

REGENERATION SERVICES COMMITTEE

MINUTES AND DECISION RECORD

24 OCTOBER 2013

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

Present:

Councillor Robbie Payne (In the Chair)

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

Also Present: In accordance with Council Procedure Rule 5.2; Councillor Brenda Loynes as substitute for Councillor Dr Morris.

Officers: Denise Ogden, Director of Regeneration and Neighbourhoods
Damien Wilson, Assistant Director, Regeneration
Antony Steinberg, Economic Regeneration Manager
Patrick Wilson, Employment Development Officer
Amy Waller, Principal Housing Regeneration Officer
Alison Carr, Head of Finance (Regeneration and Neighbourhoods)
Zoe McKenna, NCS Coordinator, Integrated Youth Support Service
David Cosgrove, Democratic Services Team

54. Apologies for Absence

Councillors S Akers-Belcher, Fisher and Loynes.

55. Declarations of Interest

None.

56. Minutes of the meeting held on 26 September 2013

Received.

57. Carr/Hopps Street Regeneration Area Regeneration Review *(Assistant Director (Regeneration))*

Type of decision

Key Decision (test (i)) Forward Plan Reference No. RN19/13

Purpose of report

To provide Members with a progress update on the implementation of the Carr/Hopps Street regeneration project plan including progress of acquisition by agreement of privately owned properties and resident relocation on the site. The report set out the recommended option for the future delivery of the scheme, provided budget implications and sought approval from Committee to implement the preferred option from November 2013.

Issue(s) for consideration by the Committee

The Principal Housing Regeneration Officer reported that the Carr/Hopps housing regeneration area included 188 residential terraced properties including 2 properties with a commercial element in the streets of Rodney Street (numbers 17-73 odds and 24-80 evens) Richardson Street, Blake Street (numbers 2-18 evens) Carr Street, Jobson Street, Hopps Street and Hart Lane (numbers 31-57 odds). The site is 2.06 hectares in size.

The Carr/Hopps street regeneration site was located within the New Deal for Communities (NDC) area and had been identified as an area for intervention through the NDC Community Housing Plan (CHP) an integrated part of Hartlepool's HMR programme. Following the end of the NDC programme in 2010 the Council became responsible for the delivery of this scheme and it became part of the HMR programme reported to Tees Valley Unlimited (TVU) and Government. The Carr/Hopps Street regeneration area was the last piece in the jigsaw of incremental regeneration and required completion to prevent the regeneration successes reversing into a rapid spiral of decline, protect investment made in surrounding areas, and to help households trapped in properties that are in very poor condition.

The report set out the detailed background to the scheme and the changes in funding and government support over the intervening years. The report then set out the current situation in terms of properties purchased and the numbers outstanding. The Principal Housing Regeneration Officer highlighted that to date Hartlepool Borough Council had purchased 97 properties, a further 16 properties are at agreed sale status and have legal instructions and an additional 4 properties in the 'agreed sale' position pending legal instruction. Since March 2012, 61 valuation reports have been conducted but there are currently 23 properties where no contact has been made with the owner despite numerous attempts. The Council therefore has acquired or agreed to acquire 117 properties or 62% of the full regeneration site. At the meeting it was indicated that since the report had been prepared a further three owners had agreed terms with the council to sell their properties.

As many properties in the area were now empty, there was growing concern in relation to their condition and the impact of these empty properties on those still living in the area. Moving the scheme forward was now becoming essential. However, the Council had been advised that use

of Compulsory Purchase Powers (CPO) in this area were unlikely to be successful due to there being no approved scheme or developer and full scheme funding not identified. It was therefore proposed that CPO not be considered and that the scheme is completed through purchases by agreement only.

The scheme was currently being delivered in line with budget parameters set out within the approved project plan of March 2012 and the Medium Term Financial Strategy. As the Council had been successful in securing HMR Transition funding to assist with the completion of this scheme, the transition funding spent to date was £1,243,539. There was an additional £650,000 committed (property acquisitions where Legal Services had been instructed). The total spend and committed spend was therefore £1,893,539. The Council had made offers on a number of additional properties to the value of £650,000.

The estimated cost of delivering the scheme was underpinned by key financial planning assumptions in relation to property purchase prices, demolition, compensation payments and on-site management expenditure. The ability to complete the project within a fixed budget was extremely challenging given uncertainties about property values and the time taken to complete delivery. Given the current financial position it was now felt that the options for moving the site forward should be explored to ensure delivery of the scheme in budget.

The Principal Housing Regeneration Officer outlined the following options that could be explored further in terms of proceeding with regeneration of the Carr/Hopps Street area;

- Full scheme acquisition by agreement
- Removal of Hart Lane from the redevelopment boundary
- Selective Demolition.

Full details of the financial impact of each option were set out in the report. The option recommended to Members was the removal of Hart Lane from the redevelopment boundary. Due to the nature of these properties there was higher demand for them which was reflected in the level of occupancy of the properties in private ownership and the higher property values. If agreed, the council owned properties would be refurbished and a property improvement scheme along Hart Lane implemented to improve the properties visual appearance and assist occupants of these properties to complete property refurbishment in the knowledge their properties would not be demolished. An example of this could be found on the Belle Vue regeneration site. An approximate £100,000 had been assumed necessary to create a grant pot for an improvement scheme. All grant funding allocated would be registered on a charge on the property for a period of 5 years.

