



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE AGENDA

Monday, 6 March 2023 at 5.30 pm in the Bridges Room - Civic Centre

From the Chief Executive, Sheena Ramsey

Item	Business
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1	Apologies
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2	Minutes (Pages 3 - 8)
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The Committee is asked to approve as a correct record the minutes of the meeting held on 12 January 2023.

3	Corporate Asset Management - Annual Progress Report (Pages 9 - 18)
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Report of the Strategic Director, Housing Environment and Healthy Communities

4	Resilience and Emergency Planning for Droughts (Pages 19 - 20)
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Report of the Strategic Director, Economy, Innovation and Growth

5	Community Wealth Building: Interim Report (Pages 21 - 28)
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Report of the Service Director Corporate Commissioning and Procurement

6	Annual Work Programme (Pages 29 - 32)
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Report of the Chief Executive, and the Strategic Director Corporate Services and Governance

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE MEETING

Monday, 23 January 2023

PRESENT: Councillor J Eagle (Chair)

Councillor(s): S Green, J Wallace, R Beadle, D Bradford, C Buckley, D Burnett, W Dick, J Green, I Patterson and J Turner

APOLOGIES: Councillor(s): L Caffrey, B Clelland, T Graham, M Hall, J Simpson and K Wood

CR91 MINUTES

RESOLVED - That the minutes of the meeting held on 28 November 2022 be approved as a correct record.

CR92 REVIEW OF COMMUNITY WEALTH BUILDING

The Committee received an update report on the work of the Council to implement a Community Wealth Building (CWB) model as one of the tools to support the Thrive agenda. To achieve this the Council have been working with CLES (Centre for Local Economic Strategies).

Gateshead Council is establishing itself as a leading practitioner of CWB. As a fundamental driver of an inclusive economy, CWB aims to reorganise and control the local economy so that wealth is not extracted but broadly held and generative, with local roots, so that income is recirculated, communities are put first, and people are provided with opportunity, dignity and well-being.

Through community wealth building, Gateshead is advancing its Thrive agenda aspirations and delivering the Corporate Commissioning and Procurement Strategy 2022 to ensure that Council priorities and objectives are met through our procurement activity.

A Social Value Co-ordinator has been appointed and will be looking at allocating the offers within the current contracts. The co-ordinator will also monitor offers to make sure they have been completed as offered.

The Committee received a presentation from Andrew Tate, Economic Development.

The Committee were advised that there are 5 pillars of Community Wealth Building:

- Progressive commissioning and procurement
- Socially productive use of land and property

- Fair employment and just labour markets
- Making financial power work for local places
- Grow local and community ownership of the economy
 - Building a more generative economy
 - Building a more democratic economy
 - Building financial resilience

There is currently a Gateshead Local Enterprise Group whose objectives are to:

- Increase the number of generative enterprises in Gateshead and support their development and
- Ensure local enterprise can compete for both public and private second contracts and that opportunities are accessible to them in order to maximise the retention of wealth locally

Progress made to date is as follows: The Generative Economy in Gateshead has been baselined at over 80% of all businesses. EU funds have been levered to provide self employment support and start up bootcamps. 79 new businesses have commenced trading so far in 2022/23. An accelerator programme has been piloted to facilitate growth in Social Enterprise. A Gateshead Connect service has been introduced with 4000+ supplier matches to 22 contract opportunities. There has been improved visibility of live and pipeline tender opportunities via social media, and e-newsletter.. Work has been undertaken to market test low value contract opportunities through the group's networks. A guide has been developed on how to do business with the Council. Working on actively supporting businesses to register on the Council DPS and NEPO Open portal.

It was noted that one of the criticisms is that there is no longer any networking opportunities. It was noted that prior to Covid there was a business networking programme in place led by the Council to compliment that of the Chamber of Commerce, etc and we have always held market engagement events. It was noted that we are looking to re-start the networking in March.

It was queried what we are doing to support co-operatives in the Borough, it was noted that it feels like we are a bit late into this in terms of development of co-operatives. It was also queried whether there is any finance available, are we looking to create a regional investment bank. Also when we discuss not for profit companies, do we always know that they are a good company. It is the case that some not for profit are paying themselves a large amount of money. It was noted that with regards to co-operatives in Gateshead we have had social enterprise status since 2014. We do work to promote business start up across the Borough, there is support available to start ups and we work with them to identify the the mosr appropiste legal status for the business, although resources have been constrained in recent years. In terms of financial support for social business, we aren't able to comment with regards to the Regional Bank, however, the LA7 are all members of North East Fund which levered in £120m of funding from Europe to support North East SMEs which includes a social investment fund..

In order to work better with small and micro business we do need to increase our engagement with them, we have better intelligence for local businesses due to the

Pandemic as we supported them with funding.

There was a query about how we define local and what does local mean, what is local.

It was noted that in the context of Community Wealth Building, local are businesses in Gateshead who pay rates in Gateshead and have a presence in Gateshead and are active in Gateshead.

We have had a big drive on getting local Gateshead construction companies onto the database. The tender documentation has been revised to make it more simple.

It was suggested that we could do a piece of research and look at all of our contracts and look at what all of the directors are being paid.

The Committee heard from the North East Business and Innovation Centre on some of the work they have been doing with businesses in Gateshead. They established a social enterprise team in 2018 as a legacy of SES. Specialist social enterprise team of 8 people, one of the largest in the country. The centre is recognised both regionally and nationally as leaders in the field.

The team set up an Innovate for Good Incubator pilot at the start of covid, this had some great elements. The scheme brought together 11 social enterprises as a learning circle. The businesses get 1:1 business support, co-working opportunities, and come together once a week.

A series of workshops were held including:

- Exploring your products/service
 - Using design thinking techniques to explore participants' products or services. Design thinking helps participants to articulate what they do and why
- Exploring impact
 - Use of systems thinking techniques and theory of change to encourage participants to really think about the social, economic and environmental impact they create and the issues and challenges they may address
- Business Planning
 - Use of the business model canvas to produce a one page helping participants explore the operational aspects of the business
- Funding, Markets and Social Media

- Exploring ways to take the product or service to market using multi-channel techniques
- Developing your Strategy
 - Creating a blueprint for where you want to take the business next.

An informal support network has been created from the group and some collaborations have also taken place. One of the companies involved took advice from the group and her Tik Tok work went viral.

