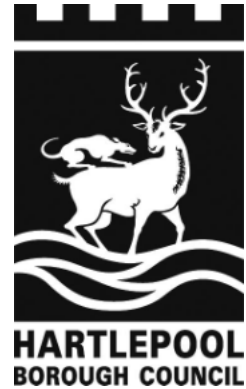


CABINET AGENDA



Monday 22 March 2010

at 9.30 am

**in the Small Lecture Theatre (Room 127), 1st Floor,
Hartlepool College of Further Education, Stockton Road, Hartlepool**

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hall, Hargreaves, Hill, Jackson, Payne, and Tumilty

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the Record of Decision in respect of the meeting held on 10 March 2010 (previously circulated)

4. BUDGET AND POLICY FRAMEWORK

No items

5. KEY DECISIONS

- 5.1 Housing Capital Programme 2010/11 – *Director of Regeneration and Neighbourhoods*

- 5.2 2010 – 2013 Capital Strategy and Asset Management Plan – *Director of Regeneration and Neighbourhoods & Chief Financial Officer*
- 5.3 Building Schools for the Future (BSF) Procurement of a Design and Build Contractor – Sample School (Ref: 395) – *Director of Child and Adult Services*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Hartlepool Strategic Housing Land Availability Assessment (SHLAA) – *Director of Regeneration and Neighbourhoods*

7. ITEMS FOR DISCUSSION / INFORMATION

No items

8. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items

CABINET REPORT

22nd March 2010



Report of: Director of Regeneration & Neighbourhoods

Subject: HOUSING CAPITAL PROGRAMME 2010/11

1. PURPOSE OF REPORT

To seek approval of the Housing Capital Programme for 2010/11.

2. SUMMARY OF CONTENTS

Proposed allocations of funding for various housing improvements.

3. RELEVANCE TO PORTFOLIO MEMBER

Allocation of housing capital is within the remit of Cabinet.

4. TYPE OF DECISION

Key – tests i and ii apply

5. DECISION MAKING ROUTE

Cabinet.

6. DECISION(S) REQUIRED

Approval of the Housing Capital Programme for 2010/11.

Report of: Director of Regeneration & Neighbourhoods

Subject: HOUSING CAPITAL PROGRAMME 2010/11

1. PURPOSE OF REPORT

- 1.1 To seek approval of the Housing Capital Programme for 2010/11

2. BACKGROUND

- 2.1 The main source of funding to assist residents to improve, repair or adapt their homes is the Single Housing Investment Pot (SHIP) allocation from the Department for Communities and Local Government (CLG) which is distributed to authorities through the sub-regions by the North East Housing Board.

- 2.2 2010/11 is the last year of the current SHIP funding period. SHIP funding allocations are not guaranteed from year to year. This funding was reduced in 2009/10 and a further 20% overall reduction is being applied for 2010/11.

- 2.3 Hartlepool's overall SHIP allocation for 2010/11 is £1,479,677. This funding is supplied in three blocks related to a specific 'Objective':

Objective 1 – Housing market renewal	(£780,600)
Objective 3 – Decent homes grants and loans	(£570,482)
Objective 4 – Disabled Facilities Grants	(£128,595)

- 2.4 Part of the region's Objective 3 funding has been ring-fenced by the North East Housing Board for the introduction of the regional loans scheme (the North East Home Loans Partnership, which was the subject of a Cabinet report on the 14th December 2009). For Hartlepool this means that a minimum of £199,437 from the allocation is to be spent through the scheme on loan provision in Hartlepool.

- 2.5 Normally funding would be spent against each Objective without any virement between them. However, because of the reduction in overall funding, the introduction of the regional loans scheme, the need to continue funding existing housing market renewal commitments, and the provision of mandatory Disabled Facilities Grants, authorities are being allowed to decide how the funding should be distributed within their allocation

3 HOUSING CAPITAL PROGRAMME 2010/11 - PROPOSALS

3.1 Disabled Facilities Grants

These grants are mandatory and provide adaptations for disabled persons to remain in their own homes. Demand is such that we have an estimated financial commitment for enquiries already received of about £635,000 going into 2010/11.

3.2 Main external funding for this work comes from SHIP, and an allocation from central government (CLG) which is based on the numbers of persons in receipt of Attendance Allowance and Disability Living Allowance. The 2010/11 SHIP allocation of £128,595 falls considerably short of the £185,000 anticipated for the year. The CLG allocation has yet to be announced, but it is expected that this will be similar to 2009/10, i.e. £275,000. In addition, the Council's SCRAPT budget pressures process has identified £180,000 to be provided from HBC central funds to support this work. In total £583,595 would be available based on these figures. It is suggested that, using the flexibilities being allowed in 2010/11, the SHIP allocation for Disabled Facilities Grants be increased to £185,000 to maintain the level of investment anticipated prior to the reduction being applied and providing a total available budget of £640,000.

3.3 Housing market Renewal

It has been identified that £780,000 from SHIP allocation will be required for housing market renewal.

3.4 'Decent Homes' grants and loans

Accepting the suggested allocations in paragraphs 3.2 and 3.3 for Disabled Facilities Grants and housing market renewal would leave a balance of £514,677 for Objective 3 'decent homes' assistance. This funding currently supports three areas of work:

- (a) Renewal assistance grants and loans towards meeting the government's Decent Homes Standard
- (b) 'Homeplus' grants to help older or infirm persons with smaller repairs
- (c) Energy efficiency grants in partnership with one of the utility companies

3.5 It is anticipated that funding priorities will need to be considered during 2010/11 in preparation for the next round of SHIP funding bids. The proposal is therefore to maintain the three areas of work in paragraph 3.4 for 2010/11 taking into account the reduction in overall funding.

3.6 The proposed housing capital programme is shown in Table 1 below:

TABLE 1

DISABLED FACILITIES GRANTS	
SHIP	£185,000
CLG	£275,000
HBC 'SCRAPT' (budget pressures)	£180,000
total	£640,000
HOUSING MARKET RENEWAL	
SHIP	£800,000
total	£800,000
'DECENT HOMES'	
Renewal Assistance Loans	£384,677
'Homeplus' Grants	£70,000
Energy Efficiency	£60,000
total	£514,677

4. RISK

- 4.1 The renewal assistance loans may not be fully subscribed as this is a new scheme, however there would be flexibility for the Portfolio Holder to vire this allocation at a later stage.

5. RECOMMENDATIONS

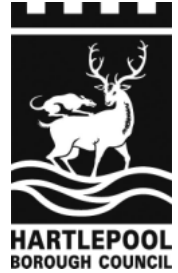
- 5.1 That Cabinet approves the proposed Housing Capital Programme for 2010/11 shown in TABLE 1.

6. CONTACT OFFICER

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CABINET REPORT

22nd March 2010



Report of: Director of Regeneration and Neighbourhoods &
Chief Financial Officer

Subject: 2010 – 2013 CAPITAL STRATEGY AND ASSET
MANAGEMENT PLAN

SUMMARY

1. PURPOSE OF REPORT

To advise of the progress that has been made during 2009/10 in relation to the implementation of the Asset Management Plan and Capital Strategy 2010 -2013 and to endorse asset management proposals for 2010/11 as well as approving the remaining Planned Maintenance Programme (Capital & Revenue for 2010/11).

2. SUMMARY OF CONTENTS

The Capital Strategy sets out the way in which the Council determines and manages the Capital Programme and the linkages between the Capital Programme, the Council's Corporate Objectives and the Community Strategy.

The Asset Management Plan is a tool and working document that highlights the operation, achievements and future objectives of the performance of the Council's land and property portfolio.

The report also contains details of the Revenue Planned Maintenance and Access Works Programmes for 2010/11.

3. RELEVANCE TO CABINET

The Capital Strategy and Asset Management Plan form part of the Council's medium term financial strategy and are included in the Comprehensive Area Assessment (CAA) Key Lines of Enquiry under the Use of Resources.

4. TYPE OF DECISION

Key Decision Test (i) and (ii) applies

5. DECISION MAKING ROUTE

Cabinet only.

6. DECISION(S) REQUIRED

- That Cabinet endorse the progress achieved during 2009/10 in implementing the Capital Strategy and Asset Management Plan
- That Cabinet endorse the 2010 – 2013 Capital Strategy and Asset Management Plan
- That Cabinet approve the Revenue Planned Maintenance and Access Works Programmes for 2010/11

Report of: Director of Regeneration and Neighbourhoods /
Chief Financial Officer

Subject: 2010 – 2013 CAPITAL STRATEGY AND ASSET
MANAGEMENT PLAN

1. PURPOSE OF REPORT

- 1.1 To advise of the progress that has been made during 2009/10 in relation to the implementation of the Asset Management Plan and Capital Strategy 2010 -2013 and to endorse asset management proposals for 2010/11 as well as approving the remaining Planned Maintenance Programme (Capital & Revenue for 2010/11).

2. BACKGROUND

- 2.1 The Corporate Asset Management Plan (AMP) was originally produced in 2002 in accordance with the Single Capital Pot requirements and has been used in conjunction with the Capital Strategy in order to secure additional Government funding. Whilst not a requirement for recent years due to the Council's "excellent" status the Asset Management Plan has been revised annually to highlight the importance of strategic asset management planning.
- 2.2 The Asset Management Plan is very much a tool to ensure the Council is approaching asset management in a clear, structured and inclusive way and it continues to develop as a working document moving away from the prescriptive content approach to asset management planning arrangements and processes previously required by Government Office and is produced and written to reflect the "good practice" guidance of the Royal Institution of Chartered Surveyors (RICS) and the Department of Communities and Local Government (DCLG).
- 2.3 The Plan has an important role to play in achieving the Council's objectives, priorities and service needs and highlights the main achievements in terms of the performance of the Council's land and property portfolio. The plan also outlines the asset management priorities for the future, and together with the Capital Strategy forms the basis for the management of the Council's asset base within the following parameters:
- Better public services through better assets – the right assets in the right place can make the difference.
 - Sustainable Communities – the contribution of land and property to regeneration.
 - Property and investment planning is a key part of the Council's

overall budget framework – contributing to the efficiency strategy and effective use of resources.

- Sharing public sector property assets – in the future integration and alignment of services.

2.4 The Council's property aim is:

- “to optimise the utilisation of assets in terms of service benefits, accessibility and financial return” – to the benefit of the people of Hartlepool.

The aims of the AMP are:

- To integrate property decision making into the corporate planning process.
- To establish a corporate framework and context within which to address Council property issues.

2.5 The Capital Strategy and AMP also reflects the external influences affecting the Council's use of resources and identifies the relevant Corporate Area Assessment (CAA) linkages, the plan is now a key document in the annual assessment of the Council's Use of Resources.

2.6 The Capital Strategy and AMP document will continue to be aligned more closely with the Capital and Revenue Medium Term Financial Plans reflecting a strategic 3 year rolling timeframe.

2.7 The AMP, in conjunction with the Council's Capital Strategy, provides information on the current condition, planned maintenance requirements and identifies the estimated cost of maintenance, to be addressed via revenue and capital funding of the Council's asset Base.

3. CONSIDERATIONS

3.1 The Council recognises that property is a corporate resource and by doing it is committed to delivering a strategic approach to Asset Management. This entails that utilisation of property data at a strategic level across the organisation to ensure that service planning and property planning are fully integrated. This helps to ensure a co-ordinated approach to the use of assets and the realisation of corporate benefits that would otherwise have not been identified. This is achieved through a cross directorate approach and the role of the Strategic Capital Resource Asset Programme Team (SCRAPT) to ensure a joined up approach to asset management.

3.2 The Capital Strategy provides the framework which guides investment decisions and maximises the benefits of the use of capital resources, including the use of Council assets. It also helps to influence the

decisions of its key partners.

3.3 The Asset Management Plan is the implementation document. It is the mechanism by which the Council delivers its Capital Strategy. It is important that both the Capital Strategy and the Asset Management Plan align so that our decision making processes relate directly to our strategic priorities.

3.4 The Importance of co-ordinating the managing all the Council's Assets is recognised and the following workstreams and links to other Strategic Plans are identified.

- Land and Property - the delivery of the Council's Medium Term Disposal Strategy and the Accommodation Strategy coming out of the Council's Business Transformation Programme. Particular consideration is being given to the need to consider funding required for maintaining and enhancing its unused land and buildings where there is an impact on visual amenity.
- Highways and Transportation – the preparation of a Highways Asset Management Plan, the Local Transport Plan and maintenance programmes.
- Other Major Infrastructure – including the Council's responsibility for car parks, coast protection structures and war memorials, Shoreline Management Plan.
- Vehicles, plant and equipment – procurement and leasing arrangements.
- Housing - investment within the Council's strategic housing function and promoting the provision of Land for Affordable Housing.
- Regeneration – investment in schemes through a variety of initiatives across the Borough and linking to the Community Strategy.
- Children's Services to Schools – linking with the Children's Services Asset Management Plan, the Childrens Trust and future investment in Building Schools For the Future and Primary Capital Programme.

3.5 The Capital Strategy section of the document, appended as **Appendix 1**, sets out the way in which the Council determines and manages the Capital Programme and covers:-

- Links with Community strategy and vision for Hartlepool
- Our priorities for Capital Expenditure
- The Council's approach to Funding Capital Investment
- The Framework for Managing and Monitoring the Capital Programme
- Capital Spending Proposals
- Links to Partners
- Links to Other Strategies and Plans
- Performance Measurement and Innovation
- Disposal Strategy and Property rationalisation

3.6 The Capital Strategy sets out the Council's approach to funding capital investment. This may be from a number of sources: -

- External grants and contributions
- Government supported borrowing
- Unsupported borrowing
- Leasing
- Capital receipts and revenue funding sources

3.7 The Council will need to consider whether the Capital Programme, particularly the unsupported borrowing element which support priorities which cannot be funded from other sources, continues beyond 2010/11 when the Medium Term Financial Strategy is rolled forward. This review will consider: -

- (a) the impact of expected costs in mainstream capital allocations and impact this has on funding local priorities
and
- (b) the potential to expand this programme beyond the Council's assets to fund investment in other priorities, particularly initiatives to match-fund other funding, or to pump prime schemes which can become self-financing

3.8 Capital Programming was considered by the Scrutiny Coordinating Committee on 29th January 2010 and their views in particular on (b) above will be fed into the Capital Strategy and Asset Management Plan implementation through 2010/11.

