

JOINT MEETING OF FINANCE AND POLICY COMMITTEE AND REGENERATION SERVICES COMMITTEE AGENDA



Monday 23 October 2017

at 2.00 pm

**in Committee Room B, the Council Chamber,
Civic Centre, Hartlepool.**

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Clark, Cranney, Fleming, Hunter, James, Lindridge, Loynes, Moore, Thomas and Vacancy.

MEMBERS: REGENERATION SERVICES COMMITTEE:

Councillors S Akers-Belcher, Cook, Cranney, Lindridge, Loynes, Moore and Vacancy

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. BUDGET AND POLICY FRAMEWORK ITEMS

None.

4. KEY DECISIONS

4.1 Hartlepool Waterfront – *Director of Regeneration and Neighbourhoods*

5. OTHER ITEMS REQUIRING DECISION

None.

6. ITEMS FOR INFORMATION

None.

7. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT



JOINT FINANCE AND POLICY AND REGENERATION SERVICES COMMITTEE

23rd October 2017



Report of: Director (Regeneration and Neighbourhoods)

Subject: HARTLEPOOL WATERFRONT

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key decision test (i).

2. PURPOSE OF REPORT

2.1 The purpose of the report is to seek approval for the development of the projects identified within the Hartlepool Waterfront concept masterplan.

2.2 The report sets out proposals for developing the concept masterplan to the point where planning permission can be secured and the projects can be promoted to public funding bodies and private investors.

2.3 The report requests committee approval for:

1. The adoption of the Hartlepool Waterfront concept masterplan as the basis for proceeding with plans for the phased development of the site.
2. The adoption of the Waterfront development brief.
3. Approval to continue development work on the concept scheme including the preparation of additional feasibility work, design work and detailed costings.

3. BACKGROUND

3.1 In August 2016 the Council commissioned architects, surveyors and cost consultants to develop a concept scheme masterplan for Hartlepool's Waterfront around the Council-owned, former Jackson's Landing site. Following a competitive selection process, the lead contract was awarded to Newcastle based architects *GT3* working with cost consultants, *Faithfull and Gould*, and Property Advisors, *Tomorrow's Advisory*.

3.2 In developing their proposals *GT3* consulted with elected members, local groups, landowners, businesses and other stakeholders with an interest in

the future development of the Waterfront. A number of options were tested and consulted upon prior to arriving at a preferred masterplan concept scheme.

- 3.3 The preferred scheme was presented to the Hartlepool Waterfront Development Advisory Group which includes the main landowners and business interests around the Waterfront and is chaired by the Chair of the Council's Regeneration Services Committee. There was widespread support for the ambitious proposals set out in the preferred masterplan scheme.
- 3.4 The Waterfront site provides the opportunity to transform the economy of Hartlepool and capitalise on the unique opportunities provided by the National Museum of the Royal Navy Hartlepool (NMRN). It is imperative that NMRN's plans are at the heart of any development proposals. NMRN have an excellent track record of developing visitor attractions and securing investment across their other sites.
- 3.5 The Visitor economy is worth £142m to the Hartlepool economy- a growth of 21% since 2009 sustaining 3.2 million visitors and 2,021 jobs. (Source STEAM 2015). Creating a critical mass of facilities provides the opportunity to support and grow this key sector of the economy.
- 3.6 The regeneration of the Waterfront requires the delivery of a series of inter-connected interventions. The success of each intervention will depend upon a holistic joined up approach.

4. WATERFRONT CONCEPT MASTERPLAN

- 4.1 The Waterfront concept masterplan is described in a report produced by *GT3 which can be found in the Member's Room*. The report explains the main elements of the masterplan. These include a new Visitor Attraction that would house a modern Museum with facilities aimed at families and children; a Watersports' Activities Hub and a large public events space. The report also envisages the opportunity to develop a 4 Star Hotel and restaurants; expand the footprint of the National Museum of the Royal Navy; and new public realm to enable people to gain access to the water. These projects will be supported by high quality public realm and open space. Each of the key elements is considered in further detail below:
- 4.2 The **Wateractivity Hub** will provide the opportunity to consolidate the many water based activities that currently take place around the Marina into one easy access location with changing, marketing, training and education facilities. There is also an opportunity to deliver land based activities such as climbing walls, skate park and indoor caving. A hub will allow an expansion of the water based activities offer which will help to animate the waterfront and provide activity within the area. Operators have already expressed interest in the scheme.

