

FINANCE AND POLICY COMMITTEE

AGENDA



Tuesday 26 July 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 Monday 25 July 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, Buchan, Cassidy, Harrison, Lindridge, Little, Martin-Wells, Moore, Morley, Prince 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 20 June 2022.
- 3.2 To receive the minutes of the meeting of the Health and Wellbeing Board held on 21 March 2022.

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Final Outturn 2021/22 – *Director of Resources and Development*
- 4.2 Housing Revenue Account (HRA) and Council Housing Capital Strategic Financial Management Report - as at 31st March 2022 – *Director of Resources and Development*

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

No items

6. OTHER ITEMS REQUIRING DECISION

6.1 Waterfront Regeneration Programme Business Case – *Director of Resources and Development*

7. ITEMS FOR INFORMATION

7.1 Council Plan 2021-2024 – Progress Update – *Managing Director*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

For Information:

Dates and times of forthcoming meetings of the Finance and Policy Committee –

Monday 19 September, 2022 at 10.00 am
Monday 10 October, 2022 at 10.00 am
Monday 14 November, 2022 at 10.00 am
Monday 12 December, 2022 at 10.00 am
Monday 23 January, 2023 at 10.00 am
Monday 13 February, 2023 at 10.00 am
Monday 13 March, 2023 at 10.00 am



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

20 JUNE 2022

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

Present:

Councillor Shane Moore (In the Chair)

Councillors: Bob Buchan, Tom Cassidy, Brenda Harrison, Jim Lindridge, Sue Little, Andrew Martin-Wells, Melanie Morley, Amy Prince.

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

Officers: Denise McGuckin, Managing Director
Hayley Martin, Chief Solicitor
James Magog, Assistant Director, Finance
Beverley Bearne, Assistant Director, Development and Growth
Sally Robinson, Director of Children's and Joint Commissioning Services
Nicola Clark, Public Health Principal (Interventions).
Danielle Swainston, Assistant Director, Joint Commissioning
Penny Thompson, Head of Housing, Hardship and Welfare Services
Jill Harrison, Director of Adult and Community Based Services
Tony Hanson, Director of Neighbourhoods and Regulatory Services
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

1. Apologies for Absence

Councillors Jonathan Brash and Mike Young.

2. Declarations of Interest

None at the commencement of the meeting.

During the discussions at Minute No. 7, Councillor Lindridge declared a personal interest.

3. Minutes of the meeting held on 25 April 2022

Received.

4. Medium Term Financial Strategy (MTFS) 2023/24 TO 2024/25 *(Director of Resources and Development)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to provide an update on the Council's financial position and enable Members to approve the timetable for the 2023/24 budget.

Issue(s) for consideration

The Assistant Director, Finance gave a presentation to the Committee outlining the main aspects of the report and highlighting the financial history that had affected the Council's income since 2013/14 and where the Council spent its budget.

The report highlighted the forecast deficits for 2023/24 and 2024/25 some of the emerging budget pressures which centred around inflationary pressures including the impact of the national living wage, pay awards, general inflation and energy costs. The Assistant Director, Finance also highlighted the issues around Government funding, the impact on income and fees following Covid and the emerging economic pressures and the reliance on Business Rate and Council Tax collection.

The Assistant Director, Finance indicated that on the basis of the updated information and taking into account some of the still quite significant unknowns, it was reasonable to anticipate that the budget deficits for the next two years would increase from approximately £3m to £4.4m. The revised figure provides a more realistic planning figure – although Members needed to recognise that there are very significant upward risks and the actual deficit may be higher. These risks included the level of Government grant for 2023/24; if this funding was frozen the deficit would increase by £1.890m – i.e. to a total of £6.253m.

The report set out a proposed Budget Timetable for the development of the budget during the year, up to its submission to Council in December.

The Chair commented that the reality of the budget situation was very serious but was one that had to be dealt with or the Council simply could not move forward. The change in the balance of the Council's income was highlighted as being very significant by the Chair showing the Government's continued move towards Local Authority financing being based on Council Tax income rather than central Government Grant. The Chair also considered it significant that funding not keeping up with inflation over recent years was lost funding of over £13m to Hartlepool.

Members debated the issues raised by the report and the presentation and acknowledged the significant budgetary issues the Council faced and the difficulties Officers had in proposing measures to address this. It was suggested that the Town's MP be sent a copy of the report and invited to the September meeting of the Committee when Members would be considering a further updated report on the MTFS. Members commented that the MP needed to be seen supporting the Council through lobbying at Government for an improved settlement for Hartlepool. It was suggested that the date of the meeting could be moved to facilitate the MP's attendance.

Members also discussed the issues around the impact of deprivation levels in the town on key services in adult and children's social care. Members questioned if the numbers of children in care could be exacerbated by the new inflationary pressures, particularly from fuel price increases, that are being placed on low income families. The Director of Children's and Joint Commissioning Services commented that these pressures were very tangible and the Authority received around 40 referrals every week up from around 25 pre-Covid. The aim was always to keep families together with targeted help as early as possible for vulnerable families. Unfortunately, early intervention services were not statutory services and had, therefore, fallen victim to most of the budget cuts required of the service.

Members also asked if future planning was underway to assess the impact of the Government's changes to the cap on elderly care costs. The Director of Adult and Community Based Services stated that such assessments were underway but there was still much uncertainty as to how much of the gap the government intended on funding, though most local authorities anticipated there would be a funding shortfall. There would be a future report to the Adult and Community Based Services Committee on this issue.

A Member also raised a question around the use of third party vehicles to create additional income for the Council. The Managing Director stated that Members could be reassured that the Corporate Management Team were looking at all avenues for income generation but there were issues of scale to contend with – small can be a strength but also a weakness – and the relationship and joint working already in place with the Tees Valley Combined Authority.

The Chair and Officers responded to questions from Members of the public around Council Tax and the Council Tax Base for Hartlepool. Details of the number of homes in the Borough in each Council Tax Band were to be circulated.

There was no dissent to the following decisions.

Decision

1. That the report and the presentation be noted.
2. That the significant inflation pressures now facing the Council and risk that these pressures will continue in 2022/23 and 2023/24 be noted.
3. The Committee noted that the 2021/22 outturn provided one off funding of £1m to help offset inflation pressures in 2022/23, although this may not be sufficient and budgets would need to be managed carefully in 2022/23;
4. The Committee noted the initial assessment of the forecast increase in the budget deficit from £3m to £4.4m and approved the development of a savings plan to address revised forecast deficits of:
 - £2.9m for 2023/24;
 - £1.5m for 2024/25.
5. The Committee noted that the above deficits assume a 4% Government grant increase, which if not provided would increase the deficits by approximately £1.9m. The Committee also noted that the deficits would increase when the full impact of inflation pressures had been assessed and details would be reported to a future meeting of this Committee.
6. In view of the risks that inflation up to 2023/24 is higher than forecast it was agreed that a saving plan of £4.4m was developed on a worst case basis of the saving being achieved for 2023/24.
7. The Committee noted that the acquisition of 7 Northbrook has avoided significant costs of purchasing alternative land and approved the resale of this property, with the re-aligned garden, in line with the original business case and the Committee delegated authority to the Managing Director, in consultation with the Director of Resources and Development, and Chief Solicitor to agree the final sale prices and to appoint a local Estate Agent to market and manage the sale process.
8. That the MP for Hartlepool be invited to the meeting of the Committee scheduled to be held in September (and the date of the meeting could be adjusted in order to facilitate the MP's attendance) and that a copy of this report be forwarded to the MP seeking her assistance in lobbying Government for an improved financial settlement for Hartlepool.

5. **Local Welfare Support Scheme 2022/23** (*Director Children's and Joint Commissioning Services*)

Type of decision

Key decision. Forward Plan ref: CJCS 125/21.

Purpose of report

To seek approval from Members for a change to the delivery of Local Welfare Support (LWS).

Issue(s) for consideration

The Head of Housing, Hardship and Welfare Services reported that Hartlepool has operated a Local Welfare Support Scheme since 2013 comprising of 'In Crisis' (I am having a crisis and need help today with food/ gas/ electricity) and 'Non Crisis' (I need help with household goods as I am settling into the community) elements.

LWS was one of a series of tools officers had to support people in financial crisis and these also included Discretionary Housing Payments, a Greggs Foundation Grant, the Trussell Trust Foodbank and the wider free food network, school uniform schemes and other forms of local support to ensure residents get the help they need. In many cases a LWS award does not need to be made as another service or provider can and will help. This allows the Welfare Support Officers to make the fund stretch further.

Details of the numbers of people accessing the service were set out in the report. Hartlepool's levels of deprivation are by far the most challenging issue when operating a LWS scheme. Those that present for support are in the main not 'in crisis', they are suffering ongoing financial hardship being unable to manage on the money that the benefit system pays them. 21% of customers are repeat customers asking regularly for financial support.

A series of four options were set out in the report for Members consideration for the fund moving forwards. Consultation had been undertaken during October to December 2021 with a group of residents struggling with financial hardship to understand what would help most.

The four options were set out in greater detail in the report, but centred around;

- Option 1 - Continue the service 'as is' – the current benefit system does not always offer residents the support they need to make ends meet – LWS is 'the safety net beneath the safety net', albeit the fund can in no way meet the needs of all those that present for help.
- Option 2 - End the service altogether – the service is not equipped or able to mitigate effectively the failings of the benefit system.
- Option3 - Commission the service out – community organisations may be better placed to offer the support locally and more cost effectively.
- Option 4 - Provide a hybrid model – use some of the budget to deliver a reduced LWS service, bolster community intervention with some support from the LWS budget and then target the remainder for intensive welfare support to a smaller group of clients with the aim to make sustained change for individuals.

Members indicated their support for Option 4 as set out in the report and as recommended as providing the best opportunity to reach those in most need and also providing more time to work with those where some longer term support would make the most difference. Members expressed their concerns at the impact of some clients' behaviour on the team and supported the measures put in place to protect staff.

A Member commented that many of the people seeking support, often via foodbanks, were employed full-time and accessing foodbanks during their opening hours could be difficult. The Chair indicated that this had been acknowledged by the Trussell Trust who had started to offer a delivery service.

Members expressed their thanks to the Head of Housing, Hardship and Welfare Services for the work undertaken by the team and asked that this be shared with staff.

There was no dissent to the following decisions.

Decision

1. That approval be given to the implementation of option four (the hybrid model) for the future delivery of Local Welfare Support Scheme.
2. That officers make appropriate changes to the framework in line with the preferred option and subsequently publish the amended Local Welfare Support Scheme framework.

6. Updated Discretionary Housing Payment Framework (Director Children's and Joint Commissioning Services)

Type of decision

Key decision - General exception notice applies.

Purpose of report

To advise Members of reduction in budget and proposed updates to the Discretionary Housing Payment (DHP) framework as a result of a reduced budget and to seek approval to the proposed updated framework.

Issue(s) for consideration

The Head of Housing, Hardship and Welfare Services reported that since the Welfare Reform Act 2013, the council's Discretionary Housing Payments budget has largely risen year on year to cushion the impact of housing related welfare reforms on those suffering financial hardship. Funding for DHP is received direct from government. In 2021/22 the amount of DHP funding the council received reduced significantly. In

addition, the funding was split into two six monthly payments with uncertainty on what (if any) further funding would be received after the initial six months in that financial year. Notification of the funding for 2022/23 indicates a further reduction in funding and the intention to allocate again in two six monthly payments.

DHP is intended as short term support in order to provide people with the necessary time to make changes to their housing costs/ financial situation. Given the year on year increase in DHP funding, the council has been able to support eligible residents with multiple awards over successive financial years however the reduction in funding and the risks associated with six-monthly allocations must now be acknowledged and action taken.

Across the financial years 2019 – 2022, 124 households had more than 2 consecutive DHP awards totalling £285,257 – 25% of the DHP budget for that period. Of these, 49 had more than 3 consecutive awards totalling £108,637 – 10% of the total DHP budget. Reducing the number of consecutive awards would comply with the requirement to make short term awards, adjust to the reduction in grant funding, and also identify and reach out to those households that have never had an award previously.

Members questioned if any of the Housing Associations also had a similar scheme to help residents with short term issues in paying their rent. The Officer stated that some did, though they may not be well advertised to renters but generally there were always scope for negotiations.

Members questioned the provision of repeated support to renters for property bonds. The Officer stated that if support had been given with a bond and the renter was moving to a new property, there would be an expectation that the previous bond would be recovered to be used for the new property, i.e. the bond would follow the renter. Members were concerned that not all landlords were members of approved bond retention schemes. Officers indicated that it was usually the case that landlords were members of approved schemes but this would be built into the process.

There was no dissent to the following decision.

Decision

That the proposed changes to the Discretionary Housing Payment administration framework (set out in an appendix to the report) be approved in order that awards can be made within the funding allocated.

7. Defibrillator Policy (*Director Children's and Joint Commissioning Services*)

Type of decision

Non-key decision.

Purpose of report

This report outlined the proposed defibrillator policy and next steps for those defibrillators in council control.

Issue(s) for consideration

The Director Children's and Joint Commissioning Services reported that in April 2014, the Finance and Policy Committee agreed that £10,000 would be made available from the ring fenced public health grant to meet the costs of defibrillators and ongoing maintenance. In 2019 a number of requests were made concerning the location and availability of defibrillators in Hartlepool and so a review of defibrillators was carried out.

In 2021 following a number of requests for support for replacement parts of defibrillators and there being no policy on how the council deals with an open ended financial commitment, the decision was taken to complete a defibrillator policy. The council was also approached by a local charity with for support to place defibrillators in selected locations in the town. This had financial implications for the authority and came within the remit of the proposed policy.

A draft policy was submitted with the report which outlined:

- The Council's response to purchasing and placing defibrillators.
- Ongoing Maintenance.
- Supporting training for their use.
- Handover of selected council defibrillators to host organisations.

Councillor Lindridge declared a personal interest at this point in the meeting.

The meeting discussed the proposed policy in some detail, reference was made to the charitable efforts of Mr and Mrs Shurmer in raising funds for a significant number of defibrillators across the town and the support they were seeking regarding installation and ongoing maintenance in locations.. Members indicated their support and thanks to Mr and Mrs Shurmer and requested that officers look to identify funding to facilitate the installation and ongoing maintenance of defibrillators including appropriate legal costs supporting the proposed policy.

There was no dissent to the following decisions.

Decision

1. That the proposed defibrillator policy be approved.
2. That Officers be requested to explore potential funding options that could be made available to meet the costs of installation and running

costs of those defibrillators not transferable to the responsibility of a local Parish Council.

3. That the Council meet the legal costs associated with the transfer of responsibility for defibrillators to Parish Councils in accordance with the policy.

8. Town Deal Business Cases – Wesley Chapel Redevelopment and Waterfront Connectivity *(Director of Resources and Development)*

Type of decision

Non-key Decision.

Purpose of report

The purpose of the report was to update the 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 Wesley Chapel Redevelopment and Waterfront Connectivity for information.

Issue(s) for consideration

The Managing Director reported that the two business cases submitted still required final approval by the Town Deal Board before being submitted to the Department for Levelling Up Communities and Housing for approval before any funds could be drawn down. The Managing Director thanked all that had been involved in preparing the two business cases. The Chair echoed the Managing Director's comments and highlighted that the schemes were being led by the Town Deal Board and not the Council, and utilised government funding.

The Chair indicated that he supported both schemes and was particularly happy to see the scheme to bring the Wesley Chapel back into use. It was important to note that the owners, Jomast, were bringing forward significant investment for the scheme. The Chair also commended the Waterfront Connectivity Scheme to Members. It was important to see how visitors viewed Hartlepool and the scheme would improve the connectivity between the town centre and the Marina. It also had to be recognised that the Marina area was largely residential and the connectivity for local residents was a significant improvement.

There was significant concern expressed by some members with the Wesley Chapel scheme as it provided additional funding to an already well-resourced private business that had simply left the building in its fire damaged derelict state for several years. The Managing Director advised that the Town Deal contribution was purely for the conservation element of the project, the Chair commented that concerns had been expressed and

addressed at the Town Deal Board. Improving the Wesley Chapel had been the scheme the public most wanted to see when the original consultation was undertaken.

It was highlighted by officers that the overall project cost was £3.91million, with Towns Fund funding the Conservation Deficit of £1.25million only. Jomast Developments would fund the remaining £2.66million. Jomast had already confirmed that any cost increases will be met by their contributions, with the Towns Deal providing a fixed funding envelope. There was some concern also expressed at the meeting regarding the recent closure of the Grand Hotel.

The Chair noted Members concerns around the Wesley Chapel scheme. The recommendations were approved by a majority vote; 8 for, 2 against and 1 abstention.

Decision

1. That the contents of the report and update on progress with the overall programme be noted.
2. That the submission of the two Business Cases to Department for Levelling Up Communities and Housing be approved following independent assurance by Tees Valley Combined Authority.

9. Corporate Peer Challenge *(Managing Director)*

Type of decision

For information.

Purpose of report

To inform Members of the forthcoming Corporate Peer Challenge that will take place from 13th to 16th September 2022 supported by the Local Government Association (LGA).

Issue(s) for consideration

The Managing Director reported that the LGA corporate peer challenge (CPC) approach involves a team of experienced officers and members spending time with another council as 'peers' to provide challenge and share learning. Participating councils receive a comprehensive report and recommendations from the peer team and then identify their own action plan to respond. Peer challenges are an established tool that supports councils to drive improvements and efficiency. It had been 10 years since the last CPC and the Managing Director commented that it was, therefore, timely to review our strengths and areas for improvement with support from external peers who have relevant knowledge and experience to share.

The CPC Team would be on site from Tuesday 13th to Friday 16th September 2022. During that time they would meet with a range of people including elected members, Council employees and representatives from partners in the public, private, voluntary and community sector. A timetable would be prepared in advance of their visit and this will include a range of activities from meetings with individuals, small group meetings and wider focus groups. In addition the CPC Team may attend meetings that were already scheduled to take place during their visit including meetings of council committees or relevant partnerships or outside bodies. The visit would end with a formal feedback session which will outline the CPC Team's findings and their recommendations.

The Chair and Members welcomed the corporate peer challenge. The Managing Director commented that she and other Directors were involved in conducting peer reviews at other authorities.

Decision

That the report and that the Corporate Peer Challenge taking place from 13th to 16th September 2022 be noted and that the findings report and an action plan setting out the Council's proposed response will be brought to Council in December 2022.

10. Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25 – Terms and Conditions of Employment Saving *(Managing Director)*

Type of decision

Purpose of report

The purpose of this report is to provide an update on the proposed changes to employee terms and conditions of employment.

Issue(s) for consideration

The Managing Director updated Members at the meeting indicating that following further negotiations and a Trade Union ballot, the Council's proposals had been accepted with the ballot result being 'For 52.2 % and Against 47.8%'. The proposals would therefore be implemented from July and the buy-out payments would also be made that month.

The Chair thanked the Trade Unions for their input in the discussions process and for those officers that had gone out to discuss the proposals with staff during the consultation process. Members requested details of the ballot results in writing.

Decision

That the 2022/23 MTFS proposal for the removal of weekend enhanced payments be now implemented from 1 August 2022 following the Trade Union ballot result reported to Committee with the revised buy-out proposals being agreed and paid to relevant staff in July 2022.

11. Any Other Items which the Chairman Considers are Urgent

The Chair reported that the Council won the Institution of Civil Engineers North East Small Project Award in April and the Constructing Excellence North East Value Award on Friday night – both for Elephant Rock at the Headland – and this is the third time in four years the Council have won the Value Project at these awards. The Chair congratulated all involved in delivering the scheme.

The Committee noted that the next meeting would be held on Tuesday 26 July at 10.00 am in the Civic Centre, Hartlepool.

The meeting concluded at 12.45 pm

H MARTIN

CHIEF SOLICITOR

PUBLICATION DATE: 1 JULY 2022

HEALTH AND WELLBEING BOARD

MINUTES AND DECISION RECORD

21 MARCH 2022

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

Present:

Councillor Moore, Leader of Council (In the Chair)

Prescribed Members:

Elected Members, Hartlepool Borough Council – Councillors Cook and Tiplady
Representatives of NHS Tees Valley Clinical Commissioning Group

– Dr Nick Timlin and David Gallagher

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 – Stephen Thomas (as substitute for Christopher Akers-Belcher) and Margaret Wrenn

Other Members:

Managing Director, Hartlepool Borough Council – Denise McGuckin

Assistant Director of Joint Commissioning, Hartlepool Borough Council – Danielle Swainston

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

Representative of North Tees and Hartlepool NHS Trust – Deepak Dwarakanath

Representative of GP Federation – Fiona Adamson

Representative of Headteachers – Sonya Black

Also in attendance:-

Maxine Crutwell, Programme Manager, Community Transformation Tees Valley

Tom Robson, LDN Clinical/Professional Chair for DDT

Stuart Youngman, Senior Primary Care Manager (Dental), NHS England and NHS Improvement (North East & Yorkshire)

Carl Jorgeson, Hartlepool Voluntary and Community Sector

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

31. Apologies for Absence

Elected Member, Hartlepool Borough Council – Councillor Howson
Representatives of Healthwatch – Christopher Akers-Belcher
Representative of Tees, Esk and Wear Valley NHS Trust – Brent Kilmurray
Representative of Hartlepool Voluntary and Community Sector – Sylvia Ochuba and Christine Fewster

32. Declarations of interest by Members

None

33. Minutes

The minutes of the meeting held on 29 November 2021 were confirmed.

34. Dentistry

1. Update on NHS General Dental Access – Presentation – NHS England and NHS Improvement

The Board received a joint presentation by Tom Robson, Clinical/Professional Chair and Stuart Youngman, Senior Primary Care Manager (Dental), NHS England and NHS Improvement which advised the Board on the background and context of NHS General Dental Access. The Presentation highlighted the NHS Dentistry pressures and challenges, including National dental covid constraints. Issues associated with safely restoring access were discussed including local measures/actions to date.

Board Members debated issues arising from the presentation. Mr Robson and Mr Youngman responded to clarification sought from Board members regarding workforce issues, national reforms and restoring access to dentists

2. Accessing Dentistry Consultation Report – Healthwatch Hartlepool

Stephen Thomas presented the Healthwatch report and highlighted the salient issues included in the document. It was noted that the context of the report had been addressed in the previous presentation. Whilst accessing dental services was recognised as a national issue, the high levels of health and financial inequalities in Hartlepool were highlighted. Accessing dental services continued to be an issue particularly if not previously registered with the dental practice.

Attention was drawn to the need to rebuild good habits around visiting dentists as a matter of routine and the need for this to be included in recovery strategies going forward. Emphasis was also placed on the need for an examination of dental contracts going forward.

The report concluded that 'whilst services currently provided can be effective there is an overwhelming desire for dentistry services to return to some kind of normality as was prior to the covid19 pandemic and that equal access for all communities is paramount.'

With due regard to the issues raised during consideration of the NHS General Dental access presentation and Healthwatch consultation report, representatives from NHS England and NHS Improvement welcomed the opportunity to return in 12 months' time to provide a further dental update.

Decision

The presentations were noted.

35. Community Mental Health Transformation Project – Presentation

The Board received a presentation by Maxine Crutwell, Programme Manager, Community Transformation Tees Valley outlining the background and the core aims of the community transformation programme. Board members were advised of the move from fragmented silo working to integrated, holistic, person-centred care model with services and care pathways co-produced with service users, carers and local communities. The presentation highlighted the findings of a HealthWatch report following a review of the services across the five borough council areas. The new staffing and carer led management structure was presented together with the new delivery model involving primary care networks and the community hubs. The location of one full time mental health practitioner in most Primary Care network settings was noted with practitioners providing 20 minute appointments to over 50 people each week.

Members welcomed the update and noted that positive feedback had been received also from the Adults and Community Based Services Committee. The Board debated issues arising from the presentation. Clarification on how learning would be replicated across children's' services and also the financial aspects of the Programme were noted together with the positive work already undertaken in relation to the social prescribing service.

Decision

The presentation was noted.

36. ICB Update - Presentation

A presentation was received by the Board by David Gallagher which updated Board Members on the operating model for NHS North East and North Cumbria Integrated Care Board. The presentation included the guiding principles, the operating model development and details of the Integration White Paper published on 9 February 2022.

In presenting the update, it was highlighted that there was an opportunity for Board Members to respond to some key questions highlighted during the presentation as follows:-

- Given the proposed split of system and place-based functions agreed by JMEG, what key functions need to be managed within the ICB's corporate services?
- Based on the proposed functions and their allocation at place and system do you foresee any major safety, reputational or delivery issues
- Do you feel the mapping covers all of the functions you would expect to see in the area you work in and if not what is missing
- Do you think the proposed ICB committee structure is logical, what areas do you feel we may need to consider using sub committees for e.g. Primary care delegated
- What opportunities are there to further strengthen our place-based working arrangements with our partners? For example, pooling budgets, or joint workforce planning.
- Given the expectation in the Integration White Paper for place-based leadership and governance, what place-based infrastructure would be required to support this and can this only be delivered at place or across places
- How can we build on existing lead commissioning arrangements within our ICS? And could certain commissioning functions be carried out within our ICS sub-regions, and if so what?

The presentation concluded with details of engagement with leadership groups and 'next steps'.

During the debate which followed the presentation, Mr Gallagher responded to clarification sought in relation to the reallocation of funding and advised there was an appetite to gradually move funding to areas of greatest need. Reassurance was also given in relation to concerns expressed regarding governance arrangements of the Shadow Board. Board members noted that scrutiny at a local level would continue and there were opportunities for the role of Health and Wellbeing Boards.

Decision

The presentation was noted.

37. Public Health Review *(Director of Public Health)*

The Director of Public Health reported that it was anticipated that the COVID-19 pandemic will require a decreasing proportion of the focus as we move into a new financial year (2022-23) and it was important that there was a clear direction of travel for the next five years.

The Director advised of the reasons for carrying out a review as set out in the report. The pandemic had also generated some positive opportunities and accelerated new ways of working, which had opened up new opportunities that needed to be taken advantage of. The aim of the programme of work is therefore to review current Public Health services and the structure of the team within Hartlepool Borough Council and make recommendations leading to the development of a strategy for Public Health. The objectives of the initial phase of the review, a stocktake of the existing work programme, was set out in the report.

Decision

The report was noted.

38. Face the Public Update

The Board received a verbal update by the Director of Public Health which advised Board members that the Constitution required a Face the Public event to be held annually. Previously a joint event had been held with the Safer Hartlepool Partnership. This year it had been decided that engagement would be held remotely. The Director shared statistics which showed there had been very limited engagement with the event and a disappointing result had, therefore, been received. It was, therefore, proposed that moving forward the format of the event would be reviewed.

Decision

The update was noted.

39. Children with SEND (Special Educational Needs and/or Disabilities) Annual Report April 2021-March 2022

The Assistant Director, Joint Commissioning suggested that in view of the significant responsibility of partners in this agenda item and the duration of this meeting, the item be deferred and considered as the first agenda item at the next scheduled meeting of the Board.

Prior to closing the meeting, the Chair reminded Board members that the Pharmaceutical Needs Assessment was currently being consulted on and encouraged Board members to share across their networks.

Meeting concluded at 11.40 a.m.

CHAIR

FINANCE AND POLICY COMMITTEE

26 July 2022



Report of: Director of Resources and Development

Subject: FINAL OUTTURN 2021/22

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

2. PURPOSE OF REPORT

2.1 To provide details of the final outturn position for 2021/22 financial year.

3. BACKGROUND

3.1 The Council is required to publish an annual statement of accounts in line with statutory deadlines. The deadline for production of the statement of accounts for the current year is the 31 July 2022. The Council will achieve this deadline and the draft accounts will be presented to Audit and Governance on the 28 July 2022.

3.2 The draft accounts are presented to the Audit and Governance Committee. The purpose of this report is to provide members with details of the final outturn position, building on the in-year monitoring information received at prior meetings. The outturn position corresponds to the position set out in the statement of accounts.

4. REVENUE OUTTURN

4.1 The final revenue outturn position is a net underspend of £0.286m after earmarking of reserves for specific purposes. This underspend has been allocated to the Budget Support Fund. The position is summarised in the table below with detailed variations presented in Appendices A to D.

Description of Expenditure	2021/2022 Approved Budget £000	2021/2022 Actual Expenditure / Income £000	2021/2022 Variance Adverse / (Favourable) £000
Adult & Community Based Services	34,217	33,760	(457)
Children's & Joint Commissioning Services	26,245	26,140	(105)
Neighbourhoods and Regulatory Services	18,243	18,755	512
Resources and Development	4,925	4,591	(334)
Dedicated Schools Grant Related Expenditure	43,157	43,157	0
Total Departmental Position	126,788	126,403	(385)
Non Departmental Expenditure	(12,615)	(12,517)	98
Housing Revenue Account (HRA)	0	0	0
Final Contribution to Budget Support Fund	114,172	113,886	(286)

- 4.2 The economic impact arising from the COVID-19 pandemic continued to have a significant negative financial impact on the Council's budget during 2021/22. As well as increased expenditure, service income levels continued to be reduced as a result of service areas being closed, or operating with reduced capacity, for example leisure facilities and car parking income. The emergence of the Omicron variant later in the financial year, placed a further hindrance on recovery.
- 4.3 Throughout the pandemic, the Government has provided a financial support package that reflected the scale and impact of the pandemic, supporting Councils to mitigate the unprecedented financial impact. Whilst no further general financial support has been provided beyond quarter 1 of the financial year, support and / or new Burdens funding has been provided for specific initiatives. This has included Clinical Commissioning Group (CCG) support for the 'Discharge to Assess Programme' within Adult Social Care. Taken together this one off funding has temporarily reduced the pressure on the budget during the year. Where these initiatives have continued beyond March 2022, any unspent grant has been carried forward to use during 2022/23 in line with the respective grant conditions.
- 4.4 In the final quarter of the year increased inflation levels materialised as a result of rising commodity demand following the ending of the pandemic and latterly the war in Ukraine. These inflationary pressures are impacting on all service areas, with particular pressures arising from energy and fuel cost rises. Work has commenced early in the 2022/23 financial year to quantify the level and impact of inflationary pressures

on the current year budget and this will be reported as part of the first quarterly review.