3.9 The main developments in the Asset Management Plan, appended as **Appendix 1**, include :-

Asset Management Objectives

- Asset Management Planning
- Our Organisational Framework
- Data Management
- Performance Management
- Stakeholder Views
- Making Asset Decisions
- Maintenance Implementation
- Environmental Sustainability
- Service Delivery and Accommodation Needs – Business Transformation

3.10 The Capital Strategy / Asset Management Plan has relevance to the following asset streams:

- Land and Property (including School buildings)
- Highways and Transportation

- Other major infrastructure e.g. Coast Protection Structure, Car Parks
- Vehicles, Plant and Equipment
- Strategic housing needs
- Regeneration schemes.
- Use of Natural Resources including Climate Change and Biodiversity

4. MAINTENANCE PROGRAMMES

- 4.1 Maintenance programmes for 2010/11 are detailed within Section 8 (Maintenance Strategy) of the Asset Management Plan.
- 4.2 The Capital Planned Maintenance programme of £1.2 million and the Capital Health and Safety and Property Improvements of £1.2 million have previously been approved by Cabinet and Council as part of the budget process.
- 4.3 The Revenue Planned Maintenance programme, and the programme for Access Works require endorsing by Cabinet and they are detailed below: -

Revenue Planned Maintenance 2010/11

Property	£	Comments
Central Park	£35000	Urgent footpaths repairs
Stranton Nurseries	£70000	Replace failed boilers and distribution system to 4 greenhouses
Burn valley footpaths	£10000	Repair footpaths phase 1
Grayfields	£10000	Repair footpaths phase 1
Historic Quay	£25000	Replacement boilers phase 1 2 from 4
Contribution to invest to save programme	£20000	Year 2 contribution
Seaton Carew Sports hall	£35000	Heating and Domestic HW
Bryan Hanson House	£ 22000	Phase to carpets ground floor west wing
	£227000	

Access Works 2010/11

Property	Scheme	Budget	Comments
To be agreed after the completion of feasibility study of relevant buildings	Accessible Changing Facility	£30,000	Life chances partnership board indicated their support for a facility
Aneurin Bevan House	External main	£10,000	Subject to

	entrance doors .		rationalisation of Property
Various Property	Minor shortcomings to improve accessibility	£10,000	
Total		£50,000	

5. CONCLUSIONS

- 5.1 The Capital Strategy and Asset Management Plan documents are key elements in demonstrating that the Council:
- Has a policy led budget
 - Link budgets and the capital programme to its priorities
 - Effectively manages its asset base
 - Has effective arrangements for reporting and monitoring performances against budgets
- 5.2 The Council has made provision for a capital programme as part of the Medium Term Financial Strategy in line with the principles of the Capital Strategy / AMP. Future provisions for capital programmes beyond 2010/11 and the priorities in which to invest will need to be considered as part of the 2011/12 budget process and the rolled forward Medium Term Financial Strategy.

6. RECOMMENDATIONS

- 6.1 That Cabinet endorse the progress achieved during 2009/10 in implementing the Capital Strategy and Asset Management Plan
- 6.2 That Cabinet endorse the 2010 – 2013 Capital Strategy and Asset Management Plan
- 6.3 That Cabinet approve the Revenue Planned Maintenance and Access Works Programmes for 2010/11

7. CONTACT OFFICER

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Capital Strategy and Asset Management Plan

2010 to 2013



Capital Strategy

2009 to 2012



APPENDIX 1

HARTLEPOOL BOROUGH COUNCIL
CAPITAL STRATEGY**1 Introduction**

The Council has a pivotal role in the future development of the town. We recognise the importance of working in partnership with a wide range of public, private and voluntary sector organisations to achieve this objective. A Local Strategic Partnership (the Hartlepool Partnership) has been created to bring the major partners together. The Partnership has agreed a long-term vision for Hartlepool, which is:

“a prosperous, caring, confident and outward looking community, realising its potential in an attractive environment”.

This vision is underpinned by seven Community Strategy themes, which the partners, including the Council, have adopted to forward plan and prioritise their actions, as follows:

- Jobs and the Economy

Develop a more enterprising, vigorous and diverse local economy that will attract investment, be globally competitive and create more employment opportunities for local people.

- Lifelong Learning and Skills

Help all individuals, groups and organisations realise their full potential, ensure the highest quality opportunities in education, lifelong learning and training and raise standards of attainment.

- Health and Care

Ensure access to the highest quality health, social care and support services and improve the health, life expectancy and wellbeing of the community.

- Community Safety

Make Hartlepool a safer place by reducing crime, disorder and fear of crime.

- Environment

Secure and enhance an attractive environment that is clean, green and safe, managed to enhance biodiversity, and is readily accessible and valued by the community.

- Housing

Ensure that there is access to good quality and affordable housing in sustainable neighbourhoods and communities where people want to live

APPENDIX 1

- Culture and Leisure

Ensure a wide range of good quality, affordable and accessible leisure and cultural opportunities.

- Strengthening Communities

Empower individuals, groups and communities and increase the involvement of citizens in all decisions that affect their lives.

The Council has adopted these Community Strategy themes as our own priorities, to help us develop detailed strategies and achieve our overall Council aim, which is:

“To take direct action and work in partnership with others, to continue the revitalisation of Hartlepool life and secure a better future for Hartlepool people”.

The Capital Strategy Plan outlines how our capital investment will contribute towards the achievement of this objective. In addition the Council has capital spending needs in relation to the condition of its assets. These requirements are set out in the Asset Management Plan which when linked to the Capital Strategy forms an integrated tool for investment and management of the Council's assets.

The effective management of capital assets is key to the delivery of the Council's priorities and this document sets out how capital resources are allocated to meet Council priorities.

2 History – Where have we started from?

The Capital Strategy outlines the Council's vision for the future, which needs to build upon the work which has already been completed. During the 1990's the Council, together with its various partners, implemented major capital investment to improve the quality of life for Hartlepool residents, to create a sustainable economic base for Hartlepool and to transform the image of Hartlepool. This investment included:

- The development of Hartlepool Marina
- the refurbishment of the Town Centre, including the redevelopment of the main Shopping Centre following its sale by the Council to a private developer;
- major private sector housing development, following the sale of surplus Council land and within a phased programme of housing market renewal;
- the refurbishment of residential homes for older people following their transfer to a not for profit organisation.

Hartlepool has been successfully revitalised as a result of this significant investment via the public and private sector. It now has a vibrant environment which is attractive to those who live, work and visit the town.

The transfer of the Council's housing stock to Housing Hartlepool, in April 2004, has continued the revitalisation of the housing stock available for rent. Over a ten year period Housing Hartlepool will have invested £98 million in the housing stock it took over from the Council.

APPENDIX 1

This strategy outlines how the Council, in conjunction with its partners, will continue the development of the town.

3 Vision – Our Priorities for Capital Expenditure

There are a number of key priorities for capital expenditure within the Authority, namely:

School and college facilities – Education is acknowledged as a high priority for the Council. The Council has successfully replaced one of its six secondary schools through a partnership with the Church of England. The Council has secured funding of £104 million from the Government's Building Schools for the Future Programme which will be used to improve and address the suitability, sufficiency and sustainability of the secondary school estate. This investment will cover the replacement, or refurbishment, of five secondary schools and our pupil referral unit to provide modern facilities which will facilitate the "education transformation". In addition, the programme will include investment of around £9M in school's IT facilities and infrastructure to provide state of the art facilities. The Council will close one of its existing secondary schools as the town's future secondary education needs can be met from a reduced number of schools. These works are scheduled to begin in Summer of 2010 and to be completed by the end of 2015.

The Council has also secured funding from the Government's Primary Capital Programme initiative to address the capital investments needs of its Primary Schools. The Council has secured an initial allocation of £8.4 million for 2009/10 and 2010/11 which will enable the Council to begin to address the highest priority capital investment needs in its primary schools. In discussion with Government we will draw down early on the second years funding to accelerate the programme and stimulate the economy. Further Government funding will be required to complete this programme and it is hoped this will be confirmed after the election to enable detailed local investment plans to be developed in consultation with primary schools and other stakeholders.

The Council has also worked in partnership with Hartlepool College of Further Education to secure the development of new college facilities in the town centre. The College has secured funding of £51m from the Learning and Skills Council to fund this development and construction commenced on this development at the end of 2009. To help secure this investment the Council also provided funding of £0.5m and this was matched by similar contributions One North East and Teesside University. To facilitate this development the Council sold the car park site adjacent to the existing college development and enables the college to remain within the town centre. The new college will form the centre piece of the town's education quarter, alongside the relocation of Cleveland College Art and Design. This location will enable students to benefit from existing transport links and the improvements in transport links which will flow from the completion of the "Transport Interchange". The central location of the college will also play a key role in the sustainability of the town centre and the shopping centre, as it will help secure the continued use of these facilities by students.

APPENDIX 1

The Council is also working with Cleveland College of Art and Design to relocate their existing Hartlepool operations and facilities currently based outside of Hartlepool into building adjacent to the new Hartlepool College of Further Education.

Adult Social Services – The Council has entered into long-term service agreements with the private and voluntary sectors for the provision of Adult Social Services. Under these arrangements the Council's Social Services property portfolio has transferred to the private or voluntary sectors that have then funded investment to improve existing facilities.

The Council recognises that demand for Adult Social Services will continue to increase. Therefore, we entered into an innovative partnership with the Joseph Rowntree Housing Trust, Hartlepool Primary Care Trust and North Tees and Hartlepool NHS Trust to develop a retirement village. The scheme provides supported living for approximately 400 residents, which will provide people with a better quality of life and avoid more expensive residential placements. The £34m schemes features 240 apartments and bungalows that will be for rent, shared ownership and sale. The development also includes a Healthy Living suite, shop, activity room, hairdressing salon and lounges for residents. This first phase was opened in August 2008 and development was completed in March 2009.

Environment – The Council has a key role in improving and maintaining the local environment to ensure the town is an attractive place to live, work and visit. The proposed improvements to schools, housing, transport and leisure will make a key contribution to improving the town's environment. The Council will also pursue other initiatives, such as securing grant funding to address land contamination issues and the provision of additional ongoing revenue funding to maintain coast protection structures and public access to the towns promenades and beaches.

The Council also has a key role in reducing carbon emissions and is currently developing a Carbon Management Programme known locally as 'the Carbon Action Now Campaign'. The programme commits the Council to reducing carbon emissions by 35% by 2015. The Council has established an 'Invest to Save' fund for 2009/10 to fund a number of carbon saving projects and financial savings will be recycled to continue this initiative in future years. The Council has also been successful in obtaining funding from SALIX Finance for energy efficiency projects, such as street lighting improvements, upgrading of lighting at Mill House, and the installation of a voltage optimisation unit at Lynn Street Depot.

Housing – The Council has facilitated the diversification of private sector housing within the town and addressed the demand for more 'executive' type housing. These developments are helping to stabilise the town's population and economic sustainability. The Council recognises that these benefits have not been shared by all of the town's residents and there are significant housing problems in relation to affordability and the limited ability of much of the older terraced housing to meet modern expectations. The Council is targeting its available housing resources to address these issues to ensure that intervention is effective in dealing with housing needs, poor housing conditions and the regeneration of deprived communities. This intervention will involve a package of measures including improvements of existing houses, the development of community/neighbourhood parks, the demolition of existing houses and the development of new private sector housing; where

APPENDIX 1

necessary the Council is using compulsory purchase powers in this regard. To achieve these objectives the Council is working with key partners, including Tees Valley Living, the other Tees Valley Authorities, the Regional Housing Board and the Homes and Communities Agency

The Council has responded to new initiatives implemented by the Homes and Communities Agency (HCA) and has used Prudential Borrowing and Council land to match fund HCA grant funding. This innovative funding partnership has enabled two and three social houses to be built which would not otherwise have been completed. These properties will meet national environmental standards, which currently exceed the standards applied to new private sector housing. The Prudential Borrowing will be repaid from future rental income, which will also be used to meet the life cycle maintenance costs of these properties.

The Council previously completed a detailed appraisal of the options for improving the Authority's own housing stock. As a result of this review the Council determined to transfer its housing stock in April, 2004 to Housing Hartlepool, a new Registered Social Landlord.

Housing Hartlepool is part way through a major capital investment programme, which will invest around £98 million to improve former Council houses to ensure the Government's decent home standards are achieved. The Council will continue to work closely with Housing Hartlepool to help regenerate communities and to ensure that intervention in specific neighbourhoods, where there is a mixture of private and Housing Hartlepool properties is co-ordinated.

The Council will also use its available land to help Registered Social Landlords and where appropriate private house builders undertake housing developments which addressed specific housing needs.

Transport – The Council submitted its second Local Transport Plan (LTP) in 2006. The Plan is due to enter its final year in April 2010 and development of its third plan is now underway. At the Tees Valley level, a common LTP strategy will be identified, which sets out Tees Valley priorities for transport, based on existing wider strategy. This will provide a common framework for the individual LTPs, and an important context for the development and implementation of schemes of Tees Valley significance, as part of a relatively light-touch Tees Valley implementation plan.

At the local authority level, individual LTPs will be developed with a lighter-touch strategy component to complement the Tees Valley strategy component, which responds to specific local priorities and conditions. Individual implementation plans will be developed for each district.

Initially, the broad differentiation between Tees Valley and local implementation plans would be the LTP Major-scheme threshold. However, through the process, pragmatically it is likely certain major schemes will be of local significance only, and some activities funded through integrated block, might be better co-ordinated and delivered jointly at Tees Valley level, particularly in respect of 'smarter choices' interventions.

The horizon for LTP3 is to be set at 2021, which aligns with the RSS and also aligns with a number of other strategies for the Tees Valley.

APPENDIX 1

The implementation plan timescales have also been considered. The three-year public spending cycle was considered, but there is agreement, across the Tees Valley Authorities, that the previous 5-year cycle had been helpful in securing a degree of longer-term certainty over funding. In light of the MAA approach to funding flexibilities (and long-term certainties) being developed in the Tees Valley, and the indicative allocations for the integrated and maintenance blocks set out in the RFA guidance, it has been agreed to aim for 5-year implementation plans.

It has also been agreed that it would be sensible to synchronise the cycles for both the strategic elements and implementation elements of the Tees Valley and five district LTP levels to facilitate joint working between partners.

The Council is developing a Transport Asset Management Plan (TAMP) which will set out how we will maintain the highway network to satisfy the demands placed on it. The plan will be used to develop long-term programmes of preventative maintenance and replacement and to determine the correct levels of budget required for each highway asset each year, ensuring that the network asset is maintained in the best condition that the available funding allows. The document is being developed in conjunction with the other Tees Valley Authorities.

Leisure – The Council recognise that the provision of good quality, affordable and accessible leisure facilities has an important part to play in achieving a number of Community Strategy themes, including Culture and Leisure, Lifelong Learning and Skills and Health and Care. The town's main swimming pool is nearing the end of its operational life. The Council has previously set aside £3m towards the development of an "H2O centre, within the Victoria Harbour development and has been exploring options for working with private developers to take this project forward. Owing to the impact of the recession this development is not expected to be feasible in the medium term. Therefore, the Council has re-allocated this allocation to support investment in the Mill House Leisure Centre and is exploring options for the development of this site with partners, including Hartlepool United Football Club. As the assessment of these options and subsequent development will take a number of years the Council has used its own resources to match fund grant funding to make improvements to existing changing facilities.

