

# **ECONOMIC GROWTH AND REGENERATION COMMITTEE AGENDA**



**Tuesday 1<sup>st</sup> March 2022**

**at 10.00 am**

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

**A limited number of members of the public will be able to attend the meeting with spaces being available on a first come, first served basis. Those wishing to attend the meeting should phone (01429) 523568 or (01429) 523013 by midday on Monday 28 February and name and address details will be taken for NHS Test and Trace purposes.**

**You should not attend the meeting if you are required to self-isolate or are displaying any COVID-19 symptoms such as (a high temperature, new and persistent cough, or a loss of/change in sense of taste or smell), even if these symptoms are mild. If you, or anyone you live with, have one or more of these symptoms you should follow the NHS guidance on testing.**

**MEMBERS: ECONOMIC GROWTH AND REGENERATION SERVICES COMMITTEE**

**Councillors Brown, Clayton, Cook, Cowie, Hargreaves, Lindridge and Young**

**1. APOLOGIES FOR ABSENCE**

**2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

**3. MINUTES**

- 3.1** Minutes of the meeting held on 30 November 2021 (*previously circulated and published*).

**4. BUDGET AND POLICY FRAMEWORK**

No items.

**CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE**

In the event of a fire alarm or a bomb alarm, please leave by the nearest emergency exit as directed by Council Officers. A Fire Alarm is a continuous ringing. A Bomb Alarm is a continuous tone. The Assembly Point for everyone is Victory Square by the Cenotaph. If the meeting has to be evacuated, please proceed to the Assembly Point so that you can be safely accounted for.

**5. KEY DECISIONS**

No items.

**6. OTHER ITEMS REQUIRING DECISION**

6.1 Council Motion 'Hartlepool Triple Lock on Jobs' – *Managing Director*

**7. ITEM FOR INFORMATION**

7.1 Economic Growth Strategic Review - Presentation

Date of next meeting –

Tuesday 22 March commencing at 10.00 am in the Civic Centre, Hartlepool.



# **Economic Growth and Regeneration Committee**

**1<sup>st</sup> March 2022**



**Report of:**           **Managing Director**

**Subject:**           **COUNCIL MOTION “HARTLEPOOL TRIPLE LOCK  
ON JOBS”**

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**1.       TYPE OF DECISION/APPLICABLE CATEGORY**

For decision

**2.       PURPOSE OF REPORT**

- 2.1       Members will recall that at the December meeting of Full Council a motion titled “Hartlepool Triple Lock on Jobs” was referred to Economic Growth & Regeneration committee in accordance with Council Procedure Rule 11.4, to consider.

**3.       BACKGROUND**

- 3.1       The motion referred from Full Council is below:

*Council notes that: The jobs crisis in Hartlepool is stark. The percentage of our population that is economically active is lower than both the national and regional average and unemployment is higher than both the national and regional average. Our town is routinely reported as having one of the highest or indeed the highest unemployment rate in the UK. We believe that urgent action is needed and in the absence of meaningful support from elsewhere, the council can and must do more.*

*Council, therefore, resolves that:*

- *Every proposal for capital expenditure will now come with an economic impact assessment that will give a detailed estimate of how many Hartlepool based jobs the proposal will create.*
- *Procurement procedures for the authority are reviewed and reformed to improve the social value of all tenders/quick quotes, including trebling the value weighting for social value to 30%, which is fixed.*
- *The use of “fire and re-hire” within the authority is banned and that the council will actively promote those local employers who similarly refuse to use this disgusting practice.*

*As the largest employer and one of the biggest economic drivers in Hartlepool we must put our town first in everything that we do to ensure that every resident has the opportunity for good, well paid employment to support them and their families. The money this council spends is Hartlepool's money. The jobs this money creates must benefit our town and its people.*

#### **4. CURRENT POSITION**

- 4.1 Every effort is made to put Hartlepool businesses first. However for high value tenders we are also governed by the Public Procurement Regulations where tenders have to be 'open' for all to bid for. The Council's Contract Procedure Rules (CPR) states:

*Given the possible nature of the services subject to challenge, care will need to be taken to ensure that evaluation criteria are utilised which reflect the Council's obligation to secure Best Value and meet the requirements and principles laid down in the Public Services (Social Value) Act 2012, i.e. to consider how the procurement can promote or improve the social, economic or environmental well-being of the Authority's area. Part 4 section 10 (v).*

