

FINANCE AND POLICY COMMITTEE

AGENDA



Thursday 30 January 2020

at 10.30 am

**in the Council Chamber,
Civic Centre, Hartlepool.**

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Brewer, Brown, Hunter, Lindridge, Little, Marshall, Moore, Smith, Tennant and Young.

MEMBERS ALSO INVITED:

ADULT AND COMMUNITY BASED SERVICES COMMITTEE:

Councillors Brewer, Little, Prince, C Richardson, Thomas, Ward and Young.

REGENERATION SERVICES COMMITTEE:

Councillors C Akers-Belcher, Brown, Cartwright, Cassidy, Lindridge, Marshall and Smith.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 13 January 2020.

4. KEY DECISIONS

- 4.1 Leisure Facilities Review and Options Appraisal - *Director of Adult and Community Based Services*

5. BUDGET AND POLICY FRAMEWORK ITEMS

- 5.1 Capital and Indigenous Growth Investment Programme - *Director of Finance and Policy, and Director of Regeneration and Neighbourhoods*



6. OTHER ITEMS REQUIRING DECISION

No items.

7. ITEMS FOR INFORMATION

No items.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION

Future meeting dates –

Monday 10 February, 2020 at 10.00 am

Monday 16 March, 2020 at 10.00 am



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

13 JANUARY 2020

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool.

Present:

Councillor Shane Moore (In the Chair)

Councillors: James Brewer, Paddy Brown, Dave Hunter, Jim Lindridge, Sue Little, Ann Marshall, Leisa Smith and Mike Young.

Also Present: Councillor Bob Buchan as substitute for Councillor John Tennant in accordance with Council Procedure Rule 4.2.

Councillor Tony Richardson

Officers: Gill Alexander, Chief Executive
Hayley Martin, Chief Solicitor
Chris Little, Director of Finance and Policy
Claire McLaren, Assistant Director, Corporate Services
Sally Robinson, Director of Children's and Joint Commissioning Services
Denise McGuckin, Director of Regeneration and Neighbourhoods
Steve Hilton, Communications and Marketing Team
Denise Wimpenny, Democratic Services Team

80. Apologies for Absence

Councillors Christopher Akers-Belcher and John Tennant.

81. Declarations of Interest

None

82. Minutes of the meeting held on 9 December 2019

Received.

83. Minutes of the meeting of the Health and Wellbeing Board held on 23 September 2019

Received.

84. Council Plan 2020-23 (*Chief Executive*)

Type of decision

Budget and Policy Framework

Purpose of report

To ask the Committee to agree the proposed Council Plan 2020/21 – 2022/23 as a draft for consultation.

Issue(s) for consideration

The Chief Executive reported on the background to the development of a new Council Plan which had been launched on 13 September 2019 during which a number of key questions had and asked as part of the initial consultation. The Plan had been developed to build on what had already been achieved over the last three years and to respond to what residents, employees and partners had told the Council through the consultation.

The draft Council Plan, attached at Appendix 1, included a summary of progress made through the last Council Plan, an outline of the current position in Hartlepool in relation to some of the key indicators and the key themes that had emerged from the recent consultation exercise. Details of the proposed strategic priorities were provided as well as the actions to be taken to deliver the priorities. Members were requested to agree the draft plan for consultation which would be open for five weeks and would include an online survey, Members' Seminar, reports to Policy Committees and various partners, details of which were included in the report.

In the lengthy discussion that followed officers responded to issues arising from the report. Clarification was provided in relation to how various strategic priorities would be delivered including partnership arrangements and how the new model to support school transitions to improve pupil readiness for learning would operate in practice to which a Member requested that the Committee be kept updated of developments in this regard.

In response to suggestions that the plan should include specific targets/comparative figures in relation to the number of jobs created in the town, the Chief Executive outlined the Council Plan development and monitoring process and highlighted that the current process provided the opportunity to set and monitor specific targets once the final plan had been agreed. Reference was made to the poverty impact assessment, attached at Appendix 2, and the need to review the support to lone parents, those from minority ethnic backgrounds and those groups who find difficulty managing their finances was highlighted.

Decision

- (i) That the draft Council Plan 2020/21 – 2022/23, attached at Appendix 1 be agreed for consultation.
- (ii) That the consultation timetable be noted.
- (iii) That the comments of Members be noted and actioned as appropriate.

85. Council Tax Base 2020/21 (*Director of Finance and Policy*)**Type of decision**

Non-key

Purpose of report

The report sought Member approval, as required by statutory regulations, to the Council Tax Base for 2020/21 which would be used for Council Tax billing purposes.

Issue(s) for consideration

The report provided background information to the requirement by law to calculate the Council Tax Base for the forthcoming year, and inform the major precepting authorities before 31st January 2020. The Council Tax Base was expressed as the number of Band D equivalent properties.

The Medium Term Financial Strategy assumed increases in the Council Tax Yield in 2020/21 from a Council Tax increase and also from increases in the Tax Base principally from housing growth in the Borough, details of which were included in the report.

The Director of Finance and Policy responded to queries arising from the report. Reference was made to the reliance on additional Council Tax to support the budget and Members commented on the importance of being proactive to ensure maximum occupation of dwellings where possible.

Decision

- (i) That a Hartlepool BC Council Tax Base for 2020/21 of 24,882 be approved as detailed in Appendix 1 to the report.
- (ii) That a Council Tax Base for 2020/21 for Parishes who may levy a precept upon the Council's Collection Fund be approved as detailed in Appendices 2 to 9 to the report:

Dalton Piercy	100.0	Elwick	703.8
Greatham	586.8	Hart	318.7
Newton Bewley	33.5	Headland	726.5
Brierton	13.1	Claxton	15.7

86. **Child and Family Poverty Reserve Proposal** *(Director of Children and Joint Commissioning Services)*

Type of decision

Non-key

Purpose of report

To outline a proposal for consideration to tackle child and family poverty in Hartlepool.

Issue(s) for consideration

The Director of Children's and Joint Commissioning Services reported on the background and purpose of the Child and Family Poverty Reserve which had been created to fund initiatives that addressed and mitigated the impact of poverty on children, young people and their families in Hartlepool. It had also funded the specialist Financial Advice and Guidance Service. However, this was now funded from base budget.

It was proposed to deliver an initiative which promoted the best start in life for babies by offering equipment and a training programme to parents, the reasons and benefits of which were outlined. The projected costs for the delivery of this initiative for a 12 month period was £24,000. A table set out in the report showed the current position of the reserve.

In the discussion that followed the presentation the Director of Children's and Joint Commissioning Services responded to issues raised arising from the report. Clarification was provided in relation to the ongoing work around partnership and engagement opportunities, the referral process, the timescales for implementation of the scheme and provision of the equipment as well as the ongoing work on pregnancy prevention. Members

welcomed the initiative and the benefits as a result and were keen to receive an update report in three to six months.

Decision

- (i) The Committee approved the proposal and a commitment of funding from the child and poverty reserve to deliver this initiative over the forthcoming 12 months to tackle child and family poverty in Hartlepool.
- (ii) That an update report be provided to this Committee in three to six months time.

87. Hartlepool Power Stations Detailed Emergency Planning Zone Redetermination - Update *(Director for Regeneration and Neighbourhoods)*

Type of decision

For information

Purpose of report

To update Members on the change in minimum distance for the Detailed Emergency Planning Zone (DEPZ) for the Power Station due to a change in the consequence report from the station following public health advice.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods referred to a report presented to Committee in October in relation to REPPIR regulations and the Council's responsibility to source independent health protection advice which provided conflicting information mainly around the minimum distance for the Detailed Emergency Planning Zone (DEPZ) details of which were provided, as set out in the report. As a result of these discrepancies Public Health England and EDF had worked together and were amending the consequence report to take into account the findings and thus increasing the minimum distance the DEPZ should be.

The original date for the setting of the DEPZ of 22 November had not been met due to the subsequent change in information, the implications of which were outlined.

Decision

The Committee noted the changes to the minimum distance for the power station was larger than the existing DEPZ. However, the area was already covered by the Public Information Zone for COMMAH sites and the resulting work that would ensue in the notification of businesses and residents.

88. **Corporate Procurement Quarterly Report on Contracts** *(Director of Finance and Policy)*

Type of decision

For information

Purpose of report

To satisfy the requirements of the Council's Contract Procedure Rules with regard to the Finance and Policy Committee:

- Receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable.
- Receiving and examining reports on any exemptions granted in respect of the Council's Contract Procedure Rules.

Issue(s) for consideration

The Director of Finance and Policy submitted a report outlining the Council's procurement activity since the previous quarterly report. Details of the individual contracts were set out in appendices to the report. **One appendix to the report contained exempt information under Schedule 12A of the 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).**

A Member stated that she wished to further pursue information contained within the confidential appendix. In view of this, it was agreed that discussions be held in private session.

89. **Local Government (Access to Information) (Variation) Order 2006**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting during the discussion on the previous item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

88. Corporate Procurement Quarterly Report on Contracts (*Director of Finance and Policy*)

Details of discussions were set out in the exempt section of the minutes.

Decision

- (i) That the contents of the report and comments of Members be noted.
- (ii) That a report be submitted to a future meeting of this Committee in relation to future contract requirements.

The meeting concluded at 11.10 am.