- 4.3 The creation of an **outdoor events arena** in the heart of the site will create a platform for hosting a range of temporary activities from markets and street food festivals to exhibitions, naval displays and music shows that will enhance the cultural offer of the area. There is “place making” potential in such uses as they bring people to the site and help change perceptions, creating demand and improving viability.
- 4.4 **Waterfront Core Visitor Attraction-** A new typology of building combining the Hartlepool Museum with flexible exhibitions and events space using the best in digital and virtual reality exhibition technology to create a range of experiences and activities. Further feasibility and development work will be commissioned to firm up the concept and inform the size and makeup of the venue.
- 4.5 **Expansion of the National Museum of the Royal Navy Hartlepool-** The plans include significant investment in their existing site and the creation of new exhibitions and attractions within a new development. The project concept is currently being developed by the NMRN in partnership with Hartlepool Borough Council.
- 4.6 **Site remediation, infrastructure and the first phase of public realm-** This will enable development and create a high quality setting for the transformation of the site into a strategic visitor and leisure destination.
- 4.7 The masterplan has been subject to a high level costing and appraisal exercise to identify the costs associated with building out the site and installing infrastructure and utilities; the appraisal has considered the commercial viability of specific development opportunities and ruled out those found to be unviable. Further work will be done in the next phase of development to test the feasibility of the preferred concepts further and develop detailed business plans and funding strategies.
- 4.8 Before the site can be prepared as an investment opportunity for commercial developers or public funding agencies it is essential to carry out this further development work; this work is currently underway.
- 4.9 The primary aim of this next phase of design and development is to get the Waterfront project to an ‘Investor Ready’ state ensuring that due diligence has been completed to assess site conditions; identify development costs, funding strategies and prepare phasing plans that will see the site built out over a number of years.
- 4.10 A number of steps need to be taken during the next stage of project development in order to de-risk the proposals from a legal, planning, technical and commercial perspective and to achieve sufficient detail in scheme design to allow robust cost estimates to be established. Key activities that will need to be managed include:
- Clarifying issues of legal title and related agreements such as mooring rights on the quay walls to establish a robust legal and technical baseline for future development;

- Investigating ground conditions by carrying out intrusive studies through bore holes/ trial pits/dive survey; checking the integrity of the quay walls and updating the current flood risk assessment;
- Developing elements of the masterplan in further detail including access/servicing proposals, the mix of development and proposed uses, the lighting strategy and interim uses;
- Securing appropriate statutory consents including Planning Permission.
- Business Planning, feasibility and detailed financial modelling for the Waterfront Visitor Attraction and Wateractivity Hub
- Preparing an architectural brief for the design of the core Visitor Attraction and possibly other buildings to be developed in the first phase;
- Building upon the site development brief by preparing design guidelines to ensure the quality of the buildings, public realm and the landscape environment that will be constructed on the Waterfront;
- Marketing opportunities to prospective investors and developers and commencing soft market testing discussions with interested parties;
- Researching in detail demand for retail, hotel and restaurant space
- Completing the design and costing of public realm and landscaping works, events area, canopy structures and enabling infrastructure for phase one; and,
- Preparation of a connectivity strategy for connecting the Waterfront to the town centre and Church Street Innovation and Skills Quarter.
- Continuing to build support for the Masterplan through engagement with the local community and key stakeholders;
- Working with key partners including the National Museum of the Royal Navy, Hartlepool and adjacent landowners to understand and integrate their plans and ensure a coherent approach to development.
- Design and installation of maritime themed city dressing along A689 to improve sense of arrival to the town and waterfront.

4.11 As reported to the Regeneration Services committee on the 4th September 2017, £680k development funding has been secured from the Tees Valley Combined Authority to develop the preferred concept scheme further. This will be drawn down in phases with the Combined Authority reviewing their

continued investment after the completion of each phase. The development funding will be match funded with £64k from the Museum Resilience Fund grant. The development funding will enable the creation of a two year fixed term Capital Projects Officer post dedicated to driving forward the development of the Hartlepool Waterfront Recruitment for this post is being progressed.