It was queried whether companies were setting up as a CIC just to get access to grants and cherry picking ideas to get grants. It was noted that the majority of organisations are not in that mindset and when BIC help to set up a Social Enterprise/CIC they might secure a grant to pilot some activity but the majority of CICs are at least 50% traded. The BIC did conduct a survey of CIC salaries, finding lower CEO salaries than a lot of charity sector organisations.

It was also noted that there are 250/300 social businesses in the North East, employing 2000 people, 50% of those businesses do not apply for grants they are self-sustained through trading.

The Committee also received a presentation from Corporate Procurement regarding the current position withing Gateshead. Gateshead's current Anchor Institutions are the Council, Gateshead College and Gateshead NHS Foundation Trust (GHFT).

The Council have reignited the engagement with Anchor Institutions and a meeting took place with Gateshead College, NE & Cumbria Integrated Care Board, GFHT, Connected Voice, Newcastle United Foundation, Bloom and NEPO. They have all agreed participation going forward. We are looking to explore opportunities of collaborating with the already established North of Tyne Anchor Alliance.

The Committee were advised that some of the areas to consider are the changing political context in terms of the devolution of LA7 and there is growing interest in anchor collaboration and Community Wealth Building across the region/sub-region. It is also planned to look at engagement with Anchor Institutions with coterminous LA boundaries such as Northumbria Water, Tyne and Wear Fire and Rescue Service, Northumbria Police, Newcastle United Foundation and NEPO.

Further ongoing work within Gateshead include

Community Wealth Building e-learning modules
 Opportunity to embed CWB Training in other anchor
 Promotion of the new How to Do Business Guid
 Promote contract opportunities through social media platforms
 Continue to collaborate with Anchor Institutions

The Committee were shown the Training module of the Community Wealth Building Tool. All members will receive a log on and guide for the system.

It is recommended that we continue our efforts to strengthen CWB across Gateshead with the aim of focussing on growing social and environmental benefits into all economic activity. The recommendations to achieve this are set out as follows:

- Further develop relationships with Anchor Institutions within the borough including GHFT, Gateshead College, Tyne and Wear Fire and Rescue Service and Northumbria Police
- Explore opportunities for collaborating with the Anchor Alliance set up by North of Tyne Combined Authority, to enable us to build on the Anchor Institutions we work with
- Continue to develop and enhance our approach to social value by working with the VCSE sector, schools and internal colleagues to maximise social value benefits through future procurement opportunities
- Continue to develop and grow the generative economy working with local organisations to ensure that they are fit to compete to maximise their success in future tender and quotation opportunities
- Continue to work with Anchor institutions on recruitment drives.

RESOLVED - (i) that the recommendations for next steps be incorporated into the final report to Cabinet
(ii) that the views of the Committee be noted in the final report

CR93 OLD TOWN HALL UPDATE

The Committee received an update on the current position with the Old Town Hall. Officers received approval to extend the Business Plan development period to allow the leaseholder to undertake further planning and viability work. This has been controlled by a Supplemental Agreement to the existing lease, this has formalised a programme of activity and associated milestones over the next six months. The conclusion of these milestones would address issues previously raised by the OSC.

In the first quarter of 2023, officers intend to:

- Continue to work with Dinosauria and BCEGI to progress the milestones related to redevelopment, including monthly meetings
- Agree schedule of works to secure and safeguard the buildings, and ensure regulatory approvals
- Undertake monthly monitoring of progress and building works

Following the conclusion of the programme of milestones, officers intend to provide a full and comprehensive update to the Leader and Cabinet, which would include Dinosauria's development proposal and relevant recommendations for variations to lease to facilitate redevelopment. An update to OSC would take place after Cabinet approval.

It was noted that if a report is taken to Cabinet the OSC has the power to call in the decision.

It was noted that the driver for selling this was the cost of securing the building being around £20,000 per month, do we know if Dinosauria are doing anything to protect the building. It was noted that officers understood that some of their team have moved into the building.

It was noted that one of the caviats to the grant of the lease was there would be no development on either of the car parks. Surely that if this was allowed it would make the property a more viable / saleable asset.

It was noted that it was a surprise given the questions previously raised that the update was only one side of A4 and it felt that there was a lack of respect shown to the Committee.

It was noted that there are several areas which are concerning for members and it seems there is currently no motivation for Dinosauria to do anything.

It was noted that we do have the planning regime to have some control over the site. What is concerning is whether they are carrying out their legal obligations to keep the building in a safe way.

It was queried what the position of BCEGI is in relation to the business. It was noted that they are an investment company but their position will be clarified.

RESOLVED - that the concerns of the committee be noted.

CR94 ANNUAL WORK PROGRAMME

The Committee were advised that the work programme for the next meeting was quite heavy and it was suggested that Progress on the Digital Programme be moved from 6 March to 17 April.

RESOLVED - (i) That the work programme be noted.
(ii) That further reports on the work programme will be brought to the Committee to identify any additional policy issues which the Committee may be asked to consider.

Chair.....

TITLE OF REPORT: Corporate Asset Management – Annual Progress Report

REPORT OF: Colin Huntington, Strategic Director, Housing, Environment and Healthy Communities

SUMMARY

This report provides an update on the progress on Corporate Asset Management and ongoing review of the Council's Assets; the Committee is asked to provide feedback and comment.

Background

1. The Council has long recognised that Member engagement is essential in both the monitoring and scrutiny of the way in which the Council uses its property portfolio, to deliver its services and priorities.
2. In 2020, through a Council restructure a new Property and Assets service was created consolidating most property related functions and budgets to enable a co-ordinated and joined-up approach on use of assets.
3. Following the restructure, Property and Assets service undertook a review of the Council's current arrangements for the management, repair, and maintenance of its Property Portfolio, and if such arrangements were the most appropriate in terms of safety, cost effectiveness and efficiency. The initial findings included the need to: -
 - Develop a single comprehensive list of key property data including its condition, compliance, measured drawings, insurance valuations etc.
 - Bring together property budgets and lack of backlog maintenance information leading to lack of consistency of planned preventative maintenance programme. Maintenance prioritised by reaction.
 - Change culture, property looked at as a service resource rather than a corporate resource.
 - Ensure service business planning includes how the assets they use fit their strategy for transformation.
 - Identify a clear resource for corporate asset management.

