

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 26 September 2016

at 10.00 am

**in the Council Chamber,
Civic Centre, Hartlepool.**

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Barclay, Beck, Clark, Cranney, Hind, James, Loynes, Moore, Thomas and Thompson.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 5 September, 2016.
- 3.2 To receive the minutes of the joint meeting with Regeneration Services Committee held on 9 September, 2016 (to follow).
- 3.3 To receive the minutes of the meetings of the Tees Valley Combined Authority held on 7 June, 8 July and 19 July, 2016.

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Capital Programme 2016/17 – *Director of Regeneration and Neighbourhoods*

5. KEY DECISIONS

None.



6. OTHER ITEMS REQUIRING DECISION

- 6.1 Tees Valley Shared Public Health Service – *Director of Public Health*
- 6.2 Disposal of Surplus Assets - Sale of Market Hotel, Lynn Street – *Director of Regeneration and Neighbourhoods*
- 6.3 Senior Leadership Restructure – *Chief Executive*

7. ITEMS FOR INFORMATION

None.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

9. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves 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

10. EXEMPT ITEMS FOR DECISION

- 10.1 Acquisition of Freehold Investment Property – *Director of Regeneration and Neighbourhoods* (para. 3)

FOR INFORMATION

Date of next meeting – Monday 31 October, 2016 at 10.00 am in the Civic Centre, Hartlepool.



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

5 SEPTEMBER 2016

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool

Present:

Councillor Christopher Akers-Belcher (In the Chair)

Councillors: Allan Barclay, Paul Beck, Alan Clark, Kevin Cranney, Marjorie James, Brenda Loynes, Stephen Thomas and Paul Thompson.

Also Present: Councillor Bob Buchan as substitute for Councillor Tom Hind in accordance with Council Procedure Rule 5.2.

Officers: Gill Alexander, Chief Executive
Chris Little, Chief Finance Officer
Peter Devlin, Chief Solicitor
Louise Wallace, Director of Public Health
Chris Catchpole, Head of Commissioning and Clinical Quality
Karen Clark, Treatment Effectiveness Manager
Denise Ogden, Director of Regeneration and Neighbourhoods
Alastair Rae, Public Relations Manager
David Cosgrove, Democratic Services Team

29. Apologies for Absence

Councillors Tom Hind and Shane Moore.

30. Declarations of Interest

None.

31. Minutes of the meeting held on 25 July, 2016

Received.

32. Minutes of the meeting of the Health and Wellbeing Board held on 29 April, 2016

Received.

33. Minutes of the meeting of Safer Hartlepool Partnership held on 17 June, 2016

Received.

34. Minutes of the meeting of Tees Valley Combined Authority held on 4 April and 15 April, 2016

Received.

35. Final Outturn 2015/16 (*Corporate Management Team*)

Type of decision

Budget and Policy Framework.

Purpose of report

To provide details of the final outturns for 2015/16 and to approve the recommendation that a strategy to use the final 2015/16 uncommitted revenue outturn of £51,000 be developed as part of the 2017/18 budget process.

Issue(s) for consideration

The Chief Finance Officer reported that the detailed outturn strategy for 2015/16 was approved as part of the MTFS proposals referred to full Council in February 2016. The approved strategy advised Members that the final outturn for a range of budgets would depend on the impact of seasonal and demand factors in the final three months of the financial year. As a range of factors remained uncertain the approved strategy identified a potential uncommitted outturn of £1.457m which was allocated to the Budget Support fund.

The Chief Finance Officer stated that the actual uncommitted outturn is £91,000 higher than forecast. The increase reflected a range of factors, including continued robust budget management in the final three months of the financial year and the impact of seasonal/demand factors. Part of the uncommitted outturn, £40,000, had been allocated for the demolition of Jackson's Landing. It is recommended that a strategy to use the final 2015/16 uncommitted revenue outturn of £51,000 be developed as part of the 2017/18 budget process.

In relation to Capital expenditure, £12.881m was to be re-phased to 2016/17 and capital resources would be carried forward to fund those commitments. In overall terms it was currently anticipated that the capital programme would be within budget.

Decision

1. That the report be noted;
2. That a strategy for using the final 2015/16 uncommitted revenue outturn of £51,000 be developed as part of the 2017/18 budget process.

36. Acquisition of Assets – Victoria Road, Gladstone House *(Director of Regeneration and Neighbourhoods and Director of Public Health)***Type of decision**

Key Decision (test (i)) Forward Plan Reference No. RN 98/11

Purpose of report

To seek approval for the acquisition of Gladstone House Victoria Road for a Health and Wellbeing Recovery Centre.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that in 2015/16, Public Health, in Partnership with Addaction, a locally commissioned, specialist prescribing contractor for substance misuse services, were successful in receiving a capital grant from Public Health England (PHE) to deliver a Health and Wellbeing Recovery Project. This project, to be known as “Stepping Stones”, would be delivered to those recovering from drug and alcohol addiction in Hartlepool. The project would develop a Health and Wellbeing Recovery Centre delivering a range of healthcare interventions and including diversionary and developmental activities.

In order to deliver the project, suitable premises were required. The use of existing Council premises has been considered, but there were no suitable properties vacant at present; the property requirement included being in a central location, a Use Class D1 planning consent (Use Class D1 includes clinics and health centres) and sufficient space to accommodate a range of activities and facilities including clinical work, a fitness suite, advice and mentoring services.

An appropriate property from which to deliver the project became available on the open market earlier this year, 46 Victoria Road, which was formerly a general practice doctor’s surgery and thus had both the type and layout of accommodation required by the service and a suitable planning consent. The property does require some repairs, mainly in relation to roofing/rain water goods and some areas of rising dampness but these were relatively limited. In addition, the service will carry out some internal alterations to the building.

Terms had been provisionally agreed for the purchase of the property. As the project would be delivered by Addaction, the property would be leased to them for the duration of the project. There was an option within the current contract with Addaction to extend the contract until the end of March 2019 which was part of the Substance Misuse Options appraisal presented to Finance and Policy Committee on 25 July 2016. This would ensure that the end dates for both projects were aligned.

Decision

1. That the acquisition and lease of the property to Addaction as reported be approved.
2. That the delivery of the project be approved subject to the Heads of Terms as set out in the confidential Appendix 2 to the report which contained 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 that information).

37. Quarter 1 Council Overview of Performance and Risk 2016/17 *(Assistant Chief Executive, Director of Regeneration and Neighbourhoods and Director of Public Health)*

Type of decision

Non Key Decision.

Purpose of report

To inform Finance and Policy Committee of the progress made against the 2016/17 Council Plan at the end of quarter 1 and seeking agreement to a number of changes/updates to the plan. The report also provided the Committee with an update on the topic of Corporate Procurement as agreed by the Committee in June 2016.

Issue(s) for consideration

The Chief Finance Officer reported on the overall progress made on the Council Plan during the first quarter of the financial year, together with specific details of progress against those actions, performance indicators and risks from those service areas that are specifically relevant to the Finance and Policy Committee.

Decision

1. That the overall progress made on the Council Plan 2016/17 and the progress made on the specific areas of the Council Plan relevant to the Committee at the end of Quarter 1, as set out in appendix 1, be noted;

2. That the position in relation to use of RIPA powers, as set out in appendix 1 to the report, be noted;
3. That the date change of action CED16/17 OD25 as set out in Appendix 1 be approved;
4. That information provided on the action identified as not achieved, those Performance Indicators identified as requiring intervention and the change to risks as set out in Appendix 1 be noted;
5. That the update on Corporate Procurement be noted;
6. That the progress made on the Council Plan relevant to the other four Policy Committees, as set out in appendix 2 to the report, be noted;
7. That the 2015/16 outturn highlighted in the report be noted.

38. Tofts Road West Rent Review (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non-key decision.

Purpose of report

To seek approval for the proposed agreement of an outstanding rent review in the lease of land at Tofts Road West.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that in 1999 the Council granted a lease of land at Tofts Road West for a term of 21 years to Tilcon (North) Ltd. The lease had subsequently been assigned by the original tenant to Tarmac and by them to the current tenant Hope Construction. The property was used as a concrete batching plant and extended to a little over one acre / 0.41 hectares and is located in an industrial area in the southern part of Hartlepool.

The lease provided for the rent to be reviewed to market rental value every 7 years. The outstanding rent review had recently been provisionally agreed after a period of negotiation with the tenant's agent.

The Director reported that industrial land rental levels had varied over the last few years with a period of decline and stagnation after 2008 having been reversed since about 2014/15. This had been reflected in the settlement that has been reached. The proposed agreement on the review was set out in Confidential Appendix 2 to the report which contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

Decision

That the proposed settlement of the rent review set out in confidential appendix 2 to the report be approved. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

39. Self Sufficient Local Government: 100% Business Rates Retention Consultation *(Chief Finance Officer)***Type of decision**

Non-key decision.

Purpose of report

To provide an overview of the Government's consultation proposals regarding the 100% retention of Business Rates by local government, the potential implications for the Council and to approve the Council's consultation response.

Issue(s) for consideration

The Chief Finance Officer highlighted the overall reduction in resources and the shift in the proportion of overall resources generated from Council Tax income and corresponding decrease in Revenue Support grant. While the current system included a 'safety net' regime which the Government had indicated protected individual authorities from excessive reductions in Business Rates income, the 'safety net' regime has not provided any significant protection against the impact of Business Rates reductions suffered by the Council. This was because the Safety Net threshold is set at too high a level.

In Hartlepool, the most significant rates income reduction related to the decision by the Valuation Office Agency to reduce the Power Station Rateable Value by 48%, which reduced the Council's share of Business Rates income by £3.8m. After reflecting other Rateable Value reductions for other properties the Council will receive a 2016/17 'safety net grant' of £260,000.

The Chief Finance Officer reported that the Government issued a consultation document on the proposal that by the end of this Parliament local government will retain 100% business rates. At a national level the Government has stated that:-

“this will give local councils in England control of around an additional £12.5 billion of revenue from business rates to spend on local services. In order to ensure that the reforms are fiscally neutral,

councils will gain new responsibilities, and some Whitehall grants will be phased out”.

The Government has also commenced a “Fairer Funding Review” of relative needs and resources for local government.

The consultation document issued by the Government sought views on the key issues that would need to be addressed in designing a new system and asked thirty-six specific questions. A response to the consultation from the Authority was submitted as Appendix A to the report.

The consultation document also included a timetable for the next stages of implementing 100% business rates retention:-

- Autumn 2016 – Government expert to undertake a more technical consultation on specific working of the reformed system;
- Early 2017 – proposal to introduce legislation included Queen’s Speech;
- April 2017 – piloting of the approach to 100% business rates retention to begin;
- By end of the Parliament – implementation of 100% business rates retention across local government.

The Chief Finance Officer also indicated that the response to the consultation also addressed the key questions the Government has raised in the “Fair Funding Review: Call for evidence on Needs and Redistribution” document. These questions relate to broad principles and it was anticipated that the Government would consult on more detailed proposals next year.

Decision

1. That the report be noted and that further update reports would be provided when more information becomes available;
2. That the Council’s proposed response, submitted as Appendix A to the report, to the consultation to meet the consultation submission deadline of 26th September 2016 be approved;
3. That in view of the financial uncertainty arising from the changes proposed by the Government, the Committee noted that it may be appropriate to earmark one-off resources from achieving potential managed under spends over the next three years to support the budget when these changes are implemented. This issue would need to be considered as part of the 2017/18 budget process.

40. Strategic Financial Management Report – as at 31 July 2016 *(Corporate Management Team)*

Type of decision

Non-key decision.

Purpose of report

The purposes of the report were to inform Members of:

- i) 2016/17 Forecast General Fund Outturn;
- ii) Corporate Income Collection Performance; and
- iii) 2016/17 Capital Programme Monitoring.

Issue(s) for consideration

The Chief Finance Officer reported that an early assessment of the forecast outturn had been prepared to reflect expenditure incurred to date and forecast to be incurred in the second half of the financial year. Appendix A to the report set out in detail the best case forecast outturn for departmental budgets was an under spend of £210,000 and the worst case is an over spend of £690,000. The range reflected seasonal and demand led factors. After reflecting the forecast outturns for corporate budgets the overall forecast is a best case potential net under spend of £801,000, or a worst case over spend of £99,000.

The report also included details of the following issues –

House Sales income
Corporate Income Collection Performance
Business Rates Income
Council Tax collection
Sundry Debts
Progress in achieving the Capital Receipts Target
2016/17 Capital Programme Monitoring
Unallocated Council Capital Fund (CCF)
Unallocated Corporate Planned Maintenance (CPM)
Section 106 Developers Contributions.

The Chief Finance Officer also highlighted that the accrued capital receipts reported included the sale of the former for the Henry Smith school site at King Oswy Drive. Approximately half of the agreed capital receipt had been received when contracts were exchanged and the remaining capital receipt was due by the end of September 2016. The original purchaser of this site was selling the partly completed development and the new developer had approached the Council seeking agreement to schedule payment of the remaining capital receipt into two instalments to be paid in September 2017 and September 2018. Appropriate safeguards were being instigated to assure the Council's position, though discussions with the new developer indicated that they had a clear commitment to complete this site. Further information was set out in Confidential Appendix L to the report. The appendix contained 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 that information).

A member of the public questioned what progress there was in relation to a review of council tax bandings. The Chief Finance Officer stated that at this time the government was only reviewing the position with business rates and that a review of council tax bandings was not presently proposed.