- 4.12 High level analysis at the feasibility stage suggests that if the concept Masterplan was delivered 250-275 jobs could be created in addition to 430 FTE Construction Jobs, a significant increase in visitor spend across the Tees Valley, the attraction of additional private sector investment and increased business rate income.

5. DEVELOPMENT BRIEF

- 5.1 A development brief has been prepared by the Council's Planning Services team to support the Council's aspirations for the development of the site. The brief has been prepared in accordance with the principles of the Waterfront concept masterplan. The brief provides clear planning and design guidance for potential developers in order to secure a high quality scheme.
- 5.2 The brief covers urban form, scaling, massing, access, connectivity standards and advice on planning policy. A copy of the development brief can be found in the Member's Room.

6 INDEPENDENT TOURISM RESEARCH

- 6.1 Independent tourism research was commissioned in parallel with the Masterplan to help inform the development of the preferred concept scheme. *IPW3* tourism specialists were appointed to undertake a market assessment of Hartlepool's tourism offer and review the existing masterplan and concepts. *IPW3* tested the mix of concepts and developed a preferred option for the development of a business case.
- 6.2 A key component of the tourism research was to establish the strategic context, the potential demand for, and sustainability of, new tourism and leisure visitor attraction offers in Hartlepool.
- 6.3 The report establishes baseline information that will be important in assessing the strategic fit of new attractions on the waterfront and understanding the potential to add value to the overall visitor experience. It reviews potential consumer demand for each attraction taking account of the local population catchment area and wider potential demand across the North-East region.
- 6.4 The tourism research considered other waterfront, models and visitor attractions including Dundee, Southampton and UK Water-Based Activity

Centre's including Fox Lake Edinburgh and New Forest Water Park, Hampshire.

- 6.5 *IPW3* recommend taking a maritime-themed 'Fourth Plinth' approach i.e. a holistic view of the entire Waterfront area - where the new buildings, the event space and the dock are inter-related thematically, with a range of permanent, semi-permanent and temporary structures and events, that retain and renew visitor interest.
- 6.6 The report recommends providing space for semi-permanent installation of artworks or objects that will attract high national and local press profile. Some of these may in turn be acquired on a permanent basis and sited somewhere on the Waterfront or elsewhere in the town.

7 INTERIM PROPOSALS

- 7.1 As the Waterfront site will be developed in phases over a period of time it is important to deliver a series of quick win projects to attract footfall and investment, and begin to change the perception of the site; to members of the public, businesses and investors.
- 7.2 The first project that will be delivered will be an interim site events programme. This will involve a series of events throughout the year aimed at attracting people to Hartlepool and showcasing the Waterfront location.
- 7.3 The events programme will build upon the successful Waterfront Festival that attracted an estimated 15,000 people and included a street food market, a programme of arts, music and entertainment and street theatre. The event highlighted the potential of the Waterfront as an events destination.
- 7.4 The events programme will be complemented by a first phase of public realm works to change the look and perception of the site and encourage greater use. The public realm will be delivered in a phased approach, where interim provision can be installed which will be designed to be easily amended as future phases of the masterplan are delivered.
- 7.5 The NMRN has indicated that it will provide a commando style assault course on the Waterfront site as part of the first phase of works. This will complement the delivery of an interim water activity hub using former Olympic press cabins until the more permanent water activity centre is delivered. This will allow the expansion of water activities in the area and the development of Hartlepool Marina's "On Water" brand. The Council will work collaboratively with all parties to deliver the series of interim uses in the short term.
- 7.6 Support will also be provided to Jomast to develop Trincomalee Wharf in a way that will complement the proposed Waterfront site, improve the quality of design within the area and improve connectivity.

