

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



Monday 11 March 2019

at 11.00 am

**(or at the conclusion of the preceding Finance and Policy
Committee meeting whichever is the later)**

**in Committee Room B,
Civic Centre, Hartlepool**

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, S Akers-Belcher, Brewer, Brown, Cranney, Harrison, Marshall, Moore, Smith, Thomas and Young.

MEMBERS: REGENERATION SERVICES COMMITTEE:

Councillors Brown, Cook, Cranney, Lindridge, Moore, Smith and Young.

- 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 Capital Investment Programme – *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

11th March 2019



Report of: Director for Regeneration and Neighbourhoods

Subject: CAPITAL INVESTMENT PROGRAMME

1. TYPE OF DECISION/APPLICABLE CATEGORY

- 1.1 Key Decision (test (i) or (ii)). General Exception applies as the report could not be submitted until the TVCA Investment Plan had been approved and this report enables Members to approve proposals for using funding of £42m secured from TVCA.

2. PURPOSE OF REPORT

- 2.1 This report provides an update on the delivery of the Council's Capital Investment Programme and advises on the funding the Council has secured as part of the Tees Valley Combined Authority (TVCA) Investment Plan.
- 2.2 This report also seeks approval to refer this report to Council to inform all Members of the TVCA funding of £42M secured for Hartlepool and to enable this to be included in the Council's Capital Investment programme to continue the delivery of the regeneration of Hartlepool in line with the Council plan ambitions.

3. BACKGROUND

- 3.1 The Council Plan 2017 – 2020 sets out our ambition for the town, building on our distinctive heritage, looking forward to shaping an exciting future. Our ambition is that *"Hartlepool will be a vibrant, welcoming and inspiring place to live, work, invest and grow up in."*
- 3.2 Despite the unprecedented challenges the Council faces in terms of reductions in central government funding and increasing demand on our services, we refused to let our challenges impede our ambition for the Borough. The Council plan provides the framework to attract and direct investment into the regeneration of our town centre and our neighbourhoods.
- 3.3 The Council is actively planning for growth: over 6,000 new homes and business space for over 4,000 new workers across Hartlepool over the next

15 years. The guiding principles of this growth are a controlled westward extension of the town, supported by infrastructure investment, and the continued enhancement and expansion of the Borough's existing business and cultural locations.

4. GROWING OUR ECONOMY

- 4.1 The Council is an enabler of the local economy. It works to support business in the Borough; it seeks to attract private sector investment into Hartlepool; and it maintains vitally important relationships with Government and the TVCA to promote the town's interests and assets.
- 4.2 More and more successful companies are doing business in Hartlepool, and business numbers have risen faster than the Tees Valley and national averages since 2011. In 2016 the business start-up rate was better than the national average. At the same time, the number of jobs in the Borough has also grown by a significant number (775).
- 4.3 Since the inception of Business Compass in January 2017 we have seen £4.2m investment in the Hartlepool business Community.
- 4.4 Hartlepool Council adopted a proactive stance in recognising by creating new jobs we need to invest in our people to ensure sustainable employment for our own, as such we took the lead on the Youth Employment Initiative (YEI) attracting £28m of European funding to the Tees Valley. On the back of this success the TVCA adopted Hartlepool's Youth Improvement approach attracting a further £7.5mk.
- 4.5 The Council has played a significant role in attracting funding into our educational and academic facilities, supporting the Northern School of Arts in securing to relocate and refurbish existing facilities in Church Street. We developed the Centre of Excellence and Creative Arts, attracting £655K contributing towards the final project cost of £1m, and supported Hartlepool College of further Education (HCFE) in securing circa £300k to invest in telecare and electric vehicle skills.
- 4.6 In addition we have seen significant investment of £72m in both our primary and secondary schools, including £58m in relation to the Priority School Building programme.

5. REGENERATING OUR TOWN

- 5.1 The scale of new investment in Hartlepool has been beyond expectations in recent years and it is set to continue, driven by the commitment of the Council with partners and is reflected in the ambitious plans for Hartlepool Waterfront and the Innovation and Skills Quarter (ISQ).
- 5.2 The Waterfront - securing the arrival of the National Museum of the Royal Navy in Hartlepool has ensured the town has a visitor destination of national significance. The Council has been instrumental in securing £1.2M of TVCA

grant to enhance the existing facilities as well as transport the latest exhibition RML497, the last of the Fairmile fleet to the town.