H MARTIN

CHIEF SOLICITOR

PUBLICATION DATE: 20 JANUARY 2020

FINANCE AND POLICY COMMITTEE

30 January 2020



Report of: Director of Adult and Community Based Services

Subject: LEISURE FACILITIES REVIEW AND OPTIONS APPRAISAL

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision test (i) and (ii) - ACBS088/19.

2. PURPOSE OF REPORT

2.1 To agree options and an investment programme to meet the recommendations of the Playing Pitch and Indoor Facility Strategy.

3. BACKGROUND

3.1 Previous reports have provided background information regarding current sport and leisure provision and the rationale for developing and investing in those facilities.

3.2 The Playing Pitch and Indoor Facility Strategy 2019 – 2024 was approved by the Adult and Community Based Service Committee on 18 July 2019.

3.3 The Finance and Policy Committee considered a report on Sport and Leisure Provision – Options Appraisal and Feasibility on 22 July 2019 when it was agreed to undertake a public consultation. The results of that consultation are included in this report and have informed officer recommendations regarding a preferred option.

3.4 Strategic recommendations identify that there is a need to develop modern 21st century facilities to meet the needs of the population and contribute towards health, social, environmental and economic outcomes for Hartlepool.

4. CONSULTATION

- 4.1 The Playing Pitch and Indoor Facility Strategy 2019 – 2024 identifies a number of clear recommendations to be considered as part of leisure and sport facility development:
- A new Artificial Grass Pitch to accommodate football and rugby.
 - There is adequate Sports Hall provision; therefore work with educational sites to increase community access.
 - Retain existing water space within public and school sites and give consideration to additional swimming capacity in the future.
 - Any new development in place of Mill House must retain 8 lane x 25m pool and 144 sqm learner pool as a minimum to meet demands of population based on the facility planning model analysis.
 - Seek to retain indoor bowls.
 - Improve tennis court provision with floodlights at Brierton.
 - Seek to ensure an appropriate health and fitness offer that will support participation trends.
 - Seek to protect or re-provide squash facilities as part of future plans.
 - Retain existing facilities for cricket and work with clubs and National Governing Bodies to manage demand.
 - Support retention of an appropriate number of bowling greens to meet the demands of the population.
 - Seek to protect and retain sites for tennis, football and rugby including access and development of educational facilities.
 - Ensure participation trends are monitored to support facilities to meet the needs and demands of the population.
 - Ensure support to and planning with local clubs and National Governing Bodies to sustain and grow participation in sport and activities.
 - Ensure robust feasibility and multi-agency engagement for all future developments or amendments to facilities in Hartlepool.
- 4.2 Public consultation was conducted for a period of 8 weeks and included a survey, public events, elected members seminars and focus groups / discussions. 96% of respondents identified improvement of sport and leisure facilities in Hartlepool as either slightly or very important. The most important facilities according to respondents were main pool, parking, learner pool, health and fitness gym and studios, café / refreshment offer, recreational pool and slides.
- 4.3 Public consultation identified that the priorities for a new strategic leisure development should be:
- Central location.
 - Good physical access including transport links and free car parking.
 - Inclusive infrastructure and programming.
 - High quality and diverse aquatics and fitness offer
 - Integrated indoor and outdoor offer – specifically considering walking, cycling and running.
 - An attraction to prevent people visiting facilities outside of Hartlepool.

- Continued operation of Mill House until any new facility is complete.
- Socially accessible considering pricing, promotions and opening hours.
- Holistic focus on health and wellness not just fitness.

4.4 Based on the analysis undertaken to develop the Playing Pitch and Indoor Facility Strategy and the outcome of the public consultation, it is recommended that any new leisure development considers provision of the following facilities:

Facility Recommendations:	
8 lane x 25m swimming pool	<ul style="list-style-type: none"> - Accommodate the minimum needs of the population in accordance with Sport England's Facility Planning Model. - Fulfil the demands of the public, clubs and lesson infrastructure. - Host galas to ensure local clubs do not need to go out of town.
4 lane x 20m swimming pool	<ul style="list-style-type: none"> - Accommodate the minimum needs of the population in accordance with Sport England's Facility Planning Model. - Fulfil the demands of the public, clubs and lesson infrastructure. - Improve programming opportunities. - Recommended by other leisure providers as a more effective dimension for learner pool.
Recreation / splash pool and flumes	<ul style="list-style-type: none"> - Visitor attraction - Fulfils the aspirations of the public as a 'fun' place to go. - Prevents residents going to neighbouring authorities for a recreational offer. - Increases water confidence from birth and encourages play which is the first stage of learning to swim.
Health Suite (steam room and sauna)	<ul style="list-style-type: none"> - Unique selling point. - Provides a wider wellness offer and could be configured into an independent operation with high income potential – learning from best practice in other developments.
Fitness studios 2-3	<ul style="list-style-type: none"> - Health and wellbeing offer is critical according to the strategy. - Female participation is low and studio based activity is attractive to increase participation. - Studio space can be used flexibly for a broad range of activities. - Cycling has featured strongly within public consultation and the indoor cycling demand is increasing – one studio would benefit from being a dedicated cycling studio with virtual facilities for access all of the time. - Learning from other organisations indicates that two studios may be insufficient to meet growing demand.
Gym (100 station)	<ul style="list-style-type: none"> - Public clearly identified that they would like a gym within any new development. - Specific populations within the community do not always feel confident accessing a private gym and feel more confident accessing a local authority gym (typically elderly, inactive and others in need of support).

<ul style="list-style-type: none"> - Membership packages are less attractive without a gym offer and this in turn would have an impact on the sustainability of facilities.
Active Recreation / Play / Family Facility <ul style="list-style-type: none"> - Limited indoor active recreation and play offers not attached to a pub. - Families value a place for children to play in a safe environment. - Effective facilities supporting children to achieve their recommended physical activity levels including development of fundamental skills. - Commercially attractive for programming and private functions.
Party / Function / Meeting rooms <ul style="list-style-type: none"> - Agile space to maximise income opportunities. - Enable internal functions and operations to access 'break out' space. - Host training and educational programmes. - Commercial space for rent.
Café / Refreshments / Social Hub <ul style="list-style-type: none"> - Increases 'offer' and meet demands / expectations of residents. - Supports wider functions and parties. - Improves connectivity and reduces social isolation. - Capitalises on the environment and how this could operate as an integrated part of the centre as well as for 'passers by'.
Car Park <ul style="list-style-type: none"> - Improves user experience. - High importance in public consultation. - Meets planning requirements.
Office Space / Reception / Changing Rooms / Toilets / Staff Room <ul style="list-style-type: none"> - Essential for effective operations.

5. OPTIONS FOR REPLACEMENT OF MILL HOUSE LEISURE CENTRE

- 5.1 A number of options have been appraised to enable the replacement of Mill House Leisure Centre.

Option 1: Refurbishment of existing Mill House Leisure Centre

This would be achieved through internal and external refurbishment of the building and would allow some reconfiguration of facilities to accommodate existing 'need' and inclusion of more communal / social space.

Option 2: Further development on the Brierton Site (**Appendix 4a**)

This would include two pools, splash pad, health suite (steam room and sauna) and associated amenities along with a reconfigured reception, creation of a café and commercial activity space. This would require reconfiguration and refurbishment of the existing facility to ensure consistency of quality.

Option 3: Redevelopment on existing site and integration with Victoria Park (**Appendix 4b**)

Leisure facilities would be integrated into a redeveloped Mill House Stand using a footprint comparable to the existing Mill House Leisure Centre.

Option 4: Integration with the Waterfront Development (**Appendix 4c**)

This involves development of a bespoke strategic leisure attraction on the waterfront site which could accommodate the identified facility mix as well as opportunities for further integrating with the 'on water' offer.

Estimated costs for each of these options are contained in **CONFIDENTIAL 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).** The costs provided are indicative and based on the best information available at the time. As such, any costs would be subject to change as further work is undertaken to develop proposals.

5.2 The options have been appraised against the following strategic objectives:

- Enable accessibility through a centrally located facility.
- Ensure good access to transport links including pedestrian, cycling, bus and rail.
- Provide a combined offer inclusive of leisure, culture, sport and wider infrastructure to improve the health and wellness of the population.
- Develop an attraction for visitors within and beyond Hartlepool maximising impact on the local economy.
- Attract investment opportunities and achieve associated outcomes.
- Deliver a financially viable business model exploring commercial opportunities to capitalise on income potential.
- Design new leisure offer in response to the recommended facility mix.
- Design, construct and operate new leisure offer within aspired timeline.
- Develop a new leisure facility based on affordability, investment opportunities and best value for money.
- Develop a sustainable leisure offer that is able to accommodate population demand now and in the future.

A weighting has been applied to each of the objectives taking into consideration the priorities identified in the Playing Pitch and Indoor Facilities Strategy and through the public consultation.

5.3 The option appraisal is attached as **Appendix 2**. A summary of the evaluation scores is provided below:

	Total
MHLC Refurbishment	6
Brierton Site	8
HUFC Site	12
Waterfront Development	20

5.4 The Waterfront Development option has scored highest against the strategic objectives. This option provides the opportunity to develop a bespoke leisure attraction that is centrally located and offers unique additionality in terms of opportunities for wider integration and access to other services and attractions. The construction of a new facility on this site could be achieved

without any disruption to existing leisure operations and the existing Mill House Leisure Centre would be able to operate until the new development was operational.