Decision

1. That the report be noted.
2. That Committee noted that £1.8m of the gross forecast corporate outturn had been earmarked to fund future priorities, including capital investment, and detailed proposals for using this money would be included in the 2017/18 Medium Term Financial Strategy report to be considered at a future meeting of this Committee, before detailed proposals were referred to full Council.
3. That Committee noted that as achievement of these lower over spends could not be guaranteed it was recommended that no resources were committed until the outturn position was more certain. If the best case overall outturn was achieved, it would be recommended that Council determined a strategy for using these resources as part of the 2017/18 budget process. This may need to include providing additional support for the 2017/18 budget if insufficient savings had been identified. Further details would be reported to a future Finance and Policy Committee for consideration as part of the Medium Term Financial Strategy.
4. The Committee endorsed the approval of the Ward Jackson Primary School (£6,600) and West Park Primary School (£7,500) capital schemes.
5. That Committee noted that the capital receipts target could be reduced from £7.5m to 7.08m.
6. That Committee noted that the £37,000 not required for Seaton Library Toilet Disability Adaptations be transferred to unallocated Council Capital Fund.
7. That Committee noted that the Council had received approximately half of the capital receipt from the sale of the former Henry Smith school site at King Oswy Drive and approved that the remaining capital receipt would be paid in two instalments to be paid in September 2017 and September 2018 as detailed in confidential appendix L to the report, and a legal charge will be maintained on the land until all monies due have been received. Interest would be paid on the delayed payments at 2% above the existing bank base rate and this exceeds the cash flow cost to the Council. The appendix contained 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 that information).

41. Employee Sickness Absence 1st Quarter 2016/17 (Assistant Chief Executive)

Type of decision

For information.

Purpose of report

To update the Committee on the Council's performance, in relation to employee sickness absence, for the first quarter of 2016/17.

Issue(s) for consideration

The Chief Finance Officer reported that the target figure for the Council was 8.2 wte (whole time equivalent) days absence per employee. The actual sickness rate at the end of the 1st quarter showed the Council's performance was 9.53 wte per employee per annum. These levels were high for this time of year though reflected levels from the same period in 2015. It was expected that with early intervention and good management of cases that the numbers would decline as they did in 2015/16. The report set out detailed information on sickness levels for each individual department together with reasons for sickness absence and the statistics for short, medium and long-term sickness absences.

Decision

1. That employee sickness absence rates for the first quarter of 2016/17 are noted.
2. That the Committee notes that Corporate Management Team were to consider the current actions and arrangements in place to determine if any alternative actions could be considered.

42. Domestic Abuse Strategy 2016–19 (Director of Regeneration and Neighbourhoods)

Type of decision

For information.

Purpose of report

To present and seek comments from the Committee on the draft Safer Hartlepool Partnership Domestic Abuse Strategy 2016-19.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that a local needs assessment has been undertaken to ascertain the extent of domestic abuse in Hartlepool and understand the impact it has on those affected by

this issue. Key findings from the needs assessment had been used to inform the development of the draft strategy submitted as an appendix to the report including the identification of proposed strategic objectives, which included:

- Prevention of Abuse
- Partnership Working
- Provision of Services
- Pursuing Perpetrators.

The draft strategy was being consulted upon in accordance with the Voluntary and Community Sector Strategy undertaking and the results of the consultation on the draft Domestic Abuse Strategy 2016-19 would be considered and used to inform the production of the final draft which would be presented to the Safer Hartlepool Partnership in September 2016 for adoption.

The Director commented that the assessment had shown that there was lots of good work being undertaken in Hartlepool, particularly in supporting victims of domestic abuse. The Cleveland Police and Crime Commissioner often cited the work undertaken in Hartlepool as being of a high standard.

The Chair commented that at the recent Safer Hartlepool Partnership it had been agreed that a workshop for partnership members on the new draft strategy would be held and the Chair requested that that workshop be extended to the Members of the Finance and Policy Committee.

Decision

1. That the draft Safer Hartlepool Partnership Domestic Abuse Strategy 2016-2019 be noted.
2. That the partnership workshop on the draft strategy be open to Members of the Committee to attend.

43. Corporate Procurement Quarterly Report on Contracts *(Director of Regeneration and Neighbourhoods)*

Type of decision

For information.

Purpose of report

To satisfy the requirements of the Council's Contract Procedure Rules with regard to the Finance and Policy Committee receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable; and receiving and examining reports on any exemptions granted in respect of the Council's Contract Procedure Rules.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods indicated that the table at Appendix A to the report detailed the required information for each procurement tender awarded since the last quarterly report. Appendix B to the report provided details of the required information in relation to Contract Procedure Rules exemptions granted since the last Corporate Procurement Quarterly Report on Contracts. The table at confidential Appendix C included the commercial information in respect of the tenders received and any confidential information relating to Contract Procedure Rule exemptions or contract extensions. This appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Appendix C.

The Director commented that the wider changes to contract procedure rules requested by Members were being considered and a further detailed report would be submitted to Members in the near future. The Chair commented that it was essential Members were involved in the procedures prior to tendering rather than afterwards.

Decision

That the report be noted.

44. Any Other Items which the Chairman Considers are Urgent

None.

The meeting noted that there was a joint meeting with the Regeneration Services Committee on Friday 9 September 2016 commencing at 11.30 am and the next meeting of the Finance and Policy Committee would be held on Monday 26 September 2016 commencing at 10.00 am.

The meeting concluded at 10.25 am.

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 13 SEPTEMBER, 2016



Minutes

TEES VALLEY COMBINED AUTHORITY BOARD – ANNUAL MEETING

Meeting held at Riverside Stadium at 12.00noon on Tuesday, 7th June 2016

ATTENDEES

Members

Councillor Sue Jeffrey (Chair)	Leader of Redcar and Cleveland Borough Council	R&CBC
Councillor Bill Dixon	Leader of Darlington Borough Council	DBC
Councillor Kevin Cranney (Substitute for Councillor Christopher Akers-Belcher)	Hartlepool Borough Council	HBC
Mayor David Budd	Mayor of Middlesbrough Council	MBC
Councillor Bob Cook	Leader of Stockton-on-Tees Borough Council	SBC
Paul Booth	Chair of Tees Valley LEP	LEP

Associate Members

Phil Cook	Member of Tees Valley LEP	LEP
David Robinson	Member of Tees Valley LEP	LEP
David Soley	Member of Tees Valley LEP	LEP

Apologies for absence

Paul Croney	Member of Tees Valley LEP	LEP
Ian Kinnery	Member of Tees Valley LEP	LEP
Alastair MacColl	Member of Tees Valley LEP	LEP
Naz Parkar	Member of Tees Valley LEP	LEP
Nigel Perry	Member of Tees Valley LEP	LEP
Alison Thain	Member of Tees Valley LEP	LEP

Officers

Gill Alexander	Chief Executive of Hartlepool Borough Council	HBC
Peter Bell	Stockton-on-Tees Borough Council	SBC
David Bond	Monitoring Officer (Stockton-on-Tees Borough Council)	SBC
James Bromiley	Redcar and Cleveland Borough Council	R&CBC
Ada Burns	Chief Executive of Darlington Borough Council	DBC
Garry Cummings	Section 151 Officer (Stockton-on-Tees Borough Council)	SBC

Paul Dobson	Borough Council)	
Linda Edworthy	Stockton-on-Tees Borough Council	SBC
Reuben Kench	TVU	TVU
Neil Kenley	Stockton-on-Tees Borough Council	SBC
Neil Schneider	TVU	TVU
	Chief Executive of Stockton-on-Tees Borough Council	SBC
Amanda Skelton	Chief Executive of Redcar and Cleveland Borough Council	R&CBC
Martin Waters	Stockton-on-Tees Borough Council	SBC

Action**TVCA 17/16 DECLARATIONS OF INTEREST**

There were no interests declared.

TVCA 18/16 APPOINTMENT OF CHAIR

Moved by Councillor Bob Cook, seconded by Councillor Bill Dixon, that Councillor David Budd be appointed Chair for the Municipal Year 2016/2017.

RESOLVED that Councillor David Budd be appointed Chair for the Municipal Year 2016/2017.

TVCA 19/16 APPOINTMENT OF VICE CHAIR

Moved by Councillor Sue Jeffrey, seconded by Councillor Bill Dixon, that Councillor Bob Cook be appointed Vice Chair for the Municipal Year 2016/2017.

RESOLVED that Councillor Bob Cook be appointed Vice Chair for the Municipal Year 2016/17.

TVCA 20/16 TEES VALLEY COMBINED AUTHORITY – APPOINTMENT OF NAMED SUBSTITUTES AND NAMED LEP MEMBER SUBSTITUTE

RESOLVED that the following be appointed as named substitutes for the Municipal Year 2016/17:-

Cllr Stephen Harker (DBC - Lab)
 Cllr Kevin Cranney (HBC - Lab)
 Cllr Charles Rooney (MC - Lab)
 Cllr David Walsh (R&CBC - Lab)
 Cllr Jim Beall (SBC - Lab)
 David Soley (LEP)

TVCA 21/16 APPOINTMENT TO COMMITTEES

RESOLVED that:-

1. The following be appointed to the named Committees for the Municipal Year 2016/17:-

Tees Valley Combined Authority – Audit and Governance Committee:-

Cllr Stephen Harker (DBC - Lab)
Cllr Stephen Akers-Belcher (HBC - Lab)
Cllr Nicola Walker (MC - Lab)
Cllr Christopher Massey (R&CBC - Lab)
Cllr Barry Woodhouse (SBC - Lab)

The following to be deferred to a future meeting:-

1 non-voting Chair (must be a Leader or locally elected Mayor of a Constituent Authority)

1 non-voting LEP member

Tees Valley Combined Authority – Transport Committee:-

Cllr Nick Wallis (DBC - Lab)
Cllr Kevin Cranney (HBC – Lab)
Cllr Charles Rooney (MC – Lab)
Cllr Dale Quigley (R&CBC - Lab)
Cllr Nigel Cooke (SBC – Lab)
Cllr Bill Dixon (Leader of DBC)

David Robinson (LEP member)

Tees Valley Combined Authority - Overview and Scrutiny Committee

DBC - Cllrs Ian Haszeldine (Lab), Heather Scott (Cons) and Vacancy (Labour Scrutiny Committee Member)

HBC – Cllrs Stephen Akers Belcher (Lab), Marjorie James (Lab) and Councillor Kaylee Sirs (Lab)

MC - Cllrs Denise Rooney (Lab), Jon Rathmell (Ind) and Jean Sharrocks (Lab)

R&CBC - Cllrs Glyn Nightingale (Lib Dem), Bob Norton (Lab), Philip Thomson (Cons)

SBC - Cllrs Derrick Brown (Lab), Phil Dennis (Cons) and Norma Stephenson (Lab)

The DBC vacancy be deferred to a future meeting.

TVCA 22/16 APPOINTMENT OF CHAIRS

RESOLVED that the following be appointed as Chairs for the Municipal Year 2016/17:-

Tees Valley Combined Authority – Transport Committee - Cllr Bill Dixon (Leader of DBC)

Tees Valley Combined Authority - Overview and Scrutiny Committee - Cllr Philip Dennis (SBC – Cons)

The following to be deferred to a future meeting:-

Tees Valley Combined Authority - Audit and Governance Committee

TVCA 23/16 APPOINTMENT OF VICE CHAIRS

RESOLVED that the following be appointed as Vice Chairs for the Municipal Year 2016/17:-

Tees Valley Combined Authority - Overview and Scrutiny Committee - Cllr Heather Scott (DBC – Cons)

The following to be deferred to a future meeting:-

Tees Valley Combined Authority – Transport Committee

Tees Valley Combined Authority - Audit and Governance Committee

Chair



Minutes

TEES VALLEY COMBINED AUTHORITY BOARD – BUSINESS MEETING

Meeting held at Riverside Stadium at 12.00noon on Tuesday, 7th June 2016

ATTENDEES

Members

Mayor David Budd (Chair)	Mayor of Middlesbrough Council	MBC
Councillor Sue Jeffrey	Leader of Redcar and Cleveland Borough Council	R&CBC
Councillor Bill Dixon	Leader of Darlington Borough Council	DBC
Councillor Kevin Cranney (Substitute for Councillor Christopher Akers-Belcher)	Hartlepool Borough Council	HBC
Councillor Bob Cook	Leader of Stockton-on-Tees Borough Council	SBC
Paul Booth	Chair of Tees Valley LEP	LEP

Associate Members

Phil Cook	Member of Tees Valley LEP	LEP
David Robinson	Member of Tees Valley LEP	LEP
David Soley	Member of Tees Valley LEP	LEP
	Member of Tees Valley LEP	LEP

Apologies for absence

Paul Croney	Member of Tees Valley LEP	LEP
Ian Kinnery	Member of Tees Valley LEP	LEP
Alastair MacColl	Member of Tees Valley LEP	LEP
Naz Parkar	Member of Tees Valley LEP	LEP
Nigel Perry	Member of Tees Valley LEP	LEP
Alison Thain	Member of Tees Valley LEP	LEP

Officers

Gill Alexander	Chief Executive of Hartlepool Borough Council	HBC
Peter Bell	Stockton-on-Tees Borough Council	SBC
David Bond	Monitoring Officer (Stockton-On-Tees Borough Council)	SBC
James Bromiley	Redcar and Cleveland Borough Council	R&CBC
Ada Burns	Chief Executive of Darlington Borough Council	DBC

Garry Cummings	Section 151 Officer (Stockton-on-Tees Borough Council)	SBC
Paul Dobson	Stockton-On-Tees Borough Council	SBC
Linda Edworthy	TVU	TVU
Reuben Kench	Stockton-On-Tees Borough Council	SBC
Neil Kenley	TVU	TVU
Neil Schneider	Chief Executive of Stockton-on-Tees Borough Council	SBC
Amanda Skelton	Chief Executive of Redcar and Cleveland Borough Council	R&CBC
Martin Waters	Stockton-On-Tees Borough Council	SBC

Action**TVCA 24/16 DECLARATIONS OF INTEREST**

Mayor David Budd, Councillors Bill Dixon, Sue Jeffery and Bob Cook declared personal non prejudicial interests in respect of agenda item 10 – Finance and Investment Funds Update as they were Directors of Durham Tees Valley Airport.