8. RISK IMPLICATIONS

- 8.1 There are risks inherent in pursuing any development or regeneration project. Hartlepool Waterfront is no exception. However, by investing at the outset in the necessary studies and due diligence the risks involved can more readily be identified and mitigated. Risk can also be mitigated by developing out the site over several phases and using temporarily undeveloped space for ‘meanwhile’ uses such as public events or temporary exhibitions.
- 8.2 Although this report relates to the preferred masterplan scheme the technical reports that will be commissioned would be essential for any form of future development.

9. FINANCIAL CONSIDERATIONS

- 9.1 The next phase of development works required, as outlined in section 4 of the report, are expected to cost £744k. As previously outlined in the report £680k development funding has been secured from the Tees Valley Combined Authority to develop the preferred concept scheme further. This will be drawn down in phases with the Combined Authority reviewing their continued investment after the completion of each phase. The development funding will be match funded with £64k from the Museum Resilience Fund grant previously secured. The development funding will also enable the creation of a two year fixed term Capital Projects Officer post dedicated to driving forward the development of the Hartlepool Waterfront.
- 9.2 The preferred concept Masterplan will require public investment to deliver the transformational change required, particularly given the challenges of the site and the strength of the commercial market within Hartlepool. It is likely that the cultural projects and public realm will need to be publically funded. Discussions have therefore taken place with the Tees Valley Combined Authority to discuss strategic funding opportunities. At this stage no Capital funding has been confirmed. Further discussions will take place once the development work has been completed. It is envisaged that the Council may need to provide match funding in the future to support some of the infrastructure changes required as part of the final proposed scheme. Once the development work has been completed this will be considered as part of the Council’s future Medium Term Financial Strategy and Capital Plans.
- 9.3 Following the completion of a site masterplan by architects GT3, Tomorrow Advisory and Faithful and Gould it has been identified that there is a market failure in relation to the costs of providing necessary site infrastructure and key buildings relative to the end value of the properties. This gap will only be bridgeable if the public sector can finance the necessary enabling works to create a framework for subsequent investment in key developments by the private sector.

10. LEGAL CONSIDERATIONS

- 10.1 The primary legal considerations relating to this report concern the need to carry out a rigorous check on land ownership and title conditions for the waterfront including access rights, adjacent third party land ownership issues and any restrictive covenants or ground lease conditions that could affect development. It is anticipated that some external legal support will be needed to complete the necessary work.

11. CONSULTATION

- 11.1 As set out in paragraphs 3.2 and 3.3 the proposals for the Waterfront were developed through extensive consultation and engagement with members, local groups, landowners, businesses and other stakeholders with an interest in the future development of the Waterfront.
- 11.2 A Waterfront Development Advisory Group was established with the main landowners and business interests around the Waterfront and chaired by the Chair of the Regeneration Services Committee. Public consultation will be held as the Masterplan and individual projects are developed further.

12. CHILD AND FAMILY POVERTY

- 12.1 The proposed development will create additional employment opportunities either directly or through the supply chain. Growing the visitor economy will create additional visitor spend and attract additional businesses and employment opportunities for local people (see **Appendix 2**).

13. EQUALITY AND DIVERSITY CONSIDERATIONS

- 13.1 Equality and diversity issues will be taken fully into account in commissioning the necessary studies described above to ensure that once it has been developed Hartlepool's Waterfront will be fully accessible and will provide opportunities for all (see **Appendix 1**).

14. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 14.1 There are no Section 17 considerations relating to this report.

15. STAFF CONSIDERATIONS

- 15.1 A Capital Projects Officer will be appointed within the Economic Regeneration Team on a two year fixed term contract using development

funding from the Tees Valley Combined Authority. The Capital Projects Officer will have responsibility for advancing the development of the Waterfront.

16. ASSET MANAGEMENT CONSIDERATIONS

- 16.1 The former Jacksons Landing site is a Council – Owned asset. Its development to a point of investor readiness will be critical to releasing value from the site and creating opportunities for economic growth and employment. There are no immediate calls on Council maintenance budgets in respect of the site. A Dive Survey will establish the condition of the quay walls.