- 5.5 The event space and public realm previously approved by members will integrate with the leisure offer providing opportunities to integrate the indoor and outdoor offer. At full Council in March 2019, Members approved the first priority for the Indigenous Growth Fund would be the Events space at the Waterfront. **Appendix 4c** shows suggested site plan of the Waterfront demonstrating how there will be clear connectivity.
- 5.6 As part of the feasibility work a specialist foundation consultant has reviewed the site investigation data obtained from the intrusive works. It is expected that there could be enough strength within the existing clay strata to support the proposed two storey leisure centre without the need to found the piles on bedrock. This will ensure that the sloping strata issue should not come into contention as the piles required will be at a shallower depth.
- 5.7 A transport analysis conducted on the site (not specific to a leisure development) confirms that the proposal of built infrastructure on the site complies with national and local transport policy and that there are opportunities to travel to the site other than by single occupancy car. These include walking, cycling and public transport. The analysis also demonstrates that the site lies within acceptable walking distance of the town centre and nearby residential areas as well as a range of local amenities and bus stops. Further assessment will be made once the proposed site plan is reviewed and the assumed level of vehicles visiting the site is determined. This may mean that improvements are required to some of the surrounding highway infrastructure however this will be assessed within the next phase of development.
- 5.8 The existing Mill House infrastructure will be demolished as part of the scheme of works for the replacement of Mill House Leisure Centre and the site will be returned to a good condition. In addition to this Hartlepool are one of 100 places invited to develop proposals for a Town Deal, as part of the Government's £3.6bn Towns Fund. Capacity funding has been provided to develop a Town Centre Masterplan that will set out a programme of transformative structural changes that will enable Hartlepool Town Centre to evolve and adapt in response to the challenges of vacant retail space, declining footfall, declining market share, limited end user/occupier demand, poor quality public realm and a fragmented retail and leisure offer within the town. The masterplan will form the basis of a Town Deal between the Council and central Government facilitating the release of additional funds up to £25m. This will aim to regenerate the central area of Hartlepool and strengthen connectivity between the Waterfront and town centre including the current Mill House Leisure Centre location and providing options for future use of the land.

6. LEISURE FACILITY INVESTMENT PROGRAMME

- 6.1 The replacement of Mill House Leisure Centre needs to be considered as part of a wider leisure facility investment programme that will meet the recommendations of the Playing Pitch and Indoor Facility Strategy, address public consultation outcomes and ensure a sustainable high quality offer across the town.
- 6.2 A wider investment programme will reduce ongoing financial pressures associated with operational challenges and income targets while improving the quality of services to effectively compete with other providers.
- 6.3 This requires consideration of the following facilities:

6.4 GRAYFIELD'S RECREATION GROUND AND PAVILION

Background

- 6.4.1 Grayfield's Recreation Ground was developed using grant funding to include an artificial grass pitch and pavilion. The site opened in 2007 and the Council entered into a 21 year funding agreement as part of the grant conditions.
- 6.4.2 In 2014 the artificial pitch was inspected and failed quality tests. As a result, it was deregistered with the Football Association and closed for safety reasons until conditions were improved. Closure of the pitch increased vandalism and although efforts were made to resolve the issues, the pitch has remained closed since.
- 6.4.3 The Football Foundation have identified a potential £80,000 clawback of funding if the artificial pitch is not improved and brought back into operation
- 6.4.4 The Football Foundation and FA are supportive of a community asset transfer of the site, subject to the whole site being returned to a reasonable condition. The estimated cost of these works is £160,000 which could be funded through prudential borrowing and there is interest in an asset transfer if these works were completed. After allowing for annual loan repayment an asset transfer would enable net annual savings of £50,000 to be achieved. This will support to offset existing income pressures in the leisure budgets.

Proposal

- 6.4.5 It is proposed that Hartlepool Borough Council invest £160,000 to improve the site and reinstate the artificial pitch, avoiding claw back of £80,000 and enabling the site to continue operating.
- 6.4.6 The Council will then advertise the opportunity for a community asset transfer, ensuring that the successful bidder fulfils the Terms and Conditions of the Football Foundation and continues to operate the site as a community asset and deliver associated outcomes. A detailed specification and legal agreement will be prepared prior to advertisement and any successful

organisation will be required to produce robust business, financial and football development plans.

Conclusion

- 6.4.7 It is recommended that £160,000 is invested to through prudential borrowing subject to securing a new operator for the site. Repayment of the prudential borrowing will be over a period of 10 years from the annual saving in running costs achieved from a successful asset transfer.

6.5 BRIERTON SPORTS CENTRE

Background

- 6.5.1 Brierton Sports Centre was built in 2002 and originally operated as part of a secondary school community facility. The school relocated in April 2012 and the site has been operated by Hartlepool Borough Council since then.
- 6.5.2 Brierton Sports Centre includes a 4 court sports hall, fitness suite, small spinning room, activity hall, multi-use conference / activity hall, meeting room, tennis / netball courts, grass pitches and an artificial grass pitch.
- 6.5.3 The breadth of the offer onsite makes it a key strategic facility particularly in relating to outdoor provision. The artificial pitch has been recognised as a high quality, well maintained provision and the grass pitches are amongst some of the best quality in the town following investment of £50,000 investment to improve quality and reconfigure pitches in accordance to current size requirements.
- 6.5.4 Brierton has evolved as a facility but the nature of the original building configuration (as part of a school) presents challenges to operations with a lot of underutilised space, long corridors and small rooms.
- 6.5.5 The sports hall is well utilised with 43 hours per week for whole hall hire and 15 hours of half hall utilised. Programming could be managed better if there was more opportunity for classes to be delivered in another multifunctional area in the building.

Proposal

- 6.5.6 It is proposed that Brierton Sports Centre is rebranded as Brierton Sports Complex with a focus to drive the outdoor sports facilities offer. This will include raising the profile of the grass pitches and artificial grass pitch and redevelopment and improvement of the outdoor tennis courts, including provision of floodlighting. The surface courts will also enable use for netball.
- 6.5.7 There has been limited investment in the site since it was built in 2002. It is proposed that the site is improved and refurbished to support increased opportunities for income generation, reduce operating pressures, improve business and functional opportunities and provide longevity for the site.

- 6.5.8 It is proposed to reduce the internal operating footprint through relocation of operational areas closer to reception. This would involve refurbishment of the North Gym and building an extension adjacent to this, providing multifunctional space to accommodate all existing customers whilst capitalising on an improved offer for fitness, conferencing, functional space and sports activities including squash. Reception, fitness and communal areas will also be refurbished to maximise use of space and improve refreshment and social space.
- 6.5.9 There is currently approximately 2.4 acres of land on the site which is surplus to requirements. Disposal of this land will have no detrimental impact on playing pitch provision, and it is therefore proposed that this land (identified in **Appendix 3**) is sold for development. The capital receipt from this sale will be used to contribute to the redevelopment costs.
- 6.5.10 The land is designated as Outdoor Sports in the Councils Local Plan and development of the land for a residential use would require a departure from the Plan and also require Sport England consent.
- 6.5.11 In addition, as the land has been used as a school playing field within the last 10 years, the Council would have to apply to the DfE for consent to its disposal under S77 of the Schools Standards and Framework Act 1998 if the land was to be sold before April 2022.

Conclusion

- 6.5.12 It is recommended that the identified surplus site be sold, subject to the necessary approvals for disposal. It is further recommended that such capital receipt is utilised, together with funding identified from the capital investment programme and section 106 contributions to develop the Brierton Sports Complex.

6.6 HEADLAND SPORTS HALL

Background

- 6.6.1 The Headland Sports Hall was built in 2005 and incorporates a 4 badminton court sports hall, small fitness suite and other amenities including changing rooms, toilets, reception and office space. The building adjoins the Borough Hall which capitalises on opportunities for shared use and hosting of events.
- 6.6.2 Due to increasing financial challenges the Headland Sports Hall has reduced operation significantly since 2010. This has produced efficiencies but attainment of income targets remains a challenge. The Headland Sports Hall has a limited offer due to the nature of what is available therefore many people do not utilise the facility.
- 6.6.3 Current sports hall usage is limited with half of the sports hall being booked for fitness classes operated by Hartlepool Borough Council. The whole hall is currently only used for 10 hours per week by four groups / users.

Proposal

- 6.6.4 It is proposed that the Headland Sports Hall diversifies the offer available to the public through creative management of the space that is available.
- 6.6.5 It is proposed that the sports hall is divided into two activity spaces which will be used for fitness, sport and potentially a commercial offer providing a unique selling point for the centre and attracting customers from across Hartlepool. Options are being considered which will address the public consultation feedback regarding an active recreation / play facility for families. Options include trampolining and climbing wall provision. Access control points will be installed allowing for segregation of areas to maximise usage out of hours if other commercial or non-commercial providers were to utilise the space. A small studio to accommodate spinning, small fitness classes and provide meeting / function space will be developed utilising some 'dead' space close to reception.

Conclusion

- 6.6.6 It is proposed that funding is allocated from the capital investment programme to deliver improvements to the Headland Sports Hall which will increase community use and enable the facility to be cost neutral or achieve an operating profit.

