matter could be dealt with without delay.

### **39. Reference from Council** (*Chief Solicitor and Monitoring Officer*)

#### **Type of decision**

None – for information.

#### **Purpose of report**

At its meeting on 25th July, 2013, Council approved a motion which requested a full investigation and subsequent report to this Committee. Further, the investigation was to cover the procurement process relating to the award of certain business grants and this report was confined to the terms of reference for that investigation as resolved by Council.

#### **Issue(s) for consideration by the Committee**

The Chief Solicitor outlined the motion that had been discussed at Council on 25 July 2013 and set out the results of the Chief Solicitor's investigations into the specific points of the Council motion -

- the procedures, initiated by the then Regeneration Portfolio Holder Councillor Pamela Hargreaves on 22nd July, 2011, and any subsequent amendments;
- what changes were made to the Panel composition that awards our business grants,
- why did the Council not procure these 28 contracts and why were our preferred service providers bypassed?
- interview all recipients of small business grants to ascertain what procurement alternatives they were presented with in the use of their small business grants?
- Ensure we maintain the integrity of the Council and if there is anything untoward unearthed through the investigation that it is immediately referred to appropriate authorities'.

The report set out in detail the Chief Solicitor's investigations into the individual elements of the Council motion and his conclusions in each case. In presenting his outcomes to the Committee the following issues / comments from the report addressed the Chief Solicitor's conclusions.

- The report presented to the then Regeneration and Economic Development Portfolio Holder, namely Councillor Hargreaves, on 22nd July, 2011, proposed changes to the decision making process for grants over £5,000. The only change on the previous process was that the Assistant Director and the Portfolio Holder would sign off these grant decisions. . The reference from Council infers that this change led to "28 contracts" being awarded to a business to which Councillor Hargreaves has an interest. This is not the case. .... the "28 contacts" were not associated with the grant process for awards of funding over £5,000.
- At the meeting on 22nd July 2011, that Councillor Hargreaves as Portfolio Holder queried "what processes were in place to audit the decision making process". The response was that audits were carried

out across all service areas and the Portfolio Holder asked for quarterly reports to be submitted to her Portfolio thereafter. I see nothing wrong in such an approach and indeed one which has subsequently been commended by Committees in the Council's new governance arrangements. If anything such an approach can be credited with making the system more accountable as well as being more transparent.

- The Council motion refers to some “28 contracts”, which it is alleged did not go through a formal procurement process. Attached as an appendix to the report for the Committee's further information, are those invoices between the period 27th September, 2011 through to 29th June, 2013 which relate to a company to which Councillor Hargreaves has a material interest and whose objects are to provide “business support services activities’. For the financial year to 2011/12 there are six invoices relevant to the company to which Councillor Hargreaves is a Director and upon which total expenditure by the Borough Council amounts to some £5,992 (net of VAT).
- Of particular note, all of these invoices are for amounts of £2,000 or less which is material with reference to the Council's Contract Procedure Rules. The Council is of course statutorily obliged to achieve value for money/best value in accordance with the provisions of the Local Government Act, 1999. The Council's Contract Procedure Rules dictate that “informal procedures” can be utilised for contracts under £2,000.
- There is almost an even split between these “contracts” emanating from the Council's Economic Development Team and those relating to work commissioned by Adult Education. During the course of this investigation, I have interviewed Officers from the respective divisions within the Council. The Council's Economic Development Team have a database of some 30 organisations who they draw upon to assist clients in a range of professional disciplines and initiatives.
- It will therefore be noted over the financial years 11/12 and 12/13 the company to which Councillor Hargreaves has an interest either received a grant or work referenced through being a consultancy which amounts to approximately 10% or less of the overall spend through grants/use of consultancies.
- For the avoidance of doubt, no Officer had any link or association to the company to which Councillor Hargreaves has a material interest and no Officer indicated there were under any pressure, influence or coercion exercised by Councillor Hargreaves or any other Councillor in their commissioning of promotional and design work.
- I have also had occasion to formally interview Councillor Hargreaves who openly volunteered information, which essentially corroborated the information presented by Officers. Councillor Hargreaves recounted that at the meeting on 22nd July, 2011, she had felt that in “refreshing” the Panel composition on grants over £5,000 she was trying to make the Council's procurement more open and transparent which was again reflected in her recommendations that the Portfolio Holder should receive quarterly information on grant assistance awarded by the Council. Shortly thereafter the then Elected Mayor changed the



composition of the portfolios so that Councillor Hargreaves' involvement extends little beyond the July, 2011 meetings date. It was her considered opinion, that even where her company responded with a quotation through the invitation of a Council Department, it was subject to the Council's Contract Procedure Rules and a process of negotiation with Council Officers. She indicated her involvement with various business networks but did not feel that she had in any way abused her position either as Portfolio Holder or as a member of the Borough Council.

