

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 25 April 2022

at 10.00 am

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

Those wishing to attend the meeting should phone (01429) 523568 or (01429) 523019 by midday on Friday 22 April and name and address details will be taken.

You should not attend the meeting if you are displaying any COVID-19 symptoms (such as a high temperature, new and persistent cough, or a loss of/change in sense of taste or smell), even if these symptoms are mild. If you, or anyone you live with, have one or more of these symptoms you should follow the [NHS guidance on testing](#).

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors Brash, Brown, Fleming, Harrison, Lindridge, Little, Moore, D Nicholson, Prince, Stokell and Young.

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 14 March 2022.
- 3.2 To receive the minutes of the meeting of the Safer Hartlepool Partnership held on 6 December 2022.
- 3.3 To receive the minutes of the meeting of the Health and Wellbeing Board held on 29 November 2021.

4. BUDGET AND POLICY FRAMEWORK ITEMS

No items.

CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE

In the event of a fire alarm or a bomb alarm, please leave by the nearest emergency exit as directed by Council Officers. A Fire Alarm is a continuous ringing. A Bomb Alarm is a continuous tone. The Assembly Point for everyone is Victory Square by the Cenotaph. If the meeting has to be evacuated, please proceed to the Assembly Point so that you can be safely accounted for.

5. KEY DECISIONS

- 5.1 Household Support Fund - *Director, Children and Joint Commissioning Services and Director of Resources and Development*
- 5.2 Option to Lease Land at Hartmoor for Energy Storage – *Director of Resources and Development*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Town Deal Business Cases – Health and Care Academy and Civil Engineering Academy – *Director of Resources and Development*
- 6.2 Rossmere Pitches - St Francis FC – *Director of Resources and Development*

7. ITEMS FOR INFORMATION

No items.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

14 MARCH 2022

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

Present:

Councillor Shane Moore (In the Chair)

Councillors: Paddy Brown, Tim Fleming, Brenda Harrison, Jim Lindridge, Sue Little, David Nicholson, Amy Prince, Cameron Stokell and Mike Young.

Also Present: Councillor Rachel Creevy as substitute for Councillor Jonathan Brash in accordance with Council Procedure Rule 4.2.

Officers: Denise McGuckin, Managing Director
Hayley Martin, Chief Solicitor
Chris Little, Director of Resources and Development
James Magog, Assistant Director, Finance
Claire McLaren, Assistant Director, Corporate Services
Beverley Bearne, Assistant Director, Development and Growth
Sally Robinson, Director of Children's and Joint Commissioning Services
Danielle Swainston, Assistant Director, Joint Commissioning
Jill Harrison, Director of Adult and Community Based Services
Gemma Ptak, Assistant Director, Preventative and Community Based Services
Tony Hanson, Director of Neighbourhoods and Regulatory Services
Ed Turner and Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

78. Apologies for Absence

Councillor Jonathan Brash.

79. Declarations of Interest

Councillors Young, Harrison and Little declared personal interests.

80. Minutes of the meeting held on 14 February 2022

A Members questioned why minutes did not refer to specific Members by name or political groups. The Chief Solicitor stated that it was custom and practice not to name Elected Members in minutes other than by position,

unless specifically requested. Political group names were also avoided where possible to remove any overt politicisation of the minutes.

81. Capital Receipts Strategy (*Director of Resources and Development*)

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to seek approval of a Capital Receipts Strategy to support Capital Programme inflation contingency.

Issue(s) for consideration

The Director of Resources and Development outlined a proposed new Capital Receipts Strategy to support the Capital Programme based on the proposed sale of council owned land and property set out in an appendix to the report. As part of the MTFS recommendations approved by Council existing one off resources of £1.680m, plus what can be raised from additional capital receipts over the next 2 to 3 years would be earmarked as a capital inflation contingency. Based on achievement of forecast additional capital receipts the total capital inflation contingency is £5.680m which included additional potential capital receipts in the years 2022/23 to 2024/25 of £4m. The contingency would help manage inflation risk in relation to a capital programme in excess of £100m.

A Member requested that the individual land and property sales should only be approved as detailed proposals were brought forward for each site. The Director stated that would be the case. The Managing Director added this approval was required to actively market the sites.

There was no dissent to the following decisions.

Decision

1. That the proposed land sales detailed in Appendix A be approved, subject to recommendation 2;
2. That separate reports for each individual land/property sale being submitted to this Committee once tenders have been received and assessed;
3. That that progress in achieving land sales be noted and reported within the regular financial monitoring reports.

82. Domestic Abuse Strategy *(Director of Children's and Joint Commissioning Services)*

Type of decision

Key Decision (test (i)/(ii)) Forward Plan Reference No. CJCS 124/21.

Purpose of report

To seek Finance and Policy Committee to approval the Domestic Abuse Strategy 2022.

To seek approval to the recommissioning of Domestic Abuse Services – which includes Safe accommodation and support services.

Issue(s) for consideration

The Assistant Director, Joint Commissioning reported that the draft Domestic Abuse Strategy submitted with the report had received wide ranging consultation and included the input of those that had utilised the past services to gain a better understanding of the support they required. The Safer Hartlepool Partnership had considered the strategy on 6 March and had made no additions/amendments to the draft document. The Assistant Director highlighted that the strategy reflected the new statutory requirements placed on the local authority as set out in the Domestic Abuse Act 2021. It was highlighted that further statutory guidance from Government was still awaited.

The Assistant Director also sought the Committee's approval to commence a commissioning process for domestic abuse support services as the current contract was due to expire in September 2022. A service specification will be produced which will be based on our priorities set out in the strategy. It is proposed that a contract will be for three years with an option to extend for a further two years dependent on performance and budget. This will allow for continuity for services users and offer stability for the provider to develop innovative services to meet need.

Members acknowledged the positive impact these services had had over recent years. Members did consider that some additional work may be required to support and identify male victims of domestic abuse as they did this was significantly under-reported. The Assistant Director acknowledged this and also commented that there may still be some under-reporting of cases following the Covid-19 pandemic. There would also be some work with the perpetrators of domestic abuse specifically round removing the abuser from a family home rather than the victim and children.

There was no dissent to the following decisions.

Decision

1. That the Domestic Abuse Strategy, as detailed at Appendix A to the report, be approved.
2. That the recommissioning of Domestic Abuse Services – which includes Safe accommodation and support services – be approved.

83. Borough Hall Capital Project (*Director of Adult and Community Based Services*)**Type of decision**

Key Decision, test (i). General Exception Notice applies.

Purpose of report

To update the Finance and Policy Committee regarding the Borough Hall Capital Project and approve the grant offer of £1.8m from HM Treasury.

Issue(s) for consideration

The Assistant Director, Preventative and Community Based Services reported that the Finance and Policy Committee on 30 January 2020 approved the allocation of Indigenous Growth Fund (IGF) Funds for the development of a number of cultural assets including the Borough Hall. In January 2021 Members agreed that IGF Funding allocated to develop a number of Cultural Assets should be reallocated to focus on the delivery of the Borough Hall so that a scheme could commence. Since then, HM Treasury had offered an additional funding grant of £1.8m in March 2021 which had now been secured from the Arts Council, England as the administrative body for this funding.

This additional funding would ensure that improvements could be made to additional areas of the Borough Hall outside of the mechanical and engineering, cosmetic and ventilation requirements and ensure some of the ancillary spaces that make a significant difference to securing performers and improving customer experience can be fulfilled.

Terms and Conditions that accompany the £1.8m grant from the Arts Council were required to be approved by Finance and Policy Committee. These Terms and Conditions included the requirement for a Deed of Covenant between Hartlepool Borough Council (the organisation), and Arts Council England (as funder) with restriction on title over the freehold of the Project Asset for a period of 20 years.

There was a total £3m investment for capital improvements. £1.8m from DCMS and £1.2m previously approved through Capital Investment Programme. Revenue funding would continue to be required to run the project. This would be further detailed in the Business Case to be

produced. The future Business Case would require approval from Finance and Policy Committee. This would then enable Tees Valley Combined Authority (TVCA) to approve the IGF grant for drawdown.

The Chair commented that it had been disappointing the previous works had not commenced due to the Covid-19 pandemic but this new additional funding would allow the Council to re-animate a valued community asset. Members welcomed the proposals. There were questions around the future marketing of the venue and the Assistant Director stated that while there was expertise within the Council, the department and the Communications Team would also have input from neighbours and 'critical friends' in developing an appropriate marketing strategy. Members also questioned the restrictions included with the Arts Council grant funding and the Assistant Director undertook to share further information with Members.

There was no dissent to the following decisions.

Decision

1. That the update regarding the refurbishment of the Borough Hall be noted.
2. That the funding agreement with Arts Council England for the £1.8m grant be approved.

84. Sale of Land at Coronation Drive *(Director of Resources and Development)*

Type of decision

Key Decision (test (i)) Forward Plan Reference No. CE 74/21.

Purpose of report

The purpose of the report was to seek approval for the sale of residential development land at Coronation Drive.

Issue(s) for consideration

The Director of Resources and Development reported on the sale of the 5.6 ha (13.82 acres) of land adjoining Coronation Drive and Warrior Drive and set out the history of the site, its remediation needs and the previous attempts to sell the land. Following discussions with a major developer specialising in residential urban regeneration, a substantial offer for purchase of the land was received in late 2020. A report was considered by Committee on 15th March 2021 which noted the offer received and allowed the developer to investigate the site further to assess the detailed remediation required. This also required the submission of this further report to enable Members to consider the proposed sale terms in relation to the actual value of the capital receipt and section 106 contributions.

The Director outlined the proposed scheme now put forward for the land which would require full planning consideration and the details of the proposed S.106 agreement which were set out in confidential appendices to the report. The appendices contained 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 Director stated that the Council's own technical officers had examined the proposals put forward by the proposed purchaser and could assure Members that the proposed remediation scheme was appropriate for the site. Members questioned this aspect of the proposal referring to the previous problems encountered by the Council with nearby land that had been contaminated and required remediation after houses had been constructed. The Managing Director assured Members that everything would be done ensure the developer removed the contamination on the site. The statutory requirements around removing contamination on proposed housing sites were now much different and stricter than in the past.

It was also suggested that ward Councillors should be involved in the process of determining the schemes supported by the S.106 monies. The Managing director confirmed this would be the case and a Seaton Ward Councillor stated that they had already been consulted.

There was no dissent to the following decisions.

Decision

1. That the sale of the land in the terms set out in the confidential appendix to the report be approved. The appendix contained 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).
2. The Committee noted that this capital receipt would form part of the Capital Receipts Strategy as approved at Minute No. 81.

85. Land Rear of Sovereign Park (*Director of Resources and Development*)

Type of decision

Key Decision (test (i)) Forward Plan Reference No. CE 79-22.

Purpose of report

The purpose of the report was to seek approval to release a restrictive covenant on land at the rear of Sovereign Park and for the sale nearby land fronting Seaton Lane.

Issue(s) for consideration

The Director of Resources and Development reported that the Council had been approached by Hansteen Property Investment Ltd regarding the release of a covenant on land they own at Sovereign Park which was part of a much larger area of undeveloped land. Hansteen Property Investments Ltd specialises in industrial property and the Hansteen land was identified as employment land within the current Local Plan, but site conditions made it presently unviable for commercial/industrial development. Hansteen had in the past marketed their land for sale for industrial purposes but without any success, and they had also not been able to develop the land directly for industrial use due to severe financial viability issues and lack of demand.

Use of the land for housing was, however, considered to be viable, and able, through careful design, to overcome the various challenges of the site. This was because of the higher end use and selling price of housing compared to industrial purposes. The purchase of the land by the developer would still be subject planning approval and the release of a restrictive covenant restricting the use of the land to industrial development.

Following lengthy negotiations terms had, therefore, been proposed for the Committee's consideration and approval to release of the restrictive covenant. The terms proposed for the covenant release and land sale were set out in a confidential appendix to the report. The appendix contained 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).

Members welcomed the proposal and commented that there had been incidents of anti-social behaviour associated which development would resolve. Members noted that there was also a public right of way across the land. The Managing Director stated that would be considered at the planning stage.

There was no dissent to the following decision.

Decision

That the covenant release and sale of the land on the terms set out in confidential appendix to the report be approved. The appendix contained 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).

86. Tees Valley Energy Recovery Facility – Local Authority Special Purpose Vehicle *(Managing Director)*

Type of decision

Key Decision (test (i) and (ii) apply) Forward Plan Reference No.CE75/21.

Purpose of report

The purpose of the report included:

- (i) An update to Members regarding all aspects of the TV ERF project (including planning, landowner, procurement process, the development of the Project Agreement and other project documents).
- (ii) The rationale for setting up the Local Authority Special Purpose Vehicle and how this will be governed as well as the commercial principles as to how costs / liabilities shall be shared between the seven Councils over the term of the Project.

Issue(s) for consideration

The Managing Director reported on the culmination of a number of years work bringing together seven North East local authorities to procure a contractor to design, build, operate and finance a new Energy Recovery Facility to be located in the Tees Valley (TVERF). All existing waste treatment / disposal contracts were due to expire in 2025/26 and, therefore, a new Residual Waste Treatment Contract must be procured in order to allow for the new facility to be constructed and fully commissioned in preparation for this. The service commencement date for the new facility is the 1 April 2026.

A detailed project update, detailed description of the proposals and reasons for recommending were contained within the confidential report submitted with the agenda papers. The report contained 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 Managing Director stated that this was an exciting development for the North East providing a renewable electricity source equivalent to powering over 60,000 homes. The facility is being designed to be Carbon Capture and Underground Storage ready in preparation for the connection to the East Coast Cluster, meaning that the facility has the potential to be among the first purpose-built facilities that incorporates CCUS technology and could become a negative carbon dioxide emitter by the end of 2027.

Contributing significantly to the Councils ambitions to become carbon neutral.

The Chair welcomed the proposals set out in the report. The Chair stated that this development and the proposals now brought to Members were all due to the drive of the Managing Director and her team. This was a huge scheme, both regionally and nationally significant, and had been delivered by the Managing Director of the smallest authority involved in the project. The Chair congratulated the Managing Director and her team for delivering this project.

Members welcomed the proposals put forward in the reports and also echoed the Chair's comments in relation to the work of the Managing Director. There were questions in relation to the end date for the contract and the return of the facility from the contractor to the local authorities. The Managing Director stated that the contract would require the contractor to ensure the facility was continually 'up-to-date' and in compliance with current and future regulations.

The Managing Director thanked Members for their comments and highlighted the support she had received from the Director of Resources and Development and others during the development of the scheme.

There was no dissent to the following decisions.

Decision

1. The Committee noted the following point.

The seven Councils entered into and fully executed the First Inter Authority Agreement on 24th July 2020 to procure a contractor to design, build, finance and operate a new Energy from Waste Facility in the Tees Valley. The decision to proceed to Financial Close and enter into the Project Documents was delegated to the 'Project Board' (consisting of representatives from each of the seven Councils), whilst recognising that each Council will need to obtain approval individually through its governance process, in order for that Council to enter into the Project Documents.

2. The Committee approved the creation of the Local Authority Special Purpose Vehicle (LA SPV)

A Local Authority Special Purpose Vehicle (LA SPV) is required to be established as a Limited Company incorporated and registered at Companies House. It will be the Contracting entity representing the seven Councils (the Shareholders) and will enter into the Project Agreement with the successful Contractor and the lease with STDC (Teesworks) for the site.

3. The Committee approved the Council entering into the Shareholders' Agreement and delegated authority to the Managing Director (in consultation with the Chair of Finance and Policy Committee and Director of Resources and Development and Section 151 Officer) to finalise and agree.

The regulation and management of the LA SPV shall be governed by the Shareholders' Agreement (SHA). Each Council (Shareholder) will be required to formally enter into the Shareholders' Agreement approximately three months in advance of the Project Agreement being entered into with the successful Contractor (Financial Close).

4. The Committee noted the following point.

There will be a Service Level Agreement between HBC and the other councils to provide support services to the LA SPV. The Service Level Agreement is required to be formally entered into by the seven Councils in parallel with the Councils entering into the Shareholders' Agreement.

5. The Committee noted the following point.

The terms of the commercial arrangements between the seven Councils (the Shareholders) in relation to the LA SPV shall be defined and governed by the Waste Supply and Support Agreement (WSSA). The WSSA is required to be formally entered into by the seven Councils (Shareholders) in parallel with the LA SPV awarding the Contract and entering into the Project Agreement with the successful Contractor.

Members approved the delegation of authority to the Managing Director (in consultation with the Chair of Finance and Policy Committee and Director of Resources and Development, Section 151 Officer) to finalise and enter into the Waste Supply and Support Agreement with the LA SPV and to provide Delegated Authority from the Councils' perspective for the LA SPV to award the Contract and enter into the Project Agreement with the successful Contractor (Financial Close), and to enter into the 50-year lease with STDC (Teesworks) for the site.

6. Members approved the delegation of authority to the Managing Director (in consultation with the Chair of Finance and Policy Committee, supported by Director of Resources and Development and Chief Solicitor) to enter into the Council Guarantees.

Each Council will be required to enter into two 'Council Guarantees'. The first will be to provide resilience to the LA SPV and to provide comfort to the Contractor that the LA SPV is fundamentally robust to meet its obligations under the Project Agreement. The second is to

underwrite the LA SPV's obligations (rent etc.) under the 50- year lease for the site.

7. Members approved the delegation of authority to the Managing Director (in consultation with the Chair of Finance and Policy Committee, supported by the Director of Resources and Development and Chief Solicitor) to finalise and agree the Business Plan and provide sufficient resources to allow the LA SPV to reach Financial Close and then to monitor and manage the Contract on behalf of, and with, the Councils for the term.

A Business Plan for the LA SPV has been produced which details the 'structural' and operational costs of the Company.

87. HR Policy – Revised Bereavement Policy and Procedure *(Assistant Director, Corporate Services)*

Type of decision

Non Key Decision.

Purpose of report

The purpose of the report was to seek Finance and Policy Committee approval for a revised Bereavement Policy and Procedure.

Issue(s) for consideration

The Assistant Director, Corporate Services reported that the current Bereavement Policy was to grant 3 days as standard to all employees and a further 2 days for extenuating circumstances at the discretion of the manager with criteria around the closeness of the relationship. An employee could also receive a paid half day to attend a funeral. It was proposed to revise the policy to incorporate up to 4 weeks paid leave for all employees on the death of an immediate relative, which included the new 2 week statutory entitlement for Parental Bereavement. Time off (1/2 day paid leave) to attend a funeral would remain in the policy.

The Chair and Members welcomed the proposed revisions to the policy.

There was no dissent to the following decision.

Decision

That the submitted revised Bereavement Policy and Procedure be approved.

88. ICT Contract 2023 Progress Update *(Director of Resources and Development)*

Type of decision

Non-key decision.

Purpose of report

The purpose of this report is to update Finance and Policy Committee on preparations for the new ICT contract from October 2023 and for members to consider the weighting of Social Value in assessing tender submissions.

Issue(s) for consideration

The Director of Resources and Development reported that the Committee agreed on 12 July 2021 for an independent Value for Money (VFM) review of the current contract with NEC to be carried out by SOCITM Advisory Limited. It was also agreed that an update report would be provided once the VFM review was complete. The VFM review had been completed and the Corporate Management Team had considered the findings and recommendations. The VFM report confirmed that the Council's existing contract provides VFM as the cost per user of £2,437 compares favourably with comparative authorities which range from £2,500 to £3,500. Further work needed to be undertaken to determine if there is a business case to increase ICT spend in terms of improving services and / or, increasing efficiency. This will be subject to a future report to Members.

The report set out the revised project plan and key milestones for the new contract. In terms of the social value element of the contract, the report detailed the issues that were considered to impact on both the financial and non-financial benefits of social value. With the impact of recent events in Ukraine, rising energy prices and increasing inflation it was proposed that an evaluation criteria of 10% Social Value be retained for the new contract.

The Chair commented that the changes made in working practices due to the Covid-19 pandemic had never been envisaged at the commencement of the contract and questioned if there was to be some flexibility to be included in the new contract for the potential changes in the future. The Director commented that the change to working at home hadn't been the smoothest but the current contract had been driven solely by price last time which was why Hartlepool's comparative spend was at the lower end of the scale.

Some Members were concerned at the differentiation between social value to Hartlepool and what could be seen as a genuine corporate social responsibility for those companies that may come forward for the contract. The Managing Director referred to the recent meeting of the Economic Growth and Regeneration Committee which had approved an Officer Working Group to look at the wider issues around social value.

Members commented that there was a need to input more money into robust IT systems. On social value some Members expressed a desire to see more local businesses involved. There was also a need to ensure contractors internal policies were up-to-date and reflected current legislation.

There was no dissent to the following decisions.

Decision

1. That the progress made to date and revised timetable be noted.
2. That the proposal to maintain the existing contract evaluation weighting 10% for Social Value with the remaining 90% weighting determined in conjunction with SOCITM to reflect current evaluation methods be approved.

89. Workers' Memorial Day *(Assistant Director, Corporate Services)*

Type of decision

Non Key decision.

Purpose of report

The purpose of the report was to present a request from the Hartlepool Joint Trades Union Committee (HJTUC) for the Council to continue to recognise and support Workers Memorial Day on Thursday 28th April 2022.

Issue(s) for consideration

The Assistant Director, Corporate Services reported that a letter had been received from HJTUC (which was appended to the report) seeking Council support for the arrangements for Workers Memorial Day.

The Chair commented that he was very supportive of the arrangements for Workers Memorial Day and the request for support for events from the HJTUC and considered that the Council should commit to those for future years so the request did not need to come before Members each year.

There was no dissent to the following decisions.

Decision

1. That approval be given to promoting a minutes silence in all public buildings and to staff/public at 12.30pm on Thursday 28th April 2022 in remembrance of 'those workers who have lost their lives through industrial accident or disease'.

2. That approval be given to lowering of flags on public buildings on Thursday 28th April 2022
3. That approval be given to promoting / publicising and assisting with the event.
4. That approval be given to the use of Council Premises on Thursday 28th April 2022 for the service and for guests before / after the Workers Memorial Day Service and Wreath Laying Ceremony.
5. That these arrangements be supported in future years.

90. Council Tax Energy Bills Rebate (*Director of Resources and Development*)

Type of decision

Non Key decision.

Purpose of report

The report sought to;

- Provide members with an update on the operation of the non-discretionary Council Tax Rebate scheme that covers council tax bands A-D; and
- Seek member approval for the Discretionary Scheme that covers the approach to council tax bands E to H and households where no council tax liability exists.

Issue(s) for consideration

The Director of Resources and Development outlined the announcement from government on the 3 February 2022 of a package of support to help households with rising energy bills. Detailed scheme guidance was issued on the 23 February 2022. In addition to a £200 discount on energy bills to be repaid over 5 years, the package included two support streams administered by Local Authorities;

- A £150 non-repayable rebate to households in council tax bands A-D known as the Council Tax Rebate; and
- A £144 million discretionary fund for billing authorities to support households in need but are not eligible for the main scheme.

The report set out the details of the Discretionary Scheme as it was understood by officers at the date of the meeting though there was the potential of further changes to the scheme by government. In light of this, the Director tabled two further options to the three set out in the report for Members consideration in relation to the Discretionary Scheme. These additional options would only apply if the government formally confirmed

changes to the scheme that they have recently indicated they will make. The Director requested that Members consider two decisions, one for the current situation and one if the scheme details were changed by government.

The Chair thanked the Director and the Assistant Director (Finance) and their team for their work on these two announcements from central government which would require significant work to implement. The Chair stated that he had given the options in the report a lot of thought and had decided to propose to Members that the Committee support Option 3, the payment of £150 to all Band E properties as he considered it presented a benefit to the greatest number of households across the town. The Chair also stated that he would propose this option regardless of whether the government may amend the scheme regulations prior to implementation. This proposal was seconded. Members spoke to support this option.

The Committee considered the first decision requested by the Director of Resources and Development and on a majority vote of 9 for with 1 abstention, the adoption of Option 3 was agreed.

In relation to the second decision requested by the Director, in relation to the option to follow if the government subsequently changed the scheme further, on a majority vote of 9 for with 1 abstention, the adoption of Option 3 was agreed.

Decision

1. That the Council Tax Rebate Scheme and eligibility criteria for the main scheme applying to Band A to D properties be noted.
2. That with regard to the Discretionary Scheme as it currently stands at the date of this meeting, the proposals set out in section 5 be approved, and that Option 3, the payment of £150 to all Band E properties, be adopted.
3. That with regard to the Discretionary Scheme, if the Government revised the scheme following the date of this meeting, the proposals set out in section 5 be approved, and that Option 3, the payment of £150 to all Band E properties, be adopted.

91. COVID-19 Additional Relief Fund Scheme (CARF) (Director of Resources and Development)

Type of decision

Non Key decision.

Purpose of report

The report sought member approval for a discretionary Covid-19 Additional Relief Fund Scheme (CARF) for Non-Domestic Ratepayers for the 2021/22 financial year following notification of a government Section 31 grant.

Issue(s) for consideration

The Assistant Director, Finance reported on a proposed discretionary Covid-19 Additional Relief Fund Scheme (CARF) for Non-Domestic Ratepayers for the 2021/22 financial year following notification of a government Section 31 grant. The government had confirmed it would not change legislation regarding business rates reliefs, as such Local Authorities were required to provide relief using discretionary powers under Section 47 of the Local Government Finance Act 1988. In doing so it is up to Local Authorities to devise their own local scheme and implement it. The relief is available to reduce chargeable amounts in respect of 2021/22.

The government will reimburse Local Authorities to the amount of relief provided via a Section 31 grant, so long as guidance is followed, up to the maximum allocation provided. For Hartlepool that allocation is £1,585,445 and a detailed scheme was set out in the report. All eligible business will be written to during March with an award notice and revised bill.

A member questioned if there was any 'resilience reports' showing how many businesses had survived the pandemic due to the support provided by government. The Director commented that there was no specific information but that an analysis of business rates may provide some information. The belief was that it had helped but officers had been focussed on making the payments to businesses rather than gathering information.

Members were concerned that some smaller businesses such as taxi drivers and mobile hairdressers may have missed out on any support from the various schemes the government had promoted. The Assistant Director stated that the scheme now reported, relied on businesses having premises registered for business rates, however, for discretionary business grants the Council had supported smaller businesses including those mentioned.

The Chair thanked the Finance team for their work in administering the various government support schemes and the new scheme reported today which would also create a significant amount of work.

There was no dissent to the following decision.

Decision

That the Covid-19 Additional Relief Fund Scheme (CARF) scheme as proposed be approved, including that delegated approval be given to the Director of Resources and Development to vary the level of relief to

maximise the relief awarded in consultation with the Chair of Finance and Policy Committee and the Managing Director.

92. Tall Ships 2023 Progress Report (*Director Adults and Community Based Services*)

Type of decision

For information.

Purpose of report

To provide an update on Tall Ships 2023 and to share progress to date on local planning to be a host port for Tall Ships 2023.

Issue(s) for consideration

The Assistant Director, Preventative and Community Based Services provided a detailed update on the work around the Tall Ships event in 2023.

Members welcomed the update and supported as many young people becoming involved in the event as possible. Members suggested considerations around parking and improvements around the site, particularly access for the disabled. The Managing Director stated that officers would be working with local communities on parking. Members also requested that publicity and social media communications encourage young people and local residents to be involved in the event.

Decision

That the update report be noted.

93. Council Plan 2021-2024 – Progress Update (*Managing Director*)

Type of decision

For information.

Purpose of report

To provide an update to Finance and Policy Committee on the progress made on the delivery of the Council Plan and to share with the Committee the latest version of the Strategic Risk Register.

Issue(s) for consideration

The Managing Director submitted a detail report on the progress made on the delivery of the Council Plan.

Decision

That the report be noted.

94. Corporate Procurement Quarterly Report on Contracts (*Chief Solicitor*)**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 Chief Solicitor provided a detailed update on contracts and tenders approved in the last quarter.

Decision

That the report be noted.

95. Staff Safety Progress Update (*Assistant Director, Corporate Services*)**Type of decision**

For information.

Purpose of report

The purpose of the report was to present Finance and Policy Committee with an update in relation to improvements made to staff safety.

Issue(s) for consideration

The Assistant Director, Corporate Services provide the Committee with an update on the work that had been undertaken to date by the Staff Safety Forum and details of the number of reports of physical and verbal violence and aggression towards Council staff. Details of the key actions that had

been progressed since the last report to the Committee in 2020 were also set out.

Decision

That the report be noted.

96. A19 Grade Separated Junction, Elwick Bypass and Hartlepool Western Link *(Managing Director)*

Type of decision

For information.

Purpose of report

The report provides an update on the A19 Grade Separated Junction, Elwick Bypass and Hartlepool Western Link scheme.

Issue(s) for consideration

The Managing Director provided a detailed update on the progress to date on the Western Link Scheme and the negotiations with land owners. The Managing Director indicated that it may be necessary to progress to Compulsory Purchase Orders (CPOs) for some land but this would be the subject of a further report requiring formal approval. The Chair thanked the Managing Director for the update and hoped that negotiations could be concluded positively rather than requiring CPOs.

Decision

That the report be noted.

97. Any Other Items which the Chairman Considers are Urgent

None.

The meeting concluded at 12.30 pm.

**H MARTIN
CHIEF SOLICITOR**

PUBLICATION DATE: 23 MARCH 2022

SAFER HARTLEPOOL PARTNERSHIP

MINUTES AND DECISION RECORD

6 DECEMBER 2021

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

Present:

Responsible Authority Members:

Councillor Moore, Elected Member, Hartlepool Borough Council (Chair)
Councillor Stokell, Elected Member, Hartlepool Borough Council
Tony Hanson, Director of Neighbourhoods and Regulatory Services
Hartlepool Borough Council
Sylvia Pinkney, Assistant Director, Regulatory Services, Hartlepool Borough Council
Superintendent Emily Harrison, Community Safety, Cleveland Police
David Preston, Cleveland Fire Authority

Other Members:

Craig Blundred, Director of Public Health, Hartlepool Borough Council
Simon Smart, Office of Police and Crime Commissioner for Cleveland
Angela Corner, Head of Community Resilience, Thirteen Group
Sally Robinson, Director of Children's and Joint Commissioning Services, Hartlepool Borough Council

Also Present:

Councillor C Richardson, Non-Voting Observer, Representative of Audit and Governance Committee, Hartlepool Borough Council
Chief Inspector Mark Haworth, Cleveland Police
Susan White and Rachel Bell, Cleveland Police
John Lovatt, Assistant Director, Adult Social Care (as substitute for Jill Harrison, Director of Adult and Community Based Services, Hartlepool Borough Council)

Officers:

Catherine Grimwood, Performance and Partnerships Manager
Phil Hepburn, Enforcement and Car Parking Services Manager
Rachel Parker, Community Safety Team Leader
David Cosgrove, Democratic Services Team

27. Apologies for Absence

Denise McGuckin, Managing Director, Hartlepool Borough Council
Karen Hawkins, Director of Commissioning, Strategy and Delivery, NHS
Tees Valley Clinical Commissioning Group
Ann Powell, Head of Stockton and Hartlepool Probation Delivery Unit

Joanne Hodgkinson, Hartlepool Voluntary and Community Sector Representative
Chief Executive, Safer Communities
Jill Harrison, Director of Adult and Community Based Services, Hartlepool Borough Council.

28. Declarations of Interest

None.

29. Minutes of the meeting held on 20 September 2021

Confirmed.

30. Draft Community Integrated Risk Management Plan 2022-26 (Cleveland Fire Authority)

Issue(s) for consideration

The Cleveland Fire Authority (CFA) representative gave a presentation to the Partnership setting out the priorities in the Community Integrated Risk Management Plan for 2022 to 2026. These were: -

- To Develop our Approach to Risk Management to Reflect Good Practice and Improve the Safety, Health, Wellbeing and Economic Prosperity of our Communities.
- To Build on our Successful Approach to Helping People Stay Safe in their Homes
- To Tackle Arson and Deliberate Fires
- To Ensure our Prevention Activities Remain Efficient, Effective and Deliver Value for Money
- To Enhance our Risk-Based approach to Support Businesses to Keep their Buildings Safe in line with the Fire Safety Order 2005
- To Be Better Prepared to Deal with Incidents Involving Buildings where the Height can have a Serious Impact on Firefighting and Evacuation
- To Ensure That our Firefighters Plan and Prepare to Respond Effectively to Operational Incidents Including Those Across Our Borders
- To Develop Options for Improving the Efficient Deployment of our Emergency Response Resources to Flexibly Meet Current and Future Risks and Demands
- To Be 'Better Together -Working in Partnership

The consultation period on the draft plan continued to 21 January 2022 and the CFA representative encouraged all partners to visit the CFA website and feed into the consultation process on the plan. In response to a question from the Chair, the CFA representative indicated that the majority of the consultation as being carried out online, though there had been a stand in the Middleton Grange Shopping Centre recently and there would

be other such public events. Officers were also handing out copies of the consultation document when undertaking safer homes visits.

An Elected Member questioned how many safer homes visits had been and were propose to be carried out. The CFA representative indicated that even despite the Covid-19 pandemic, just short of 20,000 visits had been undertaken, with the aim of 20,000 visits each year targeting the most vulnerable.

Decision

That the presentation and comments be noted.

31. Community Safety Plan 2021-2024 *(Director of Neighbourhood and Regulatory Services)*

Purpose of report

To present and seek approval from the Safer Hartlepool Partnership for the final draft of the Community Safety Plan 2020-21.

Issue(s) for consideration

The Assistant Director, Regulatory Services presented the finalised version of the draft Community Safety Plan following the consultation period. Members noted the plan and commented that some of the statistics seemed slightly out of date. The Assistant Director stated that they were the most up-to-date published statics at this time, though they would be updated as newer information was published. The draft plan was to be presented to full Council on 16 December for adoption.

Decision

That the Community Safety Plan 2021/24 be approved.

32. Safer Hartlepool Partnership Performance *(Director of Neighbourhood and Regulatory Services)*

Purpose of report

To provide an overview of Safer Hartlepool Partnership performance.

Issue(s) for consideration

The Community Safety Team Leader presented an overview of Safer Hartlepool Partnership performance for Quarter 2, July - September 2021 (inclusive), against key indicators linked to the priorities outlined in the draft Community Safety Plan 2021/24. Given the impact that the Covid-19 pandemic had had, figures for some of the indicators had been included from 2019/20 to provide a more representative comparison. The statistics had also now been updated to include the new Council wards.

Decision

That the report be noted.

33. Evaluation of the Integrated Community Safety Team 2021 *(Neighbourhood Safety Group)***Purpose of report**

To share the recent evaluation of the Integrated Community Safety Team and to ask the Safer Hartlepool Partnership to accept the recommendations and agree the proposed arrangements for their implementation.

Issue(s) for consideration

The Director of Neighbourhood and Regulatory Services presented the review of the Integrated Community Safety Team undertaken by the Neighbourhood Safety Group. The review had been delayed due to the Covid-19 pandemic and the Director thanked the Performance and Partnerships Manager for her work in undertaking the review and preparing the Evaluation report.

The evaluation report identified a series of findings from across the breadth of the service and set out 16 recommendations for the Neighbourhood Safety Group, Safer Hartlepool Partnership and individual partner organisations. The Neighbourhood Safety Group would be developing an action plan that would be reported to the Partnership with actions monitored on a 6-monthly basis.

The Chair welcomed the report and commented that while it did provide some uncomfortable reading it was important that such a review highlight where things needed to be improved so action could be taken. In terms of the collocation of the various partners in the team, the Chair questioned if this had been as valuable over the past 18 months due to the high levels of working at home due to the Covid-19 pandemic. Officers commented that while there had been some hybrid working arrangements, there had also always been officers present in the team with admin support during the pandemic. The Police representatives stated that there was still quick decision making being taken with managers meeting rapidly to respond to issues raised by victims of crime and anti-social behaviour.

The Chair noted that there was now a full complement of Civil Enforcement Officers following some recently newly appointed staff but was concerned that the relevant checks did take some time and asked if there was a means of speeding this process up. The Assistant Director stated that legally, staff to these posts couldn't be appointed until the checks had come back but officers were working to make the process as swift as possible.

A member of the public commended the team on its response to drug issues in the community, particularly around known drug houses. The

action taken was encouraging the public to make more reports as they could see positive action being taken. The Police representatives thanked the public for that feedback as it was positive to know they were making a difference on the ground.

The 101 phone line number was highlighted as an area still causing some concern and the Police representatives reported that this was acknowledged and action was being taken at the Police Control Centre to improve the service.

Decision

1. That the recommendations set out within the evaluation of the Integrated Community Safety Team (appendix 1 to the report) be approved and that the evaluation report be shared within individual partner organisations;
2. That the Neighbourhood Safety Group prepare an action plan to deliver on the recommendations of the evaluation and bring this to the next Safer Hartlepool Partnership meeting for approval;
3. That the Partnership receive monitoring reports from the Neighbourhood Safety Group twice a year on the implementation of the action plan.

34. 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 for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 35 – Serious Violence in Cleveland – 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. 7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

35. Serious Violence in Cleveland *(Cleveland Police)*

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. 7)

Cleveland Police Representatives gave a presentation updating the Partnership on the force's actions and statistics around serious violent crime. Due to the cases reported, the presentation contained information considered exempt under Section 100(A)(4) of the Local Government Act

1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Decision

That the presentation be noted.

36. Any Other Items which the Chairman Considers are Urgent

None.

The Chair highlighted that the next meeting of the Partnership would be held on Monday 7 March 2022 commencing at 10.00 am in the Civic Centre.

The meeting concluded at 11.15 am

CHAIR

HEALTH AND WELLBEING BOARD

MINUTES AND DECISION RECORD

29 November 2021

The meeting commenced at 10 am in the Civic Centre, Hartlepool

Present:

Councillor Moore, Leader of Council (In the Chair)

Prescribed Members:

Elected Member, Hartlepool Borough Council – Councillor Stokell (as substitute for Councillor Cook)

Representatives of NHS Tees Valley Clinical Commissioning Group
– Dr Nick Timlin

Director of Public Health, Hartlepool Borough Council – Craig Blundred

Director of Children's and Joint Commissioning Services, Hartlepool Borough Council – Sally Robinson

Director of Adult and Community Based Services, Hartlepool Borough Council, Jill Harrison

Representatives of Healthwatch – Christopher Akers-Belcher

Other Members:

Representative of the NHS England – Dr Tim Butler

Representative of Tees, Esk and Wear Valley NHS Trust – Elspeth Delaney (as substitute for Brent Kilmurray)

Representative of North Tees and Hartlepool NHS Trust – Stuart Irvine (as substitute for Deepak Dwarakanath)

Representatives of Hartlepool Voluntary and Community Sector – Sylvia Ochuba and Michael Slimings

Representative of GP Federation – Fiona Adamson

Observer – Statutory Scrutiny Representative, Hartlepool Borough Council – Councillor Feeney

Also in attendance:-

Darren Best, Independent Chair, Teeswide Safeguarding Adults Board

Carl Jorgeson, Voluntary and Community Sector.

Officers: Joan Stevens, Statutory Scrutiny Manager
Amanda Whitaker, Democratic Services Team

23. Apologies for Absence

Elected Members, Hartlepool Borough Council – Councillors Cook, Howson, and Tiplady

Representative of NHS Tees Valley Clinical Commissioning Group – Karen Hawkins
Representative of Healthwatch –Margaret Wrenn
Managing Director, Hartlepool Borough Council – Denise McGuckin
Representative of Headteachers – Sonya Black
Representative of Tees, Esk and Wear Valley NHS Trust – Brent Kilmurray)
Representative of North Tees and Hartlepool NHS Trust –Deepak Dwarakanath)

Prior to the commencement of the meeting, the Chair welcomed the recently appointed representatives of the voluntary and community sector.

24. Declarations of interest by Members

None.

25. Minutes

The minutes of the meeting held on 15 October 2021 were confirmed.

26. Hartlepool and Stockton-on-Tees Safeguarding Children Partnership Annual Report 2020-21

The 2020-21 Annual Report had been circulated to the Board. The Director of Children & Joint Commissioning Services highlighted the salient issues included in the report. It was noted that the Annual Report would usually be presented to the Board by the Independent Chair of the Partnership. However, the Independent Chair had recently retired. Prior to consideration of recruiting new Independent Chair, a review of governance was being undertaken to ensure the requirement for independent scrutiny is undertaken in a way that adds greatest value to the Partnership.

Decision

The report was noted.

27. Teeswide Safeguarding Adults Board Annual Report 2020-21 *(Director of Adult and Community Based Services and Independent Chair of Teeswide Safeguarding Adults Board)*

The Teeswide Safeguarding Adults Board (SAB) Annual Report for 2020/21 was appended to the report. It was noted that it was also required under the Care Act 2014 that each SAB publishes an annual strategic plan setting out

its strategy for achieving its objective and what members will do implement the strategy. The strategic plan for 2021/22 was appended to the report.

The Independent Chair highlighted the salient issues included in the report and paid tribute to the contribution of the Council's Adult and Community Services Department. The achievements and the progress that had been made in the local areas were detailed as well as highlighting the range of safeguarding issues and challenges that remained.

The Director and Independent Chair responded to issues raised by Board Members arising from the report.

Decision

The Board noted and endorsed the Teeswide Safeguarding Adults Board Annual Report 2020/21.

28. Better Care Fund Plan 21/22 (*Director of Adult and Community Based Services*)

The report sought retrospective approval from the Board for the Hartlepool Better Care Fund Plan 2021/22. The Board was advised that performance reports were routinely submitted to NHS England on a quarterly basis although reporting had been suspended recently due to COVID19. The Government had published the Better Care Fund Policy Framework for 2021/22 in August 2021. The framework placed increased emphasis on improving outcomes for people being discharged from hospital and introduced a new performance metric linked to avoidable admissions. BCF 2021/22 Planning Requirements had been published on 1 October 2021 and set out a timescale for local areas to submit local plans by 16 November 2021. Plans had gone through a process of scrutiny and assurance prior to approval, with local areas expected to receive feedback in January 2022. The Hartlepool BCF Plan for 2021/22 was appended to the report.

Decision

The Board retrospectively approved the Hartlepool Better Care Fund Plan for 2021/22 which was submitted in accordance with the 16 November 2021 deadline.

29. Pharmaceutical Needs Assessment Update (*Director of Public Health*)

The Board was updated on receipt of delayed guidance, resulting in the requirement for a further change to the PNA review timetable as set out in the report. The approval of the Board was sought for an additional Board meeting in late January 2022 to allow approval of the draft PNA prior to the formal consultation process.

Regulations required the Board to divide its area up into localities and the justification for this must be documented in the PNA. On behalf of the Board, the PNA Working and Steering Groups had reviewed the process for determining the localities in the Hartlepool area and approved localities to be used for 2022. Approval was sought from the Board to the localities to be utilised in the PNA as set out in the report.

Decision

The Board:

- i) Noted the guidance update and approved the amended timetable for review and publication of the PNA;
- ii) Approved the organisation of an additional Board meeting in late January 2022 to allow approval of the draft PNA prior to the formal consultation process; and
- iii) Approved changes to the localities to be utilised in the review of the PNA as set out in the report.

30. Covid Update Presentation

The Director of Public Health provided an updated presentation on the ongoing coronavirus position in Hartlepool. The presentation focussed on the following:-

- Hartlepool and Teesside Covid 19 case rates per 100,000 population
- Hartlepool and England Covid 19 related death rates per 100,000 population
- Percentage 1st and 2nd dose Covid vaccinated population by age for Hartlepool in comparison to England.

In the discussion that followed, the Director of Public Health responded to issues raised arising from the presentation. In response to concerns expressed regarding the opening times of the walk-in vaccination clinics, the Director advised that he would enquire whether the opening times could be extended. The Director agreed also to inquire regarding the discrepancy of the Covid testing adopted by South Tees NHS Foundation Trust which was highlighted as being inconsistent with the procedures adopted by North Tees NHS Trust.

In response to concerns expressed regarding the availability of vaccines at GP surgeries, the representative of the GP Federation explained the complexities involved and clarified that the vaccines supplied to walk-in vaccination clinics is sourced differently to those provided to GP surgeries.

Decision

The presentation was noted.

Meeting concluded at 11.00 a.m.

CHAIR

FINANCE AND POLICY COMMITTEE

25 April 2022



Report of: Director, Children and Joint Commissioning Services
and Director of Resources and Development

Subject: HOUSEHOLD SUPPORT FUND

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i)/(ii) apply) General Exception Notice applied.

2. PURPOSE OF REPORT

2.1 To present to Finance and Policy Committee details of the Government's Household Support Fund and outline proposals to commit this funding to support those in greatest need of assistance.

3. BACKGROUND

3.1 In September 2021, the Government announced its allocation of £500m to support vulnerable households to help them with essentials over the winter months as the country continued its recovery from the pandemic. The Household Support Fund (HSF) covered the period October 2021 to March 2022 inclusive. Local Authorities were given discretion on exactly how this funding was used within the scope set out in guidance and the grant determination. The expectation was that it should primarily be used to support households in the most need with food, energy and water bills. In exceptional cases of genuine emergency it could additionally be used to support housing costs where existing housing support schemes did not meet this exceptional need.

3.2 A report was presented to a meeting of Finance and Policy Committee on 15 November 2021 outlining proposals for the distribution of the fund including an option appraisal for the delivery of support to families with children eligible for free school meals. The committee approved the option to provide families with a supermarket pre-loaded card that could be exchanged for goods at the till.

- 3.3 The Household Support Fund 2021/22 was successfully implemented and feedback received was that the approach to the management and delivery of the fund was effective, timely and reached those with greatest need. The distribution of funding through voluntary and community sector organisations was particularly welcomed.
- 3.4 On 23 March 2022, the government announced in the Spring Statement that the Household Support Fund would be extended from 1 April 2022 to 30 September 2022. Hartlepool has been allocated the same level of funding as for the previous period, £993,021.25. It should be noted however that there are some changes made to how the fund should be administered as outlined below.
- 3.5 Under the April to September 2022 grant determination conditions, at least one third of the total funding must be spent on families with children and at least one third must be spent on pensioners, the latter being new for this funding scheme. The remainder of the funding (up to one third) is available for other vulnerable households (without children or pensioners including individuals).
- 3.6 In terms of type of support, the expectation is that the HSF extension should be used in a similar way as the original HSF scheme but with a greater emphasis on supporting households with energy bills. Food and water bills also remain priorities. The fund can also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need.
- 3.7 The updated HSF Guidance advises that local authorities have flexibility to develop a local delivery approach that best fits the scheme's objectives and deliver the scheme through a variety of routes including paying money into back accounts as well as the use of cash and vouchers to households, or issuing grants to third parties.
- 3.8 Local authorities should develop a 'local eligibility framework and approach' to enable them to distribute grant funding that best supports households most in need. Eligible spend includes:
- Food;
 - Energy and water;
 - Essentials linked to energy and water including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens etc;
 - Wider essentials which may include, but are not limited to, support with other bills including broadband or phone bills, clothing, and essential transport-related costs;
 - Housing Costs in cases of genuine emergency where existing housing support schemes do not meet this exceptional need;
 - Reasonable administrative costs including reasonable costs incurred administering the scheme.

Eligible spend does not include:

- Advice services such as debt advice;
- Mortgage costs.

4. PROPOSALS

- 4.1 In Hartlepool there are approximately 13,500 households who benefit from the Local Council Tax Support Scheme (LCTS), 9,000 of which are working age households. This is a useful indication of the number of households in Hartlepool who may be vulnerable to experiencing financial hardship.
- 4.2 In identifying children and families who may experience financial hardship, there are approximately 5,600 children of statutory school age who are entitled to Free School Meals (FSM). If this eligibility is stretched from vulnerable two years olds to those still in full time education up to 19 years of age, there are approximately 8,000 eligible children.
- 4.3 Using Local Council Tax Support eligibility as the criteria for supporting pensioner households, there are 4,531 pensioner households currently eligible for Local Council Tax Support (LCTS).
- 4.4 Officers have met to explore the available options to maximise the impact of this grant to support vulnerable households in Hartlepool. This has included considering what support can be delivered using Local Council Tax Support or other benefit entitlement, free school meal vouchers, support through voluntary and community sector organisations and the Local Welfare Support Scheme.
- 4.5 Following the successful delivery of the 21/22 HSF, it is proposed that a similar model is implemented for the current scheme, adapted to meet the new grant determination conditions. It is therefore proposed that the grant is distributed by the following means:

Organisation/Scheme	Allocation	Rationale
Support for vulnerable pensioners	£317,170	A one off payment of £70 per household to all LCTS eligible pensioner households. This payment would be in addition to the separate Government Council Tax Energy Rebate scheme which will pay £150 to all households. For pensioner households in receipt of LCTS this would provide additional

		financial support towards increased energy and food costs.
Support for low income families with dependent children	£480,000	Pre-loaded supermarket cards to the value of £60 to be distributed to all children eligible for free school meals aged 2 -18 in readiness for the six week school summer holiday.
Local Welfare Support Scheme	£20,000	The Hartlepool Local Welfare Support Scheme is increased to enable the scheme to allocate awards for food, fuel and household goods. These awards will be made based on personal circumstances and are not means tested.
WVARC	£10,000	Discretionary fund for household essentials.
Hartlepool Food Bank	£10,000	Food parcels/bags of shopping to be distributed through their schemes. Both organisations have formal arrangements with the Council and a client base of people who benefit from their services.
The Bread and Butter Thing	£10,000	
Citizen's Advice Bureau	£40,000	To provide fuelbank vouchers. Both organisations currently deliver the Energy Redress Scheme so have the staff and software in place to purchase fuel codes that can be sent to recipients via mobile
Advice at Hart	£40,000	

		phone text messaging or be given to the resident direct.
Anglian Water	£15,000	To provide assistance to households in debt and water poverty through the Anglian Water Assistance Fund.
HBC Grant administration	£51,021	To cover the costs of the staffing, administration, printing, postage etc. associated with delivering the scheme. This allocation will be varied to reflect the actual number of households eligible for either support as vulnerable pensioners or support for low income families with dependent children.
Total	£993,021	

- 4.6 If Members support the proposal for the £70 payment for LCTS pensioner households, it is proposed that an eligibility date of 1st July 2022 is used. By this date, households eligible for the £150 Council Tax Energy Rebate Scheme will have been confirmed and bank account details collected and verified for the majority of eligibility households. The payment of the £70 HSF will then be made in late July/early August. For those households where officers have not collected bank details as part of the Council Tax Energy Rebate scheme this will be requested again, but additionally households will be given the option to credit the £70 to their Council Tax account for ease if they prefer.
- 4.7 The supermarket cards pre-loaded with £60 credit for low income dependent children and families would be distributed in readiness for the six week summer school holiday to support families with food costs when their children are not in school, and not benefiting from free school meals, for an extended period of time. It is proposed that vouchers are purchased for 8000 eligible children which allows for a flow of newly eligible children and a small number of vouchers provided to each school for use at their own self discretion. The HSF allocation for children exceeds the minimum requirement of one third of the overall grant and it is proposed that 51% of the grant is allocated to support children and families.

- 4.8 The Council's voluntary and community sector partners who supported the delivery of the previous scheme report that they reached many people in need through participating in the scheme and distributing financial assistance as well as collaborating with each other to maximise support and reach. They are therefore happy to continue to work with the Council in delivering the April to September HSF scheme.
- 4.9 It should be noted that the administration of such a large grant poses significant challenges to the capacity and workload of the local authority.

5. RISK IMPLICATIONS

- 5.1 The Council is being asked to administer a Government grant for local people based on local need. This grant was announced at very short notice and commenced immediately following the announcement. This creates risk for the Council in that officers have had to mobilise resources to develop the local scheme, eligibility criteria and implementation plan. There is a reputational risk to the Council if the scheme is not delivered effectively and efficiently and does not reach those most in need of support.

6. FINANCIAL CONSIDERATIONS

- 6.1 The Council is being asked to administer the Household Support Grant of £993,021.25. In order to maximise funding, spend must be incurred by 30 September 2022.
- 6.2 The conditions of grant allows for reasonable administrative costs, including reasonable costs incurred administering the scheme, to be claimed against the grant. Proposals outlined in the report, ensure the Council limits administrative costs to less than 5% of the total grant allocation.

7. LEGAL CONSIDERATIONS

- 7.1 There are no specific legal requirements and the proposals address the grant conditions imposed by the Government to ensure at least 67% of the funding supports pensioners and children.

8. CONSULTATION

- 8.1 The timing of the announcement of the Household Support Fund and the immediate commencement of the programme has not allowed any time for consultation with local stakeholders on the eligibility criteria and local implementation plan. The proposals in this report have been informed by the experience of and feedback from delivering the HSF between October 2021 and March 2022.

9. CHILD AND FAMILY POVERTY (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)

- 9.1 A Child and Family Poverty impact assessment has been completed and is attached at **Appendix 1** to this report.

10. EQUALITY AND DIVERSITY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)

- 10.1 The proposals outlined in this report are targeted to support those in greatest need of financial assistance over the coming months. The scheme will be administered based on need and inclusive of all those with protected characteristics.

11. STAFF CONSIDERATIONS

- 11.1 It will be necessary for officers from HBC to implement and deliver the proposals outlined in this report on top of their current duties and responsibilities and it may be necessary for HBC to employ additional staff on a temporary basis to ensure the scheme is administered effectively.

12. ASSET MANAGEMENT CONSIDERATIONS

- 12.1 There are no asset management considerations arising from this report.

13. ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS

- 13.1 There are no environment, sustainability and climate change considerations arising from this report.

14. RECOMMENDATIONS

- 14.1 Finance and Policy Committee is asked to consider and approve the proposals outlined in this report and authorise officers to implement the scheme as outlined.

15. REASONS FOR RECOMMENDATIONS

- 15.1 The Household Support Fund is a significant grant that is being provided to Hartlepool Borough Council to support local residents and mitigate some of the impact of financial hardship and increasing living costs. Finance and Policy Committee has responsibility to agree the arrangements for the

provision of assistance to local residents. This decision needs to be made now to enable support to be provided as quickly as possible in line with Government expectations.

16. BACKGROUND PAPERS

Report Finance and Policy Committee 15 November 2021 – Household Support Fund

17. CONTACT OFFICERS

Sally Robinson

Director, Children and Joint Commissioning Services

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Chris Little

Director of Resources and Development

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01429 523002

Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor



1. Is this decision a Budget & Policy Framework or Key Decision? Yes

If YES please answer question 2 below

2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES

If YES please complete the matrix below

GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21	Yes			The Household Support Grant is targeted to mitigate the impact of poverty and financial hardship on those most in need between April 2022 and September 2022. The provision of assistance through the implementation of the scheme will have a positive impact on those who experience poverty by providing assistance in terms of funding for food, fuel, water, exceptional housing costs other essential items.
Those who are disabled or suffer from illness / mental illness	Yes			
Those with low educational attainment	Yes			
Those who are unemployed	Yes			
Those who are underemployed	Yes			
Children born into families in poverty	Yes			
Those who find difficulty in managing their finances	Yes			
Lone parents	Yes			
Those from minority ethnic backgrounds	Yes			

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
------------------------------------------------------------------	--------------------	--------------------	--------------	-------------------

Children in low income families	Yes			The Household Support Grant is targeted to mitigate the impact of poverty and financial hardship on those most in need between April and September 2022. The provision of assistance through the implementation of the scheme will have a positive impact on those who experience poverty by providing assistance in terms of funding for food, fuel, water, exceptional housing costs other essential items.
Educational attainment	Yes			
Healthy eating	Yes			
Overall impact of Policy / Decision				
POSITIVE IMPACT	X	ADJUST / CHANGE POLICY / SERVICE		
NO IMPACT / NO CHANGE		STOP / REMOVE POLICY / SERVICE		
ADVERSE IMPACT BUT CONTINUE				
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

FINANCE AND POLICY COMMITTEE

25th April 2022



Report of: Director of Resources and Development

Subject: OPTION TO LEASE LAND AT HARTMOOR FOR ENERGY STORAGE

1 TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i) or (ii)) Forward Plan Reference No CE78/22

2 PURPOSE OF REPORT

2.1 To seek approval to granting an Option to Lease an area of land at Hartmoor.

3 BACKGROUND

3.1 The Council has been approached over the course of the last few months by a number of Companies with offers to secure an option to lease an area of Council land of varying sizes depending on the particular operator in the location circled on the plan attached as **APPENDIX 2**. This area presently forms part of an area let on a Farm Business Tenancy due to expire in March 2023.

3.2 The reason for the interest is that the National Grid (NG) has identified the Hartmoor Sub-Station, a 275kv electrical supply point located to the south of the Councils land, as a suitable location for a new project under their Stability Pathfinder 3 Project.

3.3 The project involves NG appointing a partner to help address stability issues on the electricity system and support the transition to renewable energy, and ultimately a zero-carbon network. The solutions being put forward by the Companies who have made offers for the Councils land are for either a Synchronous Condenser (an alternative system for electricity storage) or a Battery Storage facility or a combination of both depending upon NG's preference.

3.4 The process requires bidders to put forward submissions to NG with contracts being awarded for operation in August 2022. Interested parties are therefore contacting landowners in close proximity to the Hartmoor Sub Station to secure an interest in sites in order that they can commit

to the time and expenditure required to work up their bid to be the NG's preferred partner.

- 3.5 Due to the significant quantum of the offers received and recognising that Companies are in a competitive process to secure sites, officers moved quickly to interview the applicants in October and November 2021 and then invited them to make their highest and final offer to ensure that the Council was getting best consideration. Following this process companies have now submitted proposals for considered by the Council to enable them to meet NG submission deadline.
- 3.6 The proposed development, irrespective of the technology chosen by the operator, will require planning permission and is likely to be a departure/not compliant with the Local Plan as the site lies outside of Development Limits. This is not unusual however with much of the National Grid infrastructure operating across land outside development limits.
- 3.7 The Stability Pathfinder project however is very much in accordance with the path to Net Zero and accords with policies in the Local Plan to contribute toward the achievement of targets for renewable energy and reduction of CO2 emissions, and also the Council's commitment to Net Zero. As traditional coal and gas plants are phased out from Britain's energy system, the national grid infrastructure needs new systems and technology so wind, solar and other renewable technologies are be able to connect in and provide stable power. This is critical to allow large scale renewables to contribute to the greening of the grid as well as the country's self-sufficiency in energy and potentially opens up future additional opportunities for the Council.
- 3.8 In determining applications NG will give significant weight to the achievement of wider environmental and economic benefits with certain criteria having to be met including details of measures to mitigate and adverse effects on the amenities of occupiers of nearby properties during the construction, operational lifespan, and decommissioning of equipment and/or infrastructure.
- 3.9 These are matters for Councils Planning Committee to consider in due course however the proposal from the preferred developer has been submitted through the Councils One Stop Shop process and the preferred developer has amended their initial proposals to make the application more acceptable in planning terms thereby increasing the chances of an application being formally approved.
- 3.10 The offers received from the various parties are set out and evaluated in **CONFIDENTIAL APPENDIX 3 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.**

4 PROPOSALS

- 4.1 To grant an option to lease all that land shown in **CONFIDENTIAL APPENDIX 4** in line with the terms of the option as set out in **CONFIDENTIAL APPENDIX 3** This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).

5 FINANCIAL CONSIDERATIONS

- 5.1 If the lease is entered into the level of rent for the proposed use is significantly higher than the Council receives from the existing tenant. This income will depend on the outcome of the NG bidding process and planning decisions and it is currently anticipated that the earliest year this income may be received is 2023/24, although this may only be a part year impact
- 5.2 The Council will also receive an Option Fee and payment of legal and surveyor's fees and even if the option to lease the land is not exercised the option fee significantly exceeds the rent the Council would receive for an agricultural use.

6 LEGAL CONSIDERATIONS

- 6.1 The Chief Solicitor will be instructed to act for the Council on the grant of any option/lease. The Chief Solicitor is satisfied that the proposals within the report fall within the legal powers of the Council and meet the requirements of section 123 Local Government Act 1972

7 ASSET MANAGEMENT CONSIDERATIONS

- 7.1 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.
- 7.2 The area of land will be excluded from the renewal of the Farm Business Tenancy in 2023, although the majority of the agricultural land will remain available.

8 OTHER CONSIDERATIONS

Risk Implications	No relevant issues
Consultation	No relevant issues
Equality and Diversity Considerations	No relevant issues
Child and Family Poverty	No relevant issues – See Appendix 1
Section 17 of The Crime And Disorder Act 1998 Considerations	No relevant issues

9 RECOMMENDATIONS

- 9.1 Committee is recommended to approve the granting of an Option to lease the Council's land in line with the terms set out in **CONFIDENTIAL APPENDIX 3 This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information.**
- 9.2 It is recommended that Committee delegate authority to the Director of Resources and Development in consultation with the Chief Solicitor and Chair of Finance and Policy Committee to agree detailed terms of the contract.
- 9.3 Note that the recurring income will only be received if the companies bid to NG is successful.

10 REASONS FOR RECOMMENDATIONS

- 10.1 The Council will receive a significant option fee and if the lease proceeds it will result in a significant annual revenue receipt as well as additional Business Rates income. The decision is urgent as companies need to submit bids to NG and without a commitment from the Council to lease land they will submit alternative sites, meaning the Council will lose the potential income stream.

11 BACKGROUND PAPERS

- 11.1 There are no Background Papers in this instance.

12 CONTACT OFFICERS

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1. Is this decision a Budget & Policy Framework or Key Decision? YES				
If YES please answer question 2 below				
2. Will there be an impact of the decision requested in respect of Child and Family Poverty? NO				
If YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21				
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

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			

Appendix 2



LOCATION	Land at Hart Village, Hartlepool	DRAWN BY	CT	DATE	05/11/21
		SCALE	1:5000 @ A3		
DEED PACKET	P172193	OS MAP	NZ4634		
		DRWG NO	E/G/977c		



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FINANCE AND POLICY COMMITTEE

25th April 2022



Report of: Director of Resources and Development

Subject: TOWN DEAL BUSINESS CASES – HEALTH AND CARE ACADEMY AND CIVIL ENGINEERING ACADEMY

1. TYPE OF DECISION/APPLICABLE CATEGORY

For Decision.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to update the Finance and Policy Committee on the development of the project Business Cases under the Council's £25m Town Deal Programme, provide a programme update and present the draft cases for both the Health and Care Academy and Civil Engineering Academy for information.

3. BACKGROUND

- 3.1 Following the approval of our Town Investment Plan by the Department for Levelling Up Communities and Housing (DLUCH) in 2021, Heads of Terms were offered (an agreement in principle only for funding and to form a Memorandum of Understanding [MOU]) to the Council and returned on 23rd June 2021, covering the following:

£13.86m Re-imagining Middleton Grange Shopping Centre

£1.4m Wesley Chapel redevelopment

£6.2m Waterfront connectivity project

£1.25m Development of a Health and Care Academy

£2.25m Development of a Civil Engineering Academy

- 3.2 Following the agreement of Heads of Terms, under Town Deal the Council has 12 months to develop, approve and submit Green Book compliant Business Cases with the agreed projects set out in detail, through an independent assurance framework together with a Summary Document to DLUCH. The programme is working to a timetable of submission to DLUCH by 27th July 2022. DLUCH will need to review and be satisfied with the Summary Document before any funding can be released from September 2022 onwards.

- 3.3 Since November 2021, the Strategic Development Team have been working intensively on Stage 2 of the programme development with the Town Deal Board and stakeholders to develop the options appraisals for each project, gather detailed evidence and analysis, present a preferred option, develop project management plans, and undertake a significant number of assessments including heritage, structural, flood risk, transport, access, land use, planning and environmental assessments.
- 3.4 The critical aspect of the Business Case stage is to determine the viability and deliverability of each of the proposed schemes. This includes a detailed assessment of the strategic, economic, commercial, financial and management cases for each to ensure they remain fit for purpose and viable with the Heads of Terms. Project Management Groups with the Council, Town Deal Board and stakeholder representation have governed the development of the Business Cases.
- 3.5 All five projects are different in terms of their aims, objectives, nature, scale and cost, and as such the individual Business Cases have been progressed at different paces over recent months. The timetable for completion of all five cases are shown in the table below:

Business case	Draft Business case issued	To TVCA for Assurance	To Finance and Policy Committee	Final issue to F&P, EG&R Chairs	Submit to DLUCH
Health and Social Care Academy	31 March	1 April	w/b 25 April	31 May	1 June
Civils Academy	31 March	1 April	w/b 25 April	31 May	1 June
Middleton Grange	11 May	23 rd May	June committee	20 July	21 July
Waterfront	11 May	23 rd May	June committee	20 July	21 July
Wesley	31 March	1 April	June committee	27 June	21 July

- 3.6 A requirement of the Town Deal is to implement a Local Assurance Process for the development and sign off of individual Business Cases, to finally be signed approved by the Council's Section 151 Officer (Director of Resources and Development) and Town Deal Board Chair. In February 2022 a Memorandum of Understanding was agreed with Tees Valley Combined Authority (TVCA) for each of the five projects to be independently assessed to identify residual risks against Town Deal criteria (Strategic, Economic, Commercial, Financial and Management). TVCA will provide the Council with a written risk assessment report on each project and a programme overview for consideration by our Section 151 Officer and the Towns Fund Board by 21st April 2022 for the Academy projects and by 13th June 2022 for the remaining 3 projects.
- 3.7 Upon receipt of a satisfactory assurance report, approval of the Town Deal Board and by Finance and Policy Committee Chair, the business cases can be submitted to DLUCH for review. As yet, no firm timetable for approval has been provided by DLUCH, although it is hoped that the programme delivery stage can begin in September 2022.
- 3.8 The following section provide detailed updates in relation to the two academy business cases.

4. HEALTH AND CARE ACADEMY BUSINESS CASE

- 4.1 The Health and Care Academy is a partnership project promoted by the North Tees and Hartlepool NHS Foundation Trust, in conjunction with Hartlepool College of Further Education and with Hartlepool Borough Council acting as accountable body. This project recognises there is a significant demand for skilled labour in the Health and Care sector, a position exacerbated by the COVID19 pandemic. The business case sought to determine the type and format that a skills-based intervention in the Health and Care sector should take, in order to justify public sector intervention through the Town Deal Programme.
- 4.2 Annexe 1 presents a detailed business case that a state of the art Health and Care Academy, located in Ward 10 of the University Hospital of Hartlepool site, represents the optimal form of intervention as a result of thousands of job vacancies for roles in the sector in Hartlepool and across the Tees Valley. In addition nurses, care workers and home carers and nursing auxiliary and assistant roles are the roles with the most annual job openings of any qualification level and the NHS is identified as the top organisation posting job vacancies in the Tees Valley.
- 4.3 The Economic Case demonstrates that the Academy represents 'high' value for money, delivering a Benefit Cost Ratio of 3.5 which significantly exceeds the threshold for Towns Deal of 1.0. The project is considered affordable throughout its capital and operational phase, ensuring ongoing project viability and long-term sustainability of the facility.

4.4 The business case presents some strong metrics including:

- £8 million of wage premium impacts for learners completing courses at the proposed Academy
- Circa 19 construction stage job years and associated gross-value added (GVA).
- Circa 7 FTE employees at full operation, leading to increased social wellbeing and a positive welfare impacts associated with additional employment.
- 3,388 learners through the Academy on annual basis ranging from Level 2 to Level 5 diplomas

5. CIVIL ENGINEERING BUSINESS CASE

5.1 The Civil Engineering Institute project is a strategic partnership between Seymour Civil Engineering Contractors (CEC) and Hartlepool College of Further Education (HCFE) to support the consolidation and growth of teaching and training capacity at two existing sites, to enhance and future-proof facilities. The need to increase student enrolment across courses designed to confer construction and civil engineering skills is critical in light of labour market intelligence and growth forecasts for the sector.

5.2 Annexe 2 provides a detailed business case which sought to determine the type and format that a skills-based intervention in the civil engineering sector should take and determines that a Civil Engineering Institute, promoted by Hartlepool College of Further Education and Seymour Civil Engineering Contractors (with Hartlepool Borough Council acting as accountable body), located across two existing training sites, represents the optimal form of intervention.

5.3 The Economic Case demonstrates that the Engineering Academy represents 'very high' value for money, delivering a Benefit Cost Ratio of 9.1 under the preferred options core scenario which is a significant return. The project is considered affordable throughout its capital and operational phase, ensuring ongoing project viability and long-term sustainability of the facility.

5.4 The business case presents some strong metrics including:

- 24 construction job years created during construction phase.
- Net wage premium growth of £24 million.
- 1,081 student cohort through the Academy at Brenda Road on an annual basis ranging from unemployed learners to HCFE Level 1 to Level 5 courses in a range of construction and civils qualifications
- Over 400 per annum student cohort in welding and engineering at the Exeter St annexe

6. REMAINING BUSINESS CASES

6.1 As detailed in section 3.5 the remaining business cases are still be worked up and will be report to a future Finance and Policy Committee meeting.

7. OTHER CONSIDERATIONS

Risk Implications	The key findings of risk register development was that most identified risks had control measures already in place, reflecting the thorough approach to risk management adopted by scheme promoters. Risk control is detailed in section 6.5 of the Annexes
Financial Considerations	The two academy cases have demonstrated economically and financially viable schemes within the existing budget envelope as set out under the Town Deal Heads of Terms.
Legal Considerations	Independent legal advice was sought on the issue of Subsidy Control due to the funding of external partners, and scale of the investments taking place under Towns Deal. Early drawdown proposals were reviewed and the proposals are within subsidy limits and present 'very low risk'
Consultation	Under the Town Deal Programme, a Communications and Engagement Sub Group of the Town Deal Board has been established, and the NHS Trust has supported strong consultation and engagement. A Youth Voice Group is also being established to form a part of the programme.
Child/Family Poverty Considerations	These two schemes principally aim to provide wide ranging training and employment opportunities for local people leading to reduction in unemployment and poverty.
Equality and Diversity Considerations	To be prioritised as part of the consultation and engagement mechanisms
Section 17 of The Crime And Disorder Act 1998 Considerations	No relevant issues
Staff Considerations	A dedicated Town Deal Project Manager was appointed in November 2021 to project manage on a day to day basis, while the Strategic Development Team manage the overall programme within existing resources.
Asset Management Considerations	The review of our operation of our assets will form a key component of the next phase of Town Deal

8. RECOMMENDATIONS

8.1 Members are asked to:

- Note the contents of the report and update on progress with the overall programme

- Approve the submission of the two Academy Business Cases to DLUCH following independent assurance, as the latest stage in our approved Town Deal programme

9. REASONS FOR RECOMMENDATIONS

- 9.1 Hartlepool Borough Council has succeeded in securing significant investment under the Towns Deal to improve the town, employment prospects and attract inward investment. This latest stage of business case development marks a significant milestone in bringing two of the programmes five projects to fruition which will bring two new state of the art facilities to the town, deliver significant employment and training opportunities and stimulate economic growth. The decision is required now to enable the business cases to be submitted to DHLUC for approval to then enable implementation as soon as practical.

10. BACKGROUND PAPERS

- 10.1 Annexe 1: Health and Care Academy Business Case
Annexe 2: Civil Engineering Academy Business Case

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- Managing Director ☒
- Director of Resources and Regeneration ☒
- Chief Solicitor/Monitoring Officer ☒

Health and Care Academy: Town Deal Business Case

Document no: 001
Revision no: 001

Hartlepool Borough Council
n/a

Hartlepool Town Deal
15 March 2022



Health and Care Academy: Town Deal Business Case

Client name:	Hartlepool Borough Council	Project no:	n/a
Project name:	Hartlepool Town Deal	Project manager:	Andy Catterall
Client reference:	n/a	Prepared by:	Gary Wilson
Document no:	001	File name:	Health and Care Academy Business Case - Draft
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Executive summary

The approved Hartlepool Town Investment Plan secured £25.0 million in conditional funding to support a suite of transformational projects located in the Town, intended to unlock economic growth, development and regeneration in Hartlepool. The Town Investment Plan recognised investment in education and skills, particularly through provision of new facilities to expand learning capacity and deliver in-demand training opportunities, as a key priority project required to catalyse economic growth and development. This business case seeks to determine the type and format that a skills-based intervention in the Health and Care sector should take, in order to justify public sector intervention through the Town Deal Programme. It determines that a Health and Care Academy, promoted by the North Tees and Hartlepool NHS Foundation Trust (in conjunction with Hartlepool College of Further Education and with Hartlepool Borough Council acting as accountable body), and located in Ward 10 of the University Hospital of Hartlepool site, represents the optimal form of intervention.

The Strategic Case finds that there is significant demand for skilled labour in the Health and Care sector, a position exacerbated by the COVID19 pandemic. Labour market intelligence finds that there are thousands of job vacancies for roles in the sector in Hartlepool and across the Tees Valley. Further, nurses, care workers and home carers and nursing auxiliary and assistant roles are the roles with the most annual job openings of any qualification level and the NHS is identified as the top organisation posting job vacancies in the Tees Valley. The shortage of qualified staff to fulfil Health and Care roles has increased reliance on recruitment from overseas. Simultaneously, local residents are more likely to be unemployed and suffer from lower educational attainment than regional and national averages. Hence, there is a dualism between high demand for employment in key sectors and a high rate of local unemployment in Hartlepool, indicative of a trend where local residents are not always well-positioned to obtain available jobs. This is generated by a skills imbalance that a bespoke Health and Care training facility, which upskills and reskills the local labour force could help to address.

At the same time, the Strategic Case notes that the North Tees and Hartlepool NHS Foundation Trust has insufficient resources and physical space to provide training and learning opportunities to its internal workforce in key areas including simulation and resuscitation. NHS staff are required to travel as far as Bristol to attend training courses to reinforce and enhance skills in these fields. Further, the resource and physical limitations also hinder the Trust's ability to support the wider existing Health and Care workforce and potential future workforce. As a result, support is required to enable the Trust to provide more efficient and effective training opportunities for its direct workforce, wider external workforce and young people who represent the future Health and Care workforce in the Town.

The presence of market failures including imperfect information, first mover disadvantage and viability concerns (which all disincentivise private sector investment in skills facilities), plus the argument that some forms of skills and training provision represent a 'public good' that ultimately generates positive externalities in the form of increased human capital, increased employability and increased wage/salary potential, all support justification for public sector intervention in the project. In the absence of public sector intervention, the presence of the above market failures mean that intervention is unlikely to materialise.

In response to these issues, the Strategic Case defines the preferred option as creation of a state-of-the-art, regionally significant Health and Care Academy, encompassing the following activities that will enable increased capacity for learning and skills development for a range of audiences:

- **State of the art simulation training:** Such training will be provided to both Trust and local authority staff and also marketed to businesses in the wider Tees Valley. This could include patient and clinical equipment simulators for training in maternity, general clinical skills, intensive care treatment, major incidents and trauma.
- **Apprenticeships:** The Academy will also develop and deliver new apprenticeships and higher education programmes in conjunction with HCFE and Teesside University in order to create a clear pathway into Higher Education for learners in the Health and Care sector.
- **Corporate Social Responsibility:** A combination of community and third sector activities including simulation of 'at home' Health and Care scenarios such as community health, dementia care and child and vulnerable adult safeguarding. Activities could also include first aid and similar training courses delivered on a

commercial basis to external agencies; as well as volunteer and community organisations within the public health sphere who may be able to host events and seminars linked to key public health issues arising in Hartlepool (e.g. childhood obesity, diet etc).

Based on this specification of a preferred option, the Economic Case appraises the value for money position of the project against a reference case or Do Minimum scenario which assumes business as usual activity in the absence of intervention (i.e. the Health and Care Academy does not materialise). The appraisal finds that by providing a new, state-of-the-art learning facility to support the current and future Health and Care sector workforce, the preferred option can deliver a strong value for money proposition. This is evidenced through the strong performance of value for money metrics including Benefit Cost Ratio (c. 3.5:1) and Net Present Social Value (+£5.0 million).

Table 1-1: Economic Appraisal Summary Table (£m, 2021 prices and values)

Value for Money Metric	Preferred Option – Core Scenario
Net Additional Economic Benefits	7.1
Economic Costs	
Total Public Sector Costs	£2.1
Total Private Sector Costs	£0.0
Total Economic Costs	£2.1
Value for Money Metrics	
BCR	3.5
NPSV	5.0

This strong economic performance is attributed to the increased volume of learners enrolled in Health and Care courses at the new facility, which increases employability and ultimately their wage-earning potential. There are also some small-scale benefits associated with operational employment directly employed at the site (c. 7 whole-time equivalent employees). The quantified and monetised assessment within the Economic Case is supplemented by a strong set of wider or non-quantifiable/non-monetisable impacts that also result from the preferred option, including: (i) upskilling of the labour market and resolution of the existing skills imbalance; (ii) increased inward investment from firms looking to invest in areas with high quality, high skilled labour forces (potentially leading to clustering or agglomeration); (iii) improved image/perception of Hartlepool through delivery of industry-leading, regionally-significant skills facilities (iv) improved socioeconomic and public health performance against multiple indicators; (v) increased social wellbeing through increased education and employability; (vi) improved access to Higher Education; (vii) construction stage impacts linked to short-term/temporary employment (estimated 19 job years) and increased output; (ix) increased capacity for the Trust to meet internal training needs, as well as the needs of external providers' (resulting in increased commercial revenue opportunity for the Trust); (x) increased community engagement and community cohesion through community access and use of the facility; (xi) contribution to the Trust's environmental sustainability credentials through re-use of existing assets rather than new build development.

The Financial Case for the Health and Care Academy finds that the project has a capital cost of £1.25 million, approximately split two-thirds towards Ward 10 refurbishment and one-third towards equipment. The project will be fully funded through the Town Deal, subject to confirmation and approval of this business case. The Financial Case also notes that the project will not place any additional burden on Hartlepool Borough Council or the Town Deal programme during its operational phase. Indeed, the facility is expected to generate surplus revenue from year three onwards, which can be re-invested in wider Health and Care priorities identified by the Trust. In the short term, an operational deficit in the first two years of operation (c. £40,000) will be covered by the Trust's own resources.

Table 1-2: Profile of Capital Costs by Funder (£m)

	2022-23	2023-24	2023-24	Total
Town Deal	£ 1.25	£0	£0	£ 1.25
Total	£ 1.25	£0	£0	£ 1.25

The Commercial Case for the project finds there are no major constraints to commercial deliverability. The project will be procured and delivered in line with the Trust’s standard approach to capital projects, utilising NTH Solutions LLP who have an overarching procurement strategy and procurement policy backed up with a full suite of Procurement Standard Operating procedures. These protocols are adopted on internal Trust projects.

The Management Case demonstrates that project partners, including the Trust as scheme promoters (working in conjunction with Hartlepool College of Further Education) and Hartlepool Borough Council as accountable body, have appropriate organisational and governance structures in place to deliver a project of this type and scale. Both partners are committed to adopting a collaborative governance approach to deliver the project. Further, the Management Case also sets out the proposed Grant Funding Agreement mechanism that Hartlepool Borough Council will adopt as accountable body. This Agreement will represent the formalisation of a back-to-back contract that allows the scheme promoters’ to invoice Hartlepool Borough Council for works undertaken (up to the value of the Town Deal allocation), but simultaneously commits the scheme promoters’ to any terms and conditions or other obligations specified by Central Government as part of allocation of public money via the Town Deal.

In summary, the business case finds that the Health and Care project represents an affordable and deliverable scheme that will provide excellent value for money from a public sector expenditure perspective. The intervention has transformational potential for Hartlepool’s labour market, increasing capacity for skills attainment and vocational training in key growth sectors which are recognised as key priorities in Hartlepool given existing public health challenges facing the Town and the labour and skills gap prevailing in the sector. Within this context, the project represents an opportunity to catalyse economic growth and development in the town by providing enabling skills infrastructure that can simultaneously enhance the performance of Hartlepool’s labour market and improve socioeconomic and public health outcomes, making the Town more productive, more attractive to inward investment and more prominent within the regional and national Health and Care sector.

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1. Introduction

1.1 Background to the Project

Responding to Central Government's Towns Fund Capital Programme, the Hartlepool Town Deal Board (TDB) submitted the Hartlepool Town Investment Plan (TIP) in January 2021. The TIP presented a strategic plan for transformation of Hartlepool, outlining how Towns Fund investment could help the town to overcome existing challenges, harness opportunities and leverage assets within Hartlepool. In line with Towns Fund principles, the transformation strategy focussed on the key themes of urban regeneration, skills development and enhanced accessibility.

Through consultations with local stakeholders and the TDB, five priority projects were identified as providing the mechanism by which the TIP's transformational vision and strategic objectives could be realised.

- **Civil Engineering Institute:** strategic partnership between Seymour Civil Engineering and Hartlepool College of Further Education (HCFE) to support the consolidation and growth of teaching and training capacity at two existing sites, to enhance and future-proof facilities.
- **Health and Care Academy:** establishment of a state-of-the-art health and care training facility alongside North Tees & Hartlepool NHS Foundation Trust (hereafter, the Trust), within University Hospital of Hartlepool.
- **Connected Hartlepool: Waterfront Circuit Phase 1:** provision of public realm and connectivity enhancements around the marina in order to integrate new land uses and provide the opportunity for improved connections between the waterfront, the town centre and the train station.
- **Wesley Chapel Hotel Redevelopment:** development of a 36-bedroom boutique hotel with a bar-restaurant and four other commercial units to support the existing visitor economy and Hartlepool Borough Council's (HBC) emerging tourism strategy.
- **Reimagining 'Middleton Grange' Shopping Centre: Phase 1 workspace and public realm:** delivering a restored and repurposed Grade II heritage building – designed for new flexible, mixed use space including residential – and new civic public space at the redefined 'Heart of Hartlepool'.

Following Central Government approval of the TIP, these priority projects have obtained provisional capital funding of £25 million from the Ministry of Homes, Communities and Local Government (MHCLG- now known as DLUHC) via the Towns Fund Programme subject to business case submission and approval. To this end, this business case seeks to present the case for unlocking the £1.25 million of provisionally allocated Town Deal Programme capital funding to support the Health and Care Academy project specifically.

1.2 Setting the Context for Hartlepool's Town Deal

Hartlepool is a coastal port town located on the North East of England. The town is situated between Middlesbrough, located 15 miles south across the River Tees and Sunderland, located 20 miles north. The latest ONS estimates indicated that Hartlepool has a population of 93,800 people in 2020¹.

Hartlepool has a rich maritime history, its marina and numerous ports have supported fishing, naval defence, coal and steel industries across numerous centuries. The economy's historic focus on primary and extractive industries has given way to a transition towards an economy grounded in advanced engineering and manufacturing, complemented by a strong and diverse services sector. In particular, leisure, tourism and the arts are considered key growth sectors locally, with health and care also identified as foundational pillars for economic growth and development in the town. As noted in the TIP, this transition means that Hartlepool is:

- A productive place, with relative strength in energy, manufacturing and construction. Its ports, power and a producer workforce continue to make an increasing contribution to national and regional productivity.

¹ ONS Population Estimates 2020

Health and Care Academy: Town Deal Business Case

- An important sub-regional service centre, with large retail, education and healthcare sectors providing services and employment to the local population.
- A growing visitor destination, attracting over 3.5 million visitors a year, with spending increasing by 10% in just 5 years².

However, the economic transformation of Hartlepool witnessed in recent years has not been straightforward and without significant challenge. The transition has been marked by periods of significant and prolonged decline that have created social and economic challenges for Hartlepool's residents, such that a range of legacy issues continue to prevail in Hartlepool, as documented in the TIP:

- **Jobs Value Gap:** economic growth and development in Hartlepool lags behind national benchmarks across nearly all social and economic indicators, including number of job opportunities available and access to high value employment and activity. As a result, Hartlepool is regarded as a 'catching up town'.
- **Social Mobility and Skills Constraints:** there is an imbalance between workforce skills and attainment and job opportunities. Below average numbers of residents gain qualifications to support high value, meaningful work and few progress to higher-level skills and employment.
- **Dysfunctional and Disconnected Central Area:** the town centre lacks a defined urban core and suffers from poor connectivity between key assets (in particular, retail components centred on Middleton Grange and leisure components centred on the Marina). Further, key landmarks within the central area are tired, dilapidated and have fallen into disrepair, which negatively impacts on the image and reputation of the Town.

The projects supported by the Towns Fund seek to resolve these challenges. In particular, the Health and Care Academy project seeks to make a significant contribution to ameliorating the challenges associated with 'social mobility and skills constraints', by safeguarding and subsequently increasing capacity for high quality learning and training in key sectors with strong growth potential. By providing additional skills opportunities for local residents, the project also seeks to contribute to human capital development which will help fill some of the recognised skills gaps in the labour market and boost productivity in the Town. In this sense, the project will also help resolve the 'jobs value gap' challenge, making a wider contribution to socioeconomic development and growth in the town. This business case specifies the project's approach to realising these aims.

² Global Tourism Solutions. Hartlepool STEAM Report 2018

2. Strategic Case

2.1 Purpose of the Strategic Case

The Strategic Case aims to articulate the case for change by demonstrating the strategic fit of the project within the context of existing issues and challenges that prevail in a location. More specifically, the strategic case seeks to:

- Provide a clear rationale for intervention by the public sector, by:
 - Outlining existing context and challenges;
 - Demonstrating evidence of need for an intervention;
 - Highlighting potential barriers and opportunities; and
 - Identifying market failures that require public sector to intervene.
- Demonstrate alignment between an intervention and the strategic policy environment at local, regional and national levels;
- Specify the vision and objectives that the intervention seeks to contribute to;
- Provide an overview of the proposed intervention, including:
 - Outlining the impact of not intervening;
 - Presenting possible risks, constraints and interdependencies;
 - Establishing the Theory of Change; and
 - Specifying the potential outputs and outcomes.
- Identify key stakeholders that are critical to project development.

This approach is aligned with the requirements of the HM Treasury Green Book's Five Case Business Case Model, the 'Towns Fund Stage 2 – Business Case Template' and associated guidance.

2.2 Case for Change

2.2.1 Background and Context

As noted in Section 1, Hartlepool's TIP made a strong case for intervening against the Towns Fund's skills and enterprise infrastructure theme, specifically in relation to provision in the Health and Care sector. Such interventions are deemed necessary to address:

- The critical shortage of key skills needed to allow the sector to respond to existing and emerging public health priorities in Hartlepool and the wider region.
- Below average levels of educational attainment of the existing workforce, resulting in an occupational structure skewed towards low value employment.
- Low productivity rates which are reflected in depressed salaries for large parts of the local workforce.

In response to these issues, the TIP proposed development of a cutting-edge and bespoke Health and Care Academy, designed to support a range of institutional, corporate and community based learners in upskilling and reskilling within the sector. The scheme, promoted by the Trust in conjunction with HCFE, seeks to deliver a nationally significant training facility at the heart of its current estate, focussing on the following primary learning areas:

- State of the art simulation training: Such training will be provided to both Trust and local authority staff and also marketed to businesses in the wider Tees Valley. This could include patient and clinical equipment simulators for training in maternity, general clinical skills, intensive care treatment, major incidents and trauma.
- Apprenticeships: The Academy will also develop and deliver new apprenticeships and higher education programmes in conjunction with HCFE and Teesside University in order to create a clear pathway into Higher Education for learners in the health and care sector.

- **Corporate Social Responsibility:** A combination of community and third sector activities including simulation of 'at home' Health and Care scenarios such as community health, dementia care and child and vulnerable adult safeguarding. Activities could also include first aid and similar training courses delivered on a commercial basis to external agencies; as well as volunteer and community organisations within the public health sphere who may be able to host events and seminars linked to key public health issues arising in Hartlepool (e.g. childhood obesity, diet etc).

2.2.2 Labour Market and Sector Demand

Health and Care is a key employment sector for the Tees Valley region, accounting for an estimated 44,150 jobs in 2020 and an additional 10,160 jobs across the supply chain. In 2016, the sector GVA was valued at £1,267 million, the highest out of the Tees Valley's ten key job sectors. Residential care and social work activities are heavily concentrated within the Tees Valley Health and Care sector, accounting for more than 7,000 jobs between them. Nurses are increasingly sought after with an estimated 7,130 jobs vacancies in 2020 followed by nursing auxiliaries and assistants with 3,840 jobs available and medical practitioners with 2,540 jobs available. Overall, EMSI data demonstrates that nurses, care workers and home carers and nursing auxiliary and assistant roles are the roles with the most annual job openings of any qualification level. Further, the NHS is identified as the top organisation posting job vacancies in the Tees Valley with the Trust as the highest individual employer and a number of Health and Care professions topping the list of most posted occupations.

The Trust has reported significant challenges in meeting the demand for skilled and qualified health care staff. Local health care providers have facilitated direct recruitment campaigns for registered nurses in Philippines and Italy in order to try and fill the 7,130 nursing jobs vacancies across the region in 2020. An inadequate pool of local labour market candidates has increased the prevalence of overseas recruitment. A 4.5% increase in demand for nurses is forecast through to 2030 by EMSI, which will also be difficult to meet via conventional means based on current trends. Across the Tees Valley in general, nursing skills are pursued heavily by employers whilst Tees Valley's specialism around residential care and social work for the elderly has meant that learning disabilities, nursery care, mental health, personal care and care planning skills are all sought after. Apprenticeships and further education have become increasingly important in providing these skills for workers seeking to gain employment in Health and Care. Nonetheless, Hartlepool has suffered from a skills gap which has reduced the number of trained nurses. Additional problems have also occurred in retaining trained nurses in the area which may be linked to lower earnings and higher deprivation levels relative to other areas.

However, Hartlepool suffers from a substantial skills gap with only 27% of residents having NVQ Level 4+ compared to 40% in England. Furthermore, 1 in 10 Hartlepool residents have no formal educational qualifications. This is a particular problem in the context of the refreshed Tees Valley Strategic Economic Plan (SEP) demonstrates additional labour demand forecast for 3,500 employees up to 2026 within the Health and Care sector, as well as nearly 22,000 replacement workers.

The shortfall in applied and advanced working skills in the Hartlepool region remains a significant constraint on economic prosperity. It is estimated that a further 4,900 people would have to achieve a Level 3+ qualification in the town to match national trends. The skills gap is compounded by the unequal distribution of skills and training opportunities within the UK's Health and Care sector. Anecdotal evidence provided by the Trust demonstrates that the closest location that some essential training courses are held are in London and the South West. This does not support the Trust in training and retraining existing staff as Health and Care needs evolve.

With respect to the social care sector, some 2,900 workers are operating in Hartlepool at present, contributing some £110 million to the economy in terms of Gross Value Added. This is the smallest workforce of any North East local authority district, and one of smallest nationally. Whilst the small size of the social care labour force partially reflects Hartlepool's relatively small population, various other factors contribute to this undersized workforce, including:

- High propensity for zero hour contracts (16% of all roles in the social care sector in Hartlepool are contracted on this basis) and only 60% of role are contracted on a full time basis;
- 4% vacancy rate within the adult social care sector;
- High turnover rates for staff (18%) and high levels of sickness (13.6 days per year on average);

- Ageing workforce that has not been replaced: 27% of current workforce is older than 55;
- Low rates of hourly pay (£9.09-£10.16) compared to the average across all sectors (£14.52);
- Less than half of the workforce has relevant social care qualifications (49%; second lowest out of all North East local authorities); further up to 70% of carers looking after members of the public aged between 65-85 have no formal training or qualification in social care.

The issues contribute to the significant labour force and skills gaps within the social care and wider public health sector locally. This gap is emphasised by the job vacancy intensity rating for social care roles in Hartlepool, which have heightened in the wake of COVID19. Job vacancy posting intensity of 6:1 is recorded in Hartlepool, 50% higher than the regional average of 4:1, indicating that positions in the sector are currently harder to fill in the Town. This position will worsen in the absence of intervention given EMSI predict up to 8.6% growth in some social care roles (e.g. care escorts) by 2030. Hence, there is a need to improve the attractiveness of social care careers to entice more young people to enter the profession; improved opportunities for skills and training could be a catalyst for this transformation.

2.2.3 Skills and Education

Poor high school attainment leads to greater levels of educational dropout and prevents residents accessing post 16 foundation and higher value courses. In 2018/19 the average progress 8 score (the government’s measure of secondary school academic value added) placed Hartlepool in the bottom 1% of the most challenged education authorities in England. Low levels of skills attainment has subsequent impacts on labour market performance. For example, unemployment is disproportionately affected towards young people relative to regional averages, youth unemployment was 4.8% in Hartlepool in 2016 compared to a 3% rate across the whole of the North East.

That said, the DfE’s Local Authority Interactive Tables and data on NEET status demonstrates that in relative terms, Hartlepool level of engagement and attainment at Key Stage 5 and Further Education levels is better than average across many indicators. Table 2-1 demonstrates that Hartlepool’s young people are more likely to be in education and training, less likely to suffer from NEET status and more likely to obtain Level 2 and Level 3 qualifications relative to local and regional benchmarks, and in many cases, national benchmarks too. This provides firm foundations to extend and improve further education provision, as the potential audience for any additional skills facility is already well engaged.

Table 2-1: Skills and Education Indicators

Indicator	Hartlepool	North East	Statistical Neighbours	England
Average Point Score Per Entry for Students Enrolling in Vocational Courses(%)	33.75	31.62	31.37	29.77
16/17 Year Olds in Education or Training (%)	93.72	92.18	91.23	93.21
School Leavers with September Guarantee (%)	98.20	95.50	94.72	95.00
15 Year Olds Expected to Enter HE at 18-21 (%)	40.80	39.30	34.97	43.10
Achievement of Level 2 Qualifications by Age 19 (%)	81.00	78.80	76.68	81.30
Achievement of Level 3 Qualifications by Age 19 (%)	53.00	50.90	48.00	57.40
School Leavers with NEET Status	4.12	5.66	n/a	5.48

Further, the Trust continues to leverage Apprenticeship Levy funding with approximately 440 apprentices undertaking a broad range of different courses including in administration, nursing, engineering, management and leadership. Nonetheless the public sector performance target is to ensure that 2.3% of the total workforce is allocated to new apprentices each year. Under the current arrangements, the Trust is struggling to meet this target each year, with the Trust seeking wider support from local colleges and internal leaders to ensure that new sign-ups for apprenticeships are achieved which can be used to upskill current staff or develop new roles.

As a result, intervention is required that responds to local labour demand for health care assistants, registered nurses and medics in the Hartlepool and North Tees area whilst ensuring that the Trust comfortably meets the public sector requirements on apprenticeship levels. By providing a facility and capacity to upskill and train additional learners each year, an appropriate intervention could make a direct and immediate impact on the identified skills gap of 4,900 Level 3+ qualifications needed in the town to match wider trends. Training will also be widened to existing healthcare staff, leading to an upskilled workforce for both the NHS and the broader health care sector. This collaboration between aspects of Health and Care, education, public sector services and private companies has the potential to develop the next generation of health care workers whilst retaining young people in Hartlepool. Youth unemployment and health care vacancies levels may significantly reduce as a result of this partnership

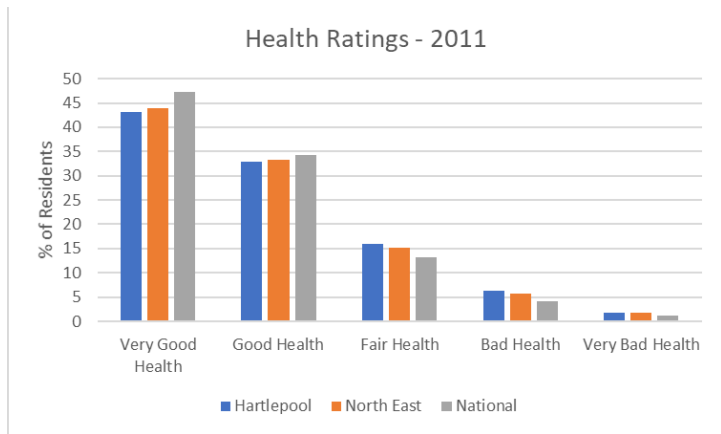
2.2.4 Socioeconomic and Public Health Context

The skills challenges and labour market issues identified above contribute to negative perceptions of Hartlepool as a place. This negative perception is likely to be a key factor in explaining the slow rate of population growth in Hartlepool relative to regional and national trends. Between 2011 and 2018, the town's population remained nearly constant, growing by only 0.9% over the period compared to 2.4% growth in the North East and 5.4% growth nationally. Intervention is required to improve perceptions around Hartlepool, making the town a place where people want to increasingly live, work and visit. Provision of better skills, training and educational facilities and improved public health delivery have a role to play in catalysing this transformation, encouraging young people to remain in Hartlepool and attracting more people to relocate to the town.

The health sector represents the biggest employer in Hartlepool, with in excess of 20% of employment concentrated in the industry (nearly twice as high as the national average). Efforts to further strengthen the sector, through enhanced opportunities for skills and training, will help to safeguard the critical role the sector plays in the town.

The scale of the health sector and the need for ongoing improvement in Hartlepool is understandable in the context of public health data for the town. The 2011 Census demonstrated that Hartlepool's residents were less likely to be in 'very good' or 'good' health, and more likely to be in 'bad' or 'very bad' health than regional and national benchmarks.

Figure 1 Health Ratings (2011 Census Data)



At the same time, one third of communities in Hartlepool are classified as falling within the 10% most deprived communities for health deprivation and disability nationally, based on the 2019 Indices of Multiple Deprivation. This means that Hartlepool residents are more likely to suffer from premature death and impairment of quality of life due to poor mental or physical health. Public Health England's 'Healthier Lives', 'fingertips' and 'Local Health' datasets also demonstrates that Hartlepool performs poorly across a range of public health indicators:

- Ranked in the bottom quartile in terms of child obesity, tobacco and drug use, and sexual and reproductive health metrics;
- Higher rate of long term health conditions and morbidity (23.2% versus 17.6% nationally);
- Sustained childhood obesity rates greater than the national average, growing from 27.4% at reception age to 41.5% at Year 6 (compared to 22.6% and 34.6% nationally respectively);
- Higher rate of health issues affecting babies/children, including:
 - A crude rate of A&E attendance nearly three times higher than the national average for under 5s;
 - A rate of deliveries to teenage mothers that is more than twice as high as the national average;
 - A higher proportion of babies born with low birth weights.
- Lower life expectancies than the national average (76.6 versus 79.7 and 81.3 versus 83.2 for males and females respectively).
- Higher rates of cancer, heart diseases and bone fractures amongst elderly residents.

Within this context, the need to increase the scale and quality of public health skills and training provision in the town is imperative, and could benefit multiple organisations (including NHS, social care providers, community/voluntary organisations in the public health sphere). This could increase and upskill the health sector workforce, increase community awareness of public health issues and ultimately unlock better public health outcomes for Hartlepool's communities.

2.2.5 Institutional Context

Currently the Trust's insufficient resources and physical space limitations means that simulation and resuscitation training can only be delivered to in-house staff through Basic Life Support (BLS), Immediate Life Support (ILS), Advanced Paediatric Life Support (APLS) and Advanced Life Support (ALS) courses. The Trust is unable to meet requests to deliver this training to external parties. Further, the Workforce Directorate is budgeted to employ 4.26 whole time equivalent (WTE) band 6 resuscitation/simulation officers and 1 WTE simulation technician. Under the existing arrangements there is insufficient resource internally to deliver a programme of skills and training courses for wider consumption.

Intervention is therefore necessary to increase the quality and free up space for essential medical provision to meet the demand for healthcare provision and healthcare skills development in the area. The diversification of services offered at the University Hospital of Hartlepool will help to secure the long-term sustainability of an important town employer. An intervention will also safeguard the Hospital's location at its existing site, particularly given the recent context of potential mergers between existing NHS facilities at a new single location outside of Hartlepool.

Further, the Trust currently does not have any formal provision of corporate responsibility to the local community within Hartlepool and the wider Tees Valley region. The intervention provides the opportunity to build relationships with external agencies and local people through offering the Academy as a community resource to deliver events and seminars linked to key public health issues in Hartlepool (e.g. childhood obesity, diet etc). As outlined in Section 2.3.1.3, Hartlepool performs poorly across a range of public health indicators, in particular Hartlepool's childhood obesity rates (growing from 27.4% at reception age to 41.5% at Year 6) are higher the national average (22.6% at reception age and 34.6% at Year 6). Increasing community awareness of key public health issues in Hartlepool may encourage local people to lead healthier lifestyles that will likely lead to better health outcomes for the town.

There is currently a lack of simulation training facilities locally with the nearest major simulation facility situated in Bristol. The University Hospitals Bristol and Weston Trust (UHBW)'s Simulation Centre is a facility delivering multidisciplinary healthcare training with their services catering to all UHBW clinical and non-clinical staff, including undergraduate and postgraduate students and apprentices. They also work with a number of external partners in developing and delivering international simulation courses, and their facilities are available for education and hire. Any intervention in simulation training should seek to replicate the model used by the UHBW Simulation Centre, building on this framework could promoting additional activity around apprenticeships and corporate social responsibility in conjunction with HCFE. Given the current deficiencies in simulation training facilities locally, an intervention focused on transforming the skills and training provision is much needed and could enhance the reputation of Hartlepool as a regional centre of excellence for simulation.

2.2.6 Future Needs, Barriers and Opportunities

In addition to addressing the shortfall in Level 3+ qualifications in the area, the Health and Care Academy will also respond to the Tees Valley Strategic Economic Plan which highlights health and biologics as a key growth sector with the potential for 5,000 new roles in these fields becoming available by 2026. With a specific focus on the Health and Care sector, the refreshed SEP also demonstrates critical labour demand in these industries, from an additional job and replacement job perspective. Table 2-2 demonstrates the scale of highly skilled employment opportunities in the Health and Care sector going forward, represented by labour demand at Levels 3 and 4+.

Table 2-2: Forecast Labour Demand in Tees Valley to 2026

Sector	Additional Labour Demand			Replacement Labour Demand
	Total	Level 3	Level 4+	
Health and Care	3,500	630	2,100	21,900

An intervention to improve skills provision in the Health and Care sector will increase the awareness and skills levels required in social care within the Tees Valley. This could encourage the 70% of people currently caring for members of the public aged between 65-85 with no qualifications in social care, to put themselves forward for formal training as part of upskilling activities. Hartlepool's ageing population is likely to increase the pressure on public, private and voluntary Health and Care services. An intervention to improve facilities will enable staff to have access to the latest technology to ensure more effective and efficient healthcare services which will be crucial to ensuring that scarce resources are utilised in the most appropriate manner. Further, a skills facility could increase the proportion of local skilled residents and thereby reduce the dependency of recruiting nurses from overseas which may be seen as a more costly alternative.

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2.3 Presence of Market Failures and the Impact of COVID19

2.3.1 Market Failure

The delivery of skills and training provision, as well as facilities to deliver such provision, is typically supported through public sector intervention, especially in emerging sectors. This reflects a number of perceived and real market failures that inhibit the private sector from resolving skills deficiencies alone:

- **Imperfect Information:** firms may only provide skills and training in a very specific and narrow field within a sector which is critical to their own activities, rather than provide more general sector-wide skills. This could minimise opportunities for spill over into complementary activities and result in a skills and training offer that is too narrow and focussed.
- **First Mover Disadvantage:** firms that provide skills development and on-the-job training may be exposed to 'poaching externalities' if labour is mobile between firms. This acts as a disincentive for individual firms to deliver major in-house training programmes as there is risk that staff with newly acquired skills could move to other firms.
- **Viability:** firms may not be able to justify the cost of developing a standalone skills facility to train a small number of people in a very narrow field of skills at infrequent intervals.
- **Skills and Training Provision as a Public Good:** there is significant debate regarding education being a 'pure public good'. Pure public goods share the characteristics of being provided on both a non-excludable³ and non-rivalrous⁴ basis. Provision of skills and training opportunities demonstrate some of these features. For example, most compulsory education provision (particularly up to 18 year olds) is non-excludable on a financial basis, and any project proposed in Hartlepool would not seek to charge 16-18 year olds for access. Further, although courses may include entry requirements related to prior academic achievement that in theory could exclude some young people, most courses delivered at Further Education institutions in the area allow entry requirements to be obtained in parallel to other courses. As such, perceived exclusion on the basis of prior educational achievement is limited in practice. Also, at the margins, one student learning experience is not necessarily worsened by another student also learning (i.e. non-rivalrous). Within this context, although skills and training provision might not represent a pure public good, it does align with economic theory around public goods provision.
- **Positive Externalities of Improved Skills and Training:** improving educational outcomes of young people is an enabler of social mobility, facilitating access to better employment opportunities and associated incomes. An increasingly skilled labour force via improved skills and training also bestows benefits on businesses in the Health and Care sector and for public health in general; as a more skilled workforce generates higher productivity, promotes other businesses to invest in the area leading to possible clustering or agglomeration effects and supports enhancement in Health and Care provision.

The market failures outlined above demonstrate why public intervention is needed for a skills facility. A traditional or conventional market for skills provision is limited meaning there is little private sector appetite to lead the project. This necessitates public sector involvement. A skills facility would improve public health outcomes and overcome skills gaps in the Health and Care sector by placing the right skills in the local population, meaning a greater pool of potential employees for the local and wider economy.

2.3.2 Impact of COVID19

The challenges highlighted in Section 2.2 have not changed as a result of COVID-19, they have simply increased the pressure on an already very stretched healthcare sector. Data from ONS showed that between March and July 2020, Hartlepool had 124 COVID deaths per 100,000 people which was higher than the England average of 91 COVID deaths per 100,000 people⁵. This highlights the underlying public health challenge in the area, which made local residents more vulnerable to COVID19 than the general population.

³ i.e. people cannot be excluded from utilising or accessing a good

⁴ i.e. one person's utility from a good or service does not impact on another's utility.

⁵ (ONS) Deaths involving COVID-19 by local area and deprivation

The pandemic has also had a detrimental impact on economic activity in the area. The level of unemployment benefits claims in Hartlepool is higher than the national average, reinforcing the town's issue of a jobs gap. Hartlepool is also increasingly exposed to sectors that are more vulnerable to economic downturns relative to national benchmarks. Data from the ONS showed that accommodation and food, arts and entertainment, construction, general services, retail and wholesale and manufacturing were the 6 sectors that had the highest proportion of furloughed workers. These 6 most affected sectors make up 45% of Hartlepool labour market but only 40% of the national economy

Intervention in skills and training provision with the Health and Care sector will provide an opportunity to support re-employment of local people from those most affected sectors. ONS data shows that health care workers were one of the least furloughed sectors thereby increasing job security. Further, as a result of the Covid pandemic, the Social Care sector has seen a sharp rise in staff vacancies and staff retention issues. Job vacancy posting intensity has seen a large increase since the pandemic, reaching 6:1 compared to the national average of 4:1.

EMSI data demonstrates that in the wake of COVID19, the three occupations in the sector with the most openings are:

- Support workers;
- Care assistance; and
- Health Care assistants.

The three Health and Care companies with the highest posting intensity are:

- Voyage care 21:1;
- Creative support 10:1; and
- Care UK 9:1.

This data reinforces the established skills gap and high demand for labour in the sector, trends which have heightened in the wake of the pandemic.

2.4 Policy Alignment

2.4.1 Local Policy

Health and wellbeing remains a key focus area within Hartlepool's Economic Growth Strategy (2019-21), recognising its contribution to economic growth and productivity. These factors also underpin the Council's Sustainable Community Strategy and feature heavily in the Local Plan (2018). The Local Plan also articulates Hartlepool's desire to retain the University Hospital of Hartlepool and its facilities and where possible expand and improve the range of health services it provides. An intervention to improve skills and training provision at the hospital could help safeguard and extend this key assets role in the town.

Skills and training provision are also central features of the Trust's values and corporate strategy. Among the strategic aims articulated by the Trust are:

- 'Putting our Population First' to include developing new services to improve the health of our population;
- 'Valuing People' to include developing, training and retaining staff;
- 'Transforming our Services' by making better use of information systems and technology and providing cost effective buildings; and
- 'Health and Wellbeing' by promoting self-care.

All of these strategic aims could be supported by an appropriate intervention targeted at enhanced skills and training provision within the Health and Care sector.

2.4.2 Sub-Regional Policies

The Health and Care Academy is closely aligned with the regional Tees Valley Strategic Economic Plan which identifies the health and biologics sector as a key growth market estimating that 5,000 new roles in these fields will become available by 2026, as well as many more replacement jobs.

2.4.3 National Policies

The UK Government's national healthcare skills agency, Health Education England, is developing a National Strategy to ensure equity of access to simulation education and training across England. The Strategy is aimed at:

- Increasing the accessibility of simulation facilities, equipment, faculty and learning opportunities nationally so that all learners and staff can benefit.
- Developing a distributed network so that common systems are in place.
- Shaping standards for the delivery of simulation education and training so that high standards of delivery are provided.
- Growing the evidence base for the effectiveness of simulation so that there is continuing improvement.

An intervention to improve training and skills provision in the Health and Care sector in Hartlepool could fully align with this Strategy by becoming one of a select few fully equipped hospital-based simulation training centres in the country.

Through providing additional trainees in Health and Care, the investment also tackles the 'Grand Challenge' of an 'Ageing Society', highlighted in the Government's 2018 Industrial Strategy. The project also supports the immediate short term effort in higher recruitment and retention of NHS staff in response to the COVID19 pandemic.

The project must also fully recognise the Department for Health and Care's recent Adult Social Care Reform White Paper 'People at the Heart of Care' (December 2021), which acknowledges the important role friends and families play in providing unpaid care and recognises their status within the adult social care workforce. To this end, the Department commits some £500 million to ensure the social care workforce have the right training and qualifications needed to perform their valuable roles.

In addition, the Health and Care Academy compliments the UK Government's Clean Growth agenda of cutting greenhouse emissions whilst growing national income. The investment will involve the repurposing an existing ward in the University Hospital of Hartlepool thereby saving carbon emissions from new construction. Finally, the central government White Paper 'Skills for Jobs: lifelong learning for opportunity and growth', outlines changes to post-16 technical education and training to support people to develop the skills required to get jobs and improve national productivity. Interventions that provide high level technical skills are advocated through the policy document.

2.5 Vision and Objectives

2.5.1 Vision

Across the next 20 years, Hartlepool Town Investment Plan highlights a vision for the town to be:

- A modern, connected, vibrant and liveable waterfront market town;
- An inclusive, proud and productive town where aspirations and creativity are valued;
- A town which supports and welcomes visitors, learners and innovative businesses;
- A place where people are inspired and enabled to get more out of their work and investment; and
- An area which promotes itself with pride and makes its mark in the wider world.

Through the provision of a state of the art Health and Care skills and training facility, an intervention could directly align with the vision of "a town which supports and welcomes visitors, learners and innovative businesses". An intervention could also contribute to Hartlepool vision of "an area which promotes itself with pride and makes its mark in the wider world" by becoming incorporating new technologies, including fully-

equipped hospital based simulation training centres. Through improved skills and training provision, an intervention will also contribute to realising the vision by providing direct links to higher education for Hartlepool learners leading to more Level 3+ learners whilst increasing awareness of healthcare professions towards young people. This will enhance inclusivity, productivity and act to inspire the next generation of Hartlepool's residents.

Within this context, the specific vision for the Health and Care project can be summarised as:

"An innovative and future focussed Health and Care Academy, designed to support a range of institutional, corporate and community based learners in upskilling and reskilling within the sector, will provide a cutting-edge, inclusive and safe learning environment for development of health-related skills. This will support residents in Hartlepool to unlock their full potential; helping to raise living standards and productivity in the town.

The Academy will also have a wider impact; representing a regionally significant training facility that supports the training and development ambitions of the local population and workforce, as well as employers and other healthcare organisations across a broader geographic range. To this end, the curriculum covered will be cognisant of local employer demand, being closely aligned to local and regional labour market intelligence."

Ultimately, the Academy will represent a collaborative joint venture between the Trust and HCFE (with HBC acting as accountable body to support delivery), which seeks to contribute to the wider objectives of both organisations, i.e.:

- the Trust's strategic aims of 'Putting our Population First', 'Valuing our People' and 'Transforming our Services', and
- HCFE's mission towards 'excellence in further and higher education to transform students' lives'.

The Academy will support a wide spectrum of end users from across the community by delivering formal and informal learning opportunities, apprenticeships and commercial training. This will upskill both current and prospective staff from the local community to become the future Health and Care workforce by providing various pathways to enhanced public health information, employment and further/higher education. Ultimately, this will ensure that existing skills gaps and shortages identified in the Health and Care sector are resolved.

2.5.2 Objectives

The TIP identifies three 'things to change', or objectives to achieve in order to reshape the spatial and economic future of Hartlepool over the next 20 years.

- Value driven rebound and growth;
- Skills for a productive and creative town; and
- A compact and connected waterfront market town.

From a skills and training provision perspective, a more advanced labour force with higher levels of human capital development, is well placed to contribute significantly to value driven rebound and growth and skills for a productive and creative town objectives in particular. A better skilled workforce and enhanced provision of Health and Care has the potential to attract inward investment and higher value businesses to the area, as well as increasing productivity at existing businesses and organisations. In addition, an intervention in the form of a Health and Care Academy will also contribute to the realisation of the following four further objectives that are identified within the TIP:

- Maximising the productive and inclusive use of land and buildings to improve appearance, access and external perception;
- Close the skills gap and attract new learners by delivering the assets that educational institutions need; and
- Secure direct inward investment to establish a high-quality jobs market.

2.5.3 SMART Objectives

In light of the project's alignment with programme-wide objectives (Section 2.5.2), the specific objectives that the Health and Care Academy seeks to achieve can be defined according to the SMART principles of objective setting as follows:

- Act as a regional centre of excellence for specialist health & social care provision, reducing reliance on external training providers for NHS and local social care providers.
- Help reduce the critical shortage of key skills in the sector.
- Support improvement in public health outcomes for the town's residents.
- Enhance engagement with 16-19 year olds and encouraging movement into Level 4/higher education qualification and skills.
- Provide a social value community offer promoting healthy lifestyles to local residents.

Table 2-3: SMART Objectives for Health and Care Academy

Specific	Measurable	Achievable	Realistic	Time-bound
Objective 1: Act as a regional centre of excellence for specialist health & social care provision, reducing reliance on external training providers for NHS and local social care providers	Evidenced by reduced reliance on external training, monitoring facility usage by NHS staff from outside of the Trust's catchment area.	Equipment and refurbishment works required to create a regionally significant centre is within the budget envelope for the project.	No facility in region offers similar courses to what is being proposed; nearest facility is Bristol.	From scheme opening (i.e. January 2023 onward)
Objective 2: Help reduce the critical shortage of key skills in the sector	Evidenced through reduction in vacancy rates/increase in number of filled posts within the Health and Care sector, plus destination surveys	Academy will have capacity to support hundreds of learners per annum.	Skills gap in the Health and Care sector is vast; the Academy will be able to prepare local residents to fill these skills gaps at scale.	From scheme opening (i.e. January 2023 onward)
Objective 3: Support improvement in public health outcomes for the town's residents	Evidenced through convergence towards national averages for key public health indicators incl. life expectancy	The Town currently suffers from poor public health outcomes relative to national trends.	Increased volume of skilled Health and Care workers could increase the sector's capacity to meet the needs of local people.	From scheme opening (i.e. January 2023 onward)
Objective 4: Enhance engagement with 16-19 year olds	Evidenced by student enrolment/destination surveys	Provision of Academy in functioning hospital could pique young people's	Project partners (e.g. HCFE) already work in close collaboration with local	From scheme opening (i.e. January 2023 onward)

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Specific	Measurable	Achievable	Realistic	Time-bound
and encouraging movement into Level 4/higher education qualification and skills		interest in higher level Health and Care skills.	Higher Education providers (e.g. Teesside University).	January 2023 onward)
Objective 5: Provide a 'social value' community offer promoting healthy lifestyles to local residents	Evidenced through community group usage rates.	The Town currently suffers from poor public health and socioeconomic outcomes relative to national trends.	Increased engagement and awareness with the community could enable positive action to address poor public health and socioeconomic outcomes.	From scheme opening (i.e. January 2023 onward)

2.6 The Proposed Investment

2.6.1 Options Appraisal

The Hartlepool TIP and supporting documentation has established the importance of intervening against the Towns Fund's skills and enterprise infrastructure theme, specifically in relation to provision in the Health and Care sector. The need for intervention is further articulated in Section 2.2.

Given the clear need for intervention relating to Health and Care the following strategic options were considered by project partners, mainly focussing on operational perspectives:

- Option 1 - Do Nothing/Do Minimum: This option would require the Trust to decline the capital funding assigned to the Health and Care Academy project.
- Option 2 - No Revenue Funding – Use Existing Resources: This option would require the Trust to absorb any additional service provision within the current budgeted establishment.
- Option 3 - Revenue funding received from the Trust to pump prime the project – phased approach to delivery: with partial activity in 2022/2023 and then have a full year of activity from 2023/24.
- Option 4 - Revenue funding received from the Trust to pump prime the project – full service provision from year 1.

As part of the options appraisal, a comparative risk assessment was undertaken for each option. The outcomes of this assessment are provided in Table 2-4.

Table 2-4: Options Appraisal

Option	Benefits	Risk
Option 1: Do Nothing	<ul style="list-style-type: none">• No changes required thereby stability retained• Cost neutral	<ul style="list-style-type: none">• Continued challenges to efficiently meet local, regional and national workforce shortages;• Negative impact on apprenticeship levy spend, may result in the Trust sunsetting monies;• Adverse effect on supporting the population health agenda;• Inability to fully maximise the benefits associated with developing a Health and Care Academy within the Hartlepool area;• Loss of potential income associated with the project;• Effect on future commercial opportunities which may require assistance of external funding;• Alternative providers will seek to "fill the gap" identified; and• Reputational damage given that the Trust has a seat on the Town's Deal Board.
Option 2 - No Revenue Funding – Use Existing Resources	<ul style="list-style-type: none">• No changes required thereby stability retained• Cost neutral	<ul style="list-style-type: none">• Would require "light touch" approach which could be considered to be disproportionate to the money invested;• Underutilisation of the re-redeveloped estate;• Detrimental impact on current service provision, possible impact on mandatory training compliance;• Loss of potential level of income associated with the project;• Inability to fully maximise the benefits associated with developing a Health and Care Academy within the Hartlepool area; and• Unable to capitalise on future commercial opportunities.
Option 3 - Revenue funding received from the Trust to pump prime the project –	<ul style="list-style-type: none">• Will provide an opportunity to initiate and embed brand of the Academy and build up a credible reputation	<ul style="list-style-type: none">• Requires expenditure from the Trust to support the project;• May struggle to break-even in year 1;• Unable to capitalise on all commercial opportunities until fully operational; and• Equipment depreciation costs will begin from operation.

Option	Benefits	Risk
phased approach to delivery	<ul style="list-style-type: none">• Will allow the project to adhere to operational timescales cited in Town Investment Plan• A number of functions would be absorbed by the Trust and/or HCFE e.g. Academy management, admin etc.• Shared risk	
Option 4 - Revenue funding received from the Trust to pump prime the project – full service provision from year 1	<ul style="list-style-type: none">• Will allow the project to adhere to operational timescales cited in Town Investment Plan• Will support the objective of making a profit in year 1	<ul style="list-style-type: none">• Requires larger investment and expenditure from the Trust to support the project.• Will require a "big bang" approach which brings risks around embedding brand of the Academy and building up a credible reputation.• Equipment depreciation costs will begin from operation.

The options appraisal concluded that the preferred option was 'Option 3 - Revenue funding received from the Trust to pump prime the project – phased approach to delivery'. This option is considered the most commercially viable option to implement since it will provide an opportunity to initiate and embed the brand of the Academy whilst building up a credible reputation. The shared revenue costs between the Trust and HCFE would also enable sharing of risk.

2.6.2 Project Description

The proposed intervention will take the form of a Health and Care Academy, comprising the formation of a new high quality and bespoke training facility within University Hospital of Hartlepool. This facility will be fully developed, owned and operated by the Trust, working in conjunction with HCFE to maintain pathways to learning for different student cohorts from different backgrounds (e.g. existing NHS staff, community/corporate organisations, further education students etc).

The facility will be a regionally significant Health and Care hub comprising multiple fully equipped rooms which replicate a range of environments that trainees will be working in as part of their careers, including:

- State of the art simulation training: Such training will be provided to both Trust and local authority staff and also marketed to businesses in the wider Tees Valley. This could include patient and clinical equipment simulators for training in maternity, general clinical skills, intensive care treatment, major incidents and trauma.
- Apprenticeships: The Academy will also develop and deliver new apprenticeships and higher education programmes in conjunction with HCFE and Teesside University in order to create a clear pathway into Higher Education for learners in the Health and Care sector.
- Corporate Social Responsibility: A combination of community and third sector activities including simulation of 'at home' Health and Care scenarios such as community health, dementia care and child and vulnerable adult safeguarding. Activities could also include first aid and similar training courses delivered on a commercial basis to external agencies; as well as volunteer and community organisations within the public health sphere who may be able to host events and seminars linked to key public health issues arising in Hartlepool (e.g. childhood obesity, diet etc).

The academy will be specifically located in Ward 10 of the University Hospital of Hartlepool. The room is currently underutilised and will require an internal refit rather than any new construction. Specialist teaching spaces will be provided allowing for the delivery of practical healthcare learning through real time simulation scenarios. Through appropriate use of digital technology, it will be possible to disseminate the specialist teaching activities (including practical demonstrations of specific simulation scenarios) to a wide audience locally, regionally and nationally. This will allow the facility to influence and support skills and training activities across

the NHS and the wider set of organisations supporting public health initiatives. The facility will also accommodate general teaching spaces, including a 6-bed training facility, two ICT suites, a trainee common room and several other flexible training and classrooms.

Throughout the duration of the Town's Deal process, new technology options have continuously been assessed in order to keep the project up to date and ahead of time. The installation of an immersive suite has been explored in detail which would allow learners to gain experience in a simulation environment. This suite would combine innovative technology, virtual reality, interactive graphics and audio content to provide them with a creative multi-sensory learning space. Installing an immersive suite would provide a strong unique selling point, enabling the facility to be ahead of its competitors whilst complementing the planned simulation concept.

The scheme requires £1.25 million of capital investment, which will be funded entirely by the Towns Fund.

2.6.3 Alignment with Objectives and Vision

The proposed project aligns closely to the objectives and vision set out in Section 2.5. In particular, it will:

- Support realisation of the vision by providing an industry-leading learning facility of regional significance that will support a range of institutional, corporate and community based learners in upskilling and reskilling within the Health and Care sector.
- Support realisation of Objective 1 by enabling greater scope for in-house learning and skills development and increased use of the Trust's resources for commercial means (e.g. training of external Health and Care providers' workforce).
- Support realisation of Objectives 2 and 4 by increasing accessibility to skills training and attainment of progressive qualifications demanded by industry and academia, thus reducing the current acute skills gaps and providing greater opportunity for progression to higher education.
- Support realisation of Objectives 3 and 5 by increasing engagement with the local community to increase awareness and understanding of public health issues, as well as boosting the locally trained Health and Care workforce.

2.6.4 Project Theory of Change

Hartlepool's TIP outlined a high-level logic model for interventions relating to creating a 'Northern Skills Centres: Health and Care Academy'. This logic model has been refined and remodelled to specifically relate to the Health and Care Academy project in its current guise, noting how the project has evolved over the last twelve to eighteen months. The revised logic model is outlined in Table 2-5.

This logic model outlines the link between key issues and challenges facing the Health and Care Academy (i.e. Section 2.2 – Section 2.3), the specific objectives determined for this project (Section 2.5.3), the resulting activities (Section 2.6.2) and long-term impacts and outcomes expected to occur as a result of the intervention.

Table 2-5: Logic Model Theory of Change

Strategic Objectives from TIP	Project Objectives	Inputs	Activities	Target Outputs	Short-Term Outcomes	Mid-Long Term Outcomes	Impacts
<div><div>- Maximising the productive and inclusive use of land and buildings to improve appearance, access and external perception';</div><div>- Close the skills gap and attract new learners by delivering the assets that educational institutions need; and</div><div>- Secure direct inward investment to establish a high-quality jobs market.</div></div>	<div><div>- Objective 1: Act as a regional centre of excellence for specialist health & social care provision, reducing reliance on external training providers for NHS and local social care providers.</div><div>- Objective 2: Help reduce the critical shortage of key skills in the sector.</div><div>- Objective 3: Support improvement in public health outcomes for the town's residents.</div><div>- Objective 4: Enhance engagement with 16-19 year olds and encouraging movement into Level 4/higher education qualification and skills.</div><div>- Objective 5: Provide a social value community offer promoting healthy lifestyles to local residents.</div></div>	<div><div>- Towns Fund capital expenditure of £1.25 million to refurbish Ward 10 and provide appropriate equipment to deliver a state-of-the-art training facility.</div><div>- In-kind contribution of property assets from the Trust's property portfolio – i.e. Ward 10, valued at £500,000.</div></div>	<div><div>- Refurbishment of Ward 10</div><div>- Supply of cutting-edge technology and equipment</div></div>	<div><div>- 743 sq m of high quality learning space</div><div>- specialist simulation suites</div><div>- general classroom space</div><div>- ICT suites</div><div>- appropriate welfare facilities</div></div>	<div><div>- Skills for a productive and creative town: Capacity and facilities for teaching L4 Higher Apprenticeships; L3 Access programmes in Health; L2 Diplomas and other professional qualifications</div><div>- Skills for a productive and creative town: Direct links for Hartlepool learners with Higher Education qualifications at Teesside University.</div><div>- Value-driven rebound and growth: Improved perception of Hartlepool as a location for health and medicine teaching.</div><div>- Value-driven rebound and growth: Diversification of services and activity at University Hospital – helping to secure long-term sustainability of important town employer.</div></div>	<div><div>- Skills for a productive and creative town: Hartlepool develops as Northern centre for stimulation based healthcare teaching and learning.</div><div>- Skills for a productive and creative town: Increase in proportion of skilled residents (including L4+) and employment.</div><div>- Value-driven rebound and growth: Safeguarding of employment at University hospital.</div><div>- Skills for a productive and creative town: Enhanced educational aspirations and qualifications of Hartlepool residents.</div><div>- Value-driven rebound and growth: Enhanced private sector investor and employer perceptions of Hartlepool for businesses in private healthcare training provision</div></div>	<div><div>- £8 million of wage premium impacts for learners completing courses at the Academy.</div><div>- c. 19 construction stage job years and associated gross-value added (GVA).</div><div>- c. 7 WTE employees at full operation, leading to increased social wellbeing and a positive welfare impacts associated with additional employment.</div><div>- Reduced skills shortage for local Health and Care sector.</div><div>- Increased inward investment in sector as Health and Care firms seek to leverage proximity to regionally significant facility.</div><div>- Enhanced image and improved perception of Hartlepool as a learning town.</div><div>- Improved socioeconomic and public health outcomes for local residents harnessing new educational and learning opportunities.</div><div>- Increased social wellbeing for any unemployed learners supported into employment as well as increased confidence for adults developing new skills.</div><div>- Sustainable re-use/re-purposing of an existing building, reducing the carbon footprint associated with new builds.</div><div>- Increased capacity for internal Trust training and enhanced potential to meet external providers' needs (leading to commercial revenue opportunity for the Trust).</div><div>- Increased community engagement and community cohesion through hosting of third sector and community activities at the facility.</div></div>

2.6.5 Expected Outputs and Outcomes

To summarise the Logic Model presented at Table 2-5, the key expected outputs arising from the intervention include:

- Refurbishment of Ward 10 of University Hospital of Hartlepool to enable:
 - 743 sq m of high quality learning space;
 - specialist simulation suites;
 - general classroom space;
 - ICT suites; and
 - appropriate welfare facilities.

In terms of short term outcomes, the intervention is forecast to unlock:

- Skills for a productive and creative town: Capacity and facilities for teaching L4 Higher Apprenticeships; L3 Access programmes in Health; L2 Diplomas and other professional qualifications;
- Skills for a productive and creative town: Direct links for Hartlepool learners with Higher Education qualifications at Teesside University;
- Value-driven rebound and growth: Improved perception of Hartlepool as a location for health and medicine teaching; and
- Value-driven rebound and growth: Diversification of services and activity at University Hospital – helping to secure long-term sustainability of important town employer.

In the medium-to-long term, the expected outcomes include:

- Skills for a productive and creative town: Hartlepool develops as Northern centre for stimulation based healthcare teaching and learning;
- Skills for a productive and creative town: Increase in proportion of skilled residents (including L4+) and employment;
- Value-driven rebound and growth: Safeguarding of employment at University Hospital;
- Skills for a productive and creative town: Enhanced educational aspirations and qualifications of Hartlepool residents; and
- Value-driven rebound and growth: Enhanced private sector investor and employer perceptions of Hartlepool for businesses in private healthcare training provision.

These outcomes are forecast to generate the following impacts which will be considered in more detail in the Economic Case:

- Temporary/short-term employment during the construction phase of the project;
- Wage premium impacts for learners completing courses at the Academy;
- Additional operational stage employment opportunities, leading to increased social wellbeing and a positive welfare impacts associated with additional employment;
- Reduced skills shortage for local Health and Care sector;
- Increased inward investment in sector as Health and Care firms seek to leverage proximity to regionally significant facility;
- Enhanced image and improved perception of Hartlepool as a learning town;
- Improved socioeconomic and public health outcomes for local residents harnessing new educational and learning opportunities;
- Increased social wellbeing for any unemployed learners supported into employment as well as increased confidence for adults developing new skills;
- Sustainable re-use/re-purposing of an existing building, reducing the carbon footprint associated with new builds;
- Increased capacity for internal Trust training and enhanced potential to meet external providers' needs (leading to commercial revenue opportunity for the Trust); and
- Increased community engagement and community cohesion through hosting of third sector and community activities at the facility.

2.6.6 Project Risks, Constraints, and Interdependencies

A number of high level project risks were identified as placing constraints on the project. These include:

- Inability to attract sufficient students to courses.
- Inability to attract sufficient funding to develop centre of excellence to required standard.
- Central government change the way the apprenticeship levy is structured/implemented, which impacts on course provision for apprenticeship learners.
- Competition from other providers.
- New technology which makes simulation less attractive/redundant.
- Insufficient car parking on site.
- Inability to develop the centre of excellence and open on proposed 'go live' date due to delay in refurbishment.
- Lead times of specialist equipment.
- One of the key project stakeholders withdrawing support for the project.

Full consideration of risk and the Trust's detailed risk register, which outlines mitigation measures designed to minimise the above risks is provided at Section 6.5.

The project integrates well with the NHS Trust's wider plans and priorities. For example, the Academy will support the population health agenda and will complement the areas identified as skills gaps within the workforce business plans. There is also an opportunity to broaden the offer to wider markets in much sought areas such as mortuary training, manual handling and health care science.

2.6.7 Likely Outcome Without Intervention

In the absence of Towns Fund capital grant to deliver the proposed intervention, the Health and Care Academy will not materialise. As such, the various prevailing challenges discussed in Section 2.2 will persist, and Hartlepool will:

- Miss an opportunity to secure a regionally significant skills facility; meaning existing negative perceptions about the town lacking investment and a knowledge-based economy will persist;
- Continue to be home to a labour force with below average skills attainment. In particular, the skills gaps that already exist and are forecast going forward in the Health and Care sector will worsen.
- Fail to capitalise on the potential development of local specialisms in key sub-sectors of the Health and Care sector (e.g. residential care and maternity care). Absence of Towns Fund support could undermine Hartlepool's ambition to become a centre of excellence for training and delivering such services.
- Not be able to leverage major employment and development opportunities arising within the Health and Care sector, as highlighted in the SEP.
- Suffer from undermining of the University Hospital of Hartlepool's role as a key asset in the town.
- Not realise the potential to make the Health and Care a more attractive sector to work in.
- Continue to suffer from depressed public health and wider socioeconomic conditions relative to regional and national averages.

In effect, failure to intervene would represent a significant missed opportunity for Hartlepool that fundamentally undermines the town's ability to achieve its vision as set out in the TIP and summarised in Section 2.5.1.

2.7 Stakeholder Engagement and Communications

2.7.1 Stakeholder Mapping

Key stakeholder on the project include:

- North Tees and Hartlepool NHS Trust: Responsible organisation for overseeing integrated hospital and community services healthcare for 400,000 people (including the town of Hartlepool). Operator of University

Hospital of Hartlepool and scheme promoter, alongside HCFE. Responsible for course delivery for upskilling NHS staff.

- Hartlepool College of Further Education: Further education institution providing 'outstanding' educational content across a range of courses. Responsible for curriculum development and providing a pathway to learning for 16-18 year olds and the further education student cohort.
- Other Further Education Providers (e.g. Hartlepool VI Form College): Currently provide courses linked to Health and Care, which may benefit from integration with wider courses and content delivered at the Health and Care Academy.
- Hartlepool Borough Council: Conduit for securing Towns Fund capital investment and responsible for improving the health of their local population, general public health services and adult social care provision in the Borough.
- Wider Further and Higher Education Institutions (e.g. Stockton Riverside College, Teesside University): institutional partners that can provide access to Level 4+ qualifications for trainees who progress through the Health and Care Academy.
- Private Health Care Providers: accessing commercial components of the skills and training provision at the Academy, e.g. around specialist skills and more general skills around First Aid.
- Care Agencies and Private Social Care Providers: responsible for providing care to residents in residential and nursing home settings as well as in the wider community. The facility could provide a steady supply of trained social care professionals.
- Third Sector/Voluntary/Community Organisations: play a role in raising awareness of public health issues in Hartlepool and have an active role in informal education provision to vulnerable groups in particular.
- Members of the Workforce directorate including education, stimulation and organisation development.
- NTH Solutions LLP: a subsidiary of the Trust and Northumbria Healthcare NHS Foundation Trust, established in April 2018 to provide estates, facilities and support services via a 700 strong workforce.
- Project Management Improvement Office (PMIO): internal function of the Trust, overseeing project management of operational activities.
- Optimus: Commercial arm of the Trust.
- Thirteen Housing: registered housing provider (RHP) active throughout the Tees Valley, with an interest in ensuring social housing contributes to improved public health outcomes and better access to social care.
- Local People: potential end users of the facility as both formal learners (e.g. as apprentices, Trust staff or external provider staff) and informal community users. Also potential beneficiaries from improved scale and quality of Health and Care provision as a consequence of the scheme.

2.7.2 Summary of Engagement to Date

The development of the TIP and subsequent project development for the Health and Care Academy was informed by extensive stakeholder and community engagement. This has included review and analysis of engagement which HBC has undertaken since 2019, as well as specific activities to identify, evidence and develop priority projects. To this end, key stakeholder and community engagement activities undertaken to date include:

- TDB Meetings, incorporating representation from the full spectrum of public, private and voluntary sectors within Hartlepool. The TDB members continue to use their own networks to:
 - disseminate information about Town Deal projects;
 - articulate the ongoing Town Deal process;
 - publicise relevant engagement activities; and
 - obtain informal and anecdotal feedback on each project and its development.
- #My Town online engagement portal – 90 suggestions were received;
- One-to-one sessions with stakeholders (business interests, local colleges, key landowners);
- Online Local Residents Survey (publicised through an extensive network of communication channels) – a total of 463 responses were received;
- Online Local Business Survey – a total of 71 responses were received;
- Members Seminar;
- Young People's Group;
- Online discussion with the Economic Regeneration and Tourism Forum;

- ‘Sector Connector’ call (online discussion with the Voluntary and Community Sector [VCS] via Hartlepower); and
- Public exhibition presenting Town Centre Masterplan and TIP Interventions.

Further, wider engagement processes undertaken outside, but linked to, the Town Deal Programme have also provided insight into community and stakeholder views on the Health and Care Academy. These include:

- Surveys undertaken to inform the Council Plan 2020-2023 (over 250 responses received in 2019);
- Engagement undertaken to inform HBC’s Covid-19 Recovery Plan – this comprised a range of engagement activities including members seminar, online employee survey and virtual workshops held with primary and secondary school headteachers, public sector partner organisations, VCS organisations and representatives of business and faith communities; and
- Findings from the Tees Valley Covid-19 Business Survey undertaken in 2020.

Specific activities undertaken as part of this project includes stakeholder engagement undertaken in November 2021 to gauge stakeholder receptiveness to the emerging structure of the project. Representatives from HBC’s Economic Development, Public Health and Adult Education teams, HCCE, the Trust and Hartlepool VI Form College were in attendance alongside elected members to the Borough Council.

Further, ongoing conversations have taken place with a number of specialist stakeholders including Thirteen Housing, Hartlepool Sixth Form, HBC Adult Services, Optimus and the North Tees and Hartlepool Education Alliance to discuss the projects evolution, with memorandums of understanding in development to secure usage of the services provided. Further work is underway to extend this offer to further industries in Hartlepool including the Fire Service as well as community groups in the third sector. Recent discussions around sensory deprivation awareness and lack of healthcare science opportunities have also led to these being explored as possible future income streams.

2.7.3 Summary of Stakeholder Viewpoints

As a result of these engagement activities, a number of key themes and issues were highlighted that had particular relevance to the Health and Care Academy, as outlined in Table 2-6.

Table 2-6: Summary of Key Stakeholder Viewpoints

Broad Stakeholder Viewpoint	Engagement Activities Where Viewpoint was Expressed
Need for more training and employment opportunities focusing on various industries / sectors and segments of the population (for example young people)	13% of #My Town respondents Young People's Group Council Plan 2020-23
Access to the best education and learning opportunities	Council Plan 2020-23
The need to provide young people with better opportunities to avoid incidence of anti-social behaviour	9% of #My Town respondents
Importance of economic regeneration. Opportunities include the value of small, very cheap 'starter units' for new businesses	'Sector Connector' discussions with the VCS
Reducing the considerable rate of 'in-work' poverty, indicative of low value, low wage employment	HBC's Covid-19 Recovery Strategy
Presence of health inequalities which already existed in Hartlepool and that have been exacerbated by the Covid-19 situation	HBC's Covid-19 Recovery Strategy
Concerns about lack of information about mental health	Young People's Group
Desire to see improved healthcare facilities	12% of #My Town respondents
Desire for Hartlepool to become a 'healthy' place	Young People's Group

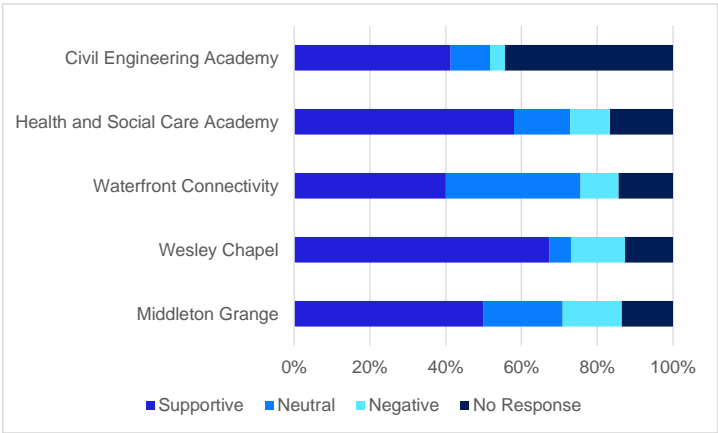
Broad Stakeholder Viewpoint	Engagement Activities Where Viewpoint was Expressed
	Council Plan 2020-23

Of particular relevance to the Health and Care Academy project was issues around availability of jobs and skills and the need to promote Hartlepool as a 'healthy' town which maximised mental and physical wellbeing of residents. The need for more training and employment opportunities featured frequently across all engagement activities. Over a fifth of responses to the online residents survey highlighted at least one of these aspects as key to making Hartlepool a better place to live, visit or work. Availability of jobs (60%) was also highlighted as the second most important priority for Hartlepool according to the online residents survey. Consultation feedback also identified the need to address poverty, homelessness and physical and mental health and wellbeing for the residents of Hartlepool as a key potential objective of public sector investment. These responses were critical in developing HBC's strategic priorities within the Council Plan 2020-23, with three priorities directly relating to the Health and Care Academy project:

- 'Developing a healthy Hartlepool by working with our communities to improve the health and wellbeing of our people';
- 'Growing a diverse economy by supporting businesses, increasing jobs, attracting inward investment and improving skills and aspirations'; and
- 'Building better beginnings and better futures for our children and young people'.

These findings provide a strong basis for widespread community, business and stakeholder support for the project, given that the project seeks to contribute to ameliorating many of the key issues identified by both local residents and businesses. This position is reinforced by that fact that the Health and Care Academy project achieved amongst the highest level of support of any project based on responses to the 'Consultation on TIP Priorities' (c. 70% positive approval rating, ignoring 'no responses').

Figure 2-1: Summary of Approval/Support Responses



3. Economic Case

3.1 Introduction

The Economic Case seeks to identify the proposal that is most likely to deliver the best Value for Money (VfM) to society including wider social and environmental effects. Within this context, the Economic Case sets out to:

- Provide a comparative analysis of the quantifiable and monetisable costs and benefits of shortlisted options or scenarios.
- Synthesise economic costs and benefits into a holistic value for money statement for the project.
- Outline some of the non-quantifiable and wider economic impacts of intervention.
- Based on consideration of value for money and wider issues, recommend a preferred option for intervention.

3.2 Approach to Economic Appraisal

The following key assumptions underpin the analysis presented within this economic case:

- Based on the options analysis presented in Section 2.6.1, a single feasible intervention option was considered appropriate for assessment, with a preferred option relating to its operational arrangements. This is referred to as the Do Something scenario within the economic appraisal set out below.
- The economic appraisal was predicated on a comparison of Do Minimum versus Do Something scenarios, where:
 - the Do Minimum scenario represents the business as usual situation and likely outcomes in the event of no Towns Fund investment (i.e. the Health and Care Academy identified is not delivered, as outlined in Section 2.6.7); and
 - the Do Something scenario forecasts the anticipated outcomes and impacts associated with timely approval of Towns Fund investment (i.e. the delivery of a new Health and Care Academy within the University Hospital of Hartlepool, as per Section 2.6.2).
- An appraisal period of ten years has been adopted. This approach is well within the appraisal period parameters suggested by guidance⁶, reflecting the conservative approach that has been undertaken in economic appraisal.
 - For wage premium impacts, the appraisal period commences from the first year of course completion, i.e. 2024, through to 2033. Under this approach the benefits captured for each yearly intake are subject to a diminishing persistence factor. For instance, the cohort completing in year 2024 are subject to a persistence factor of 10 whilst the cohort in year 2033 a persistence factor of 1. This represents a conservative approach to analysis.
 - For labour supply impacts, the appraisal period commences from the first year of staffing, i.e. 2023, through to 2032.

It should however be noted that given the asset life of the intervention being proposed, there could be some benefits that accrue past 10 years which have not been captured. Again, this reflects a prudent but robust approach to economic appraisal.

- All monetised figures used in the appraisal are presented in 2021 prices and values using real price adjustment factors in line with the Office for Budget Responsibility's inflation forecast and the prevailing HM Treasury Green Book discount rate. Where appropriate the health discount rate as outlined in the HM Treasury Green Book has been used instead of the default rate.
- Economic impacts have been modelled using a bespoke model that synthesizes various potential impacts before aggregating costs and benefits into a single consistent price and value base (i.e. 2021 prices and values), to inform key value for money metrics, including benefit-cost ratio (BCR).

⁶ Informed by Towns Fund guidance materials, e.g. Economic Case: Best Practice Guide – Annex B

- The model is underpinned by the latest relevant departmental and Towns Fund-specific Guidance. The data and guidance adopted includes:
 - HM Treasury Green Book;
 - HM Treasury Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance;
 - DLGG Appraisal Guide;
 - Student and employment forecasts from the Trust
 - HCA Additionality Guide;
 - Towns Fund Stage 2 – Business Case Template; Economic Case: Best Practice Guidance;
 - Construction Industry Training Board (CITB); and
 - HCA Calculating Cost Per Job | Best Practice Note.

3.3 Economic Benefits

As outlined within the Theory of Change (Section 2.6.4), the delivery of the new, high quality Health and Care Academy is likely to give rise to a wide range of economic benefits, the derivation of these is presented within this section.

3.3.1 Student Numbers

The Trust have highlighted that the new facility will deliver courses for the following audiences:

- General public health courses targeted at community groups within the corporate social responsibility theme, encompassing:
 - Infection Prevention and Control;
 - Vaccine Information;
 - Food Hygiene/Healthy Eating;
 - Interview Skills;
 - Baby First Aid; and
 - Introduction to Health and Care.
- Resuscitation courses targeted at the Trust's internal staff and external Health and Care workforce, encompassing:
 - ILS (Immediate Life Support);
 - ILS recertification (Immediate Life Support Recertification);
 - PILS (Paediatric Immediate Life Support);
 - PILS recertification (Paediatric Immediate Life Support Recertification);
 - ALS (Advanced Life Support);
 - APLS (Advanced Paediatric Life Support); and
 - GIC (Generic Instructors Course).
- Other specialist courses targeted at the Trust's internal staff and external Health and Care workforce, encompassing:
 - Venepuncture;
 - Catheterisation;
 - Basic Life Support;
 - Health and well-being of the elderly;
 - Customer Service half day;
 - Cannulation;
 - Blood Culture collection;
 - Acute illness management for HCA's; and
 - IPC in the home.
- Apprenticeships targeted at young people and the future Health and Care workforce, covering a wide range of qualification levels (2-5):

- Level 3 Leadership
- Level 5 Leadership
- Level 5 Project Management
- Level 2 Food and Drink Process Operator
- Level 2 Customer Service
- Level 3 Customer Service
- Level 2 Health Care Support Worker
- Level 3 Senior Health Care Support Worker
- Level 2 Health Care Cleaning Operative
- Level 3 Mortuary
- Level 4 Mortuary

The approximate number of annual course attendees under each broad theme is outlined in Table 3-1, reflective of annual course attendee forecast with the facility at full operation.

Table 3-1: Annual Course Attendee Forecast

Broad Course Theme	Number of Annual Course Attendees
Community-focussed General Public Health	432
Resuscitation Courses	2,496
Other Specialist Courses	240
Apprenticeships	220

Whilst the facility has the potential to support upskilling and reskilling of users across a broad range of audiences, the focus of the quantified and monetised analysis presented in the Economic Case focusses on the apprenticeships cohort of learners. There are a number of reasons for adopting this approach:

- Community-focussed General Public Health courses are likely to be designed for wider community consumption to increase awareness of public health issues, rather than directly intended to support particular groups into employment.
- The resuscitation and other specialist courses are designed to support people already in employment, who may be upskilling within their existing roles or reskilling to reflect evolving demands in the workplace. However, as most of this audience are already in employment, the human capital benefits associated with skills development are assumed to reflect general continuing professional development rather than a transformation in employability or ability to secure higher wages.

It is recognised that this approach is simplistic and ignores the potential for skills developed on resuscitation and other specialist courses to unlock promotion or new employment opportunities (and the associated wage increases this could entail). However, the approach is considered as robust and conservative approach and avoids the potential risk of over-estimating wage premium effects generated by attendance at courses at the Health and Care Academy.

Within the context of focussing economic analysis on the 'apprenticeships' student cohort, a detailed forecast of student numbers by course and qualification level is provided in Table 3-2. Note that this level of enrolment in

apprenticeship courses only materialises in the Do Something scenario; under the Do Minimum scenario the Academy is not delivered and therefore the apprenticeships do not exist. This reflects the realities of a lack of alternative learning facilities to deliver the course content proposed at the Academy anywhere else in the region.

Table 3-2: Apprenticeship Student Enrolment Forecast

Course and Qualification	Student Enrolment per Year
Level 3 Leadership	20
Level 5 Leadership	20
Level 5 Project Management	20
Level 2 Food and Drink Process Operator	20
Level 2 Customer Service	20
Level 3 Customer Service	20
Level 2 Health Care Support Worker	20
Level 3 Senior Health Care Support Worker	20
Level 2 Health Care Cleaning Operative	20
Level 3 Mortuary	20
Level 4 Mortuary	20
Total	220

Note that the enrolment numbers displayed in Table 3-2 assumes intakes twice a year (January and September of each calendar year) for these courses. Similarly, the courses have various durations ranging from 1 to 2 years, with 1.25 and 1.5 year courses also provided for some activities. These durations have a bearing for the timing of economic impacts discussed in Section 3.3.2.

3.3.2 Wage Premium Benefits

Building on the student enrolment, intake and course duration data for apprenticeship courses documented in Section 3.3.1, the increase in working-life wages associated with the marginal impact of skills development was estimated via the wage premium approach. The link between attainment in further education, vocational skills and employment in higher value and higher paid jobs is well established. For example, research undertaken by CITB⁷ finds that qualification level is a key determinant of wages. Higher level skills translate into increased lifetime wages.

Although the CITB analysis focuses on the construction and built environment Sector, for benchmarking purposes the analysis generates equivalent wage premiums across various sectors and across the economy in general. For the purpose of this analysis, to proxy the wage premiums associated with achieving a higher level of qualification

⁷ CITB (2017) 'Value of vocational qualifications in the Construction and Built Environment Sector'

at the Health and Care Academy, the marginal wage premiums associated with 'other sectors' (a proxy for the wider non-construction, built environment and manufacturing sectors) was adopted based on CITB research. This is considered to reflect the wage premium potential in the Health and Care sector. These annual premiums by qualification level are presented in Table 3-3.

Table 3-3: Wage Premium Benchmarks

Qualifications	Wage Premium (2017 prices and values)
Level 2 – All other sectors	£790
Level 3- All other sectors	£1,030
Level 4 and above – All other sectors	£1,120

These wage premiums were applied to the student enrolment, intake date and course duration data outlined in Section 3.3.1. However, further adjustments were made to the student enrolment data to better reflect the number of people over which the wage premium would apply:

- Recognising that not all students that enrol complete their course, a completion factor of 90% was applied based on benchmark evidence for wider further education courses completion rates in the area; and
- Recognising that not all students completing courses at the Academy will enter employment roles within the Health and Care sector, a sector retention factor of 75% was applied, again based on benchmark evidence for student destinations in the area.

Taking these steps, the aggregate wage premium associated with skills development at the Health and Care Academy was estimated at c. £7.8 million in 2021 prices and values (Table 3-4). This is considered a gross additional impact as no student enrolment or resulting wage premium impacts are anticipated in the Do Minimum scenario.

Table 3-4: Gross Additional Wage Premium Impacts (£, 2021 Prices and Values)

Qualification Level	Wage Premium Impact
Level 2	£2.5
Level 3	£2.9
Level 4 and above	£2.4
Total	£7.8

3.3.3 Labour Supply Impacts

The delivery of the new Health and Care Academy under the Do Something scenario will generate employment during the operational period. Data provided by the Trust indicates that in year one 2.3 WTEs would be required, with this figure increasing to 7.3 WTEs in subsequent years at full operation.

The labour supply impacts of these gross additional jobs are twofold:

- Welfare impact of new entrants/re-entry into the labour market; and
- Wellbeing impact of securing employment.

3.3.3.1 Welfare impact of new entrants/re-entry into the labour market

Individuals that are re-entering the labour market or are new to the labour market will accrue a welfare benefit. To capture this benefit in line with Central Government guidance on other investment programmes⁸, it has been assumed that 10% of the individuals gaining employment are currently unemployed. To estimate the welfare benefit associated with gaining employment from an unemployed position, the GVA⁹ per employee figure of c.£44k (2019 prices) is applied to the quantum of individuals re-entering the market. As per MHCLG guidance, this quantum of benefits should be adjusted to solely capture the welfare impact of impact of employment only. This is done through application of a factor of 40%¹⁰. The resultant gross additional benefit over a 10 year appraisal period is £0.1 million (2021 prices and values).

3.3.3.2 Wellbeing impact of securing employment

Gaining employment from a position of unemployment also results in an improvement in life satisfaction. This is valued at £5,980¹¹ (2018 prices). Applying this to the number of individuals assumed to be gaining employment from unemployment status as a result of operational activities at the Academy, the wellbeing benefit is estimated at £0.04 million (2021 prices and values) over a 10 year appraisal period.

3.3.4 Aggregate Gross Additional Impacts

The gross additional impacts are those estimated by comparing the Do Minimum scenario to the Do Something scenario. In this instance, as the Academy is only delivered under the Do Something scenario. No impacts materialise in the Do Minimum scenario. Hence, all of the benefits described in Section 3.3 so far represent gross additional impacts.

Aggregating the stream of gross additional benefits appraised, an estimated present value of gross benefits of £8.0 million (2021 prices and values) is anticipated (Table 3-5).

Table 3-5: Gross Additional Impacts Summary

Benefit Category	Gross Additional Impacts £m (2021 prices and values)
Wage Premium	£7.8
Labour supply impacts	£0.1

⁸ E.g. the Future High Streets Fund

⁹ ONS Sub-regional Productivity (July 2021 release) – Hartlepool

¹⁰ As specified as part of the Future High Street Fund Programme and DfT's Transport Analysis Guidance

¹¹ Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance

Benefit Category	Gross Additional Impacts £m (2021 prices and values)
Total	£8.0

3.3.5 Additionality

To improve accuracy and provide a more robust estimate of the quantified benefits of an intervention, it is necessary to convert the gross additional impacts to net additional impacts.

For the purpose of this analysis, the following additionality factors have been adopted, consistent with the 'People and Skills' theme in HCA's Additionality Guide (2014):

- Displacement = 17.9%, reflecting the proportion of impacts accounted for by reduced outputs elsewhere.
- Leakage = 13.5%, reflecting the proportion of impacts that may benefit those outside of the intervention context area.
- Multiplier Effects = 1.25, reflecting further induced economic activity associated with the respective benefit stream through e.g. jobs, expenditure, income.

The above factors have been applied to all benefit streams appraised.

3.3.6 Net Additional Impacts

Following application of the relevant additionality factors to the various benefit streams, Table 3-6 estimates the net additional present value of benefits (PVB) impact of the preferred option at £7.1 million (2021 prices and values).

Table 3-6: Net Additional Impacts Summary

Benefit Category	Net Additional Impacts £m (2021 prices and values)
Wage Premium	£7.0
Labour supply impacts	£0.1
Total	£7.1

3.4 Economic Costs

Table 3-7 presents the nominal scheme costs for the project split across expenditure year and by source of funding. It should be noted that these costs relate to CAPEX only, with the bulk of the funding being requested from the Towns Fund. An in-kind contribution from the Trust, in the form of the Ward 10 real estate asset, is captured as public co-funding to the project. The costs are based on estimation undertaken internally by the Trust. It has been assumed that these costs are inclusive of inflation and appropriate contingency levels. Further details on cost derivation are provided in the Financial Case (Section 4).

Table 3-7: Nominal Scheme Costs (£ million, undiscounted)

Funding Source (£m)	2022	2023	2024	Total
Towns Fund Funding (public)	£1.25	£0.0	£0.0	£1.25
Match/ Co- funding – the Trust (public)	£0.5	£0.0	£0.0	£0.5
Total	£1.75	£0.0	£0.0	£1.75

To generate the present value of costs (PVC) in 2021 prices and values the following adjustment stages were undertaken:

- Disaggregating costs by public and private sources;
- Accommodating real growth using the Office for Budget Responsibility (OBR) forecasts; and
- Applying optimism bias at the prevailing rate¹²; and
- Discounting to 2021 prices and values.

Following the steps above generates a present value of cost (PVC) for the Do Something scenario of £2.1 million (2021 prices and values), as outlined in Table 3-8:

Table 3-8: Present Value of Costs for Economic Appraisal (£ million, 2021 prices and values)

Funding Source (£m)	2022	2023	2024	Total
Public Funding (Town Deal/the Trust)	£0.0	£2.1	£0.0	£2.1
Private Funding (Other)	£0.0	£0.0	£0.0	£0.0
Total	£0.0	£2.1	£0.0	£2.1

3.5 Value for Money Assessment

Taking into account estimates for both the PVB (Section 3.3) and the PVC (Section 3.4), Table 3-9 presents the value for money metrics relating to the Do Something scenario. The analysis demonstrates that the Do Something scenario unlocks substantially more economic benefits than public costs, resulting in a Benefit Cost Ratio (BCR) of 3.5:1 and a positive Net Present Social Value (NPSV) of more than £5 million. This represents high value for public sector investment.

Table 3-9: Value for Money Summary

Value for money assessment (£m, 2021 prices and values)	Preferred Option – Core Scenario
Economic benefits	
Wage Premium	£7.0
Labour Supply Impacts	£0.1
Total economic benefits	£7.1

¹² Standard Buildings rate of 24% as per the Green Book Supplementary Guidance of Optimism Bias

Value for money assessment (£m, 2021 prices and values)	Preferred Option – Core Scenario
Economic costs	
Total public sector funding	£2.1
Private sector funding	£0.0
Total economic costs	£2.1
Value for Money Metrics	
BCR	3.5
NPSV	£5.0

3.6 Sensitivity Tests

To assess the robustness of the scheme's value for money proposition, the following two sensitivity tests have been undertaken:

- Sensitivity Test 1: Reduction in Wage Premium achieved in the Do Something scenario. As the primary driver of the benefits is the wage premium, a 50% reduction has been applied to this benefit stream to reflect either a reduction in additional learners or a reduction in per capita wage premium.
- Sensitivity Test 2: Increase in PVC in the Do Something scenario. Application of a 50% increase to the PVC for the Do Something scenario to reflect potential cost overruns for the project.

The revised present value of benefits and present value of costs, along with the subsequent value for money metrics is presented in Table 3-10. Under Sensitivity Test 1, the wage premium benefits reduce to £3.5 million (2021 prices and values) resulting in a revised PVB of £4.0 million (2021 prices and values). The BCR under Sensitivity Test 1 therefore reduces slightly, but continues to generate more benefits than costs as evidenced by positive BCR (1.8:1) and NPSV metrics (£1.6 million).

Under Sensitivity Test 2, the present value of costs increases to £3.1 million (2021 prices and values), generating a revised BCR of 2.3. As per Sensitivity Test 1, the scenario continues to demonstrate that the scheme benefits still greatly outweigh the costs despite a substantial increase in costs. The BCR under this sensitivity continues to achieve a “high” value for money score greater than 2.0 and a positive NPSV (£4.0 million).

Table 3-10: Sensitivity Test (£m, 2021 prices and values)

Value for money assessment (£m, discounted, 2021 prices)	Preferred Option – Core Scenario	Sensitivity Test 1	Sensitivity Test 2
Economic Benefits			
Wage Premium	£7.0	£3.5	£7.0
Labour Supply Impacts	£0.1	£0.1	£0.1
Total economic benefits	£7.1	£3.6	£7.1
Economic Costs			

Value for money assessment (£m, discounted, 2021 prices)	Preferred Option - Core Scenario	Sensitivity Test 1	Sensitivity Test 2
Total public sector funding	£2.1	£2.1	£3.1
Private sector funding	£0.0	£0.0	£0.0
Total economic costs	£2.1	£2.1	£3.1
Value for Money Metrics			
BCR	3.5	1.8	2.3
NPSV	£5.0	£1.6	£4.0

In addition to the sensitivity testing presented above, a switching values assessment has also been undertaken to understand the proportional increase in present value of costs or proportional decrease in present value of benefits that would be required to achieve a BCR position for the Do Something scenario that equates to 1.0.

The analysis presented in Table 3-11 highlights the change that would be required to still achieve a BCR of 1.0. The PVC would need to increase more than three-fold (245% increase) to arrive at a BCR of 1.0. Similarly, the PVB would have to reduce by nearly three-quarters for the BCR reach 1.0. This demonstrates that the scheme would still offer value for money (i.e. greater scale of economic benefits than costs) even if significant changes in costs and/or benefits were to materialise.

Table 3-11: Switching Values Summary

Change in Key Metric	Proportional Change Required To Converge on BCR of 1.0
Increase in PVC	245%
Reduction in PVB	71%

3.7 Wider Impacts

In addition to the monetised impacts described in Section, there are additional non-quantifiable or wider impacts that could result from intervention. With reference to the Logic Model and Case for Change outlined in the Strategic Case, the wider impacts that could be expected to occur if the preferred option is delivered include:

- Through the newly gained skills/qualifications, upskilling of the local labour supply could also occur. As well as young people being able to gain the qualifications that allow them to obtain employment in more productive higher paying sectors, unemployed individuals might be able to access courses through the adult education budget which could support re-entry to the labour market and associated improvements to social wellbeing. The provision of commercial courses will also facilitate reskilling and upskilling for those already in employment. This will help narrow the skills gap currently identified in the local Health and Care sector labour market.
- The enhanced facility could result in inward investment from the private sector looking to invest in healthcare training courses operated by the Trust. The skilled labour force could also attract private sector organisations to locate in Hartlepool to leverage the skills possessed by the local residents. This could support a clustering or agglomeration effect as a specialised Health and Care sector evolves in the Town, supported by state-of-

the-art, regionally significant training provision that can be used by NHS, external providers, apprentices and the general community.

- The enhanced asset will result in improved perception and image for the Town, as it becomes increasingly recognised as a learning Town, a place for industry-leading skills training and opportunity. This could boost civic pride for local residents and enhance external views on Hartlepool.
- Local residents will also benefit from improved social wellbeing due to individuals feeling more confident and having improved self-esteem from successfully obtaining formal qualifications. Improved confidence in adults is estimated at c. £13,000 per person. Increased skills provision could also increase social wellbeing for any unemployed learners supported into employment through educational attainment (e.g. c. £6,000 per person social wellbeing benefit from re-entering the labour market).
- Increased capacity for internal Trust training and enhanced potential to meet external providers' needs (leading to commercial revenue opportunity for the Trust).
- Improved socioeconomic and public health outcomes for local residents harnessing new educational and learning opportunities. This will address key challenges facing the Hartlepool local community, which is characterised by low income, high unemployment, low skills and poor performance against a range of public health indicators.
- By delivering various CSR events the Academy could benefit from enhanced positive reputation as well as offering increased community engagement and creating better community cohesion through hosting of third sector and community activities at the facility.
- Contribution to the Trust's 'green' and environmental sustainability credentials, owing to re-use and repurposing of an underutilised asset (i.e. Ward 10), rather than following a new build development approach. Relative to the alternative approach, re-use of existing Trust assets will help reduce the Trust's carbon footprint.
- During the construction stage, the delivery of the new facility will generate c. 19 job years for the construction industry. These jobs could result in additional expenditure within the local economy, leading to further jobs being created within supply chains.
- During the construction stage the additional jobs created will also result in a Gross Value Added (GVA) uplift for the local economy.

3.8 Summary

The Economic Case demonstrates that the Health and Care Academy represents 'high' value for money, delivering a BCR of 3.5.1 under the preferred option's core scenario. Further, sensitivity testing and switching values assessments highlight the robustness of the value for money position of the project against substantial changes in key economic modelling assumptions. Allied to a wide range of positive non-quantifiable and wider economic impacts which will not be realised in the absence of intervention, the Economic Case therefore demonstrates that from a value for money perspective, the outcomes and impacts resulting from the Do Something scenario are preferable to business as usual under the Do Minimum scenario.

4. Financial Case

4.1 Introduction

The financial case seeks to demonstrate the affordability and funding strategy for the preferred option, by considering the following issues:

- Scheme cost development;
- Consideration of funding options;
- Determination of proposed funding strategy and profile to deliver preferred option;
- Affordability from upfront capital and ongoing operational perspectives;
- Financial risks and potential mitigation measures; and
- Wider financial implications for the scheme promoters and funding stakeholders.

4.2 Project Costs

4.2.1 Capital Costs

Capital expenditure forecasts developed by the Trust estimate the total cost of works to be £1.25 million as highlighted in Table 4-1. This cost was developed internally by the Trust's estate team, pivoting from a unit rate of £1,100 per sq m for refurbishment, across an area of 743 sq m, resulting in a total refurbishment cost of c. £817,000. Further, the Trust's estate team estimate the cost of 'gold' standard equipment at c. £415,000. The balance of costs (c. £18,000) are assumed to be expended on wider fixtures and fittings. It should be noted that these costs represent a high level view on nominal costs for the scheme in advance of any detailed design. Detailed design works should provide further clarity on scheme costs over the next few months.

Table 4-1: Scheme Costs by Item (Nominal Values)

Cost Item	Value (£ '000s)
Ward redevelopment	£817
Fixtures, Fittings and Other Equipment	£433
Total	£1,250

It should be noted that these costs represent a high level view on nominal costs for the scheme in advance of any detailed design. Detailed design works should provide further clarity on scheme costs over the next few months. It should also be noted that these costs are exclusive of VAT. Nevertheless, it is recognised that in the absence of capital funding beyond the Town Deal provisional allocation, the project will need to fit within the £1.25 million budget envelope available. With this in mind, the Trust's Estates team have identified a three-tier approach to equipment costing, which provides some flexibility to manage costs within the fixed capital budget. The breakdown of these tiered costs is provided in Table 4-2.

Table 4-2: Equipment Standard Cost Options

Equipment Tier	Cost
Year 1 Gold Standard	£415,307
Year 1 Silver Standard	£379,433
Year 1 Bronze Standard	£338,759

Table 4-3 summarises the capital cost expenditure by year. Based on the information available all of the spend will occur in the year 2022/23.

Table 4-3: Profile of Capital Costs (Nominal Values)

	2022-23	2023-24	2024-25	Total
Total Capital Cost (£ 000's)	£ 1,250	£0	£0	£ 1,250

4.2.2 Operational Costs

The Health and Care Academy will incur costs associated with delivering courses, from both an administrative, staffing and facility upkeep perspective. The Trust have developed an internal business model¹³ to establish the scale of these costs. Based on this model, the costs for administering various courses is outlined below:

- ILS (Immediate Life Support): £6 per attendee, or c. £4,000 per annum at full operation;
- ILS recertification (Immediate Life Support Recertification): £6 per attendee, or c. £4,000 per annum at full operation;
- PILS (Paediatric Immediate Life Support) : £6 per attendee, or c. £2,000 per annum at full operation;
- PILS recertification (Paediatric Immediate Life Support Recertification) : £6 per attendee, or c. £2,000 per annum at full operation;
- ALS (Advanced Life Support) : £54 per attendee, or c. £15,000 per annum at full operation;
- APLS (Advanced Paediatric Life Support): £145 per attendee, or c. £42,000 per annum at full operation; and
- GIC (Generic Instructors Course) : £44 per attendee, or c. £2,000 per annum at full operation.

The appointment of 7.3 WTE staff to operate the facility will also increase the Trust’s wage bill by some £291,000 per annum at full operation. Further, facility costs of c. £1,000 a year are anticipated due to IT licensing costs and £30,000 for general maintenance.

Finally, finance charges imposed by the Trust relating to depreciation of equipment, buildings and overheads will amount to c. £200,000 of additional costs per annum at full operation. As outlined in Table 4-4, this will create a total operational cost per annum of c. £600,000 at full operation.

Table 4-4: Profile of Operational Costs

	2022-23	2023-24	2024-25	2025-26	2026-27
Operational Cost Estimate	£122,916	£556,399	£614,730	£612,236	£608,475

4.3 Funding and Revenues

4.3.1 Capital Funding Arrangements

The capital costs associated with the delivery of the preferred option will be covered through public sector funding only, with the Town Deal Programme’s provisional allocation of £1.25 million fully funding the capital component of the project. This business case seeks to secure the provisionally allocated Towns Fund. Table 4-5 summarises the scale and timing of funding to be provided by each funding body contributing to the delivery of the capital project.

¹³ See internal business case attached at Appendix A

Table 4-5: Capital Cost Spending Profile by Funding Body (Nominal Values)

Funding Source	2022-23	2023-24	2024-25	Total
Town Deal (£ 000's)	£1,250	£0	£0	£1,250
Total (£ 000's)	£1,250	£0	£0	£1,250

4.3.2 Operational Funding Arrangements

For the most part, the Health and Care Academy is expected to be a self-funding, self-sustaining asset, generating revenue to cover costs through four main income streams:

- Charging for courses including BLS, ILS, APLS, ALS, manual handling to external candidates (c. £150-£600 per attendee);
- Receiving 30% of any apprenticeship levy delivered through the facility by HCFE as the recognised OFSTED provider (ranging from 30% of c. £3,000-£12,000 per attendee);
- Funding drawn down from the TVCA Community Learning Fund for any corporate social responsibility programmes delivered (c. £75-£200 per attendee); and
- Room hire to external providers.

Based on these revenue streams, the aggregate income estimate for the facility is outlined in Table 4-6.

Table 4-6: Profile of Operational Income

	2022-23	2023-24	2024-25	2025-26	2026-27
Operational Cost Estimate	£118,408	£519,497	£1,008,943	£1,034,280	£1,034,280

Combining the operational income and cost information, the internal business model developed by the Trust demonstrates that in year 1 and year 2 the facility would operate at a loss, with the facility making profit from year 3 onwards (Table 4-7). Based on the resulting net operational position for the project, upfront revenue funding has been approved by the Trust to cover the shortfall of c. £40,000 expected through to March 2024. From March 2024 onward, the Academy is expected to generate a profit which will demonstrate that operational costs are fully covered by revenues from 2024-25 onward. Hence, no wider public sector funding (e.g. from HBC, Town Deal Programme) will be required to sustain the facility over the long term.

It should be noted that a cautious approach to internal business modelling has been applied by the Trust. It is anticipated that via the collaboration with the college and other key stakeholders to promote and attract business to the academy, an over-performance of activity and therefore reduction in any early losses could materialise.

Table 4-7: Net Operational Position

	2022-23	2023-24	2024-25	2025-26	2026-27
Net Operational Position	-£4,408	-£36,902	£394,212	£422,044	£425,905

Further, it should be noted that HCFE have confirmed that they will contribute to expected revenue costs through provision of the following¹⁴:

- Sales and marketing support – The College has a design, marketing and sales team and are prepared to promote the work of the Academy via this team. This will range from traditional sales and marketing communications to the use of more digital platforms.
- Course and academy administration – The College has a team that handles their commercial work (customer queries, bookings, pertinent registrations, invoicing etc) as well as the governance processes associated with different strands of funding which again could be utilised for the Academy.
- Academy reception – The College has confirmed they are able to provide support at the Academy to ensure the Academy's users are signposted accordingly.
- Programme Delivery staff – The College will provide some course delivery resource for programmes such as manual handling, basic first aid and other Corporate Social Responsibility offers.

4.4 Affordability Assessment

The project is considered affordable throughout its capital and operational phase, ensuring ongoing project viability and long-term sustainability of the facility.

From a capital perspective, although funding is not yet secured from the Town Deal provisional allocation, there is a high degree of confidence that this funding will materialise as a consequence of the current business case (Section 4.3.1).

From an operational perspective, the Trust's internal business model for the project indicates that in the medium to long term, the Academy's various income streams will be sufficient to cover costs and generate a profit for the Trust to reinvest in wider Health and Care priorities. In the short-term, the Trust is committed to covering the funding deficit for the operational stage of the project in its first two years, amounting to c. £40,000 of revenue funding. This commitment does not place undue financial pressure on the Trust.

4.5 Financial Risks

A comprehensive set of financial risks is provided in Table 4-8. However, the key financial risks to the project can be summarised as:

- Uncertainty of project costing: the level of detail included in the cost estimates is necessarily high level, reflecting the level of scheme development at this stage. The costs are currently based on the Trust's estimates of refurbishment and equipment costs, subject to detailed design. Ultimately, the detailed plans and designs are still evolving. This could create concerns around cost escalation and which body/organisation funds any cost overruns. The Grant Funding Agreement mechanism to be entered into by the scheme promoters and HBC will place the responsibility for any cost overruns with the scheme promoters rather than HBC or the Town Deal. In the event that cost overruns are unaffordable, the Trust has identified a tiered approach to equipment supply that allows some flexibility to value engineer the project at no detriment to the overall project and vision. . Further, sensitivity testing outlined in the Economic Case (Section 3.6) estimates the impact of significant increases in costs on the project's value for money, demonstrating that even with a substantial increase in public sector costs, the scheme's benefits will continue to outweigh the scheme's costs.
- Inflation: the cost estimates do not explicitly include an inflation allowance benchmarked against BCIS or other industry forecasts. However, given the fact that most works are scheduled to take place within the current financial year, and reflecting a view that the market in the North East is now beginning to settle, this position is deemed appropriate at this point. However, any delay to project delivery or equipment orders could have substantial impacts on project costs, noting in particular that innovation in equipment means that costs could increase over time. More detailed cost estimation will be prepared as part of the detailed design stage of project development.

¹⁴ Note that these costs are net of the overarching business model position set out in Table 4-7

- VAT: the costs stated in the Financial Case are exclusive of VAT at this point. Each scheme promoter and HBC are working through the VAT implications of the Town Deal funding and the proposed works to determine the extent to which VAT liabilities could impact on the Financial Case for the project.
- Funding Risk: As noted, the capital funding earmarked for the project is not yet confirmed at this point. In the absence of funding from the Town Deal Programme, the project could be delayed until other funding sources materialise. To mitigate against this risk, the current business case seeks to present a robust case for intervention and public sector investment, in order to justify confirmation of the Town Deal provisional allocation.

Table 4-8 Financial Risk Matrix

Risk Item	Impact Type	Impact Description	Mitigation
Project cannot be delivered in budget envelope	Delay in Delivery and Reduced Quality/Scale of outputs generated.	Insufficient resources to complete the scheme. Scheme halted whilst: (i) scheme reduced to meet budget, or (ii) further funds sourced via other funding opportunities. Reduced scheme delivered.	Cost plan to be prepared and updated as design work progresses. Close monitoring of spend. Development of robust, evidence-based contingency pot - with regular budget monitoring and consideration of use of contingency pot. Ongoing monitoring and review of emerging funding programmes to identify alternative sources of funding, as required.
Scheme overruns +/or overspends			
Non-compliance with group accounting rules & Companies House	Reduced Quality/Scale of outputs generated.	Financial penalties & reputational damage	Use of external audit/accountancy advice
Non-compliance with HMRC requirements			
Members may withdraw financial support for project	Delay in Delivery and Reduced Quality/Scale of outputs generated.	Loss of any potential Town Deal funding	Regular briefing/update reports to portfolio holder and wider cabinet (if necessary), Arrange mechanism such that once the bid is approved at cabinet (if necessary) and by S151 officer, co-funding is guaranteed.
Towns Fund not awarded	Reduced Quality/Scale of outputs generated.	Insufficient resources to complete the scheme. Scheme halted whilst: (i) scheme reduced to meet budget, or (ii) further funds sourced via other funding opportunities. Reduced scheme delivered.	Appointment of consultant team to support business case development. Ongoing monitoring and review of emerging funding programmes to identify alternative sources of funding, as required.
Breach of funding conditions	Delay in Delivery and Reduced Quality/Scale of outputs generated.	Clawback of part or all Towns Fund grant funds. Loss of support for scheme. Scheme halted or abandoned.	Close monitoring of procurement, defray and draw down of Towns Fund and other grants, with full audit trail retained for inspection - use of external audit/accountancy advice. Use of 'Grant Funding Agreement' mechanism to oversee relationship of project stakeholders.

4.6 Wider Financial Implications

The project does not seek to increase the financial exposure of any key stakeholder in the project. The anticipated capital input is entirely sourced from the Town Deal Programme; no additional capital funding requirements are sourced from the scheme promoters or HBC. Within this context, the project is not expected to leverage any undue financial pressures on any funding stakeholders from a capital perspective.

Similarly, operational costs to support the project are expected to be fully covered by identified revenue streams over the medium to long term (Section 4.3.2). In fact, the intervention could enable the Trust to increase revenue from commercial activity. This could help the commercial element of the project to wider public Health and Care initiatives led by the Trust. However, it is acknowledged that a small operating deficit in the first two years of operation will be underwritten by the Trust's own resources. Revenue funding amounting to c. £40,000 was approved by the Trust's finance partners in March 2022. No additional operational cost burden will be passed on to HBC or any other public sector body.

4.7 Summary

The financial case demonstrates that the project is affordable from a capital and operational perspective, subject to confirmation of funding from the Towns Fund programme. Any risk that this funding may not materialise is mitigated by a number of activities that the scheme promoters have undertaken, including development of the current project business case to support drawdown of funding from Central Government. Although it is acknowledged that cost estimates are still subject to change, the scheme promoters have provided the most robust cost estimates possible for this stage of project development, informed by the Trust's Estates team. HBC's Town Deal project officers are comfortable with this position at this stage, recognising that further cost details may be forthcoming during and after the detailed design stage.

5. Commercial Case

5.1 Introduction

The Commercial Case seeks to establish a viable procurement route for delivery of the preferred option by establishing:

- Potential commercial delivery models set within the context of the Trust's existing commercial and procurement strategies;
- Market testing to determine market appetite to deliver the project;
- Key delivery partners in the project development and delivery phase; and
- Identification of a preferred procurement strategy.

5.2 Commercial Deliverability

5.2.1 Market Demand and Interest

The Trust already has support lined up to provide design services subject to confirmation of Town Deal Programme Capital Departmental Expenditure Limit (CDEL) early drawdown of funding from HBC. From a construction/build and equipment acquisition perspective, the Trust is confident market demand and capability exists at the regional and national scales, given the presence of a strong supply base provided through the Trust-specific and wider national NHS frameworks that the Trust has access to. NTH Solutions LLP (a subsidiary company owned by the Trust) have developed their own in-house frameworks for projects of this nature, with the Trust also able to call on major National frameworks that can be used when NTH Solutions are not suitable. This provides a wide-ranging market of potential suppliers to deliver the project.

From an operational perspective, market demand for training and skills development from prospective learners and employers is considered strong based on the labour market evidence provided by EMSI (Section 2.2.2) and the scheme promoters' own student forecasts (Section 3.3.1). Limited capacity is currently available to meet latent demand implied by student forecasts. The activities proposed as part of the project will provide a pipeline of substantial additional capacity to support further learning in the Health and Care sector, unlocking the underlying latent demand.

5.2.2 Land Ownership

The project will be fully delivered within the University of Hartlepool Hospital's existing footprint, specifically within Ward 10. This site is fully owned by the Trust. Land ownership is therefore not considered a constraint on commercial deliverability of the project.

5.2.3 Planning Considerations and other Consents

An informal enquiry to HBC as local planning authority (LPA) was made in February 2022 to ascertain any requirements around planning and related consents for the project. The LPA responded in March 2022 to confirm that based on the project information received to date, planning permission was not required for the proposal (Appendix B). The LPA did however confirm that Building Regulations approval would be required. Approval will be sought following detailed design and into the delivery phase of the project. At this stage, planning and related consents are not therefore considered to act as a constraint on commercial deliverability of the project.

5.2.4 Proposed Delivery Model

The proposed approach to delivering the project will be fully aligned with the NHS' central procurement framework. Further, NTH Solutions LLP have an overarching procurement strategy, and procurement policy backed up with a full suite of Procurement Standard Operating procedures. These protocols are adopted on

internal Trust projects. These overarching procurement strategies provide the foundations within which the proposed delivery model for the project are embedded.

Within the context of the protocols and regulations set out by these overarching procurement strategies, the project will be delivered via a traditional delivery approach. This will involve separation of design and build activities, with design contractors already in position to mobilise and undertake detailed design work, subject to drawdown of CDEL early funding from HBC. The design contractors will deliver a full set of detailed design drawings suitable for inclusion in a tender pack, which will be submitted to potential building contractors and equipment providers as part of the appointment of delivery phase partners. This approach enables the Trust to retain control of and substantial input into the design process. It also follows established procurement policy for projects of this nature undertaken elsewhere within the Trust's estate (Section 5.2.5).

Both design and subsequently build contractor and equipment supplier appointments will be made via existing frameworks that the Trust already has access to. As noted above, this includes the internal NHT Solutions LLP framework and wider NHS frameworks, which were tendered compliantly with OJEU requirements. This provides confidence that the Trust's supply chain has already been vetted to ensure capability, as well as compliance with financial, legal, health and safety and other standards. These frameworks are flexible to an extent and take the format of ranked suppliers for low value works (typically sub 25K), and further competitions for higher value works. Specific selection of frameworks and further competition structure will be agreed with estates department once more clarity on works and equipment packages is identified following detailed design stage. However, the Trust is committed to undertaking all appointments in line with the protocols governing the frameworks that are ultimately used.

5.2.5 Experience of Applying Delivering Similar Projects

The Trust has significant experience of delivering schemes of a similar scale and nature to the proposed project, including refurbishment and upgrade of hospital assets (e.g. wards). A summary of recent project delivery experience at the University Hospital of Hartlepool site is captured in Table 5-1, which provides confidence that the Trust is well positioned to deliver similar activities as part of the proposed skills academy in Ward 10.

Table 5-1: Summary of Recent Project Delivery Experience

Name of Scheme	Year of Completion	Project Value (£)	Brief Description of Works
Ward 24 - Respiratory	Nov 2001	2.5 million	Increase single patient bed rooms, full refurbishment of the 29 patient bed ward and upgrade ventilation and medical gas systems.
Energy Centre	2019	14.5 million	Primary infrastructure replacement for emergency generators, heating, hot / cold water and replacement of CHP (combined heat and power) energy system.
A&E Redevelopment	March 2021	3.3 million	Internal alterations to add 16 consultation examination rooms and two extra resuscitation rooms. Alterations to create a single point of access for emergency care.

5.2.6 Payment Mechanisms and Contractual Arrangements

The Town Deal funding allocation for both projects will be managed by HBC following business case approval and funding drawdown. The Trust will invoice HBC against works undertaken, which HBC will then pay in full on a monthly basis. This arrangement will be documented within the Grant Funding Agreement to be signed by HBC and the Trust (Section 6.2). This will formalise the back-to-back nature of contracts from Central Government through to the Trust (via HBC), which will confirm Town Deal funding allocation and the associated terms and

conditions or other obligations specified by Central Government as part of allocation of public money via the Town Deal.

In general, the payment mechanism between the Trust and any sub-contractors will be governed by the principles established in HM Treasury's 'Guide to Developing the Project Business Case', including a focus on incentivising service providers to deliver services to time, specification and cost, with payment being made only when requirements/standards are met. Given the proposed 'traditional' approach to project delivery, the payment mechanism will be predicated on a lump-sum price for design, construction works and equipment acquisition, with staged payments according to milestones. The build contractor and equipment suppliers will have no responsibility for design; the consultant design team will retain control over design and quality. Ultimately, the Trust will enter into contracts with both design and build contractors and equipment suppliers in line with their standard terms and conditions for purchasing goods and services.

5.2.7 Procurement Timelines

Based on the project programme specified in Section 6.4, the key procurement milestones are set out in Table 5-2. The proposed procurement programme, predicated on confirmation and drawdown of CDEL upfront capital funding by end of March 2022, implies rapid mobilisation of an already identified preferred design contractor (i.e. within two weeks of upfront capital funding confirmation and drawdown).

Following mobilisation of design contractor, a twelve week detailed design process will proceed development of the tender pack and tender process. A c. eight week allowance is currently allowed for tender preparation, distribution, evaluation and execution. However, this timeframe is an approximation and subject to change depending on final framework selected to engage with the market (as any tender process will need to adhere to the specific requirements of the framework adopted in terms of timescales).

Table 5-2: Procurement Programme and Milestones

Procurement Activity	Date
Confirmation and Drawdown of CDEL Upfront Capital Funding	31st March 22
Design Appointment and Mobilisation (two weeks)	1st – 15 th April 2022
Detailed Design (twelve weeks)	15 th April – 8 th July
Preparation, Distribution, Evaluation and Execution of Tender Process for Build and Equipment Contracts	8 th July – 2 nd September
Mobilisation of Build and Equipment Contractors	September 2022

5.2.8 Wider Procurement Policies

The Trust is committed to maximising social value in their procurement processes, by attempting to ensure the socioeconomic impacts of project development and delivery are retained locally as far as possible.

6. Management Case

6.1 Introduction

The Management Case seeks to establish that the project can be successfully delivered by the Trust and its partners, underpinned by robust arrangements around management, governance, monitoring and evaluation. Within this context, the Management Case considers:

- The organisation and governance structures responsible for delivering the project, as well as the roles and responsibilities of key individuals;
- The presence of appropriate assurance processes;
- The key programme milestones the project needs to achieve;
- Residual risks and their management;
- Project management arrangements;
- Ongoing requirements for stakeholder management; and
- Requirements for monitoring and evaluation.

6.2 Project Organisation and Governance

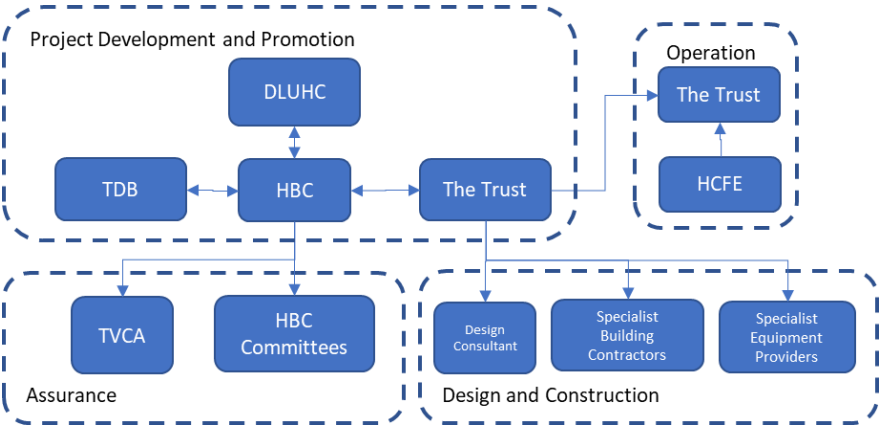
6.2.1 Project Structure

The overarching project structure at an organisational level is outlined in Figure 6-1. This demonstrates that a range of organisations have involvement at different stages of the project:

- Project Development and Promotion Phase: responsible bodies for developing the Health and Care Academy project within the wider Hartlepool Town Deal Programme.
 - DLUHC: central government department responsible for administering Town Deal Programme and providing capital funding for this project.
 - HBC: project enabler acting as conduit for Town Deal capital funding and accountable body responsible for managing and delivering Hartlepool's Town Deal Programme.
 - North Tees and Hartlepool NHS Foundation Trust: an integrated hospital and community services healthcare organisation serving around 400,000 people in Hartlepool, Stockton and parts of County Durham. The Trust act as scheme promoters for this project.
 - TDB: vehicle for developing and promoting the Town Deal Programme and Vision.
- Assurance Phase: responsible bodies for business case review and approval to secure drawdown of Towns Fund capital funding.
 - TVCA: appointed as local review and assurance body.
 - HBC Full Council and Committee Structure: ultimate approval of business case.
- Design and Construction Phase: responsible for project delivery
 - Design Consultants: appointed from the Trust's extensive supply chain via an established OJEU-compliant framework, the design consultants will be responsible for detailed design activities suitable for inclusion in tender documentation.
 - Specialist Building Contractors: appointed from the Trust's extensive supply chain via an established OJEU-compliant framework, the specialist building contractors will be responsible for refurbishment, reconfiguration and upgrade of Ward 10 to convert the building into a space suitable for a skills facility.
 - Specialist Equipment suppliers: appointed from the Trust's extensive supply chain via an established OJEU-compliant framework, the specialist equipment suppliers will source the cutting edge equipment required to ensure the skills facility is state-of-the-art and suitable for its intended use.
- Operational Phase: responsible for operating the skills facility.

- The Trust: operator and manager of the skills facility, will provide technical, specialist and generalist staff to support delivery of courses at the building. Also responsible for meeting the operational shortfall envisaged in early years of operation.
- HCFE: project stakeholder to the project, providing a pathway for students to access the facility.

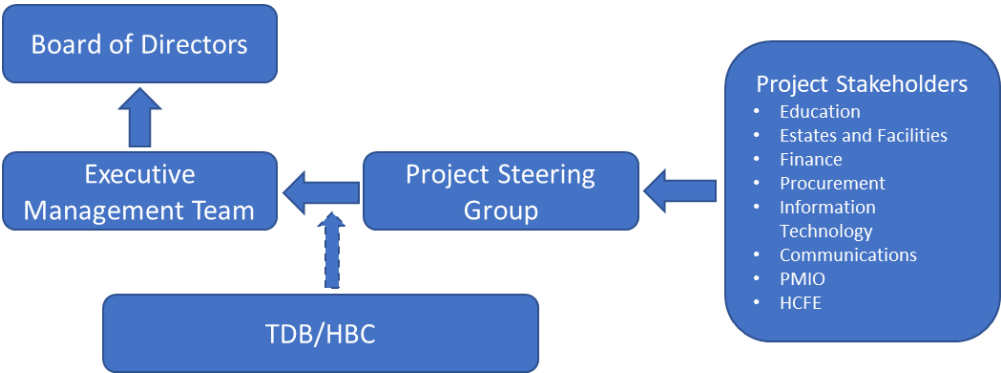
Figure 6-1: Organisational Level Project Structure



6.2.2 Trust's Governance Structure

The Trust's role at an organisational level (Figure 6-1) is distilled into an internal Trust-specific governance structure in (X). From the Trust's perspective, a Project Steering Group has been established with key stakeholders to guide project development and delivery. This Steering Group reports to the Trust's Executive Management Team and therefore Board of Directors, who provide overall oversight and approval for the project from a Trust perspective. External input from the TDB and HBC is also highlighted, through interaction with the Project Steering Group.

Figure 6-2: NHS Trust's Governance Structure



6.2.3 HBC Capital Governance Structure

Given HBC’s role as project enabler and accountable body, the project represents an HBC Capital Project. As such, the development stage of the project will need to comply with HBC’s established organisational principles, including following the Council’s usual governance structures. The Council operates a strong capital governance structure to oversee all capital projects and programmes (Figure 6-3). This involves all capital projects being mandated by a Capital Programme Board and reported into the Council’s decision making process including requiring approvals by both an Economic Growth and Regeneration Committee and a Finance and Policy Committee. Capital project performance is reported monthly to the Capital Programme Board and regular reports to the Finance and Policy Committee. A steering group of key stakeholders will be formed to oversee the development and the performance of the project will be measured and monitored through the funding contract.

The Town Deal projects, as individual projects, will all be mandated through capital governance including the Health and Care Academy scheme. The Capital Programme Board will ensure that key performance indicators (KPI’s), targets and milestones are established pre delivery, as well as ensuring Monitoring and Evaluation processes, risk registers and budget monitoring processes are in place, which will be managed through the contract to deliver.

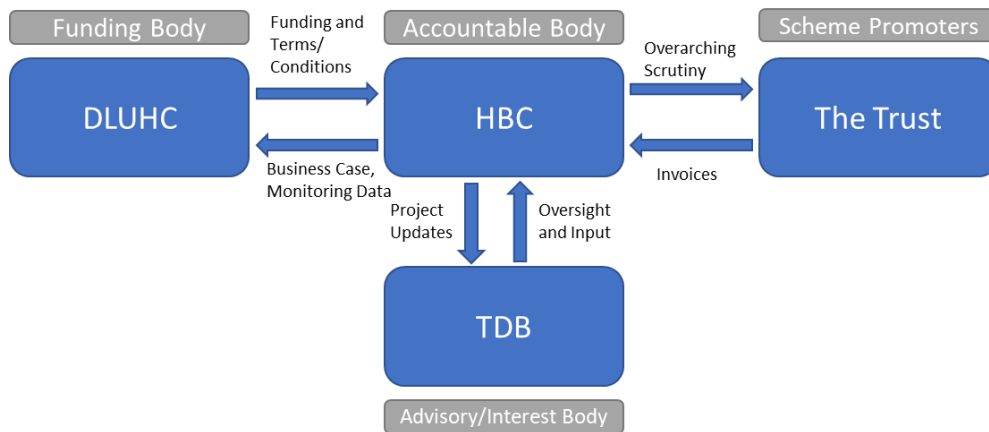
Figure 6-3: HBC Governance Structure



6.2.4 Strategic Relationship between Scheme Promoters and HBC

The project will be led by the Trust, who will be responsible for the development, delivery and operational phases of the project. In the development and delivery phase, the scheme promoters will work in close collaboration with HBC as accountable body for the Town Deal project, to ensure the project is delivered in line with the principles established in a Grant Funding Agreement to be signed by both parties. The Grant Funding Agreement will represent the formalisation of a back-to-back contract that allows the scheme promoters to invoice HBC for works undertaken (up to the value of the Town Deal allocation), but simultaneously commits the scheme promoters to any terms and conditions or other obligations specified by Central Government as part of allocation of public money via the Town Deal. Within this context, HBC’s ongoing role as accountable body for this project (and the wider Town Deal Programme at large) is captured in Figure 6-4.

Figure 6-4: HBC Interaction with Wider Stakeholders



Effectively, HBC will act as a project enabler, providing funding to initiate the expansion, redevelopment and refurbishment of existing skills facilities via a Grant Funding Agreement mechanism that enables pass through of capital funding and associated contractual obligations from Central Government to the Trust, via HBC.

To this end, a collaborative development and delivery structure is envisaged, which ensures that the activities of the Trust as (scheme promoters) are integrated with the requirements of HBC and Central Government via the Grant Funding Agreement (Figure 6-5). Within the structure, the following named individuals have been identified to play specific roles with key responsibilities:

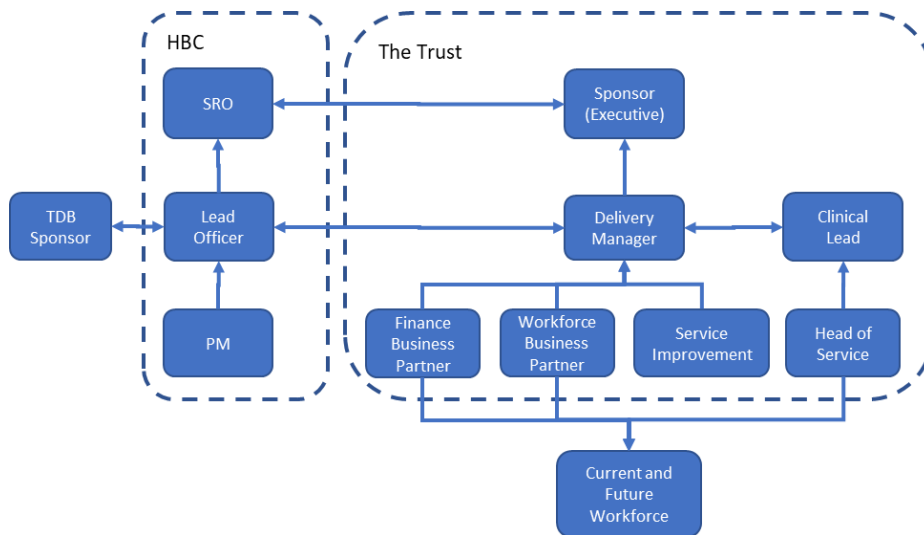
- Hartlepool Borough Council:
 - Senior Responsible Office (SRO): HBC Section 151 Officer Chris Little, Director of Resources and Development. Ultimate responsibility for the project (and the wider Town Deal Programme) within the accountable body.
 - Lead Officer for Town Deal: Paul Taylor will have day-to-day responsibility for ensuring the Town Deal Programme and its constituent projects (including Health and Care Academy) progress through the development and delivery phase, reporting to the Programme Management and Capital Programme Boards.
 - Town Deal Project Manager: Elizabeth Watt will be responsible for day-to-day management of activities associated with the Town Deal Programme and its constituent projects (including Health and Care Academy), reporting to the Lead Officer and Project Steering Group.
- Hartlepool Town Deal Board: A number of members of the TDB¹⁵ were appointed to the Project Steering Group for the project and will provide project input and oversight from the perspective of the TDB. They will ensure that project development does not lose sight of the vision and objectives set out for Hartlepool's Town Deal in the TIP.
- The Trust:
 - Sponsor (Executive): Julie Gillon, chief executive at the Trust, responsible for final approval and sign off of the project.
 - Delivery Manager: Gary Wright, programme director at the Trust, responsible for day-to-day management of project delivery and oversight of the programme.

¹⁵ Including Janice Auton, Darren Hankey (Principal of HCFE) and Councillor Cameron Stokell, Deputy Leader of Hartlepool Borough Council.

- Clinical Lead: Lindsey Robertson
- Head of Service: Vicki Spinks
- Service Improvement: Dawn McWhirter
- Workforce Business Partner: Helen McDonald
- Finance Business Partner: Jacqui Baldwin
- End Users: Current and Future Workforce, who represent the ultimate beneficiaries of the project.

Focussing on individual roles rather than organisational level interactions (as per Figure 6-4), Figure 6-5 demonstrates how the collaborative delivery structure adopted for the project will play out at the microscale.

Figure 6-5: Collaborative Delivery Structure



To support this collaborative delivery structure, two steering groups formed of stakeholders have been established. Externally, a steering group comprising of key stakeholders from the Trust, Jacobs, HCFE and HBC Regeneration Committee work together strategically on the project to satisfy Central Government requirements. Internally, stakeholders from across the Trust and NTH Solutions including education, finance, PMIO, estates, procurement and ICT meet fortnightly to operationalise the project.

6.3 Assurance

In line with Towns Fund expectations, a three line model of assurance will be adopted as part of the business case approval process from the perspective of the accountable body (HBC):

- Internal checks and approvals by main authors, Jacobs and the Project Steering Group (with HBC project management oversight and input from the Trust).
- External review and assessment of risk by TVCA.
- Final approval of interventions and onward delegations for delivery by relevant HBC's Committees and Boards, as documented in Figure 6-3 with details shared with the Town Deal Board.

Separate business case approval will also be required through the Trust, which will be navigated through the governance structures outlined in Section 6.2. Further, assurance and delegated responsibilities within the

procurement, design and construction stages of the project will be set line with the organisational and governance structures documented within Section 6.2. Ultimately, the project will be guided by a combination of HBC and the Trust's established assurance and approval processes through development and delivery stages, which provide confidence that quality, schedule and the scheme costs are being well managed with oversight from senior figures within the organisations. These processes have been applied to previous and ongoing major capital schemes and represent a robust approach to project management and assurance that will underpin development and implementation of the project.

With specific reference to the Trust's internal assurance frameworks, the Trust has confirmed that all approvals and authorisations must adhere to the Trust's Standard Financial Instructions and the scheme of delegation setting out authorised signatories at different financial limits across the Trust and the LLP. For a project of this scale, procurement processes and commissioning will require authorisation from the Trust's Chief Executive and Finance Directors (see Section 6.2.4 for more details).

6.4 Programme/Schedule Management

A high level programme for project design, development, delivery and building operation is provided in Table 6-1. This suggests an overall programme that runs until the beginning of the end of 2022, allowing commencement of operational activities from end of December 2022. The represents a very tight timeline to deliver the project at the earliest opportunity with an estimated go live date of December 2022. The key risks to this project are the availability and drawdown of CDEL upfront capital funding, which is a pre-requisite to undertaking detailed design work. Any delay in this funding will impact on detailed design timescales, which in turn will lead to follow-on delays to building contractor and equipment supplier appointments and subsequently scheme opening.

Table 6-1: Project Programme and Milestones

Project Activity	Date
RIBA Stage 1 completed by Jacobs	Completed January 2022
Internal NHS Trust business case developed and submitted for approval.	January – March 2022
Town Deal Business Case Submitted for External Review	31 st March 2022
Confirmation and Drawdown of CDEL Upfront Capital Funding	31st March 22
Design Appointment and Mobilisation (two weeks)	1st – 15 th April 2022
Detailed Design Works	15 th April – 8 th July
TVCA assurance process	April 2022
HBC Approval of External Business Case	May 2024
Preparation, Distribution, Evaluation and Execution of Tender Process for Build and Equipment Contracts	8 th July – 2 nd September
Mobilisation of Build and Equipment Contractors	September 2022

Project Activity	Date
Estates work in progress	September-December 2022
Equipment procured	November-December 2022
Academy Opens	31 st December 2022

6.5 Risk Management

Risk management will be controlled within the governance structures outlined in Section **Error! Reference source not found.** A project risk log was developed by the Trust utilising an industry standard risk score matrix for capital projects, predicated on scale and likelihood of risk materialising (as per Figure 6-6).

Figure 6-6: Risk Scoring Matrix

Risk Rating Chart	Consequence/Impact				
	1	2	3	4	5
Likelihood	Negligible	Minor	Moderate	Major	Catastrophic
1 – Rare	Green 1 Very Low	Green 2 Very Low	Green 3 Very Low	Yellow 4 Low	Yellow 5 Low
2 – Unlikely	Green 2 Very Low	Yellow 4 Low	Yellow 6 Low	Amber 8 Moderate	Amber 10 Moderate
3 – Possible	Green 3 Very Low	Yellow 6 Low	Amber 9 Moderate	Amber 12 Moderate	Red 15 High
4 – Likely	Yellow 4 Low	Amber 8 Moderate	Amber 12 Moderate	Red 16 High	Red 20 High
5 - Almost Certain	Yellow 5 Low	Amber 10 Moderate	Red 15 High	Red 20 High	Red 25 High

Utilising this matrix, all potential risks and their likely impacts were outlined first, alongside additional mitigation measures to generate residual risk (see Appendix C). Within the Trust's risk log, a number of moderate risks (i.e. achieving a risk score of between 8 and 12) were identified, as summarised below. Various mitigating action plans are proposed to counter these risks, including development of robust business cases, close liaison with stakeholders and project partners. The residual risk rating of most risk items falls to 'low' (i.e. a risk score of between 4 and 6) following implementation of the mitigation proposals. However, a single risk retains a 'moderate' rank following proposed mitigating action plan, relating to timescales. This is noted in Section 6.4 and relates to the potential for delay to programme as a result of failure to maintain project momentum.

Note that in addition to the risks captured in the Trust's risk log, additional financial risks are identified in Section 4.5. Further, the Trust's internal business case captures a series of additional risks and potential mitigation measures, as per Table 6-2.

Table 6-2: Additional Risks Associated with the Project

Risk Detail	Mitigation
Insufficient income for the Academy to be self-sufficient.	Market research undertaken to ascertain demand for the facility. Long-term business plan modelling undertaken both from an internal perspective (Trust) and from an external perspective (Jacobs/HBC).
COVID may continue to provide restrictions on face-to-face training.	Employ alternative ways of delivery e.g. virtual, small numbers plus innovative utilisation of technology e.g. beaming to other sites.
Capital funding withdrawn from the Towns Deal.	Project receiving support from Jacobs to complete documentation relevant to Phase 2 of the Towns Fund process. This includes detailed project development and business plan assurance at local government level to demonstrate the feasibility, viability and value for money of the projects.
Competition from other providers	Whilst there is nothing currently provided of this scale both in Hartlepool and the wider Tees Valley, aspects could be replicated on a smaller scale by other providers both in the public and private sector. It is anticipated that the NHS brand and reputation will assist in the marketing of the facility plus the unique selling point of being delivered from a hospital ward setting.
Depreciation costs of equipment	Acknowledged that depreciation costs will begin from day 1 of the facility opening. Work to review equipment is underway to consider a combination of both low fidelity and high fidelity is procured. This is also factored into the financial sustainability model.
Infrastructure to support the project e.g. ICT and car parking	Both ICT and NTH Solutions representatives attend the internal project groups. ICT requirements have been factored into projects costs. Impact on car parking will be monitored with alternatives explored as required, e.g. shuttle bus from the college etc.
HCFE withdrawn from the partnership	The Trust has a long-standing relationship with the college and already partner on many other programme of work. A Memorandum of Understanding will be signed to acknowledge commitment to the project. Alternative partners could be sought, either from the public or private sector to join the project.

6.6 Stakeholder Engagement Proposals

Building on the activities already undertaken in support of the project (Section 0), stakeholder engagement and communications will be at the heart of project development and delivery going forward. In order to operate in a transparent and meaningful way the Town’s Deal Board need to provide information to the local community, listen to views and be available to respond to questions and themes when they emerge. In response to this need, at a programme level strong governance structure specifically relating to engagement has been established to ensure a comprehensive approach to ongoing engagement. This will be managed by HBC’s Strategic Development Team, which has both detailed knowledge of the Town Deal Programme and the context of Hartlepool.

The Strategic Development Team will be able to provide a joined up approach and will be able to link up with other engagement activities, events and stakeholder activity across broader programmes and initiatives where appropriate. The team’s strategic role across the Council and ongoing work within the public, private and voluntary sectors means they can co-ordinate across other engagement activity that will be of relevance to the Town Deal at large, and the Health and Care Academy project in particular.

This approach will be overseen by the Town Deal Board Engagement Sub Group, which consists of:

- HBC’s Communications and Marketing Manager;
- HBC, Town Deal Project Manager;
- Chair of Love Hartlepool, Community organisation;
- Principal and Chief Executive of HCFE;
- Chair of Town Deal Board; and
- North East Chamber of Commerce.

Other officers and organisations will be invited onto the sub group as appropriate. The sub group will provide a progress report to each Town Deal Board meeting to allow scrutiny and a challenge of the engagement process. The Project Steering Group for this project (Figure 6-2) will also support engagement activities.

To support the Town Deal Board Engagement Sub Group, and recognising the Trust’s position as an anchor organisation in the community, it was agreed that the Trust would support the Towns Deal with this work across all the five agreed projects within the Town Deal Programme. It was identified that this would occur through a two stage approach; the first being communications and marketing support to develop and support delivery of a communication and engagement plan. The second role would be to undertake public engagement with the local community on the five schemes. There will be extensive communication to the residents of Hartlepool; acknowledging there is a need to manage residents’ expectations and timescales. Work is underway to identify key groups in the community including the youth population. Already there have been numerous enquiries regarding the funding and how and when it will be spent. Funding has been secured from the Towns Deal Board on a fixed-term basis to support these roles.

To support stakeholder engagement for the Health and Care Academy specifically, the Trust has already designed a logo to reflect the name ‘Heart Centre’. The logo is being used in supporting advertising and literature including an academy prospectus which is currently in development. Some work has already commenced under the Heart Centre branding via a “virtual academy” concept including delivery of infection control awareness sessions for community groups, room hire for Project Choice initiatives to occur from September onwards and ILS provision to Northumbria University.

A communications strategy and action plan is currently being developed by HBC’s Communication and Marketing Team and Town Deal Board Engagement Sub Group. This will ensure that communication and messaging is coordinated, timely and relevant to the target audiences. The communications strategy covers audiences, methods of communication, responsibility, and guiding principles for effective communication. The sub group will utilise and build upon the relationships established during the initial engagement exercise’s including the support from Radio Hartlepool; Hartlepool Life and Hartlepool Mail Newspaper’s; Thirteen Housing Association; Hartlepower Voluntary Sector Organisation; Hartlepool United Football Club; Middleton Grange Shopping Centre and the Salaam Centre.

6.7 Benefits, Monitoring and Evaluation

In line with the Towns Fund Monitoring and Evaluation Guidance, acting as accountable body HBC will formally report twice annually on inputs and activities and most outputs, intermediate outcomes and outcomes, through comparison against project plans and budgets. Outcomes will be reported on an annual basis, alongside some outputs. It is noted that DLUHC will lead on data collection for intermediate outcomes and outcomes, with the onus on HBC to provide information against only a small subset of indicators. The indicators that HBC’s monitoring activities will cover are summarised in Table 6-3. Note that the Grant Funding Agreement to be signed on approval of this business case will pass the responsibility for monitoring the indicators listed in Table 6-3 from HBC to the scheme promoters, recognising that the Trust are best placed to report on these. Further details on Monitoring and Evaluation are provided in Appendix D.

Table 6-3: Monitoring and Evaluation Overview

Indicator Category	Indicator	Frequency of Report
Inputs and Activities	<ul style="list-style-type: none">▪ Outturn costs of project delivery▪ Co-funding outturn costs▪ Co-funding committed	<ul style="list-style-type: none">▪ Twice yearly▪ Twice yearly▪ Twice yearly
Outputs	<ul style="list-style-type: none">▪ # of Construction stage full-time jobs supported▪ Amount of capacity of new or improved training or education facilities	<ul style="list-style-type: none">▪ Twice yearly▪ Annually▪ Annually

Indicator Category	Indicator	Frequency of Report
	<ul style="list-style-type: none"># of learners/trainees/students enrolled at improved education and training facilities# of learners/students/trainees gaining certificates, graduating or completing courses at new or improved training or education facilities, or attending new courses	<ul style="list-style-type: none">Annually
Outcomes	<ul style="list-style-type: none"># of permanent jobs safeguarded# of permanent jobs created, both direct and indirect	<ul style="list-style-type: none">AnnuallyAnnually

The timing and frequency of reporting will be conducted as follows:

- 6 month reporting – due 1st December to reflect a April-September window and 1st June to reflect a November-March window.
- Annual reporting – due 1st June to reflect the financial year April-March

It is understood that evaluation activities will be organised centrally by DLUHC with recourse to a specialist evaluation provider. No further evaluation activities will be undertaken by HBC, the Trust or any other project stakeholders.

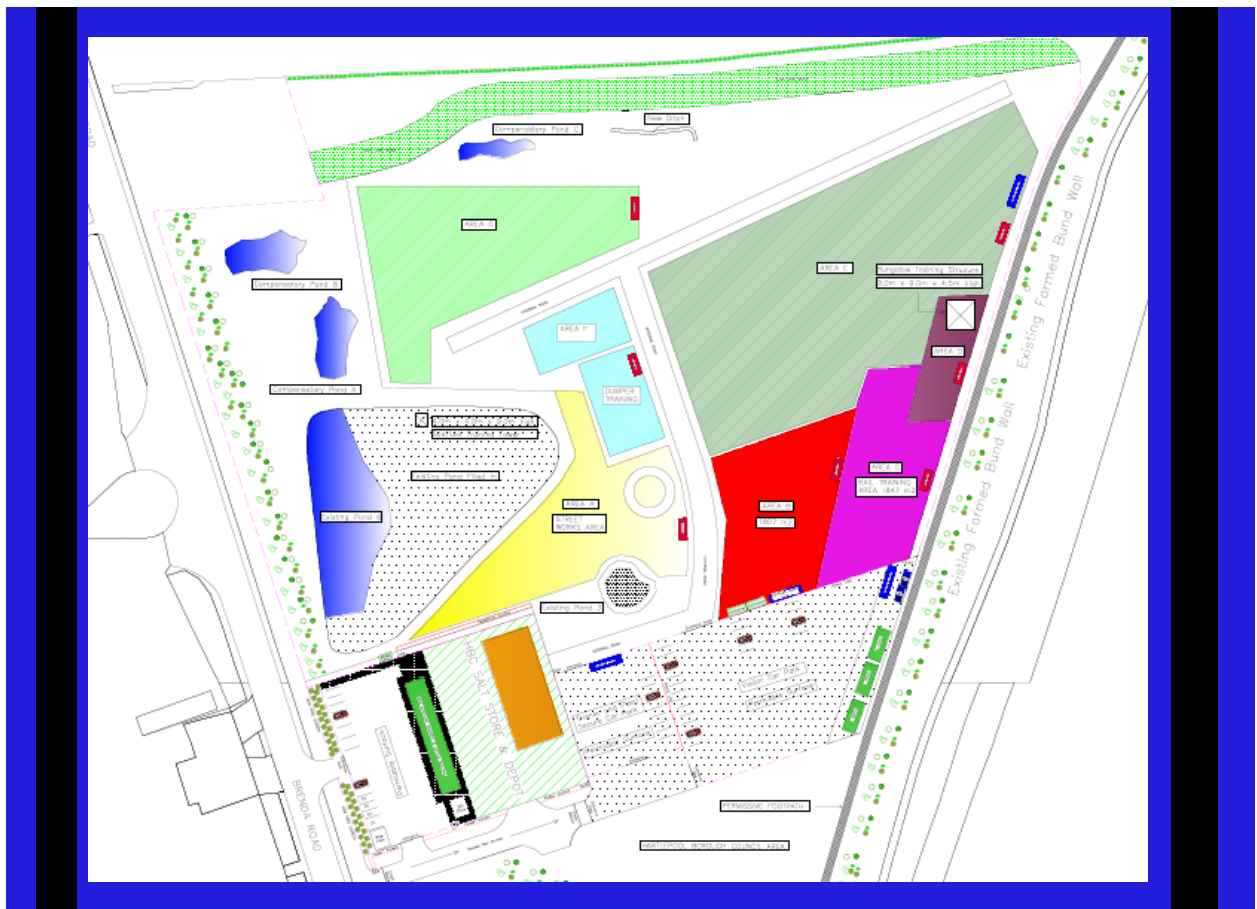
In terms of knowledge sharing, it is envisaged that any lessons learnt through project delivery and operation will be disseminated in the first instance to the Trust's partner organisations and wider NHS network, HBC's Learning and Skills service and Hartlepool Education Commission, which oversee sustainable educational improvement across the Borough. This will support successful delivery of future projects of this nature elsewhere in the HBC area and across the NHS. Given TVCA's role in assuring the project, HBC will also disseminate data and delivery experience to constituent authorities within the TVCA umbrella. This could inform design and execution of skills projects across the sub-region. HBC will also support sharing of information and experiences with DLUHC to support a national evidence base on successful delivery of skills initiatives, if appropriate.

Civil Engineering Institute: Town Deal Business Case

Document no: 001
Revision no: 001

Hartlepool Borough Council
n/a

Hartlepool Town Deal
15 March 2022



Civil Engineering Institute: Town Deal Business Case

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Executive summary

The approved Hartlepool Town Investment Plan secured £25.0 million in conditional funding to support a suite of transformational projects located in the Town, intended to unlock economic growth, development and regeneration in Hartlepool. The Town Investment Plan recognised investment in education and skills, particularly through provision of new facilities to expand learning capacity and deliver in-demand training opportunities, as a key priority project required to catalyse economic growth and development. This business case seeks to determine the type and format that a skills-based intervention in the civil engineering sector should take, in order to justify public sector intervention through the Town Deal Programme. It determines that a Civil Engineering Institute, promoted by Hartlepool College of Further Education and Seymour Civil Engineering Contractors (with Hartlepool Borough Council acting as accountable body), located across two existing training sites, represents the optimal form of intervention.

The Strategic Case notes that Hartlepool is socioeconomically depressed relative to local and national benchmarks, with above average rates of unemployment and below average rates of education and skills attainment and wages/salaries. Across most socioeconomic indicators, the Town is characterised as deprived. As a result, Hartlepool is described as a 'catching up' town.

The Strategic Case also finds that the Hartlepool already benefits from excellent provision of civil engineering training and skills development opportunities at two existing facilities:

- Welding and Fabrication specialist activities at Hartlepool College of Further Education's Exeter Street Annex site; and
- Groundworks and wider civil engineering activities at Seymour Civil Engineering Contractors' 'Seymour Skills Academy' Brenda Road site.

These facilities provide outstanding training opportunities supporting young people, the unemployed and existing employees within the civil engineering sector to upskill and reskill to meet evolving demands in the economy. However, both sites are constrained in their ability to meet growing demand for civil engineering skills by their existing layouts, configurations and facility/asset quality. The growth aspirations of Hartlepool College of Further Education, Seymour Civil Engineering Contractors' and local industry cannot be met by current training infrastructure. In fact, given the dated nature of the Exeter Street Annex facility and the structural issues impeding classrooms at the Seymour Skills Academy, both sites could potentially be forced into operating at reduced scale or even close in the medium term in the absence of intervention. Within this context, investment is required to futureproof the facilities, safeguard existing learners and allow expansion to accommodate additional learners going forward.

The need to increase student enrolment across courses designed to confer construction and civil engineering skills is critical in light of labour market intelligence and growth forecasts for the sector. TVCA estimates some 10,000 additional construction workers will be required by 2026 across the sub-region (covering additional labour as well as replacement labour demand). Further EMSI predicts 6% growth in civil engineering labour through to 2030. Allied to the large scale development and regeneration programmes in the pipeline across Tees Valley (including Teesworks, the rollout of 5G network and various Town Deal/Future High Street Fund investments), the growth trajectory for the civil engineering and construction sectors is considered to be very positive.

The presence of market failures including imperfect information, first mover disadvantage and viability concerns (which all disincentivise private sector investment in skills facilities), plus the argument that some forms of skills and training provision represent a 'public good' that ultimately generates positive externalities in the form of increased human capital, increased employability and increased wage/salary potential, all support justification for public sector intervention in the project. In the absence of public sector intervention, the presence of the above market failures mean that intervention is unlikely to materialise.

In response to these issues, the Strategic Case defines the preferred option as creation of a Civil Engineering Institute, encompassing the following activities that will enable increased capacity for learning and skills development:

- At Exeter Street Annex:
 - Structural works to repair/replace roof and former entrance points;
 - Security works including access control for doors and CCTV;
 - Welfare facilities such as toilet cubicles and washrooms
 - Supply and fitting one lift;
 - Local exhaust ventilation;
 - Mechanical and engineering works; and
 - IT hardware and software.
- At Seymour Skills Academy:
 - modular office building;
 - two new modular classrooms;
 - IT suite;
 - External welfare units; and
 - Outdoor site services, footpaths and additional car parking facilities (including electric vehicle charging).

Based on this specification of a preferred option, the Economic Case appraises the value for money position of the project against a reference case or Do Minimum scenario which assumes business as usual activity in the absence of intervention. The appraisal finds that by improving, reconfiguring and expanding capacity of the existing learning facilities, the preferred option can deliver a very high value for money proposition. This is evidenced through the strong performance of value for money metrics including Benefit Cost Ratio (in excess of 9.0:1) and Net Present Social Value (+£21.2 million).

Table 1-1: Economic Appraisal Summary Table (£m, 2021 prices and values)

Value for Money Metric	Preferred Option – Core Scenario
Net Additional Economic Benefits	23.9
Economic Costs	
Total Public Sector Costs	2.6
Total Private Sector Costs	0.0
Total Economic Costs	2.6
Value for Money Metrics	
BCR	9.1
NPSV	21.2

This strong economic performance is attributed to the increased volume of learners enrolled in civil engineering courses across both sites, which increases employability and ultimately their wage-earning potential. The quantified and monetised assessment within the Economic Case is supplemented by a strong set of wider or non-quantifiable/non-monetisable impacts that also result from the preferred option, including: (i) upskilling of the labour market and resolution of the existing skills imbalance; (ii) increased inward investment from firms looking to invest in areas with high quality, high skilled labour forces (potentially leading to clustering or agglomeration); (iii) unlocking access to employment on major regeneration and development programmes taking place across Tees Valley (e.g. Teesworks); (iv) improved socioeconomic performance against multiple indicators; (v) improved image/perception of Hartlepool through delivery of industry-leading skills facilities; (vi) increased social wellbeing through increased education and employability; (vii) improved access to Higher Education; (viii) construction stage impacts linked to short-term/temporary employment (estimated 24 job years) and increased output.

The Financial Case for the Civil Engineering Institute finds that the project has a capital cost of £2.25 million, with £1.4 million of investment targeted towards works at the Seymour Skills Academy and £0.85 million of investment earmarked for Exeter Street Annex. The project will be fully funded by the Town Deal, subject to confirmation and approval of this business case. The Financial Case notes that operational costs incurred as a

result of the project will be met by existing funding sources (i.e. a combination of Education and Skills Funding Agency, TVCA's devolved Adult Education Budget and revenue raised as a result of commercial operations at the sites). As a result, the project is considered to be financially sustainable, with no additional reliance on public sector funding from Hartlepool Borough Council or the Town Deal required to support the operational stage of the project.

Table 1-2: Profile of Capital Costs by Funder (£m)

	2022-23	2023-24	2023-24	Total
Town Deal	£2.25	£0	£0	£2.25
Total	£2.25	£0	£0	£2.25

The Commercial Case for the project finds that there are no major constraints to commercial deliverability. Each scheme promoter (i.e. Seymour Civil Engineering Contractors and Hartlepool College of Further Education) will appoint design and construction contractors to deliver the proposed works in line with long-established, legally-compliant procurement mechanisms. To this end, Hartlepool College of Further Education are likely to appoint AA Projects to act as project managers for works at Exeter Street Annex and to oversee integration with complementary investment sought from the Department for Education's T-Level Capital Funding programme. AA Projects will take responsibility for procurement and delivery of works at Exeter Street Annex. At the same time, Seymour Civil Engineering Contractors will take the lead in procuring specialist sub-contractors to implement the proposed works at Seymour Skills Academy. Based on soft-market testing undertaken to date (which has yielded multiple quotations that inform the costs outlined in the Financial Case), there are no concerns about market interest in delivering any of the works required across both sites.

The Management Case demonstrates that project partners, including Hartlepool College of Further Education and Seymour Civil Engineering Contractors as scheme promoters and Hartlepool Borough Council as accountable body, have appropriate organisational and governance structures in place to deliver a project of this type and scale. Hartlepool College of Further Education and Seymour Civil Engineering Contractors already work in a collaborative partnership at the Seymour Skills Academy and the creation of the overarching Civil Engineering Institute will bring these partners closer together. All partners are committed to adopting a collaborative governance approach to deliver the project. Further, the Management Case also sets out the proposed Grant Funding Agreement mechanism that Hartlepool Borough Council will adopt as accountable body. This Agreement will represent the formalisation of a back-to-back contract that allows the scheme promoters' to invoice Hartlepool Borough Council for works undertaken (up to the value of the Town Deal allocation), but simultaneously commits the scheme promoters' to any terms and conditions or other obligations specified by Central Government as part of allocation of public money via the Town Deal.

In summary, the business case finds that the Civil Engineering Institute project represents an affordable and deliverable scheme that will provide excellent value for money from a public sector expenditure perspective. The intervention has transformational potential for Hartlepool's labour market, increasing capacity for skills attainment and vocational training in key growth sectors which relate both to Hartlepool's storied past but also future opportunities. Within this context, the project represents an opportunity to catalyse economic growth and development in the town by providing enabling skills infrastructure that can enhance the performance of Hartlepool's labour market, making the Town more productive, more attractive to inward investment and more prominent within the strategically important civil engineering and construction industries.

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1. Introduction

1.1 Background to the Project

Responding to Central Government's Towns Fund Capital Programme, the Hartlepool Town Deal Board (TDB) submitted the Hartlepool Town Investment Plan (TIP) in January 2021. The TIP presented a strategic plan for transformation of Hartlepool, outlining how Towns Fund investment could help the town to overcome existing challenges, harness opportunities and leverage assets within Hartlepool. In line with Towns Fund principles, the transformation strategy focussed on the key themes of urban regeneration, skills development and enhanced accessibility.

Through consultations with local stakeholders and the TDB, five priority projects were identified as providing the mechanism by which the TIP's transformational vision and strategic objectives could be realised.

- **Civil Engineering Institute:** strategic partnership between Seymour Civil Engineering Contractors (CEC) and Hartlepool College of Further Education (HCFE) to support the consolidation and growth of teaching and training capacity at two existing sites, to enhance and future-proof facilities.
- **Health and Care Academy:** establishment of a state-of-the-art health and social care training facility alongside North Tees & Hartlepool NHS Foundation Trust, within University Hospital of Hartlepool.
- **Connected Hartlepool: Waterfront Circuit Phase 1:** provision of public realm and connectivity enhancements around the marina in order to integrate new land uses and provide the opportunity for improved connections between the waterfront, the town centre and the train station.
- **Wesley Chapel Hotel Redevelopment:** development of a 36-bedroom boutique hotel with a bar-restaurant and four other commercial units to support the existing visitor economy and HBC's emerging tourism strategy.
- **Reimagining 'Middleton Grange' Shopping Centre: Phase 1 workspace and public realm:** delivering a restored and repurposed Grade II heritage building – designed for new flexible, mixed use space including residential - and new civic public space at the redefined 'Heart of Hartlepool'.

Following Central Government approval of the TIP, these priority projects have obtained provisional capital funding of £25 million from the Ministry of Homes, Communities and Local Government (MHCLG- now known as DLUHC) via the Towns Fund Programme subject to business case submission and approval. To this end, this business case seeks to present the case for unlocking the £2.25 million of provisionally allocated Town Deal Programme capital funding to support the Civil Engineering Institute project specifically.

1.2 Setting the Context for Hartlepool's Town Deal

Hartlepool is a coastal port town located on the North East of England. The town is situated between Middlesbrough, located 15 miles south across the River Tees and Sunderland, located 20 miles north. The latest ONS estimates indicated that Hartlepool has a population of 93,800 people in 2020¹.

Hartlepool has a rich maritime history, its marina and numerous ports have supported fishing, naval defence, coal and steel industries across numerous centuries. The economy's historic focus on primary and extractive industries has given way to a transition towards an economy grounded in advanced engineering and manufacturing, complemented by a strong and diverse services sector. In particular, leisure, tourism and the arts are considered key growth sectors locally, with civil engineering, construction and clean energy also identified as foundational pillars for economic growth and development in the town. As noted in the TIP, this transition means that Hartlepool is:

- A productive place, with relative strength in energy, manufacturing and construction. Its ports, power and a producer workforce continue to make an increasing contribution to national and regional productivity.

¹ ONS Population Estimates 2020

- An important sub-regional service centre, with large retail, education and healthcare sectors providing services and employment to the local population.
- A growing visitor destination, attracting over 3.5 million visitors a year, with spending increasing by 10% in just 5 years².

However, the economic transformation of Hartlepool witnessed in recent years has not been straightforward and without significant challenge. The transition has been marked by periods of significant and prolonged decline that have created social and economic challenges for Hartlepool's residents, such that a range of legacy issues continue to prevail in Hartlepool, as documented in the TIP:

- **Jobs Value Gap:** economic growth and development in Hartlepool lags behind national benchmarks across nearly all social and economic indicators, including number of job opportunities available and access to high value employment and activity. As a result, Hartlepool is regarded as a 'catching up town'.
- **Social Mobility and Skills Constraints:** there is an imbalance between workforce skills and attainment and job opportunities. Below average numbers of residents gain qualifications to support high value, meaningful work and few progress to higher-level skills and employment.
- **Dysfunctional and Disconnected Central Area:** the town centre lacks a defined urban core and suffers from poor connectivity between key assets (in particular, retail components centred on Middleton Grange and leisure components centred on the Marina). Further, key landmarks within the central area are tired, dilapidated and have fallen into disrepair, which negatively impacts on the image and reputation of the Town.

The projects supported by the Towns Fund seek to resolve these challenges. In particular, the Civil Engineering Institute project seeks to make a significant contribution to ameliorating the challenges associated with a 'social mobility and skills constraints', by safeguarding and subsequently increasing capacity for high quality learning and training in key sectors with strong growth potential. By providing additional skills opportunities for local residents, the project also seeks to contribute to human capital development which will help fill some of the recognised skills gaps in the labour market and boost productivity in the Town. In this sense, the project will also help resolve the 'jobs value gap' challenge, making a wider contribution to socioeconomic development and growth in the town. This business case specifies the project's approach to realising these aims.

² Global Tourism Solutions. Hartlepool STEAM Report 2018

2. Strategic Case

2.1 Purpose of the Strategic Case

The Strategic Case aims to articulate the case for change by demonstrating the strategic fit of the project within the context of existing issues and challenges that prevail in a location. More specifically, the strategic case seeks to:

- Provide a clear rationale for intervention by the public sector, by:
 - Outlining existing context and challenges;
 - Demonstrating evidence of need for an intervention;
 - Highlighting potential barriers and opportunities; and
 - Identifying market failures that require public sector to intervene.
- Demonstrate alignment between an intervention and the strategic policy environment at local, regional and national levels;
- Specify the vision and objectives that the intervention seeks to contribute to;
- Provide an overview of the proposed intervention, including:
 - Outlining the impact of not intervening;
 - Presenting possible risks, constraints and interdependencies;
 - Establishing the Theory of Change; and
 - Specifying the potential outputs and outcomes.
- Identify key stakeholders that are critical to project development.

This approach is aligned with the requirements of the HM Treasury Green Book's Five Case Business Case Model, the 'Towns Fund Stage 2 – Business Case Template' and associated guidance.

2.2 Case for Change

2.2.1 Local Context and Socioeconomic Realities

The deindustrialisation of the national economy, with a new emphasis on service and knowledge-led activity, has had a substantial impact on Hartlepool's economy in recent years. Since the area specialized in large scale productive activity for many years, it has a lack of conventional networks of universities, entrepreneurs and professional employers. Therefore, Hartlepool has been labelled as a 'catching up' town with respect to local economic development, suffering from below average levels of skills attainment, underemployment, a local economy that does not currently provide enough jobs (only 52 jobs per 100 working age residents), low levels of productivity and depressed wages/household incomes.

The lack of labour market opportunities in Hartlepool has meant that the area suffers from lower earnings and higher deprivation relative to national levels. Table 2-1 indicates that Hartlepool is the 25th most deprived area in the country (and ranks 10th in terms of proportion of specific communities in most deprived 10% nationally). Whilst average earnings have narrowed over the past 20 years, the local people of Hartlepool earn on average £3,000 less per year in comparison to the rest of the United Kingdom.

Hartlepool's underperformance against a wide range of socioeconomic indicators is reflected in the Town's high position in local authority rankings of deprivation across various deprivation categories. Table 2-1 demonstrates that with the exception of the 'barriers to housing and services' and 'living environment' domains, the Town is ranked in the top 25% (and in many cases, top 5-10%) of most deprived local authorities across all indicators deprivation.

Table 2-1: Indices of Multiple Deprivation Rank for Hartlepool Local Authority Area

Deprivation Indicator	National Rank (1 = most deprived, 317 = least deprived)
Income	16
Employment	5
Education	77
Health	21
Crime	27
Barriers to Housing and Services	284
Living Environment	307
Aggregate	25

From an education and skills perspective, Hartlepool is characterised by relatively poor high school attainment, which can inhibit residents in accessing post 16 foundation and higher value courses. In 2018/19 the average progress 8 score (the government's measure of secondary school academic value added) placed Hartlepool in the bottom 1% of the most challenged education authorities in England. Low levels of skills attainment has subsequent impacts on labour market performance. For example, unemployment is disproportionately higher for young people in Hartlepool relative to regional averages, with youth unemployment reaching 4.8% in Hartlepool compared to a 3% rate across the whole of the North East.

Within this context, the Town therefore has a lot of 'catching up' to do to converge on national and sub-regional benchmarks from a socioeconomic perspective. To this end, enhanced provision of skills is often considered a key enabler of 'catching up' and improving socioeconomic outcomes for local people.

2.2.2 Labour Market Demand

Despite this pessimistic overview of Hartlepool's prevailing socioeconomic environment, there is evidence of significant opportunity for economic growth and development providing the foundations for transformation are put in place. Most notably, there is strong local and regional demand for skills in key sectors, including advanced engineering and manufacturing. Demand in these sectors is partly a by-product of the Town and wider sub-region's legacy of large scale production activities, strengthened by the significant development and regeneration projects proposed across the Tees Valley in the coming years (see Section 0).

According to the Tees Valley Employment and Skills Analysis, engineering services and design had an average net growth rate of 6% up to 2015. Further, the refreshed Tees Valley Strategic Economic Plan (SEP) demonstrates an additional labour demand forecast for 1,500 advanced manufacturing and 3,000 construction workers by 2026, as well as replacement labour demand of c. 8,500 across the two sectors over the same time period. Large scale engineering design is also supported by assets such as the Centre for Process Innovation and the Materials Processing Institute that are both situated in the North East. The acute demand challenges in these sectors is heightened by the presence of an ageing workforce. Skills demand are required in professional and skilled trade roles with design engineers, welding trades and process positions. As noted above, demand is likely to be generated in terms of both net additional labour as well as replacement labour, amounting to more than 10,000 employees across related sectors.

Table 2-2 highlights skills constraints in advanced manufacturing, digital and civil construction industries over the next few years. Around 7,500 new entrants are required by 2026 across these sectors in order to meet

industry requirements, with a further c.10,500 replacement demand gap also predicted. The refreshed SEP also demonstrates critical labour demand in these industries, from an additional job and replacement job perspective. Critically, Table 2-2 also demonstrates the scale of highly skilled employment opportunities in these sectors going forward, represented by significant demand for labour trained to Levels 3 and 4+ standards. This is an issue for Hartlepool given that only 27% of residents having qualifications of Level 4+ compared to 40% nationally, with 1 in 10 local people having no formal qualifications. This may inhibit Hartlepool's residents from leveraging the opportunities created by significant demand growth in key construction/engineering sectors, in turn constraining growth in the Town's economy.

Table 2-2: Forecast Labour Demand in Tees Valley to 2026

Sector	Additional Labour Demand			Replacement Labour Demand
	Total	Level 3	Level 4+	
Advanced Manufacturing	1,500	375	645	900
Construction	3,000	930	690	7,400
Digital	3,000	360	1,980	2,300

This data is supported by bespoke labour market analysis undertaken by EMSI which demonstrates that buildings-related civil engineering employment will increase by c. 3% between 2020 and 2030, with infrastructure-related civil engineering employment forecast to increase by c. 6% over the same timeframe. Given that this growth represents gross growth in employment, it does not take into account the scale of replacement labour required over and above the 3% and 6% growth needed to meet the 2030 gross forecast. This gives rise to substantial labour demand in the civil engineering (and related sectors) within Tees Valley, which Hartlepool's residents may only be able to leverage if appropriate training opportunities are provided.

2.2.3 Opportunities for Growth

Although the current skills profile of the labour market in Hartlepool suggests a relative depressed level of skills attainment and potential low levels of suitability for accessing labour demand at Level 3 and 4+ (Section 2.2.1), there are encouraging trends for young people in Hartlepool. The proportion of young people not in education, employment or training (NEETs) is lower in Hartlepool compared to all North East authorities and lower than the national average (Table 2-3). This demonstrates the potential and desire for young people to enhance their human capital. Providing additional opportunity for human capital development, through increased capacity at existing skills facilities or new skills facilities, could support unlocking this latent demand for upskilling and training inherent in Hartlepool's young people.

Further, the DfE's Local Authority Interactive Tables demonstrates that in relative terms, Hartlepool's level of engagement and attainment at Key Stage 5 and Further Education levels is better than average across many indicators. Table 2-3 demonstrates that Hartlepool's young people are more likely to be in education and training, less likely to suffer from NEET status and more likely to obtain Level 2 and Level 3 qualifications relative to local and regional benchmarks, and in many cases, national benchmarks too. This provides firm foundations to extend and improve further education provision, as the potential audience for any additional skills facility is already well engaged.

Table 2-3 Skills and Education Indicators

Indicator	Hartlepool	North East	Statistical Neighbours	England
Average Point Score Per Entry for Students Enrolling in Vocational Courses(%)	33.75	31.62	31.37	29.77
16/17 Year Olds in Education or Training (%)	93.72	92.18	91.23	93.21
School Leavers with September Guarantee (%)	98.20	95.50	94.72	95.00
15 Year Olds Expected to Enter HE at 18-21 (%)	40.80	39.30	34.97	43.10
Achievement of Level 2 Qualifications by Age 19 (%)	81.00	78.80	76.68	81.30
Achievement of Level 3 Qualifications by Age 19 (%)	53.00	50.90	48.00	57.40
School Leavers with NEET Status	4.12	5.66	n/a	5.48

Furthermore, there is significant scope for civil engineering skills to be applied within Hartlepool and the wider Tees Valley sub-region in light of major programmes of construction proposed in the area in coming years. For example, in March 2021 the Tees Valley was announced as one of the first places to be granted Freeport status under a government initiative to create freeports across the country. Freeports provide special freedoms such as providing relief from duties and import taxes to trade within a specific area around major ports. Subsequent economic analysis has suggested that the Teesworks freeport along the south bank of the River Tees could create up to 32,00 jobs and add £2bn to the regional economy. Many of these jobs could align with the key sectors identified in Section 2.2.2 and provide large scale opportunities for employment for suitably qualified and trained civil engineers residing in Hartlepool. Similar opportunities could also be unlocked by the wider projects forming part of the substantial and transformational Towns Fund Programme.

Macro-scale economic and strategic drivers also demonstrate a need for skills development in the construction and civil engineering sectors. By 2033, the UK government aspires to deliver nationwide coverage of full fibre 5G network. Further, the UK's leading alternative digital infrastructure provider, City Fibre, announced in 2020 that Hartlepool would be one of 36 towns set to benefit from the next phase of 5G rollout with the scheme set to create around 10,000 new jobs across the country. Activities to deliver a comprehensive 5G network will necessitate significant growth in various areas of civil engineering, including street works and groundworks (including digging trenches and reinstatement to support cabling networks). Having a sizeable generalist construction and civil engineering workforce as well as skilled groundworks specialists, will be key to supporting these aspirations. An intervention to leverage this national policy position and local sector developments will support such initiatives by providing the facilities to train local residents to support the rollout of 5G telecoms network installation.

2.2.4 Existing Civil Engineering Skills Provision in Hartlepool

Hartlepool already benefits from bespoke civil engineering training facilities:

- Welding and Fabrication specialist activities at HCFE's Exeter Street Annex site (Figure 2-1); and
- Groundworks and wider civil engineering activities at Seymour CEC's 'Seymour Skills Academy' Brenda Road site (Figure 2-2).

Figure 2-1: Exeter Street Annex



Figure 2-2: Seymour Skills Academy at Brenda Road



These facilities provide outstanding training opportunities supporting young people, the unemployed and existing employees within the civil engineering sector to upskill and reskill to meet evolving demand in the economy.

However, meeting the forecast long term growth in demand for construction and civil engineering sectors is a significant challenge given current constraints in terms of availability of suitable spaces for learning and skills development. HCFE (via its Exeter Street Annex site) is the only provider in the North East to provide HNC/D courses in welding and fabrication across the whole of the North East. Although its courses are supported and recognised by many firms, enabling the College to make a significant contribution to the Tees Valley Combined Authority Strategic Economic Plan, the College's activities are undermined by lack of available practical and teaching space. Despite a recent increase in demand for its welding and fabrication courses for example, the current classrooms only have the capacity to hold ten students. Further, elements of building fabric at Exeter

Street Annex are approaching or exceeding end-of-life, which places the building at risk of closure in the short-to-medium term in the absence of intervention. Improved facilities that safeguard the building, maintain its status as fit for purpose and expand its capacity to provide training for civil engineering students is critical to ensuring Hartlepool can contribute to meeting labour demand in key sectors going forward.

Similarly, whilst the Seymour Skills Academy at Brenda Road has gone from strength to strength since opening in 2019, with year-on-year student enrolment growth and increased commercial activity, future growth aspirations are impeded by the specification and capacity of classroom teaching spaces at the site. The existing classroom units provided at the site were short term assets more suited to small group sizes. Demand for learning has outgrown these temporary facilities, which in any case are now suffering from structural problems including water ingress. This places the training facilities available at the Seymour Skills Academy at risk of closure or reduced operation in the absence of intervention. Improved, longer-term facilities that safeguard existing use and allow expansion are therefore required to support and extend the Skills Academy's ability to upskill and reskill Hartlepool's residents.

The strength of civil engineering training provision in the Town is emphasised by the collaborative relationship between two of the key project partners, Seymour CEC and HCFE. The partners worked together to create the pioneering Skills Academy at the Brenda Road site which provides a range of construction and civils trade certified qualifications to close an ever-growing skills gap within the industry. Both organisations have strong existing relationships with private firms. In particular, HCFE is recognised as an 'outstanding' provider of work-based apprenticeships having previously delivered over 500 apprenticeships with firms such as Gestamp Tallent, Unipres, Cleveland Bridge, Fujifilm Diosynth, ConocoPhillips and Caterpillar. Further, Seymour CEC, also based in Hartlepool, is one of the North East's leading civil engineering companies. Having experienced delivery partners that understand the local context and provide direct pathways into employment is crucial to reducing the skills gap. These links mean the organisations are well placed to ameliorate key barriers to promotion of skills and training courses, including the lack of clear progression into employment.

These networks of partnerships provide a sound foundation for rolling out further training provision, as well as evidence of close collaboration between key partners seeking to unlock new training facilities going forward. As a result, strong existing relationships exist between project partners and local employers, which provide a platform to deliver transformational skills and training initiatives going forward.

2.3 Presence of Market Failures and the Impact of COVID19

2.3.1 Market Failure

The delivery of skills and training provision, as well as facilities to deliver such provision, is typically supported through public sector intervention, especially in emerging sectors. This reflects a number of perceived and real market failures that inhibit the private sector from resolving skills deficiencies alone:

- **Imperfect Information:** firms may only provide skills and training in a very specific and narrow field within a sector which is critical to their own activities, rather than provide more general sector-wide skills. This could minimise opportunities for spill over into complementary activities and result in a skills and training offer that is too narrow and focussed.
- **First Mover Disadvantage:** firms that provide skills development and on-the-job training may be exposed to 'poaching externalities' if labour is mobile between firms. This acts as a disincentive for individual firms to deliver major in-house training programmes as there is risk that staff with newly acquired skills could move to other firms.
- **Viability:** individual firms may not be able to justify the cost of developing a standalone skills facility to train a small number of people in a very narrow field of skills at infrequent intervals.
- **Skills and Training Provision as a Public Good:** there is significant debate regarding education being a 'pure public good'. Pure public goods share the characteristics of being provided on both a non-excludable³ and

³ i.e. people cannot be excluded from utilising or accessing a good

non-rivalrous⁴ basis. Provision of skills and training opportunities demonstrate some of these features. For example, most compulsory education provision (particularly up to 18 year olds) is non-excludable on a financial basis, and any project proposed in Hartlepool would not seek to charge 16-18 year olds for access. Further, although courses may include entry requirements related to prior academic achievement that in theory could exclude some young people, most courses delivered at Further Education institutions in the area allow entry requirements to be obtained in parallel to other courses. As such, perceived exclusion on the basis of prior educational achievement is limited in practice. Also, at the margins, one student's learning experience is not necessarily worsened by another student also learning (i.e. non-rivalrous). Within this context, although skills and training provision might not represent a pure public good, it does align with economic theory around public goods provision.

- **Positive Externalities of Improved Skills and Training:** improving educational outcomes of young people is an enabler of social mobility, facilitating access to better employment opportunities and associated incomes. An increasingly skilled labour force via improved skills and training also bestows benefits on businesses; as a more skilled workforce generates higher productivity and promotes other businesses to invest in the area leading to possible clustering or agglomeration effects.

Within this context, the market failures outlined above demonstrate why public sector intervention towards new skills facilities is justified. A traditional or conventional market for skills provision is limited meaning there is little private sector appetite to lead the project. This necessitates public sector involvement.

2.3.2 Impact of COVID19

In addition to the above market failures and wider justification for public sector intervention, COVID-19 has had a fundamental impact on skills provision and training. There is expected to be an increase in the number of college-based learners, apprentices and higher education students at HCFE as the economy opens up after COVID-19 and more local people demand skills in order to seek employment. The construction sector was one of the worst hit industries due to COVID-19, at the peak of the pandemic around 60% of construction jobs were furloughed with many more losing their jobs as a result of national lockdowns. Intervention is required to offer training to people rendered unemployed by the pandemic, enabling them to have more secure employment in civil engineering and the telecommunications industry.

Unemployment has a disproportional impact on young people in Hartlepool with youth unemployment at 4.8% in the town compared to a 3% rate across the whole of the North East in 2016. It is likely that this youth unemployment gap will have worsened as a result of the pandemic, therefore this project is crucial in giving young people a chance to access high value jobs and well established career opportunities. Further, sectors that typically support large quantities of young people in employment (e.g. retail, hospitality), have been acutely affected by COVID-19. The provision of skills and training provision in high value, emerging sectors of the economy can provide an alternative route to employment for young people leaving schools and further education.

2.4 Policy Alignment

2.4.1 Local Policy

Hartlepool's Economic Growth Strategy (2019-2021) is underpinned by the aspiration to enhance the creativeness, productivity and connectedness of the area's economy. Any intervention to improve skills and training must contribute to this vision, particularly through increased productivity associated with a better skilled workforce. Further, key project partners have a key role in supporting the vision, not least through the ability of Seymour CEC and HCFE to boost creativity and productivity through their activities. Stakeholders such as City Fibre, alongside the above project partners, will also support the connectedness of the area's economy by establishing the area as industry leader in the roll out of 5G network infrastructure. Improved skills provision in

⁴ i.e. one person's utility from a good or service does not impact on another's utility.

areas such as groundworks to support 5G network growth, alongside other forms of construction and infrastructure delivery, will be critical to this aim.

2.4.2 Regional Policy

The Tees Valley Strategic Economic Plan and Local Industrial Strategy reference the desire to deliver transformational change across the region's economy by driving productivity through the roll out of 5G infrastructure and reducing carbon emissions. This sub-regional priority will benefit by producing trainees that have skills that support the enabling works (e.g. groundworks) that unlock the next generation of telecommunications in the UK.

The TVCA SEP has a specific goal of producing 25,000 new jobs across the region by 2026 with TVCA committing to contribute 10% of the total GVA target for the Northern Powerhouse by 2040. In order to achieve this goal, TVCA recognize that employment opportunities need to exist in advanced manufacturing, chemical and processes, clean energy and low carbon and hydrogen sectors. Again, development of a well-skilled labour force to attract high value, high quality employment within these sectors to the Tees Valley is critical to realizing these aspirations. Within this context, TVCA is committed to providing a gateway for local residents to access high quality jobs and career opportunities in advanced manufacturing and engineering sectors. Provision of skills and training infrastructure can act as that gateway.

2.4.3 National Policy

The central government White Paper 'Skills for Jobs: lifelong learning for opportunity and growth', outlines reforms to post-16 technical education and training to support people to develop the skills required to get jobs and improve national productivity. Interventions that provide residents with the opportunity for a career in construction and high value engineering whilst helping to improve national productivity are advocated through the policy document.

National clean growth targets, outlined in 'The Clean Growth Strategy: Leading the way to a low carbon future', are supported through uptake of modern methods of construction, increased use of public transit systems such as railways and development of smart cities and the introduction of intelligent transport systems across public services which in turn improve network efficiencies, levels of productivity and reduce emissions. All of these goals are aligned to the aims of the Civil Engineering Institute, which seeks to provide upskilling and reskilling across a broad range of construction and engineering activities (including rail-based, groundworks, welding and fabrication amongst others).

2.5 Vision and Objectives

2.5.1 Vision

Across the next 20 years, Hartlepool Town Investment Plan highlights a vision for the town to be:

- A modern, connected, vibrant and liveable waterfront market town;
- An inclusive, proud and productive town where aspirations and creativity are valued;
- A town which supports and welcomes visitors, learners and innovative businesses;
- A place where people are inspired and enabled to get more out of their work and investment; and
- An area which promotes itself with pride and makes it mark in the wider world.

From a skills and training perspective, any intervention will need to contribute to all aspects of this vision. By enhancing the human capital and skills levels of local residents, an intervention will support "an inclusive, proud and productive town where aspirations and creativity are valued". In turn, a highly skilled local labour force could leverage increased inward investment interest from high impact and specialized firms, helping to transform Hartlepool into "a town which supports and welcomes visitors, learners and innovative businesses" and "A place where people are inspired and enabled to get more out of their work and investment". By creating a high skilled workforce focused on construction, civil engineering and related sectors, an intervention can also contribute to making Hartlepool "A modern, connected, vibrant and liveable waterfront market town" as well as "an area which

promotes itself with pride and makes it mark in the wider world". These components of the vision will be supported through an intervention establishing Hartlepool as one of the leading centres for training of construction and advanced engineering in the North East.

Within this context, the specific vision for the Civil Engineering Institute project can be summarised as:

Building on the success of Seymour Skills Academy and the Exeter Street Annexe's location at the heart of the town's Innovation & Skills Quarter, a regionally significant, unique and pioneering construction and civil engineering skills academy will be delivered in Hartlepool.

The key strategic partnership between two of Hartlepool's leading and large employers – Seymour Civil Engineering (Seymour CEC) and Hartlepool College of Further Education (HCFE) – will enable both education and skills providers to make a full contribution to Hartlepool's wider economic footprint. The scheme will future proof facilities to help meet forecasted industry demand and act as a gateway for young people, the unemployed and those already in employment to access high value jobs and new career opportunities.

It will aim to drive up productivity in Hartlepool by ensuring labour force readiness for key sectors that are critical to delivering infrastructure upgrades in rail, road and broadband networks, along with the built environment's contribution to the decarbonisation agenda.

It will upskill and reskill individuals to ensure they are equipped with specific industry qualification and accreditations that are essential to bridging skills gaps and current employment challenges within the construction and civil engineering sectors. Ultimately, this will help transform Hartlepool's residents into a skilled workforce required to sustain a creative and inclusive local economy.

2.5.2 Objectives

The TIP identifies three 'things to change', or objectives to achieve in order to reshape the spatial and economic future of Hartlepool over the next 20 years.

- Value driven rebound and growth;
- Skills for a productive and creative town; and,
- A compact and connected waterfront market town.

From a skills and training provision perspective, a more advanced labour force with higher levels of human capital development, is well placed to contribute significantly to all of these objectives. A better skilled workforce has the potential to attract inward investment and higher value businesses to the area, as well as increasing productivity at existing businesses. Further, the sector focus of any intervention towards construction, civil engineering and related sectors will enhance Hartlepool's position as a leading hub for built environment and infrastructure works, further increasing the attractiveness of the local business environment. In addition, an intervention in the form of a Civil Engineering Institute will also contribute to the realisation of the following further objectives that are identified within the TIP:

- Close the skills gap and attract new learners by delivering the assets that educational institutions need;
- Improve the physical appearance of the town to promote civic pride, new visitors and new investment; and
- Secure direct inward investment to establish a high-quality jobs market.

2.5.3 SMART Objectives

In light of the project's alignment with programme-wide objectives (Section 2.5.2), the specific objectives that the Civil Engineering Institute seeks to achieve can be defined according to the SMART principles of objective setting as follows:

- Act as a centre of excellence for practical civil engineering and construction training.
- Help to reduce the critical shortage of key skills in the sector.
- Help to boost key socioeconomic outcomes for the town's residents.
- Support lifelong learning and upskilling of existing workforce to meet changing demands of industry.

- Increase the number of local residents with formal qualifications at Levels 1-5.
- Enhance engagement with 16-19 year olds and encourage movement into Level 4/higher education qualification and skills.
- Support transition for unemployed residents into work.

Table 2-4: SMART Objectives for Civil Engineering Institute

Specific	Measurable	Achievable	Realistic	Time-bound
Objective 1: Act as a centre of excellence for practical civil engineering and construction training	Evidenced through learner catchment information and extent to which commercial offer extends across a broader geography beyond Hartlepool and/or Tees Valley.	Significant commercial offer already undertaken at Skills Academy which provides a foundation to build on.	Hartlepool and Tees Valley have strong representation in construction and civil engineering sector; a facility of this nature could reinforce/extend this pre-eminent national position.	Following scheme opening at end of December 2022.
Objective 2: Help to reduce the critical shortage of key skills in the sector	Evidenced through learner destination surveys, reduction in vacancy rates/increase in number of filled posts within the construction and civil engineering sector.	EMSI data and TVCA's strategy demonstrates significant growth in labour demand in construction and civil engineering going forward.	Current workforce is ageing and insufficient to meet demand. The Civil Engineering Institute provides a large increase in volume of skilled individuals in construction and civil engineering sectors.	Following scheme opening at end of December 2022.
Objective 3: Help to boost key socioeconomic outcomes for the town's residents	Evidenced through convergence in productivity rates per capita and household incomes towards national trends, and via the Indices of Multiple Deprivation.	Hartlepool is a 'catching up town' and lags behind national benchmarks across most socioeconomic indicators.	Education, skills and training are a key enabler of socioeconomic development.	Following scheme opening at end of December 2022.
Objective 4: Support lifelong learning and upskilling of existing workforce to meet changing demands of industry	Evidenced by number of commercial learners, employer engagement and college enrolment in specialist training at levels 4/5.	Significant commercial offer already undertaken at Skills Academy which provides a foundation to build on.	Many firms within construction and civil engineering sector locally that could benefit from employee upskilling/reskilling.	Following scheme opening at end of December 2022.
Objective 5: Increase the number of local	Evidenced by student enrolment/completion	High number of local residents with no formal qualifications; low number	A step-change in skills and learning capacity will enable	Following scheme opening at

Specific	Measurable	Achievable	Realistic	Time-bound
residents with formal qualifications at Levels 1-5	numbers from Hartlepool addresses.	of local residents with level 4+ qualifications to leverage.	more local residents to enrol in courses of interest.	end of December 2022.
Objective 6: Enhance engagement with 16-19 year olds and encourage movement into Level 4/higher education qualification and skills	Evidenced by student enrolment/destination surveys	Already strong engagement with 16-18 years olds (as evidenced by below average NEET levels) provides firm foundations for further engagement.	Close relationship between HCFE and Teesside University already established, which the Civil Engineering Institute could leverage.	Following scheme opening at end of December 2022.
Objective 7: Support transition for unemployed residents into work	Evidenced by positive destination data for Adult Education Budget (AEB) funded programmes	Above average proportion of unemployed residents in Hartlepool to leverage.	Upskilling unemployed residents will boost their ability to enter employment.	Following scheme opening at end of December 2022.

2.6 The Proposed Investment

2.6.1 Options Appraisal

A conventional options appraisal was not undertaken to determine the most appropriate form of skills and learning intervention. This is because of the presence of a number of local characteristics and constraints which shaped the emergence of a single feasible option which is pursued as part of the Civil Engineering Institute:

- **Spatial constraints:** as noted in Section 2.2, although existing further education provision, particularly in the construction and civil engineering sectors, is outstanding in many respects, opportunities for learning are constrained by physical capacity. There is not an abundance of space at HCFE's existing assets or suitable alternative brownfield or greenfield sites to enable development of brand new facilities. Further, recent investment at both HCFE and the Seymour Skills Academy undermines the need for investment in a new purpose built site. Instead, the most realistic option is to reconfigure, repurpose and optimise existing further education sites to increase throughput of learners. This limits the geographic scope of intervention to existing further education sites such as Exeter Street Annex and Brenda Road.
- **Sector Importance:** as noted in Section 1.2, the TIP establishes civil engineering, construction and clean energy as foundational pillars for economic growth and development in the town. Hence, it is appropriate for investment in skills and education to be focussed towards these sectors.
- **Timing constraints:** as noted in Section 2.2, the requirement for a wider, better trained labour pool is critical now and will only grow in future years. Hence, investments that can be delivered in a short time frame, leveraging existing institutions and structures, makes most sense from a temporal perspective.

Within this context, the most feasible approach to an intervention in skills and learning in Hartlepool involves utilising HCFE and Seymour CEC's existing operations to deliver increased and expanded provision at functioning sites, to deliver content suited for the construction, civil engineering and related sectors.

2.6.2 Project Description

The project involves collaboration between Seymour CEC, HCFE and HBC to expand the training and teaching capacity of two existing sites in Hartlepool to transform civil engineering learning opportunities in the town:

- **HCFE's Exeter Street Annex:** Built in the 1960s and located in the Church Street Quarter of Hartlepool Town Centre, this facility is used to teach fabrication, welding and construction skills.
- **Seymour Skills Academy, Brenda Road:** An 11 acre site situated at Brenda Road, a key employment location in Hartlepool. The academy first opened in 2019, providing industry accredited and bespoke construction and civil engineering plant training for all abilities. The academy offers courses that provide a pathway towards apprenticeships in disciplines such as construction, street works, civil plant and machinery and general construction.

Although the two facilities will operate independently under their existing names and support training across different areas under the broad construction and civil engineering sectors, together the facilities will be known as the Civil Engineering Institute for promotional and branding purposes.

The Further Education Condition Data Collection (FECDC) and other building survey reports commissioned directly by HCFE have identified specific investments needed prior to the delivery of the Civil Engineering Institute. For example, existing classrooms at the Exeter Street site are not efficient in terms of capacity or flexibility. Hence, it is proposed that the Exeter Street site will be modernised through a building refurbishment programme that will improve the safety, access, security and functionality of the site, which will ultimately safeguard existing learning and facilitate growth going forward. There will also be the installation of the latest equipment and software to support teaching across building services engineering, industrial digital systems and electronic surveying disciplines. Specific activities pursued at Exeter Street Annex include:

- Structural works to repair/replace roof and former entrance points;
- Security works including access control for doors and CCTV;
- Welfare facilities such as toilet cubicles and washrooms;
- Supply and fitting one lift;

- Local exhaust ventilation;
- Mechanical and engineering works; and
- IT hardware and software.

Recognising the deteriorating and at-capacity nature of existing assets, investment at Seymour Skills Academy at Brenda Road will focus on enhancing and extending the Academy's existing training facilities through the purchase of additional office space (through a modular office building), teaching space (through two new modular classrooms), IT space and welfare units. There will also be the construction of outdoor site services, footpaths and additional car parking facilities (including electric vehicle charging) to support sustainable site development. As per Exeter Street Annex, these works are expected to safeguard existing learning and facilitate growth going forward. The investment will support renewed focus on street works and ground works, as well as encourage growth in focus on rail training.

2.6.3 Alignment with Objectives and Vision

The proposed project aligns closely to the objectives and vision set out in Section 2.5. In particular, it will:

- Support realisation of the vision by future proofing facilities to help meet forecasted industry demand and act as a gateway for young people, the unemployed and those already in employment to access high value jobs and new career opportunities.
- Support realisation of Objective 1 by reinforcing Hartlepool's nationally-recognised and legacy strengths in construction and civil engineering sectors.
- Support realisation of Objective 2 by providing at volume, a steady stream of highly qualified, highly trained labour with appropriate skills for high growth and high demand sectors.
- Support realisation of Objectives 3 and 5 by enabling increases in human capital accumulation at the town-level and increasing individuals' ability to secure formal qualifications, thereby boosting the town's performance against socioeconomic indicators such as income, unemployment and productivity.
- Hartlepool's visitor economy infrastructure, supporting the town's aspirations to develop and grow the sector from the perspective of business travellers and overnight tourists.
- Support realisation of Objective 4 and 7 by increasing opportunities for intergenerational upskilling and reskilling, giving local people across the labour market age range the tools to access high value employment
- Support realisation of Objective 6 by providing further capacity to accommodate student demand for further education in the Town.

2.6.4 Project Theory of Change

Hartlepool's TIP outlined a high-level logic model for interventions relating to creating a 'Northern Skills Centres: Civil Engineering Institute'. This logic model has been refined and remodelled to specifically relate to the Civil Engineering Institute project in its current guise, noting how the project has evolved over the last twelve to eighteen months. The revised logic model is outlined in Table 2-5.

This logic model outlines the link between key issues and challenges facing the Civil Engineering Institute (i.e. Section 2.2 – Section 2.3), the specific objectives determined for this project (Section 2.5.3), the resulting activities (Section 2.6.2) and long-term impacts and outcomes expected to occur as a result of the intervention.

Table 2-5: Logic Model Theory of Change

Strategic Objectives from TIP	Project Objectives	Inputs	Activities	Target Outputs	Short-Term Outcomes	Mid-Long Term Outcomes	Impacts
<ul style="list-style-type: none">▪ Close the skills gap and attract new learners by delivering the assets that educational institutions need;▪ Improve the physical appearance of the town to promote civic pride, new visitors and new investment; and▪ Secure direct inward investment to establish a high-quality jobs market.	<ul style="list-style-type: none">▪ Act as a centre of excellence for practical civil engineering and construction training.▪ Help to reduce the critical shortage of key skills in the sector.▪ Help to boost key socioeconomic outcomes for the town's residents.▪ Support lifelong learning and upskilling of existing workforce to meet changing demands of industry.▪ Increase the number of local residents with formal qualifications at Levels 1-5.▪ Enhance engagement with 16-19 year olds and encourage movement into Level 4/higher education qualification and skills.▪ Support transition for unemployed residents into work.	<ul style="list-style-type: none">▪ Towns Fund capital expenditure of £2.25m million▪ Land at Brenda Road (already leased to Seymour CEC by HBC)	<ul style="list-style-type: none">▪ Refurbished and redeveloped teaching facility at Exeter Street Annex building, comprising: access, security, roof, M&E, LEV and lift apparatus▪ New modular office and classroom buildings, IT equipment and welfare facilities at Brenda Road site to support a range of focus areas including street works, groundworks and rail training.	<ul style="list-style-type: none">▪ 2 new modular classrooms at Brenda Road▪ ICT room▪ Group room for meetings▪ New modular training and office building▪ New tutor welfare cabin▪ 6 new external shelters▪ Refurbished and redeveloped teaching facility at Exeter Street Annex fit for purpose	<ul style="list-style-type: none">▪ Skills for a productive and creative town: Capacity for the Gateway to Construction and Civil Engineering qualification increased.▪ Skills for a productive and creative town: additional trainees develop bespoke skills for direct employment in construction and civil engineering.▪ Skills for a productive and creative town: Improved teaching facilities for fabrication & welding learners.▪ Value-driven rebound and growth: Increased skilled labour pool in Hartlepool.▪ Value-driven rebound and growth: Secure commitment from Seymour CEC to long term future and further private sector investment in the training facility.	<ul style="list-style-type: none">▪ Value-driven rebound and growth: Hartlepool develops as northern centre for construction and civil engineering.▪ Value-driven rebound and growth: Hartlepool residents compete for skilled value added employment on contracts around the UK and bring money back to the local economy.▪ Value-driven rebound and growth: Enhanced private sector investor and employer perceptions of Hartlepool as a long term business location on back of credentials as provider of training for growth industry▪ Skills for a productive and creative town: Increase in proportion of skilled residents and employment.	<ul style="list-style-type: none">▪ 24 construction job years created during construction phase.▪ Net wage premium growth of £24 million.▪ Inward investment as firms' relocate to Hartlepool to take advantage of highly trained labour supply.▪ Upskilling of the local labour force.▪ Improved image/perception of the town as a place for industry-leading skills training.▪ Improved socio-economic outcomes for local residents harnessing new educational opportunities.▪ Enhanced links and more direct pathways to local higher education providers (e.g. Teesside University).▪ Increased opportunity to leverage wider civil engineering activities at major sites in the sub-region (e.g. Teesworks)▪ Increased social wellbeing for any unemployed learners supported into employment as well as increased confidence for adults developing new skills.

2.6.5 Expected Outputs and Outcomes

To summarise the Logic Model presented at Table 2-5, the key expected outputs arising from the intervention include:

- Refurbishment and reconfiguration of Exeter Street Annex to safeguard existing use and support expansion; and
- Expanded and improved Seymour Skills Academy to include modular classroom and office provision, ICT improvements, welfare facility improvements and increased opportunity for growth in the rail sector.

In terms of short term outcomes, the intervention is forecast to unlock:

- Skills for a productive and creative town: Capacity for the Gateway to Construction and Civil Engineering qualification increased.
- Skills for a productive and creative town: additional trainees develop bespoke skills for direct employment in construction and civil engineering.
- Skills for a productive and creative town: Improved teaching facilities for fabrication & welding learners.
- Value-driven rebound and growth: Increased skilled labour pool in Hartlepool.
- Value-driven rebound and growth: Secure commitment from Seymour CEC to long term future and further private sector investment in the training facility.

In the medium-to-long term, the expected outcomes include:

- Value-driven rebound and growth: Hartlepool develops as northern centre for construction and civil engineering.
- Value-driven rebound and growth: Hartlepool residents compete for skilled value added employment on contracts around the UK and bring money back to the local economy.
- Value-driven rebound and growth: Enhanced private sector investor and employer perceptions of Hartlepool as a long term business location on back of credentials as provider of training for growth industry.
- Skills for a productive and creative town: Increase in proportion of skilled residents and employment.

These outcomes are forecast to generate the following impacts which will be considered in more detail in the Economic Case:

- Temporary/short term construction jobs created during construction phase.
- Net wage premium growth of £24 million.
- Inward investment as firms relocate to Hartlepool to take advantage of highly trained labour supply.
- Improved image/perception of the town as a place for industry-leading skills training.
- Improved socio-economic outcomes for local residents harnessing new educational opportunities.
- Enhanced links to local higher education providers (e.g. Teesside University).

2.6.6 Project Risks, Constraints, and Interdependencies

The main project constraints relate to accommodating ongoing operation of existing activities across both sites whilst enabling construction work to take place. To this end, HCFE have confirmed that welding activities at Exeter Street Annex will need to decant to a temporary structure for a period of the building works. This approach has previously been adopted by HCFE when implementing other construction activities on their estate, so experience of this process already exists. This process will be supported by HCFE's long-established project management service providers, AA Projects. Further, the Exeter Street Annex project complements from a T-Level Capital Funding bid that HCFE are pursuing to help improve classroom spaces at the Annex. Whilst this funding bid and the T-Level bid will in-combination transform the learning experience of learners at Exeter Street Annex, both bids are independent of each other, do not need to be implemented simultaneously or sequentially, and have no dependencies.

For Seymour Skills Academy the key constraints include location on the edge of Hartlepool, at some distance from the Town Centre. This geographical challenge is reflected in Seymour CEC's commitment to improving opportunities for sustainable travel to the site, through new provision of footpaths, enhanced access to nearby

rail stations (e.g. Seaton Carew) and electric vehicle charging points. Whilst the Seymour Skills Academy supports numerous pathways to learning, it specifically reflects the close collaboration and partnership between Seymour CEC and HCFE. The Brenda Road site provides ample space for a range of construction and civil engineering courses that benefit both organisations, as well as enabling new and emerging courses to be incubated (including rail training promoted by HCFE).

Further details on project risks are provided in Section 4.5 and Section 6.5.

2.6.7 Likely Outcome Without Intervention

Without intervention at Seymour Skills Academy, the at-capacity and deteriorating facilities currently in place will worsen. No growth in learner numbers will be feasible across any learning pathways from 2021/22 baseline levels which will act as maximum capacity based on current accommodation configuration/provision. In a worst case scenario, with deterioration of existing accommodation, the baseline learner numbers could decline over time to 50% of current capacity by 2024/25, as existing accommodation becomes more dilapidated and the site remains constrained. Additional HCFE learners linked to potential new courses like rail training cannot be accommodated on site and therefore do not materialise. At best overall learning capacity stagnates; at worst, it could reduce substantially.

A similar scenario applies at Exeter Street Annexe. In the absence of intervention, HCFE's growth aspirations are not realised, the potential to integrate Town Deal funding with T-Level Capital Funding is missed, and existing capacity constraints remain in place. At best, current baseline learner numbers are maintained and at worst, significant reductions in capacity could be imposed if issues relating to the building fabric, which the Town Deal funding seeks to resolve, are not dealt with (e.g. roof, access, entrances).

This impact means that in the absence of intervention, the existing skills challenges discussed in Section 2.2 will persist. Hartlepool will continue to be home to a labour force with below average skills attainment. In particular, the skills gaps that already exist and are forecast going forward will worsen. Potential development of local specialisms in high value sectors including construction, civil engineering and related sectors will not materialise. This could contribute to a slowdown in local installation and rollout of 5G networks due to a shortage of street works and groundworks skills. In turn, this could possibly jeopardise Hartlepool's position as a major hub for such activities. This could lead to reputational damage and impact on Hartlepool's external image and perception, undermining efforts to boost inward investment and growth in the visitor economy.

Further, failure to intervene could also undermine Hartlepool resident's attempts to leverage major employment and development opportunities arising elsewhere through Tees Valley. For example, in the absence of enhanced skills and training provision in key sectors locally, residents may not be able to access the significant growth in high value jobs forecast at 'Teesworks' Freeport over the coming decades. In effect, failure to intervene would represent a significant missed opportunity for Hartlepool that fundamentally undermines the town's ability to achieve its vision (as stated in Section 4.1).

2.7 Stakeholder Engagement and Communications

2.7.1 Stakeholder Mapping

Key stakeholder on the project include:

- Seymour CEC: one of the North East's leading civil engineering contractors, based in Hartlepool. Owners and operators of the existing Seymour Skills Academy and acting as joint scheme promoters alongside HCFE.
- Hartlepool College of Further Education: Further education institution providing 'outstanding' educational content across a range of courses. Owners and operators of the existing Exeter Street Annex, pathway for some learners to access Seymour Skills Academy and acting as joint scheme promoters alongside Seymour CEC.

- Hartlepool Borough Council: Owner of the Brenda Road site with long term lease agreement in place with Seymour CEC, and accountable body for Towns Fund capital investment.
- Tees Valley Combined Authority: AEB funding routeway, supporting the funded delivery of specialist telecom construction and civils engineering training and routes to employment.
- City Fibre: a key potential employer of learners' completing courses at the Civil Engineering Institute, who are driving the rollout of 5G nationally as National Tier 1 providers of wholesale fibre network infrastructure projects in Tees Valley and the Northern Powerhouse.
- DWP: referral source for unemployed learners and candidates across Tees Valley.
- Hartlepool residents: potential end-users of the facilities in employed, unemployed or young person capacities.
- Hartlepool students: prospective end-users of the facilities in employed, unemployed or young person capacities.
- Hartlepool businesses in construction, civil engineering and related sectors: potential source of labour demand, benefitting from increasingly skilled and well-trained local labour pool.

2.7.2 Summary of Engagement to Date

The development of the TIP and subsequent project development for the Civil Engineering Institute was informed by extensive stakeholder and community engagement. This has included review and analysis of engagement which HBC has undertaken since 2019, as well as specific activities to identify, evidence and develop priority projects. To this end, key stakeholder and community engagement activities undertaken to date include:

- TDB Meetings, incorporating representation from the full spectrum of public, private and voluntary sectors within Hartlepool. The TDB members continue to use their own networks to:
 - disseminate information about Town Deal projects;
 - articulate the ongoing Town Deal process;
 - publicise relevant engagement activities; and
 - obtain informal and anecdotal feedback on each project and its development.
- #My Town online engagement portal – 90 suggestions were received;
- One-to-one sessions with stakeholders (business interests, local colleges, key landowners);
- Online Local Residents Survey (publicised through an extensive network of communication channels) – a total of 463 responses were received;
- Online Local Business Survey – a total of 71 responses were received;
- Members Seminar;
- Young People's Group;
- Online discussion with the Economic Regeneration and Tourism Forum;
- 'Sector Connector' call (online discussion with the Voluntary and Community Sector [VCS] via Hartlepower); and
- Public exhibition presenting Town Centre Masterplan and TIP Interventions.

Further, wider engagement processes undertaken outside, but linked to, the Town Deal Programme have also provided insight into community and stakeholder views on the Civil Engineering Institute. These include:

- Surveys undertaken to inform the Council Plan 2020-2023 (over 250 responses received in 2019);
- Engagement undertaken to inform HBC's Covid-19 Recovery Plan – this comprised a range of engagement activities including members seminar, online employee survey and virtual workshops held with primary and secondary school headteachers, public sector partner organisations, VCS organisations and representatives of business and faith communities; and
- Findings from the Tees Valley Covid-19 Business Survey undertaken in 2020.

2.7.3 Summary of Stakeholder Viewpoints

As a result of these engagement activities, a number of key themes and issues were highlighted that had particular relevance to the Civil Engineering Institute, as outlined in Table 2-6.

Table 2-6: Summary of Key Stakeholder Viewpoints

Broad Stakeholder Viewpoint	Engagement Activities Where Viewpoint was Expressed
Need for more training and employment opportunities focusing on various industries / sectors and segments of the population (for example young people)	13% of #My Town respondents Young People's Group Council Plan 2020-23
Access to the best education and learning opportunities	Council Plan 2020-23
The need to provide young people with better opportunities to avoid incidence of anti-social behaviour	9% of #My Town respondents
Importance of economic regeneration. Opportunities include the value of small, very cheap 'starter units' for new businesses	'Sector Connector' discussions with the VCS
Reducing the considerable rate of 'in-work' poverty, indicative of low value, low wage employment	HBC's Covid-19 Recovery Strategy
Emphasis should be placed on cycling and walking and improved public transport to key services	'Sector Connector' discussions with the VCS Council Plan 2020-23

Of particular relevance to the Civil Engineering Institute project was issues around availability of jobs and skills. Training and employment opportunities featured frequently across all engagement activities. Over a fifth of responses to the online residents survey highlighted at least one of these aspects as key to making Hartlepool a better place to live, visit or work. Availability of jobs (60%) was also highlighted as the second most important priority for Hartlepool according to the online residents survey. These responses were critical in developing HBC's strategic priorities within the Council Plan 2020-23, with two priorities directly relating to the Civil Engineering Institute project:

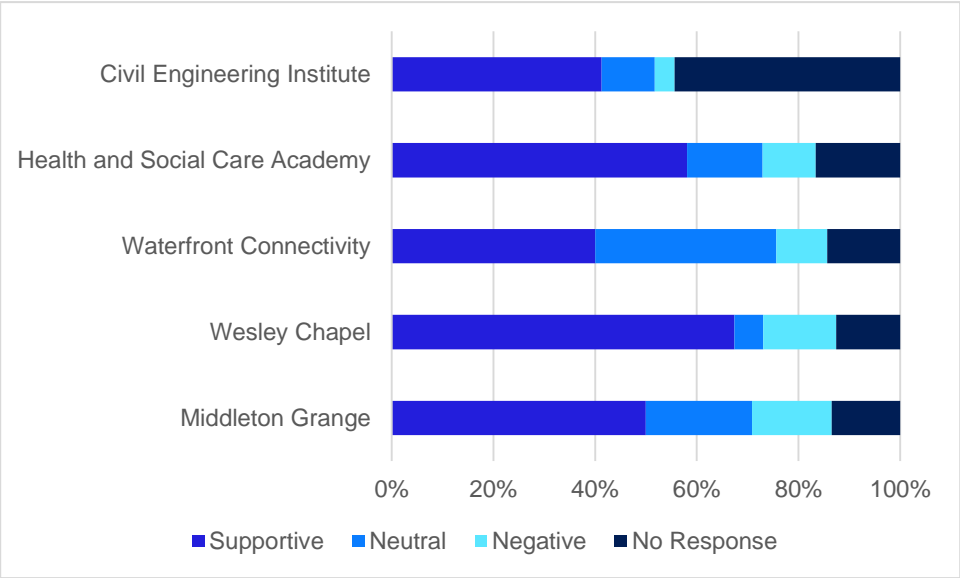
- 'Growing a diverse economy by supporting businesses, increasing jobs, attracting inward investment and improving skills and aspirations'; and
- 'Building better beginnings and better futures for our children and young people'.

The online business survey found that 62% of respondents felt that attracting and retaining skilled people in the area was a key factor holding back the local economy. Further, one-fifth of business respondents claimed employment and skills, particularly skills-linked progression from further education to business was a priority area for transforming Hartlepool as a place for business to locate and thrive.

These findings provide a strong basis for widespread community, business and stakeholder support for the project, given that the project seeks to contribute to ameliorating many of the key issues identified by both local residents and businesses.

This position is reinforced by the fact that the Civil Engineering Institute project achieved amongst the highest level of support of any project based on responses to the 'Consultation on TIP Priorities' (once 'no response' responses were controlled for, 74% approval). The Civil Engineering Institute's approval rating was almost universally positive (Figure 2-3), with only 7% of respondents having a negative view of the project (lowest of any Town Deal project).

Figure 2-3: Summary of Approval/Support Responses



Specific feedback provided by respondents to the TIP Consultation process emphasised the importance of training for both Hartlepool and the wider region, implications for job readiness and job creation and links with business.

3. Economic Case

3.1 Introduction

The Economic Case seeks to identify the proposal that is most likely to deliver the best Value for Money (VfM) to society including wider social and environmental effects. Within this context, the Economic Case sets out to:

- Provide a comparative analysis of the quantifiable and monetisable costs and benefits of shortlisted options or scenarios.
- Synthesise economic costs and benefits into a holistic value for money statement for the project.
- Outline some of the non-quantifiable and wider economic impacts of intervention.
- Based on consideration of value for money and wider issues, recommend a preferred option for intervention.

3.2 Approach to Economic Appraisal

The following key assumptions underpin the analysis presented within this economic case:

- Based on the options analysis presented in Section 2.6.1, a single feasible intervention option was considered appropriate for assessment. This is referred to as the Do Something scenario within the economic appraisal set out below.
- The economic appraisal was predicated on a comparison of Do Minimum versus Do Something scenarios, where:
 - the Do Minimum scenario represents the business as usual situation and likely outcomes in the event of no Towns Fund investment (i.e. teaching and training capacity at Seymour Skills Academy and Exeter St Annex is constrained, as outlined in Section 2.6.1); and
 - the Do Something scenario forecasts the anticipated outcomes and impacts associated with timely approval of Towns Fund investment (i.e. teaching and training capacity at Seymour Skills Academy and Exeter St Annex is increased, resulting in further courses being offered and increased student intake, as outlined in section 2.6.1).
- An appraisal period of ten years has been adopted. This approach is well within the appraisal period parameters suggested by guidance⁵, reflecting the conservative approach that has been undertaken in economic appraisal. On this basis, the appraisal period commences from an opening year of 2023 through to 2032. It should however be noted that given the asset life of the intervention being proposed, there could be some benefits that accrue past 10 years which have not been captured.
- All monetised figures used in the appraisal are presented in 2021 prices and values using real price adjustment factors in line with the Office for Budget Responsibility's inflation forecast and the prevailing HM Treasury Green Book discount rate.
- Economic impacts have been modelled using a bespoke model that synthesizes various potential impacts before aggregating costs and benefits into a single consistent price and value base (i.e. 2021 prices and values), to inform key value for money metrics, including benefit-cost ratio (BCR) and net present social value (NPSV).
- The model is underpinned by the latest relevant departmental and Towns Fund-specific Guidance. The data and guidance adopted includes:
 - HM Treasury Green Book;
 - HM Treasury Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance;
 - DLCCG Appraisal Guide;
 - Student forecasts provided by HCFE and Seymour CEC;
 - HCA Additionality Guide;
 - Towns Fund Stage 2 – Business Case Template; Economic Case: Best Practice Guidance;
 - Construction Industry Training Board (CITB); and

⁵ Informed by Towns Fund guidance materials, e.g. Economic Case: Best Practice Guide – Annex B

- HCA Calculating Cost Per Job | Best Practice Note.

3.3 Economic Benefits

As outlined within the Theory of Change (Section 2.6.4), the expansion of the current training facilities in Hartlepool is likely to give rise to a quantifiable and monetisable economic benefits, the derivation of these is presented within this section.

3.3.1 Student Numbers

3.3.1.1 Seymour Skills Academy

Baseline student enrolment numbers and potential growth assumptions were provided by Seymour CEC and HCFE to inform student forecasts under both the Do Minimum and Do Something scenarios. Baseline learner numbers for 2021 totalled 722 individuals across three student cohorts:

- 'Unemployed learners': c. 162 learners attending up to three introductory courses in Gateway to Construction, Build Pathway and Reinstatement Pathways.
- Commercial: c. 390 learners already in employment with external firms in the construction and civil engineering sector, attending fee-paying courses; and
- Seymour CEC internal learners: c. 170 learners already in employment with Seymour CEC.

For the purpose of this analysis no growth in students enrolled was assumed across the Do Minimum scenario from the 2021 baseline as presented in Table 3-1⁶. Given that in the worst case scenario, deterioration of existing facilities could lead to partial closure or reduced capacity of the Skills Academy and therefore a reduction in student numbers, this approach is considered robust.

Table 3-1: Do Minimum Student Profile – Seymour Skills Academy

Student Cohort	Assumed Qualification Level	2022	2023-32 inclusive
Unemployed Learners	Entry Level/ Level 1	162	162
Commercial	n/a ⁷	390	390
Seymour CEC Internal	n/a ⁸	170	170
Total		722	722

Under the Do Something scenario, expansion and improvement of facilities enables a wider range of courses to be provided and allows HCFE students to access courses at the site. In addition to retention of the courses that persist in the Do Minimum scenario, the following additional student cohorts are captured:

- Specialist Level 2 provision: c. 200 students per annum via HCFE pathways;
- Level 1 Bricklaying: c. 40 students per annum via HCFE pathways;

⁶ It is understood that the 'unemployed learners' cohort increased to 225 in January 2022. However, to ensure a robust and conservative assessment, the lower 2021 cohort size of 162 has been adopted as the baseline value for unemployed learners across the Do Minimum and Do Something scenarios.

⁷ As commercial courses are attended by those already in employment, no additional qualifications beyond ongoing continuing professional development (CPD) are captured.

⁸ *ibid*

- Level 2 Bricklaying: c. 29 students per annum via HCFE pathways;
- Level 1 Groundwork: c. 11 students per annum via HCFE pathways;
- Level 2 Groundwork: c. 12 students per annum via HCFE pathways;
- Level 3 Construction Engineering: c. 30 students per annum via HCFE pathways, albeit most learners progress into higher education before entering employment; and
- Level 4/5 Construction Engineering: c. 40 students per annum already in employment, benefiting from CPD and career progression.

Effectively, the proposed intervention in the Do Something scenario allows learning opportunities to be extended to c. 360 additional learners per annum via the above pathways, in addition to the 722 annual learners forecast under the Do Minimum scenario, as per Table 3-2.

Table 3-2: Do Something Student Profile – Seymour Skills Academy

Student Cohort	Assumed Qualification Level	2022	2023-32 inclusive
Unemployed Learners	Entry Level/ Level 1	162	162
Commercial	n/a ⁹	390	390
Seymour CEC Internal	n/a ¹⁰	170	170
HCFE: Specialist Level 2	Level 2	200	200
HCFE: Level 1 Bricklaying	Level 1	0	40
HCFE: Level 2 Bricklaying	Level 2	0	29
HCFE: Level 1 Groundwork	Level 1	0	11
HCFE: Level 2 Groundwork	Level 2	0	12
HCFE: Level 3 Construction Engineering	Level 3	0	30
HCFE: Level 4/5 Construction Engineering	Level 4/5	0	37
Total		722	1,081

⁹ As commercial courses are attended by those already in employment, no additional qualifications beyond ongoing continuing professional development (CPD) are captured.

¹⁰ *ibid*

3.3.1.2 Exeter St Annex

Baseline student enrolment numbers and potential growth assumptions were provided by HCFE to inform student forecasts under both the Do Minimum and Do Something scenarios. Under the Do Minimum, learner numbers for 2021 totalled c. 350 individuals across a range of fabrication and welding, general engineering and specialist courses, as per Table 3-3.

For the purpose of this analysis, no growth in students enrolled was assumed across the Do Minimum scenario as presented in Table 3-3. **Error! Reference source not found.** Given that in the worst case scenario, deterioration of existing facilities could lead to partial closure or reduced capacity of the Exeter Street Annex and therefore a reduction in student numbers, this approach is considered robust.

Table 3-3: Do Minimum Student Profile – Exeter Street Annex

Student Cohort	Assumed Qualification Level	2022	2023-32 inclusive
L1 Multi Skill Engineering	Entry Level/ Level 1	25	25
L1 Intro to Fab & weld	Entry Level/ Level 1	40	40
L2 Short Adult Provision	Level 2	80	80
L2 Fabrication and Welding	Level 2	50	50
L3 Fabrication and Welding	Level 3	80	80
L4/5 Engineering	Level 4/5	26	26
Specialist training (Weld test/training)	n/a ¹¹	50	50
Total		351	351

Under the Do Something scenario, refurbishment of facilities enables some growth in capacity for HCFE courses at the site. For the purposes of the economic appraisal, 20% growth in course enrolment is assumed over and above baseline student numbers. Effectively, the proposed intervention in the Do Something scenario allows learning opportunities to be extended to c. 70 additional learners per annum, in addition to the 351 annual learners forecast under the Do Minimum scenario, as per Table 3-4. This growth is expected to build up over two years.

¹¹ Unknown equivalent qualification level. As such courses are likely to be attended by those already in employment, no additional qualifications beyond ongoing continuing professional development (CPD) are captured in any case.

Table 3-4: Do Something Student Profile – Exeter Street Annex

Student Cohort	Assumed Qualification Level	2022	2023	2024-32 inclusive
L1 Multi Skill Engineering	Entry Level/ Level 1	25	27	30
L1 Intro to Fab & weld	Entry Level/ Level 1	40	44	48
L2 Short Adult Provision	Level 2	80	88	96
L2 Fabrication and Welding	Level 2	50	55	60
L3 Fabrication and Welding	Level 3	80	88	96
L4/5 Engineering	Level 4/5	26	29	31
Specialist training (Weld test/training)	n/a ¹²	50	55	60
Total		351	386	421

3.3.2 Wage Premium Benefits

The link between attainment in further education, vocational skills and employment in higher value and higher paid jobs is well established. For example, research undertaken by CITB¹³ finds that qualification level is a key determinant of wages. For the purpose of this analysis, to proxy the wage premiums associated with qualification attainment at the Civil Engineering Institute, the marginal wage premiums associated with achieving a higher level of qualification within the construction and built environment sector was adopted based on CITB research. This is reflective of the engineering and construction courses being offered across the Civil Engineering. These premiums over for a single year by qualification level are presented in the table below.

¹² Unknown equivalent qualification level. As such courses are likely to be attended by those already in employment, no additional qualifications beyond ongoing continuing professional development (CPD) are captured in any case.

¹³ CITB (2017) 'Value of vocational qualifications in the Construction and Built Environment Sector'

Table 3-5: Wage Premiums by Qualification Level

Qualifications	Wage Premium (2017 prices and values)
Level 1 – Construction and Built Environment	£1,100
Level 2 – Construction and Built Environment	£1,370
Level 3- Construction and Built Environment	£1,200
Level 4 and above – Construction and Built Environment	£2,300

To undertake the wage premium analysis, the following two factors sourced from Seymour CEC and HCFE for each student cohort/qualification level were initially applied to adjust the student numbers:

- The course completion rate; and
- Employment gained in relevant industry rate.

The respective wage premium by qualification level was then applied to these student numbers to quantify the gross impact of increasing access to enhanced qualifications and skill levels under the Do Minimum and Do Something scenario. It should be noted that this analysis adopts a conservative but robust approach through the following mechanisms:

- Benefits accrued beyond 2032 have not been captured, despite the likely lifecycle of both facilities extending beyond a ten year appraisal period. Under this assumption the benefits captured for each yearly intake are subject to a diminishing persistence factor. For instance, the cohort in the year 2023 are subject to a persistence factor of 10 whilst the cohort in year 2032 a persistence factor of 1.
- Those learners who are already in employment and were attending 'commercial' courses typically paid by employers were excluded from the analysis, on the basis that any qualifications or learning gained was typically CPD rather than completely new or transformational skills for the learner. Hence, the focus of the wage premium analysis is primarily on young people attending course in the 16-19 age range as well as unemployed learners.

Taking the above considerations into account, the estimated wage premium impact in the Do Minimum scenario is estimated at £18.2 million in 2021 prices and values. In the Do Something scenario, this increases to £45.1 million, driven by increased throughput of learners across both facilities. This results in a gross additional wage premium impact of some £26.9 million (Table 3-6).

Table 3-6: Wage Premium Impact (2021 prices and values)

Qualification Level	Do Minimum Wage Premium	Do Something Wage Premium	Gross Additional Impact
L1	£10,279,661	£14,130,566	£3,850,905
L2	£7,958,730	£24,232,822	£16,274,092
L3	£0	£2,107,812	£2,107,812

Qualification Level	Do Minimum Wage Premium	Do Something Wage Premium	Gross Additional Impact
L4	£0	£4,671,219	£4,671,219
Total	£18,238,391	£45,142,420	£26,904,029

3.3.3 Additionality

To improve accuracy and provide a more robust estimate of the quantified benefits of an intervention, it is necessary to convert the gross additional impacts to net additional impacts.

For the purpose of this analysis, the following additionality factors have been adopted, consistent with the 'People and Skills' theme in HCA's Additionality Guide (2014):

- Displacement = 17.9%, reflecting the proportion of impacts accounted for by reduced outputs elsewhere.
- Leakage = 13.5%, reflecting the proportion of impacts that may benefit those outside of the intervention context area.
- Multiplier Effects = 1.25, reflecting further induced economic activity associated with the respective benefit stream through e.g. jobs, expenditure, income.

The above factors have been applied to all benefit streams appraised.

3.3.4 Net Additional Impacts – Summary Position

Following application of the relevant additionality factors to the various benefit streams, Table 3-7 estimates the net additional impact of the preferred option at £23.9 million (2021 prices and values).

Table 3-7: Net Additional Impacts Summary

Impact Stream	Value (2021 prices and values)
Gross Additional Impact	£26,904,029
Net Additional Impact	£23,882,874

3.4 Economic Costs

Table 3-8 presents the nominal scheme costs for the project split across expenditure year and by source of funding. It should be noted that these costs relate to CAPEX only, with all of funding being requested from the Towns Fund. These costs have been developed internally by the HCFE and Seymour CEC. Further information on the derivation of these costs are provided in the Financial Case (Section 4).

Table 3-8: Nominal Scheme Costs (£ million, undiscounted)

Funding Source (£m)	2022	2023	2024
Towns Fund Funding (public)	£2.25	£0	£0

Funding Source (£m)	2022	2023	2024
Total	£2.25	£0	£0

To generate the present value of costs (PVC) in 2021 prices and values the following adjustment stages were undertaken:

- Disaggregating costs by public and private sources;
- Accommodating real growth using the Office for Budget Responsibility (OBR) forecasts;
- Applying optimism bias at the prevailing rate¹⁴; and
- Discounting to 2021 prices and values.

Following the steps above generates a present value of scheme cost for the Do Something scenario of £2.6 million (2021 prices and values), as outlined in Table 3-9:

Table 3-9: Present Value of Scheme Costs for Economic Appraisal (£ million, 2021 prices and values)

Funding Source (£m)	2022	2023	2024
Towns Fund Funding (public)	£2.64	£0	£0
Total	£2.64	£0	£0

3.5 Value for Money Assessment

Taking into account estimates for both the PVB (Section 3.3) and the PVC (Section 3.4), Table 3-10 presents the value for money metrics relating to the Do Something scenario. The analysis demonstrates that the Do Something scenario unlocks substantially more economic benefits than public costs, resulting in a Benefit Cost Ratio (BCR) exceeding 9.1:1 and a positive Net Present Social Value (NPSV) of more than £21 million. This represents exceptional value for public sector investment.

Table 3-10: Value for Money Summary

Value for money assessment (£m, 2021 prices and values)	Preferred Option – Core Scenario
Economic benefits	
Wage Premium	£23.9
Total economic benefits	£23.9
Economic costs	
Total public sector funding	£2.6
Private sector funding	£0.0

¹⁴ Standard Buildings rate of 24% as per the Green Book Supplementary Guidance of Optimism Bias

Value for money assessment (£m, 2021 prices and values)	Preferred Option – Core Scenario
Total economic costs	£2.6
Value for Money Metrics	
BCR	9.1
NPSV	£21.2

3.6 Sensitivity Tests

To assess the robustness of the scheme's value for money proposition, the following two sensitivity tests have been undertaken:

- Sensitivity Test 1: Reduction in wage premium achieved in the Do Something scenario. As the primary driver of the benefits is the wage premium, a 50% reduction has been applied to this benefit stream to reflect either a reduction in additional learners or a reduction in per capita wage premium.
- Sensitivity Test 2: Increase in PVC in the Do Something scenario. Application of a 50% increase to the PVC for the Do-Something scenario to reflect potential cost overruns for the project.

The revised present value of benefits and present value of costs, along with the subsequent value for money metrics are presented in Table 3-11. Under Sensitivity Test 1, the wage premium benefits reduce to £11.9 million (2021 prices and values) thereby resulting in a revised present value of benefits of £11.9 million (2021 prices and values). The BCR under Sensitivity Test 1 is 4.5:1 which indicates that the scheme will still deliver substantial benefits when compared to the costs.

Under Sensitivity Test 2, the present value of costs increase to £4.0 million (2021 prices and values), generating a revised BCR of 6.0:1. This demonstrates that the scheme benefits still outweigh the costs despite a substantial increase in costs.

Table 3-11: Sensitivity Tests (£m, 2021 prices and values)

Value for money assessment (£m, discounted, 2021 prices)	Preferred Option - Core Scenario	Sensitivity Test 1	Sensitivity Test 2
Economic benefits			
Wage Premium	£23.9	£11.9	£23.9
Total economic benefits	£23.9	£11.9	£23.9
Economic costs			
Total public sector funding	£2.6	£2.6	£4.0
Private sector funding	£0.0	£0.0	£0.0
Total economic costs	£2.6	£2.6	£4.0

Value for money assessment (£m, discounted, 2021 prices)	Preferred Option - Core Scenario	Sensitivity Test 1	Sensitivity Test 2
Benefit-Cost Ratios (BCR)	9.1	4.5	6.0
Net Present Social Value (NPSV)	£21.2	£9.3	£19.9

In addition to the sensitivity testing presented above, a switching values assessment has also been undertaken to understand the proportional increase in present value of costs or proportional decrease in present value of benefits that would be required to achieve a BCR position for the Do Something scenario that equates to 1.0.

The analysis presented in the Table below highlights the change that would be required to still achieve a BCR of 1.0. The PVC would need to nearly increase by a factor of 8 (805% increase) to arrive at a BCR less than 1.0. Similarly, the PVB would have to decrease by nearly 90% for the BCR to reach 1.0. This demonstrates that the scheme would still offer value for money (i.e. greater scale of economic benefits than costs) even if significant changes in costs and/or benefits were to materialise.

Table 3-12: Switching Values Summary

Change in Key Metric	Proportional Change Required To Converge on BCR of 1.0
Increase in PVC	805%
Reduction in PVB	89%

3.7 Wider Impacts

In addition to the monetised impacts described in Section, there are additional non-quantifiable or wider impacts that could result from intervention. With reference to the Logic Model and Case for Change outlined in the Strategic Case, the wider impacts that could be expected to occur if the preferred option is delivered include:

- Through the newly gained skills/qualifications, upskilling of the local labour supply could also occur. As well as young people being able to gain the qualifications that allow them to obtain employment in more productive higher paying sectors, unemployed individuals might be able to access courses through the adult education budget which could support re-entry to the labour market and associated improvements to social wellbeing. The provision of commercial courses will also facilitate reskilling and upskilling for those already in employment.
- An increasingly skilled local population could also give rise to increased inward investment as companies look to leverage the skilled labour force found in Hartlepool. This could result in a clustering effect as companies capitalise on the skilled labour supply, further bolstering the local economy.
- The facilities could create linkages with major employment sites within the sub-region that have a requirement for large volumes of skilled construction and civil engineering labour, such as Teesworks. This could unlock employment opportunities for individuals graduating from the Civil Engineering Institute.
- Local residents will also benefit from an improvement in socioeconomic performance against a range of indicators, including income, employment, education, skills and training and aggregate deprivation, as a result of the intervention.

- Improved image/perception of the town as a place for industry-leading skills training, leading to increased civic pride.
- Enhanced social wellbeing could arise from individuals feeling more confident and having improved self-esteem from successfully gaining formal qualifications. The social wellbeing of improved confidence in adults is estimated at c. £13,000 per person.
- Further social wellbeing impacts could accrue to any unemployed residents who are supported into the labour market as a result of increased pathways to employment for the unemployed. The social wellbeing benefit associated with re-entering the labour market is estimated at c. £6,000 per person.
- Pathways to higher education could be unlocked through collaboration with local higher education institutes such as Teesside University. This could allow individuals to further bolster their skill set by pursuing additional formal qualifications.
- During the construction stage, the delivery of the new facility will generate c. 24 job years for the construction industry. These jobs could result in additional expenditure within the local economy, leading to further jobs being created within supply chains.
- During the construction stage the additional jobs created will also result in a Gross Value Added (GVA) uplift for the local economy.

3.8 Summary

The Economic Case demonstrates that the Civil Engineering Institute represents 'very high' value for money, delivering a BCR of 9.1 under the preferred option's core scenario. Further, sensitivity testing and switching values assessments highlight the robustness of the value for money position of the project against substantial changes in key economic modelling assumptions. Allied to a wide range of positive non-quantifiable and wider economic impacts which will not be realised in the absence of intervention, the Economic Case therefore demonstrates that from a value for money perspective, the outcomes and impacts resulting from the Do Something scenario are preferable to business as usual under the Do Minimum scenario.

4. Financial Case

4.1 Introduction

The financial case seeks to demonstrate the affordability and funding strategy for the preferred option, by considering the following issues:

- Scheme cost development;
- Consideration of funding options;
- Determination of proposed funding strategy and profile to deliver preferred option;
- Affordability from upfront capital and ongoing operational perspectives;
- Financial risks and potential mitigation measures; and
- Wider financial implications for the scheme promoters and funding stakeholders.

4.2 Project Costs

4.2.1 Capital Costs

Capital expenditure forecasts developed by HCFE for Exeter St Annex estimate the total cost of works to be £850,000, inclusive of a small allowance for inflation and contingency (Table 4-1). It should be noted that these costs are exclusive of VAT. They are largely informed through soft-market testing, with local suppliers providing high level quotes to inform cost estimates associated with the various activities listed.

Table 4-1: Exeter Street Annex Costs – Nominal Prices

Cost Item	Value (£ 000's)
Bricking Up an Old Roller Shutter	£9.6
Access Control for Doors	£8.6
CCTV	£9.0
Roof Works	£102.1
Toilet Cubicles/Washroom	£15.8
Lift	£41.4
Local Exhaust Ventilation (LEV)	£34.1
M&E	£549.6
IT	£35.2
Allowance for Contingency + Inflation	£44.7
Total	£850.0

Similarly, the capital expenditure by cost item was developed for Seymour Skills Academy by Seymour CEC, informed by soft-market testing, with local suppliers providing high level quotes to inform cost estimates associated with the various activities listed. The total capital costs associated with expansion and improvement of the Skills Academy at Brenda Road is £1.4 million (Table 4-2). These costs are nominal costs as it is assumed they are inclusive of both inflation and contingency.

Table 4-2: Seymour Skills Academy Costs – Nominal Prices

Cost Item	Value (£ 000's)
Project design support & planning	£58.0
1no Modular office building	£471.0
2no Modular classrooms & tutor welfare	£134.0
Office, classrooms & tutor welfare fit out and IT equipment/install	£130.0
EV Charging	£99.0
BT Openreach - fibre	£16.1
Labour, plant & materials	£160.0
Surface upgrade, drainage, landscaping	£234.0
Utilities	£25.0
Website	£12.0
Solar & contingency	£60.9
Total	£1,400.0

The Table below summarises the capital cost expenditure by year for the Civil Engineering Institute programme in totality. Based on the information available, the entire £2.25 million capital expenditure will occur in the year 2022/23.

Table 4-3: Profile of Capital Costs

	2021-22	2022-23	2023-24	2023-24	Total
Total Capital Cost (£ 000's)	£0	£2.25	£0	£0	£2.25

4.2.2 Operational Costs

An increase in student throughput will engender increased operational costs across both civil engineering skills facilities. That said, Seymour CEC and HCFE have confirmed that any operational cost increase will be covered through existing funding routes, including course funding via the Education and Skills Funding Agency (EFSA), TVCA's devolved AEB and revenue from commercial course delivery where relevant. Hence, there will be no requirement for additional operational cost funding from HBC or the Town Deal programme in order to maintain the financial sustainability of the skills facilities.

With regard to sustainability of funding commitment, the Skills Seymour have had AEB funding for both years of devolution and the work we do aligns clearly to TVCA's strategic economic priorities. With this in mind, there is little risk of the AEB funding not continuing for the foreseeable future.

4.3 Funding and Revenues

4.3.1 Capital Funding Arrangements

The capital costs associated with the delivery of the preferred option will be covered through public sector funding only, with the Town Deal allocation of £2.25 million fully funding the project. This business case seeks to secure the provisionally allocated Towns Fund. Table 4-4 summarises the scale and timing of funding to be provided by the Towns Deal towards the delivery of the Civil Engineering Institute.

Table 4-4: Profile of Capital Costs by Funder

	2021-22	2022-23	2023-24	2023-24	Total
Town Deal	£0	£2.25	£0	£0	£2.25
Total	£0	£2.25	£0	£0	£2.25

4.3.2 Operational Funding Arrangements

As noted in Section 4.2.2, the Civil Engineering Institute currently benefits from operational funding from a range of sources, including:

- ESFA: which provides per capita funding to further education institutions depending on the qualification level and course being undertaken.
- TVCA's Devolved AEB: Seymour CEC confirmed that they were in receipt of AEB funding for both years of devolution so far and the courses delivered align clearly to TVCA's strategic economic priorities. With this in mind, there is little risk of the AEB funding not continuing for the foreseeable future.
- Commercial Revenue: the Seymour Skills Academy hosts an large volume of internal and external commercial learning opportunities each year. The Skills Academy has a track record of working with a range of employers and stakeholders to deliver a range of commercially funded construction safety and plant operative training. In 2021, revenue from hosting courses tailored for the commercial market raised some £170,000 in revenue. With growth in capacity, the Seymour Skills Academy's ability to host commercial courses of this nature and generate additional revenue is likely to increase.

This wide ranging source of funding and the confidence that these funding sources will continue to provide operational funding provides greater certainty that the Civil Engineering Institute will operate on a financially sustainable basis. Seymour CEC have confirmed that no other operational subsidy is required from any public body or local authority to subsidise commercial training operations.

4.4 Affordability Assessment

The project is considered affordable throughout its capital and operational phase, ensuring ongoing project viability and long-term sustainability of the facility.

From a capital perspective, although funding is not yet secured from the Town Deal provisional allocation, there is a high degree of confidence that this funding will materialise as a consequence of the current business case (Section 4.3.1).

From an operational perspective, although a formal business model for the project does not exist, there is substantial confidence that existing funding routes (e.g. ESFA, TVCA's devolved AEB and commercial revenue stream) will be sufficient to cover the operational costs arising from the project.

4.5 Financial Risks

A comprehensive set of financial risks is provided in Table 4-5. However, the key financial risks to the project can be summarised as:

- **Uncertainty of project costing:** the level of detail included in the cost estimates is necessarily high level, reflecting the level of scheme development at this stage. Although quotes have been sourced to inform an independent view on costs wherever possible, some elements of the costs remain internally derived by the scheme promoters based on recent or equivalent experiences. Ultimately, the detailed plans and designs are still evolving. This could create concerns around cost escalation and which body/organisation funds any cost overruns. To mitigate against the resulting uncertainty in cost estimation, some contingency allowance is included in the construction costs. Further, the Grant Funding Agreement mechanism to be entered into by the scheme promoters and HBC will place the responsibility for any cost overruns with the scheme promoters rather than HBC or the Town Deal. Further, sensitivity testing outlined in the Economic Case (Section 3.6) estimates the impact of significant increases in costs on the project's value for money, demonstrating that even with a substantial increase in public sector costs, the scheme's benefits will continue to outweigh the scheme's costs.
- **Inflation:** the cost estimates include some allowance for inflation. However, given the fact that most works are scheduled to take place within the next year, and reflecting a view that the market in the North East is now beginning to settle the existing allowance for inflation is deemed appropriate at this point.
- **VAT:** the costs stated in the Financial Case are exclusive of VAT at this point. Each scheme promoter and HBC are working through the VAT implications of the Town Deal funding and the proposed works to determine the extent to which VAT liabilities could impact on the Financial Case for the project.
- **Funding Risk:** As noted, the capital funding earmarked for the project is not yet confirmed at this point. In the absence of funding from the Town Deal Programme, the project could be delayed until other funding sources materialise. To mitigate against this risk, the current business case seeks to present a robust case for intervention and public sector investment, in order to justify confirmation of the Town Deal provisional allocation.

Table 4-5 Financial Risk Matrix

Risk Item	Impact Type	Impact Description	Mitigation
Project cannot be delivered in budget envelope	Delay in Delivery and Reduced Quality/Scale of outputs generated.	Insufficient resources to complete the scheme. Scheme halted whilst: (i) scheme reduced to meet budget, or (ii) further funds sourced via other funding opportunities. Reduced scheme delivered.	Cost plan prepared and to be updated as design work progresses. Close monitoring of spend. Development of robust, evidence-based contingency pot - with regular budget monitoring and consideration of use of contingency pot. Ongoing monitoring and review of emerging funding programmes to identify alternative sources of funding, as required.
Scheme overruns +/- or overspends			
Non-compliance with group accounting rules & Companies House	Reduced Quality/Scale of outputs generated.	Financial penalties & reputational damage	Use of external audit/accountancy advice
Non-compliance with HMRC requirements			

Risk Item	Impact Type	Impact Description	Mitigation
Members may withdraw financial support for project	Delay in Delivery and Reduced Quality/Scale of outputs generated.	Loss of any potential Town Deal funding	Regular briefing/update reports to portfolio holder and wider cabinet (if necessary), arrange mechanism such that once the bid is approved at cabinet (if necessary) and by S151 officer, co-funding is guaranteed.
Towns Fund not awarded	Reduced Quality/Scale of outputs generated.	Insufficient resources to complete the scheme. Scheme halted whilst: (i) scheme reduced to meet budget, or (ii) further funds sourced via other funding opportunities. Reduced scheme delivered	Appointment of consultant team to support business case development. Ongoing monitoring and review of emerging funding programmes to identify alternative sources of funding, as required.
Breach of funding conditions	Delay in Delivery and Reduced Quality/Scale of outputs generated.	Clawback of part or all Towns Fund grant funds. Loss of support for scheme. Scheme halted or abandoned.	Close monitoring of procurement, defray and draw down of Towns Fund and other grants, with full audit trail retained for inspection - use of external audit/accountancy advice. Use of 'Grant Funding Agreement' mechanism to oversee relationship of project stakeholders.

4.6 Wider Financial Implications

The project does not seek to increase the financial exposure of any key stakeholder in the project. The anticipated capital input is entirely sourced from the Town Deal Programme; no additional capital funding requirements are sourced from the scheme promoters or HBC. Within this context, the project is not expected to leverage any undue financial pressures on any funding stakeholders.

Similarly, operational costs to support the project are expected to be fully met by existing funding sources (namely, ESFA, TVCA's devolved AEB and revenue from commercial activity). In fact, the intervention could enable Seymour Skills Academy to increase revenue from commercial activity. This could help the commercial element of the project to cross-subsidise the non-commercial activities delivered at the Seymour Skills Academy site. In any case, no additional operational cost burden will be passed on to HBC or any other public sector body.

4.7 Summary

The financial case demonstrates that the project is affordable from a capital and operational perspective, subject to confirmation of funding from the Towns Fund programme. Any risk that this funding may not materialise is mitigated by a number of activities that the scheme promoters have undertaken, including development of the current project business case to support drawdown of funding from Central Government. Although it is acknowledged that cost estimates are still subject to change, the scheme promoters have provided robust cost estimates for this stage of project development, informed in most cases by soft-market testing and receipt of quotations supplied by the scheme promoter's existing supply chains. HBC's Town Deal project officers are comfortable with this position at this stage, recognising that further cost details may be forthcoming during and after the detailed design stage.

5. Commercial Case

5.1 Introduction

The Commercial Case seeks to establish a viable procurement route for delivery of the preferred option by establishing:

- Potential commercial delivery models set within the context of the scheme promoter's existing commercial and procurement strategies;
- Market testing to determine market appetite to deliver the project;
- Key delivery partners in the project development and delivery phase; and
- Identification of a preferred procurement strategy.

5.2 Commercial Deliverability

5.2.1 Market Demand and Interest

There is clear market demand to undertake the works proposed at both Brenda Road and Exeter Street Annex sites, as evidenced by the provision of formal quotations for many activities already. Local and regional firms have already responded to tender requests by Seymour CEC for modular building and classroom provision (Nixons Hire), EV charging (Clarke EV) and by HCFE for access control/CCTV (IDS Fire and Security), structural works (GSC Construction), LEV (Fumex Ltd) and other works. Given that these quotations are time-limited to thirty or sixty days in most cases, they represent soft-market interest rather than a firm commitment to complete works for the price stated at this point in time.

From a pre-construction perspective, Seymour CEC have also secured external quotations from suppliers to support project design, survey and planning activities (e.g. from Lynas Engineers, Tri-Tech and The Planning House). HCFE have also appointed long-established partners, AA Projects, to support project management and delivery of the Exeter Street Annex project. The clear interest in undertaking works as part of project development and delivery at this early stage provides confidence that local supply chain is well positioned and have the capability to deliver the schemes.

From an operational perspective, market demand for training and skills development from prospective learners and employers is considered strong based on the labour market evidence provided by EMSI (Section 2.2.2) and the scheme promoters' own student forecasts (Section 3.3.1). Courses at both sites are currently fully subscribed with no additional capacity available to meet latent demand suggested by student forecasts. The activities proposed as part of the project will provide additional capacity to support further learning in the Civil Engineering sector across both sites, unlocking the underlying latent demand.

5.2.2 Land Ownership

5.2.2.1 HCFE at Exeter Street Annex

HCFE have full ownership over the Exeter Street Annex. Therefore, no commercial deliverability constraints are envisaged from a land ownership perspective.

5.2.2.2 Seymour Skills Academy at Brenda Road

The Seymour CEC-led project is located at the Brenda Road site on which the current Skills Academy is located. Seymour CEC lease this property from HBC who retain the freehold title, with the lease running until 2029. Seymour CEC and HBC have confirmed there are no legal or land ownership constraints that would challenge the commercial deliverability of the project. HBC, as both freehold interest and accountable body are supportive of the project.

Seymour CEC have also confirmed that the leasehold agreement in place ensures that the assets delivered at the site are wholly owned by the leaseholder (Seymour CEC) rather than the freeholder (i.e. HBC). This means Seymour CEC will own the assets delivered at Brenda Road, and will be responsible for purchase, maintenance and decommissioning of the site. No ongoing liability for maintenance or disposal costs sit with HBC as freehold interest.

5.2.3 Planning Considerations and other Consents

5.2.3.1 HCFE at Exeter Street Annex

HCFE have sought advice from planning consultants and project managers (AA Projects), which reveals that planning permission is unlikely to be required for the majority of the project. This is attributed to the fact that most of the proposed works are internal works, which are likely to require building regulations consent but not full planning permission. However, there may be a need to secure planning permission to enable decant of welding activities to a temporary structure while construction works progress at the site. HCFE and AA Projects have recent experience of obtaining planning consent for a similar temporary relocation event. As a result, HCFE are confident that planning considerations and other consents do not represent a constraint on commercial deliverability of the project.

5.2.3.2 Seymour Skills Academy at Brenda Road

A pre-application planning submission was submitted in February 2022 to gauge the local planning authority's view on the proposed project, identify any planning constraints and other potential challenges to delivery. At this point, no response has been forthcoming. A response is anticipated by late-March to early April.

However, given the experience of securing planning approval for the current Skills Academy at Brenda Road¹⁵, significant planning constraints and wider issues linked to conditions and consenting is not anticipated. The previous planning application was approved subject to relatively minor conditions which have now been fully discharged. These conditions were not prohibitive to scheme delivery. Given the similar nature of the proposed project to the previously approved and now fully functioning project (i.e. predominantly around increased capacity), there is confidence that planning constraints are likely to be minor and easily resolved. Any conditions imposed on delivery of the project are expected to be similar in nature and impact to conditions attached to the previous planning application, such that they are not likely to impede scheme delivery. As a result, planning and consents is not considered a significant constraint to commercial deliverability.

5.2.4 Proposed Delivery Model

Both scheme promoters propose to adopt similar delivery models across the project components. The delivery model is underpinned by utilisation of existing supply chains built up over many years of experience by Seymour CEC and HCFE.

5.2.4.1 HCFE at Exeter Street Annex

As noted, HCFE have appointed AA Projects to project manage development and delivery of interventions at Exeter Street Annex. AA Projects are already undertaking complementary development workstreams at Exeter Street Annex, supporting a separate funding bid to EFSA to secure T-Level Capital Funding. Hence, AA Projects have thorough understanding of the projects context and requirements. As part of their role as project managers, AA Projects will be responsible for determining the most appropriate procurement pathway and contract, within the parameters set by HCFE's Financial Regulations (Appendix A). AA Projects will therefore determine:

¹⁵ February 2019, H/2018/0268

- The most appropriate route to market (e.g. use of public sector or specific further education sector frameworks, direct awards etc);
- The format and scale of packages of works tendered;
- The type of procurement approach adopted for each package of works (e.g. design and build, traditional); and
- The most appropriate form of contract to be entered into by HCFE and contractors.

That said, in line with HCFE's financial regulations, the following key procurement policies will be adhered too:

- At least three written quotes will be invited for any procurement activity valued at more than £10,000 (two quotes if between £5-10,000), via a selective tendering process. The supply chain invited to selective tendering processes will be determined by the appropriate technical officer (with authority to consider the capacity and technical competence of the supply chain to undertake the contracts envisaged), and the Assistant Principal: Corporate Services (with responsibility to ensure the supply chain invitees are financially sound).
- Open tendering approach to any contracts with an estimated value of greater than £100,000 for works of greater than £50,000 for supply of materials or services. Open tenders will be published in local newspapers and industry journals, as well as HCFE inviting specific appropriate contractors or suppliers as appropriate.

All procurement activities proposed by AA Projects will be authorised and approved by Karen Dales, HCFE's Procurement Lead.

Through the operational phase, activities undertaken and courses delivered at the Exeter Street Annex will solely fall under the remit of HCFE; no third party support will be procured.

5.2.4.2 Seymour Skills Academy at Brenda Road

From the perspective of Seymour CEC and the Brenda Road site, design and planning support will be outsourced to Teesside-based firms wherever possible (e.g. Lynas Engineer), who Seymour CEC have worked with closely over a period of 3-4 years. From a delivery perspective, Seymour CEC intend to act as principal contractor, responsible for overseeing overarching project delivery as well as having specific responsibility for groundworks (including surface upgrades, drainage, landscaping). Further, as principal contractor, Seymour CEC will utilise a range of suppliers chosen from a wider supply chain, predicated on long-standing relationships and experience built up over forty years of operations. Seymour CEC's supply chain is managed through the Constructionline platform, which provides pre-qualification and external audit of potential suppliers, through establishing capability as well as compliance with legal, regulatory, financial and health and safety standards. New entrants to the supply chain are required to complete a pre-qualification questionnaire to gain access to this verified supplier list.

Seymour CEC's procurement policy commits the firm to obtaining quotes from three suppliers wherever possible to ensure value for money and the most economically advantageous tender process. To this end, Seymour CEC are proposing to undertake detailed tender process to secure specialist sub-contractor support through the summer of 2022 (Table 5-1).

At this stage, it is anticipated that Seymour CEC component of the project will be delivered through a Design and Build (D&B) contract, with Lynas Engineers contracted to complete design work on behalf of Seymour CEC (acting as principal contractor). Specialist sub-contractor support will be called upon where needed by Seymour CEC as principal contractor (via the supply chain approach outlined above).

Through the operational phase, activities undertaken and courses delivered at the Skills Academy will primarily fall under the remit of Seymour CEC. In particular, Seymour CEC will be responsible for site maintenance, health and safety and overarching management of the site. Further, they will be responsible for delivering courses to all learners aged 19+, as well as students attending via unemployment/back-to-work and commercial pathways. HCFE will provide some resources (e.g. tutors to lead programme/course delivery) to support operations at the Skills Academy, taking responsibility for:

- students within the 16-18 cohort who utilise the HCFE pathway to learning; and
- IT systems utilised by HCFE's 16-18 students, recognising the need to ensure HCFE's IT safeguarding protocols are adhered to.

5.2.5 Experience of Applying Delivering Similar Projects

5.2.5.1 HCFE at Exeter Street Annex

HCFE have recent and live experience of delivering projects of a similar nature and scale to the Exeter Street Annex project. In fact, HCFE, through project managers and contractors including AA Projects and RNJ Construction Consultants have recently undertook and are currently undertaking remedial works to the Exeter Street Annex facility, as documented below:

- Asbestos removal at Exeter Street Annex: from January to March 2021, at a cost of c. £500,000 (funded by ESFA); with RNJ Construction Consultants acting as project managers.
- T-Level Capital Funding: refurbishment of classroom and learning spaces at a cost of £1.75 million; with AA Projects acting as project managers.

5.2.5.2 Seymour Skills Academy at Brenda Road

Seymour CEC successfully delivered the current Skills Academy at Brenda Road between February and October 2019, following two years of planning. Investment by Seymour CEC since 2019 includes:

- £300K 10 year lease for the Brenda Road site with Hartlepool Borough Council to June 2029;
- £230K in establishing the Skills Academy initial infrastructure, facilities and capital plant equipment;
- over £210K pa operational costs (ongoing); and
- Since the inception of the skills academy, Seymour CEC has invested over £750K, supporting ongoing development plans evolving in response to market needs and employer requirements.

Seymour CEC's experience with the current Academy provides confidence that Seymour CEC are well placed to deliver the capacity increases and additional facilities proposed as part of the current project. Similarly, Seymour CEC's ongoing operation of the facility, which has supported a growing number of trainees year-on-year to the point where it now operates at capacity, demonstrates the scheme promoter's capability in managing the facility.

Seymour CEC's credentials and capability to deliver complex site development projects are also evidenced by the BulkHaul Container Yard Extension undertaken over 32 weeks at a cost of £4.5 million. The project required many activities that will also be required as part of the Seymour Skills Academy extension and improvement, including:

- Groundworks & remediation;
- Install of fencing;
- Landscaping, kerbing and barriers; and
- Location and monitoring of underground services.

5.2.6 Payment Mechanisms and Contractual Arrangements

The Town Deal funding allocation for both projects will be managed by HBC following business case approval and funding drawdown. The scheme promoters will invoice HBC against works undertaken, which HBC will then pay in full on a monthly basis. This arrangement will be documented within the Grant Funding Agreement to be signed by HBC, HCFE and Seymour CEC. This will formalise the back-to-back nature of contracts from Central Government through to scheme promoters (via HBC), which will confirm Town Deal funding allocation and the associated terms and conditions or other obligations specified by Central Government as part of allocation of public money via the Town Deal.

In general, the payment mechanism between the scheme promoters and any sub-contractors will be governed by the principles established in HM Treasury's 'Guide to Developing the Project Business Case', including a focus on

incentivising service providers to deliver services to time, specification and cost, with payment being made only when requirements/standards are met. Where a D&B contract is adopted, specific issues relating to fixed costs and risk sharing will be embedded into contractual arrangements. Given Seymour CEC's role as principal contractor, they will retain control over the design process under the D&B approach for the Brenda Road component of the scheme.

Specific payment and contractual terms agreed for works at Exeter Street Annex will be determined by AA Projects as part of their overarching role as project managers. That said, the payment mechanisms and contractual terms will fully adhere to HCFE's Financial Regulations. This includes the standard requirement that the College's arrangements for entering into contracts for the execution of works on its behalf and the purchase of goods and services will be regulated by the College's Tenders and Contracts Regulations, which will be determined by HCFE's Finance and General Purposes Committee.

5.2.7 Procurement Timelines

Based on the project programme for Seymour Skills Academy specified in Section 6.4, the key procurement milestones for the project are set out in Table 5-1. The proposed procurement programme implies rapid selection of a preferred design contractor before selection of sub-contracting specialists through a tender process extending through the summer.

Table 5-1: Procurement Programme and Milestones

Project Activity	Seymour Skills Academy
Design appointment	Mar 22 (Lynas Engineering)
Prep of site tender package	May 22
Distribution of tender pack to competition	May - Jun 22
Evaluation & project award to suppliers	Jun - Jul 22
Mobilisation	Aug - Sept 22

At this point, a detailed project programme or procurement milestones are not firmly established for the Exeter Street Annex component of the Civil Engineering Institute. AA Projects will develop a detailed programme over the coming weeks to inform a formal procurement process. At this stage, the following milestones are expected to apply:

- Eight week tender process beginning Autumn 2022 following confirmation of Town Deal Funding.
- Mobilisation of contractors in December 2022/January 2023.
- Commencement of construction/works in January 2023.
- Completion of activities by April 2023.

5.2.8 Wider Procurement Policies

Both scheme promoters are committed to maximising social value in their procurement processes, by attempting to ensure the socioeconomic impacts of project development and delivery are retained locally as far as possible.

Seymour CEC seek to utilise local firms and local employment, with a focus on suppliers/employees based in the Tees Valley in the first instance, before extending out to the wider North East region. To support this commitment, Seymour CEC have recently begun to monitor expenditure within their supply chain by geographical area. Data for the year up to end of February 2022 demonstrates that a significant portion of supply chain expenditure is concentrated in the Tees Valley (local) and wider North East (regional) geographies (Table 5-2).

Table 5-2: Local and Regional Spend – 2022 Year to Date

Spend Category	Local Summary	Regional Summary
Material	90.68%	96.58%
Plant	53.37%	95.82%
Subcontract	18.83%	73.51%
Combined	68.51%	92.83%

In addition, given Seymour CEC's role as principal contractor, the scheme promoter is committed to securing training and apprenticeship opportunities for learners progressing through the Skills Academy wherever possible (e.g. supporting groundwork activities). This will provide real-life, applied work experience for trainees. Further, some potential suppliers of specialist activities (e.g. Clarke EV), have demonstrated commitment to using Skills Academy trainees to deliver specific tasks as part of project delivery, if appointed.

6. Management Case

6.1 Introduction

The Management Case seeks to establish that the project can be successfully delivered by the scheme promoter's and their partners, underpinned by robust arrangements around management, governance, monitoring and evaluation. Within this context, the Management Case considers:

- The organisation and governance structures responsible for delivering the project, as well as the roles and responsibilities of key individuals;
- The presence of appropriate assurance processes;
- The key programme milestones the project needs to achieve;
- Residual risks and their management;
- Project management arrangements;
- Ongoing requirements for stakeholder management; and
- Requirements for monitoring and evaluation.

6.2 Project Organisation and Governance

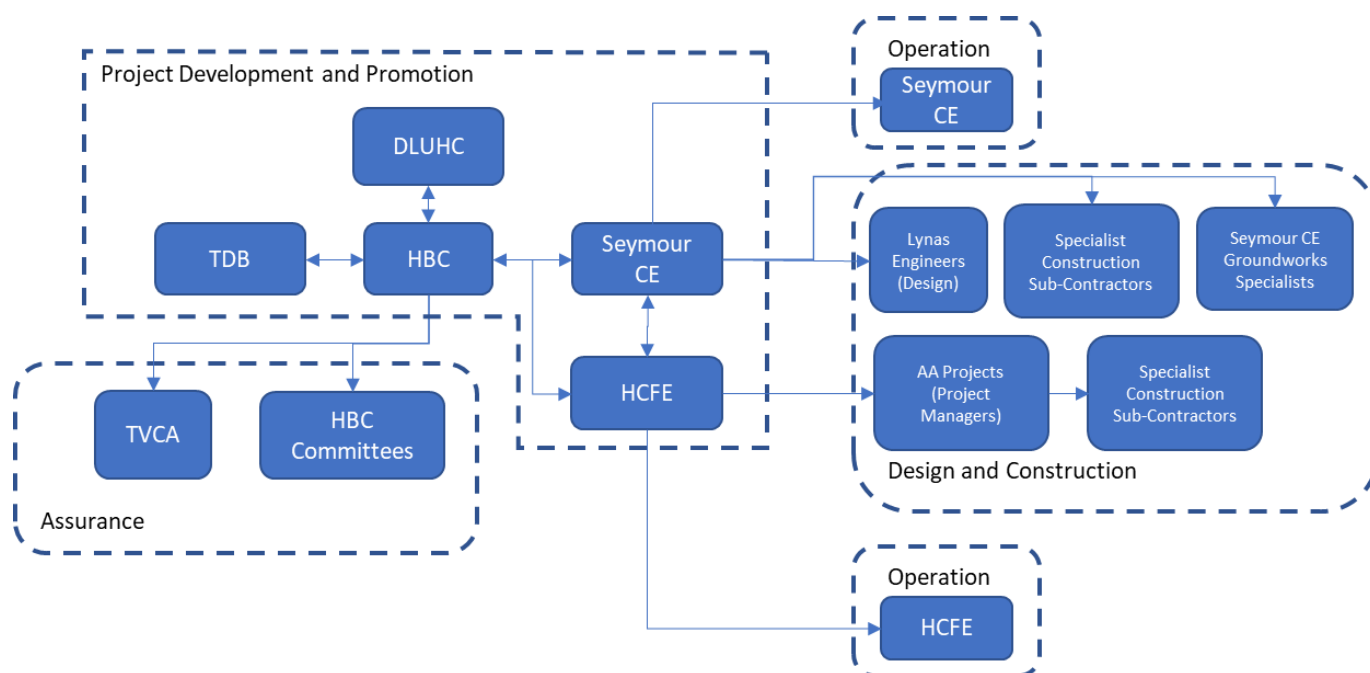
6.2.1 Project Structure

The overarching project structure at an organisational level is outlined in Figure 6-1. This demonstrates that a range of organisations have involvement at different stages of the project:

- Project Development and Promotion Phase: responsible bodies for developing the Civil Engineering Institute project within the wider Hartlepool Town Deal Programme:
 - DLUHC: central government department responsible for administering Town Deal Programme and providing capital funding for this project.
 - HBC: project enabler acting as conduit for Town Deal capital funding and accountable body responsible for managing and delivering Hartlepool's Town Deal Programme.
 - HCFE: One of Tees Valley and East Durham's leading further education colleges, supporting c. 4,000 students across a wider curriculum area including engineering, construction, health/social care, education, service industries, digital and professional services. HCFE are the owners of Exeter Street Annex and act as scheme promoters for this component of the overall project. Through collaboration with Seymour CEC, they also contribute to developing the curriculum in groundworks, rail engineering, the roll out of full fibre and to exploit opportunities provided by Teesworks via activities at Brenda Road.
 - Seymour CEC: one of the North East's leading civil engineering contractors, providing an extensive range of civil engineering and infrastructure services as well as operating the Skills Academy at Brenda Road. As leaseholders of the Brenda Road site, Seymour CEC act as scheme promoters for this component of the overall project.
 - TDB: vehicle for developing and promoting the Town Deal Programme and Vision.
- Assurance Phase: responsible bodies for business case review and approval to secure drawdown of Towns Fund capital funding.
 - TVCA: appointed as local review and assurance body; and
 - HBC Full Council and Committee Structure: ultimate approval of business case.
- Design and Construction Phase: responsible for project delivery
 - Seymour CEC: acting as principal contractor for activities at the Brenda Road site, Seymour CEC will have overarching responsibility for project delivery. They will also have specific responsibility for groundworks activities.
 - Lynas Engineers: responsible for design support as part of project development, appointed directly by Seymour CEC as part of the D&B approach to project delivery.

- Specialist Sub-contractors: design and construction support from Seymour CEC's extensive supply chain who will support the Seymour CEC (as principal contractor) on specialist activities.
 - AA Projects will act as project managers overseeing the design and construction process at Exeter Street Annex on behalf of HCFE. They will also be responsible for appointing appropriate specialist sub-contractors to complete required works.
- Operational Phase: responsible for operating the expanded Brenda Road and refurbished Exeter Street Annex assets.
- Seymour CEC: operator and manager of the existing Skills Academy, who will continue to take responsibility for the expanded facilities created through redevelopment.
 - HCFE: partner organisation at the Brenda Road component of the project, providing a pathway for students to access the facility and also responsible for operating and managing the Exeter Street Annex component of the project.