Current Position / Progress

Corporate Landlord Model

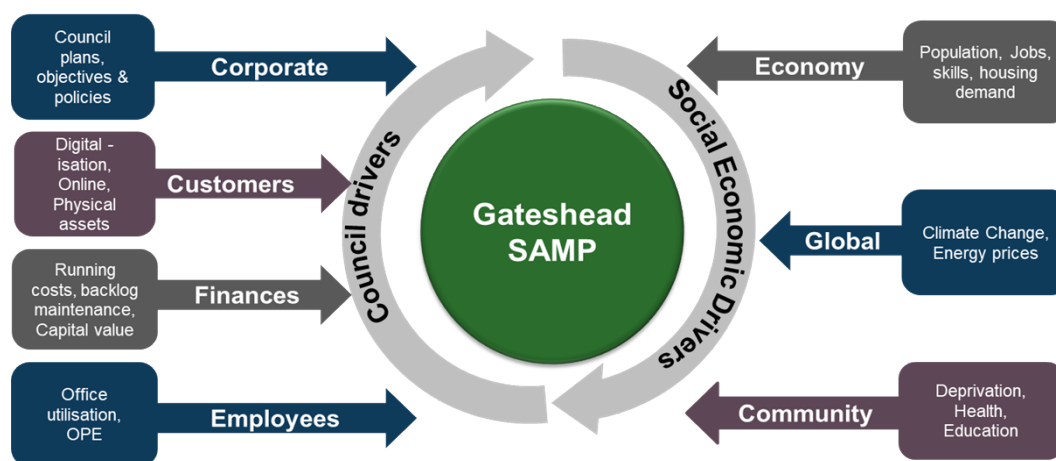
4. The Corporate Landlord approach taken by Gateshead is that the management and maintenance of assets are transferred from service areas into the corporate centre (under the Property and Assets service). The Corporate Landlord's function is to ensure all services are adequately accommodated and to maintain and manage the property asset covering: -

- Strategic asset management
 - Building management
 - Statutory compliance
 - Commissioning Repairs and maintenance
 - Estates management (TNRP)
 - Planned, preventative maintenance programme
 - Capital Project management and delivery
5. Maintenance and statutory liabilities are currently estimated at an ever-increasing £65 million, with an annual spend of around £8 million against this. Our overall strategy is to ensure that our finite and reducing maintenance resources are prioritised to appropriate buildings, where the money is needed most.
 6. We will identify these priorities by conducting a rolling programme of condition surveys which aims to understand maintenance requirements over a period of 10 years, with aspirations to complete lifecycle condition surveys on selected assets to cover a period of 25 years. This will enable a better-informed decision-making approach and maximise efficiencies by planning over a longer time horizon, instead of reacting to emergencies as they happen.
 7. Our four key aims are:
 - i. To ensure our Buildings are safe and secure for the people who use them
 - ii. To allocate funding to projects that will achieve the maximum positive impact
 - iii. To achieve an efficient balance between planned and reactive maintenance work
 - iv. Achieving maximum efficiencies in the way we procure building maintenance work
 8. The council has a duty to manage the risk and assess the impact of statutory regulations on its assets in relation to Asbestos, electrical Fixed Wiring and Legionella, lifts, and Fire Regulation compliance. To ensure that the asset portfolio is compliant with statutory requirements, regular inspection and review of property is carried out and remedial works actioned. The development of our data and systems will enable an end to end reporting of the compliance position.
 9. Like most councils, Gateshead Council has experienced significant funding reductions and we need to make careful choices in where we prioritise the money we spend. Since the budget was set for 2022/23, we have experienced further financial challenges relating to the cost of energy which is projected to overspend in by £720k against a budget of £1.354m. This overspend has been offset in slippage in savings in R&M spend and savings in rates.
 10. We will work with the Energy Team to maximise grant opportunities for a programme of investment in BMS systems, retrofit projects and

microgeneration projects to help reduce mains electricity and gas consumption at as many sites as possible.

Corporate Asset Management Strategy and Plan

11. The previous Corporate Asset Management Strategy and Plan expired in 2020. Long term priorities such as digitalisation and decarbonisation combine with other factors such as Covid 19 and the rise in energy prices since 2021 present new challenges to the council. These challenges affect both the efficiency and effectiveness of our assets. What was working in the past may not be appropriate for the future due to changing circumstances. Rather than refresh the previous Plan, the council is developing a new Strategic Asset Management Plan (SAMP). The diagram below sets out the types of factors that affect the viability of the council's property portfolio.



12. This Strategic Asset Management Plan will provide an overview of our land and property estate, together with our main priorities for managing and developing that estate over the next five years.
- To plan and manage property as a corporate resource for the benefit of the people of the Gateshead.
 - To provide the right property, fit for purpose, in the right place, to meet current and future service needs
 - To manage and maintain property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities from the rationalisation and disposal of land and buildings
 - To use land and buildings to stimulate development and growth, together with supporting local business needs and encouraging new business to the area
 - To promote joint working where it will provide benefit for service delivery and in securing efficiencies.
13. Asset Review is an embedded process, which means that we will be reviewing all of our asset portfolio on a continuous rolling programme. This ensures that only those assets that are needed are retained. The ultimate aims of Asset Challenge are to reduce costs, identify assets that should be

retained for use and/or invested in, identify those that are surplus to requirements and therefore can be disposed of. To do this, each asset will be assessed using a step-by-step challenge process, ensuring that every asset has been fundamentally tested against a common set of criteria.

14. Careful financial management focusses on answering 3 key questions.

- i. Do we know why we are holding that asset?
- ii. If that asset generates revenue for the council (such as receiving rent or lease income), do we have a target revenue figure and are we achieving it?
- iii. If an asset is deemed as “surplus”, do we have a clear strategy for disposing of it? Without careful management, there is potential to waste money by keeping buildings that are not fit for use or unnecessary. Equally, all assets have a value and if they are no longer required we might be able to sell them to unlock that value and use or invest the money elsewhere.

15. The council will develop a targeted disposal programme to support this SAMP, identified through asset rationalisation and the release of surplus assets.