17. RECOMMENDATIONS

- 17.1 It is recommended that the committee approves:
1. The adoption of the Hartlepool Waterfront concept masterplan as the basis for proceeding with plans for the phased development of the site.
 2. The adoption of the Waterfront development brief.
 3. To continue development work on the concept scheme including the preparation of additional feasibility work, design work and detailed costings and note that the cost of this works will be funded from the £680K TVCA development funding recently secured and £64K from the National Museum Resilience Fund previously awarded.

18. REASONS FOR RECOMMENDATIONS

- 18.1 The development of Hartlepool Waterfront as a landmark destination was identified as a key priority in the Hartlepool Vision and is seen as key to unlocking the full potential of Hartlepool's visitor economy. The Council has advised TVCA that the development of the Waterfront is a Council priority.

19. BACKGROUND PAPERS

- 19.1 There are no background papers relating to this report.

20. CONTACT OFFICER

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Department	Division	Section	Owner/Officer
Regeneration and Neighbourhoods	Regeneration and Economic Growth	Regeneration	Denise Ogden
Function/ Service	Hartlepool Waterfront Masterplan		
Information Available	Hartlepool Waterfront Masterplan		
Relevance Identify which strands are relevant or may be affected by what you are reviewing or changing	Age		
	Disability		X
	The Waterfront will be developed to provide access to all including those with disabilities.		
	Gender Re-assignment		
	Race		
	Religion		
	Gender		
	Sexual Orientation		
	Marriage & Civil Partnership		
Pregnancy & Maternity			
Information Gaps	N/a		
What is the Impact	1. No Impact- No Major Change		
Addressing the impact	1. No Impact- No Major Change - It is clear that there is no potential for discrimination or adverse impact on the above Protected Characteristics. All opportunities to promote Equality have been taken and no further analysis or action is required.		
	2. Adjust/Change Policy - You may have to make adjustments to address potential problems or missed opportunities that impact adversely on those with protected characteristics.		
	3. Adverse Impact but Continue - Your decision may be to continue without making changes, this may be the right outcome even if your assessment identifies the potential for adverse impact. (E.g. Cabinet decision to withdraw a service).		
	4. Stop/Remove Policy/Proposal – Your assessment reveals unlawful discrimination it must be stopped and removed or changed.		

Actions			
<i>It will be useful to record and monitor any actions resulting from your assessment to ensure that they have had the intended effect and that the outcomes have been achieved.</i>			
Action identified	Responsible Officer	By When	How will this be evaluated?

Date sent to Equality Rep for publishing	00/00/00
Date Published	00/00/00
Date Assessment Carried out	00/00/00

1. Is this decision a Budget & Policy Framework or Key Decision? YES If YES please answer question 2 below				
2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES If YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21	X			The proposed development will create additional employment opportunities either directly or through the supply chain.
Those who are disabled or suffer from illness / mental illness			X	
Those with low educational attainment			X	
Those who are unemployed	X			The proposed development will create additional employment opportunities either directly or through the supply chain.
Those who are underemployed			X	
Children born into families in poverty			X	
Those who find difficulty in managing their finances			X	
Lone parents			X	
Those from minority ethnic backgrounds			X	
Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?				
Poverty Measure (examples of poverty measures appended overleaf)	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Overall employment rate (%)	X			The proposed development will create additional employment opportunities either directly or through the supply chain. Growing the visitor economy will create additional visitor spend and attract additional businesses and employment opportunities.

Overall impact of Policy / Decision			
NO IMPACT / NO CHANGE	X	ADJUST / CHANGE POLICY / SERVICE	
ADVERSE IMPACT BUT CONTINUE		STOP / REMOVE POLICY / SERVICE	
Examples of Indicators that impact of Child and Family Poverty.			
Economic			
Children in Low Income Families (%)			
Children in Working Households (%)			
Overall employment rate (%)			
Proportion of young people who are NEET			
Adults with Learning difficulties in employment			
Education			
Free School meals attainment gap (key stage 2 and key stage 4)			
Gap in progression to higher education FSM / Non FSM			
Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4)			
Housing			
Average time taken to process Housing Benefit / Council tax benefit claims			
Number of affordable homes built			
Health			
Prevalence of underweight children in reception year			
Prevalence of obese children in reception year			
Prevalence of underweight children in year 6			
Prevalence of obese children in reception year 6			
Life expectancy			