

AGENDA ITEM: 3

SPECIAL OVERVIEW AND SCRUTINY BOARD

15th SEPTEMBER 2010

CALL-IN:

**DigitalCity 2010/11 – 2011/12 Business Plan
&
DigitalCity Business and MIMA Foreign Travel Proposals**

PURPOSE OF THE REPORT

1. To allow Members of the Overview and Scrutiny Board (OSB) the opportunity to review a decisions made at an Individual Executive Member meeting on 24th August 2010, in accordance with the Authority's Call-In Procedure.

EXECUTIVE DECISION — 24th August 2010

2. At an Individual Executive Member meeting, consideration was given to two reports. One relating to the DigitalCity Business 2010/11 – 2011/12 Business Plan and the other to DigitalCity Business and MIMA Foreign Travel Proposals.
3. At this meeting, the report, detailed at **appendix 1**, sets out the following:

DigitalCity Business 2010/11 – 2011/12 Business Plan

1. That consideration be given to 4 Recommendations based on the delivery of the 2010/11 – 2011/12 Business Plan which would provide the digital sector with the maximum opportunity to grow and establish itself as a key economic driver for the area.
2. The report states that the Business Plan would offer the opportunity to capitalise on the previous investment made in the digital sector to enable it to further contribute to the delivery of Council objectives

3. The report also states that the opening of Boho One in July 2009 has offered the cluster a physical presence that has raised its profile significantly and enabled interaction with a much wider network of people and opportunities. As a result of its innovative work, the cluster is also starting to generate companies with the potential to become internationally renowned and create significant wealth for the area.
4. The report outlines the Business Plan and identifies the following outputs/outcomes which it intends to achieve during the next two financial years.
 - a. 40 new businesses created;
 - b. 80 jobs created;
 - c. 52 businesses assisted ;
 - d. 20 further businesses identified as having high growth potential;
 - e. 2 companies achieving £500,000 turnover per year;
 - f. 20% increase in the aggregated turnover of the cluster; and,
 - g. 75% increase in international trade of the cluster.
5. The report outlines the Funding bids, Outputs, Implications to the Council. Provides an option appraisal/Risk assessment and the Financial, legal and ward implications
6. In doing so, the Executive ordered the following:

ORDERED

1. That the activities of the 2010/11 – 2011/12 Business Plan, as set out in paragraph 13 of the report be endorsed and its delivery be approved;
 2. That the Executive Member delegates the Director of Regeneration to undertake the necessary procedures to enable the full implementation of the DCB 2010/11 – 2011/12 Business Plan;
 3. That the contribution of £100,000 of Local Authority Business Growth Incentive resources towards delivery of the DCB 2010/11 – 2011/12 Business Plan be approved; and,
 4. That further work required to address the identified issues around foreign travel, commercial activity and future independence be noted.
4. The second report , detailed at **appendix 2**, (additional information considered at the Executive meeting is attached as appendix 2a and 2b) sets out the following:

DigitalCity Business and MIMA Foreign Travel Proposals

1. The report asks that consideration be given to 2 Recommendations. The first asking the Executive Member to note the proposals for Foreign travel and the second to endorse the approach proposed.
 2. The report states the reason for this is as a measure of the success of DigitalCity Business and mima, and that each project needs to embark on foreign travel. In DCB's case this is externally (not Council) funded and represents the project helping to export Tees Valley's new industries to the world; in mima's case this represents the gallery's (and Middlesbrough's) growing status and reputation, and opportunities to secure significant external funding to further strengthen Middlesbrough's collection.
 3. The report outlines the background to this, The option appraisal/risk assessment and the Financial Legal and Ward implications.
5. In doing so, the Executive ordered the following:

ORDERED

1. That the proposals for foreign travel included in the DigitalCity Business Plan for April 2010 into March 2012, and mima's Collections Development Plan be noted, and the approach proposed in paragraph 30 and 32 of the report be endorsed.
2. That the approach proposed in this report be endorsed. Accountability, transparency and compliance issues always be dealt with within the principles of Council Policy – accountability, probity, and best value – at all times, but that where compliance with the letter of the Council Policy may be difficult then the processes and procedures identified above will be utilised.