Operational Assets

Civic Centre

16. The Civic Centre is a large building occupying over 3.5 hectares of land. At 40 years old, the building is entering period when it may need significant lifecycle replacement over next 10-20 years, e.g. roof, windows, toilets, kitchen areas. There is a single heating system which means we cannot isolate part of the building to accommodate 24/7 access which does limit our rental opportunities. Annual running costs are £1.2 - £1.4m.

17. Staff utilisation plummeted during the various Covid-19 lockdowns from March 2020 to January 2022, when official UK Government advice was for office workers to work from home where possible and has only partially recovered since the end of lockdowns in January 2022, as many areas of the Council have moved to a hybrid working model (Smart Working).

18. As a result of these new ways of working, and in line with every other local authority, occupancy in the Civic is low. The building contains 2,250 desks. Monitoring over a 27 week period in 2022/23, max occupancy was 480, min was 120 and average was 343. We have worked with all services on their future space requirements, consolidating into smaller areas of the building and following the decant from Dryden we are unlikely to go above 40% occupancy of the civic centre.

19. The Civic Centre does however have ample car parking space, is very near the town centre Gateshead interchange and is walkable to Newcastle Central train station. Whilst the proximity of the Civic to public transport and parking is attractive to other public sector partners, and there is considerable interest, it is proving very difficult to offer a longer-term rental options without understanding the long term future of the building.

20. The Council needs to review the best options for its customers, its civic role, the work force and the site in general to determine the optimum use of the site for the council and the people of Gateshead. It is intended to carry out an option appraisal on the future of the building which will include investment in the building to make sure it is a viable offer for incoming tenants.

Depots

21. The Council operates a network of 6 main depots, 6 smaller depots and 13 storage areas. Sites are considered spread out and poorly laid out but a lot of depot space relative to other councils. Result is council is duplicating functions at sites and sites are inefficiently used. The total outturn for these depots in 22/23 is £1.441m.
22. There are high risk traffic flows and insufficient parking for fleet vehicles and an ageing infrastructure. Most of the facilities are no longer fit for purpose with poor vehicle washing facilities, vermin issues, poor insulation, temperature control and energy management.
23. There are significant condition backlog maintenance issues (particular at Park Road). Recent storm damage have affected staff welfare and front-line operational delivery.
24. We need to review these assets to determine the optimum way to deliver services. We will carry out an appraisal and will consult more deeply on proposals to develop existing or re-provide depot facilities elsewhere to cope with future requirements such as electrification of the fleet and on site recycling etc. The aim is to reduce running costs by c. 25% by reducing site operations (£360 p.a.). Actual savings will be based on final design.

Dryden

25. The Dryden Centre is primarily used by Council staff as offices and training accommodation. The section of the building known as State of the Art (SOTA) is utilised by Learning and Skills to deliver training to people with Learning Difficulties and have 150 learners in total. A section of the ground floor is let out to the Northumberland Tyne & Wear NHS Foundation Trust ('NTWFT').
26. The annual expenditure on the building is circa. £367k, offset by income of £282k. Of this income £114k relates to Learning and Skills grant, £60k rental from NTWFT and the remaining is income from internal room bookings and catering. This income can largely be retained by relocating services elsewhere in the council's operational portfolio.
27. In recent years, the approach to management of the building has been based on the understanding that it would only be retained in the medium term which has led to minimal strategic maintenance carried out over the last 12 years. In addition, the ICT infrastructure being 'challenging' as network connections are very slow and training facilities falling behind an

acceptable standard. Essential Strategic Maintenance for the building relating to the roof, electrical installation (including fire alarm upgrade) and IT upgrade are estimated at £800k-£1m.

28. Most of the staff have now been relocated to the Civic Centre. The former Birtley Childrens Centre is currently being adapted to replace SoTA and Kingsmeadow Lifelong Learning Centre will facilitate the majority of the current training provision. Subject to completion of these works the building is likely to be vacated June 2023.

29. As part of the surplus declaration process (to be considered by Cabinet), the Council is finalising an option appraisal on the future use of the site and buildings.

Locality Working / Engaging with our Communities

30. We have developed family / community hubs that provide a range of services to their communities from local libraries through to meeting spaces for community groups. We have designed these to be at the hub of their local communities. Some of the developments so far include: -

- Birtley Children's Centre have relocated from their former accommodation at Barley Mow to Harris Bank. The new central location has increased their catchment and take up of services.
- We have recently completed the refurbishment of the empty Nursery Building on the Chowdene Children's Centre to accommodate the Music Service to relaunch and rebrand their service and provision. Previously located within the Dryden Centre, the new accommodation provides a delivery/teaching space, office accommodation and store the musical instruments, which are distributed across Gateshead Schools and Pupils.
- There is a dedicated space within Chowdene Children Centre for the provision of the Community Fridge and space for the users to make teas/coffees within the Community Café space.
- The Childrens Centre at Tyne View already accommodates NHS services. Following refurbishment of the previously vacated Nursery accommodation this space will now be a dedicated Contact Session room to replace the provision currently located at the Deckham Family Centre. The Contact Teams and Children Centre will work together to which enhance the provision of Children's Services in the area.
- Edberts House are operating out of Highfield House to launch their service provision offer, which is aimed at young families and providing support. The Childrens Centre have relocated the Children back into the building to work alongside Edberts House and Contact Sessions will be offered from this once disused asset.

31. Working with the Council's Locality Lead we are assessing how our assets can support Locality Working. Specifically, we are talking to Primary Care Estates linked to GP Surgeries, Mental Health, Midwife Service, Age UK, Cumbria & Tyne and Wear NHS Foundation Trust maximising the opportunity to deliver health services in the community and to be

collocated alongside other services. There is also interest in the Civic from these organisations.

32. We are fully committed to using our assets to form long-term partnerships with suitable community organisations, to create stronger, more cohesive and more sustainable communities.

33. The objectives of partnership working are to:

- Provide improved joined-up and customer-focussed services
- Provide improved access to public services in the borough
- Deliver public service efficiency savings
- Deliver greater savings in running and maintenance costs - through sharing public service buildings.
- Work closely with community organisations - optimising the use of assets where most benefit can be realised.
- Contribute to wider economic, social and environmental outcomes for the borough – for example, creating new jobs
- Optimise building occupancy and space utilisation.