6.7 HARTLEPOOL INDOOR BOWLS CLUB**Background**

- 6.7.1 Hartlepool Indoor Bowls Club opened in 1972 and comprises of 8 rinks, function space / bar, kitchen and changing facilities. The building has undergone some improvements but is in need of internal and external repair and refurbishment.
- 6.7.2 The bowls club currently has 375 members actively utilising the facilities and has diversified its offer over the years attracting players with a range of abilities, including nationally recognised players within the club.

Proposal

- 6.7.3 Hartlepool Indoor Bowls Club currently have a 7 year lease agreement with the Hartlepool Borough Council for a period of 7 years which will be reviewed in 2021.
- 6.7.4 The relevance of having bowling facilities for the future has been very evident from the strategy and public consultation however the current facility is in need of investment.
- 6.7.5 The indoor bowls footprint would not be able to be accommodated within a new strategic leisure development and the estimated cost for a new standalone facility means that this is not a viable option based on projected costs and the associated payback period for any borrowing.

- 6.7.6 Given the priority and relevance of indoor bowls provision it is proposed that the Council invests in the existing provision to fulfil the essential requirements of the current conditions survey, which will allow the building to continue operating. A Bowls Strategy will then be developed within the next 2 years to look holistically at bowling facilities across Hartlepool and consider future requirements.

Conclusion

- 6.7.7 It is recommended that funding is allocated from the capital investment programme to maintain the current building, with a new lease agreement proposed with the Hartlepool Indoor Bowls Association
- 6.7.8 Further work will be conducted, in partnership with Associations, Clubs and their members to develop a Bowls Strategy which considers future investment plans and priorities.

7. LEGAL, FINANCIAL AND RISK IMPLICATIONS

- 7.1 Financial considerations are outlined in **CONFIDENTIAL 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).** The financial considerations are also referenced in the Strategic Capital Investment report.
- 7.2 All proposals have been subject to high level feasibility and investigative works however detailed costs are subject to full feasibility, robust business modelling, consultation with appropriate external partners and governing bodies and further public consultation. At this stage this detail is presented based on investment opportunity, principles for development and seeks the support of elected members to improve and develop high quality, sustainable and accessible leisure and sport provision for the local and visiting population of Hartlepool.
- 7.3 It is recommended that £160,000 is invested through prudential borrowing subject to securing a new operator for the site. Repayment of the prudential borrowing will be over a period of 10 years, from the annual saving in running costs achieved from a successful asset transfer. A legal agreement will be developed to support the transfer.

8. CONSULTATION

- 8.1 Robust consultation was undertaken throughout the development of the Playing Pitch and Indoor Facilities Strategy.

- 8.2 Consultation regarding future sport and leisure provision was undertaken with public, partners and Elected Members from July to September 2019 through an online survey, public events, seminars and focus groups.
- 8.3 Consultation has been ongoing with industry professionals, governing bodies and other relevant advice and guidance has been sought throughout.
- 8.4 Analysis of other leisure operations has provided practical ‘learning’ examples of best practice and what not to do when considering and implementing a new leisure development.

9. CHILD AND FAMILY POVERTY IMPACT

- 9.1 Child and family poverty impact will be considered throughout the programme.
- 9.2 Throughout the development of sport and leisure facilities consideration will be given to family focused activities, retaining concessionary rates and improving social accessibility.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 Equality and diversity impact will be considered throughout this programme.
- 10.2 The proposed invest programme aims to ensure that sport and leisure facilities are accessible for the whole of the Hartlepool population including those with disabilities, additional needs and other protected characteristics.

11. STAFFING CONSIDERATIONS

- 11.1 There are staff considerations associated with the proposals linked to further development of business models and operational infrastructure. This is not expected to result in job losses but may involve staff restructures. Relevant policies and processes will be adhered to and appropriate communications will be undertaken with trade unions and staff as appropriate.
- 11.2 If Grayfield’s is progressed as a community asset transfer there is a risk of redeployment for one member of staff employed for 3 hours per week. The relevant policy and procedure will be followed and communications with trade unions and staff will be progressed as needed.

12. ASSET MANAGEMENT CONSIDERATIONS

- 12.1 Asset management considerations have been identified throughout the report. All proposals are subject to full feasibility and ensuring adherence to

any funding terms ,conditions applicable and approval for associated disposals.

- 12.2 Costs for options 2, 3 and 4 include provision for demolition of the existing Mill House Leisure Centre. Options 2 and 4 would result in the site being vacant, and options would then be considered for future use.

13. RECOMMENDATIONS

- 13.1 It is recommended that Members agree the preferred option (Option 4) for the replacement of Mill House Leisure Centre and approve the capital investment proposals that will enable the recommendations of the Playing Pitch and Indoor Facilities Strategy to be implemented as detailed in **CONFIDENTIAL 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).**
- 13.2 It is recommended that Members approve the proposed investments in Brierton Sports Centre, Headland Sports Centre and Hartlepool Indoor Bowls Club as detailed in **CONFIDENTIAL 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).**
- 13.3 It is recommended that Members authorise officers to progress a community asset transfer for Grayfield's and to seek Council approval to use Prudential Borrowing of £160,000 to reinstate the artificial pitch and complete other external works, subject to securing a new operator for the site. Repayment of the prudential borrowing will be made over 10 years from the annual saving in running costs achieved from a successful asset transfer.
- 13.4 It is recommended that Members approve the disposal of the surplus land on the Brierton site, as identified in **Appendix 3**, with the capital receipt used to support investment proposals for the site.

14. REASONS FOR RECOMMENDATIONS

- 14.1 To enable the Council to develop modern 21st century sport and leisure facilities to meet the needs of the population and contribute towards health, social and economic outcomes for Hartlepool, via the option that best meets the Council's strategic priorities.

15. BACKGROUND PAPERS

- 15.1 Playing Pitch and Indoor Facilities Strategy Report to Adult and Community Based Services Committee – 18 July 2019

Sport and Leisure Facilities Options Appraisal and Feasibility Study Report to Finance and Policy Committee – 22 July 2019

16. CONTACT OFFICER

Gemma Ptak
Assistant Director (Preventative and Community Based Services)
01429 523441
gemma.ptak@hartlepool.gov.uk

Sign Off:-

Chief Executive	<input checked="" type="checkbox"/>
Director of Policy and Finance	<input checked="" type="checkbox"/>
Chief Solicitor	<input checked="" type="checkbox"/>

An evaluation has been conducted against strategic objectives identified for the replacement of Mill House Leisure Centre, which are based on the outcomes of Playing Pitch and Indoor Facility Strategy 2019 – 2024 and feedback from public consultation.

Scores are profiled 0 – 2 with 0 being unlikely, 1 being partially likely and 2 being likely and a summary rationale given to justify the identified score.

Objectives:

1. Design and deliver a new leisure offer fulfilling recommended facility mix
2. Design and deliver a new leisure offer within an aspired timeframe with minimum disruption on existing leisure operations
3. Deliver a new leisure facility based on affordability, investment opportunities and best value for money
4. Develop a sustainable leisure offer that is able to accommodate population demand now and in the future
5. Develop an attraction for visitors within and beyond Hartlepool maximising on the local economy
6. Provide a combined offer inclusive of leisure, culture, sport and wider infrastructure to improve the health and wellness of the population
7. Enable accessibility through a centrally located facility
8. Ensure good access to transport links including pedestrian, cycling, bus and rail
9. Attract investment opportunities and achieve associated outcomes.
10. Deliver a financially viable business model exploring commercial opportunities to capitalise on income potential

Option 1: Refurbishment of Mill House Leisure Centre

Objective	Score	Rationale
1. Facility Mix	0	<ul style="list-style-type: none"> Limited opportunity to amend facility mix – improvement programme only Swimming pool configuration makes programming difficult and could not be amended as part of the improvement scheme without significant cost
2. Achieve Timescales	1	<ul style="list-style-type: none"> Timescales will be achieved providing no structural issues are identified throughout work There will be an impact on service operations throughout the scheme affecting revenue budgets
3. Affordability and Value for Money	0	<ul style="list-style-type: none"> Low value for money as structure will remain 47 years old Low affordability based on opportunities for return on investment
4. Sustainable	0	<ul style="list-style-type: none"> Improvements are unlikely to sustain the facility for a significant period of time and will require continued investment in the future
5. Visitor Attraction	0	<ul style="list-style-type: none"> Refurbishment will improve local offer but have limited appeal to visiting population Wider economic potential is limited External of the building is dated and unattractive
6. Integrated Offer	0	<ul style="list-style-type: none"> Limited opportunities for wider integration with culture, retail and blue/green infrastructure. Existing footprint has limited opportunities without replacement
7. Central Location	2	<ul style="list-style-type: none"> Walking distance to town centre Centrally located within geography of town
8. Transport Connectivity	2	<ul style="list-style-type: none"> Good transport links including walking, cycling, and public transport. Accessible paid car park however limited capacity
9. Investment Opportunities	0	<ul style="list-style-type: none"> No opportunities for investment have been identified
10. Business Viability	1	<ul style="list-style-type: none"> Quality of facility will improve therefore improving programming and offers. Limited opportunity to integrate more efficient and environmentally friendly building operations to have an impact on overheads Freehold owned by and site operated by HBC
Total	6	