TVCA 25/16 MINUTES

Consideration was given to the minutes of the meetings held on 4th April and 15th April 2016.

RESOLVED that the minutes be confirmed and signed as a correct record.

TVCA 26/16 ANNOUNCEMENTS FROM THE CHAIR

The Chair announced that it had taken a considerable amount of time and commitment for the Tees Valley to get into the position it was today. The pace of change would now be significant and Members and Officers would have to work even harder to make the Tees Valley Combined Authority (TVCA) work as successfully as possible. The opportunity for the TVCA was enormous and the plans that were in place or were taking shape were an extremely exciting prospect.

RESOLVED that the announcement from the Chair be noted.

TVCA 27/16 TRANSFORMING PLACE THROUGH DEVOLUTION

Consideration was given to a report and presentation on Transforming Place through Devolution.

The report outlined that 'Transforming Place through Devolution' set out exciting and ambitious plans for the housing and planning aspects of the devolution deal within the context of Tees Valley, outlining how the plans had the potential for a game changing approach to place

across the Tees Valley in supporting economic growth. The ambitions within the plans were to:

- Maximise the use of land across Tees Valley for economic development and housing
- Inject certainty, pace and confidence
- Create a potential £1bn 10-year rolling recoverable equity investment fund through the flexible use of existing Government funding and local resources
- Deliver 20,000 plus homes by 2026
- Establish a housing offer that matched economic growth and prosperity and attracted the required inward migration of skills
- Revitalise the urban core, town centres and brownfield sites
- Regenerate and renew areas of low demand, poor quality and deprivation
- Nurture a more diverse market for house-building and development, including the growth of the SME sector
- Create / grow an off-site manufacture sector on Tees Valley
- Lever in private sector investment in excess of £3bn for housing and place in the next 10 years
- Accelerate housing and development activity to secure and create jobs, estimated at 50,000 plus jobs over 10 years for 20,000 homes

The supporting paper set out the approach, progress to date and next steps within the project plan for this work.

The Tees Valley Devolution Deal announced in October 2015 provided for a number of key policy areas including governance, finance, skills, transport, business support, energy, climate change, housing, planning and culture. In taking forward each of the policy areas within the deal a number of work-streams were established one of which was Place, which included housing and planning.

A work-stream plan for Place was prepared and endorsed by the Tees Valley Combined Authority Management Group (TVCAMG) and Local Authority Directors of Place in November 2015 and the Tees Valley Combined Authority (TVCA) and Devolution Governance Group in December 2015. Progress updates on the work-stream were being reported through the overall programme management arrangements for the combined authority and devolution implementation.

The Place work-stream plan included the policy areas of housing and planning and included:

- The establishment of a Land Commission;
- The power to create democratically controlled Mayoral Development Corporations;
- The continued exploration of the devolution of housing financial transaction funding.

In addition, the Place work-stream was considering sector capacity and had plans to support stakeholder engagement and communications.

The report outlined the approach, progress to date and next steps in each of the areas within the project plan. The headline project plan was

attached to the report.

Nationally, London had already established a Land Commission and Manchester was progressing with plans to establish one by the summer. The arrangements for London included membership, terms of reference and governance and also the development plans for Manchester were attached to the report as an example.

The devolution of housing funding was an innovative and ambitious piece of work that aimed to develop a funding and investment proposition for housing, regeneration and development in support of the area's economic growth and ambition for place. The aim was to inject long-term certainty and pace, creating the right investment environment to maximise development growth opportunities whilst tackling long-standing issues of brownfield land and poor quality housing.

Outline proposals had been developed for a Tees Valley equity based investment vehicle to create the conditions to support the devolution of housing financial transaction funding. The emerging outline concept had been subject to discussions with key stakeholders including DCLG, BIS, HCA, the Tees Valley Registered Providers, TVUMG, the Home Builders Federation and CITB. These discussions had gone very well and there was significant interest in what was seen as an innovative solution to housing and the development of place in support of economic growth.

The next stage of development would require detailed joint work with DCLG, HM Treasury, BIS, HCA, Registered Providers and the private sector on preparing the detailed investment proposal. This work would include option appraisal work on, structuring the vehicle, governance, investment pipeline modelling, sensitivity analysis and attracting funding / investment. Investment expertise was required at this stage to support the technical development of the proposal. It was planned to develop a full business case between June and December 2016. An update on progress would then be presented to the October 2016 meeting of the TVCA, with final proposals for decision being presented to the December 2016 meeting.

Powers for the TVCA / Mayor to create mayoral development corporations should be passed through the legislative process in the summer. Exploring the potential to use those powers was work that would be undertaken early in 2017 in preparation for a decision by the newly elected Mayor and Combined Authority in May. The case for establishing a MDC would also depend on the recommendations of the Land Commission regarding site or sites that may be appropriate for such a vehicle.

The detailed work regarding Mayoral Development Corporations was intentionally phased towards post-2016 as there were a number of critical dependencies, including Land Commission outcomes, the outcome of devolution discussions on housing financial transaction funding, the Tees Valley Housing Strategy & Action Plan, and the Mayoral election in May 2017.

Therefore, the business case for mayoral development corporations would be timed so that recommendations could be made to the CA and elected Mayor in May 2017, with a potential MDC being established summer / autumn 2017 (detailed work to commence around Nov 2016).

It was noted that the TVCA (Shadow Board) agreed on 11 March 2016 that the proposed South Tees Mayoral Development Corporation for the SSI site would be progressed as a separate project and was outside the scope of this work-stream. As agreed, the purpose of this work-stream was to explore the potential for using MDC powers across the rest of Tees Valley.

The emerging plans indicated that sector capacity would be a critical issue in the ability to meet growth and development ambitions. In housing alone, it was estimated that Tees Valley needed to build 25% more in the next ten years than it had in the past ten. In a sector already facing a skills and capacity shortage this had significant implications, but also presented significant opportunities. The 22,000 new homes needed in ten years equates to over 50,000 jobs.

The supplier and skills market needed to be nurtured to increase capacity, SME developers decimated at last recession had not yet recovered, registered providers needed to find new ways to build homes, volume builders needed to be incentivised to build a greater pace, small infill to large sites were all critical to supply.

Working collaboratively with key stakeholders including the private sector and registered providers the sector capacity work was evaluating gaps and opportunities in the following areas:

- Skills & Jobs
- SME Developers
- Major House Builders
- Registered Providers
- Off-Site Manufacturing

It was planned to present the sector capacity gap analysis, findings and recommendations to the December 2016 meeting of the Combined Authority.

Realising the ambitions of the Combined Authority and devolution required collaborative working with many different stakeholders. The programme management arrangements ensured the engagement of TVCA Management Group, TV Chief Executives and the Combined Authority in the work programme.

To ensure the engagement of key partners there was ongoing active engagement (newsletters, briefings, meetings and workshops), including work with DCLG, BIS, the Home Builders Federation (representing private sector developers), the Construction Industry Training Board (CITB), the Tees Valley Registered Providers (Thirteen, Coast & Country, North Star), the National Housing Federation, the Homes & Communities Agency and individual local authorities. Plans were also in place to establish links with the newly established

Construction Alliance Network North East.

Dialogue was taking place with a number of these key stakeholders to identify shared and complementary objectives with a view to establishing Memorandums of Understanding that set out how working together in realising the ambitions for devolution, place and economic growth could be achieved.

It was planned to present proposals regarding establishing Memorandums of Understanding with key partners to the August 2016 meeting of TVCA.

With regard to resources the aim was to resource as much of the work programme from within the existing capacity of the five authorities. However, due to constraints on available capacity and the need for specific skills and experience additional support was required. To date additional support had been commissioned on the preparatory work for the Land Commission, undertaking the necessary work to establish the Tees Valley brownfield and surplus public sector land register. In addition, technical expertise was required to support the development of the equity investment model. In the absence of an agreed Combined Authority budget for such requirements interim arrangements had been agreed for the funding of the preparatory work for the Land Commission, the five local authorities were making a shared contribution to costs.

As the work programme moved towards more detailed work the need for additional resources and specific skills and expertise would increase. Areas where there were additional resource requirements for the work programme included:

- Support to develop option for an equity investment model
- Off-site manufacture
- Construction skills capacity
- SME sector analysis
- Private rented sector study
- Affordability and social housing policy development
- Housing market intelligence – both supply and demand side
- Future housing needs (aligned to SEP)
- One Public Estate (and possible application for funding support)
- New development / growth pipeline / investment
- Existing stock and investment options

It was proposed to establish a £100k budget for this work programme subject to agreement of the Finance and Investment Funds Update report (Recommendation 5). Agreement would be reached with TVCA Management Group prior to individual pieces of work being commissioned.

With London receiving DCLG funding for work related to its Land Commission, it was proposed to request funding support from DCLG to contribute to the work programme.

The presentation covered the follow key areas:-

1. Ambition for Place
2. Attractive Places
3. Some Fantastic Transformation
4. Good Track Record for Building Homes
5. Good Quality Existing Stock
6. Not Enough Being Built to Support Economic Growth and Meet Need
7. Blight of Brownfield Persists
8. Private Rental Sector
9. Government Policy
10. Funding and Investment
11. Opportunity – Market Capacity , Skills and Jobs, Off-Site Manufacturing
12. Mayoral Development Corporations

The next steps were highlighted to Members:-

Recommendations for the Land Commission terms of reference, membership, governance and resources - For decision August 2016

Recommendations for Memorandums of Understanding with key partners - For decision - August 2016

Update on Land Commission, equity investment vehicle and sector capacity - For information - October 2016

Devolution of housing funding, equity investment vehicle full proposal For decision - December 2016

Sector capacity gap analysis, findings and recommendations - For decision - December 2016

Members were then given the opportunity to ask questions and make comments on the report and presentation. These questions and comments could be summarised as follows:-

- Good to see the word 'Regeneration' being used again
- There needed to be more discussion over the joined up vision for the Tees Valley
- There needed to be connectivity in terms of transport and infrastructure
- This was a great opportunity for the Tees Valley to do something architecturally significant with housing
- 40% of people in the Tees Valley were in rented accommodation
- Would we be seeking an exemption from 'Right to Buy'
- There was a need for balanced model between rented and owner housing
- There needed to be a discussion about education and skills
- Connectivity needed to be achieved with a need for focus and without any duplication
- There were many challenges ahead but this was a good starting point

RESOLVED that:-

1. The significant potential that the housing aspects of the devolution deal offers in terms of the transformation of place in

supporting economic growth be noted.

2. The approach, progress to date and planned project timelines be agreed.
3. A Steering Group be established with a remit to oversee the programme of work, to be chaired by the appropriate portfolio holder from the Combined Authority.
4. The proposed forward plan for the Combined Authority as set out in paragraph 8.1 be agreed.
5. The proposed budget allocation to be available to support the work programme as set out in section 7.0 and as included within the Finance and Investment Funds Update report (Recommendation 5) be agreed.
6. The proposal to request DCLG funding to support specific aspects of the work programme be supported.

TVCA 28/16 CULTURE; PLACE, INCLUSION AND BUSINESS GROWTH

Consideration was given to a report on Culture; Place, Inclusion and Business Growth.

Vibrant modern conurbations increasingly featured culture as an important part of a quality of life mix that attracted and retained talent, investment and visitors.

To explore the extent to which the Tees Valley could better utilise culture toward economic growth, following a seminar hosted by Teesside University in 2014, a Culture Task and Finish Group was established by the TVU Leadership Board. The group was chaired by Prof Graham Henderson and included Cllr David Budd, Ada Burns and Linda Edworthy, alongside representatives from North East Culture Partnership and local cultural organisations. That group concluded that culture could make a greater contribution and recommended actions in relation to place shaping, social inclusion and business growth.

There was a powerful consensus that culture's contribution could be optimised by collaboration and shared strategic approaches across the Tees Valley, making the whole greater than the sum of the parts.

One of the Group's central recommendations was to make a bid for UK City of Culture 2025, using the intervening years to create the city scale infrastructure and capacity, and using the pursuit of the accolade as a unifying goal.

Overall, there were eighteen recommendations within the report, which formed a coherent programme of work. These were approved by the TVU Leadership Board 22nd July 2015, before the public launch 28th July 2015.

The recommendations demonstrated the requirement for a long term,

partnership-based, strategic approach to development of the cultural offer. Only by progressing and embedding each of the recommendations would the Tees Valley be in a position to submit a strong bid for City of Culture.

The North East Culture Partnership Case for Culture, endorsed by Secretary of State for Culture Media and Sport, and the Chairman of Arts Council England, acknowledged the Tees Valley cultural aspirations. The TV Powerhouse devolution agreement created the circumstances in which it was possible to negotiate a change from the historic position on national cultural funds.

The conditions had been created in which a major change was achievable, now the TVCA must create the resource and governance structure with which to ensure that the opportunity could be capitalised upon.

To successfully deliver the Tees Valley wide programme, and to lead the development of a vision for the UK City of Culture bid, a governance structure was required under the auspices of the TVCA.

The report advocated the creation of a TVCA thematic group and an allocation of resources to support the development of the programme that flowed from the original Task and Finish Group recommendations.