- 4.5 Where underspends have arisen that are not related to exceptional circumstances or the Covid-19 pandemic and associated grant funding, these will be scrutinised and considered as part of the savings strategy to support the MTFS position.

Reserves

- 4.6 As previously reported, the forecast outturn position consolidated the position on the General Fund budget and the final general Covid-19 grant of £3.178m owing to the service linkages and impact of Covid-19 on income stream. This envisaged a residual overall underspend of £1m. The overall position was more favourable given the further one-off grant flexibilities on specific initiatives detailed above as well as general underspends. This exceptional outturn position allows the earmarking of specific reserves, as outlined below, in order to meet expected or confirmed budget pressures, particularly those arising given the current high inflation environment;

- **Energy Cost Reserve (£1.820m)**
The forecast outturn position reported in December approved the earmarking of £1m to help fund increased energy costs pending a return to more “normal” energy costs. The likelihood of a sustained increase necessitates a higher allocation to reserves in order to smooth the impact during 2022/23 and future years.
- **General Inflation Reserve (£1.000m)**
In addition to energy costs, the Council is experiencing general inflationary pressures and these are expected to continue during 2022/23. The on-going impact will be considered as part of 2023/24 budget setting.
- **Income Risk Reserve (£0.680m)**
As set out, income budgets continue to be under strain following the emergence from the Covid-19 pandemic. In addition, emerging inflationary pressures is beginning to have a detrimental impact on economic growth, with a likely consolidation of household spend. This reserve will allow the position to be managed over the short term.
- **Covid-19 Recovery Reserve (£0.714m)**
The Council has sought to maximise all Covid-19 support funds over the period of the pandemic, in line with grant conditions. Final sign-off on a number of Covid-19 grants and support schemes is on-going, with the risk of clawback pending conclusion. At present no additional Covid-19 funding is envisaged. This reserve will enable support should clawback be required as well as provide the Council

with some resilience over the short term to meet additional costs in relation to testing, tracing and compliance measures.

- 4.7 In addition to the those set out above, reserves have been established or supplemented within service areas as a result of timing issues to meet known commitments, partnership requirements and as required by grant conditions. Technical accounting reserves have been established as required. The full analysis of the Councils reserves position is published as part of the statement of accounts.
- 4.8 Further to the agreement of the Defibrillator policy at Finance and Policy Committee on the 20 June 2022, a sum of £10,000 has been earmarked within the Strategic Change Reserve to meet the costs of the installation of defibrillators, Members should note this is a one off pot and will be reviewed at the end of the 2022/23 financial year.
- 4.9 As noted in paragraph 4.1 the overall underspend of £0.286m, has been allocated to the Budget Support Fund

5. INCOME COLLECTION AND COLLECTION FUND

Sundry Debts

- 5.1 The Council raises invoices for circa £34m of sundry debts income for payment of services provided by the Council. The Council's performance in collecting these debts is positive with 95.1% of debts collected within the year they are billed, albeit the pandemic has temporarily impacted on performance. Long term collection remains high with 98.7% (99.5% comparative figures for 2020/21) of sundry debts fully recovered within 2 years.

Council Tax

- 5.2 After the award of relevant discounts, exemptions and Local Council Tax Support awards, the Council collected over £48m of Council Tax in 2021/22. The collection rate continued to be severely impacted by the Covid-19 pandemic and other factors particularly key staff vacancies throughout the year. This has inevitably led to backlogs and a subsequent detrimental impact on the collection rate.
- 5.3 The collection rate for 2021/22 is 91.61% a reduction on the 93.20% for 2020/21 and significantly lower than the pre-pandemic in-year rates which averaged circa 95%. The deterioration in performance shows the scale of the task in recovering from the pandemic, made more challenging by the prevailing economic conditions and the Council Tax Energy Rebate scheme which is placing additional strain on the team.
- 5.4 More positively in excess of £2.5m of arrears was collected during 2021/22 (£1.2m arrears collected in 2020/21). This demonstrates our

continued approach to seek recovery of all Council Tax arrears and puts us in good stead to reach our long term collection target of 99%; which had been achieved up to 2014/15.

- 5.5 Whilst there remains continued uncertainty as to the level of Council Tax Support Claimants, overall good progress has been made on eliminating the exceptional deficit balance brought forward with an in year surplus. The Council is therefore on course to eliminate the remaining deficit over the three year spreading period.

Business Rates

- 5.6 The government continued to support businesses during the year with further rounds of Covid-19 Business Rates Relief schemes, including for Retail, Hospitality and Leisure. These reliefs resulted in a significant reduction in collectable business rates, but with full compensation via a Section 31 grant. Owing to the operation of the collection fund and the compensation grant a significant deficit has arisen at the end of the year with a reserve held to make good this deficit in 2022/23 and future years.
- 5.7 After reliefs, the Council collected circa £28m of business rates in 2021/22, of which 50% is retained locally under the current Business Rate Retention system. As with Council Tax, the collection performance during 2021/22 has continued to be impacted by the Covid-19 pandemic, including as a consequence of the administration of the various strands of Business Support Grants managed throughout the year.
- 5.8 The collection rate for 2021/22 was 96.46%, this represents a small improvement on the previous year. In addition we continue to make good progress in collecting previous year's arrears. The long term collection rates remain positive with circa 99% achieved over time.

6. HOUSING REVENUE ACCOUNT

The Housing Revenue Account (HRA) is a ring fenced account relating to the Council's rented housing. The outturn position is break even and is set out in more detail elsewhere on the agenda. A separate report will be presented to a future Finance and Policy meeting to provide a business plan and rent update.

7. CAPITAL OUTTURN

- 7.1 Details of actual capital expenditure against the capital programme are provided in Appendices E to I and summarised below:

	BUDGET	EXPENDITURE IN CURRENT YEAR			
	A	B	C	D	E
Department	2021/22 Budget £'000	2021/22 Actual as at 31/03/22 £'000	Expenditure Rephased into 2022/23 £'000	(B+C) 2021/2022 Actual plus Rephased Expenditure £'000	(D-A) 2021/22 Variance from Budget £'000
Adult & Community Based Services	14,121	3,799	10,321	14,121	0
Children & Joint Commissioning	9,409	5,943	3,466	9,409	0
Neighbourhood & Regulatory	26,250	4,237	22,012	26,250	0
Resources & Development	9,861	1,339	8,522	9,861	0
Corporate	2,051	846	1,205	2,051	0
Total	61,692	16,164	45,526	61,692	0

- 7.2 The Council budgets for capital expenditure in the year following its approval. This inevitably leads to high re-phasing of expenditure as plans are developed and progressed. In year £45.223m of capital expenditure has been re-phased to future years. Resources will be carried forward to fund these commitments.

Section 106 Developer Contributions

- 7.3 The level and usage of contributions for housing and non-housing services areas as at the 31 March 2022 is detailed at Appendix J. In total £2.718m of S106 funds are held and fully committed.

Capital Receipts

- 7.4 Achievement of capital receipts target has continued to be extremely challenging. There remains £0.224m outstanding in relation to the previous target. Land sales in the current year are expected to address this shortfall, although some sales may be delayed owing to emerging national planning policy surrounding nutrient neutrality recently announced by Ministers and Natural England.

8. NATIONAL MUSEUM OF THE ROYAL NAVY (NMRN) SUBSIDY ARRANGEMENTS

- 8.1 A report to Finance and Policy Committee on the 30 November 2020 set out the agreed subsidy arrangements with the NMRN, including a phased reduction over a period of time.
- 8.2 Following discussions with the NMRN, an agreement has been reached, subject to member's approval, with the Museum that proposes further annual reductions over the 2022/23 and 2023/24 financial years as set out in confidential Appendix K. These savings will be taken into account in the Medium Term Financial Strategy.

9. FINANCIAL CONSIDERATIONS

9.1 The financial implications are fully set out in the main body of the report.

10. OTHER CONSIDERATIONS

Risk Implications	No relevant issues
Legal Considerations	No relevant issues
Consultation	No relevant issues
Child and Family Poverty considerations	No relevant issues
Equality and Diversity considerations	No relevant issues
Staff Considerations	No relevant issues
Asset Management considerations	No relevant issues
Environment, sustainability and climate change considerations	No relevant issues

11. RECOMMENDATIONS

11.1 It is recommended that Members:

- i) Note the final 2021/22 outturn position of £0.286m underspend and the accompanying financial performance for the year.
- ii) Note the transfer to reserves detailed within section 4.6 to 4.8 of the report.
- iii) Note the capital outturn position detailed within Section 7 of the report.
- iv) Approve the revised subsidy arrangements for the NMRN on the basis of the terms set out in confidential Appendix K. These appendices contain exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

12. REASONS FOR RECOMMENDATION

12.1 To inform Finance and Policy Committee of the Council's 2021/22 financial outturn position.

13. BACKGROUND PAPERS

Strategic Financial Management Report – as at 31 August 2021 report to Finance and Policy Committee 15 October 2021.

Strategic Financial Management Report – as at 31 October 2021 report to Finance and Policy Committee 13 December 2021.

HME/NMRN/HMS Trimcomalee Review report to Finance and Policy Committee 30 November 2020.

14. CONTACT OFFICER

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Contact: 01429 523093

Sign Off:-

Managing Director	<input checked="" type="checkbox"/>
Director of Resources and Development	<input checked="" type="checkbox"/>
Chief Solicitor	<input checked="" type="checkbox"/>

REVENUE OUTTURN REPORT FOR FINANCIAL YEAR 2021/22 as at 31 March 2022

Approved 2021/2022 Budget £'000	Description of Service Area	Actual Outturn as at 31 March 2022 Adverse/ (Favourable) £'000	Director's Explanation of Variance
(164)	Benefits	(63)	Favourable variance owing to vacant posts and some supplies and services savings.
(987)	Central Administration Recharges	(10)	
128	Communications and Marketing	71	The adverse variance is owing to a reduction in income generation.
1,014	Corporate Finance	(183)	Favourable variance owing to vacant posts, posts not being at the top of the grade and some supplies and services savings, this is partly offset by a reduction in income generation.
580	Corporate Strategy & Public Consultation	(12)	Favourable variance owing to posts not being at the top of the grade and some supplies and services savings.
(143)	Council Tax & Housing Benefits Subsidy	63	The grant generates £25m in subsidy, but the grant is reducing along with the current transfer rate of claimants across to Universal Credit. The adverse variance is based on the final claim, submitted to DWP.
960	Customer and Support Services	(113)	Favourable variance owing to posts not being at the top of the grade and some supplies and services savings.
130	Strategic Development and Sustainability	(16)	Reflects lower than anticipated costs as a result of consultancy costs being chagred to capital projects.
265	Economic Growth	(50)	Expenditure on business grants lower than anticipated and favourable variance in relation to rental income from the HEC.
501	Human Resources & Health and Safety	(2)	
233	Internal Audit	(1)	
(129)	Registration Services	25	The adverse variance is owing to a reduction in income generation on both birth and death registration resulting from services being transferred to North Tees Hospital.
966	Revenues	(81)	The favourable variance is owing to vacant posts, posts not being at the top of the grade, and some supplies and services savings, this is partly offset by additional credit card commission charges.
(516)	Revenue & Benefits Central	89	An adverse variance owing to a reduction in the grant for Non Domestic Rates of £24k, along with an adverse variance on Court Costs collected, this is partly offset by some supplies and services savings.
519	Shared Services	(28)	The favourable variance is owing to vacant posts, and some posts not being at the top of the grade.
(92)	Strategic Asset Management	48	The adverse variance relates income shortfalls in relation to fees including capital receipt fee income.
10	Training & Equality	(2)	
414	Corporate Management Running Expenses	(41)	The favourable variance is owing to savings on the Corporate Subscriptions budget and savings on the Trade Union budget.
103	Strategic Management & Admin	0	
3,792	Resources & Development	(306)	
39	Civic Attendants	1	
165	Democratic	(8)	The favourable variance is owing to reduced hours on one post.
527	Legal Services	(16)	Favourable variance owing to vacant posts, posts not being at the top of the grade and some supplies and services savings, this is partly offset by a reduction in income generation.
163	Municipal Elections and Registration of Electors	(25)	The favourable variance is owing to savings on the Registration of Electors.
(6)	Other Office Services	11	An adverse variance owing to a reduction in income generation received from Local Land Searches.
105	Procurement	5	
(82)	Reprographics	31	The adverse variance is owing to a reduction in income.
93	Scrutiny	2	
103	Strategic Management & Admin	0	
129	Support to Members	(29)	The favourable variance is owing to savings on the Civic Driver and Members conference fees.
1,236	Legal	(28)	
5,028	Resources & Development and Legal Total	(334)	

PLANNED USE OF RESERVES

The above figures include the 2021/2022 approved budget along with the planned use of Departmental Reserves created in previous years.

The details below provide a breakdown of these reserves

Approved 2021/2022 Budget £'000	Description of Service Area	Actual Usage 2021/2022 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
30	BIS Income	30	0	
135	New Towns Capacity	53	(82)	Funding carried forward reflecting project completion expected in 2022/23.
0	Project Management	25	25	Reserve created to contribute towards project management of regeneration capital schemes. Actual usage has been applied flexibly in conjunction with available grant funding.
13	Corporate Training Programme	13	0	
10	Digital Development of Firmstep	0	(10)	Reserve rephased into 2022/23.
47	Finance - IT Investment Shared Services	30	(17)	Remaining reserve rephased into 2022/23.
92	Human Resources & Health and Safety Extension - Loss of Income	92	0	
5	Registrars	0	(5)	Reserve rephased into 2022/23.
42	Municipal Elections and Registration of Electors	42	0	
85	Department Ring Fenced Grants	28	(57)	Remaining reserve rephased into 2022/23.
459	Total	313	(146)	

REVENUE OUTTURN REPORT FOR FINANCIAL YEAR 2021/22 as at 31 March 2022

Approved 2021/2022 Budget	Description of Service Area	Actual Outturn as at 31 March 2022 Adverse/ (Favourable)	Director's Explanation of Variance
£'000		£'000	
123	Access to Education	9	The adverse variance is linked to additional temporary staffing in Attendance Team
172	Central Support Services	0	
20,603	Children and Families	357	The adverse variance mainly relates to an increase in the numbers of children required to be placed in external residential placements which, by their nature, are high cost.
1,717	Early Intervention	(398)	The favourable variance mainly relates to delays in awarding a housing related support contract and increased COVID grant income, particularly relating to housing services.
487	Other School Related Expenditure	(7)	The favourable variance results from reduced pension retirement costs
1	Play & Care	48	The adverse variance relates to reduced income which is a combination of of the impact of COVID on the service and historic income pressures.
437	Raising Educational Achievement	(67)	The favourable variance relates to increased grant funding for the Virtual School
294	Special Needs Services	(7)	The favourable variance results from increased one-off grant income
286	Standards, Engagement & Development	(32)	The favourable variance mainly relates to forecast underspends against the training and development budgets arising from the impact of COVID.
1,164	Strategic Commissioning	27	
372	Strategic Management	11	The adverse variance relates to reduced income from schools for Governor Support and supplies and services expenditure
273	Youth Justice Service	0	
316	Youth Service	(47)	The favourable variance is linked to staff vacancies and staff not paid a top of the grade
25,950	Children's and Joint Commissioning Services	(115)	
Public Health Grant			
3,920	Children's Services	(10)	
2,377	Substance Misuse Services	(164)	The favourable variance mainly relates to staff vacancies, incremental drift and lower than expected demand for external residential support to service users.
1,457	General Public Health Support Services	(103)	The favourable variance mainly relates to the vacant 'Deputy Director of Public Health' post.
661	Sexual Health Services	(114)	The favourable variance mainly relates to a 'refund' from the service provider for non-delivery of elements of the contract during COVID; this balance is to be retained within Public Health for future Sexual Health activity and forms part of the Contribution to Public Health Reserves.
296	Physical Activity	0	
167	Mental Health	(7)	
110	Health Checks	(42)	The favourable variance mainly relates to reduced activity earlier in the year as a result of COVID.
98	Obesity	0	
(9,086)	Public Health Grant	0	
0	Contribution to Ring-Fenced Public Health Reserve	440	Transfer the underspend against the ring-fenced grant to the specific Public Health Grant reserve.
0	Public Health Grant	0	
25,950	Children's and Joint Commissioning Services Total (inc Public Health Grant)	(115)	

CHILDREN'S & JOINT COMMISSIONING SERVICES
PLANNED USE OF RESERVES

The above figures include the 2021/2022 approved budget along with the planned use of Departmental Reserves created in previous years.

The details below provide a breakdown of these reserves

Approved 2021/2022 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Children's Committee				
167	Multi-Agency / Community Support Team	216	49	Funding mainstreamed into the budget 2022/23.
0	ASC Reserve to fund Project Officer post	10	10	
0	Schools Contribution to Children's Hub	16	16	
59	Signs of Safety / Fostering	60	1	
39	SEN Officer Fixed Term Contract	32	(7)	Post vacated 1 February 2022
0	Additional temporary staff - Education Psychology	34	34	
0	Resources to support Autism in schools	14	14	
0	Consultancy work to develop Inclusions Strategy	24	24	
265	Children's and Joint Commissioning Services Total (inc Public Health Grant)	406	141	

MEMO:-	Dedicated Schools Grant	Actual Outturn Adverse/ (Favourable)	Director's Explanation of Variance
6,365	Early Years Block	(293)	Made up of £69k underspend on 2 year old provision and £224k underspend on 3-4 year old provision. Lower attendance during year compared to census point funding from DfE
12,689	High Needs Block	386	Financial pressures relating to independent school fees and post-16 support to pupils with SEND
24,172	Schools Block	(84)	£50k growth fund underspend and underspending against de-delegated service for trade union supply cover
43,225	TOTAL Dedicated Schools Grant	9	

REVENUE OUTTURN REPORT FOR FINANCIAL YEAR 2021/22 as at 31 March 2022

Approved 2021/2022 Budget £'000	Description of Service Area	Actual Outturn as at 31 March 2022 Adverse/ (Favourable) £'000	Director's Explanation of Variance
150	Adult Education	(20)	
20	Archaeology	10	
1	Carers & Assistive Technology	0	
(191)	Coast, Countryside & Heritage	146	The adverse variance mainly relates to a combination of the funding contribution towards the Stranton Allotments Clearance capital works to allow the cemetery site to be extended (as approved by F&P 13/12/21), restoration of memorials within St Hildas graveyard and increased utility costs.
2,457	Commissioning - Adults	(135)	The favourable variance mainly relates to early achievement of 2022/23 savings.
1,362	Community Hubs	90	The adverse variance reflects a budget pressure linked to proposed closure of branch libraries in 2018/19 and reduced income as a result of COVID, partly offset by staff vacancies and incremental drift.
757	Cultural Services	367	The adverse variance mainly relates to reduced income across the Town Hall Theatre (which has been closed all year) and Borough Hall as a result of COVID.
269	Departmental Running Costs	(74)	The favourable variance mainly relates to over-achievement of the departmental salary abatement target.
570	Direct Care & Support Team	(33)	The favourable variance relates to staff vacancies and incremental drift.
0	Employment & Skills	0	
74	General Allotments	2	
693	LD & Transition Social Work	(2)	
1,774	Locality & Safeguarding Team	(15)	
1,098	Mental Health Services	(38)	The favourable variance relates to staff vacancies and incremental drift.
1,349	OT & Disability Equipment	(168)	The favourable variance relates to OT equipment and the minor adaptations budgets with COVID impacting access to clients
1,498	Packages of Care - Mental Health	(165)	The favourable variance reflects the current position following a review of packages of care, including clients becoming fully health funded.
11,109	Packages of Care - Older People	(492)	The favourable variance mainly relates to clients discharged from hospital during the year requiring a care package being either fully or part funded by specific external COVID related funding.
9,703	Packages of Care - Working Age Adults	(816)	The favourable variance reflects the current position following a review of packages of care, including clients moving into Older People budgets as a result of their age and care needs. The 2022/23 budget has been adjusted to reflect these changes.
574	Sports, Leisure & Rec Facilities	383	The adverse variance relates to reduced income for the first half of the year across all facilities from closure and then a phased re-opening as a result of COVID.
0	Support for Social Care Providers	594	COVID Recovery Support Payments and Occupancy Support Payments to be fully funded from the 2021/22 COVID Grant.
950	Working Age Adult Day Services	(91)	The favourable variance mainly relates to staff vacancies, incremental drift and reduced transport costs as a result of COVID.
34,217	Adult & Community Based Services Total	(457)	

PLANNED USE OF RESERVES

The above figures include the 2021/2022 approved budget along with the planned use of Departmental Reserves created in previous years.

The details below provide a breakdown of these reserves

Approved £'000	Description of Service Area	Actual Usage £'000	Variance Over/ £'000	Director's Explanation of Variance
0	Community Hubs	169	169	Wider support to community funded from former CEV COVID grant
0	Adult Education	120	120	Contribution from specific Adult Education reserve
70	Events	76	6	Contribution to Events including Waterfront Festival and Christmas
67	Sport & Recreation	67	0	Contribution to specific posts within Sport & Recreation
0	Summerhill	56	56	Contribution towards new Cycling Track
53	Community Led Support Project	53	0	Contribution to Community Led Support Project
0	Sport & Recreation - Service Development	26	26	ASC contribution to Project-related posts
0	Feel Good in Hartlepool	2	2	
5	Carers Contract	0	(5)	
195	Adult & Community Based Services Total	569	374	

NEIGHBOURHOODS & REGULATORY SERVICES

Appendix D

REVENUE OUTTURN REPORT FOR FINANCIAL YEAR 2021/22 as at 31 March 2022

Approved 2021/2022 Budget £'000	Description of Service Area	Actual Outturn as at 31 March 2022 Adverse/ (Favourable) £'000	Director's Explanation of Variance
(218)	Building Design Team	185	The adverse variance relates to a shortfall in fees.
(792)	Car Parking	(31)	Favourable variance relates to increased performance at car parks at Seaton Carew.
720	Community Safety & Engagement	(58)	Savings on various non pay budgets such as mileage, printing, office consumables in addition to borrowing costs in relation to CCTV rephased capital expenditure.
(133)	Construction Support Services	(11)	Surplus higher than forecast in relation to fee income.
83	Construction Team	124	Adverse variance predominantly as a result of the increase in materials costs, and pay award.
312	Engineering & Design	(19)	Favourable variance reflects lower than anticipated expenditure in relation to coastal and flood prevention.
2,773	Environmental Services	0	
1,083	Facilities Management	369	Surplus in building cleaning and other budgets has offset income losses in relation to COVID pupil absences for School Catering of approximately £0.444m
2,336	Highways	90	Additional vehicles in relation to covid, general increases in transport costs including fuel, increase in materials costs and labour.
1,651	Passenger Transport	(20)	Reflects small favourable variances in non-pay budgets.
222	Planning & Development	167	The adverse variance relates to a forecast shortfall in planning income.
863	Public Protection	(84)	Licencing income higher than expected.
133	Road Safety	19	Adverse variance reflects lower than anticipated fee income, additional costs in relation to School Crossing patrol PPE and sickness cover.
675	Strategic Management & Admin	(107)	Reflects favourable variance in relation to salary abatement.
926	Street Lighting	151	Increase in energy and maintenance costs.
2,463	Sustainable Transport Concessionary Fares	(562)	Favourable variance relates to favourable negotiations with operators.
(81)	Vehicle Fleet	(19)	The favourable variance relates to lower borrowing costs owing to the rephasing of vehicle replacements. The delivery of new vehicles has been delayed as a result of the pandemic
5,227	Waste & Environmental Services	318	Increased costs in relation to social distancing requirements.
18,243	Neighbourhoods & Regulatory Services Total	512	

PLANNED USE OF RESERVES

The above figures include the 2021/2022 approved budget along with the planned use of Departmental Reserves created in previous years.

The details below provide a breakdown of these reserves

Approved £'000	Description of Service Area	Actual Usage £'000	Variance Over/ £'000	Director's Explanation of Variance
16	Public Health - Public Protection	16	0	
50	Waste Service	50	0	
40	Facilities Management	40	0	
267	Fund in year Suez waste liability	267	0	
373	Neighbourhoods & Regulatory Services Total	373	0	

CAPITAL OUTTURN REPORT PERIOD ENDING 31st March 2022

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR				Type of Financing	2021/22 COMMENTS
		A	B	C	D	E		
		2021/22 Budget £'000	2021/22 Actual as at 31/03/22 £'000	Expenditure Rephased into 2022/23 £'000	(B+C) 2021/2022 Actual plus Rephased Expenditure £'000	(D-A) 2021/22 Variance from Budget £'000		
Adult & Community Based Services								
7212	Capital Grants to Residential/Nursing Care Homes	149	0	149	149	0	UCPB	
7234	Chronically Sick and Disabled Persons Adaptations	160	33	127	160	0	MIX	
7218	Disabled Facilities Grant	1,723	1,282	441	1,723	0	GRANT	An underspend from 2020/21 due to COVID restrictions was carried forward.
7543	Waverley Allotments (Terrace Car Park)	21	9	12	21	0	RCCO	
7576	Seascapes - Seaton High & Lowlight	10	1	9	10	0	UCPB	
7640	Carlton Boiler Replacement	12	12	0	12	0	RCCO	
7811	Summerhill Cycle Hub	422	347	75	422	0	MIX	Scheme will complete in 2022/23
7831	Community Hub South - Internal Alterations	25	14	11	25	0	RCCO	
8108	Centre for Independent Living (CIL)	146	0	146	146	0	MIX	
85100-8088	Community Hub South - Owton CC	41	1	40	41	0	RCCO	
85200-8088	Central / Community Hub Central - Ground Floor Internal Alterations	55	28	27	55	0	RCCO	Continuation of scheme m from 2020/21 for creation of office areas, a room for Occupational Therapy (relocating from The CIL) and the relocation of the Public Access computer stations. Makerspace equipment (£35k) to be installed.
8103	Swimming Scheme	35	0	35	35	0	RCCO	Amounts set aside for equipment purchase.
8408	Mill House - Equipment Purchase	3	0	3	3	0	RCCO	
8409	Sport & Youth Improvements	12	0	12	12	0	MIX	To be used as match funding in future grant bid for work required at Carlton
8570	Telecare Vehicles	20	20	0	20	0	RCCO	
8689	Brierton Sports Fields	1	0	1	1	0	MIX	
8896	Brierton Tennis Courts	30	0	30	30	0	CAP REC	Awaiting finalisation of the Sports facilities strategy for Brierton.
7483	Reinstate 3G Pitch	106	98	8	106	0	MIX	Retention outstanding
7483	Grayfields asset transfer	100	0	100	100	0	RCCO	Earmarked
7785	Burn Valley Garden Play Area 2022	3	0	3	3	0	MIX	
7990	Boer War Statue - WJP	25	6	19	25	0	MIX	Scheme will complete in 2022/23
8634	Brierton 3G Pitch - Football Foundation	5	0	5	5	0	CAP REC	
8581	Briarfield Allotments Track Replacement	164	0	164	164	0	UDPB	
Allot	Other Allotment Schemes	78	6	72	78	0	UDPB	
8957	Stranton Allotments Clearance	235	235	0	235	0	MIX	
7522	Stranton Cemetery Flood Alleviation	367	127	240	367	0	UDPB	
CR	Crematorium refurbishment	490	3	487	490	0	MIX	Scheme delayed.
7550	CIP - Waterfront Leisure Centre	8,400	693	7,707	8,400	0	MIX	
7551	CIP - Waterfront Infrastructure	55	55	0	55	0	MIX	
7711	CIP - Carlton Centre	400	0	400	400	0	UCPB	
9101	CIP - Borough Hall Improvement	67	67	0	67	0	MIX	
7447	CIP - Headland Ampitheatre	761	761	0	761	0	MIX	
Total Adult & Community Based Services		14,121	3,799	10,321	14,121	0		

Key

RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE	Supported Capital Expenditure (Revenue)	CORP	Corporate Resources