Jobs and the Economy – Hartlepool's physical and economic regeneration agenda has seen a significant shift in the last year as a result of the decision by PD Ports Ltd to focus on port-related operations rather than potential mixed use development at its Victoria Harbour site. PD Ports Ltd sees particular potential in the offshore wind energy sector and the Council will work with PD Ports Ltd, other business partners and business support agencies to seek to attract such investment to Hartlepool.

In the face of this revised way forward for Victoria Harbour, the Council is focussing its physical regeneration efforts on the continued regeneration of the town centre and the Hartlepool marina development. The Council is working with key property owners and developers to promote further investments, to enhance the town centre and marina as distinctive, attractive places in which to live, work, shop and enjoy leisure time. In this context the Council will use a mix of external funding and its own resources to stimulate private sector investment, coupled with positive use of its own limited property assets in these areas. Key property acquisitions for re-use or

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redevelopment and attention to public realm and connectivity issues will be important components of this approach.

The loss of the Victoria Harbour site as a major source of housing supply is reflected in the Preferred Options report for the Core Strategy, which identifies a number of Greenfield westward expansions of the town as the most sustainable forms of growth, there being limited scope (including very limited Council-owned sites) for brownfield redevelopment.

The Council also continues to develop its business incubation and support system. With both the Council's Hartlepool Enterprise Centre and UK Steel Enterprise's Innovation Centre continuing to be fully let the Council has worked with UKSE to secure Single Programme funding for an expansion of the Innovation Centre which is due to start on site in late spring, 2010. Improvements to existing business premises in the Central Area and Longhill have been supported by grant aid funded by a combination of New Deal for Communities grant and the Council's own capital programme. The Council has also continued to support local businesses within the recession by a number of ways, including, utilising Empty Shops Funding and its links with the shopping centre owners, the College of Further Education and local businesses to revitalise the indoor market as a high profile location for local small businesses.

Transformational Services and New Ways of Working – We understand the national and local context of efficient integrated and shared service provision across the public sector and increased neighbourhood working. We are transforming our own services to provide an effective and efficient framework to meet these demands. The Council is committed to improving customer services and has invested resources to develop a corporate contact centre. The Council has invested in mobile technology to enable services to be delivered in people's own homes or other locations away from the main administrative offices. The Council has invested in a new Financial Management System which has enabled ongoing revenue efficiencies to be achieved through invoice centralisation and facilitated the introduction of revised procurement arrangements, which have also achieved ongoing revenue efficiencies. The Council is also investing in a new HR/Payroll system and is working in partnership with another Council to maximise the benefits of this investment. The Council recognises that further investment will be needed over the next two years to achieve further efficiencies from Business Process Re-engineering and a Business Transformation Programme.

Property Portfolio – The Council has produced a "vision" for future accommodation requirements taking into account new ways of working and this forms part of the Asset Management Plan and Business Transformation Programme. These initiatives aim to rationalise and reduce the number and cost of administrative buildings, to generate capital receipts from the sale of surplus assets and to develop an invest-to-save programme for energy efficiency projects. As part of this strategy we are planning to sell three properties to Cleveland College of Art and Design. This will enable the college to relocate existing facilities within Hartlepool and these facilities will be adjacent to the new Hartlepool College of Further Education within the 'education quarter'.

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The Council is developing a “working from home” strategy which will be a further driver to rationalise office accommodation and achieve efficiencies.

This approach links into our maintenance strategy and the Council has allocated £3.7 million to address backlog of repairs and maintenance within the Civic Centre funded from prudential borrowing. A further £1.2 million was provided within the 2009/10 budget to address a range of property related health and safety issues and property improvements identified through the asset management plan.

Strategic Land and Property Acquisitions – In response to the credit crunch and economic downturn the Council has approved the principle of strategic land and property acquisitions during the recession. The strategy will require a multi agency approach with the Council’s partners to ensure an appropriate strategy is in place for developing such land and property. The aim of this strategy will be to release future benefits for the community when the economy recovers from the current recession, which may include the availability of land for social or private housing and/or the generation of resources for capital investment from future increases in land values.

The Council is in the unique position of being able to facilitate this strategy by using its Prudential Borrowing powers to provide bridging funding for such developments, subject a detailed business case being prepared for each proposal and revenue affordability. The latter factor benefits from the current historically low interest rates. The Council is exploring a range of potential developments and detailed business cases will be referred to Cabinet and Council if this initial work confirms these potential developments are viable.

4 The Council’s Approach to Funding Capital Investment

The Council will fund its capital investment from a variety of sources.

The availability of funding from these different sources has a major impact on which projects are implemented as a very large proportion of funding is provided for specific schemes. In the majority of cases these resources fund projects which are high Council priorities. However, this means that local projects are given a lower priority as funding is not available for such items, although innovative approaches are used e.g. £156,000 is allocated to Neighbourhood Forums each year to address local priorities and £150,000 for Community Safety Initiatives. These allocations have now been confirmed for the three years 2010/11 to 2012/13

External Grants and Contributions – a significant number of capital projects are financed from external grants and contributions which are provided for the specific project and cannot be used for other purposes. For example, grants from Central Government, including the successful Building Schools for the Future bid, National Lottery funds and the European Union.

This is a valuable source of funding and has enabled the Council to undertake a number of developments that would not otherwise have been progressed. Carnegie Building – the revitalisation of a former library. Grayfields Sports Pavilion – new build facilities. Brougham Enterprise Centre – accommodation for small businesses. Coast protection Works – via DEFRA funding. Upgrading of 8/9 Church Street via Home Office Funding. The Council has previously been very active in pursuing such

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funding. However, given the increasing pressure on the revenue budget the Council is becoming more selective in the capital grant regimes it pursues. This will ensure developments are affordable in the medium term and make a specific contribution to the achievement of the Community Strategy themes.

Borrowing – a large proportion of the Council's capital investment is funded from Government supported borrowing. This funding is provided by Government departments on the basis of services bids submitted by the Council, for example Housing Bids, Local Transport Plan and Education Asset Management Plan. Where a Government department agree to provide supported borrowing for the Council's bid this will usually be provided as a Single Capital Pot allocation. In theory the Council is free to use this allocation to support its own priorities. However, the individual Government departments expect the Council to achieve relevant targets and priorities for which the resources are provided. Therefore, it is the Council's practice to passport these resources to meet the needs identified in the relevant service bids and to hopefully ensure future bids are successful.

The Council can also take on unsupported borrowing, that is borrowing which does not attract Government support. This borrowing needs to be prudent and affordable as the repayment costs must be funded from the Council's revenue budget. This freedom gives the Council an opportunity to use borrowing to fund local priorities which are not eligible for national support. The Council has taken a prudent approach to using this freedom.

A business case approach for each proposal to use this source of funding has been adopted. This source of funding has therefore been restricted to fund investments which will either:-

- self financing and provide better value for money than alternative forms of finance, for example replacement of operational vehicles previously leased; or
- self financing from income streams, for example social housing developments and replacement of cremators; or
- lever in significant external grant funding, for example the development of Grayfields sports facility and redevelopment of Headland Town Square; or
- produce a revenue saving greater than the loan repayment costs, for example investment in IT, or the scheme to improve Public Conveniences across the town, which was funded from the existing revenue budget for this service by rationalising operational arrangements; or
- address minor local priorities which address Community Strategy themes and could not otherwise be funded, for example, Community Safety initiatives and Disabled Access adaptations; or
- enable the Council to address a particular policy priority, for example the extension of recycling initiatives through the implementation of new refuse collection arrangements.

The Council also determined to use of unsupported borrowing to address priorities which cannot be funded from other sources, or where existing funding allocations are insufficient to meet local needs. Annual provisions have been made within the Council's Medium Term Financial Strategy to meet the resulting repayment costs associated with this unsupported borrowing. This will provide annual capital allocations of £1.2 million until 2010/11 and proposals for using these resources have

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been approved based on recommendations made by the Council's Strategic Capital Resources and Asset Programme Team (SCRAPT) on the basis of robust project appraisal procedures. This policy will mean that a total of £6 million has been invested in this way since this initiative started. Projects which have been funded from this resource include building asset, Coast Protection works, Highways maintenance schemes, Disabled Facilities grants, Economic Development schemes and Regeneration match funding.

The Council will consider whether this programme continues beyond 2010/11 when the Medium Term Financial Strategy is rolled forward. This review will consider:

- the impact of expected cuts in mainstream capital allocations and the impact this has on funding local priorities; and
- the potential to expand this programme beyond the Council's assets to fund investment in other priorities, particularly initiatives to match-fund other funding, or to pump prime schemes which can become self-financing.

Leasing Arrangements

The Council continues, where appropriate, to use leasing arrangements to acquire vehicles and equipment for the provision of key services such as refuse collection and grounds maintenance. The decision to use leasing arrangements is based on a detailed financial appraisal to determine the most cost effective option for financing the replacement of operational equipment. The Council uses an external consultant to assist with this financial evaluation and to provide market intelligence on available leasing options.

Capital Receipts and Revenue Funding Sources – The Council now has limited surplus assets which can be disposed of. Therefore, this source of funding is limited. In some instances it may be more beneficial for the Council to use its land as the Council's contribution to developments with Housing Association where this levers in significant housing investment from other sources. The Council will therefore consider each disposal on a case by case basis to maximise contribution to the Council's overall objectives.

Future capital receipts will be dependent upon the rationalisation of the Council's property portfolio. This area is being pursued as part of the Council's Business Transformation Programme. It is planned to rationalise the use of assets and reduce the number of administrative buildings used and owned by the Council.

The Council undertook a study into the potential latent value of its property in 2004. This was undertaken by Consultant DTZ. One of The Council's remaining valuable assets is its minority interest in the Shopping Centre, which currently provides a significant income stream for the Council. The Council has considered disposing of this interest; however, the capital receipt would not be sufficient to replace the existing income stream. The recession has also reduced capacity within the private sector to buy such assets. Therefore, it is not currently in the Council's interest to pursue this option. A similar exercise was previously undertaken on the Council's interest in the Victoria Park Football Ground with a similar result, but current potential development of the Mill House site in conjunction with the Football Club could lead to a sale of the ground.

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The Council has determined that capital receipts from the sale of income generating assets should in the first instance be earmarked to either replace the assets, or to repay debt, to ensure the sale does not have an adverse impact on the revenue budget. In accordance with this policy any uncommitted capital receipts will be available to support new capital investment.

The Council can also use revenue resources to fund capital projects e.g. use of car parking income. However, as revenue budgets are under increasing pressure the Council's ability to make revenue contributions to capital is restricted. There are no proposals to make significant revenue contributions in the corporate budget strategy, although individual service departments may make small contribution for specific priorities.

As part of the Medium Term Financial Strategy for 2008/2009 to 2010/11 the Council determined to make provision within the revenue budget for unsupported borrowing of £3.6 million to address local priorities over this period. Proposals for using these resources are recommended by the Council's SCRAPT team on the basis of robust project appraisal procedures. The Council will consider whether this programme continues beyond 2010/11 when the Medium Term Financial Strategy is rolled forward.

Other Sources of Capital Funding – The Council recognises that the above sources of funding are not suitable for all capital projects. Therefore, the Council will continue to examine the potential for resolving the shortfall in available capital funding through the use of alternative funding sources. Initiatives already taken include the transfer of the Council's housing stock to a registered social landlord and outsourcing of services to enable the private sector to fund capital investment.

The Council has worked in partnership with the Hartlepool Primary Care Trust on the relocation of Health and Social Services into accommodation to be provided under the NHS LIFT partnership and works have now begun on site. In relation to Housing the Council will continue to work with a range of partners, including English Partnerships, Housing Associations and the private sector to secure affordable housing and to tackle housing market failure.

5 The Framework for Managing and Monitoring the Capital Programme

Project Prioritisation and Option Appraisals

It is inevitable that demands for capital investment will exceed resources available to the Council. It is therefore essential that the Council has robust criteria for allocating resources. These procedures need to reflect the Council's overall priorities, recognise the requirements of external funders and maximise the sustainability of Government funding allocated through the Single Capital Pot. The Council has determined that the best way to achieve these objectives is to passport Single Capital Pot resources to meet the relevant service bids. The downside to this policy is that it reduces the resources which the Council can allocate to its own local priorities. However, the policy does ensure resources are targeted at issues which have a high priority to both the Government and the Council. The policy also maximises the resources which the Council will secure for future capital investment.

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In practice, the above policy and the limited level of capital receipts and revenue contributions to capital, means the Council has limited uncommitted resources. Therefore, existing project prioritisation and option appraisal arrangements concentrate on the revenue implications of proposed capital projects.

The Council, like most local authorities, faces a challenging revenue budget position in the next few years as the Council will need to achieve annual efficiencies and address increasing demands on services. The Council's Cabinet has therefore implemented procedures for evaluating potential capital bids which include the establishment of the lifetime revenue implication of capital projects.

As part of the procedures projects will only be approved if it can be demonstrated that these costs can be funded, either:

- from savings which will arise from the investment; or
- the sponsoring department can identify alternative revenue savings/income, which do not have an adverse impact on the delivery of the Council's corporate priorities; or
- the Council's Cabinet determine to identify corporate savings as part of the overall revenue budget process.

Managing the Capital Programme

The Council will continue to maintain robust and comprehensive procedures to ensure the delivery of capital projects on time and to budget. These procedures are particularly critical given the dependency of the Capital Programme on external grants as the Council needs to ensure grant conditions are met. Regular capital monitoring reports are considered by the Corporate Management Team and Cabinet. The Council's Strategic Capital Resources and Asset Programme Team will co-ordinate the development of the Capital Programme.

Grant funded schemes, such as the New Deal for Communities Programme, are subject to the funders Specific Performance Monitoring regimes. In most cases these monitoring arrangements review progress on a quarterly and annual basis against agreed financial and non financial targets. Failure to delivery against these targets can result in the loss of future grant allocations, or in extreme cases the claw back of monies already provided. The Council has an excellent track record of delivering against these milestones.

Procurement

The Council has strengthened its approach to procurement over recent years by the formation of a Corporate Procurement Team to coordinate activity and to develop a procurement strategy in line with local regional and national strategies. The Council's Contract Procedure Rules have been amended to reflect a variety of options such as best price and quality / price tenders in addition to partnering arrangements. This allows capital projects to be delivered on a flexible manner to meet individual requirements.

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The Council is an active participant in the Regional Improvement and Efficiency Partnership and its procurement projects e.g. the production of a collaborative sourcing strategy and harmonised contract documents. Sub regionally collaboration between the Tees Valley Authorities has increased in the sharing of the commission role for procurement exercises to achieve efficiencies e.g. Waste Management initiatives, potential for shared service provision, commodities etc. We are also part of a purchasing consortium (NEPO) across all North East Councils where our flexible energy purchase arrangement has proved successful.

We have a strategic partnership in place to deliver corporate projects (including LEA funded schoolwork) up to a value of £100k. This commenced in 2002 and has proven successful in speedy delivery of schemes. It was renewed in 2005 and is currently under review.

Significant savings have been realised by the procurement of Home to School transport and ancillary services.