It was proposed that the Culture Thematic Group be jointly chaired by the Combined Authority Culture Lead and Alistair McColl as an independent Leadership Board member. A paper outlining the role and remit of this Group in more detail was attached to the report.

A projects resource plan was attached to the report that estimated the costs arising from the individual work-streams; social, place shaping, and business growth. These costs were over and above the core team / coordination costs.

These project resource implications were not the subject of a recommendation in the report and were set out for illustrative purposes, giving a sense of the potential scale of the works encompassed and overseen by the TVCA Culture Thematic Group.

Members felt that there needed to be joined up thinking by the TVCA that could provide some co-ordinated action. It was felt that leisure and sport should be at the heart of the shared strategic strategies across the Tees Valley.

RESOLVED that:-

1. A Culture Thematic Group be created as detailed within the report.
2. The proposed creation of a small core TVCA culture staff team for a 2 year period be endorsed, as detailed within the report.

TVCA 29/16 REFRESH OF STRATEGIC ECONOMIC PLAN

Consideration was given to a report / presentation on the Refresh of the Strategic Economic Plan

The report outlined that the Tees Valley Strategic Economic Plan (SEP) was published in April 2014. With changes in the economy and governance arrangements, the establishment of the Combined Authority and the Devolution Deal with Government it was felt that it was appropriate to refresh the SEP.

The preparation of the draft refreshed SEP had included input and consultation with over 360 public, community, voluntary and private sector representatives from across the Tees Valley region.

The formal public consultation process ended on 25th May 2016, however opportunities to provide additional written feedback were extended to 27th May 2016. Consequently the draft SEP was being amended to incorporate all relevant feedback, with a final draft anticipated for the week commencing 6th June 2016.

The SEP identified and reviewed the economic position, looked to what the future held for the area and identified the key priorities and indicative actions to ensure that TVCA could achieve the area's ambitions.

The document was being redrafted to incorporate comments received during the consultation sessions. The document needed to be available for submission to Government as evidence to support the area's bid for Growth Deal 3 (Local Growth Fund) and for the bids to the Large Local Majors Fund. It was recommended that the sign off of the draft SEP be delegated to the Chairs of the Combined Authority and the LEP in consultation with the Combined Authority Leaders.

Arrangements for the formal launch of the SEP refresh would be put in place, in consultation with the Combined Authority Chair.

The presentation covered the following key areas:-

- Emerging Economic Drivers
- Job Projections
- Transforming the Tees Valley
- Aims & Ambitions
- Business Growth
- R&DI Energy
- Education, Employment & Skills
- Place & Culture
- Transport & Infrastructure
- Performance Measurement

Members were then given the opportunity to ask questions and make comments on the report and presentation. These questions and

comments could be summarised as follows:-

- The skills need to be in place to achieve the SEP
- The accountability for the aims in the SEP would need to be looked at
- What had been achieved so far had been first class but the resources to achieve what was in the SEP would need to be looked at as soon as possible
- The Tees Valley had momentum and this must be taken forward
- Submissions to central government needed not to be huge documents and could be short and concise
- The SEP was not just a document for TVCA but a document for the Tees Valley and partners must also deliver
- There should be reference to the South Tees Mayoral Development in the SEP
- The SEP should be broken down into deliverable projects. Some projects didn't need any funds and could start straight away

RESOLVED that the sign off of the draft SEP be delegated to the Chairs of the Combined Authority and the LEP in consultation with the Combined Authority Leaders.

TVCA 30/16 RT HON LORD HESELTINE – DEVOLUTION OF POWER REPORT - UPDATE

An update was given on the Rt Hon Lord Heseltine – Devolution of Power Report.

The official launch of the report made by the Rt Hon Lord Heseltine had taken place prior to this meeting of the TVCA. The launch had been very successful and a large number of key partners from across the Tees Valley and the North East were in attendance. The report had contained some very positive features and outlined some areas that needed work. A full report back would be given to a future meeting of the TVCA.

Members felt that a document and an action plan should be produced by the TVCA that stemmed from the Lord Heseltine Report. The Lord Heseltine Report should also be used as a starting point for any future bids. There should also be a gap analysis of the Lord Heseltine Report and the TVCA SEP. The Lord Heseltine Report should be used to showcase the area to people from outside the Tees Valley.

RESOLVED that the update be noted.

TVCA 31/16 FORWARD PLAN

Consideration was given to the TVCA Board Forward Plan.

RESOLVED that the TVCA Board Forward Plan be noted.

TVCA 32/16 FINANCE & INVESTMENTS FUNDS UPDATE

Consideration was given to a report which updated Members on the financial position of the Combined Authority following the end of the financial year and which also sought agreement to balances being carried forward from Stockton-On-Tees Borough Council in respect of funds which were now the responsibility of the Combined Authority.

The report to the Combined Authority on 4 April 2016 reported that the balances expected to be transferred to the Combined Authority were £850,000, and Members approved the use of £39,000 and retained £811,000 as a general reserve.

The final balances position transferred to the Combined Authority would be £1,055,000 and this reflected interest on balances received, which meant that after taking account of the £39,000 approval £1,016,000 was available.

There were a number of potential pressures and calls on one-off resources which included a confidential and exempt item. Other calls on resources were:

- Due diligence work for LGF programme previously agreed.
- Costs of extending the contract of Programme Management.
- The pension costs associated with the establishment of the Combined Authority.

Further details were attached to the report and after allowing for the costs above, the remaining balance available was £650,000.

With regard to Local Enterprise Partnership Core and Capacity Funding the actual position for 2015/16 showed a balance carried forward of £794,000. The increase however, was in respect of slippage of the Low Carbon Project (£52,000), Development costs associated with LGF (£10,000), and various consultancy appointments (£16,000) and if approved, the balance available would remain unchanged.

One of the funding streams payable to the Combined Authority linked to devolution of funds was the Local Transport Plan. This funding was in effect funding which was previously paid direct to Local Authorities to cover maintenance and improvement schemes. At the time of setting the budget for the Combined Authority, it was unclear how the arrangements would work for 2016/17 and it was therefore assumed that this would be paid to the Local Authorities as was previously the case.

The payment had in fact been made to the Tees Valley Combined Authority. All Councils had well developed processes and plans in place for allocating this resource and it was therefore effectively all committed.

It was therefore recommended that the amounts outlined within the report were paid to the respective Local Authorities.

With regard to the Local Growth Fund an additional £53.2m of projects had been approved from the LGF programme. This brought the total programme to £87m, with projects to be developed to utilise £2.4m in respect of skills and £7.2m to be reconsidered in respect of the Sustainable Access to Employment project.

On 12 April Greg Clark wrote to all LEPs inviting proposals for the next round of Growth Deals. £1.8bn of LGF was being made available in this competition round with all 39 LEPs able to bid. The indicative funding profile was back loaded to 2019/20 and 2020/21, however some funding would be available in 2017/18 and 2018/19.

In addition, the 2016 Budget announced a Large Local Majors Fund. The fund would provide funding for those exceptionally large, potentially transformative local schemes that were too big to be taken forward within regular LGF allocations and could otherwise not be funded. Bids could be for development costs, or if an Outline Business Case was already complete, for funding to prepare and construct a scheme. A minimum threshold had been set for each LEP area with Tees Valley's set at a minimum project cost of £36m.

The timescales for the submission of the bids for LGF (21 July 2016) and Large Local Majors (6 July) were extremely tight and the submissions would need to be signed off by both the LEP and the Combined Authority. The review of the SEP would be able to form the strategy and rationale for the proposals. One of the benefits of the Devolution Deal was that the TVCA would be able to bid at a programme level as opposed to needing to identify individual projects at this stage.

Officers were in the process of developing the Bid in partnership with Local Authorities and this would be presented at a special meeting of the LEP Combined Authority scheduled for 19 July 2016.

The devolution of the Single Pot to Tees Valley was dependent on the area agreeing to a Mayor and the submission of an Assurance Framework. This was very much about our own internal process for ensuring the best use of public funds and being clear with project sponsors the assessment processes and the requirements on them if and when approved. The Government had indicated that this needed to be light touch and that they were committed to develop a single process for all of the capital pots.

The framework was attached for information and had been agreed in principle with Government and it was therefore recommended that this was formally endorsed by the Combined Authority.

It was becoming increasingly apparent that a number of the projects included in the LGF that required upfront investment to facilitate the feasibility of due diligence work. In addition, as the work streams within the Combined Authority developed programmes to deliver against the SEP priorities, there would inevitably be further upfront investment in feasibility required. It was therefore recommended that a Development Fund be created using funding sources.

The MTFP report to the Combined Authority in April identified that TVU held a balance of £3.24m from a previous Government Funding Scheme. This was intended to be a revolving investment fund to bring forward investments and developments. £140,000 of this funding had been previously agreed to support scheme development and management. It was suggested that this would be a good way to use this resource and it was therefore recommended that the full amount be earmarked to support the creation of the Development Fund. In addition, two further sources of funding had been identified for inclusion

in the Development Fund. These were the remaining balances of LEP Core and Capacity Funding (£0.397m) and banked Enterprise Zone income (£0.065m). It was noted that creation of this Fund fully utilised all resources currently available. These funding sources were summarised within the report.

It was recommended that the drawdown of funding be delegated to the Managing Director in consultation with the Chair of the Board. In advance of that delegation the Combined Authority were recommended to approve the calls on funding identified in the table at paragraph 21. Members noted that the proposed Development Fund exhausted all available sources of funding for 2016/17. Future consideration could be given to replenishment of the fund from the devolution deal funding, particularly with respect to those schemes identified as development activities.

During 2015/16 the Government announced an £80m funding package to provide economic support for those employees impacted (directly and indirectly) by the closure of the SSI plant in Redcar. The £80m was allocated across a number of schemes and a substantial part of this funding was being administered through Stockton-On-Tees Borough Council as the Accountable Body for TVU.

In total £37.6m of the £80m SSI funds would be administered through TVU on the following schemes £1.7m support package for apprentices, £2.65m Flexible Training Fund, £16m to support supply chain and growth companies, £15.5m Jobs and Skills Fund and £1.75m for start-up advice and grant support.

Of the funding received in 2015/16 (£27.1m), £4.05m was spent leaving a balance of £23.05m. It was recommended that this balance transfer to the Combined Authority along with the accountability for the scheme.

The Combined Authority and Stockton-On-Tees Borough Council were local authorities for the purposes of the Local Government Act 1972 and the Local Democracy, Economic Development and Construction Act 2009. It was proposed that the Combined Authority facilitated the delivery of certain of its administrative functions with a view to their more economical, efficient and effective discharge through a delegation to Stockton-On-Tees Borough Council of those functions specified in the report.

The Combined Authority had power to make the proposed delegation in reliance on the exclusive rights given to local authorities to undertake administrative arrangements of this nature in sections 101, 102, 112 and 113 of the Local Government Act 1972, sections 9EA and 9EB of the Local Government Act 2000 and Section 1 of the Localism Act 2011 and the regulations made under these Acts; and the supporting provisions within section 111 Local Government Act 1972 and all other relevant powers.

As these functions were executive functions, Stockton-On-Tees Borough Council's Cabinet would need to agree and accept the delegation from the Combined Authority.

The proposed arrangement was deemed to constitute an arrangement which established or implemented co-operation between contracting authorities pursuant to Regulation 12(7) of the Public Contracts

Regulations 2015 and was excluded from the requirements of competition

RESOLVED that:-

1. The movement in General Balance Reserve to £650,000 be approved following the transfer of interest on balances from Stockton-On-Tees Borough Council in respect of funds held previously on behalf of TVU and in line with the use of balances outlined in paragraph 3 and Appendix A.
2. The increase in the opening balance of the LEP Core Capacity Reserve transferred from TVU be approved and the use of the increase to fund the slippage outlined in paragraph 5 be approved.
3. The allocation of the 2016/17 Local Transport Plan to Local Authorities be approved in line with paragraph 8.
4. The use of £53.2m on the schemes outlined at paragraph 13 be approved, (schemes progress through due diligence prior to initiation), and a further report be presented in future to approve the remaining £9.6m.
5. The creation of a Development Fund be approved to support programme and project development and feasibility from the currently unallocated Growing Places funding of £3.152m, LEP Core & Capacity Funding (£0.397m) and EZ Income (£0.065m), also future allocations from this Fund be delegated to the Managing Director in consultation with the Chair of the Combined Authority and in advance of that delegation, the proposals be approved for funding identified in the table at paragraph 21.
6. The transfer of funds from Stockton-On-Tees Borough Council in respect of funds held on behalf of TVU in respect of EZ income be approved.
7. The transfer of accountability and funds from Stockton-On-Tees Borough Council in respect of funding allocated to the Tees Valley to support the Task Force be approved and the use of the funds as outlined in paragraph 26 be approved.
8. The Assurance framework shown attached at Appendix B be approved.
9. The Combined Authority facilitates the delivery of certain of its' administrative functions through a delegation to Stockton-On-Tees Borough Council. These functions were summarised in Appendix C.

TVCA 33/16 THE TEES VALLEY COMBINED AUTHORITY (ELECTION OF MAYOR) ORDER 2016

Consideration was given to a report on the Tees Valley Combined Authority (Election of Mayor) Order 2016.

The Department for Communities and Local Government ("DCLG") had indicated that it would shortly lay a draft of the Tees Valley Combined Authority (Election of Mayor) Order 2016 ("the Order") before Parliament, and had invited the Combined Authority's consent to the making of the Order.

The report sought the Board's confirmation of such consent.