34. Over the past few years, the way in which we engage with our communities has changed. We have transferred the operations of 38 community centres and libraries to local groups through a process called a 'Community Asset Transfer' (CAT). CATs reduce costs to the council and also allow for the continuing operations at these sites, which may otherwise have closed. Gateshead has been one of the leading councils at enacting CATs.

35. In addition, 21 x pavilions/changing rooms will be handed over to community organisations further to final compliance checks. This needs to be in place as the budgets are no longer available from end March 23.

36. Local people are often best placed to manage community facilities in their area. They already make extensive use of these assets and their local knowledge and hands-on management often results in lower overheads and better value-for-money. Community organisations also use volunteers and take great pride in their local area. Managing these facilities can help to empower local communities and can bring opportunities for greater independence and financial sustainability. When done well, CAT can create lasting change in local neighbourhoods however we are also engaging in 'health checks' of these organisations to ensure they are still fit for purpose and delivering against the community based outcomes.

Non-Operational Buildings

Tenanted Non-Residential Properties (TNRP)

37. In April 2019, PSP Gateshead (TNRP) managed the majority of the TNRP assets e.g. industrial estates, ground leases, offices, shopping centres and garages/garden land. The partnership was targeted with driving income up, costs down and trading out poorly performing asset/securing new income opportunities. The partnership was predicated on the Council

receiving a Guaranteed Base Rent together with a share of any Profit Rent generated.

38. However, in November 2020, HM Treasury issued new guidance to Local Authorities, to stem the acquisition of investment properties by Councils, using cheap borrowing through the Public Loan Works Board. This has had the effect of stopping any trading of assets by the partnership and the viability of PSP's continued involvement in the management of the TNRP.
39. In September 2021, Cabinet agreed to serve notice to bring the partnership to an end and bring back in-house the management of the Council's Tenanted Non-Residential Portfolio ('TNRP') which transferred back to the Council in January 2022.
40. Following the insourcing of the estate, and a review of the portfolio, initial findings are the Council needs to radically improve Management information and systems. Whilst a re-procurement is underway for a new estate management database, significant work needs to be undertaken on property management controls over lease renewals, high risk tenant monitoring, bad debts and debt collection.
41. The Council will be setting a strategy for each property within the TNRP. We will identify whether the properties are delivering a financial return or are being held for socio economic reasons. Those assets which do not meet acceptance criteria will form a disposal strategy.
42. One key way in which the council can maximise its financial effectiveness is to ensure its TNRP is being managed effectively. The council is committed to a programme of reviewing its investment estate assets and reviewing leases and rents to maximise the income to the council from the investment estate portfolio. The aim will be to generate at least 10% more rent due to improved management.

Surplus Estate

43. The surplus estate is any site that is not used by the Council to provide services (operational) or is not deemed as an investment asset (non-operational). Surplus assets can be either strategic or non-strategic. Strategic surplus assets are assets that the Council may have a need for in the near future.
44. The following table reflects the 350 sites contained within the Council's property database which the Council deemed as either surplus, a potential redevelopment site or a regeneration site: -

	West & Inner West			South, Central & East			Total		
	Number	Area (Ha)	Avg size	Number	Area (Ha)	Avg size	Number	Area (Ha)	Avg size
Surplus Land	2	3.6	1.8	1	0.0	0.0	3	3.6	1.2
Vacant land	1	1.2	1.2	-	-	-	1	1.2	1.2
Closed Building	4	0.1	0.0	9	6.3	0.7	13	6.4	0.5
Development site	15	28.0	1.9	14	26.8	1.9	29	54.8	1.9
Surplus Building	9	12.5	1.4	5	1.4	0.3	14	13.9	1.0
Potential Development Site	136	333.5	2.5	126	174.5	1.4	262	508.0	1.9
Regeneration site	2	12.7	6.3	26	36.6	1.4	28	49.2	1.8
Total	169	391.5	2.3	181	245.7	1.4	350	637.2	1.8

45. For each site we will carry out a line by line assessment to validate the data, determine which land is of strategic value i.e housing sites, employment land. We also need to understand if the Council may use the site to support its strategic projects (ecological/tree planting etc).
46. The rest of the surplus estate is non-strategic and a disposal strategy developed to raise capital receipts for the council.
47. There is an Asset Development Group who are challenged with preparing development frameworks ahead of surplus declaration in order to however minimise the timescale of holding surplus assets and associated holding costs,

Financials

48. Since 2021, we have achieved annual £410k of savings and efficiencies against as a direct result of adopting the Corporate Landlord model.
49. The table below reflects further annual savings of £560k included in the MTFS for 23/24. This includes property savings relating to the closure of Dryden as an operational asset, savings in the holding costs of Prince Consort Road and savings in Building Cleaning costs.
50. The additional c. £1m savings 2024-2027 reflect the potential outcomes of the Actions Plan and are subject to further detailed review and appraisal.
51. There will be capital receipts as the asset review progresses.

Year - figs in £k	22/23	23/24	24/25	25/26	26/27	Totals
Reorganise Depots					340	340
Rationalise the civic			200	100		300
Investment Rent			100	75	75	250
Savings in premises costs/business rates	250	160				410
Savings in surplus property holding costs		80				80
Building Cleaning		70				70
Property staffing levels	160					160
SUB TOTAL	410	310	300	175	415	1,610

Next Steps / Forward Plan

52. The Asset Management Strategy and Action Plan will be presented for approval to Cabinet April / May 2023.
53. Subject to approval the Asset Management Strategy will be reviewed annually, whilst the Asset Management Action Plan will be managed, monitored and updated continuously to report on progress and

achievements. This means that the document will be continually changing to reflect achievement of actions and capturing new priorities and initiatives as they are identified.

54. The table below summarises represents the Key Projects detailed within the report: -

	Project	Key elements	Timeline
1	Improve Management	Improve data and systems Develop KPIs and use these for management. Ensure key governance and processes use KPIs Ensure end to end reporting functionality for Statutory Compliance.	Aim for improvements by end 2023/4.
2	Civic Options	Determine future space need. Determine site, and occupancy method. Review disposal options	Determine strategy by June 23
3	Depot Review	Determine 1 or 2 main depot approach or retention existing sites. Design the sites Determine location & acquisition method for new site. Set disposal strategy for old sites.	Determine strategy by end Dec 23 – aim to leave within 24 months.
4	Non-operational estate review	Set KPIs for estate Determine core and non core Develop management strategy for core assets to raise yields and disposal strategy for non core assets	Implement KPIs by Q3 2023/4 determine management strategy by end 2024/5
5	Surplus assets programme	Review all surplus estate Determine appropriate disposal plan for surplus	Strategy Q2 2023/4 and implementation to follow.