A “Centre of Excellence” for procurement has been established as part of the Council’s Business Transformation Programme.

6 Capital Spending Proposals

The Council’s Capital Programme for the three years 2009/2010 to 2011/2012 was approved in February, 2009 having gone through Scrutiny, Cabinet and Council via the budget process. Over this period the Council will invest over £83.1m, which includes Building Schools for the future investment in 2010/11 and 2011/12. A breakdown of the 2009/2010 Capital Programme is detailed below:

	<u>£’000</u>
Children’s Services – Education	12,187
Local Transport Plan	1,852
Housing	11,115
New Deal for Communities	1,234
Operational Vehicle replacement	1,905
Other	<u>2,434</u>
	<u>30,727</u>

7 Links to Partners

The Council has a strong track record of partnership working to maximise the impact of the Council’s own capital resources and the investment undertaken by partners. Recent examples of partnership working include:

- the Council is working in partnership with Hartlepool New Deal for Communities (NDC) on a range of regeneration projects within the NDC area. One of the key projects is the Housing Renewal programme, which aims to tackle significant housing market failures and associated social problems.

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Over the 10 year life on Hartlepool NDC the Council will contribute £7.5m towards this initiative;

- the creation of a Church of England School in conjunction with Durham diocese to replace one of the town's six secondary schools;
- partnership between the Council, the Governors of another secondary school, the Sports Lottery and SRB to establish a specialist sports college;
- Partnership between the Council and the Governors of the towns secondary schools on the development of the Building Schools for the Future programme;
- Partnership between the Council and the Governors of the town's primary schools on the development of the Primary Capital programme.
- Working with the PCT, Housing Associations and other organisations in delivering supported housing.
- Working with Hartlepool People in the Community Asset Transfer and development of a key building providing services to the local community.
- Working with the Headland Development Trust to develop the St Hild's New Life Centre for Performing Arts.

As part of the Local Strategic Partnership the Council will continue to be involved in partnership projects across a range of service areas directly linked to the achievement of our corporate priorities, including:

Health – The Council worked with Hartlepool Primary Care Trust to develop new facilities which incorporate Health and Social Care services on the same site. The main project is the development of a new Health and Care Centre in the town centre. The Council was heavily involved in site assembly and has now sold the site to LIFT. Works on the development of this facility are progressing and the building will open in May 2010.

Education – The Council will continue to work with Secondary Head teachers, Governing Bodies, parents and other Education stakeholders to ensure the development vision for the Secondary Schools estate is delivered through the Building Schools for the Future Programme. There will be a similar collaborative approach for the redevelopment of Primary Schools.

Transport – On 23 June 2009, the Minister of State for Transport, Sadiq Khan, announced that the Tees Valley Bus Network Improvements project had been granted Programme Entry status by the Department for Transport (DfT). This is an important step in the project's progress to delivery on the ground and comes after a protracted appraisal of the scheme by the DfT

The total funding package is around £60 million, of which £40 million is being provided by the DfT, and the remainder by the Tees Valley Local Authorities and private sector contributions. It will be spent on infrastructure to improve bus journey times and reliability, better passenger facilities at and around bus stops and interchanges, and on new information displays, both static and electronic.

Feedback to date has been positive and an announcement is expected April 10.

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The bid will promote synergy of transportation needs capital expenditure and control mechanisms.

The Tees Valley Authorities and Tees Valley Regeneration have been working towards an improved Metro style enhanced rail service for a number of years. This initiative will support regeneration of the Tees Valley through the linking of key sites with enhanced facilities for the movement of passengers and goods.

Detailed development work has been completed, and a robust, costed, implementation plan has been prepared which envisages the delivery of the Metro project in three phases. The first phase was included within the North East's revised Regional Funding Allocation (RFA) submission and has been formally accepted by the Department for Transport (DfT).

Housing – The Council is no longer a direct provider of rented housing. However, the Council still has strategic housing responsibilities and will work in partnership with others to ensure everyone has access to good quality and affordable housing. Over the next few years the major housing issue facing the Council is to address housing market failure within the traditional town centre terraced market. To address these issues the Council will continue to work in partnership with a range of public sector organisations, including the New Deal for Communities partnership, the Homes and Communities Agency (HCA), Housing Hartlepool and other registered social landlords, as well as private sector developers. This broad coalition will seek to regenerate these areas through a combination of refurbishing and demolishing existing houses, the development of new housing by the private sector and the development of new public open spaces.

As indicated previously, the Council will also continue to use its limited land resources as part of its ongoing liaison with the HCA, RSL's and private house builders to address affordability issues. The Council will also use Prudential Borrowing to match fund grant funding for housing developments where there is a business cases to repay the borrowing from rental income.

Community Safety – The council works in partnership with Cleveland Police and other members of the Safer Hartlepool Partnership in the delivery of the town's crime, disorder and substance misuse strategy 2008 -2011. Over the next 3 years the council will provide a further £0.45m of capital funding for community safety initiatives which contribute to the delivery of this strategy and it's annual priorities.

8 Links to Other Strategies and Plans

The Council is a key member of Hartlepool Partnership and we have adopted the Partnership's long-term vision for Hartlepool as expressed in the Community Strategy. The Council's Corporate Plan sets out how the Authority intends to delivery its part of this strategy. The Corporate Plan provides the overall focus for the Council's activities and is supported by a variety of service specific plans, including the Capital Strategy and Asset Management Plan.

APPENDIX 1**9 Performance Measurement and Innovation**

The National Property Performance initiative (NaPPMI) Property Performance Indicators are being utilised and provides a suit of national and local indicators to measure the performance of local authority assets.

This initiative enables effective benchmarking between authorities through the Institute of Public Finance (IPF) Asset Management Network.

In addition there are local performance measures included in annual departmental and service plans which are monitored and reported on a quarterly basis.

Energy performance in terms of consumption and cost is measured on a regular basis.

Egan Report – Rethinking Construction

The Council has successfully implemented the Principles of Egan’s “Rethinking Construction” by building “quality” into tender consideration. More significantly the extensive use of partnering arrangements to deliver key projects is well embedded in the procurement approach of the Council. There is also a strategic partnering arrangement in place for the provision of maintenance and other works up to a value of £100k. The partners include 2 private sector contractors and the Council’s in-house team. Benefits include value engineering gained from early involvement of contractors e.g. Carlton Outdoor Centre and LEA Condition Works, Planned Maintenance Works and Minor Building Works and the realisation of savings being re-invested in projects.

10 Disposal Strategy

As indicated earlier, the Council has previously generated significant capital resources from the sale of land and buildings. These resources have been used to fund new capital projects and to provide building land for private sector development. Over the past five years the Council generated usable capital receipts of £12.1m. However, owing to the success of previous capital receipt programmes, the Council has limited potential to generate capital receipts. The remaining disposals will be difficult to achieve and will therefore not be included in the Council’s Capital Programme until the receipts are certain to be received. This prudent approach will ensure the Council does not over commit itself.

To encourage service departments to manage their land and property assets effectively, they are entitled to retain 25% of the capital receipt generated from the sale of operational assets. This money can then be invested in their remaining property assets. The remaining 75% is allocated on a corporate basis.

Efficiency Strategy

Asset Management is an important strand of the Council’s Efficiency Strategy and Business Transformation Programme. The key ingredients will be:-

- Development of the accommodation strategy
- Rationalisation of property
- Minimising running costs e.g. energy efficiency

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- Improving procurement arrangements e.g. vehicles
- Addressing environmental issues and climate change e.g. green energy.

11 Summary

The Council will continue to prioritise its capital resources in line with its corporate objectives and seek additional funding sources to achieve these objectives. It is recognised that bids for external funding need to be closely aligned to these objectives and take account of “full life cost” implications.

It is also recognised that the continued regeneration and revitalisation of Hartlepool will only be achieved through existing and new partnerships with other public sector organisations and the private and voluntary sectors. The Council has a good track record in working with such bodies and has already achieved significant improvements.

It is envisaged that the Council will need to provide greater community leadership in the coming years to address the impacts of the recession. This may need to include greater involvement in the development of the town as the private sector is unlikely to be able to fulfil this role in the short to medium term. The Council is currently assessing a range of potential interventions, which will involve working with partners and the development of detailed business cases.

The Council will review its capital expenditure plans on a regular basis to reflect changing circumstances, including:

- The results of Service Reviews and Inspections (including service specific inspections and the Comprehensive Performance Assessment);
- The level and type of Central Government support for the Council’s capital investment;
- Pressures and priorities set out in the Council’s Medium Term Budget Strategy (including the level of Council Tax increases).

Asset Management Plan

2009 to 2013



March 2010 Review

Final

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1 Introduction

This document gives an overview of the progress being made upon delivery of the Asset Management Plan 2009/010 to 2011/12 providing summary details of progress to date on key topics and developments.

The Council recognises that property is a corporate resource and by doing so it is committed to delivering a strategic approach to Asset Management. This entails the utilisation of property data at a strategic level across the organisation to ensure that service planning and property planning are fully integrated. This helps to ensure a co-ordinated approach to the use of assets and the realisation of corporate benefits that would otherwise have not been identified. This is achieved through a cross directorate approach and the role of the Strategic Capital Resource Programme Team to ensure a joined up approach to asset management.

The Capital Strategy (Appendix 1) provides the framework which guides investment decisions and maximises the benefits of the use of capital resources, including the use of Council assets.

The Asset Management Plan is the implementation document. It is the mechanism by which the Council delivers its Capital Strategy. It is important that both the Capital Strategy and the Asset Management Plan align so that our decision making processes relate directly to our strategic priorities.

The Importance of co-ordinating the management all the Council's Assets is recognised and the following workstreams and links to other Strategic Plans are identified:

Land and Property - the delivery of the Council's Medium Term Disposal Strategy and the Accommodation Strategy coming out of the Council's Business Transformation Programme. Particular consideration is being given to the need to consider funding required for maintaining and enhancing its unused land and buildings where there is an impact on visual amenity.

Highways and Transportation – the preparation of a Highways Asset Management Plan, the Local Transport Plan and maintenance programmes.

Other Major Infrastructure – including the Council's responsibility for car parks, Coast protection structures and war memorials, Shoreline Management Plan.

Vehicles, plant and equipment – procurement and leasing arrangements.

Housing - investment within the Council's strategic housing function and promoting the provision of Land for Affordable Housing.

Regeneration – investment in schemes through a variety of initiatives across the Borough and linking to the Community Strategy.

Children's Services to Schools – linking with the Children's Services Asset Management Plan, the Childrens Trust and future investment in Building Schools For the Future and Primary Capital Programme.

APPENDIX 1**2 Corporate Asset Objectives**

The Council has five corporate property objectives and these are as follows: -

- Contribute to achieving the Council's core objectives resulting from the Community Strategy and other strategic plans and/or initiatives
- Ensure property solutions appropriate to service needs
- Maximise financial returns from property
- Minimise cost in use of property
- Enhance quality, sustainability and accessibility

3 Key Asset Objectives

- Optimise the contribution of property to meet Key Corporate Objectives and the Vision of the Community Plan.
- Generate capital receipts to support the Medium Term Financial Strategy.
- Deliver efficiency gains.
- Maximise the contribution of property to the continuing regeneration of Hartlepool .
- Ensure our property meets the Disability Discrimination Act.
- Facilitate alternative ways of working.
- Maximise the benefits of information and communication technology.

4 Asset Management

Asset Management is about optimising the assets of the Council in terms of service benefits and financial return. It is an important part of resource planning. There are two interacting components:

- **Strategic Asset Management**

This focuses on the medium to longer term and involves decisions on asset investment linked to customer and end user needs and service delivery requirements. It involves a challenge to the holding of assets. There is an assumption that assets should only be retained where they provide greater value for money than the alternatives. New methods of service delivery, flexible working arrangements, shared services and developments in information technology are likely to make the Council less dependant on fixed assets in future years.

- **Operational Asset Management**

Once the strategic investment decisions have been made this is the continuing management of the fixed assets on a short to medium term basis. The objective is to secure efficiency gains, ensure business continuity and support service delivery

4.1 Asset Management Planning

The aim of Asset Management Planning is to raise awareness of the resources

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invested in the Council's assets and to develop strategies and programmes to ensure that they are deployed in the way that best meets corporate and service objectives.

This is a business process with the underlying purpose of achieving the better use of public assets, and of minimising the opportunity cost of resources tied up in land, buildings and fixed assets

A number of management principles support effective strategic asset management:

- There needs to be an integrated departmental and corporate approach to fixed assets
- Explicit responsibility for, and corporate leadership of the strategic asset management function is required
- The correct balance has to be taken between central control and devolved responsibility for land, buildings and fixed assets
- A synergy is needed between the strategy for fixed assets and the service objectives linked to the use of those assets
- Clear authority-wide property objectives have to be fed into the service planning process. These need to be communicated to elected members and managers with specific service delivery responsibilities
- Any change in the strategic role or management of fixed assets needs to be planned, co-ordinated, and prioritised within the Corporate Plan.
- Asset management needs to be backed by a simple and robust system of performance management which relates directly to Corporate or service objectives
- Effective data systems have to be in place to support the management of fixed assets
- Robust techniques are needed to justify decisions. These need to balance service benefits against financial returns and expenditure.

4.2 Asset Management Objectives

The objectives for Corporate Asset Management are: -

- To ensure the Council's service requirements are linked to an effective asset management solution.
- To raise awareness of the Council's assets and provide a clear decision making structure for the management and use.
- To manage asset management delivery to demonstrate continuous performance improvement.
- To release value from assets by minimising running costs, structured investment, through partnerships or through disposal.

The authority has adopted an overall aim in respect of its property:

- To optimise the utilisation of assets in terms of service benefits, accessibility and financial return'.

Flowing from this aim and developed from the key themes identified in the Corporate Plan, the authority has established five corporate property objectives, together with

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strategies to achieve these objectives: -

- Contribute to achieving the Council's core objectives
- Ensure property solutions appropriate to service needs.
- Maximise financial return from property.
- Minimise cost in use of property.
- Enhance quality, sustainability and accessibility.

Asset Management therefore has an important role to play in achieving the Council's and the Community Strategy objectives: -

- Better public services through better assets – the right assets in the right place can make the difference.
- Sustainable Communities – the contribution of land and property to regeneration. Property and investment planning is a key part of the Council's overall budget
- framework – contributing to the efficiency strategy and effective use of resources.
- Sharing public sector property assets – in the future integration and alignment of services.

5 Organisational Framework

Corporate priorities and objectives are reflected in the Council's Capital Strategy and form the basis for decisions on the acquisition, investment or disposal of fixed assets.

Corporate Asset Management falls under the remit of the Executive Member for Finance and Performance who is the lead member for asset management.

The Assistant Director of Neighbourhoods & Regeneration (Resources), is the designated Corporate Property Officer and has responsibility for Asset Management and reports directly to the Executive Member for Finance and Performance and to the Cabinet as appropriate.