As a result of the decisions of the constituent local authorities to agree the Tees Valley Devolution Deal, officers had been working with DCLG, in order to finalise the statutory instruments to give effect to the related Combined Authority mayoral governance arrangements.

The changes required to transform the Combined Authority into a mayoral Combined Authority necessitated a two-stage legislative process. The first stage was to legislate to provide that a mayor be elected for the Tees Valley Combined Authority area, and the second stage was to legislate to establish the mayor's functions and powers.

DCLG had provided a draft of the first stage statutory Order. The Order provided that:-

- The Tees Valley Combined Authority area would have a directly elected mayor;
- The first election of the mayor would be held on 4th May 2017; the second election would be on the normal election day in 2020; and subsequent elections would be on the normal election day every fourth year thereafter.

A copy of the Order was attached to the report.

DCLG had invited the Combined Authority's consent to the making of the Order, and had asked for a response by close on Friday 3rd June 2016.

In consultation with the chair of the Combined Authority, consent was given to DCLG on behalf of the Combined Authority, subject to the ratification of that consent by the Combined Authority at its meeting today (7th June 2016).

For clarification, the Order did not grant any powers or functions whatsoever to the mayor, but it meant that the Tees Valley Combined Authority would, in effect, become a Mayoral Combined Authority on the date the Order was made, and that once elected the mayor would be entitled to become the Chair of the Combined Authority. The mayor would not, however, have any other powers or functions at all, or any power to vote on any matter, unless and until the second stage of the legislative process was completed. The second stage of the legislative process would also be subject to prior consultation and further specific decisions by each of the constituent councils and by the Combined Authority.

The making of the (first stage) Order would trigger for the release of Devolution Deal funding.

RESOLVED that consent be given to the making of the Tees Valley Combined Authority (Election of Mayor) Order 2016.

Chair



Minutes

TEES VALLEY COMBINED AUTHORITY BOARD

**Meeting Room 1, Cavendish House, Teesdale Business Park,
Stockton-on-Tees at 11.00am on Friday, 8th July 2016**

ATTENDEES

Members

Mayor David Budd (Chair)	Mayor of Middlesbrough Council	MBC
Councillor Bill Dixon	Leader of Darlington Borough Council	DBC
Councillor Kevin Cranney (Substitute for Councillor Christopher Akers-Belcher)	Hartlepool Borough Council	HBC
Councillor Jim Beall (Substitute for Councillor Bob Cook)	Stockton-on-Tees Borough Council	SBC
Paul Booth	Chair of Tees Valley LEP	LEP

Associate Members

Phil Cook	Member of Tees Valley LEP	LEP
-----------	---------------------------	-----

Apologies for absence

Councillor Sue Jeffrey	Leader of Redcar and Cleveland Borough Council	R&CBC
Councillor Bob Cook	Leader of Stockton-on-Tees Borough Council	SBC
Paul Croney	Member of Tees Valley LEP	LEP
Ian Kinnery	Member of Tees Valley LEP	LEP
Alastair MacColl	Member of Tees Valley LEP	LEP
Naz Parkar	Member of Tees Valley LEP	LEP
Nigel Perry	Member of Tees Valley LEP	LEP
David Robinson	Member of Tees Valley LEP	LEP
David Soley	Member of Tees Valley LEP	LEP
Alison Thain	Member of Tees Valley LEP	LEP

Officers

Gill Alexander	Chief Executive of Hartlepool Borough Council	HBC
Peter Bell	Stockton-on-Tees Borough Council	SBC
David Bond	Monitoring Officer (TVCA)	SBC
James Bromiley	TVCA	R&CBC

Ada Burns	Chief Executive of Darlington Borough Council	DBC
Linda Edworthy	TVCA	TVU
Rob Mitchell	Redcar and Cleveland Borough Council	
Andrew Nixon	Redcar and Cleveland Borough Council	
Neil Schneider	Chief Executive of Stockton-on-Tees Borough Council	SBC
Amanda Skelton	Chief Executive of Redcar and Cleveland Borough Council	R&CBC
<u>Also in attendance</u>		
Neil Graham (Standing in for Naz Parkar – LEP Member)		

Action**TVCA 34/16 DECLARATIONS OF INTEREST**

There were no interests declared.

TVCA 35/16 TEES VALLEY COMBINED AUTHORITY DRAFT GOVERNANCE REVIEW

Consideration was given to a report on the Tees Valley Combined Authority Draft Governance Review.

The Tees Valley devolution deal included provisions to change the governance of the Tees Valley Combined Authority to incorporate a Mayor. The report and attachments set out proposals for how the Tees Valley Mayor could work within a Combined Authority. If approved by the Combined Authority the proposals would be made available for public consultation ahead of potential legislative changes in the Autumn.

The leaders and elected mayor of the Tees Valley local authorities and the chair of the Local Enterprise Partnership signed the Tees Valley devolution deal in principle in October 2015. The deal was then approved in principle by local authorities.

The deal brought new powers and funding to the Tees Valley to enable progress in key areas around economic growth and supported the delivery of the Tees Valley Strategic Economic Plan.

An integral part of the devolution deal was changes in the governance of the Combined Authority to incorporate a Tees Valley Mayor, who would be directly elected for the first time in May 2017.

Work had taken place with colleagues across the Tees Valley local authorities and in the Department for Communities and Local Government (DCLG) to develop proposals on the most appropriate governance arrangements in the Tees Valley. In broad terms, while the Mayor would hold certain powers directly, the aim was for the Mayoral function to become embedded within the wider governance arrangements of the Combined Authority.

In order to approve the proposed changes, the Secretary of State must

assess whether the three statutory tests set out in the relevant legislation had been met. The statutory tests were that:

- a) the Secretary of State considered that to do so [i.e. to make the governance changes proposed] would be likely to improve the exercise of statutory functions in the area or areas to which the order related,
- b) the constituent councils consented, and
- c) any required consultation had been carried out.

The report was accompanied by three papers which were required in order to enable the Secretary of State to assess the statutory tests:

-a Tees Valley Combined Authority Governance Review setting out the justification for broadening the remit and changing the governance of the Combined Authority;

-a Scheme to set out the proposed legal parameters of a Mayoral Combined Authority; and

-a consultation document which would be published to invite comments from members of the public and other stakeholders on the proposals.

If the proposals were supported by the Combined Authority a consultation would be launched on the changes. Other Combined Authorities were considering launching their own similar consultations.

Members agreed revised wording for Q1 of the consultation document. It was also agreed that reference to partnerships should be included in the Tees Valley Strategic Economic Plan (SEP) text part of the Tees Valley Combined Authority Governance Review.

RESOLVED that:-

- 1. The governance review, scheme and consultation documents be approved for publication.
- 2. Any further minor amendments to the documents ahead of publication be delegated to the Managing Director and the Chair of the Combined Authority working with officers.

Chair



Minutes

TEES VALLEY COMBINED AUTHORITY BOARD

**Meeting Room 1, Cavendish House, Teesdale Business Park,
Stockton-on-Tees at 2.00pm on Tuesday, 19th July 2016**

ATTENDEES

Members

Mayor David Budd (Chair)	Mayor of Middlesbrough Council	MBC
Councillor Bill Dixon	Leader of Darlington Borough Council	DBC
Councillor Sue Jeffrey	Leader of Redcar and Cleveland Borough Council	R&CBC
Councillor Bob Cook	Leader of Stockton-on-Tees Borough Council	SBC
Paul Booth	Chair of Tees Valley LEP	LEP

Associate Members

Phil Cook	Member of Tees Valley LEP	LEP
David Soley	Member of Tees Valley LEP	LEP

Apologies for absence

Councillor Christopher Akers-Belcher	Leader of Hartlepool Borough Council	HBC
Paul Croney	Member of Tees Valley LEP	LEP
Ian Kinnery	Member of Tees Valley LEP	LEP
Alastair MacColl	Member of Tees Valley LEP	LEP
Naz Parkar	Member of Tees Valley LEP	LEP
Nigel Perry	Member of Tees Valley LEP	LEP
David Robinson	Member of Tees Valley LEP	LEP

Officers

Peter Bell	Stockton-on-Tees Borough Council	SBC
David Bond	Monitoring Officer (TVCA)	SBC
James Bromiley	Redcar and Cleveland Borough Council	R&CBC
Ada Burns	Chief Executive of Darlington Borough Council	DBC
Garry Cummings	Section 151 Officer (TVCA)	SBC
Linda Edworthy	TVCA	TVCA
Neil Kenley	TVCA	TVCA
Richard McGuckin	Stockton-on-Tees Borough Council	SBC
Mike Robinson	Chief Executive of Middlesbrough Council	MBC

Jonathan Spruce

TVCA

TVCA

Also in attendance

Councillor Philip Thomson

Redcar and Cleveland Borough Council
and Member of the TVCA Overview and
Scrutiny CommitteeAction**TVCA 36/16 DECLARATIONS OF INTEREST**

There were no interests declared.

TVCA 37/16 TRANSPORT FOR THE NORTH (TfN) – PROPOSAL TO ESTABLISH A SUB-NATIONAL TRANSPORT BODY

Consideration was given to a report on Transport for the North (TfN) and a proposal for TfN to become the first sub-national transport body (STB) in early 2017, applying new legislation introduced in 2016. This would ensure that the North had greater influence over decisions on transport investment and services, with statutory powers devolved from central government.

The report, and its supporting information, set out the rationale behind the draft proposal, as well as the draft proposal itself, and sought endorsement from the Combined Authority to submit the draft to Government.

Once government had responded to TfN's proposal, the Combined Authority would need to separately consider whether to become a member of the proposed statutory body. An equivalent process was being taken forward through all of the North's transport authorities.

The Cities and Local Government Devolution Act 2016, enabled the Secretary of State for Transport to establish statutory sub-national transport bodies (STBs) following receipt of a proposal from authorities in that area, provided that two conditions were met:

- The STB would facilitate development and implementation of transport strategies for the area; and
- Economic growth would be furthered by development and implementation of such strategies.

From its establishment, it had always been envisaged that Transport for the North (TfN) would become the first STB. Over the last six months, TfN's Governance Working Group, chaired by the TVCA Managing Director, had been developing the scope and functions of the STB, as well as a formal draft proposal to be submitted to Government. During this process, the TfN Executive and Partnership Boards, on which the Tees Valley was represented, had had several opportunities to discuss and shape the proposals.

Attached to the report was a copy of the finalised proposal, which was

being presented to each of the North's transport authorities. The proposals included:

- The development of a statutory strategy for transport across the North;
- Drawing down significant powers from Central Government to specify the strategic pan-Northern transport objectives for Highways England and Network Rail, enhancing the North's influence over those agencies to deliver agreed pan-northern priorities;
- Progressive devolution of responsibility for franchised northern and trans-Pennine rail services, building on the existing Rail North partnership which would be incorporated within TfN;
- powers exercised concurrently with Combined Authorities and Local Transport Authorities, to support coordination on issues such as Smart Ticketing, and which would only be exercised with the agreement of the individual authorities.

New statutory responsibilities needed to be effectively governed. TfN had already established effective partnership arrangements, but these would need to move towards more formal governance arrangements.

It was proposed that all transport authorities across the North be invited to become full members, with authorities in the Midlands being granted "associate" member status to reflect the fact that some northern services ran into their areas. It was proposed that decisions would be reached by consensus, but as a statutory body a provision needed also to also be made for voting. It was proposed that authorities would receive one vote for each 200,000 population or part thereof. The recommended voting share arrangements were attached to the report. There was also a provision for a super-majority, requiring a 75% vote and a majority of individual members, for any votes on the following key issues:

- The approval and revision of TfN's transport strategy;
- The approval of TfN's annual budget; and
- Any changes to TfN's constitution.

There were provisions for continued partnership with business, and for scrutiny by elected members through a new cross-northern scrutiny panel on which all authorities would be represented.

Many of the Tees Valley's transport priorities needed to be taken forward in partnership with the rest of the North. The proposals to improve the A1, A19 and A66, the East Coast Mainline, and franchised northern and trans-pennine rail services could not be delivered solely through devolution to the Tees Valley. TfN therefore represented an opportunity for the Tees Valley to accelerate delivery of the most significant priorities, by making common cause with others across the North. By enhancing the statutory powers of TfN, the Tees Valley would benefit from greater influence over long-term transport investment decisions which would otherwise be made in Whitehall without sufficient involvement from the Tees Valley. The governance proposals also built in an effective role for the Tees Valley Combined Authority, with the proposed voting weights giving a slightly greater weight than its population share.

Once comments from Government had been received, the final proposal for legislation would require formal endorsement from each constituent TfN Authority who wanted to become members. A further report would be brought to the Combined Authority at that stage.

RESOLVED that the draft proposal for the establishment of a STB be endorsed, in order that it can be submitted to Government before the Summer Recess, for the reasons set out within the report.

TVCA 38/16 DEVOLUTION OF THE APPRENTICESHIP GRANT FOR EMPLOYERS (AGE)

Consideration was given to a report on the devolution of the Apprenticeship Grant for Employers (AGE).

In the Tees Valley Powerhouse Plan (the Blue Book) the Combined Authority proposed to 'become the commissioning authority as soon as practically possible for the Apprenticeship Grant for Employers 16-24 (AGE)'. The AGE scheme provided government support for certain small businesses to recruit individuals aged 16 to 24 into employment, through the apprenticeship programme (where they would not otherwise be in a position to do so).

The Skills Funding Agency (SFA) currently had responsibility for AGE funding and delivered it to employers through a national network of Training Providers. Eligibility was subject to a set of national criteria – except in three of the devolved areas (Greater Manchester, West Yorkshire / Leeds, Sheffield) where the Grant was already managed locally through devolution, therefore eligibility criteria was different for those areas.