If acquisition by agreement cannot be achieved across the whole site by October 2014 the option for selective demolition should be considered. At this point, where suitable and appropriate, properties owned by the Council

could be demolished. Where private interests remain, the site would be demolished around these properties, usually in blocks of 4/6 houses and suitable remediation work carried out to ensure private properties were protected, secure and stable. This includes the rebuilding of gable ends to all exposed properties. An indicative price for this work of £17,000 per gable has been provided by the Council's Building Consultancy team. This would, however, make the site unpopular with developers.

Members welcomed the report and the suggested removal of the Hart Lane properties from the scheme. The improvement scheme for those properties still in private ownership was also welcomed. Members sought assurance that the home loss payments were going to tenants and not landlords when they were moved from properties in the area. Officers gave the assurance indicating that payment was made to the tenant once in their new home.

Members did consider that the option of the Council itself becoming the developer for the site, possibly in conjunction with another developer, should be explored. This would be a more viable option if the proposal for selective demolition came into play. The Assistant Director, Regeneration indicated that this could be explored in a report to Members.

Decision

1. That the position in respect of compulsory purchase powers and activity on the Carr/Hopps Street regeneration site be endorsed and that Compulsory Purchase powers through the Planning and Compulsory Purchase act will not be used to achieve full scheme acquisition.
2. That the contents of the report and in particular the budget position and potential delivery options presented be noted.
3. That the recommended option to remove Hart Lane from regeneration boundary be approved and that approval also be given to:
 - (a) Exclude properties on Hart Lane from the demolition boundary and that no further acquisition of property on Hart Lane (excluding current agreed sales) will be taken forward.
 - (b) Include the four properties owned by the Council on Hart Lane into the Empty Property Purchasing Scheme for their refurbishment by March 2014.
 - (c) Implement a grant refurbishment programme for the privately owned properties on Hart Lane.
 - d) Approval of selective demolition to be progressed as blocks of properties are acquired through the duration of the scheme delivery.
 - (e) Continue to acquire properties by agreement in Rodney Street (numbers 17-73 odds and 24-80 evens) Richardson Street, Blake Street (numbers 2-18 evens) Carr Street, Jobson Street and Hopps Street by agreement on the basis of market value plus 7.5% basic loss payment, 10% loss payment for owner occupiers with contribution of £300+VAT for legal fees and £300+VAT agent fees.
 - (f) Continuing to make home loss payments to the value of £4,700

per household following household relocation provided they have been in occupation for a minimum 12 months on site.

4. That work to commence on a Masterplan for the area based around the redevelopment boundary excluding Hart Lane.
5. That progress on acquisitions be reviewed in October 2014 and consider proposals for selective demolition of Council owned property.

58. Youth Employment Initiatives *(Assistant Director (Regeneration))*

Type of decision

None – the report was for the Committee's information.

Purpose of report

The report informed members of the youth employment initiatives that are being delivered by the Council.

Issue(s) for consideration by the Committee

The Employment Development Officer submitted a detailed report as requested at the August meeting of the Committee setting out details of the various projects being delivered by the Council to support young people who were not in education, employment or training (NEET).

Currently, Hartlepool's youth unemployment rate is the highest in the Tees Valley and the second highest in Great Britain. 14.6% or 1,225 young people in the town aged 18 to 24 years were unemployed, which was higher than the Tees Valley rate of 12%, the North East rate of 9.3% and the Great Britain rate of 6.1%.

The report went on to outline the various projects and schemes that were in place to tackle youth unemployment and particularly NEETs; these included; -

- Hartlepool Youth Investment Project - the over-arching Council project which brings together all youth employment initiatives that are delivered by the Council and its partners.
- Youth Employment Initiatives - as delivered through the Youth Support Service, Adult Education and Economic Regeneration Teams.

The report also outlined the links between the individual projects and the work undertaken by the Youth Guarantee Working Group which involved the Council and key partners from the public, private and voluntary and community sectors.

Members welcomed the report. It was commented that bringing together the employment initiatives with youth support and adult education was key to future success. The Director of Regeneration and Neighbourhoods commented that the forthcoming relocation of Adult Education into the Regeneration Division would strengthen those links. The new Director of

Child and Adult Services was also keen to strengthen the links with the Youth Service. A lot of good working was already in place and these moves would only strengthen that.

Members sought assurance that those young people with mental health issues were also being included within the various programmes. The Employment Development Officer indicated that officers had looked to enhancing the services to this section of young people and the Adult Services Employment Link Team who support people with mental health problems was now based within Economic Regeneration Team.