The framework in essence comprises :-

- Strategic Capital Resource and Asset Programme Team
- Corporate Asset Management Group
- Resources Division
- Estates and Asset Management Group
- Property Management Group
- Departmental Service Asset Management Planning

5.1 Strategic Capital Resource and Asset Programme Team

- Assistant Director Level chaired by the Director of Regeneration and Neighbourhoods
- Visioning of AMP
- Identify and prioritise use of resources
- Agree the Capital Programme based upon option appraisal/business case

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Steering group that formulates, monitors, reviews the Capital Programme.

The team provides the focus for long term planning and strategy for the Council's assets to ensure the needs of services are integrated into an efficient and effective approach.

5.2 Corporate Asset Management Group

- Senior Officer level covering capital and asset management streams
- Operational management
- Preparation of options
- Delivery of AMP/Capital Strategy priorities

This Group comprising officers at senior level covering capital and asset management streams supports the work of the Strategic Capital Resource and Asset Team on a day to day basis within Service Departments but with a Corporate focus.

Terms of Reference

- Assist in the implementation of the Asset Management workstrand of the Business Transformation Programme.
- Input into the preparing and producing of the Corporate Asset Management Plan and all other asset and facilities management strategies, plans and programmes for recommendation to Strategic Capital Resource and Asset Programme Team (SCRAPT)
- Implementing and maintaining the successful delivery of all approved asset management plans and policies
- Providing the information, reports, business cases and advice required for SCRAPT to be able to fulfill its corporate asset management remit and make the necessary decisions and/or recommendations for formal approval
- Delivering sound and effective asset management practices and procedures
- Implementing an effective interface between the joined up asset management function and the service based functions
- Coordinating yearly planning cycles and time tables
- Specifying that asset management be included in key corporate and service planning documents

Membership

Officers with strategic responsibilities representing Finance, Property, Economic Development, Regeneration, Highways and Transportation, Coast Protection, Urban Policy, Community Safety, Sustainability.

5.3 Resources Division

Incorporating the key asset management functions within the Council. The Division

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includes the Estates and Asset Management and the Property Management teams which includes Estates Management, Building Surveying and Energy Management.

The Section aims to deliver a seamless one-stop asset management service across the Council, by:

- Providing a Centralised Asset Management service for the Council and partners
- Writing and implementing the Council's Asset Management Plan
- Providing a wide range of expertise on asset management and property issues and providing advice to departments
- Undertaking a rolling programme of Condition surveys of Council properties
- Supporting the delivery of capital schemes through best practice in project management
- Managing of the Council's investment properties.

5.4 Corporate Property Officer responsibilities are as follows :-

- Integrate property as a key resource with the business processes of the Council and address property implications of both corporate and service objectives and through effective asset management planning, help deliver these aims and objectives in a sustainable manner at the right time and within budget.
- Through the Strategic Capital Resource and Asset Programme Team and the Corporate Asset Management Group, identify the drivers for change and their impact on property and accommodation needs.
- Review Best Value plans and other corporate plans and determine the property implications.
- Through the Strategic Capital Resource and Asset Programme Team Corporate Asset Management Group, develop and report on national and local performance measures that are relevant to the Council's own requirements and priorities.
- In conjunction with the Chief Financial Officer and the Corporate Asset Management Group develop the Capital Programme management, monitoring and review process.
- Manage and develop the Corporate Property Database

Asset management of the school estate is undertaken by the Schools Transformation Team in liaison with the Resources Division. This work is undertaken in line with DfES reporting procedures and Partnerships for Schools guidance in relation to Building Schools for the Future and Primary Capital Programme. The School Capital Sub-Group with representatives from the Council, schools and Dioceses prioritises the schools capital programme.

6 Data Management

A key task for the Estates and Asset Management and the Property Management teams is the ongoing development of the Council's Corporate Property Database .

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6.1 Corporate Property Database

To ensure that the Division manages its Asset Portfolio efficiently a review has been undertaken of its current data management software (Tribal Technology – Evolution. As a result of the review a new data management system has been purchased – AsstManager.NET. This new system incorporates all aspects of Asset Management whilst providing a direct link to the Authority's Financial Asset Register incorporating guidelines set out by CIPFA's Statement of Recommended Practice (SORP)

It allows for future smarter working practices by taking into account the purchase by the Division of handheld PDA's and also linking to the GIS system, both of which are planned for later in 2010.

A year long transition phase has been initiated and the replacement system will be fully operational, and populated by July 2010, this allows for data validation and migration and staff training.

6.2 Geographical Information System (GIS)

The Council's property ownership records have been successfully transferred from a paper based to an electronic system utilising Industry Standard GIS (map). This provides a visual representation of all of the Borough Council's land and property holdings.

The system incorporates a new corporate ArcGIS Server which will replace the existing map providing essential information to both officers of the Council and public. The system is to be extended and will be available on the Intranet to officers by May 2010 and on the Internet by September 2010.

6.3 Secondary Systems and Data

Where data requirements cannot be accommodated in the core systems the approach taken allows for the creation of satellite systems to deal with particular requirements. These draw information from core data and can be used to manipulate data or represent it in a customer focused way.

6.4 Identifying Future Needs

At the present time the following projects are identified for consideration and possible implementation.

- Lease Register – linking the Legal Division's separate records of lease history into the core systems so that data is captured and stored once only.
- Recording within the core systems detailed information on legal title restrictions and property holding powers currently held on paper record.
- Mapping of additional legal data e.g. statutory enactments affecting specific locations, byelaws, restrictive covenants and easements where these may have a direct bearing on asset management and review.
- Capturing a secure electronic copy of legal & other property-related documentation.

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- Increased utilisation of GIS as a tool for analysis in pursuance of development feasibility studies, property performance appraisal and asset review strategy.
- Development of mobile devices linked to the Corporate Property Database to improve efficiency

7 Performance Management

Effective performance management is critical for the success of Asset Management in order to: -

- Achieve the Council's aims and objectives through effective Asset Management
- Prioritise what is important and what gets done
- Motivate and manage staff and partner organisations
- Measure and communicate success
- Improve the perception of service provision

To be effective, performance management should not be isolated to the performance of fixed assets alone. Performance management within the asset management function needs to link and overlap with the Community Strategy, the Corporate Plan and contribute to individual service aims and objectives.

7.1 Portfolio and its current performance**National Property Performance initiative**

The National Property Performance initiative (NaPPMI) Property Performance Indicators are being utilised and provides a suite of national and local indicators to measure the performance of local authority assets.

The initiative enables effective benchmarking between authorities through the Institute of Public Finance (IPF) Asset Management Network.

The seven property performance indicators are:

- PMI 1 A,B,C,D National Indicator - Condition and Required Maintenance
- PMI 2 A,B,C National Indicator - Environmental Property Issues
- PMI 3 A & B Local Indicator - Suitability Surveys
- PMI 4 A,B,C,D Local Indicator - Building Accessibility Surveys
- PMI 5 A & B Local Indicator - Sufficiency
- PMI 6 A,B Local Indicator - Spend
- PMI 7 A,B,C,D Local Indicator - Time and Cost Predictability

In addition there are local performance measures included in annual departmental and service plans which are monitored and reported on a quarterly basis.

Energy performance in terms of consumption and cost is measured on a regular basis.

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Information collected will be reviewed and utilised for comparison and decision-making purposes.

8 Maintenance Strategy

A significant element of the Asset Management Plan is the Maintenance Strategy which brings together key considerations in maintaining our assets within the constraints of the Capital Strategy and its funding prioritisation and allocation. In addition, the Council provides revenue planned maintenance funding to address condition issues and together with the capital allocation aims to reduce our backlog maintenance.

Key areas considered include: -

- Accessibility
- Property Condition
- Capital Planned Maintenance
- Capital Health & Safety and Property Improvements
- Revenue Planned Maintenance

8.1 Centralisation of Asset and Property Management

The Asset Management element of the Business Transformation programme has now progressed to a point where Central finance have concluded an exercise to identify departmental budgets estimated at £4.7 million. These budgets are based upon an average of the spend on property over the last 3 years. It is intended that the management of these property budgets is transferred to the Regeneration and Neighbourhoods department as from the 1st April 2010. Thereby ensuring a centralised and coordinated approach to asset and property management, including the prioritisation and allocation of resources for maintenance.

8.2 Accessibility

Accessibility is measured via one of the Public Audit Office indicators. The Council's percentage of buildings being classified as fully accessible using this indicator is currently assessed as 34%, however a number of properties are awaiting resurvey and should they pass as anticipated there is a reasonable expectation of being able to reach 46% within another 2 years if the current levels of investment and improvement are continued. At that point improvements in performance of the existing building stock will be more difficult to achieve due to the relative date of construction. Compliance with this indicator requires certification in accordance with Approved Document Part M of the Building Regulations 1991 and BS8300 2009. The majority of the Council's building stock was constructed before that time and is not easily or economically altered retrospectively.

The barriers to Building Access Removal Programme has been on going since 2001 and up until 2009/2010 a budget totalling £50,000 per annum has been provided and properties across the portfolio have benefited from schemes including the provision of level access and accessible toilets, automated doors and induction loops.

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The Council's Medium Term Financial Strategy 2008/09 to 2010/11 confirmed that an annual allowance of £50,000 per annum would be available, however, 2010/11 is the last year of the funding and the Council will need to consider if this is to continue as part of its budget prioritisation process..

The proposed programme of access works for 2009/2010 was :-

Property	Scheme	Budget	Status
Various Community Centres	Induction Loops	£9,000	Completed
Various Community Buildings	Disabled Parking Bays	£5,000	Ongoing
Various Community Buildings	Paving's /dropped kerbs	£6,000	Ongoing
Drugs Rehabilitation Centre	Minor shortcomings	£5,000	Completed
Central Library	Various shortcomings	£23,000	Completed
Ward Jackson Park visitors centre	Minor shortcomings	£2,000	Completed

The proposed programme of works for 2010/2011 is :-

Property	Scheme	Budget	Comments
To be agreed after the completion of feasibility study of relevant buidlings	Accessible Changing Facility	£30,000	Life chances partnership board indicated their support for a facility
Aneurin Bevan House	External main entrance doors.	£10,000	Subject to rationalisation of Property
Various Property	Minor shortcomings to improve accessibility	£10,000	
Total		£50,000	

In terms of current priorities it is proposed that the following schemes are considered for inclusion in years 2011/2012 subject to funding, the outcomes of the rationalisation of property and the accommodation strategy.

- Foggy Furze library
- Seaton Carew Sports hall
- Various Community Centres
- Various Community Buildings
- Various Community Buildings
- Accessible Toilet Facility
- Accessible Changing Facility
- Induction Loops
- Disabled Parking Bays
- Paving/dropped kerbs

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- | | |
|--|---|
| <ul style="list-style-type: none"> • Greatham Community Centre • 8/9 Church Street | <p>Accessible Toilet Facility (Subject to review)</p> <p>Improved access to rear of building</p> |
|--|---|

Schemes will need to be considered in more detail with respect to the Council's future Accommodation Strategy and Business Transformation Programme at the appropriate times. It is hoped that Service Departments may offer to contribute to the funding of some of these works and therefore there will need to be some flexibility in the proposed expenditure on individual schemes and the ability to move from year to year to suit Service Department requirements so that front line services are not disrupted.

The schemes are scheduled in order of increasing expenditure and that even with some Service Department contributions; it is unlikely that it will be possible to complete all works from within the budget available.

The programme for the Removal of Major Barriers has been prioritised using a number of factors:-

- Disability Equality
- Disability Rights Commission Survey
- Access Audits
- Suitability Surveys
- Characteristics of site

Consultation

Representatives of the now disbanded Hartlepool Access Group indicated that priority should be given, in the first instance to buildings that the public had no option but to attend to obtain services. These factors inform the prioritisation process. A close working relationship is to be established with the Life chances Partnership Board attended by representatives of the Property Management group. It is intended that a regular asset management agenda item is included with asset management access issues presented to the group for comment.

The Disability Discrimination Act

An Internal audit report on Hartlepool Borough Council's implementation of the Disability Discrimination Act identified a requirement to establish a position on all works required to all property. Hartlepool Borough Council's property management section does not have the capacity to undertake these full DDA access audits in the required timescale. An undertaking was made to establish indicative costs for additional support from the private sector. Costs in the region of £98,000 have been received for what is a substantial survey, over and above the requirements of the normal access audits, and include a costed plan of works required. In terms of risk we are dealing with major physical barriers and adjusting services where needed to meet DDA needs. There is no budget for the additional surveys (nor the subsequent work) and this will need to be prioritised by Members as a pressure during the budget process.

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8.3 Property Condition. Backlog and Required Maintenance

Required maintenance has previously been designated as backlog maintenance and customarily represented by a single monetary figure.

For all corporate property excluding schools this is now assessed at **£7,868,349** (2008/2009 £7,092,024), based upon what is required to bring property condition up to a reasonable standard and to maintain that standard. The 2009/2010 backlog maintenance figure has increased due to a combination of in depth condition inspections and deteriorating condition elements. It should be noted below that Priority 1 (urgent works) and Priority 2 (essential works) have been reduced and it is Priority 3 (desirable works) that has been increased.

This is made up as follows (2008/2009 and 2007/2008 figures in brackets):

- **Priority 1 £ 33,985**(2008/2009 £49,355) (2007/2008 £310000). Urgent work that will prevent immediate closure of premises and/or address an immediate risk to the health and safety of occupants and/or remedy a serious breach of legislation.
- **Priority 2 £3,538,215** (2008/209 £3,753,996). Essential works required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to health and safety of occupants and/or remedy a less serious breach of legislation.
- **Priority 3. £ 4,296,149**(2008/2009 £3,288,673) (2007/2008 £ 3,000,000). Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.

These figures need to be considered in the context of a five year planning period and the way to consider this information is that **Backlog Maintenance** is the **Priority 1** items which should be addressed first by the Service department.

The Priority 2 and 3 items being considered as **Required Maintenance** (i.e. required within two to five years).

Works outside the 5 year planning period are of a long term nature and not classified as backlog or required at this time. As each year passes required items will be noted and planned.

8.4 Planned Maintenance

Planned Maintenance is facilitated by the provision of Capital and Revenue resources.

Capital Planned Maintenance 2008 to 2011

Cabinet at their meeting held upon 4 February 2008 approved as part of the Medium Term Financial Strategy a total of £1,200,000 per year for each of the years 2008/09 , 2009/10 and 2010/11 for unsupported Prudential Borrowing and the following is the schedule of Proposed Schemes as considered and prioritised by the Strategic Capital

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Resource and Asset Team with 2010/2011 proposals approved by Cabinet on 11th February 2010.