- In a sample from 70 transactions through the Council's Integra system it is of note that the company associated with Councillor Hargreaves does not have the highest percentage of use per supplier, nor the highest expenditure.
- Whilst Officers may be criticised for what appears to be the regularity of work being commissioned with Councillor Hargreaves' company, such an accusation would be unjustified. Officers undoubtedly on the basis of the Council's informal quotation procedures made reasonable enquiries, particularly through negotiations, in order to ensure that the Council were maintaining value for money and that references through consultancy assistance was done on a random basis consequent upon the needs of the recipient.
- I note from the Council resolution that "all recipients of small business grants" should be formally interviewed. It may well be that if someone digs deep enough they may unearth something of concern about anything or anyone. I do not feel, in the instant case, that such further exploration is warranted or required. I do consider, that to embark on interviewing the recipients of small business grants (which are in excess of a hundred) would not serve any useful purpose particularly from the conclusions I have drawn from my inquiries.
- As expressed in the Local Government Association Peer Review Report there will always be a perception from members of the public that Councillors who have an interest either in the community, voluntary or overall business sector will in some way be better placed or be able to influence the procurement and commissioning of services, supplies and works from their relevant local authority. This is an unfortunate consequence by way of association of an individual seeking elected office and also having business interests.
- Materially, the public need to know when any wrongdoing has taken place. To do otherwise would seriously undermine public confidence in the role of elected Members and also has ramifications for Officers. Under the Terms of Reference supplied by Council I have found nothing which leads me to the conclusion that Councillor Hargreaves has used any undue influence or been complicit in any way in the procurement and commissioning of these "28 contracts" or has in any way acted inappropriately in her formal role as Portfolio Holder.

The Chief Solicitor further indicated to the Committee that he had advised Councillor Hargreaves in relation to her Register of Interests form on the Council's website and amendments to the form had been completed by Councillor Hargreaves and the up-to-date form was now on the website.

The Chief Solicitor would also be extending an invitation to all other Members of Council to discuss with him their Register of Interests form.

The Chief Solicitor also indicated that he would be inviting individual councillors to meet him to discuss their own Register of Interests form. The Chief Solicitor was also to meet the Council's external Auditors to discuss the issue with them.

In relation to the report in general, the Chief Solicitor indicated that the report had not been hurried and that he had shared the outcome with Councillor Hargreaves as he would any investigation report into the conduct of a Councillor.

In opening the meeting for questions the Chair asked Members to focus on the contents of the report and the Chief Solicitor's conclusions and not hearsay.

The Chair of Council commented that he was concerned that the full requirements of the Council minute had not been fulfilled and as such a report should have been referred back to Council. The Chair of Council indicated that he had serious concerns that what had been requested had been watered down. The Chief Solicitor stated that he had kept strictly to the motion approved by Council and considered his report fulfilled the spirit of the decision.

Concern was expressed at the retrospective amendment to Councillor Hargreaves Register of Interest form and whether declarations of interest should have been declared at the time of the decisions. The Chief Solicitor indicated that no declarations had been at the time of the decisions and none was required. The amendment to the Register of Interest form was on the website and made reference to contracts which were not yet fully discharged. The Chief Solicitor considered that at Hartlepool declarations of interest went above and beyond what was required and were a matter of good practice. The Chief Solicitor confirmed that the form had been amended retrospectively following advice given to Councillor Hargreaves but he did not feel that any rules had been breached as the declaration essentially went further than normal requirements.

Concern was expressed in relation to the contract procedure rules relating to work commissioned by the authority that would cost under £2000. The Chief executive stated that the contract procedure rules only required the seeking of quotations and officers generally went back to those companies and individuals that had provided good value for money and good work. In this case the contracts had been reviewed and in each case good value was obtained for the authority.

The Chief Executive stated that much of this issue related to public perception. He had therefore asked the Chief Solicitor to undertake his investigation thoroughly but to complete it as soon as possible to bring a close to the issue.

Members commented that the case was arising that individual Councillors were recording declarations at every opportunity in every meeting. There was contentment that no corrupt practices had been found.

Councillor Brash declared a personal interest before commenting that he welcomed the report of the Chief Solicitor and wished to see the Committee note that the subject of the report had been found not to be corrupt.

The Chair indicated that he had wished to see the issue investigated and concluded and acknowledged the report and its findings as finalising the matter.

#### **Decision**

That the report be noted.

### **40. Local Government (Access to Information) (Variation Order) 2006**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 41 – (Title) – This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding the information).

### **41. Hartlepool Stem Hub – Coastal Communities Round 2, Stage 2 Bid** (*Assistant Director (Regeneration)*)

This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding the information).

#### **Type of decision**

Non key decision.

#### **Purpose of report**

To seek Committee approval to develop a Stage 2 bid to the 2nd Round of Coastal Communities.

**Issue(s) for consideration by the Committee**

The Principal Regeneration Officer outlined a proposed bid for bid for Coastal Communities funding. Full details are included in the exempt section of the minutes.

**Decision**

1. That the preparation of the proposed bid be endorsed.
2. That the proposed funding for the preparation of the bid be endorsed.

The meeting concluded at 12.00 noon.

**P J DEVLIN**

**CHIEF SOLICITOR**

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