CALL-IN PROCEDURE

6. The Call-In Procedure allows Members the opportunity to Call-In a decision for scrutiny by the OSB which was made by:
 - i) The Executive;
 - ii) An individual Member of the Executive;
 - iii) A Committee of the Executive;
 - iv) A key decision made by an officer with delegated authority from the Executive; or
 - v) Under Joint Arrangements.
7. The Call-In Procedure may only be implemented if so requested by any five Members of the Council and upon receipt of any such request by the Proper Officer before the end of the fifth working day after the making of that decision.

8. Following an Executive meeting, which addressed the report of the DigitalCity Business 2010/11 – 2011/12 Business Plan and also DigitalCity Business and MIMA Foreign Travel Proposals, which was approved by the Executive Member on 24th August 2010. Six Members supported the request to Call-In such decision, in accordance with the Call-In procedure.
9. Throughout this special meeting of the OSB, Members will have the opportunity to review the decision. Having considered the decision the OSB may, if they feel it appropriate, refer the decision back to the decision-making body for re-consideration, setting out in writing the nature of their concerns.
10. If the decision is referred, then a further Executive Meeting will be held within ten further working days. The Executive can then make a final decision in the light of any recommendations made by OSB.
11. If the recommendations of the OSB are not accepted in full, then the Executive should notify the OSB and give reasons for not accepting the recommendations.

REASONS GIVEN FOR THE CALL-IN

12. The reasons given to the Authority's Proper Officer which initiated the Call-In Procedure for the Executive Members decision on the Director of Regeneration and Economic Development reports relate to the general concerns over expenditure. In addition the potential spend on flights and officers salaries in the present economic climate which should not take place. The items addressed are :-
DigitalCity Business 2010/11 – 2011/12 Business Plan relates to recommendations 1,3 and 4.
DigitalCity Business and MIMA Foreign Travel Proposals, relates to recommendation 1 and 2.

DigitalCity Business 2010/11 – 2011/12 Business Plan, and DigitalCity Business and MIMA Foreign Travel Proposals

13. To assist Members of the OSB to review the decision made by the Executive Member in relation to the DigitalCity Business 2010/11 – 2011/12 Business Plan and the DigitalCity Business and MIMA Foreign Travel Proposals. The following key witnesses will be in attendance during this Special Meeting:
 - i) Head of Economic Development, Culture and Communities, with the Assistant Director mima to present the background to the reports, which were presented to the Executive Member for Regeneration and Economic Development. at an Individual Executive Meeting held on 24th August 2010.
 - ii) The Executive Member for Regeneration and Economic Development to present how the decision was reached; and

- iii) The Member who initiated the Call-In request (to present their views and concerns with regard to the decision made by the Executive Member for Regeneration and Economic Development.

PROPOSED CALL- IN TIMETABLE

14. To ensure the Call-In procedure is adhered to, the following Call-In timetable is as outlined below:

MEETING	DATE/TIME	PURPOSE
Special Meeting - Overview and Scrutiny Board	15 th Sept 10 1.30 PM	To review the decisions taken by the Executive Member on 24 th August 2010, in accordance with the Call-In Procedure.
Individual Executive Meeting	28 th Sept 10 12.00 AM	To re-consider the decision (if required to do so)
Overview and Scrutiny Board	16 th November 2010 4.30 PM	To notify the OSB of the outcome of the Call In

RECOMMENDATION

15. It is recommended that the Overview and Scrutiny Board consider the content of this report, to enable the Call-In procedure to be adhered to.

BACKGROUND PAPERS

16. The following background papers were used in the preparation of this report:

- i) Middlesbrough Council’s Constitution / Call-In Procedure; and
- ii) Middlesbrough Council’s Scrutiny Handbook 2007.

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