CAPITAL OUTTURN REPORT PERIOD ENDING 31st March 2022

Project Code	Scheme Title	BUDGET A	EXPENDITURE B	C	D (B+C) 2021/2022 Actual plus Rephased Expenditure £'000	E (D-A) 2021/22 Variance from Budget £'000	Type of Financing	2021/22 COMMENTS
Children's and Joint Commissioning Services								
80728-8218	Children's Centres General	42	0	42	42	0	MIX	
85729-7149	Acquisition and Refurbishment of new Children's Home (1)	475	358	117	475	0	PB	Approved by F&P 7/07/21 - Purchase completed in 21/22
85732-7149	Acquisition and Refurbishment of new Children's Home (2)	475	276	199	475	0	PB	Approved by F&P 7/07/21 - Purchase completed in 21/22
7820	Exmoor Grove - Convert bathroom to bedroom	14	14	0	14	0	RCCO	
8946	Public Health - Stepping Stones Project	28	1	27	28	0	GRANT	
7384	Devolved Schools Capital	207	84	123	207	0	GRANT	
7586	Purchase of Computer Equipment - CLC Standards Fund	37	0	37	37	0	RCCO	
7335	Hart Primary School Fencing Works	37	2	0	2	(35)	GRANT	Scheme complete. Underspend returned to Conditions Unallocated
7355	CECA IT Infrastructure and Technology	45	3	42	45	0	GRANT	
7142	Schools General - Fire Safety Modifications (Conditions)	53	0	53	53	0	GRANT	Amount unallocated to specific Fire Safety Modification scheme
7142	Kingsley - Fire Safety Modifications	299	57	242	299	0	GRANT	Scheme ongoing
7142	Throston - Fire Safety Modifications	200	109	91	200	0	GRANT	Scheme ongoing
7474	High Tunstall 3G Pitch	547	523	24	547	0	MIX	Scheme ongoing
7476	High Tunstall MUGA	3	3	0	3	0	UDPB	Scheme Complete
7478	High Tunstall Grass Pitch	15	0	15	15	0	UDPB	Scheme delayed until 2022/23
8906	Brierton Campus Windows	62	44	18	62	0	RCCO	
7521	Two Year Old FNE Capacity Funding	23	0	23	23	0	GRANT	
8788	Universal Free School Meals	8	0	8	8	0	GRANT	
7512	Stranton Nursery - School Nurseries Capital Fund	98	98	0	98	0	GRANT	Funding received is forwarded to Stranton Academy Trust.
7494	Greatham Primary School Electrical Rewire	10	10	0	10	0	GRANT	Scheme complete
7493	Lynnfield Primary School Toilet Refurbishments	42	42	0	42	0	GRANT	Scheme complete
7507	Springwell Special School Hydrotherapy Pool & WC/Shower Area	43	43	0	43	0	GRANT	Scheme complete
7558	Clavering Primary School Roofing Works	17	17	0	17	0	GRANT	Scheme complete
7573	Fens Primary School Electrical Rewire	71	71	0	71	0	GRANT	Scheme complete
7555	Fens Primary School Roofing Works	65	65	0	65	0	GRANT	Scheme complete
7556	Golden Flatts Primary School Roofing Works	39	39	0	39	0	GRANT	Scheme complete
7557	Grange Primary School Roofing Works	28	28	0	28	0	GRANT	Scheme complete
7596	Grange Primary School Lighting Renewal	32	31	0	31	(1)	GRANT	Scheme complete. Underspend returned to Conditions Unallocated
7568	Lynnfield Primary School Boundary Wall	10	0	10	10	0	GRANT	Scheme on hold pending a feasibility study to look at other options
7569	Lynnfield Primary School DHW Boiler Renewal	21	12	9	21	0	GRANT	Scheme ongoing.
7570	Lynnfield Primary School Heating - Pipework, radiators, fan convectors, air systems	55	22	33	55	0	GRANT	Scheme ongoing.
7559	Rossmere Primary School Roofing Works	66	66	0	66	0	GRANT	Scheme complete
7562	Rossmere Primary School Electrical Rewire	69	64	0	64	(5)	GRANT	Scheme complete
7572	Springwell Special School Boiler Plant Renewal	97	97	0	97	0	GRANT	Scheme complete
7571	St Helens Primary School Boiler Renewal	96	96	0	96	0	GRANT	Scheme complete
9163	St Helens Primary School KS1 Chimney Repairs	22	1	21	22	0	GRANT	Scheme ongoing.
NEW	St Helens Primary School KS2 Chimney Repairs	29	0	29	29	0	GRANT	Scheme ongoing.
7566	Throston Primary School Heating Renewal	40	22	18	40	0	GRANT	Scheme ongoing.
9128	Throston Primary School Access Road	18	18	0	18	0	GRANT	Scheme complete
7564	High Tunstall Renew Pool Flooring	11	0	11	11	0	GRANT	Scheme slipped to 2022/23
9100	Springwell Special School Increase Capacity - Phase 1	291	291	0	291	0	GRANT	Scheme complete
9148	Springwell Special School Increase Capacity - Phase 2	369	38	331	369	0	GRANT	Scheme ongoing.
7355	CECA TVCA Grant Unallocated	31	0	31	31	0	GRANT	
9125	High Tunstall MLD Provision	55	55	0	55	0	RCCO	Scheme complete
7537	Rossmere Remodel Reception Area	28	28	0	28	0	RCCO	Scheme complete
NEW	Catcote Secondary Special School Alternative Provision 6th Form	152	0	152	152	0	GRANT	Scheme delayed, to commence 2022/23
NEW	Catcote Secondary Special School Increase Capacity & Remodelling	2,837	2,837	0	2,837	0	GRANT	Scheme complete
7399	Schools led Premises work - High Tunstall	114	114	0	114	0	RCCO	
7399	Schools led Premises work - Lynnfield	50	50	0	50	0	RCCO	
9009	Schools ICT	214	214	0	214	0	RCCO	
9004	Schools General - Conditions unallocated	35	0	76	76	41	GRANT	
9004	Schools General - Contingency	25	0	25	25	0	GRANT	
9004	Schools General - Suitability Unallocated (SEMH)	743	0	743	743	0	RCCO	This funding requires approval from Schools Forum to be spent.

9004	Schools General - Basic Need	916	0	916	916	0	GRANT	
	Total Children's and Joint Commissioning Services	9,409	5,943	3,466	9,409	0		

Key			
RCCO	Revenue Contribution towards Capital	GRANT	Grant Funded
MIX	Combination of Funding Types	CAP REC	Capital Receipt
UCPB	Unsupported Corporate Prudential Borrowing	UDPB	Unsupported Departmental Prudential Borrowing
SCE	Supported Capital Expenditure (Revenue)	CORP	Corporate Resources

CAPITAL OUTTURN REPORT PERIOD ENDING 31st March 2022

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR				Type of Financing	2021/22 COMMENTS
		A	B	C	D	E		
		2021/22 Budget £'000	2021/22 Actual as at 31/03/22 £'000	Expenditure Rephased into 2022/23 £'000	(B+C) 2021/2022 Actual plus Rephased Expenditure £'000	(D-A) 2021/22 Variance from Budget £'000		
Finance & Policy Committee								
8306	Schools - Kitchen Refurbishment	284	23	261	284	0	RCCO	Funds earmarked for replacement of equipment. Low expenditure due to the impact of the COVID pandemic.
7222	Sustainable Warmth LAD3	1,254	1	1,253	1,254	0	GRANT	Rephased expenditure reflects the profile of the delivery of the project.
7561	Green Homes Grant LAD2	222	200	22	222	0	GRANT	
Finance & Policy Committee Sub Total		1,760	224	1,536	1,760	0		
Regeneration Committee								
S106	Developers Contribution Fund	2,406	0	2,406	2,406	0	GRANT	Further details are set out in Appendix J
S106 GI	Green Infrastructure Schemes	164	24	140	164	0	GRANT	S106 contributions allocated to specific schemes - details are set out in Appendix J
Regeneration Committee Sub Total		2,570	24	2,546	2,570	0		
7272	Wheelie Bin Purchase	309	309	0	309	0	MIX	
7348	Art Gallery	10	0	10	10	0	GRANT	Grant funding from 'Tees Valley Museums' - project delayed to spring 2022.
7466	DSO Vehicle Purchase	4,601	455	4,146	4,601	0	UDPB	Rephased expenditure reflects current market conditions and the delays in the production and availability of new vehicles.
7524	Safer Streets - CCTV	33	33	0	33	0	MIX	
7878	Community Safety CCTV Upgrade	14	3	11	14	0	MIX	
9201	Reed Street Depot Relocation	400	190	210	400	0	UDPB	
8997	NIP - Unallocated	15	7	8	15	0	UCPB	Remaining balance on the Neighbourhood Investment Fund to be allocated to schemes following future approval by Members.
7246	NIP - Rossmere Park	4	4	0	4	0		Complete
7339	NIP - Seaton Park Tennis Courts	22	10	12	22	0	MIX	Funds earmarked for future provision as per grant conditions.
7344	NIP - Hindpool Close Play Area	36	0	36	36	0	UCPB	Scheme on hold.
7347	NIP - CCTV in Parks	64	4	60	64	0	UCPB	Exisiting schemes completed 2021/22, more to be planned.
7436	NIP - Stranton Cemetery Car Park	50	0	50	50	0	UCPB	Scheme on hold.
8996	NIP - Improvements to Parks	74	1	73	74	0	MIX	King George scheme is dependent on Hindpool and the finalisation of others schemes.
7437	NIP - Play Equipment Replacement	50	0	50	50	0	UCPB	Amounts set aside for the replacement of playground equipment.
7439	NIP - Off street Car Parking Balmoral Road	1	0	1	1	0	GRANT	
7440	NIP - Central Park	59	0	59	59	0	GRANT	Scheme rephased and not expected to commence until 2022/23.
7553	NIP - Seaton Bus Station Toilets	205	4	201	205	0	MIX	
7859	NIP - Borrowdale / Windermere Rd - Bikes barrier	5	4	1	5	0	GRANT	Complete
9147	NIP - CCTV in parks, Support	33	5	28	33	0	UCPB	
7547	Energy for Waste set up costs	160	160	0	160	0	MIX	
7549	LTP - ITB Other Bridge Schemes	142	0	142	142	0	GRANT	
7333	EDM Seaton Additional Car Parking	87	0	87	87	0	UDPB	
7577	EDM North NDIP Study	50	0	50	50	0	GRANT	
7900	EDM Hartlepool Marina - North Pier	80	4	76	80	0	GRANT	
7902	EDM Hartlepool Drainage Schemes	36	6	30	36	0	GRANT	
8444	EDM Town Wall Strengthening	21	0	21	21	0	GRANT	
8578	EDM Management Unit Study	28	0	28	28	0	GRANT	
8721	LTP - ITB allocation	154	0	154	154	0	MIX	
8722	LTP - SHM allocation	243	0	243	243	0	GRANT	
8958	A19, Grade Separated Junction, Elwick Bypass and Hartlepool Western Link	10,662	67	10,595	10,662	0	UDPB	Profile of expenditure is dependent on acquisition of land. Negotions are ongoing.
HIFF	Additional Highway Schemes HIFF	376	20	356	376	0	MIX	Consists of various Highways & Traffic schemes.
LTP	Local Transport Plan (LTP) Schemes	1,763	735	1,028	1,763	0	GRANT	Consists of various Highways & Traffic schemes.
7490	TVCA Wynyard Signalisation	41	41	0	41	0	GRANT	
S106	Play Schemes	122	9	113	122	0	GRANT	S106 contributions allocated to specific schemes - details are set out in Appendix J
PLAY	Parks & Playgrounds	52	0	52	52	0	GRANT	
TVCA	TVCA Cycleways and Footpath Upgrades	1,918	1,918	0	1,918	0	GRANT	
Neighbourhoods Committee Sub Total		21,920	3,989	17,931	21,920	0		
Neighbourhood & Regulatory Services Total		26,250	4,237	22,012	26,250	0		

Key

RCCO

MIX

UCPB

SCE

Revenue Contribution towards Capital

Combination of Funding Types

Unsupported Corporate Prudential Borrowing

Supported Capital Expenditure (Revenue)

GRANT

CAP REC

UDPB

CORP

Grant Funded

Capital Receipt

Unsupported Departmental Prudential Borrowing

Corporate Resources

CAPITAL OUTTURN REPORT PERIOD ENDING 31st March 2022

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR				Type of Financing	2021/22 COMMENTS
		A	B	C	D	E		
		2021/22 Budget £'000	2021/22 Actual as at 31/03/22 £'000	Expenditure Rephased into 2022/23 £'000	(B+C) 2021/2022 Actual plus Rephased Expenditure £'000	(D-A) 2021/22 Variance from Budget £'000		
7260	City Challenge Clawback	9	0	9	9	0	RCCO	As approved by Council 23/2/17 this will fund any potential write off on the City Challenge debts.
7623	Corporate IT Projects	121	0	121	121	0	MIX	
7064	Towns Fund	1,250	310	940	1,250	0	RCCO	Rephased expenditure reflects profiling of planned expenditure and development of scheme.
7066	Avondene Student Accommodation, Church Street	38	0	38	38	0	RCCO	To be held for major works.
7220	Private Sector Housing Grants	44	8	36	44	0	MIX	
7357	15 Church Street Renovation	1,075	904	171	1,075	0	MIX	
7536	SEMH Free School - Access Road	507	35	472	507	0	UDPB	
8534	Townscape Heritage Project - Church Street	285	54	231	285	0	MIX	
9130	CIP - Business Park Investment	261	9	252	261	0	UCPB	Rephased expenditure reflects profiling of planned expenditure and development of scheme.
9159	CIP - Wingfield Castle works 2022	3,001	19	2,982	3,001	0	UCPB	Rephased expenditure reflects profiling of planned expenditure and development of scheme.
9161	RML Exhibition Centre Development	3,400	0	3,400	3,400	0	GRANT	Rephased expenditure reflects profiling of planned expenditure and development of scheme.
Resources & Development Total		9,861	1,339	8,522	9,861	0		

Key

RCCO Revenue Contribution towards Capital
MIX Combination of Funding Types
UCPB Unsupported Corporate Prudential Borrowing
SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded
CAP REC Capital Receipt
UDPB Unsupported Departmental Prudential Borrowing
CORP Corporate Resources

CORPORATE

APPENDIX I

CAPITAL OUTTURN REPORT PERIOD ENDING 31st March 2022

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR				Type of Financing	2021/22 COMMENTS
		A	B	C	D	E		
		2021/22 Budget £'000	2021/22 Actual as at 31/03/22 £'000	Expenditure Rephased into 2022/23 £'000	(B+C) 2021/2022 Actual plus Rephased Expenditure £'000	(D-A) 2021/22 Variance from Budget £'000		
7035	Town Hall Replace Boilers	24	10	0	10	(14)	MIX	Underspend returned to CCF Unallocated
7036	Uncommitted CCF	160	0	226	226	66	MIX	
7041	Corporate Planned Unallocated	306	0	323	323	17	RCCO	
7065	Fire Risk Assessments	100	15	85	100	0	MIX	Scheme ongoing.
7072	Seaton Library DDA toilet	37	0	37	37	0	UDPB	Scheme on hold.
7200	Civic Centre Capital Project	73	11	62	73	0	UDPB	Scheme ongoing.
7336	Borough Hall - Upgrade Fixtures and Fittings	8	0	8	8	0	MIX	Scheme ongoing
7415	Aneurin Bevan House - Boiler Plant	19	2	0	2	(17)	CAP REC	Underspend returned to CCF Unallocated
7473	Victory Square - Conservation Work	1	1	0	1	0	CAP REC	
7591	Mill House Capital	126	0	126	126	0	MIX	
7617	Borough Hall - Lighting and Wiring	40	2	38	40	0	RCCO	Scheme on hold.
7845	Owton Manor Community Centre - Flat Coverings and Insulation	74	45	0	45	(29)	MIX	Underspend returned to CCF Unallocated
7548	Redheugh Garden War Memorial	15	15	0	15	0	RCCO	Scheme Complete
8064	Exmoor Grove - Distribution Board	9	4	5	9	0	MIX	Scheme ongoing
8970	Historic Quay Delapadation Work	97	0	97	97	0	RCCO	
9034	Carlton - Construction of a Fire Escape	42	8	34	42	0	RCCO	Scheme ongoing
9094	Sir William Gray House - Bunker & Sub Station	7	0	0	0	(7)	RCCO	Underspend returned to CPM Unallocated
9095	Middleton Grange Offices - Upgrade Lighting & Controls	47	41	0	41	(6)	RCCO	Underspend returned to CCF Unallocated
7539	Throston Youth Project - Resurface Car Park	62	0	62	62	0	RCCO	
9098	Civic Centre Drainage	10	0	0	0	(10)	RCCO	Underspend returned to CPM Unallocated
7784	Brierton Sports Centre SALIX	25	25	0	25	0	GRANT	Scheme complete
7817	Civic Centre SALIX LED Fittings	167	167	0	167	0	GRANT	Scheme complete
7815	Town Hall SALIX LED Fittings	25	25	0	25	0	GRANT	Scheme complete
7812	Masefield Centre SALIX Air Source Heat Pump	65	8	57	65	0	GRANT	Scheme ongoing
NEW	Borough Hall - Major Refurb Works	45	0	45	45	0	RCCO	Scheme on hold.
9129	Brierton Sport Centre Floor	7	7	0	7	0	RCCO	Scheme Complete
7538	Borough Hall Heating Distribution	110	110	0	110	0	RCCO	Scheme complete
9199	7 Northbrook Court	350	350	0	350	0	UDPB	Scheme complete
Finance & Policy Committee Total		2,051	846	1,205	2,051	0		

Key

RCCO	Revenue Contribution towards Capital
MIX	Combination of Funding Types
UCPB	Unsupported Corporate Prudential Borrowing
SCE	Supported Capital Expenditure (Revenue)

GRANT	Grant Funded
CAP REC	Capital Receipt
UDPB	Unsupported Departmental Prudential Borrowing
CORP	Corporate Resources

SECTION 106 DEVELOPERS CONTRIBUTIONS as at 31st March, 2022

Appendix J

	Affordable Housing Contributions *****	Cycleway	Highways	Bus Stop	Green Infrastructure	Maintenance	Play	Off Site Recreational **	Public Art	Sports	Ecological Mitigation *****	Traffic Calming	Education	Coastal	Health	Restoration Security Bond ***	Other Service Areas Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Balance Remaining (A+B-C) 1st April, 2021 *	0	40	0	0	187	35	126	60	5	145	71	15	614	8	0	100	1,406
Amounts Received in Year 2020/21 (B)																	
JCM Plant - Wynyard plots	10																0
Britmag - Mitigation & Maintenance		45						61									106
Hill Carter - England Coast Path National Trail					10												10
Abbey Hill Cottages					2												2
Thirteen Housing, Brierion Lane						20				5				14			39
Hill View, Greatham					5	5				11							26
Countryside Properties -Wynyard Park		96									19				41		157
Amounts Due in Year 2020/21 (ACCRUALS)																	
Barratts, Elwick Bypass			660							26	55		160				901
Taylor Wimpey, North Pentagon Wyntard	352	48											71				118
Beaumont, Wynyard Park	66																0
Dere Street Homes, Wynyard Woods	372												135				135
Karbon Homes, Greatham	13			15				36			3						54
Total income	813	189	660	15	16	0	25	97	0	42	84	0	366	14	41	0	1548
Sub Total - revised Balance	813	229	660	15	203	35	151	157	5	187	155	15	980	22	41	100	2,954
Actual Expenditure as at 31st March 2022 (C)																	
Council Housing - includes committed schemes	813																
Grayfields & Headland										11.5							12
Ward Jackson Park					2		5										7
Path Maintenance, Thornhill Gardens to Jesmond Gardens					1												1
Seaton		10			5		2										17
Summerhill					10		4			35							49
Public Open Space						35											35
Primary & Secondary improvements													99				99
Ecological Mitigation											6						6
Golden Flatts					5		7										12
Sub Total Expenditure	813	10	0	0	23	35	18	0	0	47	6	0	99	0	0	0	237
Forecast Committed Balance Remaining (A+B-C) 31st March, 2022 *	0	219	660	15	180	0	133	157	5	141	149	15	881	22	41	100	2,718

*Balances relate to amounts received and earmarked for purposes specified in developer agreements, but not yet transferred to a budget/scheme. However further expenditure is in the process of being planned and committed.

** To be used in vicinity of the Britmag site including but not limited to Central Park.

*** Held as security in case of any remedial action required during the operational life of the Wind Turbine.

**** All affordable housing contributions are earmarked for additional HRA houses.

***** This includes £27k for 'Dog Control orders' however if the measures are not needed then the funds are repayable.

Off Site - £60,500 Budget is included as part of Capital NIP scheme Budget Project 7440

Sports also includes contributions for Playing Pitches, Tennis Courts and Bowling Greens

FINANCE AND POLICY COMMITTEE

26 July 2022



Report of: Director of Resources and Development.

Subject: HOUSING REVENUE ACCOUNT (HRA) AND
COUNCIL HOUSING CAPITAL STRATEGIC
FINANCIAL MANAGEMENT REPORT - AS AT 31st
MARCH 2022

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

2. PURPOSE OF REPORT

2.1 The purpose of this report is to inform Members of the final outturn position of the Housing Revenue Account for the 2021/22 financial year.

3. BACKGROUND AND FINANCIAL OUTLOOK

3.1 The HRA is a ring-fenced account, separate from the General Fund with its own financial and performance issues. As the HRA continues to mature a separate report for the HRA and Council Housing capital schemes is being submitted to provide a comprehensive analysis of the forecast outturn and explanation of the significant budget variances. This report will enable the Committee to approve a strategy for addressing any financial issues and challenges facing the HRA and associated capital schemes.

3.2 An updated HRA Business Plan report was presented to Members at Council on the 24th February 2022, together with the proposed annual rent increase for 2022/23. The recommended rent increase of 4.1%, in line with the Government's current rent policy was approved. This level of income will cover expenditure and provide robustness to the HRA without the need to reduce the reserves.

3.3 The profiling and development of the capital schemes was impacted by the Covid-19 pandemic requiring expenditure to be rephased. This will be further reflected in the next HRA business plan for 2023/24 along with updates to all aspects of the HRA including stock levels, expenditure and income.

4. 2021/22 HRA OUTTURN AS AT 31st MARCH 2022

- 4.1 A summary of the HRA outturn is shown in the table below. Details of the HRA outturn are included in Appendix A.

2020/21 Outturn £000		2021/22 Budget £000	Outturn £000	Variance £000
(1,382)	Income	(1,354)	(1,318)	36
1,278	Expenditure	1,354	1,318	(36)
(104)	(Surplus) / Deficit	0	0	0
(391)	Opening Balance	(495)	(495)	0
(495)	Closing Balance	(495)	(495)	0

- 4.2 The HRA outturn and variance is breakeven. This is consistent with the budgeted and forecast position reported throughout the year.
- 4.3 Whilst the overall HRA net position at outturn is as budgeted, there are marginal variances within the income and expenditure. The shortfall in income is partly due to lower income than expected from solar panels. The void rate is slightly higher than expected and there has been delayed income due to capital programme slippage. The loss from voids has however been partly offset by rent income from the refugee programme occupying some of the void properties.
- 4.4 The expenditure savings offset the shortfall in income. This was due to lower than forecast debt management and depreciation charges as stock numbers were lower than originally forecast, as a result of the impact of the Covid-19 pandemic on the capital programme.

5. 2021/22 COUNCIL HOUSING CAPITAL OUTTURN AS AT 31st MARCH 2022

- 5.1 A summary of the outturn Council Housing Capital expenditure is shown in the table below. Details of the individual housing schemes are included in Appendix B.

Budget £000	Actual Expenditure £000	Rephased Expenditure To 2022/23 £000	Actual Plus Rephased Expenditure £000
13,776	1,932	11,844	13,776

- 5.2 The 2021/22 budget includes expenditure re-profiled from 2020/21 and subsequent capital budgets approved by Council. Whilst the capital programme has suffered delays due to the impact of the Covid-19 pandemic, 2021/22 did see development restart. During 2022/23

properties available to HRA tenants from Hill View development and new schemes are underway with Newmarket and Brenda Road Phase 1.

6. HRA RESERVE

- 6.1 The HRA Account is ring-fenced and can only be used for the purposes of the HRA. It is also the only source of funding available to fund any HRA deficits and therefore must be kept at a level which meets the needs of the HRA budget to ensure the account remains viable. Based on the outturn position shown above the reserve balance remains at £0.495m.

7. HRA PERFORMANCE INDICATORS

Council Housing Stock

- 7.1 The following table shows the current housing stock held.

	Units
Opening Balance as at 1 April 2021	307
Additions – new build acquired	3
Disposals – RTB sale	(1)
Current Stock as at 31st March 2022	309

- 7.2 Since April 2020 the council has used a combination of funding sources, including grant assistance from Homes England to purchase and refurbish a total of six properties. All Empty Homes have had refurbishment completed and are now fully let to tenants. A new programme of empty homes for 2022/23 onwards is to be devised and bids placed to Homes England to support delivery.

Void Properties

- 7.3 As of the 31st March 2022 the number of low demand voids is 23 out of 28 voids. While the voids have had an impact on the HRA income for 2021/22 it has been mitigated by utilising the properties for temporary accommodation and the re-start of the refugee programme which had been on hold due to the Covid-19 pandemic. It is anticipated that voids will return to a more standard level of around 5% in 2022/23 as a number of low demand properties will be leased to Community Campus and New walk for the Rough Sleeper Accommodation Programme. In addition to this, void turnaround times have reduced throughout the year from 289 days in Q1 to 119 days in Q4.

Percentage of Rent collected

- 7.4 The cumulative percentage of rent collected in 2021/22 is 99%; this includes payment of any arrears on account. The Council has a detailed and proactive rent recovery policy with tenants in arrears signing up to

payment plans to reduce these arrears over time. Rent arrears are being monitored closely on a monthly basis with total arrears and average arrears decreasing month on month since December 2021. The number of accounts in arrears, average arrears and total value of arrears is monitored in order to inform rent recovery policy. The level of rent arrears also relates to the increase in Universal Credit (UC) claimants and the difficulties associated with managing a UC claim and payments being made direct to tenants.

8. FINANCIAL CONSIDERATIONS

- 8.1 The financial implications are fully set out in the main body of the report.

9. OTHER CONSIDERATIONS

Risk Implications	No relevant issues
Legal Considerations	No relevant issues
Consultation	No relevant issues
Child and Family Poverty	No relevant issues
Equality and Diversity	No relevant issues
Staff Considerations	No relevant issues
Asset Management	No relevant issues
Environment, sustainability and climate change considerations	No relevant issues

10. RECOMMENDATIONS

- 10.1 It is recommended that Members note the report.

11. REASONS FOR RECOMMENDATIONS

- 11.1 To update the Finance and Policy Committee on the financial position of the HRA and progress in relation to the Council Housing Capital Programme.

12. BACKGROUND PAPERS

- 12.1 HRA Business and Asset Management Plan
Finance & Policy Committee, October 2017
- 12.2 HOUSING REVENUE ACCOUNT – FINANCIAL BUSINESS PLAN
UPDATE
Finance & Policy Committee, February 2020

- 12.3 Extraordinary Council Meeting, June 2020
- 12.4 HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN UPDATE, Council, February 2022

13. CONTACT OFFICERS

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Sign Off:-

Managing Director	<input checked="" type="checkbox"/>
Director of Resources and Development	<input checked="" type="checkbox"/>
Chief Solicitor	<input checked="" type="checkbox"/>

APPENDIX A

Housing Revenue Account for 2021/22 as at 31st March 2022

2020/21 Outturn £'000		2021/22 Budget £'000	2021/22 Outturn £'000	2021/22 Variance £'000
	Income			
(1,257)	Dwelling Rents	(1,311)	(1,291)	20
(126)	Non-dwelling Rents - Other Income	(40)	(24)	16
1	Charges for services and facilities	(3)	(3)	0
(1,382)	Income sub total	(1,354)	(1,318)	36
	Expenditure			
199	Repairs and maintenance	219	217	(2)
332	Supervision and management	375	368	(7)
33	Rents, rates, taxes and other charges	25	38	13
25	Provision for bad or doubtful debts	25	20	(5)
332	Depreciation (Major Repairs Allowance)	337	317	(20)
1	Discretionary Housing Payments	5	2	(3)
10	Debt Management costs	22	10	(12)
346	Net Interest payable	346	346	0
1,278	Expenditure sub total	1,354	1,318	(36)
(104)	HRA (Surplus) / Deficit for the year	0	0	0
	Movement on the HRA Reserve			
(391)	HRA Reserve Opening Balance	(495)	(495)	0
(104)	(Surplus)/Deficit for the year	0	0	0
(495)	HRA Reserve Closing Balance	(495)	(495)	0

COUNCIL HOUSING CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2022

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR				Type of Financing	
		A	B	C	D	E		
		2021/22 Budget £'000	2021/22 Actual as at 31/03/22 £'000	Expenditure Rephased into 2022/23 £'000	(B+C) 2021/22 Actual Plus Rephased Expenditure £'000	(D-A) 2021/22 Variance from Budget £'000		
7182	Council Housing - Empty Properties Phase 3	2,332	103	2,229	2,332	0	MIX	Funding approvals for future purchases, delayed due to Covid pandemic.
7450	Council Housing - Hill View, Greatham	2,133	1,569	564	2,133	0	MIX	Scheme will complete in 2022/23.
7534	Council Housing - Newmarket, Lynne Street Housing (BHF)	6,510	213	6,297	6,510	0	MIX	Scheme to be re-profiled over the next two years and full completion expected towards the end of 2023/24
7620	Council Housing - Brenda Road Phase 1	2,094	32	2,062	2,094	0	MIX	Scheme commenced at the end of 2021/22. The £2m rephased budget is profiled over the next 12-18 months with the 18 units expected to be available to let in 2023/24
8106	Council Housing - New Build	693	1	692	693	0	MIX	Funding approvals for future development opportunities.
8799	Council Housing - Major Repairs	14	14	0	14	0	RESERVES	
	Council Housing	13,776	1,932	11,844	13,776	0		

FINANCE AND POLICY COMMITTEE

26 July 2022



Report of: Director of Resources and Development

Subject: WATERFRONT REGENERATION PROGRAMME
BUSINESS CASE

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key decision - in accordance with Article 11.3 (f) of the Constitution i.e. a decision which is a direct consequence of implementing a previous key decision.

2. PURPOSE OF REPORT

- 2.1 To seek approval of the attached Waterfront Programme Outline Business Case prior to submitting it to the Tees Valley Combined Authority (TVCA) to secure the Local Growth Funding, previously allocated to the Council's Waterfront Capital Programme and provide assurance to TVCA on projects with Indigenous Growth Fund allocations as delegated from Full Council on the 19 December 2019 as part of the Budget and Policy Framework decision regarding the Authority's Medium Term Financial Strategy.

3. BACKGROUND

- 3.1 In October 2017 an Expression of Interest (EOI) in applying for £17,712,000 of Local Growth Funding from the TVCA was accepted. TVCA provided an initial development funding loan of £680,000 from this total fund to allow HBC to develop a Business Case and early project development (up to planning consent stage) for a Waterfront regeneration programme. The agreed objective was to develop a landmark visitor destination at Hartlepool Marina, utilising Jackson landing incorporating the National Museum of the Royal Navy Hartlepool and Museum of Hartlepool Museum complex.
- 3.2 The EOI agreement was an invitation to return an Outline Business Case once projects were clearly defined and allocations of funding to projects identified with suitable evidence to support allocations.

- 3.3 In January 2020 Finance and Policy Committee confirmed how the £17,712,000 would be allocated across seven projects in the Waterfront Programme and identified allocations of additional funding from various sources where required. The Committee also agreed the allocation of the TVCA Indigenous Growth Fund (£10m total) allocated to HBC projects by TVCA. This IGF funding was allocated across eight capital projects including a number of the Waterfront Projects as match funding.
- 3.4 In July 2019 Regeneration Services Committee endorsed the use of the TVCA IGF funding to deliver the Waterfront Events Space and Business Park Investment projects. The allocation of this external grant funding would ensure that these costs did not impact on the Council revenue or capital budgets, or Council Tax. Members also endorsed that prior to any business cases being developed, approval be sought from Finance and Policy Committee on a full programme of projects to be funded from the IGF funding, and subsequent detailed business cases will be considered by the committee (now Economic Growth and Regeneration Committee).
- 3.5 The attached Outline Business Case meets the information requirement of TVCA to secure Local Growth Funding in relation to the Waterfront programme and provide assurance on Indigenous Growth Fund allocations to projects.
- 3.6 Following this, HBC will then be required to submit individual Full Business Cases in order to draw down funding.

4. PROGRESS UPDATE

4.1 Strategic Case

The Business Case establishes a strong strategic case and that the range of policies and redevelopment plans in the Programme are consistent in their determination to regenerate Hartlepool and make best use of the available assets for visitors and residents. Using tourism-led regeneration requires investment in the projects within this programme, which are further magnified by complementary wider investments. The range of interventions that are required and proposed is demonstrated in the assessment of need. All the projects within the programme contribute to this regeneration and are demonstrated in TVCA and HBC's strategic plans, such as the Council Plan, Economic Growth Strategy, Town Investment Plan and Town Centre Masterplan.

4.2 Economic Case

The Business Case sets out a clear economic case for investment, and establishes that the preferred option is a programme of cultural, leisure and tourism investments that deliver clear economic value. With a programme cost of £44.4m, the business case clearly demonstrates through evidence analysis that the benefits (i.e. additional spend from visitors with cautious growth in visitor numbers and spend) achieved over 5 years from 2024 –

2028 would be a value of £121,384,257 to the local economy. The economic case also shows a Net Present Social Value of £80,178,310 and a positive Benefit Cost Ratio (BCR) of 2.95:1. Net Present Social Value is the quantifiable financial benefits associated with increased life satisfaction of people who would otherwise be unemployed being able to obtain employment as a result of delivering the Waterfront Programme. Economic analysis demonstrates that re-entering the labour market (i.e. moving from unemployment to employment) increases people's positive well-being which has a monetary value of c. £6k per year (over and above any financial benefit linked to wages/salary).

4.3 Commercial Case

The Business Case confirms there is a satisfactory commercial case. The range of projects making up the Waterfront Programme will be assessed individually using the Call-off form to capture all the relevant project information required to create a deliverable project and enable full TVCA appraisal. The Programme as a whole, and all the projects within it, are led by Hartlepool Borough Council (HBC), and delivered by the organisation with the relevant expertise to each project. As the public sector is funding the investment, and the funding flows via HBC, the procurement will follow public sector procurement regulations. HBC has experienced and dedicated contract management capacity to deliver effective contract management.

4.4 Financial Case

As set out in the Business Case, the programme will be funded in the main by TVCA Capital Fund and Indigenous Growth Fund. Additional funding will be provided by HBC Prudential Borrowing and the Arts Council. A funding strategy is currently in development to prepare applications to other funders. Each project will outline in its Call off form the capital costs and expenditure profile; each project will also provide forecasts of revenue generation to evidence sustainability of the asset, and deliverability of outputs and impacts. The projects will then be summarised into the overall programme.

4.5 Management case

The Business case demonstrates the management case for governance of the programme. The Programme Management Framework sets out the process to be followed to make funding and change decisions. The funding will be provided to HBC under a grant agreement, with the Council responsible for delivering the programme of activities and the successful achievement of agreed outcomes. The business case sets out our clear governance process which will be applied at programme level, and to each individual project within the programme.

5. RISK IMPLICATIONS

- 5.1 There are a number of risks associated with the programme and Business Case however these are entirely reasonable given the ambition and scale of the programme. All risks identified have been clearly set out on page 41 of Appendix 1, and many of these will be familiar across any capital project or programme at present. They include cost uncertainty, supply shortages in materials and workforce, disruption to supply chains, greater cost certainty required at design stage, and the requirement to match fund elements with reliance on other funding sources being successful.
- 5.2 At project and programme level, risks will be managed by monitoring and mitigation. Each project will have a Risk Register which will be provided at the Project Call Off stage and reviewed as set out in the Project Execution Plan, appropriate to the level of risk present in the project.

6. FINANCIAL CONSIDERATIONS

- 6.1 As set out on page 40 of Appendix 1, the Council have allocated indicative funding amounts against each individual scheme, with the Business Case noting that these are based as cost estimates at present as each scheme is yet to be worked up into full design. As scheme design is completed on each project in due course, final costs will then be presented to Finance and Policy Committee. As noted in section 5.1, cost uncertainty is likely to continue across capital projects due to changes in the labour market and general trading conditions resulting from Brexit and COVID 19 disrupting supply chains, and therefore confirmed cost plans will be presented to Committee for each individual project as these develop.

7. CONSULTATION

- 7.1 Delivery stakeholders are managed through the Waterfront Partnership group and the individual projects. Project Execution Plan's for each element of the programme will include Marketing & Communication plans for individual projects at call off stage and clearly set out strong consultation plans. The management of stakeholders outside of the projects and the communication planning for engage these will be part of the Marketing Strategy which will be an output of the Destination Management Plan

8. EQUALITY AND DIVERSITY CONSIDERATIONS

- 8.1 Consideration of equality and diversity and an E&D Impact Assessment will be undertaken by the Project Manager for each project across the Waterfront Programme and presented alongside the projects Full Business Case as they are developed. This allows Equality and Diversity impacts to be more fully assessed and understood at project level and provides a named lead

officer for E&D for individual schemes. The Waterfront Programme Co-ordinator will then collate all E&D impacts across the entire programme.

9. ASSET MANAGEMENT CONSIDERATIONS

- 9.1 After the capital elements of the individual projects are completed, ownership of the assets and its management will revert to HBC or the NMRN. For clarity, the detail of each of these is provided on page 48 of Appendix 1.

10. OTHER CONSIDERATIONS

CHILD AND FAMILY POVERTY	None
LEGAL CONSIDERATIONS	None
STAFF CONSIDERATIONS	None
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	Consideration of the impact on Climate Change and Net Zero will be undertaken by the Project Manager for each project across the Waterfront Programme and presented alongside the projects Full Business Case as they are developed. This allows emissions and impact on Net Zero to be more fully assessed and understood at project level and the newly appointed Net Zero Officer will then collate all climate change impacts across the entire programme.

11. RECOMMENDATIONS

- 11.1 It is recommended that the Finance and Policy Committee approve the attached outline business case for the Waterfront Regeneration programme and recommend it to be submitted to TVCA

12. REASONS FOR RECOMMENDATIONS

- 12.1 The attached Outline Business Case meets the information requirement of TVCA to secure Local Growth Funding and provide assurance on Indigenous Growth Fund allocations to projects.

- 12.2 HBC will be required to submit Full Business Cases (detailed project information) to F & P Committee for each individual project.

13. BACKGROUND PAPERS

Regeneration Services Committee – 24/7/2019

Full Council Minutes – 19/12/2019

Finance and Policy Committee Report and Minutes – 30/1/2020

14. CONTACT OFFICERS

Beverley Bearne

Assistant Director – Development and Growth

beverley.bearne@hartlepool.gov.uk

Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor





TEES VALLEY
COMBINED
AUTHORITY

TEES VALLEY MAYOR

DRAFT

RESTRICTED: BUSINESS CASE

FOR TVCA USE ONLY – INITIAL GATEWAY CHECK	
TVCA Reference Number	TV0045
Programme / Project Name	Hartlepool Waterfront
TVCA Group Company / Directorate	HBC with support from TVCA Development & Delivery
TVCA Cabinet Allocation Amount	£20m Capital Fund: £10m IGF:
Cabinet Decision reference & date	TVCA 57/18 Investment Plan 24/1/19
Change required from SOBC to FBC?	Programme approach, aligned call off approach for Priority & IGF funding
Strategic Theme this project contributes to	Culture / Tourism / Place
Investment Plan KPI this project delivers	Regeneration, jobs, growth
Mayoral / Corporate Policy fit	Yes
Subsidy Control ruling applied	Overall regen fits within principles; each call off to consider specifics particularly in funding NMRN
Outline Stakeholder Management Plan?	HBC programme management
Contractual structure eg JV, partnership	HBC partnership (for part) with NMRN, MoU in place
Date of receipt of completed application	
Priority Project?	Y
Form signed	
PROJECT DEVELOPMENT INITIATION DECLARATION	
I declare that the proposed programme / project referred to above has received the appropriate authorisation to proceed into Business Case Development. I declare I have considered the roles and responsibilities of the internal team members and external advisors appointed to develop the project further, and confirm they present no conflict of interest.	
Group Commercial Director Signature:	

TVCA DISCLAIMER
Submitted Business Cases are subject to TVCA's appraisal process including appropriate due diligence. Following this process, a decision to fund or not will be made under the Local Assurance Framework.
There should be no expectation of funding assistance unless and until both parties sign a Funding Agreement. All the project sponsor's costs and charges incurred in making this Business Case shall be for the project sponsor's account and cannot be claimed as part of the Programme / Project

FOR DEVELOPMENT USE ONLY: VERSION CONTROL				
Date	Version No	Section Ref	Summary of Significant Change	Initials
Mar 21			Initial development draft	KP

Jul 21			Review to structure programme	ELH
Aug 21			Collate info sources	KP
Oct 21		Strategic	Edit info sources	ELH
May 22			Review and incorporate HBC feedback, update logic model	ELH

PROJECT SPONSOR DETAILS

Lead Organisation:	Hartlepool Borough Council
Registered Address:	Civic Centre, Victoria Road, Hartlepool TS24 8AY
Type of Organisation:	Local Authority
Date of Formation:	
Company Registration Number:	
VAT Registration Number:	
Are you part of a group of companies?	No
If so, who is the parent company?	N/A
Lead Sponsor: name	Bev Bearne
Lead Sponsor: telephone number	07769 239611
Lead Sponsor: email address	Beverley.Bearne@hartlepool.gov.uk
Lead Sponsor: position in organisation	Assistant Director of Development and Growth
Contact address if different from above:	As above
Project Manager: name	Kate Percival
Project Manager: telephone number	07736 279482
Project Manager: email address	Kate.percival@hartlepool.gov.uk
Project Manager: position in organisation:	Senior Regeneration Officer
Contact address if different from above:	As above

PUBLICITY STATEMENT

Hartlepool suffers from the negative perception of a place in decline. This programme of activities seeks to create a critical mass of investments to address this perception.

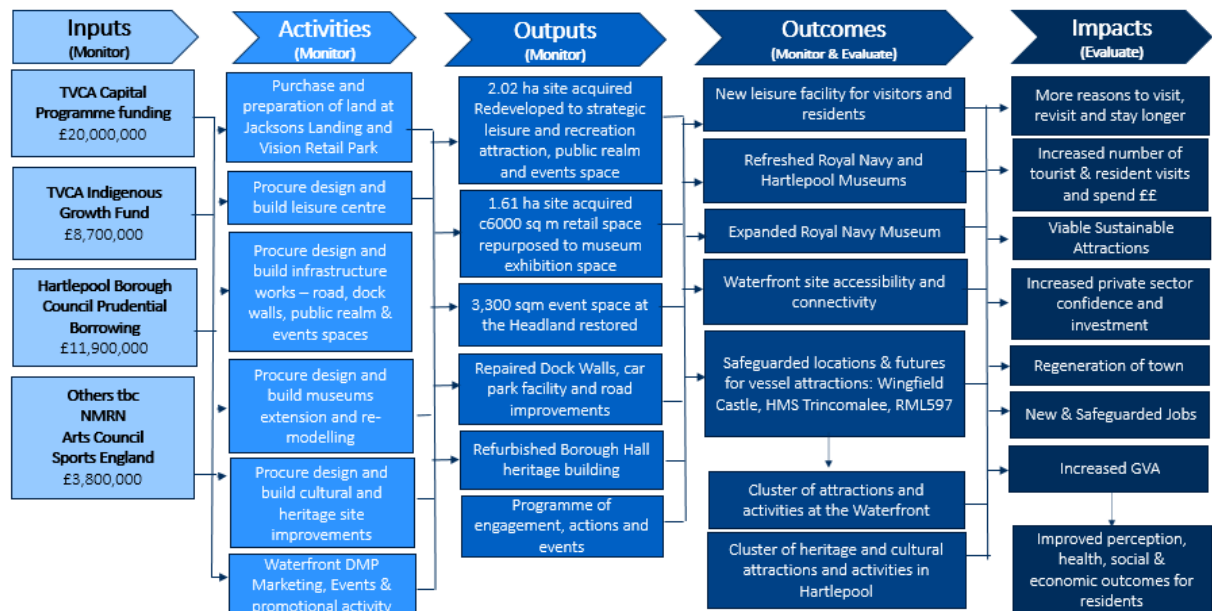
The regeneration and redevelopment activities in Hartlepool, funded in part by TVCA via this business case will improve the attractiveness of the town. By stimulating the cultural, heritage and leisure offer, investing in physical infrastructure, will create a leisure destination with a range of activities and places to visit. This, combined with profile raising activity of what is on offer, will give a range of reasons for people to visit and revisit the town.

Projects that make up this £44.4million programme of Leisure, Cultural & Heritage investments are:

- The purchase of redundant land at Jacksons Landing to remediate and provide the site for
- The Waterfront Strategic Leisure Attraction comprising leisure services and water play, as well as supporting water-based activities and events via the marina
- Improved Public Realm and Waterfront Event Space
- Supported by enabling Infrastructure Works to improve access and road safety.
- In the marina area the stabilisation of the quay wall
- Sustainability plans for the future for the Wingfield Castle vessel
- Replacement of the Dam Board in the marina to safeguard the home of the Trincomalee vessel and attraction and restore a working dry dock
- National Museum of the Royal Navy (NMRN) new exhibition space to house the RML497 vessel
- The refitting of the William Gray building
- Refurbish the Museum of Hartlepool at the Waterfront.
- Underpinning infrastructure works to safeguard and restore the Headland Community Events space
- Refurbishment and regeneration of the Borough Hall to create a sustainable venue

Benefits generated, from increasing visitor number volumes combined with longer dwell time and therefore incremental spend, over 5 years delivers an additional £145m to the local economy.

The programme can be effectively summarised into the following logic model:



EXECUTIVE SUMMARY

TVCA Ref:	TV0045 Hartlepool Waterfront
Programme / Project Name:	Hartlepool Waterfront & Cultural Investment Programme
Location: (delete as appropriate)	Hartlepool
Total Programme / Project Cost:	44,400,000
TVCA funding requested: £	14,357,000 Avail Capital Programme 1,563,000 Repay't of Growing Places adv 3,400,000 Advance to secure Vision Retail <u>680.000</u> Advanced Dev't Funding <u>20,000,000</u> Capital Programme <u>8,700,000</u> Indigenous Growth Fund
Total of other funding sources: £	11,900,000 (Prudential Borrowing HBC) 3,800,000 (HMT & Arts Council Borough Hall, other tbc) <u>15,700,000</u> Total Other
1. Hartlepool's location and history endows a range of physical and institutional assets which would be the envy of many bigger towns and cities. It has nationally important strategic power and port infrastructure; it is the home of skills institutions providing specialist training and education for example in Film, TV & Theatre production at the Northern School of Art and training in aerospace engineering at Hartlepool College; it hosts centres of innovation and	

entrepreneurship in creative and productive industries and has natural and heritage assets to match any of the East Coast's historic town.

2. However, there is a negative perception of Hartlepool as a place in decline. A lack of investment to support necessary structural economic change in previous years has resulted in it being considered a poor place. This detracts from its desirability as a place to live and visit. The perception perpetuates the decline of the area. This leads to a lack of confidence from businesses, who choose not to invest in the area. Premises are left empty, and there are not enough jobs created for the people who live there. This means the vicious circle of decline continues, as the internal and external perception is self-fulfilling.
3. Addressing this perception by investing in the regeneration and redevelopment of Hartlepool will improve the attractiveness of the town. By stimulating the cultural, heritage and leisure offer, investing in physical infrastructure, creating a leisure destination with a range of activities and places to visit, along with profile raising activity of what is on offer, will give a range of reasons for people to visit and revisit the town.
4. This will build confidence in the business community who will seize opportunity and invest - setting up businesses, seeking premises and creating jobs. This will create a more vibrant town, regenerate unused land and provide new uses for vacant premises. The increased visits from local residents and tourists, will increase money spent in the town, create more jobs and stimulate growth, to begin to turn around the fortunes of the area.

The Hartlepool Town Investment Plan Vision:

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

5. To attract visitors, and build business confidence, a critical mass of attractions is needed to create: 'a well-connected, vibrant and liveable waterfront market town moving Hartlepool towards a future of leisure, living and learning'. This requires transformational change and economic growth for the town centre of Hartlepool, ensuring the urban core is fit for the future and creates a liveable town and desirable visitor destination. The masterplan for the town is articulated in the Town Investment Plan (TIP) which is featured in the Towns Deal application. The activities and projects in the TIP complement this Waterfront Programme to achieve 'a compact, consolidated, and connected town centre... create a new Heart of Hartlepool and Connect the Heart and the Waterfront'.¹
6. This Waterfront Programme business case brings together a range of leisure, cultural and heritage projects which together contribute to the critical mass required to begin to overcome the negative perception. The wider portfolio of existing and future planned investments for the town complements this activity.
7. The area of the Waterfront will be re-energised, comprising a destination leisure facility surrounded by public realm and events space providing the scene for a variety of activities.
8. The cultural offer will be enhanced with an expanded National Museum of the Royal Navy, which will host new exhibitions and interactive restoration. Within the town, important and

¹ [Welcome to the Hartlepool Town Deal Homepage | Hartlepool Borough Council](#)

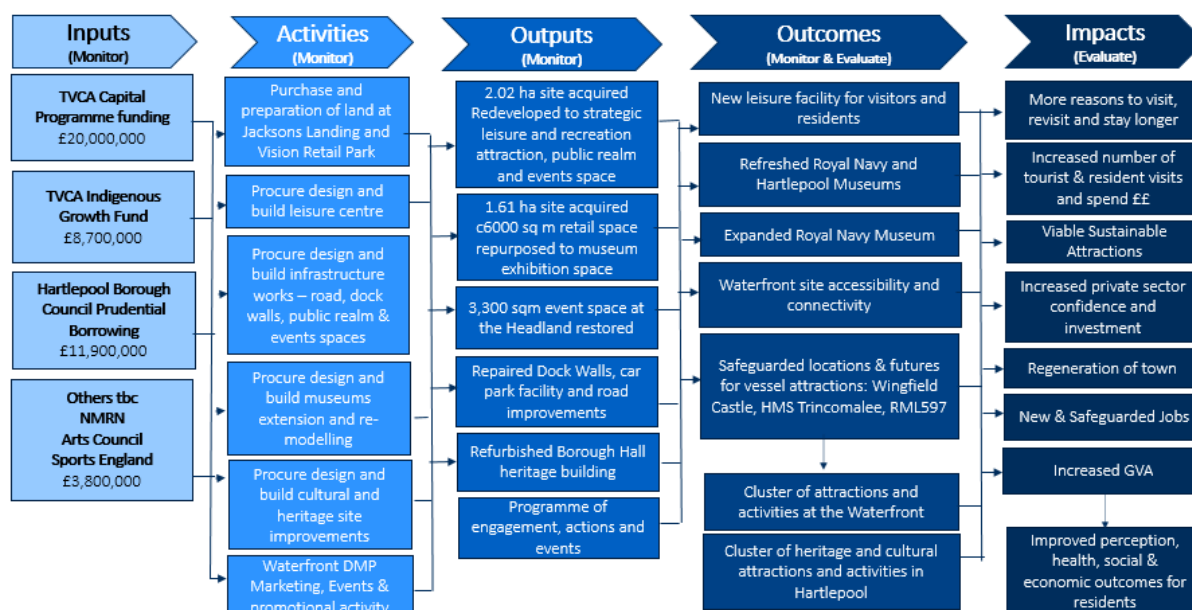
historic events venues will be restored and improved which will add to Hartlepool's cultural and heritage assets.

9. The combination of leisure, cultural and heritage investments will provide the visitor with more reasons to visit and the resident a better place to live; add this to the large-scale investments proposed in the town centre to re-establish a heart which is connected to the Waterfront, will enable an improved sense of place, pride and prosperity.
10. Projects that make up this £44.4million programme of Leisure, Cultural & Heritage investments are:
 - The purchase of redundant land at Jacksons Landing to remediate and provide the site for
 - The Waterfront Strategic Leisure Attraction comprising leisure services and water play, as well as supporting water-based activities and events via the marina
 - Improved Public Realm and Waterfront Event Space
 - Supported by enabling Infrastructure Works to improve access and road safety.
 - In the marina area the stabilisation of the quay wall
 - Sustainability plans for the future for the Wingfield Castle vessel
 - Replacement of the Dam Board in the marina to safeguard the home of the Trincomalee vessel and attraction and restore a working dry dock
 - National Museum of the Royal Navy (NMRN) new exhibition space to house the RML497 vessel
 - The refitting of the William Gray building
 - Refurbish the Museum of Hartlepool at the Waterfront.
 - Underpinning infrastructure works to safeguard and restore the Headland Community Events space
 - Refurbishment and regeneration of the Borough Hall to create a sustainable venue
11. In addition, the town centre has already benefited from investments which include regeneration of Church Street and providing new uses for existing buildings. These have created a new arts and business centre, the BIS, in the historic post office building, expanded the Northern School of Art and created a Film Studio. The Film Studio asset is key to the development work that TVCA are leading on with Northern Film and Media to take advantage of growth in the Screen Industry. This project is to build capacity in the area and be ready to exploit opportunities from the BBC and other production companies who are increasing the filming and production work they do in the north.
12. A town centre brownfield site at Lynn Street is being brought into use, with the support of the Brownfield Housing Fund, this will create 48 new affordable family homes in a previously blighted undesirable area, and provide links between existing housing, college facilities and the town centre. Connectivity and transport improvements plans are in the pipeline – the reopening of the second platform at the station, and intra town connectivity for pedestrians and cyclists is in development.
13. A tried and tested methodology to provide a better place for residents and to attract visitors to a town is set out in the government's Tourism Deal. This model uses tourism as a basis for regeneration. It brings together key elements of infrastructure, businesses, skills, connectivity, accessibility, attractions and offer, community, and destination management. Why this is an appropriate methodology and how this can be applied to benefit Hartlepool is explained in detail in the Assessment of Need section, 1.4, below.

14. The 2021 TIP recognises the value of visitor expenditure to the area and sets out a desire to increase the number and share of higher-value overnight visitors from the current 12%. To do this requires investment to making Hartlepool work better as a destination and connecting attractions, with overnight accommodation and the redefined 'heart' of the town. The TIP includes the Wesley Chapel project to increase capacity for overnight visitors, however, the majority (88%) of visitors to Hartlepool are day visitors who spent £200million in 2019 (pre pandemic).
15. The analysis of data in the Economics Case, Section 2, of this programme business case, shows that increasing the dwell time for each visitor through broadening the range of activities available will increase the propensity for additional spend. For example, growing the number of day visitor numbers by a small percentage, who each spend an additional couple of pounds, could result in generating additional spend in the town which would return double the £44m proposed investment within 5 years. This benefit is further magnified if the wider array of attractions increases the number of overnight stays in Hartlepool or the Tees Valley region. These incremental increases in visitor numbers and spend evidences the importance of overcoming the missing market for tourism in the town and show that growing the dwell time of visitors justifies the investment in improving facilities and the offer for visitors.
16. The Tees Valley Destination Management Plan (TVDMP) provides a framework for the development, promotion, and sustainable growth of the region as a destination is unified around water - the River Tees and North Sea. The plan identifies six strategic growth priorities based on current strengths and market potential. These are:
 - Sport & Activity Hubs
 - Culture & Events
 - Strengthen existing experiences
 - Family experiences
 - Towns and Destinations
 - Sustainable Tourism.
17. The range of development activities within the Waterfront Programme hit all these priorities, and, when also considering the wider complementary projects, seek to address the weaknesses identified in the current offer, namely, gaps in contemporary accommodation provision, and poor quality of town centres.
18. The TVDMP outlines the target markets that can be exploited to increase visitor numbers to the area. The primary market segments of visitors we seek to attract are Fun in the Sun Families, Adventure Seekers, and Engaged Sightseers. The current strengths above appeal to these groups and through market development an increased awareness of what is on offer will attract more visitors.
19. The following HM Treasury Green Book compliant business case evidences how this programme strategically fits with the HBC growth ambitions for Hartlepool town within the TVCA strategic economic plan and central government's Levelling Up agenda. The Economic analysis identifies the preferred option to deliver the outcomes required. The Programme Management Framework sets out how decision making is governed, and the call

off process allows for the constituent projects to be developed out in phases. Each call off under the Framework will provide detailed commercial, financial and management case information relevant to the delivery of each project to achieve defined outputs, whilst demonstrating contribution to the overall programme outcomes.

20. The programme is grant funded from TVCA's £20m capital allocation for priority project and draws £8.7m in grants from TVCA's Indigenous Growth Fund allocation. This is supplemented by Hartlepool Borough Council's prudential borrowing from the Public Works Loan Board and further funding to be sought from external bodies such as the Arts Council and Sports England for specific aspects.



21. The analysis in the economic case calculates that the preferred option, as set out above, at a cost of £44.4m delivers benefits of additional spend from the additional visitors over 5 years of £145m.
22. The cluster of available activities encourages more visitors, who dwell a little longer. An incremental additional spend on average of 10% (10% per day visitor is £2.80 – the price of a cup of coffee) delivers a significant return on investment. After discounting the Net Present Cost is £41.2, Net Present Benefit £121m, achieving a Benefit to Cost Ratio of 2.95:1
23. Work has been undertaken already to acquire redundant land at Jacksons Landing (for the leisure centre) and empty retail units (for the NMRN expansion). Infrastructure works are expected to commence late 2022, with the scheme complete by the end of 2024

Key Milestone Description	Expected Completion Date
Business Case / Funding Call off for Wingfield Castle	30/01/2023
Wingfield Castle dock works start	01/10/2022
Infrastructure Project complete	30/11/2022
Leisure Centre Construction start	01/12/2022
Wingfield Castle dock works completion	TBC
Event Space and Public Realm complete	31/12/2024
Leisure Centre construction complete	31/12/2024
NMRN expansion complete	TBC

NMRN refurbishment complete	TBC
<p>24. The programme of activity will be coordinated by Hartlepool Borough Council. Infrastructure projects such as the leisure centre, public realm, and involving buildings currently owned and operated by the council will be delivered by the council. Projects at the NMRN museum will be delivered by the NMRM.</p> <p>25. Significant macro risks remain from the shortage of inputs as well as inflation combining to increase costs. This impacts at a programme level, there is a risk that cost increases reduces the cost to benefit ratio.</p> <p>26. Within the programme, risks remain within project level where the projects are still in development. Total capital costs are not confirmed, so gaps remain in funding which are yet to be resolved. Operating costs for the delivered capital projects and evidence of sustainability are still to be confirmed.</p> <p>27. The delivery of the programme will be overseen by a Waterfront Programme Coordinator at Hartlepool BC with the oversight of TVCA on the programme board and project steering groups. This involvement will drive forward the delivery of the programme, monitoring and mitigating risk, and setting up management information to measure and monitor the benefits arising from the programme. After the capital elements of the projects are completed, ownership of the assets and its management will revert to HBC or the NMRN; the ongoing destination marketing, events and activities, operation of the sites will be overseen by HBC to capture the benefits from the programme of investment.</p>	

CASE 1: STRATEGIC CASE

Key Messages:

- The range of policies and redevelopment plans are consistent in their determination to regenerate Hartlepool and make best use of the available assets for visitors and residents.
- Using tourism led regeneration requires investment in the projects within this programme, which are further magnified by complementary wider investments.
- The range of interventions that are required is demonstrated in the assessment of need section which follows.
- All the projects within the programme contribute to this regeneration and are listed in TVCA and HBC's strategic plans.