Option 2: Brierton Sports Centre

Objective	Score	Rationale
1. Facility Mix	1	<ul style="list-style-type: none"> A functional aquatics offer can be integrated however there will be limited opportunity for recreational provision Wider service integration opportunities will be limited
2. Achieve Timescales	1	<ul style="list-style-type: none"> Timescales will be achieved providing no existing structural issues are identified throughout work There will be significant impact on service operations throughout the scheme affecting revenue budgets
3. Affordability and Value for Money	1	<ul style="list-style-type: none"> Brierton is a popular site and will attract additional custom with a new offer however increased operations and overheads vs return on investment is unknown because of location and opportunity to integrate new with old
4. Sustainable	1	<ul style="list-style-type: none"> New build will be developed to be more sustainable and serve the community for a long period however it will be attached to an ageing building that will need additional investment sooner Significant increase in operating costs
5. Visitor Attraction	0	<ul style="list-style-type: none"> The site is likely to increase attraction for local population however the footprint will limit the opportunity for a bespoke offer therefore limiting attraction for visiting population Wider economic potential is limited
6. Integrated Offer	1	<ul style="list-style-type: none"> Good integration of sport, leisure and some educational functions however wider integration is limited Risk associated with effective integration/configuration of new vs old
7. Central Location	0	<ul style="list-style-type: none"> It is not reasonable walking distance to town centre South location within geography of town therefore limiting actual or perceived accessibility from some locations within the town
8. Transport Connectivity	1	<ul style="list-style-type: none"> Limited transport links including walking, cycling, and public transport. Accessible free car park
9. Investment Opportunities	0	<ul style="list-style-type: none"> No opportunity for investment has been identified
10. Business Viability	2	<ul style="list-style-type: none"> Commercial and business opportunity will increase significantly with additionality to the site Freehold owned by and site operated by HBC
Total	8	

Option 3: Replacement at existing location (Raby Road) and integration with Victoria Park

Objective	Score	Rationale
1. Facility Mix	1	<ul style="list-style-type: none"> A functional facility mix could be achieved however considerations need to be given to external finish and presentation of the site based on integration of stadium HUFC may require additional facilities to fulfil their aspirations
2. Achieve Timescales	0	<ul style="list-style-type: none"> Timescales are likely to be extended as the leisure development will require demolition of the Indoor Bowls Club and Skate Park. Management of site construction will be challenging and large % of car park will be taken as construction site leaving little car park for customers. Any new site will also have limited car parking until demolition of MHLC which could take 9-12 months. There will be significant disruption to HBC leisure services, staff and public car parking, closure of the indoor bowls club and HUFC. This will in turn impact upon income, reputation and opportunities to launch a viable new facility with continued site disruption.
3. Affordability and Value for Money	1	<ul style="list-style-type: none"> The cost of this development is higher than other options The opportunities for this development are not as significant in terms of value for money return especially considering associated risks.
4. Sustainable	1	<ul style="list-style-type: none"> A new structure will increase sustainability and improve efficiencies of operations however the arrangement of integration would need more consideration due to the risk of football performance, league position, financial security and site management arrangement
5. Visitor Attraction	1	<ul style="list-style-type: none"> If an integrated offer could be agree it may increase the opportunity to be attractive for local football community and strengthen shared priorities The location of the new facility has limited visitor attraction and will be developed to the limitations of an existing footprint and infrastructure
6. Integrated Offer	1	<ul style="list-style-type: none"> Limited opportunities for wider integration with culture, retail and blue/green infrastructure Opportunity for integration with HUFC and their 2025 aspiration
7. Central Location	2	<ul style="list-style-type: none"> Walking distance to town centre Centrally located within geography of town
8. Transport Connectivity	2	<ul style="list-style-type: none"> Good transport links including walking, cycling, and public transport. Accessible paid car park although limited throughout construction
9. Investment Opportunities	1	<ul style="list-style-type: none"> No investment opportunities have been confirmed however some funding could be explored (Sport England)

10. Business Viability	2	<ul style="list-style-type: none"> Any integrated offer would be subject to robust business agreements to ensure no risk to long term operations based on performance, league positioning and financial position of the club and agree site management arrangements Partnership approach could add value in terms of programming and operations Freehold owned by HBC with 70 year lease agreement since 1997 to HUFC
Total	12	

Option 4: Waterfront Development

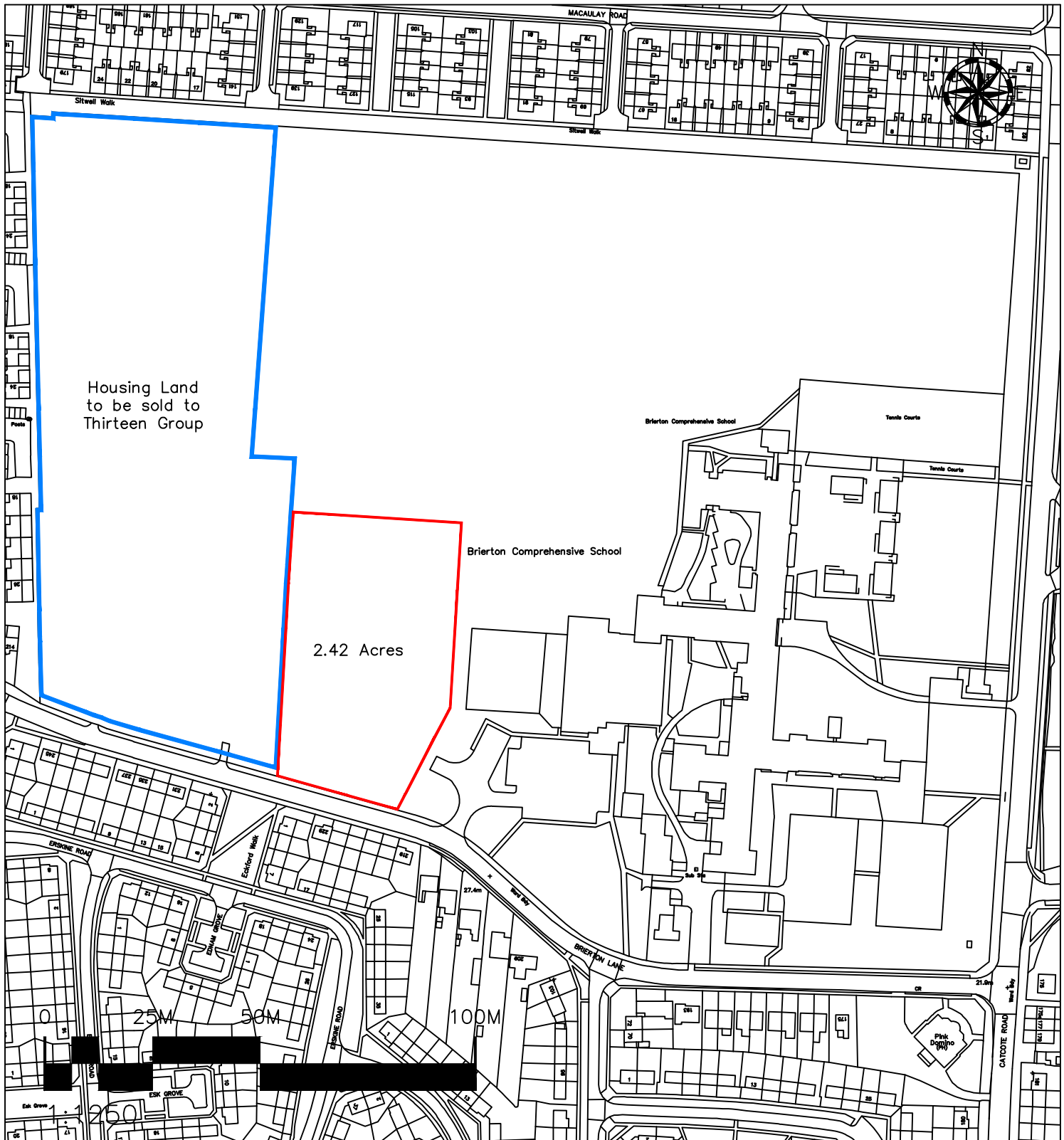
Objective	Score	Rationale
1. Facility Mix	2	<ul style="list-style-type: none"> Facility mix can be achieved
2. Achieve Timescales	2	<ul style="list-style-type: none"> Site is ready for development and site investigations show viability of developing a multi storey building on the land
3. Affordability and Value for Money	2	<ul style="list-style-type: none"> Development is affordable within investment proposed Opportunity for a bespoke development to improve business model of operations and efficiencies of operations
4. Sustainable	2	<ul style="list-style-type: none"> Design and build will consider sustainability of structure based on location Facility and business model will consider operations for now and the future
5. Visitor Attraction	2	<ul style="list-style-type: none"> Opportunity to develop a bespoke building on a vacant site and opportunities to make the most of coastal location
6. Integrated Offer	2	<ul style="list-style-type: none"> Opportunity for integration is significant – Museum of the Royal Navy, blue and green infrastructure, retail, culture, sport and leisure developing a 'Culture, Tourism and Leisure Quarter' for the town
7. Central Location	2	<ul style="list-style-type: none"> Walking distance to town centre Centrally located within geography of town
8. Transport Connectivity	2	<ul style="list-style-type: none"> Good transport links including walking, cycling, and public transport Accessible free car park
9. Investment Opportunities	2	<ul style="list-style-type: none"> Investment opportunities available and outcomes can be achieved with a proposed leisure development
10. Business Viability	2	<ul style="list-style-type: none"> Business model can be engineered to fulfil demand and opportunities Opportunities to work with existing gym operator to add value and focus on differentiation of demographics accessing services Freehold owned by HBC
Total	20	

Summary of options:

	0 (unlikely)	1 (partially likely)	2 (likely)	Total
MHLC Refurbishment	6	2	2	6
Brierton Site	3	6	1	8
Existing location & integrate with Victoria Park	1	6	3	12
Waterfront Development	0	0	10	20

Based on high level feasibility conducted to date it is evident that the Waterfront option provides a viable and achievable opportunity for a new strategic leisure development. The option is accessible, able to attract investment and provides a positive economic opportunity to fulfil the demands of the local and visiting population.