Recommendations

9. The Overview and Scrutiny Committee is requested to:

- (i) Note the progress achieved over the period
- (ii) Comment on the level of progress and next steps.

TITLE OF REPORT: Resilience and Emergency Planning for Droughts

REPORT OF: Peter Udall, Strategic Director, Economy, Innovation and Growth

SUMMARY

This report provides Members with information about resilience and emergency planning for droughts

1 Background

- 1.1 The Council has no statutory duty to plan for droughts and managing water supply. This is the responsibility of the Water Authorities and in Gateshead this falls to Water Resources North (WReN), made up Northumbrian Water, Yorkshire Water and Hartlepool Water as core companies but they involve others who have an interest in water resources within the region. WReN is a group designed to oversee water resources planning for Yorkshire and the North East of England, an area of almost 2000 square kilometers.
- 1.2 Plans to manage water supply and demand are underway and the [National Framework for Water Resources](#) considers England's long term water needs to ensure resilient water supplies and improve the water environment. If action is not taken, many areas of England will face water shortages by 2050 such as the South East. Measures are required to ensure resilience to drought, supply the growing population, reduce harmful river abstractions and address the impact of climate change.
- 1.2 Regional groups are preparing Water Resource Management Plans looking at current and forecasted water use, weighing up the balance between water demand and supply availability up until 2045.
- 1.3 Plans will be required to:
 - reduce demand to 110 litres of water per person per day by 2050 and drive down water use across all sectors;
 - halve leakage rates by 2050;
 - develop new supplies,
 - transfer water to where its needed and reduce the use of drought measures that have an impact on the environment.
- 1.4 The [Draft North Water Resources Management Plan](#) for PR24 will be finalised in 2023. The North is the most drought-resilient public water supply in England today and water resources are in a good position with Kielder Reservoir.

- 1.5 In the future, water transfers between regions maybe required, and if water users in our region can become more efficient, more water could be available for transfer elsewhere.
- 1.6 Over the next five years, water companies in the North plan to reduce leakage by 12% and are aiming to reduce customers' use to 125 litres of water per person per day on average.
- 1.7 To reduce demand for water, on 1 July 2021, the [Government](#) announced plans to:
- Make regulations to introduce a mandatory water efficiency label to inform consumers and encourage the purchase of more water efficient products for both domestic and business use.
 - Encourage local authorities to adopt the optional minimum building standard of 110 litres per person per day in all new builds where there is a clear local need, such as in water stressed areas.
 - Develop a roadmap towards greater water efficiency in new developments and retrofits, including the exploration of revised building regulations and how the development of new technologies can contribute to meeting these standards. We will ensure that the underlying legislation can, where appropriate, accommodate any potential future expansion of rainwater harvesting, water re-use and storage options.

2.0 The Council's role in a drought

- 2.1 The Council has no formal role should Gateshead suffer from a drought, however the Council could be called upon as part of multi-agency coordination arrangements in relation to getting pallets of water or water browsers out where required, but this task could just as easily fall to another agency including the Fire and Rescue Service.
- 2.2 As the Council has no formal role in responding to a drought, and it is considered that a drought in Gateshead is unlikely, the Council has not developed plans to respond to a drought.
- 2.3 A drought situation usually has a reasonable lead in period of dry weather and therefore there would be time to develop plans with partner organisations such as WReN, should they be required.

Recommendations

3. It is recommended that the Corporate Resources Overview and Scrutiny Committee note this information and if further information is required, consider inviting a representative from WReN to a future meeting.

TITLE OF REPORT: Review of Community Wealth Building: Interim Report

**REPORT OF: Andrea Tickner Service Director Corporate
Commissioning & Procurement**

SUMMARY

This interim report sets out the findings and recommendations of the Corporate Resources Overview and Scrutiny Committee review on Community Wealth Building

1. Introduction

1.1 At its meeting on 13 June 2022, Corporate Resources and Overview Committee agreed the scope for the review focussing on:

- Making community wealth building central to Gateshead strategic direction through its strategy;
- E-learning modules to be developed on community wealth building which are available via the intranet for all staff across the Council;
- Review spend analysis of the top 100 suppliers to identify where contracts could be delivered locally, addressing gaps in the local supply chain and those opportunities offered to local suppliers;
- Explore the development of social enterprises through the work of Economic Development;
- Improve SME's access to contract opportunities through improving our internet pages and having a greater presence on social media;
- Supporting the development of a more inclusive economy by working with other organisations to embed community wealth building through the Community Practice meetings and discussions at Anchor institute meetings.

1.2 The review was facilitated through a series of Evidence Gathering sessions

2. Review Methodology

2.1 The review comprised of two evidence gathering sessions. Evidence was sought from the internal council services, including Corporate Commissioning and Procurement, Economic Development and Human Resources. Centre for Local Economic Strategies (CLES) prepared a presentation for the Committee

and the North East Business and Innovation Centre also presented to the Committee.

- 2.2 All of the sessions included presentations by each of the above followed by a question and answer session.

3. Summary of the Evidence Gathering Sessions

- 3.1 Session 1, held 24th October 2022, provided Committee with a summary of the Council's approach to community wealth building and briefly explored the 5 pillars of community wealth building:
- **Commissioning and procurement**
 - **Fair employment and just labour markets**
 - Socially productive use of land and property
 - Making financial power work for local places
 - **Grow local and community ownership of the economy**
- 3.2 A range of activities had been undertaken including reviews into spend, officer interviews and workshops. Gateshead had prioritised the above pillars of commissioning and procurement, fair employment and just labour markets and grow local and community ownership of the economy (all highlighted in bold).
- 3.3 An anchor network was initiated in 2020, however a number of the anchor institutions were not able to share data and the network stalled during COVID due to each organisation having other priorities. Work is ongoing to reconvene the anchor network.
- 3.4 Stuart MacDonald from Centre for Local Economic Strategies (CLES) prepared a presentation to the Committee that explained the 5 pillars of community wealth building in more detail, providing examples about how each pillar contributes to building or retaining wealth within communities and setting out both the work that the Council and CLES have undertaken. The presentation was delivered by Andrea Tickner, Service Director, Corporate Commissioning and Procurement as Stuart's train was delayed, however he attended in time to answer questions
- 3.5 During COVID, a Social Value framework was developed which will help to deliver community wealth building and work had been undertaken to develop the community wealth building narrative.
- 3.6 Reported progress with the implementation of community wealth building included:
- CLES commissioned to support the development of a Community Wealth Building agenda for Gateshead in April 2019;
 - Delivery of CLES initial report outlining recommendations in November 2019;
 - Development of internal commissioning and procurement proposals for capacity to support community wealth building in Gateshead in November 2019 (however this was delayed until April 2021);
 - Greater emphasis on pre-procurement engagement with local organisations, quotations being ring fenced to local companies and a switch towards dynamic purchasing systems (DPS's) being made where appropriate to try to specifically

target local organisations and encourage them to trade with the Council since December 2019