As a consequence of the devolution deal, the Tees Valley Combined Authority had reached agreement in principle with government for devolved funding in respect of the AGE grant, for the year 1st August 2016 to 31st July 2017. Funding would need to be transferred across to the Combined Authority with effect from 1st August 2016, hence the urgency in submitting this report to the Combined Authority. The AGE grant was expected to cease from 31st July 2017 (unless there was a change of plan by Government), in which case the Combined Authority would need to consider a potential role in respect of any successor arrangements.

The answers to a number of potential questions around how the AGE grant could potentially work within Tees Valley were attached to the report.

Tees Valley Combined Authority had now been approached by the SFA to discuss the opportunity to take responsibility for the AGE Grant through the devolution deal.

It was reported that one and a half posts would be created through the AGE Grant on a 12 month temporary basis. Members felt that the post holders would need to go out and actively engage with companies in the Tees Valley and that this should be included in the job descriptions

for the posts. It was also felt that it was important to map in the 5 Tees Valley Authorities into the process.

It was felt that the greater eligibility / flex to the new scheme was really important. Going forward it was considered that the 16 plus market would create a bigger challenge than the 19 plus market. Training providers welcomed this report and had felt engaged in what was being proposed. It was also indicated that a collective response to businesses was key as this would prevent duplication and people being appointed to do the same tasks.

In response it was reported that the 5 Tees Valley Authorities would play an important role in the delivery of the training. A group had been set up to look at the criteria and because the TVCA could decide how to spend the funding, it could offer incentives for the 16 to 18 schemes. This was one of the significant benefits of getting the money locally.

RESOLVED that Tees Valley Combined Authority accept the transfer of responsibility for the Apprenticeship Grant for Employers (AGE) in Tees Valley, from the Skills Funding Agency with effect from 1st August 2016.

Chair



Minutes

JOINT LEP AND TEES VALLEY COMBINED AUTHORITY BOARD

**Meeting Room 1, Cavendish House, Teesdale Business Park,
Stockton-on-Tees at 2.20pm on Tuesday, 19th July 2016**

ATTENDEES

Members

Mayor David Budd (Chair)	Mayor of Middlesbrough Council	MBC
Councillor Bill Dixon	Leader of Darlington Borough Council	DBC
Councillor Sue Jeffrey	Leader of Redcar and Cleveland Borough Council	R&CBC
Councillor Bob Cook	Leader of Stockton-on-Tees Borough Council	SBC
Paul Booth	Chair of Tees Valley LEP	LEP

Associate Members

Phil Cook	Member of Tees Valley LEP	LEP
David Soley	Member of Tees Valley LEP	LEP

Apologies for absence

Councillor Christopher Akers-Belcher	Leader of Hartlepool Borough Council	HBC
Paul Croney	Member of Tees Valley LEP	LEP
Ian Kinnery	Member of Tees Valley LEP	LEP
Alastair MacColl	Member of Tees Valley LEP	LEP
Naz Parkar	Member of Tees Valley LEP	LEP
Nigel Perry	Member of Tees Valley LEP	LEP
David Robinson	Member of Tees Valley LEP	LEP

Officers

Peter Bell	Stockton-on-Tees Borough Council	SBC
David Bond	Monitoring Officer (TVCA)	SBC
James Bromiley	Redcar and Cleveland Borough Council	R&CBC
Ada Burns	Chief Executive of Darlington Borough Council	DBC
Garry Cummings	Section 151 Officer (TVCA)	SBC
Linda Edworthy	TVCA	TVCA
Neil Kenley	TVCA	TVCA
Richard McGuckin	Stockton-on-Tees Borough Council	SBC
Mike Robinson	Chief Executive of Middlesbrough Council	MBC

Jonathan Spruce

TVCA

TVCA

Also in attendance

Councillor Philip Thomson

Redcar and Cleveland Borough Council
and Member of the TVCA Overview and
Scrutiny CommitteeAction

TVCA **DECLARATIONS OF INTEREST**
39/16 There were no interests declared.

TVCA **MINUTES OF THE MEETING OF THE TEES VALLEY TRANSPORT**
40/16 **COMMITTEE HELD ON 22ND JUNE 2016**

Consideration was given to the minutes of the meeting of the Tees Valley Transport Committee held on 22nd June 2016.

RESOLVED that the minutes of the meeting of the Tees Valley Transport Committee held on 22nd June 2016 be received.

TVCA **EXCLUSION OF THE PUBLIC**
41/16

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be 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 paragraph 3 of Part 1 of Schedule 12A of the Act.

TVCA **LARGE LOCAL MAJOR TRANSPORT SCHEMES FUNDING BIDS**
42/16

Consideration was given to a report on the Large Local Major Transport Schemes Funding Bids.

In the March Budget, the Chancellor announced that he was inviting bids for the £475 million Large Local Major Transport Schemes fund.

The approach to submitting bids for the Tees Valley and the content of the most recent bid were detailed within the report.

RESOLVED that the approach to submitting bids and the content of the bid themselves, including the secured bid for scheme development funding be approved for submission.

TVCA **GROWTH DEAL 3 (LOCAL GROWTH FUND) SUBMISSION**
43/16

Consideration was given to a report on the Growth Deal 3 (Local Growth Fund) Programme Bid. The Bid needed to be submitted jointly by Tees Valley Unlimited (TVU) and the Tees Valley Combined

Authority, as the Accountable Body for the LEP, to Government by 28th July 2016.

The views of Tees Valley Unlimited and the Tees Valley Combined Authority were sought on the draft programme bid. The full bid and an executive summary were attached to the report. As part of the process a Challenge Session would be held with Government.

RESOLVED that:-

1. The overall scale of the bid and the split between the themes be agreed.
2. The draft submission be agreed.
3. The authority to make any final changes to the submission be delegated to the Managing Director in consultation with the Chairs of TVU and the Combined Authority.

Chair

FINANCE AND POLICY COMMITTEE

26th September 2016



Report of: Director of Regeneration and Neighbourhoods

Subject: CAPITAL PROGRAMME 2016/17

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Part of the Budget and Policy framework.

2. PURPOSE OF REPORT

2.1 To seek Members approval to allocate the Council Capital fund for planned maintenance on Council property and assets and to consider the allocation of the other Council priorities pot.

3. BACKGROUND

- 3.1 In November 2015, Finance and Policy Committee received a report on the Capital Receipts target. The report provided an update on the progress in achieving the existing capital receipts target of £6.5m; outlined proposal for setting a new capital receipts target and the proposed land sales to achieve increase the target to £7.5m and also enabled Members to develop a strategy for using the additional capital receipts target for 2016/17 of £1m to fund the following priorities:-
- £0.6m for Council Capital Fund purposes (Council Assets and Property)
 - £0.4m for other Council priorities, which may include match funding capital grants and / or other external funding opportunities, or potential development of Community Hub facilities
- 3.2 As part of the Medium Term Financial Strategy recommendations approved by Council authority to approve schemes to be funded from the above resources was delegated to Finance and Policy Committee. Detailed proposals for the allocation of the Council Capital Fund resources are presented below for consideration Members have to date approved funding up to the sum of £96,700. This report presents to Members schemes which have been identified as urgent based upon Health and Safety and/or DDA requirements.

4. PROPOSALS**£,000****4.1 Civic Centre – Fire Risk Assessment**

The Civic Centre Fire Risk Assessment identified the requirement for four new external double door sets. The installations need to be designed to link in with the fire alarm system (both doors to unlock automatically). The doors are located to the side of concourse main entrance, the Hucklehoven entrance, doors adjacent to the boiler room and at the Grand Hotel entrance. Each existing door set comprises two doors with one door locked with bolts.

12,000

4.2 Civic Centre – Roof

There are two areas of the roof that were not replaced as part of the capital maintenance scheme some years ago.

High level roof to part of plant room needs the existing temporary system to be replaced with a new structural deck and Flag single ply system to match other areas.

Low level roof to boiler house needs the existing stone chippings removing, surface prepared to receive 130mm insulation then the

installation of the Flag single ply system to match other areas and also to fit parapet flashings to match existing.

54,000**Civic Centre Total Cost £64,000****4.3 CCTV**

The installation of 3 new Public Space CCTV cameras in Hartlepool linked to the Council's Community Monitoring Centre at the following locations:

- a) The Car park behind St. Patrick's Shopping Parade, Owton Manor Lane, in the Manor House ward.
- b) The junction of Borrowdale Street and Kathleen Street in the Foggy Furze Ward.
- c) Hartfields Play Area, Hartfields, at Bishop Cuthbert in the Hard ward.

83,230

4.4 Hartlepool Enterprise Centre

The Enterprise Centre was subject to a major upgrade in 2007, costing £1.35m; the project was largely financed by the RDA's Single Programme and the Neighbourhood Renewal Fund. Some minor external works have been carried out since the 2007 renovation. However, the paintwork is now beginning to blister in

some places and the main building and external units are in need of external decoration to improve their condition and ensure that the Centre remains marketable to new clients.

In addition, the rear of the building retains the original sash windows which are in poor condition. None of these windows can be opened and they create drafts, especially in the winter and fail to meet modern security glass standards. They therefore need to be covered with security grilles which are very unsightly. The rear aspect of the building has been subject to complaints from residents in Wharton Terrace. The office workspace units with the old windows are also less attractive to prospective tenants and therefore more difficult to market. Replacing these windows with modern, BS compliant security glazing will enable the removal of the security grilles, and will improve the appearance of the Centre while, at the same time, improving the functionality of the building as an Enterprise Centre.

36,380

Details of the required painting and decorating total £4,778. In terms of the window replacements the cheapest quote is £30,602. This will allow for the replacement of all the remaining sash windows within the main building and at the rear of the building and removal of the security grilles. An additional allowance of £1,000 has been included for signage giving a total cost for all works of £36,380.

TOTAL	<u>185,610</u>
--------------	-----------------------

5. CONCLUSION

- 5.1 Finance and Policy committee has previously approved detailed proposals for using the Council Capital Fund and Council's Priority Funding. This report sets out further proposals for using part of the Council's Capital Fund. After reflecting these proposals the uncommitted balance on this fund of £286,265 as detailed in Appendix A and proposals to using this amount will be subject to a future Finance and Policy report.
- 5.2 In addition there is also £45,000 of uncommitted Council priority funding as detailed in **Appendix A**. Again proposals for using this amount will be subject to a future Finance and Policy Committee report.

6. RISK IMPLICATIONS

- 6.1 The non allocation of the full capital maintenance programme and the general lack of investment in the Councils assets & property portfolio due to the financial challenges facing the Council increases the risk of large scale failures of building elements together with the associated financial implications, increased pressure on the centralised maintenance budget, the disruption of services and in some areas loss of income. In addition this could also result in non compliance with H&S and accessibility legislation which can have financial penalties.

7. FINANCIAL CONSIDERATIONS

- 7.1 The Council has finite resources available to support the proposals detailed in this report. Available funding is attached as **Appendix A**. The proposals in relation to the Council Capital fund only commit part of the available funding to enable the outcome of services reviews and future property needs to be assessed before committing these resources.

8. LEGAL CONSIDERATIONS

- 8.1 There are no legal considerations to this report.

9. CHILD AND FAMILY POVERTY

- 9.1 There are no child and family poverty implications relating to this report.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 There are no equality and diversity considerations relating to this report.

11. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 11.1 There are no Section 17 considerations relating to this report

12. STAFF CONSIDERATIONS

- 12.1 There are no staff considerations relating to this report.

13. ASSET MANAGEMENT CONSIDERATIONS

- 13.1 The attention of the Committee is drawn to the Asset Management element of the Medium Term Financial Strategy. The decision by Members in January 2009 requires a commercial, proactive approach to be taken on Asset Management issues, the proceeds of this transaction being a contribution to the Medium Term Financial Strategy (MTFS).
- 13.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it occupies or disposes of.

14. RECOMMENDATIONS

14.1 In accordance with the authority delegated by Council within the approved MTFS for 2016/17 it is recommended that Members

- i) Approve the proposals detailed in section 4 for use of part of the Council Capital Fund, totaling £185,610.

15. REASONS FOR RECOMMENDATIONS

15.1 To enable projects to be implemented as detailed in the report.

16. BACKGROUND PAPERS

16.1 Capital Receipts target, Finance and Policy Committee November 2015 and Medium Term Financial Strategy Report December 2015.

17. CONTACT OFFICER

Denise Ogden
Director of Regeneration and Neighbourhoods
Civic Centre
Victoria Road
Hartlepool
TS24 8AY
Email denise.ogden@hartlepool.gov.uk
Tel: 01429 523301

Council Capital Fund, Table 1**Amounts Approved As Part of MTFS 2015/16
and Prior Years**

	£	£
CCF	1,000,000	
Approved	<u>(888,425)</u>	111,575

**Amount Approved As Part of 2016/17
MTFS**

Council Capital Fund	600,000	
Approved Finance and Policy, 14th March 16	<u>(96,700)</u>	503,300

Other

Savings in Prior Year Schemes		<u>178,000</u>
		792,875

Earmarked for Capital Works at HME Approved Finance and Policy 16th May 16		(321,000)
--	--	-----------

Proposed CCF Schemes (See Body of Report)		<u>(185,610)</u>
Total Unallocated CCF		286,265

Council Priorities, Table 2

Council Priorities	400,000	
Approved Finance and Policy 14 th March 16	<u>(355,000)</u>	<u>45,000</u>
Total Unallocated CP		45,000

FINANCE AND POLICY COMMITTEE

Monday 26th September 2016



Report of: Director of Public Health

Subject: TEES VALLEY SHARED PUBLIC HEALTH SERVICE

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to inform Committee that the Tees Valley Shared Public Health Service is being disbanded and therefore Hartlepool Borough Council is in the process of withdrawing from the Tees Valley Shared Public Health Service Agreement, for the service hosted by Redcar and Cleveland Council.