Practically the site is vacant and ready to be developed and the location allows for continued operation of the existing Mill House Leisure Centre until a new site is ready to operate.



LOCATION Land at Brierton Lane, Hartlepool

DRAWN BY CT DATE 16/01/20

SCALE 1:2500 @ A4

DEED PACKET -

OS MAP -

DRWG NO E/G/929

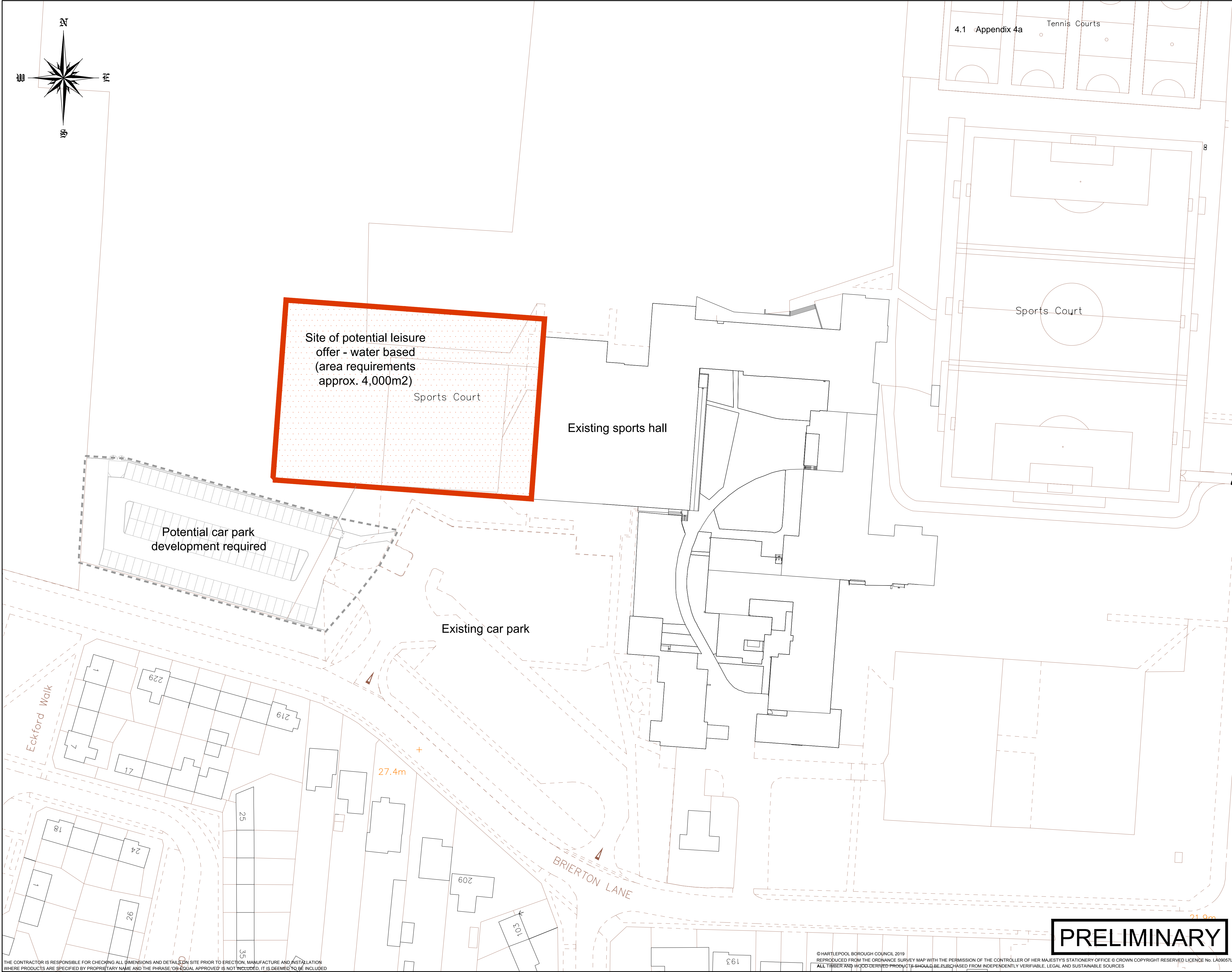


HARTLEPOOL BOROUGH COUNCIL
Regeneration & Neighbourhoods

Civic Centre
Victoria Road
Hartlepool
TS24 8AY

TEL: 01429 266522
FAX: 01429 523488

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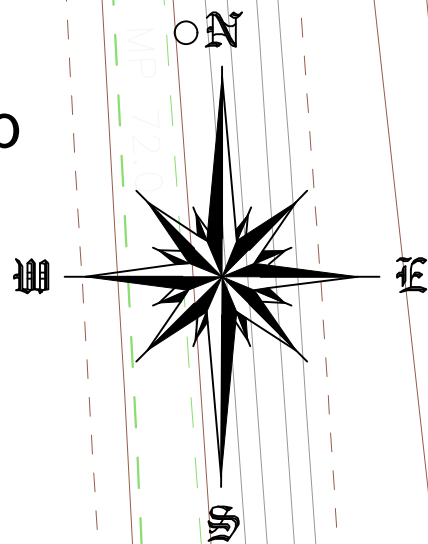
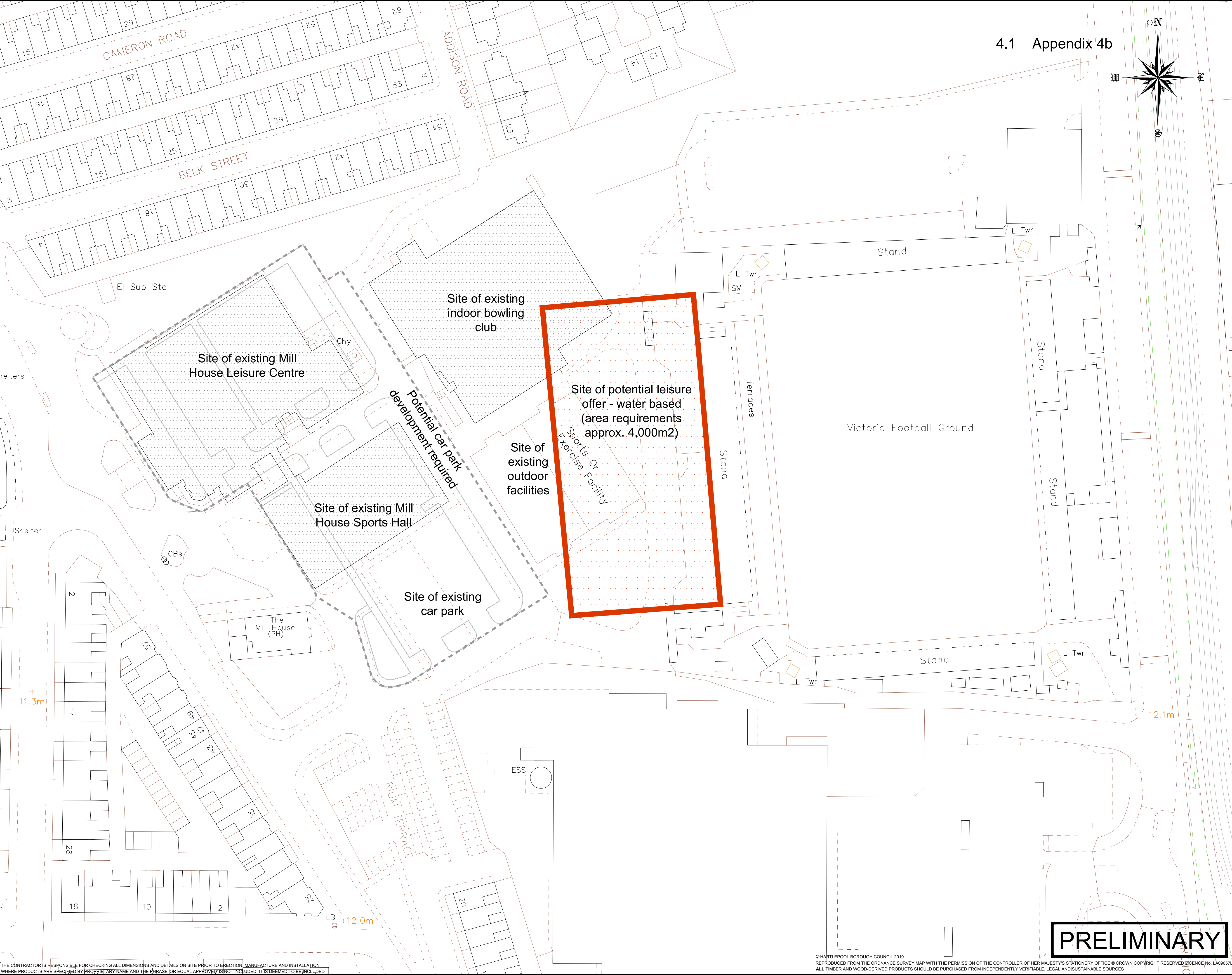