Property/Project	2007/08 £000,s	2008/09 £000,s	2009/10 £000,s	2010/11 £000,s	Status
Refurbishments of Burbank Community Centre • Refurbishment	120				Completed
Bridge Community Centre • Demolition	150				Completed
Seaton Bus Station • Refurbishment	150				Completed
Multi-storey car park • Surface and leakage repairs	300	362			Completed
Historic Quay • Toilets Demolition - Modified scheme to create storage facility.–	51				Completed
Eldon Grove Sports Centre • Demolition	120				Completed
Owton Manor Lane shops • External works	50				Completed
Highways • Maintenance Schemes	425	40	40		Completed
Municipal Buildings • Boilers	151				Implementati on on hold.
Brinkbum Centre • Roofing and Pool Plant	83				Completed
Borough Hall • Roofing and boilers	32				Completed
Stranton Crematoria • Roofing	34				Completed
Lynn Street Depot • Replacement of heat emitters to workshops		60			Completed
Waste Recycling Centre • Security		55			Completed
Civic Centre • Reconstruction of ramp to front of building		29	151		At design stage to be completed in 2010/11

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Civic Centre • Disabled toilet refurbishment		78			Completed
Civic Centre • Replace existing card reader system		72			Start first quarter 2010/11
Municipal Buildings • Replace existing card reader system		9			Start first quarter 2010/11
Brougham Enterprise Centre • Toilet and Showers		40			On site
• Disabled Facilities Grants		105	100	180	Partially committed
Coast Protection • North Pier		100	100		Fully committed
Regeneration Programme • Match Funding to lever in Regeneration Support		100	175	250	Partially committed
Industrial/Commercial Property • Grant Aid funding of Industrial and Commercial Improvement Areas		100	175	200	Partially committed
Grayfields Mini soccer pitches			74		Committed
Energy Efficiency schemes Site specific Opportunities			0		Implementation on hold
Non-adopted highway areas Maintenance Schemes			100		Committed
Wharton Terrace Area Removal of planters			50		Committed
Municipal Buildings Fire Alarm system			12.5		Completed
Central library Refurbishment			100		Completed
Shopping parades • Improvements			50		Pending
Mill House Leisure • Refurbish changing areas			350		Site start imminent

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Air monitoring equipment replacement of existing and provision of additional station				70	Procurement
Voluntary Sector premises pool grants to voluntary/community sector for premises related expenditure				25	Toe be assessed post Audit 2010
Newburn Bridge Industrial Estate roof and security doors replacement				85	Design to be commenced
North Cemetery phased structural rebuilding of retaining wall				75	Design to be commenced
Lynn St Depot Workshops roof replacement				50	Design to be commenced
Building management system replace obsolete equipment to achieve improved energy control				45	Design to be commenced
Central library boiler replacement				70	Design to be commenced
Seaton Carew community centre window replacement				65	Subject to an ongoing study of Seaton Carew
Seaton Carew Sports hall roof replacement				85	Subject to an ongoing study of Seaton Carew

Note: Some projects are phased from 2008/2009 into 2010/2011.

8.5 Capital – Health and Safety and Property Improvements 2009/2010

In 2009/2010 a one off budget of £ 1.2 million was allocated to fund works addressing Health and Safety and Property Improvements. Cabinet at their meeting on the 21st September 2009 approved a schedule of essential works to property phase 1 with a further report taken to Cabinet on 11th January 2010 seeking approval to the expenditure of the remainder of the capital budget.

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**Capital Programme 2009.2010 – Schedule of Essential Works to Property
– Phase 1**

Property	Project	Budget £000's	Status
Mill House Leisure Centre	Installation of new enhanced Combined Heat and Power Plant to replace old and obsolete plant	95	Design
Hartlepool Enterprise Centre	Installation of new enhanced windows to replace old and decayed windows	90	Design
Warren/Havelock	Major Planned Maintenance overhaul to extend service life incl. the development of Havelock as Centre for Independent Living along with additional £350,000 external grant funding.	80	Design
Havelock Day Centre	Development of Havelock as Centre for Independent Living along with additional £350,000 external grant funding.	65	Design
Education Development Centre	Re-Roof with enhanced roofing system	70	On site
North Cemetery	Structural Repairs to retaining wall adj. to highway.	60	Commissioned
Wingfield Castle	Replacement of Vehicle Deck decayed flooring structure, improved and remodelled to make accessible.	105	Completed
Rossmere Youth Centre	Replacement of obsolete boiler with enhanced installation	55	Approved to proceed
Lynn Street Depot	Re-roof garage with enhanced roofing system	40	Approved to proceed
Owton Manor Community Centre	Replacement of obsolete boiler with enhanced installation.	35	Design

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Seaton Carew Community Centre	Complete replacement of flat felted roof with enhanced system	70	On site
Education Development Centre	Installation of new enhanced windows to replace old and decayed windows	30	On site
8/9 Church Street. Integrated Offender Management Unit	Basement - Major waterproofing and refurbishment works to bring into operational use	25	On site
Sir William Gray House	Installation of enhanced emergency lighting.	25	Design
Owton Manor Branch Library	Re-Roof with enhanced roofing system	25	Design
Administration Buildings	Undertake enhancement works as recommended by Health and Safety to make building fit for purpose.	20	Ongoing
Civic Centre	Undertake enhancement works to facilitate trade union and well being recommendation of installation of staff welfare facilities	20	Design
Mill House Diving Board	Structural demolition and removal	20	Completed

Capital Programme 2009/2010 – Schedule of essential works to property – Phase 2 .

Property	Project	Budget £ 000's	Status
School Kitchens	Replace equipment and Modernise layouts	215	Commissioned

8.6 Revenue Planned Maintenance

Works classified as Priority 1 have been reported to Service Departments for their urgent attention and are undertaken via the reactive maintenance budgets.

In 2008/2009 a budget of £225,000 for planned maintenance was available to implement the following projects

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Property/Project	Budget £000's	Status
Civic Centre • Fire Sprinklers UG Car Park	90	Completed
Brinkbum Sports Hall • Roof Repairs	15	Completed
St Hilda's Church Clock • Dial Repairs	25	Completed
Mill House Leisure Centre • Pool Filters	35	Completed
Seaton Carew Clock • General Repairs	5	Completed
Municipal Buildings • Fire Alarm	10	Completed

In 2009/2010 an indicative revenue budget of £237000 was available to implement planned works. This was made up of £221,000 2009/2010 contributions to planned fund, plus an anticipated carry over from 2008/2009 of £16,000 This was to be applied to reduce the balance of Required Priority 2 works in 2009/2010.

The following schemes have been undertaken within 2009/2010

Property	£	Comments	Status
Bryan Hanson House	£40,000.00	Urgent health and safety carpet renewal	Completed
Stranton Cemetery	£34,350.00	Operational need to prevent internal damage Roofing repairs	Completed
Redheugh Gardens, The Headland	£75,000.00	Paving resurfacing existing surface failed	Completed
Rossmere Youth Centre	£63,250.00	Operational need to prevent internal damage Roofing repairs	Approved to proceed
Contribution to Energy invest to save programme year 1	£20,000.00		Ongoing
	£232,600.00		

In 2010/2011 an indicative revenue budget of £227000 is available to implement planned works. This is made up of 2010/2011 contributions to planned fund .This is to be applied to reduce the balance of Required Priority works in 2010/2011.

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Property	P2	Comments
Central Park	£35000	Urgent footpaths repairs
Stranton Nurseries	£70000	Replace failed boilers and distribution system to 4 greenhouses
Burn valley footpaths	£10000	Repair footpaths phase 1
Grayfields	£10000	Repair footpaths phase 1
Historic Quay	£25000	Replacement boilers phase 1 2 from 4
Contribution to invest to save programme	£20000	Year 2 contribution
Seaton Carew Sports hall	£35000	Heating and Domestic HW
Bryan Hanson House	£ 22000	Phase to carpets ground floor west wing
	£227000	

9. Energy Management and use of Natural resources

On the 17th August 2009 Cabinet considered and approved an energy management invest to save programme. The Carbon Reduction Strategy and Implementation Plan will be considered by Cabinet in April 2010.

The £40,000 'Invest to Save' fund for 2009/10 has been allocated to fund a number of carbon saving projects. These projects are being implemented to ensure that a level of savings is realised in order that the fund will be topped up in 2010/11. .

Hartlepool has been successful in obtaining an interest free loan from SALIX Finance for energy efficiency projects. An application was approved for £63,393 for street lighting improvements, upgrading of lighting at Mill House, and the installation of a voltage optimisation unit at Lynn Street Depot. All of the above will lead to a reduction in energy consumption , giving both cost and carbon savings. The cost savings achieved will be sufficient to repay the loan within five years.

The Council also has a place a Biodiversity Action Plan to address the Natural Environment.

Invest to save programme 2009/2011

Location	Project	Investment
All sites and Buildings	Reduce temperature settings to minimum 19°C in all buildings as per CIBSE guidelines	£0
All sites and Buildings	Awareness Raising/Training/Publicity	£1807
Foggy Furze Library	Energy Efficient Lighting	£1000
Bryan Hanson House	Install 7-day timers on various equipment	£1200
Location to be agreed	Northgate Server rationalisation	£28057

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Lynn St Depot construction building	Energy efficiency measures	£3500
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Carbon reduction property initiatives 2009 onwards

Project	Description	Responsibility
Carlton Outdoor Centre	Eco – roof including renewable energy initiatives	Child and Adult Services Regeneration and Neighbourhoods
Various sites and buildings	High Efficiency replacement boilers	Regeneration and Neighbourhoods
Various sites and buildings	Management of the use of supplementary heaters, fans etc	All departments
Various sites and buildings	19c air temperature settings	Regeneration and Neighbourhoods
Various sites and buildings	Removal of water coolers	Regeneration and Neighbourhoods
Various projects	Quantify energy savings 2009/20120	Regeneration and Neighbourhoods
Various projects	Quantify energy savings 2010/2015	Regeneration and Neighbourhoods
BSF projects	Bio mass boilers	Regeneration and Neighbourhoods
Various sites and buildings	Minimal heating provision in unoccupied areas	Regeneration and Neighbourhoods
Various sites and buildings	Timers for energy consuming equipment	Regeneration and Neighbourhoods
Mill House leisure Centre	Lower pool hall ceiling	Child and Adult Services Regeneration and Neighbourhoods
Mill House leisure Centre	Lighting improvements	Child and Adult Services Regeneration and Neighbourhoods
Mill House leisure Centre	De-stratification fans	Child and Adult Services Regeneration and Neighbourhoods
Various sites and buildings	Disposal strategy	Regeneration and Neighbourhoods
Various sites and buildings	Holiday shutdown of relevant buildings	Regeneration and Neighbourhoods

10 Service Delivery and Accommodation Needs

Work is ongoing to develop and shape the medium/long term accommodation requirements of the Council and this has been incorporated into the Asset Management Workstream of the Business Transformation Programme.

APPENDIX 1**Rationalisation of Administration Buildings and Introduction of Accommodation Strategy**

- The refurbishment works at the Civic Centre are coming to a conclusion. Regeneration and Neighbourhoods Directorate and Support Staff have reoccupied including some relocations from Archive Store and Bryan Hanson House. In February the remaining area of Level 3 will be fully re-occupied by Finance relocating from Bryan Hanson House.
- A number internal relocation moves within the Civic Centre are to take place over the next few months to facilitate the creation and co location of teams arising from the Corporate Restructure.
- Similarly a substantial number of relocation moves are taking place between now and May between and within Bryan Hanson House/ Municipal Buildings/Church Street Offices/ Archive Building/ Transport Offices/Edgar Phillips Building.
- The application of the principles of a max 8sq m per person and 4 staff to 3 workstations and the successful reduction of storage being applied in all instances.
- The progress of emptying one or more administration buildings is well in hand with the vacation of Leadbitter and Archives Buildings programmed to be completed by May 2010. Staff will relocate to Bryan Hanson House and Municipal Buildings.
- Proposed that Leadbitter and Archive Buildings are sold.
- The current over provision of surplus accommodation space across the main will be eliminated upon by the end of May 2010.
- At that time the changes made to date will be reviewed, revisited and monitored to identify any further opportunities to increase occupancy levels but also to ensure that standards are maintained and to remove items and habits which 'creep' back into the buildings.
- The disposal of the Municipal Buildings is proposed to take place in two years time. This resolution of the accommodation issues related to that proposal need to resolved and an exit strategy prepared.
- Earlier proposals to target Aneurin Bevan House and 85 Station Lane as priority buildings for vacation and sale are deferred until the current initiatives have been completed and are reviewed.

Review of non-administrative operational buildings and land and reduce surplus

- The identification of operational buildings for disposal is dependent upon the implementation of the restructure and service delivery option reviews. This is referred to in the Service Delivery Option Review "how to" guide.
- Year 2 SDO Reviews are underway and a proactive approach is to be taken in challenging the current service property use and occupation.
- Need to assess not only current requirements but must also predict future needs
- The undertaking of Service Asset Management Plans is a core component of this activity and will be lead by the Estates and Asset Manager.

APPENDIX 1**Review of non operational land and property and reduce surplus**

- Cabinet approved on 13 July 2009 a schedule of identified surplus land and property as the basis for taking a rationalisation programme forward.
- The programme is being implemented and an active start has been made.
- Target disposals are being planned taking into account marketability of any land or property as the balance of probability is that it will be some years before current market conditions improve
- It is prudent to further develop the proposed programme that aims to dispose of identified surplus properties as and when the property market recovers
- Outstanding and forthcoming rent reviews identified and programmed for implementation.
- Asset transfers to the community will continue to be considered and a Community Asset Transfer Policy has been drafted and considered by the Finance and Performance Portfolio Holder. This will provide the basis for future transfers.

11 Key Achievements 2009/10

- Identified surplus property and implemented disposals programme
- Secured additional £1.2M additional funding for Essential Works to property
- Centralised Asset Management enabling a prioritised corporate planned a reactive maintenance programme
- Completed 4 year major maintenance programme £5M at Civic
- Worked with Regeneration and Housing to both identify and assemble sites for affordable housing
- Prepared a Community Asset Disposal Policy
- Commenced a programme of Operational Property reviews linked to Service Development Options
- Review of SCRAPT and the Corporate Asset Management Groups completed

12 Key Proposals for 2010/11

- Dispose of 2 surplus administration buildings
- Continue to review and rationalise the Administrative Accommodation Portfolio
- Finalise Service Development Option Reviews and implement rationalisation reviews
- Energy – implement Invest to Save Programme and Carbon Reduction initiative
- Deliver CPO requirements of the Housing Market Renewal programme including procurement of framework constraints
- Rigorously challenge the Cooperate requirement and performance of the non operational Portfolio



Report of: Director of Child & Adult Services

Subject: BUILDING SCHOOLS FOR THE FUTURE (BSF)
PROCUREMENT OF A DESIGN AND BUILD
CONTRACTOR – SAMPLE SCHOOL (REF: 395)

1. PURPOSE OF REPORT

To inform Members of the outcome of the Invitation to Tender (ITT) and the evaluation and moderation process for the selection of the Design and Build (D&B) Contractor for the Building Schools for the Future Programme.

To seek approval to proceed to Financial Close with the Selected Panel Member.