- 4.2 Before determining a percentage target for social value and / or introducing economic impact assessments we would need to determine the opportunities for social value that capital investment will deliver. We would need to consider how to embed social value across the capital programme and project lifestyle to optimise social value outcomes for local residents and define an approach to engage the supply chain to deliver social value in line with local and regional priorities in order to produce guidance on how to measure the social value (SV) benefits delivered by this investment.
- 4.3 In some instances such as very specialist services or very large contract Hartlepool will not have a local provider then we could look to achieve SV by requiring contractors to deliver this through use of local sub-contractors. This has to be relative, appropriate and proportionate to the tender. The Council could consider a sliding scale depending upon the value of the contract being tendered and if it relates to goods or services. We also need to be mindful that this could increase the cost of the contract as a provider will have to put in place additional resources to provide SV along with the Council having to consider increased resources to monitor SV throughout the duration of the contract. We would also have to think about penalties if performance measures are not met, which would ultimately include contract termination.
- 4.4 Many of the Quick Quotes are for small, short duration, one off jobs. Feedback from local businesses often relates to the increased bureaucracy Councils include in their procurement processes. It is very unlikely that companies will increase employment for such contracts and will utilise their existing staff. They tend to offer environmental/sustainable social value responses to the social value element of the motion.

- 4.5 Placing a percentage target on SV could result in some Hartlepool companies losing out to larger businesses therefore it makes sense to consider an SV scale depending upon contract costs and whether we are procuring goods or services. We also need to be mindful of TUPE and for long term value works contracts TUPE may not be an issue and companies could offer to increase their work force for these or take on apprentices, the question is would these be from Hartlepool. Whatever the percentage, it shouldn't be fixed for every tender. It could be up to an amount as it has to be relative, appropriate and proportionate to the tender. It should be down to the departments to justify what percentage they opt for, for each tender and they will need to provide justifiable reasons if they exclude social value. Hartlepool has companies which win contracts with other neighbouring councils and we need to ensure that we do not impose more onerous SV conditions that they then replicate, which then make it more difficult for Hartlepool companies to secure future contracts.
- 4.6 Further research is required to ascertain if there is actual evidence that increasing the social value element to 30% has improved unemployment in a town the size of Hartlepool? Whilst it may in a city such as Manchester, where every possible type of company probably exists for whatever type of goods, services required. Hartlepool doesn't have this. For many services there are simply no Hartlepool Companies. Companies would only be willing to relocate to Hartlepool if the contract was long term and lucrative e.g. ICT and NEC situation.
- 4.7 In terms of the "Fire and Re-hire" aspect of the motion, we agree that some organisations may use 'fire and rehire' in ways that are unacceptable, including 'fire and rehire' of staff on a regular basis, in these circumstances we would be happy to support promoting employers who refuse to adopt this serial practise. However, a blanket ban on the use of 'fire and rehire' could potentially have unintended consequences and simply mean companies put themselves into administration, dismiss their employees and then set up a new company.
- 4.8 Where an employer needs to make contractual changes to an employee's terms and conditions this should always be approached through consultation and agreement with the employee(s) involved. In exceptional circumstances, where there are genuine and pressing business needs and agreement cannot be reached, employers can sometimes be justified in unilaterally changing workers' terms and conditions by terminating their contracts and re-hiring them on new terms and conditions.
- 4.9 'Fire and Rehire' enables an employer to vary the terms and conditions of employment by 'firing' the employee and then rehiring them by offering new and revised terms and conditions.. However, it is a practice that can be risky in terms of claims, reputational impact and significant employee relations issues and should be considered only as an absolute last resort.
- 4.10 I would also be concerned that this proposal could tie the hands of future Council administrations and their ability to respond to changing

circumstances where there be an appropriate business case that needs to be consider by full Council on its merits. We have good working relationships with the trade unions and would always engage in positive industrial relations to resolve any difficulties should any situation arise.

## **5. RECOMMENDATIONS**

- 5.1 Members approve officers set up a working group to look into the first two elements of the motion and note the feedback on Fire and Re-hire practice.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 To enable officers sufficient time to research best practice and understand the implications of introducing economic impact assessments with respect to capital expenditure and social value in relation to procurement of services prior to presenting options to Members for their consideration.

## **7. CONTACT OFFICERS**

Denise McGuckin  
Managing Director

Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor