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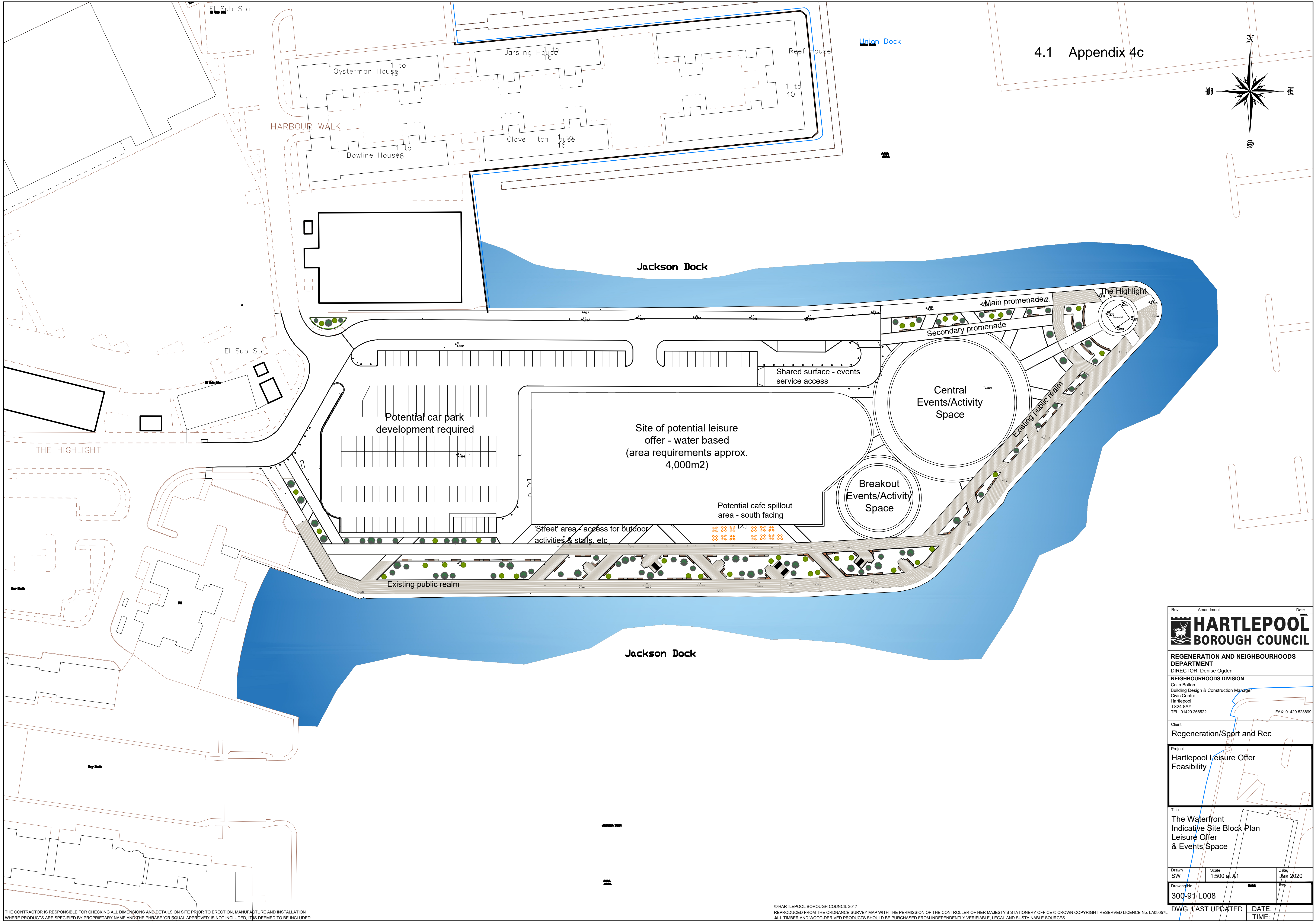
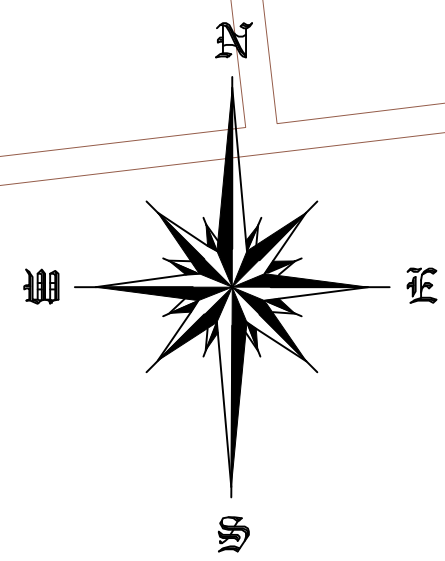
PRELIMINARY


Rev	Amendment	Date
 HARTLEPOOL BOROUGH COUNCIL		
REGENERATION AND NEIGHBOURHOODS DEPARTMENT		
DIRECTOR: Denise McGuckin		
NEIGHBOURHOODS DIVISION		
Building Design & Construction Civic Centre Hartlepool TS24 8AY TEL: 01429 266522		
Client Regeneration/Sport and Rec		
Project Hartlepool Leisure Offer Feasibility		
Title Brierton Site Indicative Site Block Plan Leisure Offer		
Drawn SW	Scale 1:500 at A1	Date Jan 2020
Drawing No. 300-91 L007	Rev.	
DWG. LAST UPDATED		DATE: 17/01/2020 TIME: 14:48



PRELIMINARY

Rev	Amendment	Date
Rev	Amendment	Date
 HARTLEPOOL BOROUGH COUNCIL		
REGENERATION AND NEIGHBOURHOODS DEPARTMENT		
DIRECTOR: Denise McGuckin		
NEIGHBOURHOODS DIVISION		
Building Design & Construction Civic Centre Hartlepool TS24 8AY TEL: 01429 266522		
Client Regeneration/Sport and Rec		
Project Hartlepool Leisure Offer Feasibility		
Title Mill House - Victoria Park Indicative Site Block Plan Leisure Offer		
Drawn SW	Scale 1:500 at A1	Date Jan 2020
Drawing No. 300-91 L005	Rev.	
DWG. LAST UPDATED		DATE: 17/01/2020 TIME: 14:46



Rev	Amendment	Date
1		
 HARTLEPOOL BOROUGH COUNCIL		
REGENERATION AND NEIGHBOURHOODS DEPARTMENT		
DIRECTOR: Denise Ogden		
NEIGHBOURHOODS DIVISION		
Colin Bolton Building Design & Construction Manager Civic Centre Hartlepool TS24 8AY TEL: 01429 266522 FAX: 01429 523899		
Client		
Regeneration/Sport and Rec		
Project		
Hartlepool Leisure Offer Feasibility		
Title		
The Waterfront Indicative Site Block Plan Leisure Offer & Events Space		
Drawn SW	Scale 1:500 at A1	Date Jan 2020
Drawing No. 300-91 L008	Rev.	
DWG. LAST UPDATED		DATE: TIME:

FINANCE AND POLICY COMMITTEE

30 January 2020



Report of: Director of Finance and Policy, and Director of Regeneration and Neighbourhoods

Subject: CAPITAL AND INDIGENOUS GROWTH INVESTMENT PROGRAMME

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to enable Members to determine the Capital and Indigenous Growth Investment Programme and to approve the initial capital budgets for individual projects, as delegated from Full Council on the 19 December 2019 as part of the Budget and Policy Framework decision regarding the Authority's Medium Term Financial Strategy.

2. BACKGROUND

- 2.1 On 19th December 2019 Council approved a Capital Investment Programme budget of £40.895m, consisting of the following resources:

Forecast Capital Investment Pot

	Funding £'m
Prudential Borrowing ##	13.395
TVCA Capital Funding - £20m allocated, less existing commitments to convert Jacksons Landing loan to grant (£1.6m) and TVCA development funding (£0.650m)	17.750
TVCA – Indigenous Growth Fund (IGF) - £10m allocated, less TVCA IGF development funding (£0.250m)	9.750
Total	40.895

The annual repayment costs arising from repaying this borrowing over 40 years is £586,000. This will be funded from recurring revenue savings – Employer's Pension contribution reduction (£440,000), removal of Ward Member Budgets (£66,000) and other budget savings (£80,000).

2.2 Council also approved the following supporting recommendations:

- to delegate authority to Finance and Policy Committee, in consultation with the relevant Policy Committee Chair(s), to approve the detailed business cases for the schemes detailed in paragraph 5.15 (*reference to paragraph in MTFS report – covered in paragraph 2.3 of this report*) to be delivered from the Capital Investment Programme Fund. To note that a further report will be submitted to Finance and Policy Committee in January/February 2020;
- to allocate £0.5m of the available capital funding to enable work to progress on the development of detailed business cases and to delegate authority for the use of these resources to the Chief Executive, in consultation with the Chair of Finance and Policy Committee and Director of Finance and Policy.

2.3 The MTFS report advised Members that the capital priorities to be funded from these resources will include:

- Leisure Facilities – delivery of replacement Mill House, improvement of other existing facilities and demolition of existing Mill House;
- Waterfront – public realm/events space, public art, exhibition space and RML497;
- Cultural assets - Borough Hall, Town Hall, Art Gallery and Headland band stand area;
- Attracting Investment / Business Park Investment;
- Shades – will be based on successful Heritage Lottery Fund bid;
- Wingfield Castle;
- Neighbourhood Improvement Plan.

2.4 The delivery of these priorities will depend on the detailed specification, costs and project milestones for individual projects. This work is underway and further details are provided later in this report to enable Members to approve indicative budgets for individual schemes.

3. PROJECT APPROVAL AND MANAGEMENT ARRANGEMENTS

3.1 Delivery of this level of capital investment will need careful management and a phased implementation programme to ensure the overall programme can be delivered within the overall funding limit. Therefore, to manage this programme it is recommended that the following approval arrangements are adopted:

- **Stage 1** - Approval of indicative budget allocations for individual projects

This stage is covered by this report as detailed in section 4.

- **Stage 2** - Development of detailed schemes and business case to RIBA stage 3.

This stage will define the detailed project specification to enable the Council to undertake the appropriate tendering/procurement exercise. This will include allocating the indicative budget between project fees (net of costs incurred at stage 1) and funding for physical construction.

- **Stage 3** – Acceptance of tenders

If contract costs are within the budget limit approved at stage 2 the individual projects will be progressed to the delivery stage.

If contract costs exceed the indicative budget allocation, or external grant funding cannot be secured where this is needed for specific projects, an additional report will be submitted to Finance and Policy Committee to determine a strategy for managing this position.

- **Stage 4** - Project delivery

This stage will involve the physical construction of the new facility or asset. Actual expenditure will continue to be closely managed as any variation from the approved budget which cannot be managed by value engineering the individual project will reduce the funding available for other projects not approved at stage 3.

Progress in delivering individual projects against the approved budget will be reported in the normal quarterly capital management reports submitted to Finance and Policy Committee.

4. **UPDATED CAPITAL PROGRAMME INVESTMENT POT**

- 4.1 The final Medium Term Financial Strategy (MTFS) report to be considered by Finance and Policy Committee on 10th February 2020 and Council on 20th February 2020 will provide an update on the 2020/21 provisional Local Government Finance Settlement (the provisional settlement), which was issued on 20th December 2019. The report will also include an update of local factors which could not be finalised until the provisional settlement had been issued.
- 4.2 In relation to the provisional settlement the Government has stated that “Core Spending Power for local authorities in England will rise from £46.2 billion to £49.1 billion in 2020/21. This is an increase of £2.9 billion, or an estimated 4.4% in real-terms”.
- 4.3 An analysis of national figures shows that the Core Spending Power increase consists of two components:

- **45% (£1.3 billion)** of the overall increase relates to increases in Government funding. This includes the additional £1 billion provided for Social Care;
- **55% (£1.6 billion)** of the overall increase relates to increases in Council Tax income.

4.4 The split in the increase in Core Spending Power highlights the continued shift in funding of local services from national funding on to Council Tax.

4.5 The provisional settlement provides the Council with Government revenue funding of £28.133m, which is £14,000 more than forecast in the December MTFS. In addition, updated calculations in relation to local factors will provide additional resources of £76,000. For planning purposes these resources are anticipated to be recurring in 2020/21 and future years.

4.6 As further work has progressed in relation to the previously identified capital priorities it has been determined that indicative costs exceed the funding approved in the December MTFS. It is therefore recommended that additional recurring resources detailed in the previous paragraph are used to support additional Prudential Borrowing of £2 million. This additional funding is reflect in the next section. However, this is subject to formal approval by this Committee and Council. If this additional funding is not approved a further report will need to be considered to prioritise capital proposals within the original lower funding envelope.

4.7 **Town Deal Funding**

4.8 Hartlepool has been chosen as one of 100 places that have been invited to develop proposals for a Town Deal, as part of the Government's £3.6bn Towns Fund. Capacity funding has been provided to develop a Town Centre Masterplan that will set out a programme of transformative structural changes that will enable Hartlepool Town Centre to evolve and adapt in response to the challenges of vacant retail space, declining footfall, declining market share, limited end user/occupier demand, poor quality public realm and a fragmented retail and leisure offer within the town. The masterplan will then form the basis of a Town Deal between the Council and central Government facilitating the release of additional funds up to £25M, for the regeneration of the central area of Hartlepool, to regenerate the area and address connectivity issues between the Waterfront and Town centre, the shopping centre and York Road as well as taking in the current Mill House location and HUFC area of the town.

5. **APPROVAL OF INDICATIVE BUDGET ALLOCATIONS FOR INDIVIDUAL PROJECTS**

5.1 An initial assessment of the anticipated costs of delivering the schemes detailed in paragraph 2.3 has been completed. In addition, for some specific schemes the Council may be able to secure external funding, or achieve a capital receipt, or allocate section 106 monies.

- 5.2 In some cases the Council will only secure external funding by providing match funding from its own resources. Securing these additional resources is not guaranteed as the Council will be in competition with other councils. In some cases the Council is at an advanced stage of discussion with external funders, most notably in relation to Heritage Lottery Funding for Shades.
- 5.3 For planning purposes the achievement of these additional resources will reduce the call on the Council's own Capital Investment Programme pot and therefore increase the overall investment in the town. On the assumption that all current proposals for external funding are successful the Council could secure an additional £9.504m of capital resources. If additional external grant funding cannot be secured the Council will either need to scale back these priorities, or reduce Council funding for other priorities.
- 5.4 Details of the overall capital programme are summarised below and the table shows that:
- **Waterfront projects** - these projects are 93% (£36.550m) funded from TVCA and Council borrowing. The remaining funding still to be secured totals £2.880m, which includes of £2m forecast Sport England funding towards the Strategic Leisure attraction and £0.680m of sponsorship for the Waterfront Public Art projects;
 - **Culture Projects** - delivery of these is dependent on securing external grants which will fund 55% (£2.7m);
 - **Other Projects** - delivery of these is dependent on securing external grants which will fund 44% (£3.924m), which includes significant forecast Heritage Lottery grant for the Shades scheme.

Funding Sources	Waterfront projects £'m	Culture Projects £'m	Other £'m	Total £'m
Approved TVCA funding	17.750	0	0	17.750
Approved TVCA IGF	6.999	1.700	1.051	9.750
Approved TVCA ISQ2	0	0	0.300	0.300
HBC Highways funding	0	0	0.500	0.500
Approved Prudential Borrowing (includes additional £2m to be approved February 2020)	11.801	0.500	3.094	15.395
Total Approved Funding	36.550	2.200	4.945	43.695
Potential External Grant Funding	2.880	2.700	3.924	9.504
Total Funding	39.430	4.900	8.869	53.199

- 5.5 Details of the indicative budget allocations for individual projects are set in **CONFIDENTIAL APPENDIX A 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).**

6. OTHER CONSIDERATIONS

- 6.1 At this stage there are no specific considerations in relation to the issues detailed below. These issues will be considered as individual projects are developed and will be addressed in future reports:
- Risk Implications
 - Financial Considerations
 - Legal considerations
 - Consultation
 - Child and Family Poverty considerations
 - Staff considerations
 - Asset Management considerations
 - Equality and Diversity considerations

7. RECOMMENDATIONS

- 7.1 It recommended that Members:
- (i) Note that the final MTFS report to be consider by this Committee on 10th February 2020 and then referred to Council on 20th February 2020 will recommend using the additional 2020/21 recurring revenue funding of £90,000 to support additional Prudential Borrowing of £2 million to increase the Capital Investment Programme pot;
 - (ii) Approve the project management and approval arrangements detailed in section 3;
 - (iii) Approve the initial budget allocations detailed in **CONFIDENTIAL APPENDIX A 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);**
 - (iv) To note that the initial budget allocations referred to in recommendation (iii) include the £0.5m allocated to enable work to progress on the development of detailed business, which is delegated to the Chief Executive, in consultation with the Chair of Finance and Policy Committee and Director of Finance and Policy;

- (v) To note that recommendation (iii) excludes TVCA development funding of £0.650m and TVCA IGF development funding of £0.25m, which will be used for development of detailed business cases and managed by the Chief Executive, in consultation with the Chair of Finance and Policy Committee and Director of Finance and Policy;
- (vi) To note that once contract prices are available these details will be reported to Finance and Policy Committee as part of an open public report. Adopting these arrangements will ensure the Council can secure the best possible contractual terms;
- (vii) To note that progress against the final approved budget will be included in the regular financial management reports submitted Finance and Policy Committee.

8. REASON FOR RECOMMENDATIONS

- 8.1 To enable Members to approve the framework for managing the schemes to be funded from the Capital Investment Pot and to approve the initial capital budgets for individual schemes.

9. CONTACT OFFICER

Chris Little
Director of Finance and Policy
Email: chris.little@hartlepool.gov.uk
Tel: 01429 523003

Sign Off:-

Chief Executive	<input checked="" type="checkbox"/>
Director of Policy and Finance	<input checked="" type="checkbox"/>
Chief Solicitor	<input checked="" type="checkbox"/>