1.1 Strategic fit with Sponsor Organisation's Strategic or Local Plans

Name of Plan / Strategy / Programme	Summarise the relevant sections, and describe how this Programme / Project fits
Hartlepool Borough Council Draft Plan 21/22 – 23/24	<p>The vision: Hartlepool will be a place:</p> <ul style="list-style-type: none"> • Where people are enabled to live healthy, independent and prosperous lives • Where those who are vulnerable will be safe and protected from harm • Of resilient and resourceful communities with opportunities for all • With a Council that is ambitious, fit for purpose and reflects the diversity of its community • That has an inclusive and growing economy • That is sustainable, clean, safe and green <p>The investments listed in the plan to deliver the vision includes the leisure centre project and the redevelopment of the derelict land at the waterfront, the subjects of this business case.</p>
Hartlepool Borough Council Economic Growth Strategy 2019-2021	<p>Three masts of Hartlepool's new economy:</p> <ul style="list-style-type: none"> • Creative Hartlepool • Productive Hartlepool • Connected Hartlepool <p>Relevant headline outcomes to be achieved as a result of the strategy are to:</p> <ul style="list-style-type: none"> • Become a magnet town for visitors, creative learners, innovative businesses and investment partners; • Widen Hartlepool's economic footprint; • Maintain Local Plan growth trajectories; and • Maximise Hartlepool's contribution to the Tees Valley economy. <p>Projects within this programme contribute to the magnetism of the town.</p> <p>The updated Economic Growth Strategy is in development</p>
Hartlepool Regeneration Masterplan 2021	<p>20-year vision for rediscovering Hartlepool as: <i>'A well-connected vibrant and liveable waterfront market town'</i></p> <p>The masterplan outlines a programme of transformative interventions that will reassert the town centre as the heart of the town and address the</p>

	<p>disconnection between the town centre and the Marina and waterfront, a critical connection that will driving change and increased investment in these key areas.</p> <p>Two of the projects specified within the plan are the subject of this business case, the other 5 expand and complement</p>
Hartlepool Towns Investment Plan 2020	<p>The Town Deal Board that developed the Town Investment Plan agreed a vision for Hartlepool in 20 years' time:</p> <ul style="list-style-type: none"> • an inclusive, proud and productive town where aspiration and creativity are valued • a town which supports and welcomes visitors, learners and innovation businesses • where people are inspired and enabled to get more out of their work and investment • a town which promotes itself with pride and makes its mark in the wider world.
Hartlepool Cultural Strategy 2022: Our Hartlepool, Our Stories, Our (Creative) Business	<p>The strategy sets out a shared vision and priorities for culture and creativity in Hartlepool intended to inform the work of anyone active in creativity and culture in Hartlepool. This is to be delivered through a partnership approach across the Borough.</p> <p><i>Strategic Aim 1 is to Build on our people and our communities and what they love about Hartlepool stories and imaginations, the many ways they identify with the town, its heritage and its future, its landscapes and coast and cultural facilities.</i></p> <p>Indicative activity described to deliver this demonstrates how the Waterfront Programme and investment in cultural assets will support the delivery of this strategy and the impact it will contribute to the Cultural growth of the town :</p> <ul style="list-style-type: none"> • Plan a series of year-round activities that draw people actively into the environmental and physical assets/landscapes of Hartlepool's towns, villages and beaches, exploring the contemporary nature of the maritime heritage, with Council, creatives and voluntary sectors collaborating • Establish the new Waterfront attractions so they flourish financially and are valued by local people <p>Long-term impact</p> <ul style="list-style-type: none"> • Even deeper sense of local identities across the Borough and the many stories of heritage, history and future • Positive attention changes negative narratives about Hartlepool • People feel deeper, positive sense of ownership of where they live and work • More pro-social behaviour, increased well-being
Hartlepool Destination Management Strategy 2021-2026	<p>See Appendix for more details of this emerging strategic document for the Waterfront and Marina. internal document.</p> <p>The document is in development, the outline shows that it will apply the principles and aims of tourism led development as recommended by Visit Britain.</p>
1.2 Strategic fit with National and Regional Policy / Strategy Documentation	

Name of Strategy	Summarise relevant strategy and explain how the Programme / Project aligns
TVCA Strategic Economic Plan 2016-2026	<p>This plan sets out priorities to diversify and accelerate growth in the local economy.</p> <p>The programme supports Place, Culture and Tourism themes by creating a tourism focal point in the town, utilising and releasing brownfield land, whilst making the Marina and town a more attractive prospect for future private sector investment.</p>
TVCA Investment Plan 2019-2029	<p>The projects are listed in the investment plan to deliver the Strategic Economic Plan</p>
Tees Valley Destination Management Plan 2021-2026 (due to be published March 2022)	<p>The Tees Valley Destination Management Plan (TVDMP) Framework is a guide to the development, promotion and sustainable growth of the visitor economy in the Tees Valley. The Vision here articulates where the Tees Valley is, where it wants to be and how to get there.</p> <p>The TVDMP identifies 6 strategic growth priorities:</p> <ul style="list-style-type: none"> • Sport & Activity Hubs • Culture & Events • Strengthen existing experiences • Family experiences • Towns & Destinations • Sustainable Tourism <p>The Hartlepool Waterfront Programme aligns against all six priorities</p>
UK Industrial Strategy: Tourism Sector Deal 2019	<p>The Tourism Sector Deal sets out how the government and industry will work in partnership to boost productivity, develop the skills of the UK workforce and support destinations to enhance their visitor offer.</p> <p>HBC are making significant investment in their attractions through this programme which when combined with other key ingredients enable tourism led regeneration described below.</p>
House of Lords – Select Committee on Regenerating Seaside Towns and Communities April 2019	<p>Distinguishing factors of seaside towns in decline is the combination of industrial decline and geography. Their location on the periphery of the country places them on the periphery of the economy, bringing consequential social problems. This combination of challenges warrants dedicated attention and support.</p> <p>The report made several conclusions including:</p> <ul style="list-style-type: none"> • That the restoration and enhancement of the public realm and of cultural heritage assets through capital investment is of paramount importance in supporting the wider economy in seaside towns <p>The investments within the programme apply the House of Lords recommendations as a way to rejuvenate the town.</p>
1.3 Conclusion: Summarise overall strategic fit and importance to Tees Valley	
28.	Full details of the local, regional and national strategies that this programme aligns with and delivers the objectives of, are found in Appendix 1 Strategic Overview.
29.	Summary and conclusions:

The range of policies and redevelopment plans are consistent in their determination to regenerate Hartlepool and make best use of the available assets for visitors and residents. Using tourism led regeneration requires investment in the projects within this programme, which are further magnified by complementary wider investments. The range of interventions that are required is demonstrated in the assessment of need section which follows. All the projects within the programme contribute to this regeneration and are listed in TVCA and HBC's strategic plans.

30. The publicly available documents (hyperlinked) above provide the high-level strategic direction. HBC's emerging Cultural Strategy Document, and Waterfront Destination Management Plan will animate and promote the cultural and heritage assets created by this programme.
- The combination of activities are important to the Tees Valley contributes to delivering TVCA's strategic economic impacts. To do this a strengthened tourism offer which enables growth in the leisure and tourism economy by Providing a place with more reasons to visit and revisit, and stay longer
 - Encourages increased numbers of tourist and resident visits and therefore increased spend
 - Creates viable sustainable attractions and tourism businesses
 - Increases private sector confidence in the local area and therefore investment
 - Regeneration of the town
 - New jobs created and existing ones safeguarded
 - Increased GVA
 - All these combine to improve perception of the town, and improvements of health, social and economic outcomes for residents

ASSESSMENT OF NEED

1.4 Evidence of Need, Supply and Demand

31. Assessment of need has been determined using the following evidence base:

- Situational Analysis: The regeneration Area
- Geography – the area
- History – Industrial & Maritime
- Economic Indices
- Regeneration in Hartlepool: Context & Complementarity
- Summary of other investments /bids
- Why Tourism Led Regeneration: The Model
- Visitor Economy
- Baseline Analysis: STEAM
- Market Segmentation
- Benchmarking Good Practice (Impact of Regeneration)
- Complementarity with other funding Programmes;
- Assessment of Additionality and Market Failure Analysis;
- SWOT

Situational Analysis: Area Geography

32. Hartlepool is a coastal port town with a rich maritime heritage on the historic Durham coast in north-east England. As a town it stands on its own. It is roughly equidistant between the two nearest larger places – Middlesbrough 15 miles to the south across the River Tees, and Sunderland 20 miles up the coast.

33. Originally Hartlepool was made up of two towns, divided by the port. It became one town, where the port and town were served by the railway. Today, the port is no longer the industrial centre; the railway remains and divides the Waterfront and Marina from the town, the separation exacerbated by the dual carriageway serving the out of town retail area and northern exit from the town.
34. The culmination of changes in industry, where employers requiring large spaces have moved to the outskirts of town; technological change negating the need for physical presence of banking and trade supporting services in a town centre; and changing consumer behaviour changing the shopping habits previously fulfilled by a town centre, have resulted in Hartlepool having a hollowed-out centre ². This dysfunctional and disconnected central area, and the lack of connectivity, underutilises to the leisure, culture and heritage assets that the Waterfront and the town have to offer.

Situational Analysis: Historical Context

35. Hartlepool has historic heritage the oldest heritage area is the Headland, where St Hild founded monastery in the 7th Century. The existing 13th century church bears her name.
36. The Headland overlooks Hartlepool Bay and Tees Bay – a safe haven, landing and trading point for North Sea sailors for thousands of years.
37. Across the bay and Hartlepool Marina, West Hartlepool, emerged in the Industrial Revolution on the back of the combination of shipbuilding excellence and the arrival of the Hartlepool and Stockton railway – and grew rapidly shipping Durham coal and making iron. The town centre comprises many Victorian buildings from that growth period, resulting in the conservation area status for Church Street area.
38. From the 1970s industry declined, the docks became redundant. The 1990s saw the docks transformed into one of the largest leisure-craft marinas in the UK: with 500 fully-serviced berths and leisure and visitor facilities, becoming home to the National Museum of the Royal Navy with a recreated 18th century sea port and HMS Trincomalee. This has shifted the use of the marina from industry, neglect, into leisure, culture and tourism uses.
39. From the marina, the England Coast Path heads north via the Headland towards the Durham Heritage Coast, and south around Teesmouth towards the North York Moors National Park. National Cycle Route 14 is another key visitor route through the town.

Situational Analysis: Economic Indices

40. As is the case in other urban conurbations which had historically heavy industry manufacturing as their significant economic base, Hartlepool Borough is one of the 10% most relatively deprived on the Index of Multiple Deprivation ³.
41. Two of the seven statistical indicators which contribute to the Indices of Multiple Deprivation (IMD) are significant: Hartlepool has 22.8% of its population in income deprived households (5th nationally), and 18.5% of households are employment deprived, as a proportion of working age adults (4th nationally). The Borough has the 6th highest proportion of socially rented housing of any non-metropolitan area in England.
42. Also linked to the IMD is the general health of the area. The Local Authority Health Profile 2019 gives a picture of people's health in the borough. In summary, it is generally worse

² The Hartlepool Town Investment Plan (Evidence and Analysis p30)

³ Source: [MHCLG Indices of Deprivation 2019](#)

than the England average, this considers statistics on indices such as life expectancy, illness as well as behavioural risk factors such as alcohol consumption, smoking, obesity.

Regeneration in Hartlepool: Overview of Investments

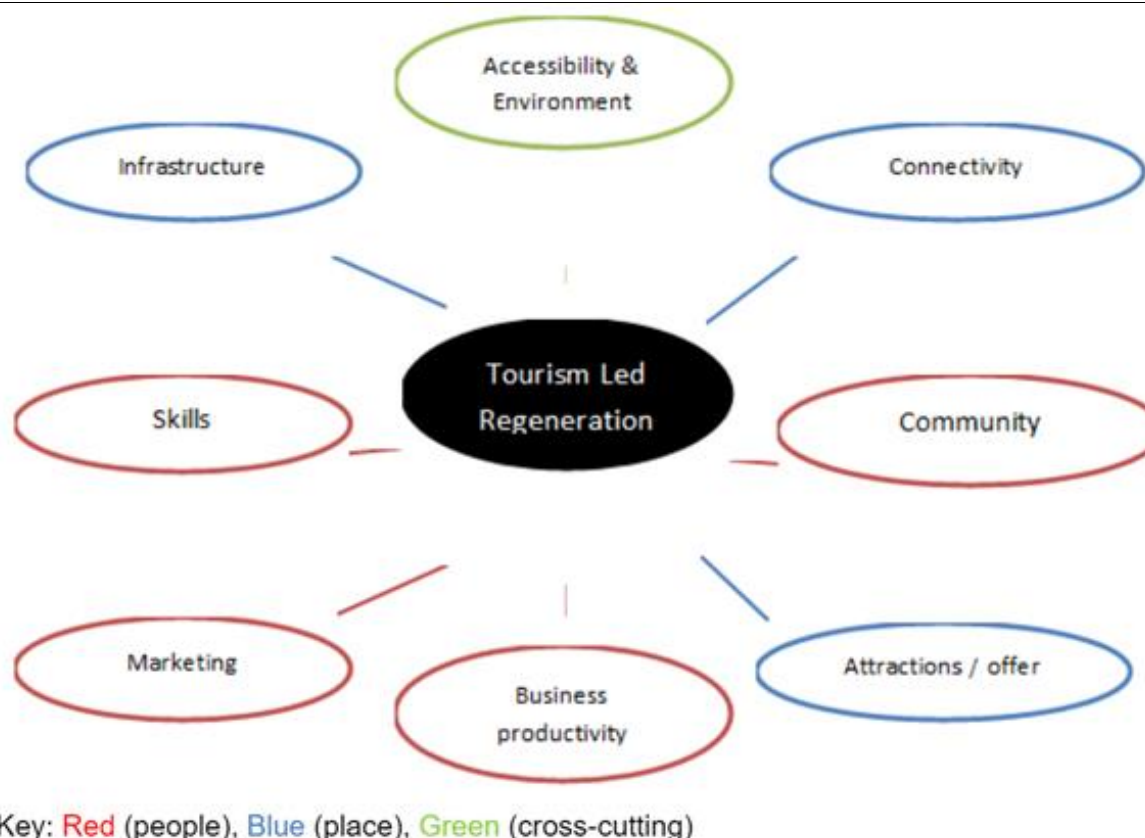
43. Existing investments in the town include public realm and new uses for buildings in the area around Church Street, known as the Innovation & Skills Quarter due to its proximity to the colleges and learning facilities. The Northern School of Art has purpose built facilities and has created a Film Studio, which is unique in the north east. This has provided new uses for existing redundant buildings. A new arts and business centre, the BIS, has been created by re-purposing the historic post office building.
44. The redundant council works site, derelict Market Hotel, and Drug and Alcohol services at Lynn Street are making way, with the support of the Brownfield Housing Fund, for 48 new affordable family homes. This site opens up links between existing housing, college facilities and the town centre.
45. Connectivity and transport improvements plans are in pipeline – funding has been applied for to re-open the second platform at the station, and intra town connectivity for pedestrians and cyclists is in the pipeline as funding is available.
46. Through funding secured from the Towns Deal there are projects progressing to bring into use the derelict historic Wesley Chapel to create a boutique hotel in a prominent location. The Middleton Grange shopping centre is to be reimaged and developed to provide a broader mixed offer, and be a visually better fit into its location, rather than an inward-looking shopping mall. The links between town centre, waterfront area and the station are also considered with the proposed Waterfront Circuit project.
47. In combination, these investments contribute to achieving the vision for Hartlepool as a 'well connected vibrant and liveable waterfront market town moving Hartlepool towards a future of leisure, living and learning'. Hartlepool's reinvention will create a leading and vibrant market
48. town destination within the Tees Valley that attracts visitors and builds a strong tourism economy.

Regeneration in Hartlepool: Why Tourism Led Regeneration: The Model

49. Tourism investment can be transformative for a destination, drive regeneration and improve the quality of life for local communities.
50. The [2019 Tourism Sector Deal](#) outlines the essential building blocks for using tourism led regeneration to develop holistic and sustainable destinations. It sets out how the government and industry will work in partnership to boost productivity, develop the skills of the UK workforce and support destinations to enhance their visitor offer. The tourism sector has the scale and geographical reach to deliver on this ambition to boost the productivity and earning power of people throughout the UK.
51. Data from 2018 stated that the UK attracted 38 million international visitors, who added £23bn to the economy, making tourism one of the country's most important industries and the third largest service export. Forecasts at that time predicted the sector would deliver a 23 per cent increase in inbound visitors by 2025. Domestic tourism is also set to increase by an

estimated 3 per cent per annum until 2025. In 2018, British residents took 119 million overnight trips in the UK, totalling 372 million nights away and spending £24bn.

52. These forecasts did not know of an international pandemic. Predictions of future changes that will follow as COVID-19 becomes endemic remain uncertain, as the travel and tourism industries adapt to a 'new normal'. However, forecasts from Visit Britain indicate an expectation that inbound visitor numbers, including those from overseas, to recover to 68% of their pre pandemic levels. As international travel restrictions are eased, there may be an increased take up of UK residents seeking overseas travel. The UK government Tourism Recovery plans sets out to restore the sector to its pre-pandemic levels by 2023.
53. Growing our domestic tourism includes stimulating demand for the types of leisure activities that will be enabled by this programme of investments. The profile of the visitor to the Tees Valley is explored below in the Market Segmentation section and draws on the Tees Valley Destination Management Plan (DMP). The DMP shows how these investment activities are a good fit and meet the needs of the target market for the Tees Valley offer, the 'offer' being a key ingredient of the Tourism Deal methodology we are using.
54. The Tourism Deal seeks to develop the infrastructure necessary for this influx of visitors – this was based on pre-covid forecasts. Based on the predicted increase in visitors, there needs to be investment in the infrastructure to accommodate and entertain them. 130,000 hotel rooms will be built over the next five years, representing the largest hotel investment anywhere in Europe. 75 per cent of these new rooms will be outside the capital, supporting the government's intention that the benefits of tourism should be felt across the whole of the UK. Significant investment will also be made in attractions by the private and public sectors—including investment in both our natural and built heritage, museums and arts.
55. Investment will also be made in the people who work in the sector, so that the growth in visitor numbers can, in turn, create equivalent growth in well-paid employment opportunities. The industry will create 30,000 apprenticeship starts each year and a new mentoring scheme will help 10,000 employees develop their careers in the sector. This will complement a commitment by the government to ensure that our education system supports the industry's needs, including the rollout of two new T level courses. This will ensure that visitors to the UK are served by a highly knowledgeable and skilled workforce.
56. At the time of writing, the impact on travel and tourism, whilst adapting to living with COVID 19 in circulation, is not yet known. The extent at which international travel will resume, or how much local 'staycation'-ing, will remain in a state of flux. Following lockdowns of 2020 / 2021 there is a pent-up demand for people to get out and about; whether the visitors to Hartlepool will be from the UK or overseas remains to be seen. Regardless of this, creating the conditions for a better experience for residents and visitors is relevant to regenerate the town to create a place where people want to live, work and play.



57. The ingredients required to regenerate the town led by tourism and leisure are:

Attractions and Offer

58. The UK's unique culture and heritage attracts £4.5bn worth of spending by inbound visitors annually, more than quarter of all spending by international visitors. Britain's coastal and seaside attractions are popular with domestic visitors, with 35% of Brits holidaying at an English seaside destination in 2017 – totalling 16.7 million holidays. One-in-ten inbound visitors to the UK visit the coast or beaches (3.8 million). Having a critical mass of offers, including poor weather options is vital to the economic prosperity of an area, so that residents and visitors are encouraged to stay longer and spend more money in the local economy.
59. The town has cultural and heritage assets to build upon and with the addition of the strategic leisure attraction will have critical mass of assets and activities at the Waterfront, and throughout the town, to be a visitor destination.
60. The investments in infrastructure included in the Waterfront programme of projects will provide a Strategic Leisure Attraction for indoor leisure activities, and outdoor water based activities on the marina; it will add to the National Museum of the Royal Navy's cultural and heritage offer; and will provide increased indoor event space at the Borough Hall and Town Hall theatre, as well as outdoor event and theatre space at the Waterfront's and Headland's event spaces.
61. This mix of provision will allow a range of activities to be curated from the variety of attractions, indoor and outdoor, wet and dry. This critical mass of activities and attractions is required to enhance the attractiveness of the town, to encourage residents and visitors to visit and dwell longer in the town thus increasing visitor, and retaining residents', spend.

Marketing and Destination Management

- 62. Local distinctiveness is what makes one place different from another. It's the composite of a place's assets; the landmarks and sights, the landscape, wildlife, built heritage, traditions, food, festivals, myths and language. With improved connectivity, infrastructure and offer, a destination needs to reach out to its target audience and communities to attract them to visit. Effective, accessible and engaging marketing campaigns act as a real stimulus and are critical to the realisation of visitor economy outputs and outcomes such as visitor numbers and overnight stays.
- 63. Building upon the work of Enjoy Tees Valley a Destination Management Plan (DMP) has been developed to support the future development and growth of tourism and also to safeguard the long-term sustainability of Tourism in the Tees Valley. Hartlepool Borough Council are planning to develop their site specific DMP for the Waterfront which will improve and strengthen the borough's tourism offer to the benefit of the local economy and local communities as well as assisting in promoting the borough as a high quality successful and thriving all year-round visitor destination, fit for the 21st Century.
- 64. With the support of TVCA, investment has been secured to host the Tall Ships event again in 2023. This is an internationally high-profile event is expected to attract approximately 1 million visitors to the event. The previous visit in 2010 recorded 970,000 people, mainly residents, and also attracting people from further afield.

Skills

- 65. The Industrial Strategy and Tourism Sector Deal aims to boost productivity by backing business to create good jobs and increase the earning power of people throughout the UK. The people who work in hospitality and tourism are not only the cornerstone of the sector's growth in recent years but also form one of the fastest growing sectors of UK employment.

structure

- 66. To ensure the tourism sector can support the government's ambition to deliver a major upgrade to the UK's infrastructure. In 2018, the UK saw £6.8bn investment in hotels, a third of all the hotel investment in the European market. The sector has committed to building an additional 130,000 rooms across the UK by 2025, which is equivalent to 21 per cent of the current bedroom stock being added.
- 67. The complementary Town Deal projects in the Town Investment Plan include a hotel development at the Wesley Chapel. Public realm improvements at the Waterfront, with key outdoor event spaces at the Waterfront and Headland which host events, the Borough Hall investment will create an indoor, year-round, event space boosting the cultural event offer, and vibrancy of the area.

Business

- 68. There are already excellent products in every region of the country, which attract significant numbers of domestic and international visitors each year, but many places suffer from issues surrounding seasonality; around 38 per cent of inbound holiday visits are made in the three months between July and September. This creates a number of barriers as it can lead to high staff turnover and low productivity as businesses close or reduce activity in the winter months.
- 69. Providing a wider range of reasons to visit, with activities that are entertaining year round, whatever the weather, and improving the offer for residents will help to extend the season, and support local businesses.

Connectivity and Transport

70. The government is committed to improving the passenger experience in the aviation, maritime and rail sectors. This supports the development of the visitor economy and developing places that people want to visit is fundamental. Connectivity is key to ensuring people can travel around and have a positive experience so that they are more likely to return as well as being able to get around easier and getting a critical mass of activities and experiences that will lengthen their stay and increase their spend.
71. Investment to connect the town with the waterfront is mentioned above, the proposed bridge over the railway line at the station will make it possible and convenient to travel town to waterfront without using a car. This will encourage residents to use the town more rather than travelling further afield, so local businesses benefit from local spend and create a more vibrant town centre offer. Also, the Teesside wide network Cycling and Walking infrastructure plan is being rolled out over the coming years, planning rules require public realm proposals to consider cycling and walking provision in their designs. Improving bus services, complemented by Tees Flex, also is a part of the wider investments under TVCA's Integrated Transport Plan.
72. Improvements to transport has been highlighted nationally as vital in supporting further economic development in seaside towns. Longer term plans for the redevelopment of Hartlepool Station will bring back into use a second platform, improving capacity at the station. Hartlepool already benefits from direct connectivity to London with the Grand Central service, as well as many local services via Middlesbrough, and via Eaglescliffe which connects to Teesside International Airport.

Accessibility

73. Through the Future of Mobility and Ageing Society Grand Challenges, we want to ensure accessible transport and destinations for everyone. One in five people in the UK has an impairment and those with health conditions, and their travelling companions, are estimated to spend £12bn on trips in England each year.
74. Accessibility is a fundamental cross cutting theme that will be addressed for each project under the programme, physical works will be compliant with all DDA requirements as a minimum and accessibility will be taken into account with marketing, communications, digital platforms etc. A Design Quality Framework will address principles of good placemaking to include guidance on accessibility in both public realm, buildings and access to and from the area. The Destination Management Plan (DMP) will include the development of an Inclusive Tourism Charter to be shared by venue and business owners in the Waterfront and Marina area.

Environment

75. By including environment and sustainability considerations as part of the holistic approach to tourism led regeneration, ensures expectations of visitors are met, as well as helping to achieve local, regional and national targets around energy, waste and the climate change agenda.
76. The Tees Valley Destination Management Plan includes the importance a well-connected public transport network in mitigating the negative environmental impact of travel and tourism. Use of local suppliers in the provision of the retail, food and accommodation offer not only reduces negative environmental impact of transport, and also retains the benefit of spend locally to directly benefit communities and businesses. These principles will be mirrored in the Waterfront & Marina DMP.

Community

77. Place based regeneration puts the needs of the local community at the heart of any plans. Tourism led regeneration creates opportunities for the local community to benefit financially

(employment and business opportunities), to benefit through raising aspirations and pride (using opportunities such as destination marketing campaigns to celebrate an areas distinctiveness) and through increasing quality of life through enjoyment of the improved offer and connectivity / infrastructure within their own communities.

78. The creation of the strategic leisure attraction at the Waterfront is a year-round facility, it is for the health and wellbeing of residents as well as visitors. It will also connect with community groups and business interests operating the water based activities available at the marina. The Investment in the Museum of Hartlepool will aim to ensure the museum's continued delivery of social value unique to a civic museum offer.

Visitor Economy: Baseline Analysis: STEAM data

79. Independently sourced and widely recognised data on the visitor economy will be used as baseline for visitor numbers to Hartlepool. STEAM data is purchased by TVCA to monitor the impact of tourism on the economy of Tees Valley and is also provided at local authority level. (Summaries of the analysis from 2018, 2019 and 2020 can be found at Appendix 2)
80. In 2019, over 20 million people visited the Tees Valley, and spent over £1bn. Visitor numbers had grown incrementally each year, an increase of 1% in 2018, and a further 2% increase to 2019.
81. The sector employs 9765 people directly, and including the supply chain, employs 12391 people, again steady numbers with incremental year on year increases.
82. Approximately 66% of visitor spend is from day visitors, bringing in £676m to the Tees Valley economy.
83. The Hartlepool visitor economy has a similar pattern. Visitor numbers are stable, increasing incrementally year on year to 2019. 3.7m people visited Hartlepool in 2019, spending £200m. The sector employed 1749 people directly, 2399 including the supply chain.
84. The COVID-19 pandemic has had a massive impact on the economy, Tees Valley 'lost' visitor spend of £644.86m in 2020 compared to 2019. 5728 direct jobs, or if including the supply chain 7250 indirect jobs, were lost.
85. For the Hartlepool borough, visitor numbers dropped by 59% to 1.5m, visitor spend fell by £129m to £75.5m, 1465 (incl supply chain) jobs were lost, a fall of 61%.
86. 34% of the visitor spending is on Food and Drink, this subsector of the visitor economy employs 36% of tourism sector staff.
87. Data from Visitor Insights uses technology to provide digital representation of human movement, and behavioural patterns in a place over time. Using GPS, applications, and telecoms information amongst other geo located datasets, provides insight into where, when and how often people visit different parts of the town centre, Headland, Waterfront etc and can show where people have come from. This data is for all footfall to areas of the town, and so includes residents and people from the local area who wouldn't be typically described as tourists. (Reports can be found in the Zip file at Appendix 3)
88. For the purposes of a sensible baseline to measure growth from, the 2019 figures should be referred to for both data sets. The aim of this programme of investment is to restore the economy and then grow on from there (Build Back Better).

Visitor Economy: Market Segmentation

89. The STEAM data provides a breakdown of visitor types: day and overnight visitors. The majority, 89% of visitors are day visitor; their spending accounts for 67% of the income generated in the sector.
90. Average expenditure per day visitor is £27; the average expenditure per day of people who stay overnight is £52. In 2020 a higher percentage of visitors were day visitors – as would be expected as overnight stays were curtailed in lockdown – welcoming back overnight visitors and encouraging people to lengthen their stay by providing a range of activities, is proven to boost the spending in the economy.
91. The Visitor Insights data shows the majority of people visiting the town are from the local area, the residential areas making up the town's natural hinterland, where people who regularly use the facilities of the town are from. The digital information can also provide some indication of where visitors come from.
92. In 2019 footfall of 11.1m people was measured in the town centre, with 6.7m visits to the marina, and 2m to the Headland. Of the town centre visitors, 39% described as resident, and 50% were classed as national. At the marina 28% were resident, and 63% of national visitors to the marina. This could indicate that the marina is an attractor for people from further afield. It also shows the connectivity issue, that these are separate areas, suffering geographic severance, as visitors to one area do not necessarily visit the other. The Headland differs again, as it is a more residential area it doesn't attract workers. It has its own range of cultural and heritage attractors.
93. The footfall data shows that overseas visitors do not typically visit Hartlepool.