Members raised the advice provided through the one stop shops and questioned if some of the work previously undertaken through the scrutiny investigation into face to face advice needed to be revisited to ensure there was no duplication of service and that the service was making a difference to those that came to it. The Assistant Director indicated that there was a focus on delivering positive outcomes and ensuring the removal of duplication. The aims of the various schemes and projects were to improve young people's employability and getting them into sustainable long term employment. The situation was that there was a deficiency of around 3000 jobs in the town and while there were consistent efforts made to bring new employment to the town, many needed to understand that their long term employment options may lie outside of Hartlepool. There was still some reticence to travel that needed to be overcome.

The Chair thanked the officers for the detailed and positive report which reflected the considerable work being undertaken in this area.

Decision

That the report be noted.

59. Strategic Financial Management Report – as at 31st August, 2013 *(Director of Regeneration and Neighbourhoods, Director of Public Health, and Chief Finance Officer)*

Type of decision

None – the report was for the Committee's information.

Purpose of report

The report informed Members of the 2013/14 Forecast General Fund Outturn; 2013/14 Capital Programme Monitoring, and provided details for the specific budget areas that the Committee was responsible for.

Issue(s) for consideration by the Committee

The Director of Regeneration and Neighbourhoods indicated that the latest report submitted to the Finance and Policy Committee on 18th October 2013 advised Members that there would be an overall underspend in the current year. The report also advised Members that this position reflected action taken by the Corporate Management Team to achieve underspends

to help address the significant financial challenges facing the Council over the next few years and to fund one-off commitments not provided for in the approved 2013/14 budget as these items were not known at the time.

The agreed approach was that no specific decisions would be taken on the underspends until the details of the government's grant settlement were known. It was likely that this would not be available to the Council until late December at the earliest.

The Director highlighted the success of the empty homes improvement scheme and suggested that Members should visit one of the properties to see the level of refurbishment undertaken. Members welcomed the invitation.

Members questioned the potential use of Economic Development reserves to assist in providing advice to young people on business start-ups and self employment. The Economic Regeneration Manager commented that the Council did look to how it could work with training providers on such advice which was now becoming more mainstream. There was help and advice available through a number of sources, including the local authority training schemes. Members considered that a more proactive approach should be encouraged potentially with year 11 school pupils. Officers indicated that the various schemes under the umbrella of the Youth Employment Initiatives looked to providing such advice. Work was ongoing with the Youth Service on offering entrepreneurial sessions as part of the National Youth Week which would involve business people being available for help and advice. Members requested that officers look to involving school children in these sessions where possible.

Members raised concern at the apparent income shortfall for the Borough Hall on the Headland. The Director stated that there was always an imbalance in income as the income target was, and had been for a number of years, set too high. This had been raised on a number of occasions as a budget pressure. Members did feel that the Hall and the bar failed to grasp some of the income generation opportunities available and a number of examples of when the bar at the hall could have been opened were highlighted. Members considered that the Borough Hall was a fantastic venue that needed to be managed in a more businesslike manner. Members cited other council venues that also appeared not to take advantage of the opportunities available. The Director indicated that Members' comments would be taken on board and a report produced looking at the options for the future management of the Borough Hall.

Decision

1. That the report be noted.
2. That the Committee visit one of the refurbished empty homes funded through the Empty Homes Strategy.
3. That a report reviewing the future management options for the Borough Hall be submitted to a future meeting of the Committee.

60. European Commission ‘Youth Guarantee Scheme’ (Assistant Director (Regeneration))

Type of decision

Key Decision (test (i)/(ii)) Forward Plan Reference No. RN 35/12.

Purpose of report

To inform members of the successful application for the European Commission's Youth Guarantee Scheme funding and to seek approval for the Council to be the accountable body for this contract.

Issue(s) for consideration by the Committee

The Employment Development Officer reported that in August 2012, the European Commission announced a €4 million call for proposals to develop a Youth Guarantee Scheme in local, regional or national areas where youth unemployment is above 22.7%. The Council's application was submitted to the European Commission in Brussels, Belgium by the deadline of 22nd October 2012. It was originally announced by the European Commission that organisations were to be notified of the results of their application by the end of January 2013.

On 5th July 2013, the Council received notification that its application had been successful and that it had secured European Commission funding of €248,140.82. However, the Council did not receive the grant offer until Monday 21st October 2013. Within the offer letter, the Council has until Friday 1st November in which to return the signed contract to the European Commission.

Full details of the funding and the scheme proposed were set out in detail in the report. The Employment Development Officer indicated that the proposed contract had been examined by the Legal Services Manager and the Chief Finance Officer who had highlighted the potential clawback of grant penalties should the Council fail to deliver on the contract. This was not seen, however, as an obstacle to the Council proceeding with the contract.

Members welcomed the report and the contract and congratulated the officers in the submission of the successful bid to the EU. Members questioned how the delivery of the contract with the involvement of the community and voluntary sector and the business sector would be managed. The Employment Development Officer indicated that the Council would be looking to partners to deliver elements of the contract such as the mentoring service.

The Chair welcomed the news of the contract and congratulated officers on winning the bid against competition from some of the most deprived regions across the EU.

Decision

That approval be given to the Council becoming the accountable body for this scheme and that the contract be signed by the Council and returned to the European Commission by 1st November 2013 as required.

The meeting concluded at 10.35 am.

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 30 OCTOBER 2013