

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 most appropriate 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 within 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.....