2019 data	Town Centre	Marina	Headland	ISQ
Total Visitors	11.1m	6.7m	2.0m	6.2m
Resident	39%	28%	36%	35%
National	50%	63%	64%	49%
Workers	11%	9%	0.5%	16%
Overseas	0.0%	0.1%	0.0%	0.1%

94. The Tees Valley Destination Marketing Plan (to be published in March 2022) interrogates the data further and provides additional understanding of the market potential.
95. The majority of visitors to the Tees Valley, and Hartlepool, are day visitors, with a lower-than-average visitor spend. Clearly, the provision of more and better experiences will drive more visits and the opportunity to spend more money. The TVDMP identifies the following three primary and three further secondary market segments and the activities they seek. Market segmentation is a hybrid of segments defined by Visit England. It also includes two segments identified by Visit Scotland, the engaged sightseer and adventure seeker. This mix of primary market segments provides a better fit with the current Tees Valley offer of attractive countryside, activities, culture and events, for people who enjoy exploring new destinations and have a strong interest in UK breaks.

Primary Segment	Who they are and what they want
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Fun in the Sun Families	Families with younger children (under 15). Relatively local market within the Tees Valley and nearby. Strong affinity towards England breaks, particularly seaside/resort destinations during summer and other school holidays. Highly motivated by beaches, small towns, outdoor leisure, theme parks, family visitor attractions. Cheaper accommodation especially caravans, holiday camps. Prepared to spend on 'treats' and entertainment for the children. Need detailed practical information to reassure and inspire.
Adventure Seekers	Frequent break-takers – both domestic and international. Well represented in North of England and London. Typically energetic, sociable, career minded individuals with an adventurous outlook and some will be real thrill seekers Like to pack a lot into their holidays - from sports and outdoor adventures to cultural activities. Adventure sports appeal but they also enjoy visiting natural sites and taking in the landscape via walking, hill climbing or cycling. Enjoy cultural activities including visiting castles, monuments, museums, and TV and film locations.
Engaged Sightseers	Typically older, working & retired, no/post children. Well-represented in North of England. Strong affinity for domestic breaks; frequent takers throughout UK. Down-to-earth, largely traditional in outlook but confident in trying new places and doing something different. Enjoy general sightseeing, touring, historical places, scenery and nature. Relish engaging with friendly locals and look for authentic experiences. Enjoy visiting castles, monuments, parks and gardens, museums and galleries. Will take short walks but not highly active.
Secondary Segment	Who they are and what they want
Free & Easy Mini Breakers	Represented across age spectrum, living in cities, child-free. Frequent break takers - very city-orientated and cultural attractions are important. Motivated by festivals, music, sporting and cultural events – so opportunity is around specific events. Frequent trips to visit friends and relatives. Not interested in countryside, activities, outdoor pursuits
Business Visitors	Non-discretionary business tourism/business travellers related to local economic and industrial sectors Discretionary events (meetings, conferences, sales events, product launches, association and society congresses) Good seasonal balance to leisure tourism – corporate and conferences in spring and autumn Looking for good quality venues (hotels, academic, sporting), great access and suitable accommodation Wider leisure offer and social programmes important for some markets
Specialist niche - golfers	Couples and groups of friends on golf trips. Regular break takers to destinations with good golfing offer – range of attractive, accessible course. Good quality catered/self-catered accommodation and food & drink options fundamental requirement. Look for bookable packages, offers and deals

96. The Visit Scotland segmentation suggests there are 1.0million UK households, 8% of UK households who are Engaged Sightseers, and 1.2million UK households, 9% of UK households are Adventure Seekers.

97. The majority of Engaged Sightseers Majority live across England (79%); 13% are based in Scotland. Key areas include: North 26% London 16% Midlands 13%. Mainly adult only

households. 16% have children at home (below average). 38% are working full time (below average). 37% are retired (above average).

98. The majority of Adventure Seekers live across England (81%); 13% are based in Scotland. Key areas include: London 26% and the South 9%; North 23%; Midlands 12%.

99. Key Market Trends for the Tees Valley are:

- Time together - travelling with and visiting friends & family
- Activity, health and well-being – in the outdoors
- Appeal of less visited undiscovered places with distinctive local culture
- Responsible and sustainable tourism

100. The DMP market segmentation recommends focussing on domestic rather than international market where growth potential is greater and return on marketing investment will be greater. Air links from Teesside Airport to a range of UK cities provides an opportunity to draw visits from further afield. International markets are not advised -it is simply too hard a sell (as evidenced by current numbers) given destination awareness, product offer and transport links.

101. Marketing efforts should be focussed on visitor cohorts within a specific geographic region:

Staying visits within 2 hour travel time

Day visits from within 1 hour travel time –including those holidaying in North Yorkshire and Co. Durham.

Benchmarking: Impact of regeneration

102. [SPRUCE \(Scottish Partnership for Regeneration in Urban Centres\)](#) is based in the premise that sustainable regeneration is a key factor in the long-term social, economic and environmental success of Scottish settlements and that the investment approach (rather than just grant) delivers improved longer-term outcomes through creating value in the built environment and the communities the fund serves. The overarching policy aim of SPRUCE is to achieve wider social, economic and environmental impacts and so SPRUCE may not necessarily seek to maximise financial return.

103. SPRUCE has been successful in supporting the economic growth strategy at a very challenging time, however an original investment of £48.7m was able to generate the following outputs and impacts:

100% spend within the five years of the programme;

An additional £73.5m was levered in (before recycled funds were included);

Brownfield land reclaimed or redeveloped = 7.57 hectares

Area of business space created or modified under BREAM classification = 29,190 sq ft

Number of jobs created = 2,399

SPRUCE leverage per £1= £2.51

104. Hartlepool are investing in a range of place based regeneration activities in the town using a range of funders, to benefit the local population and visitors.

105. If the placed based experience of SPRUCE is applied to the £44.4m Waterfront programme, it could be expected that this would generate a return of £2.51 for each £1 spent, and approximately £2200 jobs if the same rate of jobs per £1m is applied.

Visitor Economy: Assessment of Additionality and Market Failure Analysis

106. Public sector investment is required to stimulate change in the local economy.

107. The negative perceptions of Teesside's towns exacerbate the downward trend and structural change taking place in town centres nationwide, compounding the difficulties already faced in areas of high deprivation. Digital retail and service offerings are replacing traditional use of town centres, leaving premises empty and high streets seeking a new purpose.
108. To enable the market to take up new uses for towns, overcoming negative perceptions to attract visitors the public sector must create the conditions for businesses to invest in the visitor offering. For example, providing infrastructure to overcome the severance issue between town centre and Waterfront; improving the presentation of the area by enabling redundant and vacant space which is not economically viable would not be covered by business investment as there would not be sufficient return.
109. There are a range of market failures to overcome covered below in section 1.5:
 Coordination: Avoiding Zero Sum effect.
 Funding Gap: Abnormal Costs:
 Funding Gap: Mitigate Risk:
 Free Riders: the provision of Public Good,
 Coordination of Market Stimulation: Principal Agent Failure

Tees Valley Visitor Economy SWOT

110. This is extracted from the TV DMP and is as applicable to the Hartlepool market as the region.

Strengths	Weaknesses
<ul style="list-style-type: none"> • 20m visits & £1bn spend (12.5k jobs) • Friendly & welcoming people • Varied landscape – coast, rural, nature with some attractive market towns • Established and strong attractions and events • Creative and dynamic food and drink offer populated by independents • Active offer – walking, cycling, water, golf • 200 accommodation establishments (9k bedspaces) • Political drive and ambition • Access to the Tees Valley from large markets is good • Interesting story of 'Brown' to 'Blue/Green' – industrial to natural • Great juxtaposition of nature and industry (and 'old' and 'new' industries) • Value for money – lots to do that doesn't cost too much 	<ul style="list-style-type: none"> • Overshadowed by stronger nearby competitors • Confused/multiple identities. 'Tees Valley' relatively unknown proposition. • Low spend profile and local markets in the main • Poor quality offer in some key areas: first impressions, town centres, public realm, retail, evening activities, basics e.g. toilets, parking • Some gaps e.g. contemporary accommodation, arena • Connectivity within the Tees Valley and cycling/walking infrastructure River Tees is an under-used asset • Fragmented decisions e.g. events and conflicting local identities result in competition not collaboration • Local knowledge of the offer is poor (inc. among tourism businesses) • Lack of consistent resourcing of tourism across LAs
Opportunities	Threats
<ul style="list-style-type: none"> • The Tees Valley is still an undiscovered destination for many markets who are tired of the 'usual' and are looking for something 'new' • Business tourism on back of economic growth • Airport development/international links • Staycations (post-covid) • Development plans (Railway Heritage Qtr., NMRN, Coatham etc) • Co-ordinated culture & events offer to differentiate and drive demand 	<ul style="list-style-type: none"> • Fatigue from failed projects dents enthusiasm • Hospitality skills need improving • Tourism careers seen as 'casual & temporary' • Investment too 'local' and lacking impact • Resurgence in international holidays (2022/23 onwards) • Tendency to 'talk it down' not 'up'

- The river/water activity has more potential but needs infrastructure Food and drink drive the visitor economy proposition
- Successfully securing funding to support investment (Town Deal, Levelling Up, Future High Streets etc

Assessment of Need Summary

111. Investment in tourism can be transformative for a destination, drive regeneration and improve the quality of life for local communities. The component parts of tourism led investment, included in this business case and wider investments such as via the Towns Fund, contribute to the critical mass required to deliver transformational change and reasons to visit and re-visit the town.

1.5 Need for Public Intervention

112. Public Intervention is required for a range of market failures, which once addressed will stimulate conditions for the businesses to take advantage of. Expanding on the themes above in the assessment of need section

- Coordination: The public sector can facilitate an overview of development in an area, avoiding the 'zero sum' impact where investment in one area is at the direct expense of another. The public sector also coordinates and attracts funding. (In this case, across the wider investments, the public sector is taking a whole town view to reimagine and repurpose areas and link heart and Waterfront overcoming fragmented ownership and consequent uses of place.)
- Funding Gap: Abnormal Costs: there is a lack of demand and low value of land in the area, such that where there are costs to remediate unused land, these are not covered in land uplift values, so these areas are not attractive to private sector investors and land/buildings are left vacant. (For example, the redundant land at Jacksons Landing and Vision Retail Park)
- Funding Gap: Mitigate Risk: businesses don't invest in areas where return is not assured, so where risks of delivering returns are high, the public sector has to intervene to provide the gap funding to make a project viable. (For example, the Borough Hall requires investment to attract a private sector operator.)
- Free Riders: the provision of Public Good, where people all make use of infrastructure which they do not directly pay for – such as roads, cycling and walking routes, public realm improvements. Also, the provision of health benefits available at the Leisure Centre – to encourage use and to help overcome health issues it has to be affordable to the local user – the level of investment required would not generate sufficient financial return from users, so would not be provided by a private operator.
- Demonstration Effect: For businesses to invest, and for visitors to come to spend their money, there must be something for them to invest in. Public sector investment also demonstrates the desire to change and shows the potential of the area by working to overcome negative perceptions
- Coordination of Market Stimulation: the public sector must also coordinate destination marketing activity to overcome the negative perception of the area, which will benefit all businesses in the area to overcome a lack of route to market to potential visitors. (Principal Agent Failure)

1.6 Constraints & Interdependencies

Constraint	Description
Geography	All programme activity must be within the red line boundary as included in the business case and focused on recognised sites of strategic importance to the town.
Timing	All programme spend should be incurred by December 2029 in order to comply with Gateway guidelines for devolution deal.
Planning application restrictions / approval	The programme of works is subject to approval by the planning authority (Hartlepool Borough Council) and associated building regulations.
Activity	<p>Gap capital support for</p> <ul style="list-style-type: none"> • Attractions and offer development • Connectivity and transport • Enabling infrastructure • Street scaping and public realm.
Financial	There is a maximum budget of £20million of the Capital Fund grant and £8.7m of the IGF grant . There is an associated need to demonstrate the added value for devolution by maximising economic and financial impact on all devolution deal monies and to demonstrate that all external funding sources have been used ahead of draw down from the Tees Valley funding pot.
Uniqueness of Place	The success of a destination relies on having marketable product and facilities that appeal to visitors. Tees Valley has many experiences to offer a potential visitor and communicating those in an inspiring way through effective destination marketing will undoubtedly attract more visitors to the area. However, to continue to compete with other destinations across the UK sustainably into the future, Tees Valley and Hartlepool must seek continued investment by the private and public sector to add new and enhance existing visitor product. As well as investment into larger scale projects like visitor attractions, it's important for Local Authorities to also invest into basic town centre facilities, attractive entry points, effective wayfinding etc to ensure that once a visitor has been attracted into the destination, that their experience on the ground matches the expectation delivered through destination marketing.
Sectoral Scope	Destination marketing activities will primarily impact on businesses and freelancers within the tourism/visitor economy sectors, including accommodation providers, visitor attractions, food and beverage providers and venues.
Conservation / preservation restrictions – listed buildings	The work carried out must meet the conditions and requirements identified in the conservation order, where the building is listed.
Accessibility and visibility of the site	<p>The site is located outside of the main town centre area and needs to develop a clear linkage in order to attract visitors.</p> <p>The site needs to be visible from the main road, to improve promotion and existence to passing traffic as a place to visit.</p>
Size and location of site	The site is in a constrained location, surrounded by settled communities, the coast and an established road network.
Linkage within the site	<p>There are a number of buildings on the current site which are spread across the site and disconnected from each other. The proposed programme requires the interaction of the following assets:</p> <ul style="list-style-type: none"> • New accommodation for RML 497 Exhibition Centre with visitor access between this site and the NMRNH main site; • Provide safe pedestrian links around the Waterfront and on to the Highlight Leisure Centre site and event space;

	<ul style="list-style-type: none"> The Museum of Hartlepool as a free-to-access museum that is operated by NMRN ensuring continued and clear access to this publicly funded service.
Legal	The programme must comply with subsidy control and procurement rules
Interdependency	Description
Destination Marketing Programme	Destination marketing is an iterative exercise, ensuring that the proposition meets the demands of the target audience and that it is actively promoted. Consequently, the Hartlepool proposition must confirm with the needs of the identified market segment (particularly in relation to out of region visitors) and secondly in order to attract target audiences it is essential that Hartlepool in particular and the Tees Valley as a whole is consistently marketed to target cohorts.
Hotel Provision	There is a need to ensure adequate provision of hotel/overnight accommodation in order to meet anticipated increases in demand (this includes number and quality). If this is not met, then the region will not be able to fully realise the benefits, as people will choose to stay out with of Hartlepool or the Tees Valley.
Transport Provision (new station)	The upgrade of the train station is a key enabling function, as target cohorts (amongst overnight visitors) are anticipated to favour rail travel and Hartlepool's current rail station near Queen Street, needs to be adapted to facilitate access to both the town centre and the wider marina area.
Attraction of external festivals	The programme aims to provide a number of spaces for public entertainment. There is a need to attract a sufficiency of festivals and event organisers to ensure that these spaces are fully utilised.
Enhanced local retail offering (permanent and ad hoc)	Much of what is being provided within the programme is designed to attract visitors, but is not readily monetizable, there is consequently a need to ensure that the breadth of commercial offering (both permanent shops and pop-up/stalls) is sufficient to meet the needs and tastes of the target cohorts. The DMP will look to address this need to expand the breadth of commercial offering.
1.7 Critical Success Factors	
Critical Success Factor	Description and KPIs (SMART Measures of Success)
Ensuring sustainability of existing asset base	<p>To support a sustainable tourist economy the Programme must identify the assets that exist- economic, physical and social and use these assets to deliver sustainable positive change, in particular updating/reusing/improving existing premises and products including the use of brownfield sites in preference to new build and in green-space.</p> <p>KPIs include:</p> <ul style="list-style-type: none"> All buildings meet key safety standards; and % brownfield land utilised by 2030 Subsidy of non-public services reduced to within five years programme commencement -
Investment Led Approach	<p>Although the Programme may operate in areas of extreme market failure, where there is a need for 100% grant funding, there is also the expectation that investment will generate not only economic but financial returns which may subsequently be reinvested within those same communities, in essence devolving gain-share opportunities across the region and in line with the overall Tees Valley Devolution Deal with Government.</p> <p>KPI's include:</p> <p>Match funding of at least 25% of overall programme costs</p>

Enhancing the profile and visitor proposition of Hartlepool and Tees Valley	<p>Transform the perception of Hartlepool and the Tees Valley as a visitor destination thereby increasing the number of visitors and overall attractiveness of Tees Valley as a place to live, work visit and invest in.</p> <p>There is a need to create a step change in the perception of the region, both as a place to invest in, but also amongst residents so that they recognise the benefits of devolution.</p> <p>KPI's include:</p> <ul style="list-style-type: none"> • Increase in number of day visitors by xx% • Increase in number of overnight visitors by xx% • Increase in average daily spend per day visitor • Increase in daily spend per overnight visitor
Potential value for money	<p>KPI's include:</p> <p>Positive BCR and NPV</p>
Capacity & Capability:	<p>Parties have the capacity and capability to deliver the quality and timeliness</p> <p>KPI's include:</p> <p>All investment must meet the following quality standards:</p> <p>-</p>
Potential Affordability	<p>KPI's include:</p> <ul style="list-style-type: none"> • Delivered within budget and Demonstrably exhausted all external funding opportunities
Potential Achievability	<p>KPI's include:</p> <p>Delivered and fully operational by 2029</p>

CASE 2: ECONOMIC CASE

Key Messages:

- Preferred option is Option 3: a programme of cultural, leisure and tourism investments. Programme Cost £44.4m
- Discounted cost of investment, expended by end of F/Y 2024 £41,205,946
- Discounted benefits (ie additional spend from visitors as cautious growth in visitors numbers and spend, scenario 8) achieved over 5 years from 2024 – 2028 £121,384,257
- Net Present Value £80,178,310
- Benefit:Cost Ratio 2.95:1

2.1 Options Development: Long list to short list

113. A long list of options has been developed to test the following:

- Site preparation versus direct provision/build
- The catalytic impact of a range of supporting interventions
- The structure of ownership/potential for commercialisation and
- Timing and quantum of financial support.

Option	Description and Assumptions
Option 1: Status Quo	<p>This is Business as usual and will continue to incur costs just to stand still. HBC subsidises the NMRN, keep safe the Wingfield castle but it is deteriorating, land is redundant and premises empty, leisure centre is not fit for purpose and visitor numbers are low. This option will continue to incur the following costs:</p> <ul style="list-style-type: none"> • On-going liability for Leisure Centre: current operating deficit is c£740k.per annum; • NMRN annual subsidy of £360,000; and • Wingfield castle: negligible maintenance costs but high risk of emergency costs if vessel deteriorates further <p>HBC has circa £1.1m of ongoing subsidy/maintenance costs to ensure existing provision.</p>
Option 2: Do nothing	<p>Under this option, Hartlepool Borough council would no longer financially support the NMRN nor maintain the structure of Wingfield. This will result in closure of key strategic assets and the building fabric falling into disrepair.</p>
Option 3: Do something	<p>HBC lead on place based regeneration around a theme (culture/tourism) using TVCA, Town Deal, Arts Council, etc funds. This will include the following component projects:</p>

	Project	Cost Heading	Cost
	Leisure Attraction	Land Acquisition.	£1,563,000
		Infrastructure work;	£21,394,000
		Leisure Attraction; and	£2,256,000
		Waterfront/ Public Realm	£2,000,000
		Sub total	£27,213,000
	NMRN RML497 Exhibition Centre NMRN Expansion Phase 1	Phase 1 Expansion	£5,000,000
		Exhibition Centre	£2,500,000
		Wingfield Castle	£4,000,000
		Museum of Hartlepool	£1,000,000
		Sub total	£12,500,000
	Headland	Events Space	£1,000,000
		Borough Hall	£3,000,000
		Sub total	£4,000,000
Option 4: Do Something: HBC deliver the projects in its capital plan individually	Under this option the Council is the only funder, it is anticipated that the same outputs will be delivered but over an extended timeframe (10 years as opposed to 3 years to reflect the availability of funds and that there will be cost escalation (due to the extended timeframe) of circa 30% (£57.2m) In addition, there will be reduced catalytic effect to the local economy (a reduction of 25% in visitor numbers and expenditure)		
Option 5: Do something: Focus on provision of NMRN	Under this option only the following activities (directly related to refurbishing the NMRN) will be funded and delivered:		

	<p>Although costs will be significantly reduced, the smaller project will have</p> <table><tr><th>Project</th><th>Cost Heading</th><th>Cost</th></tr><tr><td rowspan="5">NMRN RML497 Exhibition Centre NMRN Expansion Phase 1</td><td>Phase 1 Expansion</td><td>£5,000,000</td></tr><tr><td>Exhibition Centre</td><td>£2,500,000</td></tr><tr><td>Wingfield Castle</td><td>£4,000,000</td></tr><tr><td>Museum of Hartlepool</td><td>£1,000,000</td></tr><tr><td></td><td>Sub total £12,500,000</td></tr></table> <p>significantly reduced economic benefits (20% of Option 3, to reflect the loss of the wider offering. However, this option will have a strong impact on the wider tourism proposition of the region (as it augments the heritage orientation of the Tees Valley destination management plan). The project will have 28% of Option 3 costs but will have 20% of the impact.</p>	Project	Cost Heading	Cost	NMRN RML497 Exhibition Centre NMRN Expansion Phase 1	Phase 1 Expansion	£5,000,000	Exhibition Centre	£2,500,000	Wingfield Castle	£4,000,000	Museum of Hartlepool	£1,000,000		Sub total £12,500,000
Project	Cost Heading	Cost													
NMRN RML497 Exhibition Centre NMRN Expansion Phase 1	Phase 1 Expansion	£5,000,000													
	Exhibition Centre	£2,500,000													
	Wingfield Castle	£4,000,000													
	Museum of Hartlepool	£1,000,000													
		Sub total £12,500,000													
Option 6: Do Something: Focus on provision of leisure attraction	<p>Under this option, only those activities related to developing the leisure facilities will be supported:</p> <table><tr><th>Project</th><th>Cost Heading</th><th>Cost</th></tr><tr><td rowspan="5">Leisure Attraction</td><td>Land Acquisition.</td><td>£1,563,000</td></tr><tr><td>Infrastructure work;</td><td>£21,394,000</td></tr><tr><td>Leisure Attraction; and</td><td>£2,256,000</td></tr><tr><td>Waterfront/ Public Realm</td><td>£2,000,000</td></tr><tr><td></td><td>Sub total £27,213,000</td></tr></table> <p>Although costs will be significantly reduced, the focus solely on providing just a leisure facility, will mean that there is no increase in overnight visitors and that the average number of visitors and spend per year (for day visitors is 40% of that for Option 3). This option would have limited strategic impact to the visitor economy for the wider Tees Valley. The project is 61% of Option 3 costs but will have less than 40% of the impact.</p>	Project	Cost Heading	Cost	Leisure Attraction	Land Acquisition.	£1,563,000	Infrastructure work;	£21,394,000	Leisure Attraction; and	£2,256,000	Waterfront/ Public Realm	£2,000,000		Sub total £27,213,000
Project	Cost Heading	Cost													
Leisure Attraction	Land Acquisition.	£1,563,000													
	Infrastructure work;	£21,394,000													
	Leisure Attraction; and	£2,256,000													
	Waterfront/ Public Realm	£2,000,000													
		Sub total £27,213,000													
Option 7: Do Something: Focus on provision of Live Events Space	<p>Under this option only the upgrade of the Events space and Borough Hall at the Headland will be supported. These complement one another as they are targeted at the live entertainment section of the visitor market.</p> <table><tr><th></th><th>Cost Heading</th><th>Cost</th></tr><tr><td rowspan="3">Headland</td><td>Events Space</td><td>£1,000,000</td></tr><tr><td>Borough Hall</td><td>£3,000,000</td></tr><tr><td></td><td>Sub total</td></tr></table>		Cost Heading	Cost	Headland	Events Space	£1,000,000	Borough Hall	£3,000,000		Sub total				
	Cost Heading	Cost													
Headland	Events Space	£1,000,000													
	Borough Hall	£3,000,000													
		Sub total													

		£4,000,000
	<p>Although costs will be significantly reduced, the focus solely on providing live entertainment venues will mean a reduction in both overnight and day visitors to the region (as the option is only attracting one cohort of the wider market segmentation model). It is estimated that the economic impact will be circa 5% of Option 3. Although in strategic alignment with the Combined Authority's CVE programme of developing venues for live events and festivals, it is probably of an insufficiency of breath of offer to have the wider catalytic impact. The project is 9% of Option 3 costs but have 5% of the impact.</p>	
Option 8: Do Something: Preparatory work (Land Uplift Only)	<p>Under this option, only site assembly and land regeneration activity is undertaken. Meaning that the commercial market has the potential to subsequently invest in a range of products/services, commensurate with perceived market demand. In total circa 4 hectares of land would be remediated and made investor ready at a cost to the public purse of £11m. Benefits will solely relate to the land uplift model. If the land were to be mixed use near the central business area of the town, land uplift could be achieved of £865k⁴ per hectare. Total benefit from land uplift 4 x 865k = 3,460,000. Cost £11m, benefit is 0.31 of the cost</p>	
Option 9: Do Something: Preparatory work and then utilisation of an Investment Fund	<p>Under this option, site assembly and land regeneration activity is undertaken. In addition, the private sector can bid into an investment pot of £18m (the remainder of the IGF and Hartlepool budget from Tees Valley Combined Authority) to develop area regeneration activities. The pot of support would be timebound, require circa 50% match funding from the private sector and can only fund activities eligible under the Indigenous Development Fund. This has the potential to attract an additional £18m of private sector investment and an impact on GVA of £60m by year three.</p>	

Shortlisting Criteria

114. The following table uses the critical success factors to identify those options to be short listed for more detailed appraisal. For full descriptions and KPI information please see full table in the relevant tab in the Evidence Pack. In summary:

Critical Success Factor	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9
Ensuring sustainability of existing asset base	N	N	Y	N	N	N	N	Y	Y
Investment Led Approach	N	N	Y	N	N	N	N	Y	Y
Enhancing the profile and visitor proposition of Hartlepool and Tees Valley	N	N	Y	N	N	N	N	Y	Y
Potential value for money	N	N	Y	N	N	N	N	Y	Y
Capacity & Capability	N	N	Y	N	N	N	N	Y	Y
Potential Affordability	N	N	Y	N	N	N	N	Y	Y
Potential Achievability	N	N	Y	N	N	N	N	Y	Y
Selected for Shortlisting	Y	N	Y	N	N	N	N	Y	Y

⁴ Land Uplift data from VOA Land Value Report 2019 provides suggested land value uplift per hectare for Hartlepool: Industrial: £180,000, Residential £615,000, Office/edge of CBD: £865,000

115. The following options have been shortlisted for detailed analysis:
- Option 1: Status Quo.
 - Option 3: Do the Project as submitted
 - Option 8: Do Something: Preparatory Work (Land Uplift Only)
 - Option 9: Do Something: Preparatory Work and then utilisation of an investment fund.
116. The following options were deemed inappropriate for further detailed analysis:
- Option 2: Do Nothing.
 - Option 4: Do Something: HBC deliver the projects in its capital plan individually.
 - Option 5: Do something: Focus on provision of NMRN.
 - Option 6: Do Something: Focus on provision of leisure attraction; and
 - Option 7: Do Something: Focus on provision of Live Events Space

2.2 Shortlisted Options: Monetary Costs and Benefits

- Option 1: Status Quo: HBC has circa £1.1m of ongoing subsidy/maintenance costs to ensure existing provision. This does not generate any additional benefit
- Option 3: Do the Project as submitted: Total costs £44.4m (incl development costs). This option stimulates an increase in visitor numbers. If this increases by 5% in 2024, and a further 1.25% year on year to 2028, with increased dwell time due to more things to do in the town generating an increased spend of 10% per visitor, this could generate an additional £77m in day visitor spend, or £145m if this trend is applicable to overnight visitors. See Scenario 8 analysis in the evidence pack. Day visitors would return 1.73 per pound spent, or £3.27 per overnight visitors.
- Option 8: Do Something: Preparatory Work (Land Uplift Only) This would return 0.31 for each pound invested, the real benefit would come when the private sector invest on the readied land. However, as the market failure has persisted for years already, this is unlikely to drive benefits in the short to medium term.
- Option 9: Do Something: Preparatory Work and then utilisation of an investment fund. As Option 8, the property market failure in the area limits the achievement of benefits from this option.

2.3 Shortlisted Options: Sensitivity Analysis

117. The benefits of the preferred option occur from an increase in visitor numbers.
118. The data from STEAM show the average incremental growth of visitor numbers at 1.35% year on year, without investment to 2019. The data is interrupted by the pandemic, so the 2020 data shows a drop of 60% due to lockdown. Therefore, baseline figures are taken from the stable data of 2019.
119. Government's Tourism Recovery Plan wants visitor numbers to get back to pre-covid levels by 2023. In 2023, the Tall Ships event returns to Hartlepool which will boost visitor numbers and put Hartlepool in the spotlight. The funding and benefits from that project sit outside of this programme business case, however, there will be a legacy impact of raised awareness of Hartlepool as a place to visit, and revisits of people who want to see more of the area after the Tall Ships event.