Figure 6-1: Organisational Level Project Structure



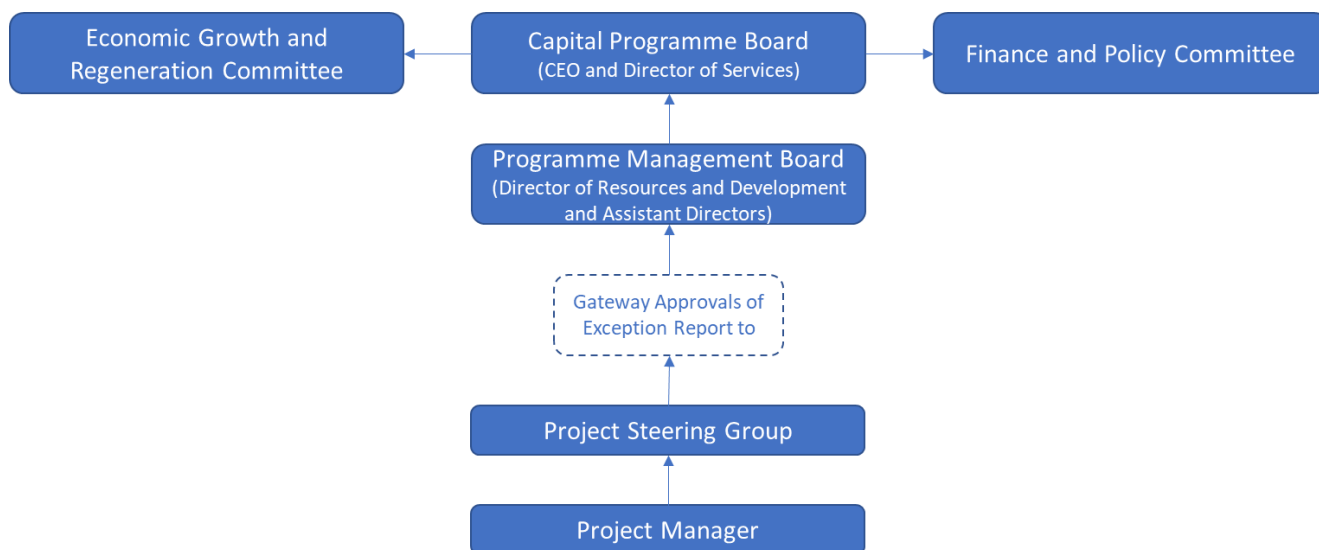
Building on the high level overview outlined in Figure 6-1, DLUHC have confirmed that assurance, Value for Money, spend and other key performance indicators will be monitored through a funding contract between Central Government and HBC. It is proposed that an annual review of performance and activity will take place ahead of following years drawdown to confirm that DLUHC's governance requirements and gateway are satisfied.

6.2.2 HBC Capital Governance Structure

As Given HBC's role as project enabler and accountable body, the project represents an HBC Capital Project. As such, the development stage of the project will need to comply with HBC's established organisational principles, including following the Council's usual governance structures. The Council operates a strong capital governance structure to oversee all capital projects and programmes (Figure 6-2). This involves all capital projects being mandated by a Capital Programme Board and reported into the Council's decision making process including requiring approvals by both an Economic Growth and Regeneration Committee and a Finance and Policy Committee. Capital project performance is reported monthly to the Capital Programme Board and regular reports to the Finance and Policy Committee. A steering group of key stakeholders will be formed to oversee the development and the performance of the project will be measured and monitored through the funding contract.

The Town Deal projects, as individual projects, will all be mandated through capital governance including the Civil Engineering Institute scheme. The Capital Programme Board will ensure that key performance indicators (KPI's), targets and milestones are established pre delivery, as well as ensuring Monitoring and Evaluation processes, risk registers and budget monitoring processes are in place, which will be managed through the contract to deliver.

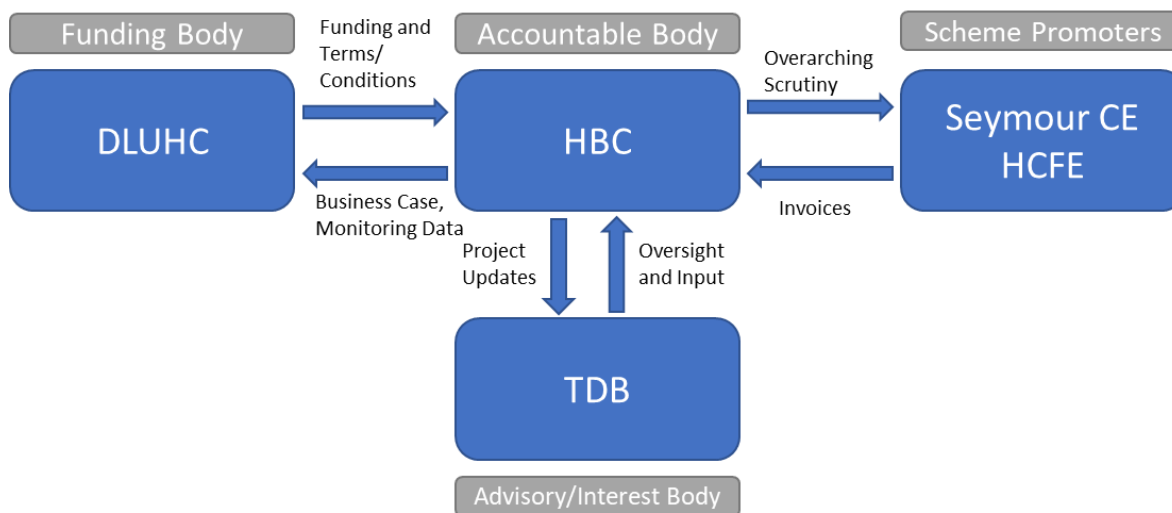
Figure 6-2: HBC Governance Structure



6.2.3 Strategic Relationship between Scheme Promoters and HBC

The project will be led by Seymour CEC (Brenda Road site) and HCFE (Exeter Street Annex), who will be responsible for the development, delivery and operational phases of the project. In the development and delivery phase, the scheme promoters will work in close collaboration with HBC as accountable body for the Town Deal project, to ensure the project is delivered in line with the principles established in a Grant Funding Agreement to be signed by both parties. The Grant Funding Agreement will represent the formalisation of a back-to-back contract that allows the scheme promoters to invoice HBC for works undertaken (up to the value of the Town Deal allocation), but simultaneously commits the scheme promoters to any terms and conditions or other obligations specified by Central Government as part of allocation of public money via the Town Deal. Within this context, HBC's ongoing role as accountable body for this project (and the wider Town Deal Programme at large) is captured in Figure 6-3.

Figure 6-3: HBC Interaction with Wider Stakeholders



Effectively, HBC will act as a project enabler, providing funding to initiate the expansion, redevelopment and refurbishment of existing skills facilities via a Grant Funding Agreement mechanism that enables pass through of capital funding and associated contractual obligations from Central Government to Seymour CEC and HCFE, via HBC.

To this end, a collaborative development and delivery structure is envisaged, which ensures that the activities of Seymour CEC and HCFE as a combination of leaseholders/site owners, scheme promoters and principal contractors are integrated with the requirements of HBC and Central Government via the Grant Funding Agreement (Figure 6-4 and Figure 6-5). Within the structure, the following named individuals have been identified to play specific roles with key responsibilities:

- Hartlepool Borough Council:
 - Senior Responsible Office (SRO): HBC Section 151 Officer Chris Little, Director of Resources and Development. Ultimate responsibility for the project (and the wider Town Deal Programme) within the accountable body.
 - Lead Officer for Town Deal: Paul Taylor will have day-to-day responsibility for ensuring the Town Deal Programme and its constituent projects (including Civil Engineering Institute) progress through the development and delivery phase, reporting to the Programme Management and Capital Programme Boards.
 - Town Deal Project Manager: Elizabeth Watt will be responsible for day-to-day management of activities associated with the Town Deal Programme and its constituent projects (including Civil Engineering Institute), reporting to the Lead Officer and Project Steering Group.
- Hartlepool Town Deal Board: A number of members of the TDB¹⁶ were appointed to the Project Steering Group for the project and will provide project input and oversight from the perspective of the TDB, ensuring that project development does not lose sight of the vision and objectives set out for Hartlepool's Town Deal in the TIP.
- Seymour Civil Engineering:
 - Programme Director: Stuart Dickens will be responsible for project oversight and final approval of the delivery phase, from the perspective of Seymour CEC's role as principal contractor.

¹⁶ Including Craig Dohring (EDF, Hartlepool Power Station Director), Toni Rhodes (Principal for Hartlepool VI Form) and Councillor Cameron Stokell, Deputy Leader of Hartlepool Borough Council.

- Project Manager: Richard Small will be responsible for day-to-day management of activities on behalf of Seymour CEC, in their role as principal contractor during the delivery phase.
 - Project Consultant: Sarah Ainslie will be responsible for strategic management of the delivery and operational phases of the project.
 - Academy Site Manager: Donna King will be responsible for day-to-day management of activities at the expanded Academy during the operational phase.
 - Procurement Manager: Ian Jackson will be responsible for ensuring appointment of suppliers is undertaken in compliance with all regulations, ensuring best value for money for the project.
 - Principal Contractor: Seymour CEC will be responsible for undertaking groundworks and site preparation to support development activities, as well as overarching control of delivery process.
- HCFE:
- Principal and CEO: Darren Hankey will have overall responsibility for the project, acting as chair on HCFE's Internal Operations Board which provide oversight to all capital projects.
 - Procurement Lead: Karen Dales will be responsible for overseeing procurement processes led by AA Projects, to ensure best value for money for the project. Karen Dales will oversee the Project Group for the scheme, comprising AA Projects and appointed contractors. Day-to-day management of the activities of the Project Group will fall under the remit of Michelle Roberts (Facilities Manager at HCFE).
 - The Project Group will report to the Internal Operations Board who in turn will report to the Finance and General Purposes Committee, with the Board of Governors providing ultimate oversight on the project.
 - Partnerships Lead: Gary Riches will be responsible for building and maintaining collaborative partnership between HCFE and Seymour CEC through his role as external employer relations officer.

Figure 6-4: Collaborative Delivery Structure – Seymour CEC

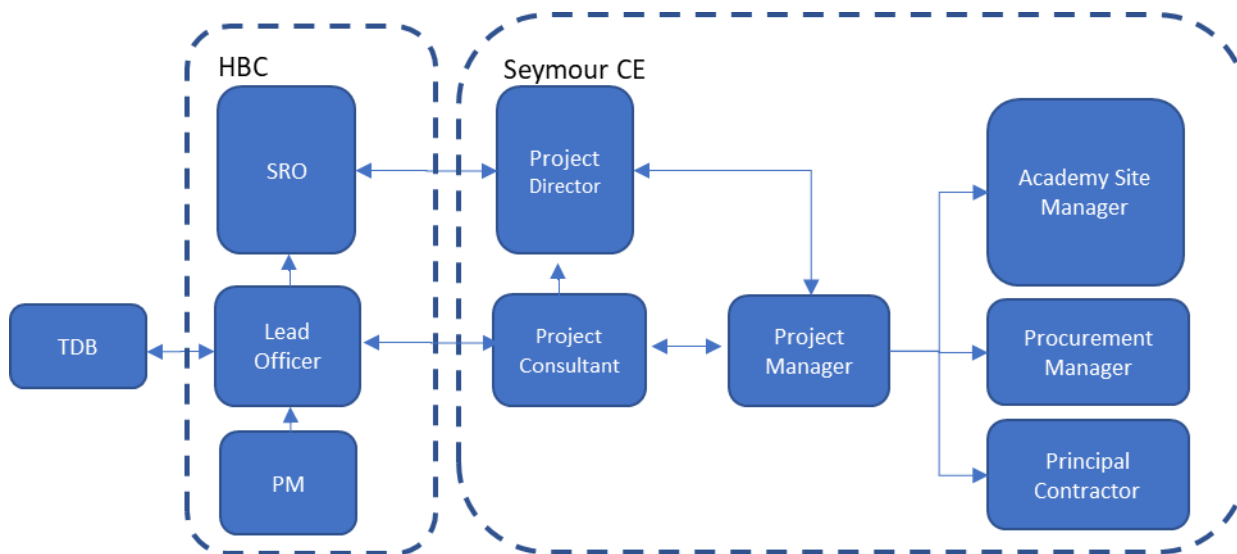
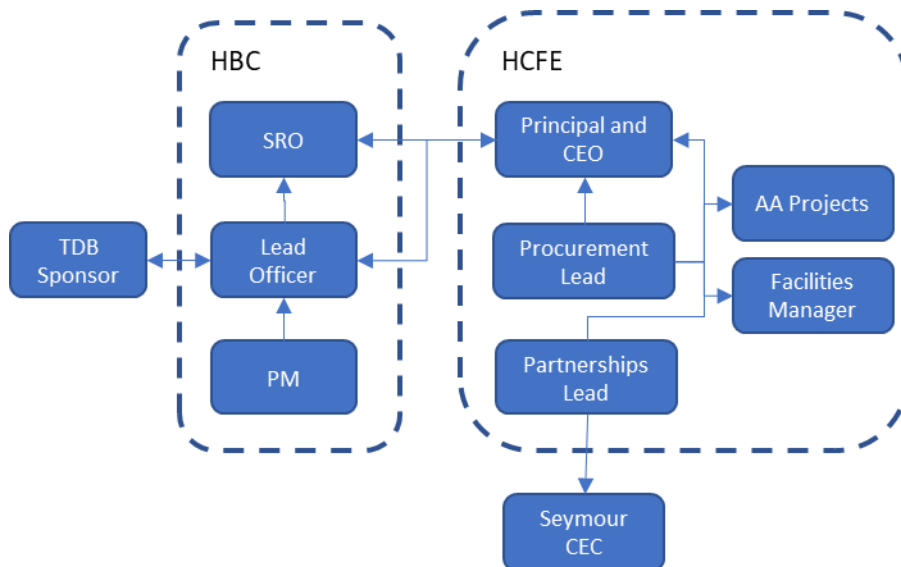


Figure 6-5: Collaborative Delivery Structure – Exeter Street Annex



6.3 Assurance

In line with Towns Fund expectations, a three line model of assurance will be adopted as part of the business case approval process:

- Internal checks and approvals by main authors, Jacobs and the Project Steering Group (with HBC project management oversight and input from scheme promoters).
- External review and assessment of risk by TVCA.

Assurance and delegated responsibilities within the procurement, design and construction stages are documented within Section 6.2. Ultimately, the project will be guided by a combination of HBC and the scheme promoters' established assurance and approval processes through development and delivery stages, which provide confidence that quality, schedule and the scheme costs are being well managed with oversight from senior figures within the organisations. These processes have been applied to previous and ongoing major capital schemes and represent a robust approach to project management and assurance that will underpin development and implementation of the project.

With specific reference to the project delivery phase, Seymour CEC are committed to adopting a three line model of assurance denoted as:

- Internal checks and approvals by Seymour CEC's Programme Director (Stuart Dickens).
- External oversight by HBC and the nominated SRO, as accountable body.
- Final approval by Seymour CEC's Managing Director (Kevin Byrne).

For the Exeter Street Annex component of the Civil Engineering Institute, assurance across procurement, design and construction stages will be determined in line with HCFE's Financial Regulations, which include the following provisions:

- The Principal (Darren Hankey) will be responsible for the approval and enforcement of contracts.
- Expenditure within the approved capital programme will be committed and controlled by the Finance and General Purposes Committee, through a scheme of delegation to the Principal as appropriate:
 - those exceeding £750,000 by the Board of Governors;
 - those exceeding £100,000 but not exceeding £750,000 by the Principal;
 - those exceeding £50,000 but not exceeding £100,000 by the Principal or his or her representative and the officer responsible for considering such tenders;

- those not exceeding £50,000 by a member of the Executive and the officer responsible for considering such tenders; and
 - tenders up to the value of £100,000 from a supplier in which a member of the College staff or Governor has a financial interest must also have the approval of the Principal of the College.
- The Principal will be responsible for securing a continuous internal audit which should provide an independent appraisal of all the College's activities, financial and otherwise.

6.4 Programme/Schedule Management

A full programme for project design, development, delivery and building operation is provided for Seymour Skills Academy in Table 6-1. This programme suggests an overall programme that runs until the beginning of the financial year 2023/24. This will allow commencement of operational activities from Spring 2023 and provide full alignment with the academic year starting September 2023.

Table 6-1: Project Programme and Milestones

Project Activity	Date
Pre planning application	Jan 22
Design phase	Mar – May 22
Prep of site tender package	May 22
Distribution of tender pack to competition	May - Jun 22
Evaluation & project award to suppliers	Jun - Jul 22
Approval of grant funding (funds released by HBC)	Jul - Aug 22
Mobilisation	Aug - Sept 22
Groundworks/Construction	Oct - Dec 22
Install of modular buildings	Dec 22 - Jan 23
Final fitout	Jan – Feb 23
Contingency for project delay	Mar - Apr 23

As noted (Section 5.2.7), a detailed programme has not yet been developed for Exeter Street Annex. However, the key milestones are expected to include:

- Confirmation of Town Deal Funding in Autumn 2022;
- Eight week tender process to appoint contractors beginning Autumn 2022 and leading up to December 2022/Christmas.
- Mobilisation of contractors in December 2022/January 2023.
- Commencement of construction/works in January 2023.
- Completion of works and commencement of operations by April 2023.

The main risk to this programme is envisaged to be obtaining planning permission for the decant of welding activities to temporary accommodation. To mitigate this risk, AA Projects have commenced work to establish the project's planning position and status.

6.5 Risk Management

Risk management will be controlled within the governance structures outlined in Section 6.2. A project risk register was developed utilising an industry standard risk score matrix for capital projects, predicated on scale and likelihood of risk materialising (as per Figure 6-6).

Figure 6-6: Risk Scoring Matrix

Impact	Very High - 5	5	10	15	20	25
	High - 4	4	8	12	16	20
	Moderate - 3	3	6	9	12	15
	Low - 2	2	4	6	8	10
	Very Low/Negligible - 1	1	2	3	4	5
		Very Low/Negligible - 1 Low - 2 Moderate - 3 High - 4 Very High - 5				
		Likelihood				

Utilising this matrix, all potential risks and their likely impacts were outlined first, alongside existing control measures already in place and the need for additional mitigation measures to counter any residual risk (see Appendix B).

Within the risk register, the key risks identified for the project were grouped into the following themes:

- Political – risks under this category are those linked with failure to deliver on local/national policies.
- Economic/ Funding – these relate to failure in obtaining funding as well national and regional specific economic conditions that could affect the project.
- Physical – the risks are associated with physical hazards that ranges from people, buildings, vehicles, equipment and the land.
- Operational – primarily this covers the risks linked with management of the project outputs.
- Partnership/ Contractual – these relate to risks that could arise from contractually conditions with third parties as well as using contractors to delivery works.
- No Joint Venture/development partner in place yet.
- Professional/Managerial risks – linked with competency, capability and the capacity of staff.
- Legislative/ Regulatory – compliance with national or European laws and regulations, both current and when potential changes occur.

The detailed risks, mitigation plan and risk likelihood analysis are presented in the Risk Register (Appendix B). Note that the financial risks identified in Section 4.5 are captured within the risk register, primarily under the 'economic/funding' and 'financial' themes.

The key findings of risk register development was that most identified risks had control measures already in place, reflecting the thorough approach to risk management adopted by scheme promoters. There are no significant residual risks identified (i.e. risks with a risk score greater than or equal to 15 based on the above scoring matrix). Nevertheless, specific mitigation measures were noted to further minimise the potential impact of moderate risks, including: ongoing engagement and negotiation with suppliers and utility providers to ensure no delays to programme, delivery of comprehensive communications and engagement plan, effective use of governance structures to manage and control project changes and production of a robust business case to maximise opportunity to secure Towns Fund investment funding.

6.6 Stakeholder Engagement Proposals

Building on the activities already undertaken in support of the project (Section 2.7), stakeholder engagement and communications will be at the heart of project development and delivery going forward. A strong governance structure specifically relating to engagement has been established to ensure a comprehensive approach to

ongoing engagement. This will be managed by Hartlepool Borough Council's Strategic Development Team, which has both detailed knowledge of the Town Deal Programme and the context of Hartlepool.

The Strategic Development Team will be able to provide a joined up approach and will be able to link up with other engagement activities, events and stakeholder activity across broader programmes and initiatives where appropriate. The team's strategic role across the Council and ongoing work within the public, private and voluntary sectors means they can co-ordinate across other engagement activity that will be of relevance to the Town Deal at large, and the Civil Engineering Institute project in particular.

This approach will be overseen by the Town Deal Board Engagement Sub Group, which consists of:

- Hartlepool Borough Council Communications and Marketing Manager;
- Hartlepool Borough Council, Town Deal Project Manager;
- Chair of Love Hartlepool, Community organisation;
- Principal and Chief Executive of Hartlepool College of Further Education;
- Chair of Town Deal Board; and
- North East Chamber of Commerce.

Other officers and organisations will be invited onto the sub group as appropriate. The sub group will provide a progress report to each Town Deal Board meeting to allow scrutiny and a challenge of the engagement process.

A communications strategy and action plan is currently being developed by Hartlepool Borough Council's Communication and Marketing Team and Town Deal Board Engagement Sub Group.

This will ensure that communication and messaging is coordinated, timely and relevant to the target audiences. The communications strategy covers audiences, methods of communication, responsibility, and guiding principles for effective communication.

The sub group will utilise and build upon the relationships established during the initial engagement exercise's including the support from Radio Hartlepool; Hartlepool Life and Hartlepool Mail Newspaper's; Thirteen Housing Association; Hartlepower Voluntary Sector Organisation; Hartlepool United Football Club; Middleton Grange Shopping Centre and the Salaam Centre.

6.7 Benefits, Monitoring and Evaluation

In line with the Towns Fund Monitoring and Evaluation Guidance, acting as accountable body HBC will formally report twice annually on inputs and activities and most outputs, intermediate outcomes and outcomes, through comparison against project plans and budgets. Outcomes will be reported on an annual basis, alongside some outputs. It is noted that DLUHC will lead on data collection for intermediate outcomes and outcomes, with the onus on HBC to provide information against only a small subset of indicators. The indicators that HBC's monitoring activities will cover are summarised in Table 6-2. Note that the Grant Funding Agreement to be signed on approval of this business case will pass the responsibility for monitoring the indicators listed in Table 6-2 from HBC to the scheme promoters, recognising that HCFE and Seymour CEC are best placed to report on these. Further details on Monitoring and Evaluation are provided in Appendix C.

Table 6-2: Monitoring and Evaluation Overview

Indicator Category	Indicator	Frequency of Report
Inputs and Activities	<ul style="list-style-type: none">▪ Outturn costs of project delivery▪ Co-funding outturn costs▪ Co-funding committed	<ul style="list-style-type: none">▪ Twice yearly▪ Twice yearly▪ Twice yearly
Outputs	<ul style="list-style-type: none">▪ # of Construction stage full-time jobs supported▪ Amount of capacity of new or improved training or education facilities	<ul style="list-style-type: none">▪ Twice yearly▪ Annually

Indicator Category	Indicator	Frequency of Report
	<ul style="list-style-type: none"> # of learners/trainees/students enrolled at improved education and training facilities # of learners/students/trainees gaining certificates, graduating or completing courses at new or improved training or education facilities, or attending new courses 	<ul style="list-style-type: none"> Annually Annually
Outcomes	<ul style="list-style-type: none"> # of permanent jobs safeguarded # of permanent jobs created, both direct and indirect 	<ul style="list-style-type: none"> Annually Annually

The timing and frequency of reporting will be conducted as follows:

- 6 month reporting – due 1st December to reflect a April-September window and 1st June to reflect a November-March window.
- Annual reporting – due 1st June to reflect the financial year April-March.

It is understood that evaluation activities will be organised centrally by DLUHC with recourse to a specialist evaluation provider. No further evaluation activities will be undertaken by HBC, HCFE, Seymour CEC or any other project stakeholders.

In terms of knowledge sharing, it is envisaged that any lessons learnt through project delivery and operation will be disseminated in the first instance to HBC's Learning and Skills service and Hartlepool Education Commission, which oversee sustainable educational improvement across the Borough. This will support successful delivery of future projects of this nature elsewhere in the HBC area. Given TVCA's role in assuring the project, HBC will also disseminate data and delivery experience to constituent authorities within the TVCA umbrella. This could inform design and execution of skills projects across the sub-region. HBC will also support sharing of information and experiences with DLUHC to support a national evidence base on successful delivery of skills initiatives, if appropriate

FINANCE AND POLICY COMMITTEE

25th April 2022



Report of: Director of Resources and Development

Subject: ROSSMERE PITCHES - ST FRANCIS FC

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to seek consent for a new lease of Land at Rossmere Way to be granted to St Francis FC at less than best value.

3. BACKGROUND

- 3.1 In 2006 a 25 year lease was granted to St Francis 2000 Football Club of Land at Rossmere Way. The land comprises a number of football pitches within a fenced area together with marginal areas, and is shown hatched on the plan at **APPENDIX 2**. In recent years the club, now known as Hartlepool St Francis FC and having become a charitable incorporated organisation, has expanded from 3 teams to 17 and has become a better organised and more focused entity as set out in the club document reproduced in **APPENDIX 3**.
- 3.2 As a result of this re-organisation and expansion, the need for better facilities at Rossmere has become apparent. Whilst the pitches can accommodate the required number of matches and training sessions, there are currently no adequate changing facilities, mains-connected toilets or any indoor social space. The club therefore plans to construct a clubhouse together with an external paved seating area, and to connect mains services, in order to provide a suitable modern facility for players, coaches and other volunteers and spectators.
- 3.3 The club has indicated the cost of the proposed building works will be in the region of £150,000 and the club is in the process of making a grant application to the Football Foundation to cover around £80,000 of this cost. The club intends to cover the remainder of the cost directly through its own fund-raising activities, having already been successful in raising sufficient funds to engage a firm of architects to produce the proposals, as illustrated in **APPENDIX 3**.

- 3.4 Due to the size and type of grant being applied for by the club, the Football Foundation require the club to have at least 25 years unexpired on their lease, although the grant conditions will apply for the slightly shorter period of 21 years. As the current lease has only about 9 years left to run, the club requested that a new lease be granted. Terms have now been agreed for the surrender of the existing lease and grant of a new longer term lease, as set out in **CONFIDENTIAL APPENDIX 4 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).**
- 3.5 Since discussions with the club commenced they have obtained planning permission for the proposed building under reference H/ 2021/0410.
- 3.6 The terms on which the 2006 lease were granted were at less than best value and the new lease terms agreed are also considered to be below the full market rental value for the site. The lease therefore falls to be undertaken as a letting at less than best value under the Local Government Act 1972 General Disposal Consent 2003. The General Disposal Consent allows local authorities to dispose of land by sale or lease at less than best value where:
- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being; and
 - b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).
- 3.7 The proposed lease is considered to fall within the terms of ii) above and the difference in value is less than £2m. In August 2012 the Council adopted a protocol to be followed in cases of this nature. The protocol can be summarised as follows (references to a sale should be read as lease):
- 3.7.1 The matter to be referred initially to the relevant committee.
 - 3.7.2 Proposals will be discussed with External Audit (Mazars).

3.7.3 The report to Committee to include:

- a. Valuation report and description provided by the Estates and Asset Manager
- b. An assessment with supporting evidence provided by the department promoting the scheme of the financial and non-monetary benefits to the Council
- c. Confirmation that the disposal contributes positively to an agreed Council priority and that it will not adversely affect a higher priority
- d. A clear statement from the department promoting the scheme that the benefits the Borough or its residents will derive cannot be achieved unless the sale takes place at an under value, together with confirmation that no alternative means of funding is available.
- e. An assessment of the impact of the proposal on achieving existing £6.5m capital receipts target by the Section 151 Officer
- f. An assessment of the value of capital receipt which would be foregone.
- g. A statement from the Council's Chief Solicitor as to whether she considers a disposal is capable of falling within the terms of the consent.
- h. Sufficient information to enable Members to come to a conclusion as to whether the disposal would be proper use of the consent, having regard to the Council's fiduciary duties to local people.
- i. An independent valuation where appropriate.
- j. A statement from the department promoting the scheme outlining whether the proposal is likely to infringe state aid regulations.

3.8 These matters are dealt with below.

3.8.1 This report is the referral to the relevant Committee.

3.8.2 The Council's external auditors have stated "Based on the information we have been provided we are not minded to object to this proposal".

3.8.3 a) Valuation Report: Included in attached **CONFIDENTIAL APPENDIX 5 This information 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).**

b) Assessment of benefits: The proposed new lease will enable the club to access Football Foundation funding of approximately £80,000 which will be used to construct a clubhouse and external paved seating area, together

with installation of mains services. A much improved sports facility will therefore be provided which should promote healthier lifestyles. The longer lease may also enable the club to obtain pitch improvement funding and both these aspects will enhance the Council's asset as well as contributing to broader public health objectives.

c) Council Priorities: The proposed new lease of the property will positively contribute to four of the five priority themes within the Joint Health and Wellbeing Strategy and will further support in developing a healthier Hartlepool by working with communities to improve the health and wellbeing of people. This will be achieved by developing fit for purpose facilities and promoting both physical and mental wellbeing through physical activity, namely football. The Leisure, Recreation and Participation Service therefore support the proposals. The club are a partner of the service and over recent years have seen growth in their membership, attracting males and females from across the borough to remain physically active. Additionally, the Playing Pitch Strategy (PPS) identifies the site as important for football and documents support for the club to obtain a long term lease within the associated action plan. Aside from the PPS the Local Football Facility Plan (LFFP) for the borough ranks Rossmere Way within the top 5 sites for football provision and community engagement. Also, within the current 10 year plan it identifies a rationale for facility investment on the site to support early intervention in relation to anti-social behaviour through providing a social space and support of youth football.

d) Benefits cannot be achieved without sale (letting in this case) at under value.

e) Impact on Capital Receipts Target (now under the Medium Term Financial Strategy (MTFS)): This site is not one of the properties identified for disposal for the purposes of the MTFS and it is considered that there is no impact on the MTFS.

f) Value of foregone receipt: The value of the foregone rental income is considered to be in the region of £4,750 pa. It should be noted however that the club pay for all grass cutting and there are no other subsidies apart from the rent.

g) Statement from Chief Solicitor: The following statement and guidance has been provided by the Chief Solicitor: "A principal council cannot dispose of its land for a consideration less than the best that can be reasonably obtained in the market, except with the express consent of the Secretary of State (Section 123(1), Local Government Act 1972)). Paragraph 2 of the Local Government Act 1972, General Disposal Consent (England) 2003 (the Consent) provides that specific consent is not required for the disposal of any interest in land that the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area.

It would appear that this disposal would fall within the terms of paragraph 2 of the consent in that the purpose of the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social or

environmental wellbeing of the area. The Council should ensure that it complies with the guidance in Circular 06/03 relating to disposals of this nature together with the usual commercial best practice when disposing of land for less than the best consideration reasonably obtainable. It must ensure that it complies with any other procedural requirements that may be necessary to dispose of a particular area of land, for example, the requirements on disposal of open space”.

h) Proper Use of Consent: The consent to dispose of property at less than best value would in this instance be given in order to promote social wellbeing through the enhancement of a sporting facility used by a large number of children and young people in the borough and further afield.

i) An independent valuation is not thought necessary in this instance as a valuation report has been provided by one of the Council's Principal Estates Surveyors and the values are relatively low.

j) The proposed lease does not infringe state aid / Subsidy Control regulations.

4. PROPOSALS

4.1 No options submitted for consideration other than the recommendation.

5. RISK IMPLICATIONS

5.1 The completion of the club's proposals are dependent on obtaining the necessary funding from the Football Foundation and or other sources. The club is in discussions with the Football Foundation but the club cannot make a formal application until they have the requisite length of lease. There is therefore some risk that the building work will not proceed.

6. FINANCIAL CONSIDERATIONS

6.1 As set out above, the proposed lease will be at less than best value in relation to the rent charged, but there will be no impact on the capital element of the MTFS.

7. LEGAL CONSIDERATIONS

7.1 There are legal considerations in relation to this matter under the Local Government Act 1972 General Consent Order 2003. These have been dealt with as set out above.

8. CONSULTATION

8.1 Ward Members have been consulted and two responses received to date are supportive of the proposal.

9. ASSET MANAGEMENT CONSIDERATIONS

- 9.1 The decision to take a commercial approach means that the Council should obtain full market value for any property it disposes of and should not pay any more than market value for acquisitions. In this instance it is proposed to grant a lease at less than best rental value in order to promote social wellbeing, and the procedure for disposals of this type has been considered above.

10. OTHER CONSIDERATIONS

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	No relevant issues

11. RECOMMENDATIONS

- 11.1 Committee is recommended to approve the grant of a new lease to the club on the terms set out in **CONFIDENTIAL APPENDIX 4 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).**

12. REASONS FOR RECOMMENDATIONS

- 12.1 St Francis FC has grown considerably in recent years, has obtained charitable incorporated organisation status and is now actively pursuing further development and the provision of a modular construction purpose built clubhouse at the premises. In order to obtain Football Foundation funding the club require a longer lease than they currently have, and the grant of a new lease will allow the club to make the grant application. The decision is required now to meet the Football Foundation timetable.
- 12.2 The club has already engaged a specialist architect to design the building and to make the necessary planning application and has also had positive discussions regarding the proposed grant application with the Football Foundation. The club has also proved able to raise its own funds fairly successfully and it is therefore considered that it has reasonably good prospects of completing the building project and also continuing the current high level of participation it has from players and volunteers.

13. BACKGROUND PAPERS

- 13.1 There are no Background Papers in this instance.

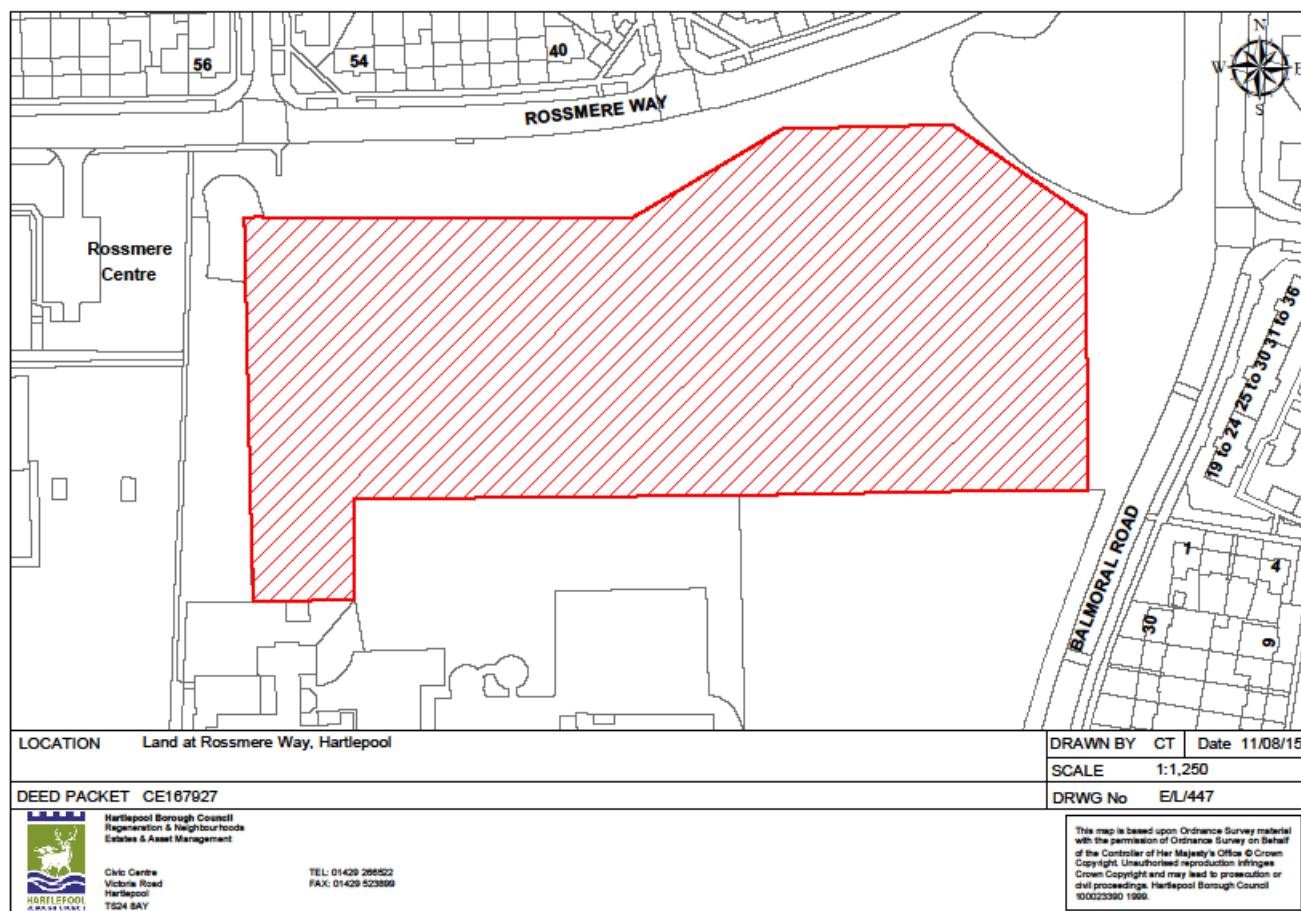
14. CONTACT OFFICERS

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Director of Resources and Development
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Hartlepool
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Tel: 01429 523002

1. Is this decision a Budget & Policy Framework or Key Decision? 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				
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
Prevalence of obese children in reception year 6	✓			Enhanced opportunity to take part in children's sport benefitting health and fitness
Life expectancy	✓			Enhanced opportunity to take part in sport benefitting health and fitness

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			

Plan of Rossmere Pitches





March 2021

Hartlepool St Francis FC Supporting Information

Club Overview

The club was founded in the late 70s and is one of the oldest clubs in Hartlepool. The new board (Committee) have been managing the club since 2017, which now boasts 17 teams, including 3 girl's teams, through to the oldest age group of u15s. The club enjoys and appreciates the support of over 60 volunteers, all of which meet the minimum criteria set out for best practice within football, including DBS checks, safeguarding and first aid as well as coaching qualifications up to FA Level 2.

Initial Progress

In 2017 when the new committee took charge of the club, it only had 3 teams; the club had no specific identity and was almost ran using the franchise model. Teams didn't have the same coloured strips, did not share any common factors and the club existing without provision for male and female players. Significant progress has been made - the club is now linked to local primary schools with access to supporting players to become involved in the club. The club now sits currently with 17 teams, across a range of age bands and provision for female participation now in place. Further development of additional playing opportunities is planning, with a consistent and club wide ethos now in place to ensure the club moves forward.

Aspirations for the next (5 - 10 years on and off the pitch)

Since 2017, the club aspiration has been to promote a club that is universal to all at grassroots level with the ethos focusing on creating a sense of belonging and stability to assist the children to grow and develop. This will continue over forthcoming years, however with proposed new facilities included at the club, we aim to educate and develop our teams across many areas; physical and emotional wellbeing, personal development, safeguarding and first aid as well as the practical activities delivered via training and match play. The club intends to back fill teams from mini tots, through to u7s, with linear development as age increases. It is vital we support our volunteers and provide educational opportunities to support with their progress and journey.

In addition to the above the club aspires to continue to provide support to the community and families with food banks, social and emotional development, as part of a series of family and parents focused sessions.

Justification of Need

Welfare

The provision of welfare facilities for all users of the site (players, officials, parents and visiting teams) is paramount to the development of the new built facility. The club's primary responsibility is to provide safe and appropriate activities for players in a safe environment. The new facility will a welfare space (toilets), as well as social space to provide shelter and social interaction prior to and post training and matches.

Sustainability

Focusing on secondary spend and allowing the club to increase its sustainability for the long term, the new facility will provide the space and opportunity for:

- * match/training sessions - food & beverages.
- * charity events
- * training courses/groups
- * soccer camps.
- * youth club
- * external bookings.

Focal Point

The club hope to develop relationships with the local community which they serve. As well as providing a building to support club activities, the club hope to develop a range of community based activities for local residents to support wider community needs across the local area.

Strategic Need

The Local Football Facility Plan (LFFP) has been developed with local partners including Hartlepool Council, The FA, Football Foundation, Durham County FA and Sport England.

The national funding partners have significantly increased investment to accelerate efforts to deliver more and better football facilities for the grassroots game. The purpose of the LFFP is to identify the priority projects for potential investment in Hartlepool.

Priorities for investment

The LFFP, with guidance from local partners, has developed a list of high level projects for potential investment. Each is aligned to the investment priorities set out in the National Football Facilities Strategy, which include:

- 1,000 new 3G football turf pitches (FTPs): in a mix of sizes and settings, dependent upon local needs. All aimed at enhancing the quality of the playing experience.
- 20,000 improved natural-turf pitches: to help address drop-off due to a poor playing experience.
- 1,000 new changing pavilions / clubhouses: all linked to priority sites.
- Small-sided facilities: to grow the small-sided game for teams & leagues, recreational and informal play.

Over the last 10-years there has been a significant national increase in the number of large multi-team football clubs. In Hartlepool six clubs have more than 10 registered teams. These (based upon affiliation data) are:

- Hartlepool Pools Youth- 26 teams
- Seaton Carew Juniors- 18 teams
- Seaton United Youth- 18 teams
- Hartlepool FC Youth -13 teams
- ***Hartlepool St Francis 2000 Youth -12 teams***
- Greatham Youth- 10 teams

Specifically in Hartlepool, the club has been identified as a priority site for investment (Project 5 within the Hartlepool LFFP (November 2020)) as shown below:

LOCATION

Rossmere Way Rossmere Way, Hartlepool, Durham, TS25 5EE

FACILITIES

- New Changing Pavilion (1)
- Natural grass pitch improvements (2)

OWNER

Local Authority

NOTES

Existing facilities - two full size pitch equivalents

Current users - Hartlepool St Francis 2000 Youth (10 teams)

Rationale

Facility investment to support early intervention of anti-social behaviour through social space and support to youth football.

Fundraising Strategy

In addition to the funding support being provided by the Football Foundation, the club are undertaking the following funding processes to secure the maximum amount of partner contribution possible.

Crowdfunder (Launched March 2021)

Club fun day in August.

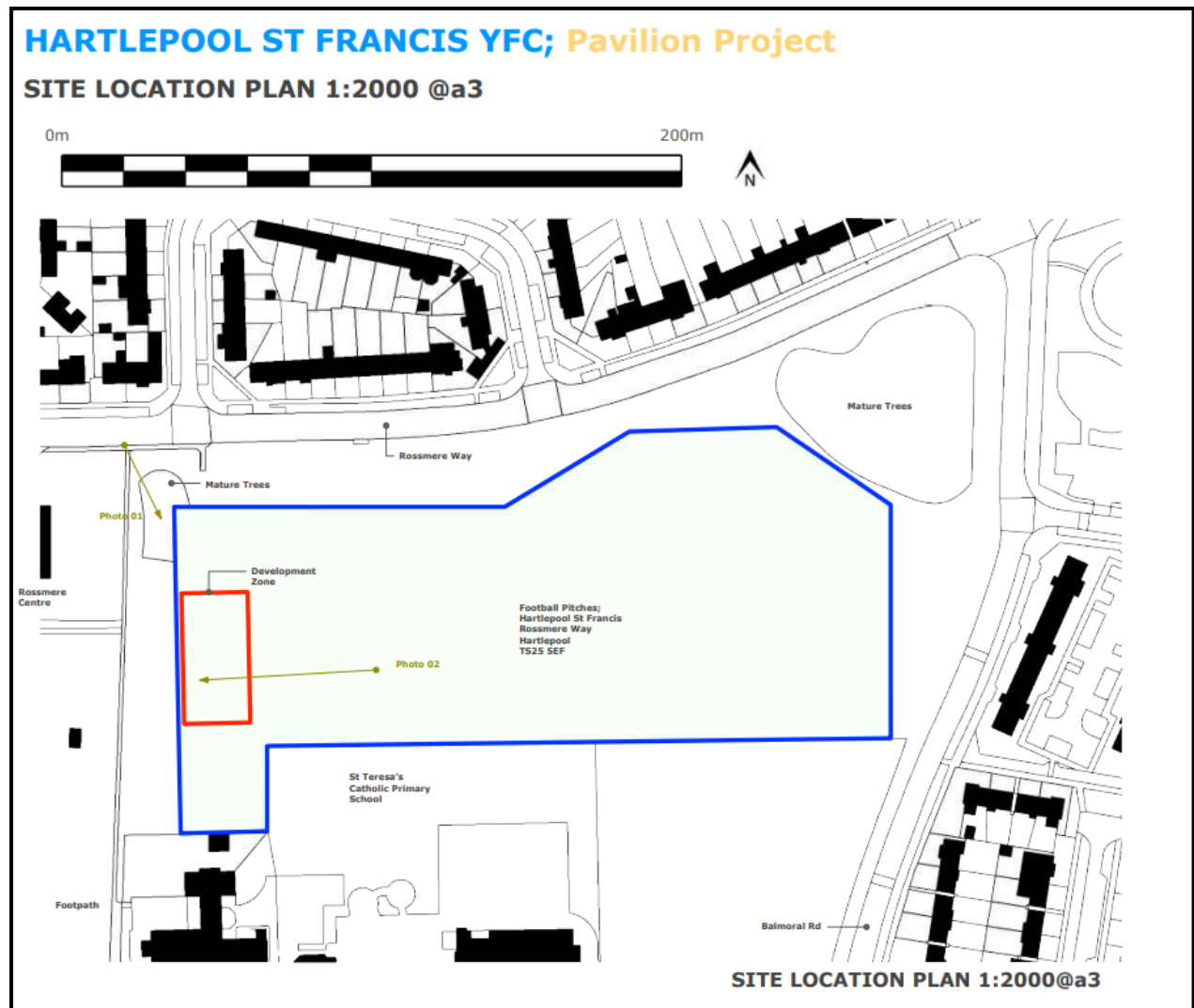
Fundraising evenings once restrictions allow

Fun run in partnership with local charity miles for men

Application to external funding providers (via FSCDS).

Building Proposals





HARTLEPOOL ST FRANCIS YFC; Clubhouse Project

CABINS CONCEPT: Layout Plan 1:100@a3

Cabin installations offer a series of advantages over traditional buildings & construction methods. Able to be developed off-site, quality assurance is high with each unit confirmed as to be fully UK Building Regulations compliant whilst construction conditions are ideal with good monitoring of workmanship plus no weather issues.

Developing the majority of the works off-site also assists with delivering the project safely by limiting dangerous operations in areas where the public is likely to be.

Units are heavily insulated & able to be specified with stylish, robust finished materials. Foundation design is also much simplified.