3. BACKGROUND

- 3.1 The Tees Valley Public Health Shared Service was formally established in April 2013 as part of the transfer of public health responsibilities from the NHS to local government (in line with the Health and Social Care Act 2012). The service was established on the basis of making the most effective use of limited and scarce specialist public health resources, knowledge and skills, and enabling Directors of Public Health for the five Tees Valley local authorities to discharge public health statutory duties in the most cost-effective way. The functions of the shared service include:

- Public health intelligence
- Clinical support and advice to public health local teams
- Core offer of public health advice to the Clinical Commissioning Group
- NHS Health Check Programme and clinical support
- Sexual Health Service commissioning
- Pharmaceutical support including the Pharmaceutical Needs Assessment

- 3.2 The Tees Valley Local Authority Chief Executives agreed, at their meeting on 20 April 2016, that the Shared Service should be reshaped and transformed in such a way that it could continue to operate but within a maximum budget envelope of £1.12M. This sum took into account the complete loss of contribution from Darlington Borough Council who had

already signaled their intent to withdraw from the shared service agreement in January 2016. The reduction in the budget envelope represented a reduction in budget of £526,944 (32%) by 2017-18 compared to 2015-16.

- 3.3 The Directors of Public Health, through the Tees Valley Public Health Shared Service Governance Board, were tasked to take forward that recommendation and develop a new service model to be established by 31 December 2016.

4. PROPOSALS

- 4.1 The Public Health Shared Service Governance Board (comprising of the 5 Tees Valley local authority Directors of Public Health) has considered functions, staffing and budgets over the last 2 months seeking to establish an effective, efficient and safe model for the Shared Service to support the Tees Local Authorities discharge their public health responsibilities.

- 4.2 The discussions have concluded the following:

- The key current functions delivered by the Shared Service need to be maintained although there are some functions that can be stopped or delivered in a different way by the local authorities.
- The extent of the restructure required to fit within a maximum budget envelope of £1.12M makes the service less resilient, fragile and therefore vulnerable if there are any difficulties in recruiting and retaining scarce staff.
- The new structure is the absolute minimum staffing levels needed to deliver the functions and, in the view of the Board, has limited resilience, potential single points of failure and does not have sufficient critical mass to continue as a stand-alone team.
- The overheads have been reduced slightly but under the revised budget would be in the region of 27% of the entire budget for the Shared Service. These costs would not be incurred if the functions were redistributed and absorbed into the four local authorities.
- Each Local Authority is faced with additional pressures on their public health budgets which were not apparent earlier in the year which makes it likely that additional financial reductions might be required from the Shared Service in the next 1-3 years, making it increasingly unstable and undeliverable.

- 4.3 The Shared Service Governance Board has reluctantly but unanimously resolved that the Shared Service is no longer viable as a stand-alone team. This view was supported by the Tees Valley Local Authority Chief Executives:-

- it is no longer a cost effective way of delivering the functions
- it is unlikely to retain or recruit staff in the future
- it is a significant financial risk to maintain it in the short term (as a three year commitment to the arrangement was not possible at this stage).

4.4 In the light of this the Governance Board is developing a timetable which will ensure that the Shared Service is fully dissolved by 31 December 2016. An exit plan is being developed with Human Resources, Finance and Legal colleagues.

4.5 The Governance Board has agreed some early principles that need to be adopted. They include:

- HR process to be led by Redcar & Cleveland as the host authority but must include HR leads from the other 4 Local Authorities as potential “receiver” organizations and staff must be fully engaged and consulted throughout.
- DsPH need to agree how current Shared Service functions will be delivered in future to provide assurance to CEOs how the public health responsibilities will be met; some functions may be hosted by one Local Authority on behalf of all, some may be done North Tees or South Tees or others may be done separately in each Local Authority.

5. RISK IMPLICATIONS

5.1 The Director of Public Health is considering an alternative model of service delivery that will build capacity within the local Hartlepool Public Health team, in order to ensure the statutory functions the shared service discharges are fulfilled as outlined in section 3.1. This alternative model will include existing functions that are being provided by the existing service, but also new ways of working. As part of this model it is anticipated that it will result in the need for a full time Consultant in Public Health.

6. FINANCIAL CONSIDERATIONS

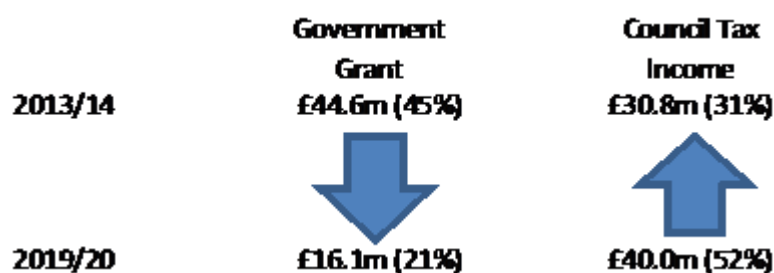
6.1 An update of the Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 was considered by the Finance and Policy Committee on 20th June 2016. This report highlighted the key issues impacting on the development of the budget for 2017/18 and future years, which reflects the following key issues:

- The scale of the Government grant cuts implemented over the over the last 6 years which have had a disproportionate impact on Authorities, including Hartlepool, with the greatest dependency on Government Grant, with the least ability to raise resources locally from Council Tax or Business Rates and higher levels of need and deprivation;

- The announcement by the Government that Local Authorities will continue to face further significant funding cuts over the next three years (2017/18 and 2019/20). For Hartlepool, this means a further cut in Government funding of **£9.8m** by 2019/20;
- The financial impact of Government's National Minimum Wage, which it is anticipated will increase the Council's costs by £2m per year from 2019/20 and will not be covered by the Government providing 'new burdens' funding;
- In recognition of financial pressures on Local Authorities, arising from Government grant cuts and the National Living Wage, the Government has implemented the 2% Social Care precept. This is a significant change in the Government's Council Tax policy and enables Authorities with Social Care responsibility to increase Council Tax by 3.9%, without needing a Council Tax referendum. The Chancellor's March 2016 budget forecasts assume individual Authorities will implement annual Council Tax increases of 3.9% until 2019/20.

The MTFS report highlighted the significant shift in the balance of Council funding from Government Grant (reflecting further cuts up to 2019/20) to Council Tax (reflecting the change in Government Council Tax policy) between 2013/14 and 2019/20, as follows:

Changes in Funding 2013/14 to 2019/20 (figures in brackets show income as percentage of total Council Resources)



The MTFS report advised Members that a range of corporate savings have been identified which reduces the forecast deficit for the next three years from £17.240m to £12.690m. The revised forecast deficit still equates to a 15% reduction on the 2016/17 budget. After reflecting the recommended use of one-off resources from the forecast 2016/17 managed outturn the Council will need to make the following annual budget reductions:

- 2017/18 - £4.634m
- 2018/19 - £3.784m
- 2019/20 - £4.272m

- 6.2 The Hartlepool financial contribution to the shared service agreement is £258,000. It is anticipated that the alternative models of service delivery referred to in section 5.1, can be achieved with a circa 10% efficiency.

7. LEGAL CONSIDERATIONS

- 7.1 The legal considerations involve withdrawal of Hartlepool Borough Council from a legal agreement for a shared public health service with Redcar and Cleveland Council.

8. CHILD AND FAMILY POVERTY (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)

- 8.1 Not required.

9. EQUALITY AND DIVERSITY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)

- 9.1 Not required.

10. STAFF CONSIDERATIONS

- 10.1 The Tees Valley Shared Public Health Service staff are employed by Redcar and Cleveland Council. There may be staffing implications for the alternative model of service delivery being determined by the Director of Public Health. This may involve a limited number of staff being transferred to Hartlepool Borough Council employment.

11. ASSET MANAGEMENT CONSIDERATIONS

- 11.1 No issues to consider as the lease for the existing premises has expired and was managed through Redcar and Cleveland Council.

12. RECOMMENDATIONS

- 12.1 That Committee notes the disbanding of the Shared Public Health Service and the withdrawal of Hartlepool Borough Council from the Tees Valley Public Health Shared Service agreement with Redcar and Cleveland Council.
- 12.2 That Committee is assured the Director of Public Health is developing a alternative model of service integrated into the Hartlepool Borough Council Public Health team, to ensure the delivering of the key functions that the Tees Valley Shared Public Health currently fulfils.

13. REASONS FOR RECOMMENDATIONS

- 13.1 To inform Committee of the withdrawal of the Council from the Tees Valley Shared Public Health Service agreement as the four other partners have agreed to dissolve the service and withdraw from the agreement.

14. BACKGROUND PAPERS

14.1 None

15. CONTACT OFFICER

Louise Wallace
Director of Public Health
Hartlepool Borough Council
4th Floor Civic Centre
louise.wallace@hartlepool.gov.uk

FINANCE AND POLICY COMMITTEE

26th September 2016



Report of: Director of Regeneration and Neighbourhoods

Subject: DISPOSAL OF SURPLUS ASSETS - SALE OF
MARKET HOTEL, LYNN STREET

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non-key decision.

2. PURPOSE OF REPORT

2.1 To seek approval for the future actions to be taken in relation to Market Hotel, Lynn Street.

3. BACKGROUND

- 3.1 The Council are the freehold owners of the Grade II listed “Market Hotel” which is located on Lynn Street near the town centre of Hartlepool (the property is shown hatched on the plan at **APPENDIX 1**, adjoining land is shown crosshatched). The building is located to the south west of the Council Depot which is currently the focus of redevelopment plans. Work on the new Cleveland College of Art and Design campus, fronting Church Street, is now well underway. There are aspirations to develop the remainder of the site and it is clear that those buildings in close proximity will have some influence over the future of the wider area.
- 3.2 The property is in a seriously dilapidated condition and has a number of significant structural defects. The building is currently temporarily propped to ensure stability; at ongoing cost to the Council. As such the Council has been looking at the various options available to it in order to find a suitable way forward with the site.
- 3.3 As noted above, the structure is a grade II listed building and the Council has therefore been in contact with Historic England to discuss the options available for the site. Demolition is regarded by Historic England as unacceptable in almost all circumstances, and they advised that in the first

instance the property should be marketed to see if there were any interested parties looking to acquire the building and bring it back into use.

- 3.4 The Council has had the property for sale on the open market since March 2014 through a local agent, Greig Cavey Commercial Ltd. To date there have been a number of enquiries. This has resulted in offers being received to acquire the freehold interest in the building.

4. PROPOSALS

- 4.1 There are three options available for proposed future uses of the building.

4.2 Option 1

An offer has been received for the purchase of the property and the adjoining land shown cross hatched on the Plan at **APPENDIX 1**. The interested party is proposing to refurbish the building and provide an extension on the land at the side in order to convert the structure to self contained apartments. In addition, the developer is also considering possible commercial use of the ground floor. Depending on the exact nature of the use, this could be an asset to the ISQ, albeit that it is envisaged that the majority of retail, licensed premises and café/restaurants will remain located on Church St. The proposals are subject to obtaining planning permission and listed building consent

- 4.3 The interested party has experience in renovating property in the Hartlepool area and is considered a suitable candidate to take on the building. Due diligence information about the prospective purchaser is set out in **CONFIDENTIAL APPENDIX 2. 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 that information.**

- 4.4 Taking account of current market conditions the Estates & Regeneration Manager considers the offer to be acceptable. The terms of the offer are set out in **CONFIDENTIAL APPENDIX 2. 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 that information.**

4.5 Option 2

The Council would retain the building and adjoining land and seek funding to restore the property for use as small business units or live/work units for the creative industries sector. This use would be compatible with the development of the Innovation and Skills Quarter in Church Street.

- 4.6 An expression of interest was made to the Heritage Lottery Fund's Heritage Enterprise Grant Scheme. The feedback provided stated that the scheme has the potential to meet the outcomes for the grants programme but would require a match funding element to be provided from an alternative source. A Stage 1 application would be required with no guarantee of funding. The deadline for application is 8th December 2016 for a funding decision by March 2017.

4.7 Option 3

A Listed Building Consent application is made to demolish the building.

5. RISK IMPLICATIONS

- 5.1 Local authorities bear the greatest part of the responsibility for care and conservation of the historic environment. This is seen not only in the decisions that are taken through the planning process but also as owners of heritage assets. Decisions taken by the authority can set the tone for the development of a wider area.
- 5.2 Consideration has been given to all options available for the site including demolition.
- 5.3 Option 1 provides a solution that removes from the local authority the current burden of upkeep and maintenance of the property, and generates a Capital Receipt which could be used to make a contribution to the overall Capital Receipts target of £7.5m included within the Medium Term Financial Strategy.
- 5.4 Option 2 would mean that the Council retains an interest in the property. Any grant application would require an element of financial support from the authority, and other funding to provide a match for the scheme. There could be a risk in obtaining this support and in finding the potential future maintenance costs that the property could incur.
- 5.5 Option 3 is unlikely to be viable. The marketing of the property has demonstrated that there is a viable use available for the building. In line with the National Planning Policy Framework there are a number of tests required to be met which would demonstrate that a sustainable use could not be found for the site. These could not be achieved and therefore demolition is unlikely to be supported by Historic England.