- 5.3 We are building on that investment and have plans to develop the Waterfront to create a mix of civic, cultural, leisure and visitor attractions that complement the wider Hartlepool Marina area. The regeneration of the Waterfront site will create a 'dawn to dusk' destination incorporating a major visitor attraction, a waterfront activities hub, a new hotel, an events space and restaurants and retail. The Waterfront Festival was highly commended at the North East Tourism Awards in 2017. To date we have received circa £180K in public sector contributions and rental fees for the hire of the site. The development of public realm and an outdoor events arena will be at in the heart of the Waterfront site, creating a hive of activity and a place of interest, the delivery of which will start on site this spring.
- 5.4 The Innovation and Skills Quarter (ISQ) - The ISQ will boost the growth of the creative industries sector in Hartlepool building upon the £14.75m investment that has been made to create new teaching facilities for the Northern School of Arts on Church Street. The revitalisation of Church Street and the surrounding area provides a positive environment for the creation and growth of the creative industries sector. To date £9.648m has been invested in the ISQ area, £6m from TVCA and £1.3M from the Heritage Lottery Fund with the remainder from the Council. This investment has enabled the following projects to progress
- The creation of 31 managed workspace units at The BIS, the centre will be managed by the Council;
 - Public realm improvement works along Church Street, creating a more open, pedestrian-friendly environment;
 - Heritage Lottery Funding grants to local businesses;
 - A major uplift to Church Square, which is now pedestrianised with a large oval event space encircled by trees and raised seating in front of Hartlepool Art Gallery; and
 - A new pedestrian crossing, highway improvement and traffic signalling works on Stockton Street which is currently under construction.
- 5.5 Capitalising on the success of the investment in the ISQ area, the second phase of the ISQ development will see significant refurbishment of two disused buildings, developing innovative design led teaching space and a fit for purpose Film and TV studio providing a commercial opportunity alongside an opportunity for students to experience work within the TV and Film sector. A further £682K has also been secured investing in our cultural and museum services over the next 4 years.
- 5.6 Seaton Carew - The Seaton Carew regeneration programme will be completed this year, to date we have secured £1.3M creating a new outdoor leisure park complete with a water fountain play area. This year will see the opening of new Beach huts attracting private sector capital investment and rental income
- 5.7 Flood and Coastal defences - We attracted investment £16.9m in grant aid and through the local levy to improve our flood and coastal defences at the Headland and Seaton Carew. The Headland Town Wall scheme has

received regional recognition receiving two awards from the Civil Engineering Contractors association and won Project of the Year at the Constructing Excellence in the North East Awards.

6. DEVELOPING HARTLEPOOL

- 6.1 Our ambition for Hartlepool is to be known as a great place to live as well as invest and visit. We have recently adopted our long term Local plan that sets out our vision for the sustainable development of Hartlepool over the next 15 years. We are supporting economic growth and creating sustainable communities in places where people want to live.
- 6.2 Hartlepool has the fastest housing growth in the Tees Valley – up 9.7%. £3.1m developer contributions have been secured contributing towards affordable housing, green infrastructure, sports and play provision and education. In addition a further £1.9m from Homes England has also contributed the development of new social housing and our empty homes programme. Recent planning decisions have enabled developer contributions in the region of £10m to be secured contributing towards the Western growth corridor, a new £18m link road to an enhanced grade-separated junction on the A19 at Elwick North – providing a third point of entry and exit for Hartlepool.
- 6.3 Whilst the River Tees is a great asset for the Tees Valley, it presents a considerable barrier to Hartlepool's north-south road connections. Hartlepool and Redcar and Cleveland Borough Councils and South Tees Development Corporation recognise the restricting effect this has on potential investment and growth. We recognise a river crossing could bring significant economic benefits both north and south of the Tees as such Hartlepool Council has secured £180K to commission a feasibility study into the development of a new eastern crossing.

7. INVESTMENT IN NEIGHBOURHOODS

- 7.1 In addition to regenerating Hartlepool as a place to work and visit it is important residents feel it is a great place to live, and becomes a destination of choice to live. Therefore the Council invested £5.5m, £4.0m for highway / carriageway resurfacing, footpaths and verge schemes improvements and £1.5m for to improve the environment and public realm through a coordinated Neighbourhood and Highway Investment Programme.
- 7.2 The programme attracted £250K investment from partner agency Thirteen and a further £550K landfill tax fund which is currently being invested in Rossmere Park. To date the programme has delivered improvements to our shopping parades, play spaces, the headland paddling pool, town square and junior play area, as well as the provision of public seating and disabled access at Seaton Carew, traffic management in Stranton Cemetery and the creation of a memorial wood at Summerhill. Investment in CCTV in our parks and identified barrier and roundabout improvements will commence shortly. We have also invested £914k into our cycle ways.