120. In 2024, the strategic leisure complex opens to the public. Any new facility attracts an additional 20% users, due to the novelty factor. With the combination of the Tall Ships plus the new waterfront facilities, it is not unreasonable to expect a 5% growth of visitor numbers in 2024, compared to 2019, followed by a further 2.5% growth of visitor numbers each year until 2028. The expansion of the NMRN will support and consolidate these growth projections.
121. With the interventions proposed by the Waterfront Programme, combined with marketing activities, visitor numbers will build on pre-covid levels.
122. In the appended evidence pack, Tabs 2.2 DAY visitor trends and ALL visitor trends builds up simple analysis, into 9 scenarios. Scenario 1 looks at the cautious growth scenario of 5% initially then 2.5% growth is measured against the counterfactual of 1.35% growth. This shows additional income generated based on an increase in visitor numbers alone. Scenario 2 provided a sensitivity analysis, where only half the rate of increase of visitor numbers occurs. Scenario 3 is a growth rate between the two.
123. Scenarios 4,5 and 6 build on these growth rates by adding in an increase to the amount each visitor spends. As the programme of investments provides a range of activities for people to take part in, the expected 'dwell' time that a person spends will translate into 5% additional spend for each person. Scenarios 7,8 and 9 assume additional spend of 10%.
124. Scenario 8 uses the cautious growth rate for visitor numbers, with a 10% increase in spend per visitor. The baseline average day spend is £27.26. 10% of this is £2.80 – equivalent to the price of a coffee. The additional income from day visitors, would be £77.8m (a return of £1.75 for each £1 spent)
125. From the benchmarking in the assessment of need section above, it is not unreasonable to expect return on investment of £2.51 per £1, so this scenario is cautiously low in its potential impact.

2.4 Shortlisted Options: Non-Monetary Costs and Benefits

126. The following table reflects those benefits which are viewed as being strategically important to the region and sector but for which a direct monetizable benefit could not be attributed:

	Scoring	Weighting	Option 1	Option 3	Option 8	Option 9
Enhancing the commercial viability of the town centre proposition	50%	1-10	1(50)	10(500)	5(250)	5(250)
Enhancing liveability	40%	1-10	1(40)	10 (400)	5 (200)	5 (200)
Maintaining the built environment	10%	1-10	1(10)	10 (100)	3 (30)	5 (50)
Scoring			100	1,000	480	500
Ranking			4th	1st	3rd	2nd

127. The rationale for the scoring for each of option by respective non-monetary factor is as follows):
- Enhancing the commercial viability of the town centre proposition: This has been accorded the highest scoring of the three, as it is the most directly attributable to the types of support offered and also has the greatest scale of impact,
 - Enhancing liveability: This has been accorded a slightly lower scoring, as it is principally about enhanced service provision for residents and will not have a direct economic impact beyond the town and is therefore not of strategic importance to the Combined Authority

- Maintaining the built environment: This has been accorded the lowest scoring as it relates to a benefit (built heritage) which is of importance to the Local Authority but is not an objective of the Combined Authority but does indirectly contribute to quality of place a key enabler for the attraction of visitors.

2.5 Shortlisted Options: Delivery Risks

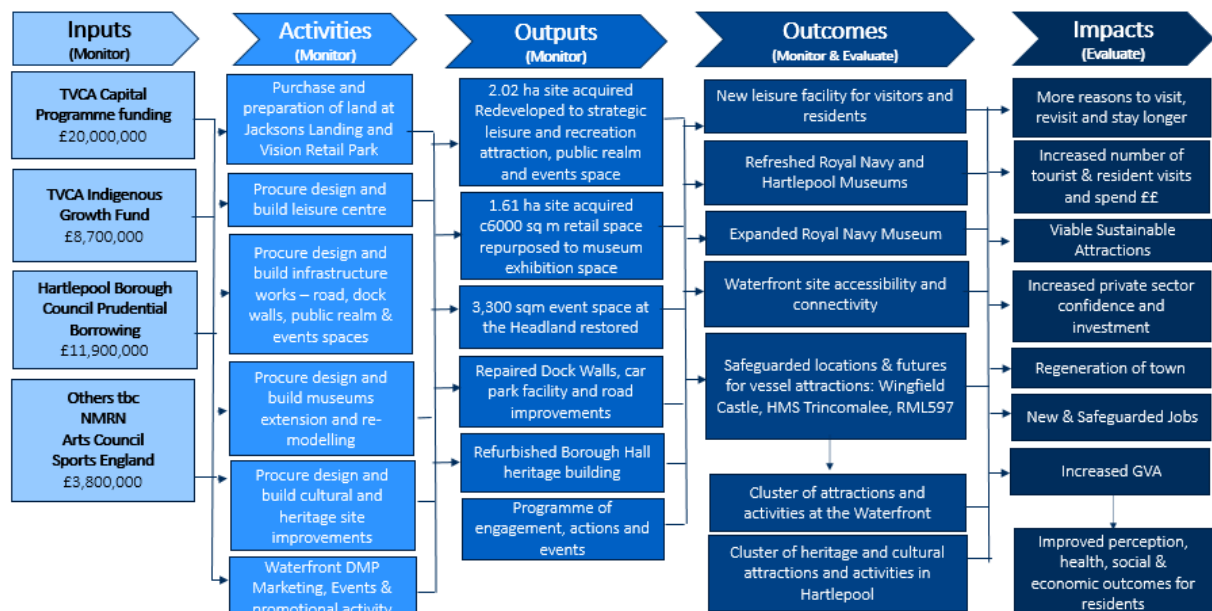
128. Option 1 risks the deterioration of the Wingfield Castle, and stagnation of the existing museum offer. The former could result in a dangerous structure, the latter could offer no return on investment.

129. Options 8 and 9 rely on stimulating private sector investment as a result of assembling land and remediating vacant and derelict sites. These sites have lain dormant for significant periods of time already. The existing market failure present in the area would indicate that placing reliance on the private sector, who have not sought to invest to date, would risk no benefits being realised from the £11m spend.

2.6 Preferred Option Justification:

130. The balance of monetary and non monetary factors lead to the preferred option being selected. Option 3: Do the Project as submitted: Total costs £44.4m (incl development costs). This option stimulates an increase in visitor numbers. If this increases by 5% in 2024, and a further 1.25% year on year to 2028, with increased dwell time due to more things to do in the town generating an increased spend of 10% per visitor, this could generate an additional £77m in day visitor spend, or £145m if this trend is applicable to overnight visitors. See Scenario 8 analysis in the evidence pack. Day visitors would return 1.73 per pound spent, or £3.27 per overnight visitors.

2.7 Preferred Option: Headline Outputs, Outcomes and Impacts



CASE 3: COMMERCIAL CASE

Key Messages:

- The range of projects making up the Waterfront Programme will be assessed individually at using the Call-off form to capture all the relevant project information required to create a deliverable project and enable full TVCA appraisal
- The Programme as a whole, and all the projects within it, are led by Hartlepool Borough Council (HBC), and delivered by the organisation with the relevant expertise to each project
- As the public sector is funding the investment, and the funding flows via HBC, the procurement will follow public sector procurement regulations.

3.1 Subsidy Control

131. BEIS guidance is found [here](#).

132. Initial considerations using the principles outlined by BEIS are carried out at programme level. This is provided at Appendix 5

133. TVCA are providing grant funding to HBC, the local authority. The programme funds activities which will be carried out by the public sector to overcome market failures and create conditions for growth which are not conferring advantages to specific beneficiaries. The creation of the desired outcomes falls within the remit of the local authority and are investments that would not occur by the private sector.

134. However, each project within the programme must be reviewed against these principles. The call off stage for each project requires this assessment to take place. This is of particular importance for the onward transfer of funds to the third party (NMRN). As a result, external legal advice has been commissioned by HBC to mitigate the risk of their non-compliance with subsidy control rules.

3.2 Delivery Mechanism

135. To deliver the overall programme will require a mix of mechanisms. It is appropriate for each project to describe the appropriate delivery mechanism in the Call off.

136. Each project must ensure delivery of key outputs and outcomes determined as part of the programme economic case. The most appropriate delivery organisation will deliver the project, whether internally by HBC itself, or externally via procured contract. The museums at the Waterfront are operated by the NMRN, who are best placed to deliver museum improvements.

137. Delivery of the programme will be overseen by HBC. HBC will use its established procurement Strategy and Policy.

138. The expansion and refurbishment of the Museum complex will be delivered by NMRN in partnership with HBC, with governance oversight through both a partnership Technical Board as well as through internal HBC capital programme governance structures. Procurement will be monitored through these governance structures.

139. Each project will have its own risk register and will seek to transfer and mitigate risk as appropriate during the delivery phase and maximise outcomes resulting during the benefits realisation phase.

140. HBC will make sure that any risk to the Authority or the community it serves is properly recognised in all its procurement dealings. It will identify risks, evaluate their potential

consequences and effectively manage those risks accordingly at every stage of procurement.

141. HBC will consider potential risks prior to any procurement activity, to ensure that the appropriate sourcing strategy is chosen. These will be recognised and reported within the risk management procedures at the Project and Programme level.

3.3 Procurement Approach

142. The procurement route will be determined individually for each project based on works required, the resource plan and the skill and capabilities required for each project. Oversight through the governance structure will provide assurance on value for money and risk allocation. Each project's Call off will specify the project requirements and proposed approach.

143. As above, HBC is a local authority and has the necessary procurement rules and procedures in place. Procurement is managed through the HBC Corporate Procurement team whose operations are guided by the HBC Procurement Strategy and Policy Document and national public sector procurement regulations which includes consideration of social value and environmental impacts.

144. HBC has already existing, competitive multi-provider frameworks which have previously been used for delivery of similar schemes and comply with all OJEU requirements.

145. Programme delivery will be overseen by HBC under the HBC procurement Strategy and Policy. The expansion and refurbishment of the Museum complex will be delivered by NMRN in partnership with HBC, with governance oversight through both a partnership Technical Board as well as through internal HBC capital programme governance structures. Procurement will be monitored through these governance structures.

146. HBC has experienced, and dedicated contract management capacity to deliver effective contract management. Contract negotiations and ongoing contract management will be supported by HBC's legal team and quantity surveying support either 'in house' or via framework consultancy support.

3.4 External Permissions and Studies

147. In developing the programme, studies have been undertaken to inform the masterplan, the town deal investment plan and the overarching HBC Council Plan.

148. The relevant studies are drawn upon at project level, and appropriate studies, permissions, design work and delivery plans will be provided at project level to inform the appraisal process.

149. Each project call off will include the following:

3.4.1 Feasibility Studies

3.4.2 Land Ownership

3.4.3 Planning Permission

3.4.4 Detailed Design

CASE 4: FINANCIAL CASE

Key Messages:

- The programme will be funded in the main by TVCA Capital Fund and Indigenous Growth Fund. Additional funding will be provided by HBC Prudential Borrowing, the Arts Council, and other sources yet to be applied to
- Each project will outline in its Call off form the capital costs and expenditure profile; each project will also provide forecasts of revenue generation to evidence sustainability of the asset, and deliverability of outputs and impacts.
- The projects will then be summarised into the overall programme.

4.1 Summary of Expenditure and Funding

Expenditure Heading	Total	to date	Q4 21/22	22/23	23/24
Jacksons Landing acquisition of land	1,563,000	1,563,000			
Development funding advance	680,000	680,000			
Leisure Attraction	21,394,000			10,994,000	10,400,000
NMRN RML497 Exhibition Centre	5,000,000		3,400,000	1,600,000	
NMRN Expansion	2,500,000			1,500,000	1,000,000
Museum of Hartlepool	1,000,000				1,000,000
Infrastructure works: quay wall, highlight carpark, highways	2,256,000			2,256,000	
Waterfront public realm/events space	2,000,000			2,000,000	
Wingfield Castle incl Dam Board	4,000,000			2,000,000	2,000,000
Headland Events Space	1,000,000			1,000,000	
Borough Hall	3,000,000			1,500,000	1,500,000
Evaluation	7,000				7,000
Total / Quarterly / Annual cash out totals	44,400,000	2,243,000	3,400,000	22,850,000	15,907,000
Income: Funded by receipts from					
TVCA Capital Fund	20,000,000	2,243,000	3,400,000	14,350,000	7,000
TVCA IGF	8,700,000			6,700,000	2,000,000
Hartlepool BC Prudential Borrowing	11,900,000			1,500,000	10,400,000
Other NMRN Sports England TBC	3,800,000			300,000	3,500,000
Total	44,400,000	2,243,000	3,400,000	21,850,000	15,907,000

4.2 Other Funding Sources

150. A funding strategy is currently in development to prepare applications to other funders. Current Other Funding is as follows:

HBC Prudential Borrowing	£11.9m	Confirmed
Sports England	Up to £2m	Currently preparing Round 2 application
DCMS Funding	£1.8m	Confirmed
Arts Council Museum Resilience Fund	54,000	Confirmed and allocated to Museum of Hartlepool development
NLHF	TBC	Joint application (HBC/NMRN) in discussion

National Memorial Heritage Fund	TBC	Joint application (HBC/NMRN) in discussion	
4.3 What will the TVCA funding be paying for?			
151. HBC have allocated their funding as set out in the table below. The indicative amounts have been calculated by HBC as cost estimate (evidence not available) and allocations approved by the Finance and Policy Committee subject to confirmation of costs within Business Cases as projects progress			
	TVCA CAPITAL FUND	TVCA INDIG GROWTH FUND	
Jacksons landing land acquisition	1,563,000	0	
Development Advance	680,000	0	
Strategic Leisure Attraction	10,494,000	500,000	
NMRN RML497 Exhibition Centre	5,000,000	0	
NMRN Expansion	0	2,500,000	
Museum of Hartlepool	0	1,000,000	
Infrastructure: quay wall, highlight carpark, highways	2,256,000	0	
Waterfront public realm/events space	0	2,000,000	
Wingfield Castle including Dam Board	0	1,000,000	
Headland Events Space	0	500,000	
Borough Hall		1,200,000	
Contribution to evaluation costs	7,000		
TOTAL	20,000,000	8,700,000	
152. Allocations of capital budget costs to contribute to evaluation, communication and marketing are to be confirmed by the Assistant Direct for Development and Growth.			
4.4 Details of other funding routes explored			
153. Other funding has been sought as follows:			
Levelling Up Round 1			
4.5 Financial assistance sought			
154. The assistance required is grant funding. Where there will be income generated, this will be used to cover ongoing operational costs.			
4.6 Financial Return to TVCA			
155. The enabling and safeguarding works will not generate a financial return. As above, where income is generated from the asset created, this will be used to cover operational costs.			

4.7 Financial Risks

156. Cost uncertainty is likely to continue. Supply shortages in materials and workforce, due to changes in the labour market and general trading conditions resulting from Brexit, and COVID-19 disrupting supply chains. There are also high demand pressures at play from pent up demand from householders who have not been able to spend during lockdowns and have funds available, and businesses who have paused investment pending the outcome of the pandemic. In addition, government policy to build back better and invest in infrastructure projects is adding to demand. Therefore, construction projects are currently facing significant risks of further cost increase.
157. Supply chain issues may cause delays and thus increase costs. This would impact on the ability to complete the project and generate revenue.
158. Cost increases with restricted contingency funds will require cost engineering. This impacts on time and/or quality. This could lead to a less attractive end product which does not attract as many users / visitors. This would impact on the operating models of the investments, and the subsequent ability to attract the desired level of visitors and achieve GVA and jobs growth.
159. Match funding relied on in the funding model may not be realised. The Levelling Up bid was not successful in this round, future funding bids are uncertain.
160. Accountancy treatment of assets purchased / created is a risk from subsidy control perspective where the asset is not retained in public sector ownership.
161. Cost to meet increasing regulatory burden on the private sector may add to cost increases for procured services (ESG requirements)
162. Capital costs for the programme are estimated, however, no detailed costs of revenue requirements and operating models are available for the constituent projects. This presents a risk that the investments do not create the desired financially sustainable outcomes.
163. During the funding call off process, each project will complete its individual risk register, which will feed into the programme risk register. This will be reviewed as part of the programme delivery governance processes at project and programme level.
164. HBC is the lead delivery partner and will mitigate and manage risks through a robust Project Management process and close monitoring using its established Governance systems. This includes governance of the NMRN delivered projects.
165. TVCA will have an overview of the delivery of the outcomes of the programme via the established claims and monitoring, and change management processes.

4.8 Operating Model: projected income and expenditure

166. Each project within the programme will provide details of the operating model at project call off stage.
167. It is expected that the funding will pump prime the attractions (NMRN, Strategic Leisure Centre, Borough Hall) which will operate commercially to generate income which will cover operating costs. For example, the Borough Hall is expected to be the flagship event space,

generating surplus revenue which will support less cash generative event spaces in the HBC portfolio.

4.9 Cashflow of Programme / Project

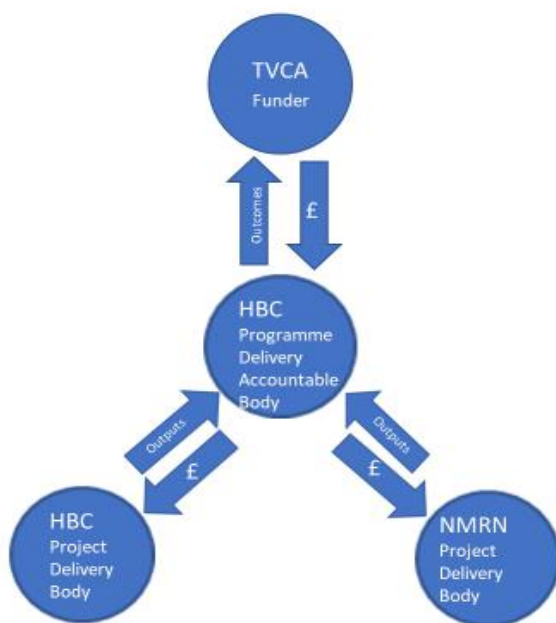
168. Hartlepool Borough Council will be in a position to cashflow projects through the prudential borrowing.

CASE 5: MANAGEMENT CASE

Key Messages:

- The Programme Management Framework sets out the process to be followed to make funding and change decisions
- The TVCA funding will flow to HBC who are responsible for the delivery of the programme activities and the achievement of outcomes.
- HBC have a formal working arrangement with the NMRN to deliver the museum elements of the programme
- Public sector governance process will be applied at programme level, and to each project within the programme

5.1 Delivery Partners



169. The diagram illustrates the flow of funding for investment in projects from TVCA to HBC. HBC are the lead for the programme and are accountable for the delivery of the programme outcomes.

170. The money then flows to the delivery partners. HBC are the delivery organisation for most of the projects, the NMRN are the delivery organisation for the projects on the museum site. These delivery bodies may deliver direct in house or may procure the required external expertise to deliver their projects.

171. The decision-making process to allocate funds from the programme to each project using the Call Off process is covered in the Programme Management Framework at Appendix 8

5.2 Formal Partnership Arrangements

172. The Waterfront Programme Partnership was established through an Memorandum of Understanding agreed in September of 2019 and sets out the purpose of the partnership, the obligations of the partners and an agreement on delivery method, funding approach and reporting.

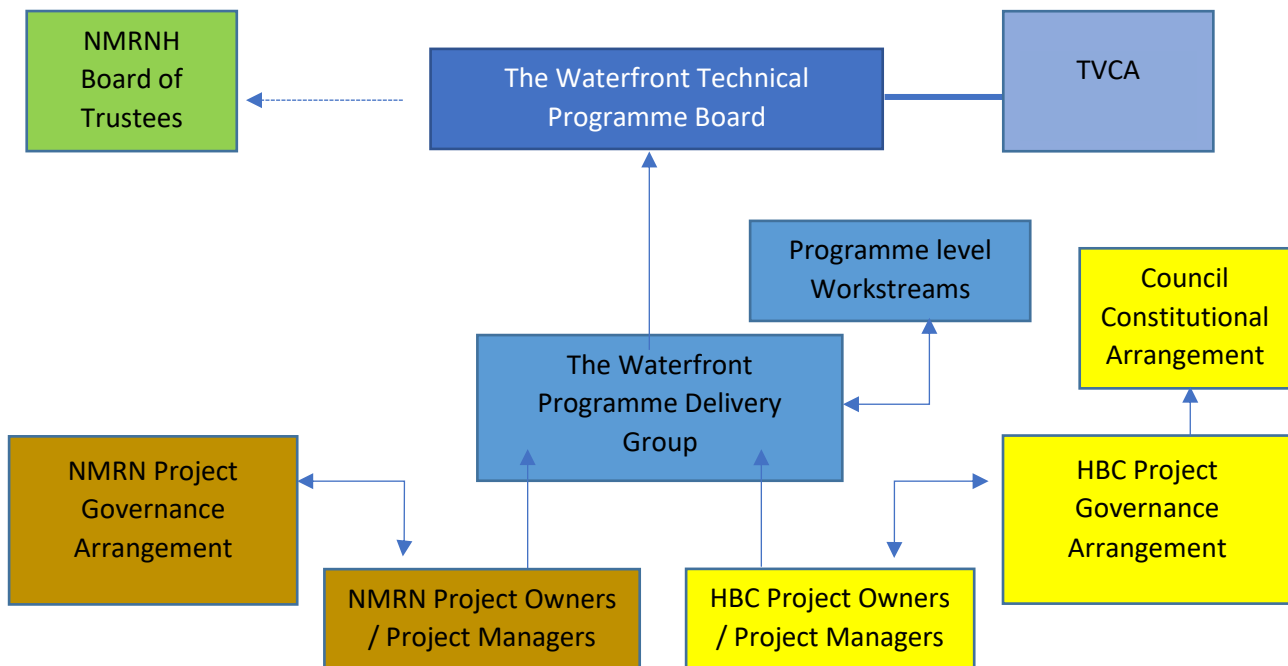
173. The full memorandum is provided in Appendix 9

5.3 Details of Programme / Project Management Structure

Waterfront Partnership Programme / Project Management Structure

174. Terms of Reference for the partnership were established in March 2020 and set out the governance and reporting arrangements for the Waterfront Programme including identify personnel on the Waterfront Programme Technical Board and the Waterfront Programme Delivery Group. This has been reviewed / updated as required since, the latest iteration is: ToR Governance Arrangements V7 May 22 see Appendix 10

175. The following diagram illustrates how the governance structure works within the Waterfront Partnership. Projects responsibilities and governance remains within the individual organisations but with Project owners and project managers reporting to both individual organisations governance systems and to the Waterfront Programme governance process. Decisions on spend remain within the partner organisations. The Waterfront Programme Delivery Group are central to coordination where project updates are given and workstream work packages are reported on and driven. The Delivery Group report on all activity to the Programme Board. Decisions & recommendations made by partner organisations on Waterfront Programme projects are brought to the board for discussion and endorsement.



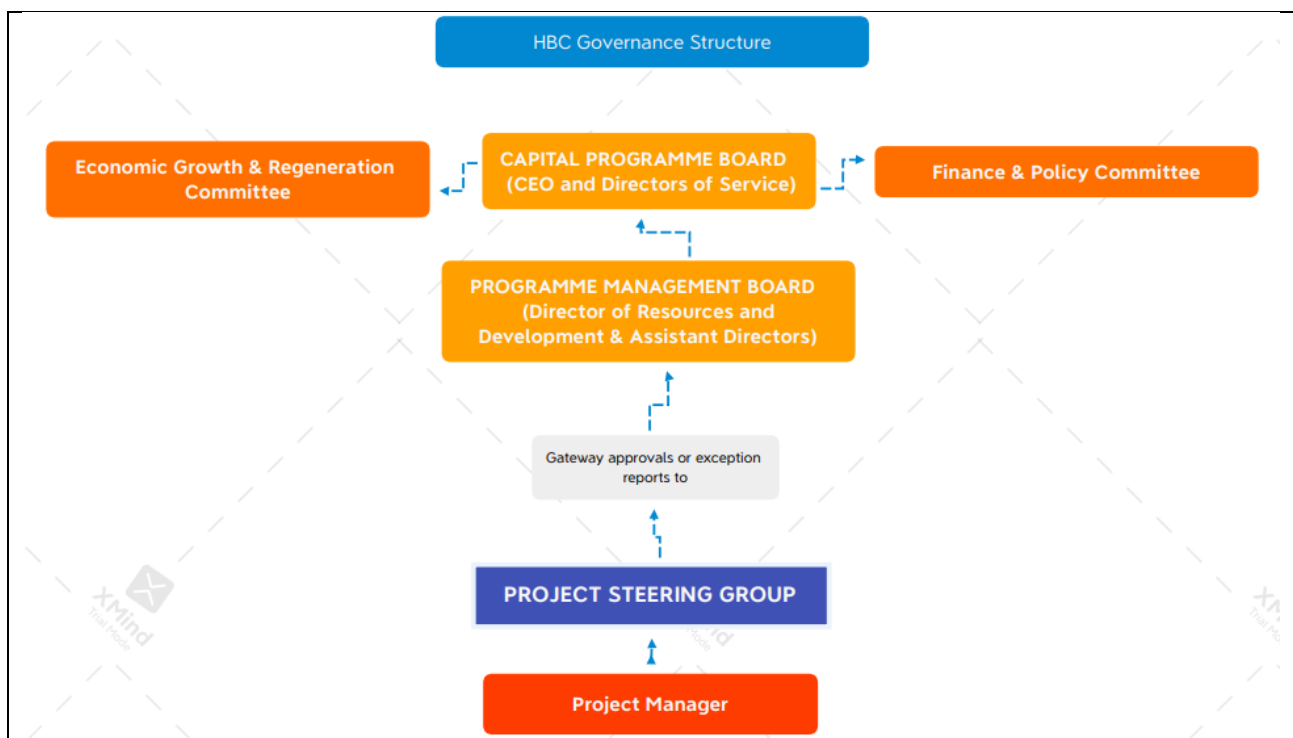
176. The Programme Management Framework appended to this business case sets out how decisions are made at TVCA, and how these processes interface with the Partners' (HBC and NMRN's) decision making process and project delivery and management structures.

Hartlepool Borough Council Governance Arrangements

177. HBC has an established governance structure to support the delivery of HBC owned capital projects. This is summarised in the diagram below. Each project within the programme has an allocated Project Manager who reports into the Steering Group. HBC provides the secretariat for the steering groups and facilitates the meetings. Capital Projects progress through an approval process of 4 gateways with governance documentation completed at each gateway to support decision making to progress the project. The governance documents are reviewed by HBC's Programme Management Board and reviewed and approved by Capital Programme Board.

178. The Programme Management Board is made up of assistant directors of services within which capital projects are in delivery and is chaired by the Assistant Director for Finance.

179. The Capital Programme Board is made up of Directors of departments within which Capital Projects are being delivered. It is chaired by HBC's Managing Director.



National Museum of the Royal Navy Governance Arrangements

180. NMRN/NMRNH is responsible for the delivery of those elements which are allocated to it. NMRNO has an SRO, Captain John Rees, a Project Director, Roslyn Adamson, and has appointed Artelia as project managers. As the project mobilises, their work will be overseen by the NMRNO Programme Board. There are written TORs for the PB, the PDG and the NMRNO Programme Board. The powers of NMRNO, NMRNH and NMRN are set out in their respective Articles of Association.

Maintenance of Management Information

181. A Project Execution Plan [PEP] (AKA Mandate or Delivery Plan) will be provided for each project and appended to the Call Off form. Detail is provided of project management delivery specifics which may vary between projects. The PEP summarises each:

- Project within the programme with a summary section on milestones and stage durations, details on the key dependencies and interfaces within the other projects in the programme and details the approach to contingency.
- Delivery Management Approach; this includes information about managing delivery partners through agreements, the programme governance framework and HBC Capital Programme governance framework; Outline of roles and responsibilities at both the programme management and project delivery levels; a Resource Plan, including a breakdown of resource requirements and skills, capability and capacity required
- Monitoring and Evaluation Plan; outlining the framework used by HBC to secure and monitor benefit realisation within the programme during and beyond delivery; and
- Communication Management Approach; including an outline of the Stakeholder Engagement Plan and the strategy for managing stakeholders with consideration for their interests and influences.

5.4 Issue and Risk Management Processes

182.

183. Issue Management

184. Following the project delivery structure outlined above, issues will be highlighted by the project manager via the steering group into the HBC Programme Management Board and HBC Capital Programme Board. Where issues trigger changes to the programme, due to their impact on the delivery of the programme and achievement of outputs outcomes and impacts, the TVCA programme change process outlined in the PMF will be followed.

185. Risk Management

186. HBC's Risk Management Framework also provides a clear framework on the roles and, within these, the responsibilities for managing risk. This includes the role of elected members, senior management, senior leaders and employees; overseen by the Head of Audit and Governance and the Internal Audit team.

187. Internal Audit has a role within the Capital Programme Governance framework, providing monitoring and project assurance of capital project from project inception and throughout delivery of capital projects. (See Delivery Management Approach in Delivery Plan).

188. The Programme Manager is responsible for maintaining and updating a Programme Risk Register and managing the mitigating of any risks alongside Risk Owners who are allocated on the basis of being the party best placed to manage or mitigate that risk, or manage the consequences should they transpire. Individual Project Managers are responsible for the same duties at project level.