6. FINANCIAL CONSIDERATIONS

- 6.1 The Council is currently responsible for the holding costs of the building and the main commitments are structural scaffolding costs and insurance costs. Longer term the Council may be responsible for more significant

development costs if a sale of this building cannot be achieved. There is currently no Council funding to undertake development by the Authority.

- 6.2 Option 1 represents the best option financially for the Council, generating a Capital Receipt without the need to fund any costs associated with the development. The Capital Receipt would be used to meet the Capital Receipts target of £7.5m included within the Medium Term Financial Strategy.
- 6.3 In considering the issues outlined in this report Members are reminded that significant additional Government Grant cuts will be made over the period 2017/18 to 2019/20. An update of the Medium Term Financial Strategy was submitted to the Finance and Policy Committee on 20th June 2016 and informed Members that the Council faces a budget deficit of £12.7 million over the next three years. This equates to a reduction from the 2016/17 budget of 15% and assumes annual Council Tax increases will be implemented in line with Government Council Tax policy, including the 2% Social Care precept, and Council Tax growth forecasts will be achieved. Achieving this level of reduction will be extremely challenging and detailed proposals for achieving saving of approximately £4 million per year for the next three years will be reported to future policy committees. Any additional budget pressures will increase the level of budget cuts which will need to be made and will need to be referred to the Finance and Policy Committee for consideration.

7. LEGAL CONSIDERATIONS

- 7.1 There are no significant legal considerations in this instance.

8. CHILD AND FAMILY POVERTY

- 8.1 There are no child and family poverty considerations in this instance.

9. EQUALITY AND DIVERSITY CONSIDERATIONS

- 9.1 There are no equality and diversity considerations in this instance.

10. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 10.1 The property has been a target for vandalism, theft and general anti-social behavior whilst it has been empty. Renovation and re-use of the building should bring these issues to an end.

11. STAFF CONSIDERATIONS

- 11.1 There are no staff considerations in this instance.

12. ASSET MANAGEMENT CONSIDERATIONS

- 12.1 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.
- 12.2 The renovation and re-use of the building should have a positive impact on other Council owned assets in the area including the Reed Street depot site.

13. RECOMMENDATIONS

- 13.1 It is recommended that Committee approve Officers progress Option 1 and take no further action on the other two alternative options.

14. REASONS FOR RECOMMENDATIONS

- 14.1 Full consideration has been given to all of the offers received, which as noted above, are considered to reflect fully the market value of the site.
- 14.2 Certain safeguards would be built in to agreement to ensure that the site is developed in a timely manner, and any developer is considered to be in a in good position to complete the purchase and carry out the development successfully.
- 14.3 There are a number of ongoing costs in relation to the building. It is considered that in light of these, and the current state of the structure, there is an urgent need to find a suitable solution for this site.
- 14.4 Whilst demolition and clearance of the site would allow redevelopment to take place, it is not considered likely that consent for demolition could be obtained for the reasons outlined in Section 5.5 above.
- 14.5 The property is within the Innovation and Skills Quarter in which a total of £7.7m is being spent on projects in the area including new creative business workspace, public realm works and improvements to historic buildings in order to facilitate regeneration of this part of Hartlepool. Bearing this in mind, there is a strong case to encourage privately funded investment in the area; interest in the property has been increased by the prospect of the new College of Art and Design campus opening in Church Street, and the accommodation may be marketed to students. Privately financed renewal of the Market Hotel, would be an early indication of the success of the ISQ strategy, and would complement the conversion of the nearby former Post

Office building in Whitby Street by the Council through Local Growth Funding.

- 14.6 As part of the ISQ strategy, the Council is working with owners of empty/derelict property in the area, particularly listed buildings, to bring them back into use and it is therefore imperative that this Council owned listed building is put into good repair and a sustainable use as soon as possible. The Heritage element of the ISQ is an important part of the overall plan to improve buildings in the area, and the sale and renovation of the property should contribute very positively towards it; this type of outcome may assist in obtaining heritage based grants as the scheme progresses.
- 14.7 An application for Planning Permission and Listed building Consent to demolish the building would not fit with the regeneration policy for the area, which is based on utilising the heritage and character of the ISQ. It may also adversely affect the Heritage Lottery Fund application on which officers are currently working on the Phase II application to draw down the £1.2m provisionally awarded.

15. BACKGROUND PAPERS

- 15.1 There are no Background Papers in this instance.

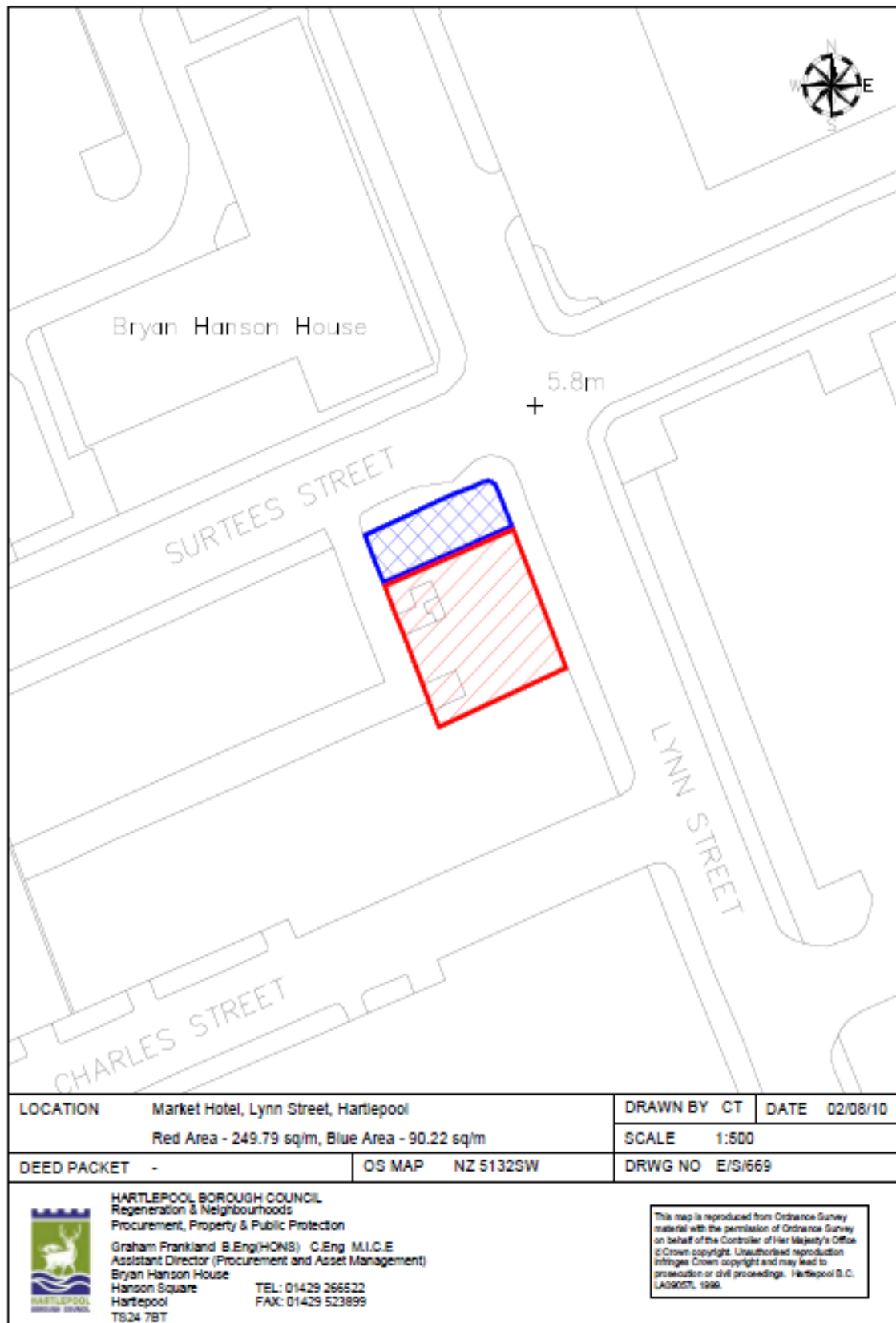
16. CONTACT OFFICER

Denise Ogden
Director of Regeneration and Neighbourhoods
Civic Centre
Victoria Road
Hartlepool
TS24 8AY
Email denise.ogden@hartlepool.gov.uk
Tel: 01429 523301

APPENDIX 1

Site plan

Market Hotel and adjoining land



FINANCE AND POLICY COMMITTEE

26 September 2016



Report of: Chief Executive

Subject: SENIOR LEADERSHIP RESTRUCTURE

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 None Key Decision.

2. PURPOSE OF REPORT

2.1 This report is to make recommendations to Finance and Policy Committee in respect of the Chief Officer structure of the Council with particular reference to Chief Executive's Department.

3. BACKGROUND

3.1 As Members are aware the Council is facing an ongoing financial challenge. I formally took up my post in June 2015 and since then I have considered the current Corporate Structure and taken the opportunity to review the functional groupings in each Department.

3.2 My recent report to this committee considered a number of options in respect of Regeneration and Neighbourhoods department which are currently being progressed and implemented.

3.3 My intention in making any changes is to only make them where they will add value or where they are necessary to ensure the overall robustness of the senior leadership team of the Council.

3.4 I have received the resignation of the Assistant Chief Executive and my proposals in this report are to describe my recommendations for this part of the organisation.

4. PROPOSALS

4.1 Chief Executive's Department

4.1.1 The Chief Executive's Department has a significant role to play in achieving the Council's ambition. It also provides the governance core of the Council, a broad range of central services which are crucial to the smooth running of

the Council and a range of front line services. The Assistant Chief Executive post is my designated deputy as Head of Paid Service and the current role undertakes a range of roles and responsibilities which have evolved over time in addition to those core aspects of the role which relate to the service portfolio for which the post is responsible.

- 4.1.2 I have undertaken a fundamental review of the functions and policy areas against the Council's ambition and the challenges which we face. My aim in doing this is to ensure that I have a senior leadership team clearly focused on the challenges faced, that makes best use of the expertise currently in the authority and delivers for the Council excellent and consistent services.
- 4.1.3 In developing my recommendations I have addressed the previous decision of this committee in respect of the Corporate Procurement Unit. Addressing those other aspects encompassed in the previous report will in part be dependent upon the decision of this committee on these proposals.
- 4.1.4 The proposals for this change are included in **Appendix 1** in the exempt section of the report.

This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).

4.2 Regeneration and Neighbourhoods Department

- 4.2.1 There are no further currently planned changes in respect of Regeneration and Neighbourhoods Department.

4.3 Child & Adult Services Department

- 4.3.1 There are no currently planned changes in respect of the Child and Adult Services Department.

4.4 Public Health

- 4.4.1 There are no currently planned changes in respect of the Public Health Department.

5 IMPLEMENTATION PROCESS

- 5.1 The proposals in relation to the implementation of the recommended structure are attached as **Appendix 1** in the exempt section of the report.

This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).

6 TIMETABLE

- 6.1 Implementation of the proposed structure is scheduled to take place following consideration by Finance and Policy Committee of this report with appropriate consultation undertaken in line with agreed policies.

7 RISKS

- 7.1 It should be noted that with any change in structure there is a potential risk to service delivery and in respect of organisational knowledge. The proposal I have recommended to Committee is my best advice (subject to a further report on those matters identified above) for the overall structure of the Council.

8 CHILD AND FAMILY POVERTY IMPACT

- 8.1 There are no direct impacts on Child and Family Poverty.

9 FINANCIAL IMPLICATIONS

- 9.1 Previous restructuring proposals to the senior leadership team have provided recurring annual savings and this includes changes previously made within the Chief Executive's department. For example, the restructure completed in 2013, which reduced the number of Chief Officer posts from 15 to 10, provided a recurring saving of approximately £450,000.
- 9.2 As indicated elsewhere in this report the current structure has worked well to meet the challenges which the organisation has, and continues, to face. It has done so largely due to the individuals in these posts rather than the structures themselves.
- 9.3 In overall terms over the period of the MTFS the changes included as part of this report will result in a net recurring saving at the maximum salary points of £36,000 (inclusive of employers' National Insurance and pension costs). In the initial years, until individuals reach the top of the grade, there will be higher savings which will be reflected in the MTFS.

10 CONSULTATION

- 10.1 The Hartlepool Joint Trade Unions Committee (HJTUC) have been provided with a copy of this report and asked for written comments in advance of your meeting which will be circulated as soon as possible after they are received.
- 10.2 All affected Chief Officers have been provided with a copy of this report. Comments and any revised recommendations arising from those comments will be presented at the Finance and Policy Committee meeting.

11 RECOMMENDATIONS

11.1 That Finance and Policy Committee:

- (a) Approves the deletion of the posts identified in the Not For Publication element of this report at section 3.2,
- (b) Approves the grading of the post and slotting in of the post holder identified in the Not For Publication element of this report at section 3.3;
- (c) Approves the new post and grading as set out in the Not for Publication element of this report at 3.4;
- (d) Approves the redesignation of the post as set out in the Not for Publication element of this report of the at 3.5
- (e) Notes that the proposals as set out in the Not For Publication element of this report at 4.12, 4.15 and 4.16 will form the basis of appropriate communications and consultations with those staff affected
- (f) Approves the functional groupings identified in the Not For Publication element of this report at section 4.13 and 4.17
- (g) Notes the recurring savings achieved from implementing these proposals as detailed in 9.3 above;
- (h) Notes that I will be potentially submitting a further report when I have concluded my considerations on those aspects not addressed in this report.

12 BACKGROUND PAPERS

12.1 No Background papers.

13 CONTACT OFFICER

13.1 Any queries contact Gill Alexander, Chief Executive on 01429 523001.