2. SUMMARY OF CONTENTS

This report provides a summary of the Invitation to Tender (ITT) stages for the procurement of a Design & Build Contractor. It outlines the stages of the process, the outcome of the evaluations of the ITT and the subsequent moderation stage.

3. RELEVANCE TO CABINET

Building Schools for the Future will have a significant impact on the future provision of education in Hartlepool.

4. TYPE OF DECISION

Key Decision. Test (i) and (ii) applies.

5. DECISION(S) REQUIRED

Cabinet is requested to:

- a) note the outcome of the D&B ITT Stage
- b) approve the progression to Financial Close with the Selected Panel Member.

Report of: Director of Child & Adult Services

Subject: BUILDING SCHOOLS FOR THE FUTURE (BSF)
PROCUREMENT OF A DESIGN AND BUILD
CONTRACTOR – SAMPLE SCHOOL (REF: 395)

1. PURPOSE OF REPORT

To inform Members of the outcome of the Invitation to Tender (ITT) and the evaluation and moderation process for the selection of the Design and Build (D&B) Contractor for the Building Schools for the Future Programme.

To seek approval to proceed to Financial Close with the Selected Panel Member.

2. BACKGROUND

BSF is a long term programme of investment and change in England that will help transform education for secondary age students by providing 21st century learning environments that engage and inspire young people, their teachers and the wider community.

Hartlepool is a Wave 5 authority in the BSF programme and has received approval from Partnerships for Schools to its Outline Business Case. This allows the authority to proceed to its D&B procurement phase of the project.

A significant component of the Hartlepool BSF Programme is the selection of the D&B Contractor, who initially will be engaged to undertake a major remodel of the sample school (Dyke House).

As part of the process, the Authority issued a Preliminary Invite to Tender (PITT) on 10th June 2009 to all six contractors on the Partnerships for Schools National Framework. The procurement timetable for appointment of the bidder selected from the Framework is as follows;

Stage	Actual/Planned Date
Issue PITT to Bidders	10/06/09
Return of PITT	26/06/09 (noon)
Shortlist of two bidders confirmed	29/07/09
Issue of ITT to two bidders	04/09/09
Clarification and Dialogue meetings	21/09/09 – 21/01/10
Return of ITT	22/01/10
ITT Evaluations	25/01/10 – 9/03/10
Appointment confirmed of Selected Panel Member	01/04/10
Contract finalisation	31/07/10
Sample scheme on site	01/09/10

3. STAGE 1 PRELIMINARY INVITE TO TENDER (PITT)

Completed PITT returns were submitted on 26th June 2009 by four of the six Framework contractors and they were subsequently opened at the Contract Scrutiny Committee meeting on 29th June 2009. Following a compliance check exercise, all four PITT submissions were passed to the evaluation teams for detailed examination. In total there were thirteen evaluation workstreams including one from each secondary school. Non -school workstreams were composed by drawing together appropriate officers of the Council and external advisers and who examined in detail, specific areas of the submissions following strict evaluation guidelines ensuring that there was a fair and consistent process in order to achieve the correct outcome. The workstreams were as follows:-

- Technical
- Property
- Schools
- Transformation
- Finance
- Legal
- ICT Integration
- Design

The evaluation process took place from 29th June and concluded on 13th July 2009 with a Moderation Day, when all thirteen evaluation workstreams agreed by consensus that two bidders, Balfour Beatty and Kier, should be taken forward to the next stage of the D & B procurement (Invitation to Tender).

4. STAGE 2 INVITATION TO TENDER

Dialogue

From 14th September 2009, both bidders were engaged in regular dialogue meetings with the Council's D&B Dialogue Team to discuss, offer and clarify design solutions consistent with the Authority and school's requirements. The Dialogue Team consisted of external legal, financial and technical advisers, the Client Design Adviser, the D&B Integrator, the Schools' Transformation Strategy Manager, the Council's internal education consultant, the Head of Procurement, Property and Public Protection, a representative from Dyke House Sports & Technology College, a school representative acting as observer on behalf of all non-sample schools and the Schools' Transformation Project Manager acting as lead officer for the BSF D&B procurement.

In addition to the dialogue meetings, both bidders also attended regular Design User Group meetings with the sample school's Senior Leadership Team, Council officers and appropriate external advisers. These meetings gave bidders valuable opportunities to consult with the school to ensure that the final designs met with the Council and school's transformational vision for

teaching and learning, articulated through the Council's Strategy for Change (SfC), Outline Business Case and the school's SfC.

During the dialogue process both bidders visited other secondary schools in the BSF construction programme in order to obtain a clearer understanding of each school's individual specialisms, ethos and cultures whilst also taking the opportunity to examine site layouts and constraints. Additionally as part of the competitive process the Dialogue and Design User Group Teams were also given the opportunity to visit schools put forward by the bidders as their 'flagship' sites, where bidders felt the design and operational structure of the schools closely aligned with the vision and aspirations of Hartlepool Council and its secondary schools.

All secondary schools and key stakeholders were invited to interim presentations in November 2009 where both bidders gave an update on their design developments. This allowed non sample school staff to witness the outcomes of the design process and put questions to bidders as appropriate to that stage of design development.

To ensure that the design development process was progressing well, Partnerships for Schools required both bidders to present their designs 'in progress' for the sample school to the Commission for Architecture and the Built Environment (CABE). The presentations took place in December 2009 and confidential feedback was provided to the Council on areas of strength and areas for development in both designs. This information was shared with the respective bidders and supported the development through the Design User Group stage.

Evaluation Methodology

The membership of the evaluation team and the evaluation methodology was established in consultation with secondary headteachers and with agreement from the Schools Transformation Project Board. The evaluation team was made up of seven workstreams as follows:

- Sample School
- Schools Transformation
- Design
- Property and Procurement
- Technical
- ICT Integration
- Legal

In addition to the seven workstreams listed above, secondary headteachers felt that it was important that the evaluation team included a representative acting on behalf of the non sample schools. This role would act as an observer with a 'non-evaluating' capacity to monitor the procurement of the D&B contractor, reporting back confidentially to non-sample schools as necessary, and to communicate any comments from the non-sample schools to the evaluation team as appropriate.

A representative from each of the seven workstreams was identified to feed the workstream evaluation rationale into four sub-groups. The four sub-groups were;

- Design
- Works
- Handover
- Pricing

The Observer was a member of the Design and Handover sub-groups.

A facilitator was identified for each sub-group with responsibility to ensure that the sub-group reached a consensus score fairly and in an appropriate manner. Facilitators were not able to influence the outcome but were tasked with supporting and progressing detailed discussion in the sub-groups.

Evaluation Process

On the 22nd January 2010, both D&B contractors submitted their ITT bids. The bids were subsequently opened at the Contract Scrutiny Committee on 25th January and made available to the evaluation teams.

On 2nd February, both bidders gave presentations on their ITT submissions. Once again schools and key stakeholders were provided with an opportunity to view and ask questions on the final design solutions proposed.

The evaluation process took place from 25th January 2010 and concluded on 9th March 2010. This process was extended by two weeks from the original timetable to ensure that all 183 clarifications had been fully addressed by the two bidders prior to the conclusion of evaluations and to ensure that the final solutions met with the requirements set out in the ITT documentation. Partnerships for Schools were consulted about the decision to extend the evaluations period and supported the Council in its decision to do so.

All of the evaluations from the four sub groups were collated and the results presented to a moderation meeting on the 9th March 2010. Agreement on the proposed Selected Panel Member to go forward to Financial Close and to be recommended to Cabinet was unanimous. The name of the Selected Panel Member is included in **Appendix 1**.

This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

5. RISK IMPLICATIONS

There is a risk of challenge by the contractor that has not been selected to proceed to the Preferred Bidder Stage, however, full composite copies of all documentation related to dialogue meetings, conference calls and the evaluations have been retained for audit purposes.

6. FINANCIAL CONSIDERATIONS

Following detailed evaluations by internal and external financial advisers of the bidder's cost modelling contained within the ITT, it is confirmed that the proposed selected bidder has submitted an ITT that is affordable and is within the capped funding sum of £12.4m available to complete the sample school project.

Other financial considerations for this process are in relation to officer time throughout the procurement process including costs incurred through the engagement of external advisers. However, the engagement of external advisers is a requirement of Partnerships for Schools (PfS) to secure the BSF funding. The benefits of undertaking such a thorough and comprehensive process outweigh any financial issues.

7. LEGAL CONSIDERATIONS

External legal advisers have been engaged throughout this process and significant dialogue has been undertaken between these advisers and the bidder's legal advisers.

In addition, as part of the evaluation process, legal advisers have considered the responses within the ITT submissions relating to any legal aspects and clarifications have been sought where necessary.

8. SELECTED PANEL MEMBER LETTER

In accordance with the conditions of the Partnerships for Schools (PfS) National Framework, the Council is required to issue the Selected Panel Member with the appointment letter contained in **Appendix 2**.

The letter is subject to approval by PfS as it reflects the outcomes of dialogue, the ITT submission and clarifications issued during the ITT period. Clarifications issued during the evaluation period form the basis of Schedule 1. Schedule 2 indicates those items that the Council will wish to cover in more detail during the period leading up to Financial Close and which will be incorporated into the Final Business Case.

(**Appendix 2**, which is the Selected Panel Member letter including Schedules 1 and 2, is currently being populated in consultation with the Council's legal advisers. This will be issued shortly under separate cover.)

This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

9. DECISIONS REQUIRED

Cabinet is requested to:

- a) note the outcome of the ITT Stage
- b) approve the progression to Financial Close with the selected panel member.

Contact Officer

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CABINET REPORT

22nd March 2010



Report of: Director of Regeneration & Neighbourhoods

Subject: HARTLEPOOL STRATEGIC HOUSING LAND
AVAILABILITY ASSESSMENT (SHLAA)

SUMMARY

1. PURPOSE OF REPORT

To inform Cabinet of the consultation responses to the draft Strategic Housing Land Availability Assessment (SHLAA) and to seek approval to the SHLAA as part of the evidence base for producing the Local Development Framework for the Borough.

2. SUMMARY OF CONTENTS

The SHLAA is a report, prepared in accordance with national and regional planning policies and guidance which identifies and assesses potential future development sites to ensure that there will be enough land available to continuously meet an area's housing needs over a fifteen year timescale.

With reference to the Cabinet report of 14th December 2009 when Cabinet approved the draft SHLAA for the purpose of public consultation this report gives a summary of the representations made during the 8 weeks consultation and proposed amendments to the SHLAA.

The report also highlights the financial benefits of having an adopted SHLAA in place by the end of March, through the award of Housing and Planning Delivery Grant

3. RELEVANCE TO CABINET

The SHLAA will form a key piece of the evidence base that underpins the Local Development Framework for Hartlepool.

4. TYPE OF DECISION

Non Key.

5. DECISION MAKING ROUTE

Cabinet 22nd March 2010

6. DECISION(S) REQUIRED

Cabinet is requested to approve the finalised SHLAA (March 2010) for use as part of the evidence base for producing the Local Development Framework for Hartlepool.

Report of: Director of Regeneration & Neighbourhoods

Subject: HARTLEPOOL STRATEGIC HOUSING LAND
AVAILABILITY ASSESSMENT (SHLAA)

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet of the consultation responses to the draft Strategic Housing Land Availability Assessment (SHLAA) and to seek approval to the SHLAA as part of the evidence base for producing the Local Development Framework for the Borough.

2. BACKGROUND TO THE SHLAA PROCESS

- 2.1 The SHLAA is a report, prepared in accordance with national and regional planning policies and guidance which identifies and assesses potential future development sites to ensure that there will be enough land available to continuously meet an area's housing needs over a fifteen year timescale and starting in 2009-2010.
- 2.2 By itself, ***the SHLAA does not allocate any sites for development and the inclusion of a particular site does not mean that it would automatically be granted planning permission or allocated for development.*** It is, however, an important document as it will be used as a key part of the evidence base for the Local Development Framework which will set out how Hartlepool will plan and distribute new housing provision over the coming years.
- 2.3 Specifically there is a long term requirement to increase the supply of housing in order to meet growing demand, support economic growth and provide sustainable communities in places where people want to live.
- 2.4 The Hartlepool SHLAA has been prepared by officers in the Regeneration & Neighbourhoods Department in conjunction with a steering group made up of representatives with experience and expertise in different areas of the housing industry, including the House Builders Federation, private developers and Registered Social Landlords (RSL's).
- 2.5 Cabinet approved the draft SHLAA for 8 weeks public consultation on 14th December 2009. The draft SHLAA was published for 8 weeks consultation from the 8th January 2010 to 5th March 2010. The document was published on the Hartlepool Borough Council website and was made available at Bryan Hanson

House for public inspection. All those parties who have an interest in the land/sites under consideration as part of the SHLAA were informed at the start of the consultation period and invited to comment. A copy of the finalised SHLAA (March 2010) report with appendices can be found in the Members Room.

3 SUMMARY OF CONSULTATION RESPONSES

- 3.1 The consultation process generated considerable interest and 19 responses were received. Responses were received from individual landowners, their agents and consultants, the House Builders Federation, individual house builders, Government Office North East, the Highways Agency and the Environment Agency. The returned responses highlighted a number of issues with the draft SHLAA and are summarised below:
- General support for the methodology in respect of the involvement of a number of bodies in the collation of the SHLAA including a steering group involving the House Builders Federation.
 - A response from Government Office noting the progress on the SHLAA.
 - Support for the SHLAA's findings in respect of site 12, (Oaksway) from the landowners On Site North East
 - Support for the inclusions of sites 38, (Quarry Farm West), 46, (Owton Grange North), 47, (Owton Grange Farm West), 48, (Owton Grange Farm East), 49, (Owton Grange Farm South), 52, (Eaglesfield Road), 53, (West of Eaglesfield Road), 55, (Claxton Farm) & 56, (Claxton Farm East) by a developer who has an interest in these sites.
 - A suggestion that sites 46, 47, 48, 49, 52, and 53 on the western and south-western boundary of the built up area of the town be considered as a comprehensive whole to allow the opportunity to look strategically at development opportunities and that changes to the text of the document be made to reflect this.
 - A query identifying a mistake on the site assessment tables regarding site 34 (Brewery Farm).
 - A query around whether there is a shortfall in the 5 year housing supply of 231 units as there is a difference between the figures in tables 4 and 6.
 - A comment that the housing trajectory is inaccurate as it includes sites at Victoria Harbour and the demolition rate changes after 5 years to a figure of 50 units per annum thereafter.
 - A comment that the HBC small sites should not be included in the SHLAA.
 - Information advising that a detailed survey and sustainable drainage plan has been commissioned to assess the true flooding position regarding site 81 (Brenda Road) and a comment that the site should be re-considered as suitable.
 - A response in relation to site 81 (Brenda Road) that the owners are not happy with the assessment from the developers workshop where it is stated in the Site

Assessment tables that “developers question its marketability”. The owners have carried out their own feasibility and feel they have a viable project for a mixed use development to include homes for the aged, affordable homes and a 24 hour Close Care Facility.