- Action plan developed to implement community wealth building in March 2020;
- COVID struck, March 2020;
- Established Gateshead Local Enterprise Group to carry out enterprise support mapping and develop action plan in July 2021;
- Social Value Toolkit approved for all procurements exceeding £100k in October 2021;
- Established procurement anchor network to review spend analysis and develop an action plan in December 2021;
- Established employment anchor network group to carry out employment analysis and develop an action plan in December 2021;
- Work commenced on designing the community wealth building e-learning module June 2022;
- Work commenced on updating the procurement internet pages in July 2022;
- Establishment of social value database and more proactive approach to including required social value via a “wish list” in July 2022;

3.6 Session 2, held on 23 January 2023, provided additional evidence to demonstrate how the Council is implementing community wealth building across a range of activities.

3.7 Commissioning and Procurement. Janine Copeland explained that the Corporate Commissioning and Procurement Strategy is built on community wealth building principles, and it ensures that Council priorities including the implementation of community wealth building are incorporated into all commissioning and procurement activity.

3.8 The Council has also developed a Social Value Toolkit that also incorporates community wealth building principles and will drive this agenda forward. To date social value commitments aligned to a value of £3.8m had been offered through a range of procurement processes and a fixed term social value co-ordinator post had been established to manage the allocation and delivery of social value offers.

3.9 Grow local and community ownership of the economy. Andrew Tate from Economic Development also presented to the Committee, and highlighted the three strands that have been developed to improve this element of the work:

- Build a more generative economy
- Build a more democratic economy
- Build financial resilience

3.10 A Gateshead Local Enterprise Group has been established with the objectives of:

- Increasing the number of generative enterprises in Gateshead and supporting their development
- Ensuring that local enterprises can compete for both public and private sector contracts and that opportunities are accessible to them in order to maximise the retention of wealth locally

3.11 Progress made to date is as follows:

- The Generative Economy in Gateshead has been baselined at over 80% of all businesses;
- EU funds have been levered to provide self-employment support and start up bootcamps;
- 79 new businesses have commenced trading so far in 2022/23;
- An accelerator programme has been piloted to facilitate growth in Social Enterprise;
- A Gateshead Connect service has been introduced with 4000+ supplier matches to 22 contract opportunities;
- There has been improved visibility of live and pipeline tender opportunities via social media, and e-newsletter
- Work has been undertaken to market test low value contract opportunities through the group's networks;
- A guide has been updated on how to do business with the Council.
- The procurement and economic development teams are actively supporting businesses to register on the Council DPS and NEPO Open portal (the new tendering portal soon to be implemented across all local authorities in the region)

3.12 The Committee also heard from Michelle Booth from the North East Business and Innovation Centre on some of the work they have been doing with businesses in Gateshead. They established a social enterprise team in 2018 and are one of the largest in the country. The centre is recognised both regionally and nationally as leaders in the field.

3.13 The team set up an Innovate for Good Incubator pilot in Gateshead at the start of covid, bringing together 11 social enterprises as a learning circle. The businesses get 1:1 business support, co-working opportunities, and come together once a week and a series of workshops were held including:

- Exploring your products/services
- Exploring impact
- Business planning
- Funding, markets and social media
- Developing your strategy

3.14 The Committee also received a presentation from Corporate Procurement regarding the Gateshead Anchor Network organisations which include the Council, Gateshead College and Gateshead NHS Foundation Trust (GHFT), NE and Cumbria Integrated Care Board, Connected Voice, Newcastle United Foundation, Bloom and NEPO. The anchor organisations have all agreed participation going forward and opportunities are being explored to collaborate with the already established North of Tyne Anchor Alliance.

3.15 Further ongoing work within Gateshead includes:

- Embedding of community wealth building e-learning modules
- Opportunity to embed community wealth building training across anchor organisations
- Promotion of the How to do Business Guide
- Continuing to promote contract opportunities through social media platforms
- Continuing to collaborate with the anchor organisations

3.16 The Committee were shown the Community Wealth Building e learning module.

4. Findings, issues and challenges arising from the review

4.1 The following were discussed during the review process:

- The landing pages for doing business with the Council do not mention social value;
- Members were keen to see the Social Value Toolkit and a demonstration was incorporated within the second evidence gathering session;
- Members were keen to explore how we enable smaller organisation to bid for work and that was incorporated within the second evidence gathering session;
- It was suggested that there is a lot of expertise in the form of Ward councillors who have had previous roles in non-profit and other voluntary and social enterprises that is not currently tapped into;
- There is a whole new health structure which covers the whole of the North East and whose Chief Executive is really conscious of their role as community wealth builder and officers should engage with the Director of Place for Gateshead.
- We need to get better at understanding why companies are not submitting bids to us, although it was acknowledged that a huge amount of effort goes into trying to attract local companies where appropriate.
- It was queried whether there is a role for the council in connecting informal networks where no money changes hands and goods are exchanged in lieu of money (example one person pays for apples to feed their livestock with jars of jam, or one person has a garden but is no longer able to tend it allowing other people to use this resource)
- We need a much better understanding of what businesses exist in Gateshead and what they can supply as there is an issue around market intelligence and the creation of a database was not considered to be the answer because it would be difficult to maintain.
- One ward councillor brought together all of the voluntary organisation within his/her ward and was surprised at how many of the organisations did not know each other.
- The business networking programme that was led by the Council has not been re-established since COVID, however it will commence in March 2023.
- Members believed that we are a bit late in supporting co-operatives in the Borough in the same way that other authorities currently are despite us having Social Enterprise status since 2014.
- Too much emphasis is given to the legal status of organisations and it is important that the most appropriate legal status is used.
- There was concern that not for profit companies are not always the best types of organisation to deal with as some pay themselves huge amounts of money.
- It was suggested that we undertake a piece of research through Northumbria University to look at all of our contracts and see what the directors of not for profit organisations are being paid.