8. TEES VALLEY INVESTMENT PLAN 2019/2029

- 8.1 The TVCA Devolution Deal with Government provides the transfer of significant powers for employment and skills, transport and investment. TVCA has created an Investment Fund bringing together funding for devolved powers to be used to deliver a 30 year programme of transformational investment in the region. The recently adopted TVCA Investment Plan sets out our ambition strategy for the period 2019 – 2029.
- 8.2 Activity is focused on economic growth and is prioritised across six growth generating themes
- Transport
 - Education, Employment and skills
 - Business growth
 - Culture and Tourism
 - Research, development and Innovation
 - Place – Indigenous growth programme
- 8.3 The Indigenous growth programme is for investment in activity that will have a local economic impact and make a significant contribution to economic growth. Programme criteria will likely include outputs such as number of jobs, visitors, new attractions and business premises, the detail of which is to be worked up with the five local authorities.
- 8.4 The Investment Plan will be reviewed annually to take account of changing economic circumstances, what is working well and what is not, and new funding and investment opportunities.
- 8.5 As part of the TVCA Investment plan Hartlepool Council secured a further £42M, which will support the continued redevelopment of the town and includes the following major projects, of which
- £20m is allocated towards the Hartlepool Waterfront which will also see the collapse of the Jacksons Landing loan into a grant establishing this asset was secured by the Council through inward investment and not Council revenue or capital monies;
 - £4m towards the delivery of the ISQ2 Film and Television Studios
 - £8m towards the Western Growth Corridor;
 - £10m for Indigenous growth, £2m a year over 5 years.

9. CONCLUSION

- 9.1 To summarise direct investment by the Council and our partners has attracted, secured and invested over £160m in the delivery of the Council's regeneration and economic growth ambitions which form part of the Council plan adopted by full Council in 2017.

Summary of Council and Partner Investment

	Total Investment Attracted £m
Developing Hartlepool	22
Growing our Economy	86
Investment in Neighbourhoods	8
Regenerating our Town	44
Total	160

- 9.2 As detailed in section 8 the Council has now secured £42m of grant funding to support the continued redevelopment of the town.

10. OTHER CONSIDERATIONS

Risk Implications	None in relation to this report and specific risks will be assessed as part of development of detailed business cases and delivery plans
Financial Considerations	As above
Legal Considerations	The legal implications for individual schemes within the capital programme will be considered once detailed business cases and delivery plans are submitted for approval. Each scheme within the capital programme will be approved in accordance with the Council's constitution.
Consultation	No relevant issues
Child/Family Poverty Considerations	No relevant issues
Equality and Diversity Considerations	No relevant issues
Section 17 of The Crime And Disorder Act 1998 Considerations	No relevant issues
Staff Considerations	None in relation to this report and specific risks will be assessed as part of development of detailed business cases and delivery plans
Asset Management Considerations	As above

11. RECOMMENDATIONS

11.1 Members are asked to

- i) Note the investment previously secured by the Council of £160m detailed in paragraph 9.1.
- ii) Note the Council has secured the £42M for funding from TVCA to continue the delivery of our ambitions regarding the Waterfront, ISQ and the westward expansion of the Borough;
- iii) Seek Council approval to add the £42M to the capital programme as detailed in paragraph 8.5 above and delegate authority to Regeneration Policy Committee to approve individual business cases within the approved TVCA funding envelope.

12. REASONS FOR RECOMMENDATIONS

- 12.1 To enable Members to seek Council approval of the recommended strategy for allocating the TVCA funding of £42m.

13. BACKGROUND PAPERS

- 13.1 Tees Valley Combined Authority Investment Plan 2019 - 2020

14. CONTACT OFFICERS

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Sign Off:-

- Director of Finance and Policy ☒
- Chief Solicitor/Monitoring Officer ☒
- Chief Executive ☒ Finance and Policy Committee only

APPENDIX 1

POVERTY IMPACT ASSESSMENT FORM

1. Is this decision a Budget & Policy Framework or Key Decision? YES / NO				
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 / NO				
If YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21	✓	x		
Those who are disabled or suffer from illness / mental illness				
Those with low educational attainment				
Those who are unemployed				
Those who are underemployed				
Children born into families in poverty				
Those who find difficulty in managing their finances				
Lone parents				
Those from minority ethnic backgrounds				
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

POVERTY IMPACT ASSESSMENT FORM

Overall impact of Policy / Decision			
NO IMPACT / NO CHANGE		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			

EQUALITY AND DIVERSITY FORM

Department	Division	Section	Owner/Officer
Service, policy, practice being reviewed/changed or planned			
Why are you making the change?			
How might this impact (positively/negatively) on people who share protected characteristics?			
	<i>Please tick</i>	POSITIVELY	NEGATIVELY
Age		✓	✗
<i>Please describe...</i>			
Disability			
<i>Please describe...</i>			
Gender Re-assignment			
<i>Please describe...</i>			
Race			
<i>Please describe...</i>			
Religion			
<i>Please describe...</i>			
Gender			
<i>Please describe...</i>			
Sexual Orientation			
<i>Please describe...</i>			
Marriage & Civil Partnership			
<i>Please describe...</i>			
Pregnancy & Maternity			
<i>Please describe...</i>			
Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?			
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?			
Describe how you will address and monitor the impact	1. No Impact - No Major Change <i>Please Detail</i>		
	2. Adjust/Change Policy <i>Please Detail</i>		
	3. Adverse Impact but Continue as is <i>Please Detail</i>		
	4. Stop/Remove Policy/Proposal <i>Please Detail</i>		
Initial Assessment	00/00/00	Reviewed	00/00/00
Completed	00/00/00	Published	00/00/00