- A request that a new site at Sovereign Park is included in the SHLAA as it meets the tests as being available, suitable and deliverable within five years.
- Support the inclusion of site 40, (Valley Drive) from a developer who has an interest in the land. The developer has also commissioned a Flood Risk Assessment to assess flood risk and drainage issues and the need for, and scope of, any mitigation.
- A response regarding site 70 (Wynyard West) which requests the Council to reconsider its statements in the assessments table from “very poor access to services” to “access to services - potential to enhance and to make reference to the “potential to contribute to Tees Forest”. The response suggests that the site should be identified as available in the short term.
- A response regarding sites 67 (Manor House Farm East) and 68 (Manor House Farm West) suggesting that the sites should be brought forward to the 10-15 year timeframe as they are part of a strategic growth area and HBC should work with Stockton BC to ensure sustainable and comprehensive development.
- A response supporting the inclusion of site 34 (Brewery Farm) in the SHLAA. The response also requests that consideration is given to including the site within the first 5 years.
- A letter from PD Ports supporting and noting the inclusion of Victoria Harbour in the SHLAA PD ports have concerns that they were not consulted in relation to densities and build rates at Victoria Harbour.
- A detailed response was received on behalf of Wynyard Park who own site 69, Wynyard North. Wynyard Park challenge some of the baseline data in the SHLAA including :
 - The SHLAA should not count Hartfields or Orwell Walk as part of the 5 year supply as they are extra care facilities.
 - Hartfields was completed before the baseline data for the SHLAA (August 2010) and shouldn't be considered as part of the 5 year housing supply.
 - Need to clarify the position with demolitions which suggest a discrepancy between the SHLAA figures and the Annual Monitoring Report of 2007/08.
 - The table associated with paragraph 2.8 should make it clear that RSS targets are yearly targets.
 - Incorrect headings for appendix 2. It should read “0-5 Years” instead of “0-5 dwellings”.
 - Need a better explanation of the housing backlog. Table 6 is confusing.

- The response on behalf of Wynyard Park contends that the SHLAA does not provide a realistic 5 year and 15 year supply of housing. They refer to historic build rates and have produced their own assessments of individual sites to demonstrate which sites they think would come forward and when. They conclude that bringing site 69 forward would address these perceived problems.
- Wynyard Park contend that most of the proposed south western SHLAA sites are dependant on a public subsidised by-pass and this is risky given that the requisite funding is unlikely to be forthcoming.
- For the reasons given above Wynyard Park feel that their site warrants inclusion in the SHLAA for delivery in 6-10 years and 11-15 Years.
- The Highways Agency have provided some broad consideration of the sites that are being considered in the SHLAA. The information supersedes the SHLAA analysis undertaken in April 2009 prior to the developer workshop. The Highway Agency identifies 9 sites where the effects of the sites being developed, by way of the scale of development would mean likely impacts may require mitigation. The sites are: 34, Brewery Farm, 38, Quarry Farm East, High Tunstall Farm, 55, Claxton Farm West, 56, Claxton farm East, 67, Manor House Farm East, 68, Manor House Farm West, 69, Wynyard North and 70, Wynyard West. The Agency have also stated that they look forward to being involved at future work on the Hartlepool SHLAA and longer term, the planning documents for Hartlepool.
- A detailed response was received by the House Builders Federation (HBF) which develops some of the points that they raised previously in response to the outputs of the draft SHLAA and during consultation with the steering group in September 2009. The following points are made:
 - Note acceptance of the recommendation to reduce build rates to 30 per site per annum stepped up gradually after 2012. The HBF remain confident this provides a general reflection of the status quo of the housing market. Still concerned that Orwell Walk and Titan House do not take this into account.
 - The sales rates for flats should be reduced to 15 apartments per annum at the Marina to reflect the tight market.
 - The HBF re-iterate that two sites with planning permission 86, Mixed use Maritime Avenue & 87, South of Maritime Avenue should be moved back to years 6-10 to build in delay for market recovery, re-design and re-submission and reduce numbers to reflect that a resubmission would be for a lower density.
 - Victoria Harbour sites (both East and West) should be removed from the SHLAA following the land owners changing aspirations for the site.
 - SHLAA site 12, Oaksway should be moved back one year as it is currently allocated for industrial land.

- Move back Hartlepool Hospital site 2 years to take account of when development will commence.
 - Yield and build rates of the Mainsforth Terrace site (site 19) should be reduced to reflect market conditions.
 - The HBF retain the view that the Trincomalee Wharf site is unlikely to be developed due to viability issues associated with the level of contamination present in the ground set against market demand.
 - In the event of site 45, Tunstall Court requires the conversion of a listed building, the delivery of 84 units is unrealistic.
- Taking into account the points above the HBF question whether Hartlepool can meet its 5 year housing supply.
 - A response was received from the Environment Agency endorsing the fact that HBC have on the Agencies advice removed site 83, Brenda Road due to flood risk and that there will be further consideration of flood risk for those other sites identified.

4 PROPOSED RESPONSES TO THE CONSULTATION FEEDBACK

4.1 Set out below are comments and proposed responses to the consultation feedback summarised in the previous section.

- The support for the SHLAA methodology and the inclusion of a number of different sites is noted.
- The logic of considering sites 46, 47, 48, 49, 52 and 53 as a comprehensive whole is acknowledged, however the SHLAA in its current form would not preclude the sites being considered strategically as a whole in the emerging Core Strategy and it is that document that best deals with this important strategic planning issue.
- The errors in the assessment tables relating to site 34, and also sites 47 and 63 are acknowledged and have been rectified.
- The difference of 231 units between the tables 4 & 6 reflects the fact that in line with national and regional guidance, the SHLAA is a snapshot in time with a base date of 31st August 2009. These 231 units had been completed (year 2009-10) by then, but if they were to be removed from the tables it would be necessary to take a proportion of the RSS figure of 390 per annum out of the calculations for 2009/10. For consistency and to avoid confusion the titles of tables 4 and 5 have been amended from “unimplemented planning permissions” to “planning permissions” as these figures take into account the 231 as completed

- In relation to the Victoria Harbour sites, and reflecting that the SHLAA is taken at a snapshot in time (31st August 2009) and that the position of the Victoria Harbour sites did not become apparent until around November 2009, it would not be appropriate to remove these from the current SHLAA. The position will be reviewed, alongside other proposed site changes at the first review in late summer 2010.
- The demolition rates for the first 4 years relate to known housing renewal programmes and are based on programmes where funding has already been secured. After the first four years, a notional figure of 50 is used reflecting historical demolition rates. It is recognised that this figure of 50 units is an ambitious demolition target given current financial conditions, but the position will be monitored for future reviews.
- The HBC small sites should remain in the SHLAA as the local authority has an agreed programme for their disposal and the SHLAA steering group and House Builders Federation have agreed to this approach.
- It is not proposed to reconsider the position with site 81, (Brenda Road) at this time as the Environment Agency has not withdrawn its strong concerns regarding flood risk. Nevertheless it will be considered again in the first review at which time the results of the Sustainable Drainage Plan should be available for consideration.
- It is proposed to make reference to the viability work the owners have carried out on site 81, (Brenda Road) in the site assessment tables.
- It is proposed not to agree to include Sovereign Park at this late stage of the SHLAA as the site was not put forward at the Call for Sites stage as stipulated in the national and regional guidance. Additionally the land is currently allocated for industrial use and the Employment Land Review (2008) recommended that it be retained for employment use. The details will, however, be kept on file and the site will be included for assessment at the first review.
- The support for site 40 (Valley Drive) and the fact that a Flood Risk Assessment is being commissioned at this site is noted
- With regard to Wynyard West, site 70 and reflecting the national and regional guidance that the SHLAA should represent a snapshot in time (31st August 2009) it is not proposed to alter the position with the findings in the assessment tables as this was what was agreed by the steering group and came from the developer workshop held on the 7th July 2009. Nonetheless this response will be fully considered as part of the first review of the SHLAA.
- It is not proposed to bring forward sites 67, Manor House Farm East and 68 Manor House Farm West (south of Newton Bewley) as the steering group had

significant concerns regarding the suitability of these sites. Stockton Borough Council whose boundary runs adjacent to these sites at Billingham have indicated they would not support the development of these sites.

- The representation in relation to site 34, Brewery Farm is noted, however it is not proposed to move the site into the 0-5 year category as this is contrary to the agreed methodology of the SHLAA and to the findings of the developer workshop. Nevertheless response will be kept on file and be considered as part of the SHLAA first review.
- The response received from PD ports is noted. The steering group agreed a methodology to deliver the SHLAA and this closely followed national and regional guidance. It was following this methodology and using the market intelligence of the steering group that identified build rates and densities for all the sites in the SHLAA.
- The proposed response to Wynyard Parks comments are as follows:
 - Hartfields and Orwell Walk should be included in the SHLAA calculations and counted as independent housing units. Also, Hartfields has been reported to and accepted by GONE as new housing completions
 - It is agreed that Hartfields was completed before the baseline date and this can be clearly be referenced in Appendix 1 of the SHLAA report. The 242 units in question are not considered as part of the 5 year housing land supply.
 - The 'discrepancies' regarding demolitions has been clarified. Hartlepool had a net completion rate of 0 for 2007/2008 as shown in table 6 of the SHLAA and the Annual Monitoring Report of 2008/2009.
 - Agree to change the table to add "per year" after the housing figure for clarity.
 - Agree to change the headings in Appendix 2 as suggested for the clarity of the report.
 - Table 6 clearly shows how the RSS backlog will be dealt with by the sites coming forward and being developed in years across the town.
- As previously mentioned the steering group agreed a methodology to deliver the SHLAA and this closely followed national and regional guidance. It was through following this methodology and using the market intelligence of the steering group that the suitability of sites and when they could come forward for development was identified. As a result of this work it is concluded that Hartlepool does have a robust and accurate 5 year and 15 year housing land supply. Although it is proposed to make no changes regarding this response, the position will be reviewed as part of the SHLAA review process.
- With regard to the contention that the proposed south western extension will be dependent upon public subsidy to provide a by-pass to serve these, this assumption is not correct. The proposed developers have indicated that these

SHLAA sites will be funded by the development and without subsidy. The objective of achieving a by-pass (or western relief road) which would link the A689 with the A179 is a long term aspiration which is not expected to be achieved within the current Core Strategy Plan period and is not a pre condition of securing development of the south western extension.

- With reference to the information given in the three bullet points above it is proposed to not move the Wynyard Park site into earlier delivery timescales. However the detailed response from the site owners will be kept on file and be considered as part of the SHLAA first review.
- HBC note the information provided by the Highways agency and will feed it into the SHLAA database to update from the April 2009 information. No new areas of concern have arisen from the information provided in April 2009 that the steering group has considered as part of the developer workshop.
- The response to the comments of the HBF are as follows:
 - It is proposed to leave Orwell Walk and Titan House as they are identified for delivery in the SHLAA. Given the nature of the developments as blocks of flats all the units will be completed at the same time. This has been confirmed by HBC's building inspectors.
 - Regarding the build rates of apartments this will be closely monitored (every Quarter) and this rate as well as any re-submissions for planning permissions will be fully considered as part of the first review of the SHLAA.
 - As mention above any re-submissions of planning applications will be picked up in future reviews of the SHLAA.
 - Following national and regional guidance the SHLAA is taken at a snapshot in time (31st August 2009). It is not intended to alter the position of Victoria Harbour sites in the SHLAA as the proposed change in focus for the port area did not come to light until November 2009. The position will be reviewed and amended as appropriate at the first review in late summer 2010.
 - In relation to Oaksway a response has been received from the land owners supporting the SHLAA timescale and indicating their willingness to dispose of the site in the short term. The Employment Land Review recommended de-allocation of this site.
 - It is proposed to leave the timing of Hartlepool Hospital to commence in 2011 as the owners have indicated their commitment to early disposal.
 - It is proposed to leave the Mainsforth Terrace site 19 as it is in the SHLAA, and consider its position again at the SHLAA first review.
 - It is proposed to retain Trincomalee Wharf (85 units) in the years 0-5 years as the residential element is a small part of a much larger mixed use development which is the final waterfront development opportunity at the Marina. With regard to the comment raised by the HBF regarding contamination on the site, this is not perceived to be a problem at this site.

- Tunstall Court is not a listed building and this is not therefore a relevant issue.
- For the reasons given above there is confidence that Hartlepool has a 5 year housing supply. Nevertheless this response will be held on file and considered as part of the next SHLAA review which will be held in Summer 2010.
- The response from the Environment Agency is noted

5 FINAL OUTPUTS OF THE SHLAA

5.1 The finalised SHLAA document (March 2010) provides tables demonstrating:

- A list of sites considered deliverable. (0-5 years)
- A list of sites considered developable. (6-15+ years)
- Reference to the one site considered not currently developable.
- A trajectory of when sites are expected to come forwards in the next: 5 years, 6 -10 years and 11 – 15 years.
- A list identifying each site and its general performance in relation to the framework of suitability, availability, achievability and infrastructure capacity.

5.2 The SHLAA will be used as the evidence base for identifying and allocating new housing sites in the emerging Local Development Framework. It has particular significance to the Core Strategy which identifies strategic housing sites across the Borough. As referred to earlier in this report, the SHLAA represents a snapshot in time and, as evidenced by Victoria Harbour, for example, the housing market situation is subject to continual change. It is intended that the SHLAA will be reviewed on a regular basis with ongoing involvement from the steering group to help provide a broad and balanced view on sites and an input of expertise from a range of sources. It is intended that the first review of the SHLAA will take place later this summer in order to ensure that the evidence base is as up to date as possible to support the publication of the Core Strategy and subsequent public examination.

6 FINANCIAL IMPLICATIONS

6.1 Having a SHLAA document in place before the end of March 2010 ensures that the Council will be eligible to receive approximately £50,000 from the government's Housing and Planning Delivery Grant 2009-2010 allocation.

6.2 Housing and Planning Delivery Grant provides annual 'rewards' to local authorities to reflect delivery of planning policies and support housing delivery.

Whilst the grant criteria are subject to change, Councils will normally receive grant for having an adopted SHLAA (with an additional bonus for collaborative working), a Strategic Housing Market Assessment and for submission and adoption of Core Strategies as well as for performance on housing delivery.

7 FUTURE STEPS

- 7.1 The SHLAA is seen as a living document which will be reviewed annually. As sites are developed they will drop out of the SHLAA and potential new ones will be surveyed and added when necessary. There will also be an opportunity to re-assess specific SHLAA sites where new information regarding suitability or deliverability issues have arisen since the baseline of August 2009.
- 7.2 It is assumed that Hartlepool next call for sites and SHLAA review will be held in the summer of 2010.

8. RECOMMENDATIONS

- 8.1 Cabinet is requested to approve the final SHLAA for use as part of the evidence base for producing the Local Development Framework for Hartlepool.

9. CONTACT OFFICER

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