- In order to work better with small and micro business we need to increase our engagement with them as we have better intelligence for local businesses due to the Pandemic as we supported them with funding.

5. Recommendations of the review

Recommendation 1 – continue to drive community wealth building through commissioning and procurement, recruitment and economic development activity.

Recommendation 2 – procurement documentation and communications should be reviewed to ensure that there are no barriers for local SME's.

Recommendation 3 – undertake further investigation as to why local organisations do not engage with tender processes.

Recommendation 3 – further networking activity for local suppliers and CVS's should be explored by Economic Development.

Recommendation 4 – ensure that all officers engaged in commissioning and procurement activity across the Council undertake the e-learning community wealth building module.

Recommendation 5 – continue with the engagement with anchor organisations to explore joint working on the following:

- Commissioning and procurement activity
- Recruitment drives and skills development
- Reviewing of land and property assets held by anchor organisations in Gateshead to see if they could be re-purposed;
- Develop a carbon reduction/energy transition approach with anchor organisations
- To undertake workforce analysis, identification of gaps with parts/cohorts of citizens more distant from the labour market

Recommendation 6 – further develop the social value work through the newly appointed Social Value co-ordinator role and by working with the VCSE sector, schools and internal colleagues to maximise social value benefits through future procurement opportunities.

Recommendation 7 – Continue to develop and grow the generative economy working with local organisation to ensure they are fit to compete to maximise their success in future tender and quotation opportunities through pre-procurement market engagement sessions and by encouraging suppliers to attend the NEPO Business Club events.

Recommendation 8 – support the development of the social economy and alternative business models, including cooperatives and community interest companies that have the potential to provide goods and services that meet community need and address gaps in Council and anchor organisation supply chains.

Recommendation 9 – consider developing a social value framework for all planning and development to maximise future planning activity to maximise social and community benefits including residents access to employment opportunities arising from major regeneration projects through the Gateshead Works Service.

Recommendation 10 – Continue to explore opportunities for collaborating with the Anchor Alliance set up by the North of Tyne Combined Authority to enable us to build on the Anchor organisations we work with.

6. Recommendation of this report

6.1 Corporate Resources Overview and Scrutiny Committee is requested to:

- Consider and comment on the information provided in the report, the findings and the recommendations
- Agree the final report be presented to this Committee and then Cabinet for consideration

Contact: Andrea Tickner

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TITLE OF REPORT: Annual Work Programme

REPORT OF: Sheena Ramsey, Chief Executive
Mike Barker, Strategic Director, Corporate Services and Governance

Summary

The report sets out the provisional work programme for the Corporate Resources Overview and Scrutiny Committee for the municipal year 2022/23.

1. The Committee's provisional work programme was endorsed at the meeting held on 13 June 2022 and Councillors have agreed that further reports will be brought to future meetings to highlight current issues / identify any changes/additions to this programme.
2. Appendix 1 sets out the work programme as it currently stands and highlights proposed changes to the programme in bold and italics for ease of identification.

Recommendations

3. The Committee is asked to
 - a) Note the provisional programme;
 - b) Note that further reports on the work programme will be brought to the Committee to identify any additional policy issues, which the Committee may be asked to consider.

Contact: Angela Frisby

Extension: 2138

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Draft Corporate Resources OSC Work Programme 2022-23	
13 June 2022 10.00am	<ul style="list-style-type: none"> • Performance Management & Improvement Framework – Year End Performance 2021-22 • Community Wealth Building (incorporating spend analysis and focus on spend and impact on CVS and social value) – scoping session • Resilience and Emergency Planning annual update (including focus on recent storms and forward planning around such events in the future) • Results of Covid 19 Survey • Work Programme
5 September 2022 10am	<ul style="list-style-type: none"> • Implications of hybrid/locality working (focusing on hybrid working and impact on employees and residents) • Health and Safety Performance – Annual report • Work Programme
24 October 2022 10am	<ul style="list-style-type: none"> • Community Wealth Building - Evidence Gathering • Budget annual report including saving delivery • Update on District Heating Scheme (and impact on energy price rises) (to include energy costs and reducing usage within Council buildings) • Verbal Update – Locality Working • Work Programme
28 November 2022 10am	<ul style="list-style-type: none"> • Performance Management & Improvement Framework –2022-23 - Six Month Update • <i>Welfare Reform/Universal Credit and review of Energy Fund (Moved from October meeting)</i> • Annual report on implementation of Workforce Strategy (including age and gender profile, where vacancies are, age groups, and why people are leaving, sickness, health of workforce, and other equality issues reporting) • Work Programme
23 January 2023 10am	<ul style="list-style-type: none"> • Community Wealth Building – Evidence Gathering • Update on Old Town Hall (moved from September meeting) • Corporate Complaints Procedure – annual update (included in performance reports) • Work Programme

6 March 2023 <u>5.30pm</u>	<ul style="list-style-type: none"> • Community Wealth Building – Interim Report • Progress on the digital programme moved from January following agreement of the Chair. Moved to April meeting • Corporate Asset Management Plan annual update (potential to focus on use of assets in terms of efficiency and/or safety) (moved from January following agreement with the Chair) • Update report on the Capital Programme with specific focus on the Arena and Conference Centre, Town Centre and geographical distribution of the Capital Programme spend • Resilience and Emergency Planning for Droughts
17 April 2023 10.00am	<ul style="list-style-type: none"> • Progress on the digital programme moved from January following agreement of the Chair. • Community Wealth Building - Final Report • Information Governance annual update • Implications of hybrid/locality working (focusing on locality working and impact on communities) (<i>moved from November's meeting</i>) (<i>Alison Dunn</i>) • Arena and Conference Centre

Issues to Slot In –

- **Geographical Distribution of Capital Programme Spend**
- **Capturing wider regeneration benefits of Gateshead Quays**