189. At project and programme level, risks will be managed by monitoring and mitigation. Each project will have a Risk Register which will be provided at the Project Call Off stage and reviewed as set out in the PEP, appropriate to the level of risk present in the project. Project risks will feed into the Programme Risk Register which will be reviewed by the Programme Management Board. This Risk Register will follow the template of, and align with, the TVCA Investment Plan Corporate Risk Register

190. This risk register adheres to the HBC standards for risk management with a standard for recording, assessing and reporting risks. Using a RAG rating system, the levels of risk within each project will be communicated through the Project and Capital Programme Governance framework for monitoring.

191. HBCs Risk Management Approach is outlined in the HBC corporate Risk Management Framework and Resources. This framework provides a structure for the appropriate and effective management of risk; detailing the procedures for recording of risks and their internal controls including the communication, monitoring / management and reporting of risks.

192. In the context of capital project governance, projects are required to produce and maintain a risk register for individual schemes once project development is initiated and approved. When projects are managed within a programme, a programme risk register is also required (programmes are treated as additional entities to the component projects in terms of governance).

193. Responsibility for mitigation is with Project Teams and Risk Owners with Project Managers reporting mitigating actions to Steering Groups with Senior leadership representation to ensure the application of resources to minimise, monitor and control those risks in order to protect assets and minimise losses and liabilities.

194. An equivalent management structure is being used by the NMRN as a delivery partner with HBC project and senior leadership representation at appropriate levels – this is covered at

the call off stage for the NMRN delivered projects detailed in the Delivery Management Approach information in the Delivery Plan. The NMRN projects will feed into the HBC project delivery & management process via the Waterfront Steering Group and Programme Management Board.

5.5 Key Milestones

195. Each project will have its own delivery plan and milestones which will be provided within the PEP submitted with the Call Off form for TVCA funding.
196. The significant milestones for the programme are summarised below and are drawn from the high-level programme plan (updated May 22) summary in Appendix 6

Key Milestone Description	Expected Completion Date
Vision Retail Park – land acquisition	28/02/2022
Business Case /Funding Call off for Infrastructure Project	28/02/2022
Business Case /Funding Call off for Strategic Leisure Centre	28/08/2022
Infrastructure Project start	01/03/2022
Business Case / Funding Call off for Wingfield Castle	30/01/2023
Wingfield Castle dock works start	01/10/2022
Infrastructure Project complete	30/11/2022
Leisure Centre Construction start	01/12/2022
Wingfield Castle dock works completion	TBC
Event Space and Public Realm complete	31/12/2024
Leisure Centre construction complete	31/12/2024
NMRN expansion complete	TBC
NMRN refurbishment complete	TBC

5.6 Stakeholder Management and Communications Plan

197. Delivery stakeholders are managed through the Waterfront Partnership group and the individual projects. Project PEPs will include marketing & communication plans for individual projects at call off stage.
198. The management of stakeholders outside of the projects and the communication planning for engage these will be part of the Marketing Strategy which will be an output of the DMP.

5.7 Social Value Generation: Environmental and Social Impacts

199. The generation of social value at a project level will be proposed and monitored through individual project plans and will be monitored through the monitoring & evaluation process. Plans for individual projects will be provided at call off stage.
200. The generation of social value at a programme level will be proposed and monitored through the DMP and action plan.

5.8 Monitoring and Evaluation Plan

201. A Programme level monitoring and evaluation framework will be provided to individual project owners and will support individual project owners to embed the strategic objectives and outcomes into projects and to develop the individual monitoring & evaluation plans inline with the monitoring indices determined at programme level.

202. Each project owner will be responsible for developing a monitoring and evaluation plan and these will be provided with the project plans at Call Off stage.
203. The overarching programme monitoring and evaluation framework is found at Appendix XX [The programme evaluation is concerned with the achievement of outcomes and impacts as set out in the Waterfront Programme Impact and Outcomes document.

5.9 Marketing Plan

204. The Marketing Strategy of the regeneration programme will be an output of the HBC Waterfront destination management plan and developed in collaboration with all project owners. The development of this strategy will be overseen by the Economic Growth team at HBC.
205. The individual marketing and communication plans for each project will be the responsibility of individual project owners but will be expected to key into the Programme Marketing Strategy. These individual plans will again form part of the project delivery plans (PEP) submitted with the Call Off forms and each contribute to the delivery of the programme strategic objective and programme outcomes.
206. This Waterfront site-specific DMP will fit under the TVCA DMP for the wider area. The TVCA DMP (to be published March 2022) sets out the target markets of visitor types, providing cohorts to design marketing activities around.
207. Subject to the confirmed activities of TVCA's DMP, the Waterfront DMP SRO and project owner will be able to liaise with TVCA to coordinate marketing and reinforce TVCA DMP messages.

5.10 Exit Strategy

208. Each project will set out in its call off form its individual exit strategy following the completion of the capital projects. As has been mentioned in the strategic and financial cases, the plans for the projects are intended to pump prime to the stage where the ongoing operational costs are self financing from income generated. This is the case for attractions projects.
- Leisure Centre – Owned by HBC, managed by the Department for Adult and Community Based Services
 - Event Space – Owned by HBC, managed by the Department for Adult and Community Based Services, maintained by the Place Management Department
 - Museum of Hartlepool and PS Wingfield Castle – Owned by HBC, managed by the Department for Adult and Community Based Services
 - Dam Board – Owned by HBC, leased to NMRNH, maintained by NMRN Trading
 - NMRN RML Exhibition Centre – Owned by NMRN Operations, maintained by NMRN Trading
 - NMRN Museum alterations – Owned by HBC, leased by NMRN, maintained by NMRN Trading
209. The maintenance of the enabling infrastructures such as highways, public realm works and dock walls will become part of the responsibilities of the highways and Place Management departments of HBC.

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APPLICANT SIGN OFF

TO BE SIGNED BY PROJECT SPONSOR PRIOR TO SUBMISSION FOR APPRAISAL

I declare that to the best of my knowledge and belief, the information given within this application form is correct. I understand that acceptance of this application form does not in any way signify that Tees Valley Combined Authority has agreed to invest. I declare I am an authorised signatory of the lead organisation, with the authority to sign off this application form and have notified the necessary senior finance officers.

FREEDOM OF INFORMATION

I understand the requirements of the Freedom of Information Act 2000. I understand that Tees Valley Combined Authority is subject to the provisions of the Freedom of Information Act 2000 ("the Act"). The Act provides for information to be exempt from the general right of access if its disclosure would, or would be likely to, prejudice the commercial interests of any person. A Project Sponsor may request that certain information in their submission and any subsequent Agreement is treated as covered by this exemption. However, if the information is requested the availability of this exemption will be subject to a test of whether the public interest lies in disclosing the information or keeping it confidential. We understand that while Tees Valley Combined Authority will endeavour to take into account the Project Sponsor's views as to the keeping of information confidential, it reserves the right to disclose information if required to do so.

Signature:	
Name:	
Position / Title:	
Company / Organisation:	
Date:	

APPENDICES CHECKLIST			
<i>Guidance note: The purpose of this section is to ensure supporting evidence is provided and organised with reference numbers, prior to submission for appraisal.</i>			
Case	Document Required	Provided Y/N	Reference
	Evidence Pack workbook		
Case 1	Strategic Case		
	Strategy Review	Y	Appendix 1
	Evidence of Need: Steam Data	Y	Appendix 2
	Evidence of Need: Visitor Insights	Y	Appendix 3
Case 2	Economic Case		
	Discounted Cash Flow analysis	Y	Evidence Pack App 4
	Logic Model	Y	Evidence Pack App 4
	Options Analysis	Y	Evidence Pack App 4
Case 3	Commercial Case		
	Formal independent State Aid opinion	N	
	Programme: State Aid Considerations	Y	Appendix 5
	Procurement tender and /or contract documents	N	
	Feasibility Study(ies)	N	
	Evidence of Land Ownership (land registry evidence)	N	
	Planning Permission (application / approval)	N	
	RIBA Stage 3 / 4 design report	N	
	Programme Risk Register	Y	Evidence Pack App 4
Case 4	Financial Case		
	Programme Business Case Cashflow #4.9	Y	Evidence Pack App 4
	Evidence of other funding sources	N	
	Payback Analysis	N	Evidence Pack
	Revenue Model	N	Evidence Pack
	Financial Due Diligence	N	
Case 5	Management Case		
	Memorandum of Understanding		
	Partnership Agreement	N/A	
	Joint Venture Agreement	N/A	
	Organogram of key delivery personnel		
	Project Management Protocol incl risk management, change management		
PMF	Programme Management Framework		

FINANCE AND POLICY COMMITTEE

26th July 2022



Report of: Managing Director

Subject: COUNCIL PLAN 2021-2024 – PROGRESS UPDATE

1. TYPE OF DECISION/APPLICABLE CATEGORY

For information only.

2. PURPOSE OF REPORT

- 2.1 To provide an update to Finance and Policy Committee on the progress made on the delivery of the Council Plan so far this year and to share with the Committee the latest version of the Strategic Risk Register. Also, to inform members of the intention to produce an Annual Report for 2021/22, the first year of the Council Plan.

3. BACKGROUND

- 3.1 The Council Plan 2021-24 was agreed by Council on 25th February 2021 and forms part of the Council's budget and policy framework as set out in the Constitution.
- 3.2 The Plan sets out a clear vision for Hartlepool and identifies what the delivery of that vision will mean. This reflects what was identified through consultation with residents, elected members and our public, voluntary, community and private sector partners whilst also recognising the emerging and continually evolving challenges the Council faces from the pandemic.
- 3.3 Finance and Policy Committee have received progress update reports at their meetings on 15th November 2021 and 14th March 2022.

4. PROGRESS UPDATE – JUNE 2022

- 4.1 This update outlines the progress made on the delivery of the Council Plan since the last report to Committee in March 2022:

Hartlepool will be a place where people are enabled to live healthy, independent and prosperous lives.

Holiday Activities and Food (HAF) Programme

The Easter Holiday Activities and Food programme was delivered by 30 local providers across Hartlepool including council, VCS and private organisations. The breadth and choice of the offer for children to engage continues to be a real strength and the take up rates of activities and food on offer indicates that what was provided and available was of interest to children and young people.

A HAF Coordinator is now in post and moving forwards this dedicated full time role will oversee the programme, ensure further checks on how we reach and focus on eligible children and young people as well as conducting thorough quality assurance and support of all providers.

The HAF now has confirmed funding for three years and going forward the intention is to strengthen the offer and quality of provision and create a provider network that will share best practice and develop the local offer.

Changing Places Facilities

Funding has been secured to develop 4 new changing places facilities in the town, improving accessibility for people with multiple and complex disabilities and their carers. Changing places facilities are designed for people who need additional space, equipment and a carer(s) which is not possible within the space of a standard accessible toilet.

Older People

A new care home for older people with nursing and residential care needs is due to open in June / July 2022 increasing capacity and choice in the Borough.

Ageing Well Funding has been secured to assist older people to improve their physical, mental and emotional well-being.

Sport and Recreation

In 2021/22 over £380k of inward investment has been secured from external funding partners for sport and physical activity related projects.

Hartlepool has been selected as one of 6 national pilot schemes for Football Foundation investment in the development of grass sports pitches.

Leisure Centre Development - The Highlight

The development of Hartlepool's new leisure facility (Highlight) has experienced significant progress over the last few months. The development has been selected as one of a small number of national "pipeline" projects by Sport England for up to £2m capital investment via the Strategic Facilities Fund. RIBA Stage 4 has been completed and the planning application for the site has been submitted. In addition, repair works to the quay walls were undertaken during the months of April and May which will offer protection to the site.

Cycling Developments

The new 750 metre cycling track at Summerhill Country Park has been completed utilising £250k of grant funding. It has been designed to provide accessible, traffic-free community cycling facilities and opportunities for people of all ages and cycling abilities. The “free-form” tarmac track is fenced and floodlit and built on gently sloping terrain incorporating varying elevations and degrees of cornering difficulty.

In addition, work continues on a local cycling and walking infrastructure plan with designs being developed for a number of improved sections of footpath and cycleway across the town over a five year period. There have also been discussions with TVCA around the establishment of a cycling hub and discussions with Middleton Grange Shopping Centre to identify suitable premises for the scheme.

Hartlepool will be a place where those who are vulnerable will be safe and protected from harm.
Multi Agency Child Exploitation Hub

The Department for Education project was fully delivered with a final evaluation report that sets out the achievements of the project as well as next steps in the further development of the department’s response to children at risk of extra familial harm. The team is fully operational and strengthened practice is evident in terms of identifying and mapping children and young people’s networks, assessing and responding to risk and harm and targeting resources with partners to a place based approach.

Social, Emotional and Mental Health (SEMH) Free School

The development of a new SEMH Free School is being led by the Department for Education and it is anticipated that the school will be built and ready to open in 2024.

Victoria Ward Community Support Team

The Community Support Team continues to deliver a range of community based support services to children and families in the Victoria ward. A Community Development Officer has been appointed to join the team from the VCS and there is good evidence of strengthening community engagement. An evaluation of the effectiveness of the team has commenced and will be reported to Children’s Services Committee in September.

Adult Safeguarding

There has been an increase in the number of safeguarding champions in Hartlepool following the relaunch of the scheme and the Creating Safer Cultures awareness campaign.

Hartlepool will be a place of resilient and resourceful communities with opportunities for all.

Education

Hartlepool has been announced as a Priority Improvement Area in the Education White Paper and the Council will be working with the Department for Education to shape the local plan to improve educational achievements and attainment.

Community Hubs

A new model of support for people with mental health needs has been piloted via Community Hub Central as part of the community mental health transformation plan. This has improved partnership working across health, social care and the third sector and reduced waiting times for people requiring support.

Employability

6,000 young people have completed Tees Valley Pathways and Routeways via the Council led Youth Employment Initiative. In addition the Routes to Work scheme supported 419 'hardest to reach' people to positively progress to employment and over 100 volunteers have been supported into placements.

Council Tax Energy Rebate scheme

The Council has progressed the Council Tax Energy Rebate scheme at pace since the 1 April. Extending this to all Band E and Band F-H properties, approximately 41,000 households within Hartlepool will benefit by this £150 payment. As at the 25 May 31,240 claims had been paid with a further circa 1,000 electing to have it offset their Council Tax and 2,000 claims being worked through. Circa 85% of households have applied. Those who do not apply will have the £150 taken off their Council tax liability so as to ensure no one misses out.

Hartlepool will be a place that is sustainable, clean, safe and green.

Tackling Climate Change

The Council has adopted its first Climate Pledge in Q4 2021/22, committing to a journey to Net Zero emissions and improving the environment for the benefit of our communities. The Council has delivered low carbon initiatives with the installation of low energy, LED lighting in the Civic Centre, committed to work in partnership with stakeholders to influence and inspire in order to achieve net zero emissions for the Borough by 2050 and strengthened the Constitution to ensure every Council and committee decision takes account of climate change.

The Council has also appointed a Net Zero Officer to accelerate our work in tackling climate change.

Waterfront proposals

Under the Towns Deal programme, the Council has completed a draft Business Case ahead of submission to government detailing how accessibility to the Marina, Waterfront and leisure spaces will be significantly improved for all through £6.5m of infrastructure improvements. This will include connectivity between Seaton Carew and Hartlepool, the town centre to the waterside and connect key transport hubs to our outdoor assets to provide opportunities for leisure and health activities.

Parks, Open Spaces and Beaches

Ward Jackson Park and Summerhill Country Park achieved Green Flags again this year.

Seaton Carew received a Seaside Award which recognises English beaches that are clean, safe and meet the highest environmental standards.

Housing

In addition to the £1.25 million of Sustainable Warmth funding awarded by the Government in December for green home upgrades to properties on the gas network and we have been awarded a further £650k to improve properties off the gas network. A contractor has been appointed who will arrange for all aspects of the work to be carried out from arranging Energy Performance Certificates (EPCs) and technical surveys through to the installation of measures.

Work is well underway on the Green Homes Grant Local Authority Delivery Scheme Phase 2 to deliver energy efficiency improvements to 79 homes and is expected to be completed by the end of June 2022.

Road Improvement and Safety Schemes

Local Safety schemes continue to be delivered across the Borough with a traffic calming scheme recently completed in Lansdowne Road.

Phase 1 of this year's resurfacing programme has been completed including sections of Durham Street, Middleton Road and Mowbray Road.

Community Safety

A strategic assessment for serious violence is being developed and this will be used to develop the serious violence strategy which will be presented to the Safer Hartlepool Partnership.

Hartlepool will be a place that has an inclusive and growing economy.

Covid Additional Relief Fund (CARF)

The Council approved and implemented the Covid Additional Relief Fund (CARF) in March 2022 providing further Business Rate Relief to businesses most affected

by the Covid pandemic. As at the end of March £1.359m of the £1.585m government award had been granted in reliefs to 196 hereditaments. We will seek to allocate the remaining balance before the deadline of 30 September 2020.

New Health Academy scheme submitted to government

Completion of a business case and submission to government to begin delivery of a £2.25m Health and Social Care Academy from Q3 2022/23, in partnership with Hartlepool College and the NHS Trust which will deliver:

- £8 million of wage premium impacts and 19 construction stage jobs later this year
- 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 from ranging from Level 2 to Level 5 diplomas

New Civil Engineering Academy scheme submitted to government

Completion of a business case and submission to government to begin delivery of a £2.5m Civil Engineering Institute from Q3 2022/23, in partnership with Hartlepool College and Seymours Civil Engineering which will deliver:

- 24 construction job years created during construction phase
- Net wage premium growth of £24 million
- 1,081 student cohort per annum 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

Town Centre Masterplan

The Town Centre Masterplan has been adopted by the Council which sets out our towns future and provides a long term framework for the town to help renew and reshape the physical environment to ensure sustainable growth in skills, jobs, accessibility, connectivity and visitor experience. It presents a bold vision for change and ambitious individual projects and interventions, based on evidence and need, and a strong sense of community and identity.

Tall Ships

Hosted a successful visit from Sail Training International in preparation for Tall Ships 2023 and received positive feedback regarding work undertaken to date and the commitment of partners.

Elwick Bypass

The Stage 1 Road Safety Audit was completed in May 2022 with the outputs reported to National Highways for consideration.

Elephant Rock (Headland Amphitheatre)

In April 2022, the project was recognised as the winner of the Small Project Category at the Institute of Civil Engineers Robert Stephenson Awards 2022. In June 2022 the scheme also won the Value accolade in the regional final of the Constructing Excellence awards.

Hartlepool will be a place with a Council that is ambitious, fit for purpose and reflects the diversity of its community.

Staff Safety

The safety and wellbeing of our workforce is important and with this in mind the Council have agreed a new Staff Safety Policy and an agreed list of sanctions that can be pursued if the safety or wellbeing of our employees is threatened. To mark the launch of the new policy the Leader of the Council and the Managing Director jointly signed a declaration in March 2022 setting out the commitment to staff safety and a promotional campaign was undertaken.

Hybrid Working

When the pandemic hit in March 2020 the Council moved quickly to enable as many employees as possible to work from home. As the pandemic continued it became clear that the changes that had been made to working practices could have longer term benefits for the organisation and for the wellbeing of our employees. In order to hold on to the positive benefits of the new approach the Council has sought to move towards a model of hybrid working. In order to ensure that all employees had an opportunity to influence the new model of working a pilot approach was introduced in September 2021 and a programme of engagement activity with employees was delivered. The findings of the pilot and engagement exercise were used to inform the development of hybrid working across the organisation ready for the launch of the second pilot of hybrid working in April 2022.

Information Communication Technology and Cyber Security

Investment in the Council's ICT infrastructure has been agreed which will see the replacement of VDI units with laptops for employees. Combined with a roll out of Microsoft licences this will enable more effective hybrid working across the organisation.

A Value for Money exercise has been undertaken as part of the review of the ICT contract and this will inform the delivery of the contract over the last 18 months and how performance is measured.

In light of cyber-attacks on other Councils and public sector organisations across the country the Council continues to focus on cyber security improvements in partnership with our ICT provider, NEC (formerly known as Northgate). Regular communications with employees are used as reminders about the potential for cyber-attacks and the action that employees can take to reduce the risk to the organisation.

Consultation and Engagement

The Council's Your Say consultation and engagement platform continues to develop and recent activity has included community hubs, traffic calming schemes, allotments, domestic abuse, Town Deal, Pharmaceutical Needs Assessment, Early

Years Strategy, Community Safety Plan and the Face the Public events for the Health and Wellbeing Board and Safer Hartlepool Partnership.

In addition to the public facing element of the platform a Staff Hub has been developed which enables employees to get involved in consultation and engagement activities. Recent activity has included the quarterly workforce survey and engagement on the Hybrid Working Pilot.

In the last 4 months, the Council has appointed a dedicated Communications and Engagement Officer to work with communities across the Borough in influencing and accessing our exciting capital schemes under the Town Deal programme. This includes the establishment of a Youth Voice Group to provide opportunities for young people to be heard, feel valued, and contribute to the exciting regeneration plans being developed.

Digital Progression

Over the last few years the Council has been developing its digital offer and has been providing increasing opportunities for residents to contact the Council through digital channels. At the end of quarter 3 there had been 22,980 self-online accounts created and by the end of quarter 4 there had been 296,842 transactions delivered digitally. Digital projects delivered in Quarter 4 include:

- Sustainable Warmth - End to end case management solution, enabling residents to apply online for home improvements. Third party contractors are also able to access the solution.
- Hartlepool Activities and Food (HAF - Easter) - Development of a booking solution to support the Easter HAF. This solution has been discussed regionally as an example of best practice.
- Civic Centre Reception – Queue Management Solution.
- Jubilee Street Party online form – road closure request.
- Markets – make an online payment to reserve a pitch.
- DBS – make an appointment online to attend the Civic Centre for an ID check.
- Omicron business grants – make an application to receive a business grant.

4.2 Current areas of concern

Whilst good progress is being made on the delivery of the Council Plan there are a number of areas of concern that may impact on future progress including:

- Impact of cost of living pressures on residents and issues of poverty and deprivation across Hartlepool;
- Difficulties in the recruitment and retention of employees being felt by both the Council and those who deliver commissioned services on our behalf. There are particular concerns around social care which is affecting market stability and access to services;
- Ageing workforce and potential future knowledge and skills gaps if we are unable to recruit new talent as people retire from the Council;

- Ongoing recovery from Covid and the impact on income in areas such as leisure and car parking from this and the cost of living pressures facing residents;
- Difficulties related to ‘post-pandemic fatigue’ of staff;
- Future legislative changes and the impact on our work including Mental Health Act, Mental Capacity Act, Schools Bill, Adult Care Reform (including Fair Cost of Care)
- Gaps and bottlenecks in the system being identified in the mental health transformation work which will need to be addressed;
- Uncertainty around future funding including that to support the Government’s Hospital Discharge and Community Support Policy and Operating Model;
- Difficulties in maintaining service standards and managing expectations in the context of funding reductions and uncertainty around future funding stream availability;
- Impact of inflation on cost of capital schemes and day to day delivery of core services such as waste management and school catering.
- Increased utility costs also impacting on the day to day provision of council services.

4.3 Performance Indicators

The Corporate Management Team has identified a suite of Performance Indicators (PIs) that they feel will demonstrate the delivery of the Council Plan. The latest position on these PIs and comparison with the local and national average where available is set out in the PI report included as **Appendix 1**.

4.4 Strategic Risk Register

The Strategic Risk Register sets out the key strategic risks that the Council faces and the areas of concern identified above are reflected within it. Risks within the SRR have been reviewed and the latest full version of the SRR is attached as **Appendix 2** for Finance and Policy Committee’s information. Members are requested to note the increase in risk scores for 3 risks (Finance, Workforce and Health and Safety) and the addition of a new risk reflecting increasing concerns related to rising inflation.

4.5 Annual Report

In order to share the progress made on delivering the Council Plan more widely an Annual Report for 2021/22 is being produced which will be shared with all elected members and will be made available to residents, employees and partners. It is anticipated that this should be available to circulate to the Committee at the meeting on 26th July 2022.

5. RISK IMPLICATIONS

- 5.1 The Council agreed the Risk Management Framework in June 2019 and this ensures that appropriate arrangements are in place for the management of the Council’s key strategic risks. Embedding the identification and management of risk supports the achievement of our Council Plan and

provides assurance to elected members that these risks are being appropriately managed.

- 5.2 The Council Plan and Strategic Risk Register are monitored regularly to enable early identification and reporting to Members of any emerging risks which might prevent delivery of the strategic priorities identified in the Council Plan. The latest version of the Strategic Risk Register is included as Appendix 2 of this report.

6. FINANCIAL CONSIDERATIONS

- 6.1 The Council Plan was prepared alongside the Medium Term Financial Strategy and the 5 year Capital Plan as three parts of a single plan to ensure the links between the three are strengthened. In addition, effective risk management arrangements should help improve the use of valuable and limited financial resources.

7. LEGAL CONSIDERATIONS

- 7.1 Whilst the Council Plan is not included in the list of plans and strategies required to be approved or adopted by the Local Authority under Regulation 3 of the Local Authorities (Committee System) (England) Regulations 2012, it is recommended good practice to do so and therefore is included as part of the Council's Budget and Policy Framework.

8. CONSULTATION

- 8.1 The Council Plan has been informed by extensive consultation including a 4 week consultation exercise in September 2019, a further 5 week consultation starting in January 2020 and a wide ranging consultation over the summer of 2020. This consultation has included Elected Members through Members Seminars on 27th November 2019, 29th January 2020 and 14th July 2020 and through reports to individual Policy Committees in January and February 2020.

9. CHILD AND FAMILY POVERTY

- 9.1 The priorities identified in the Council Plan include work to reduce child and family poverty within Hartlepool. There is no change to the Child and Family Poverty Impact Assessment included within the Council Plan 2021/22 – 2023/24 report to Council on 25th February 2021.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 Since the first equality objectives were published in April 2012 the Council has based them on the strategic objectives set out in our Council Plan. By doing this the Council demonstrates that equality and diversity is a core part of what we do as an organisation and not an add on activity. The Council's vision as set out in the Council Plan sets out our equality objectives. The priorities identified in the Council Plan aim to have a positive impact on the whole population of Hartlepool and those with protected characteristics. There is no change to the Equality Impact Assessment included within the Council Plan 2021/22 – 2023/24 report to Council on 25th February 2021.

11. OTHER CONSIDERATIONS

11.1

Staff Considerations	No implications
Asset Management Considerations	No implications
Environment, Sustainability and Climate Change Considerations	No implications

12. RECOMMENDATIONS

- 12.1 Finance and Policy Committee are requested to:
- note the progress made on the Council Plan 2021-2024 at the end of June 2022;
 - note the updated Strategic Risk Register as set out in appendix 2 including increasing risk scores in 3 areas and the addition of a new risk covering inflation;
 - note the intention to publish an Annual Report for 2021/22.

13. REASONS FOR RECOMMENDATIONS

- 13.1 Finance and Policy Committee have overall responsibility for Performance and Risk Management and are the responsible Committee for a number of service areas contained within the Council Plan.

14. BACKGROUND PAPERS

- 14.1 Council Plan 2021/22 - 2023/24 report to Council on 25th February 2021.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 15th November 2021.

Council Plan 2021-2024 – Progress Update report to Finance and Policy Committee on 14th March 2022.

15. CONTACT OFFICERS

15.1 Denise McGuckin
Managing Director
01429 523001
denise.mcguckin@hartlepool.gov.uk

Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor





Council Plan 2021/22 – 2023/24


Performance Indicator Update June 2022

Key:

Direction of travel =  Improving /  Maintaining /  Declining

RAG Rating England =  Better than /  Same as /  Worse than

RAG Rating North East =  Better than /  Same as /  Worse than

 This symbol means that the data is not available. This could be because there was not a sample size big enough in Hartlepool to generate a releasable figure or that the data is not reported every year or that more recent data is not currently available due to the time lag in publication.

Please note that the baseline year has been set as 2019/20 or 2019 where possible in recognition of the potential impact of the covid pandemic on data.

Hartlepool will be a place...	Performance Indicator	Hartlepool		England		North East		Direction of Travel	RAG Rating England	RAG Rating North East
		Baseline	Latest Data	Baseline	Latest Data	Baseline	Latest Data			
...where people are enabled to live healthy, independent and prosperous lives	Percentage of adults aged 18+classified as overweight or obese	72.5 (2019/20)	74.6 (2020/21)	62.8% (2019/20)	63.5% (2020/21)	67.2% (2019/20)	69.7% (2020/21)	▬	▬	▬
	Percentage of obese children in reception year	13.79% (2019/20 Academic)	▲ (2020/21 Academic)	9.86% (2019/20 Academic)	14.44% (2020/21 Academic)	11.04% (2019/20 Academic)	15.03% (2020/21 Academic)	N/A	N/A	N/A
	Percentage of obese children in year 6	24.46% (2019/20 Academic)	▲ (2020/21 Academic)	21.05% (2019/20 Academic)	25.54% (2020/21 Academic)	23.20% (2019/20 Academic)	29.13% (2020/21 Academic)	N/A	N/A	N/A
	Successful completion of drug treatment - opiate users (% of those that entered treatment)	3.1% (2019)	3.1% (2020)	5.6% (2019)	4.7% (2020)	3.9% (2019)	3.3% (2020)	↔	▬	▬
	Successful completion of drug treatment – non-opiate users (% of those that entered treatment)	23.0% (2019)	25.1% (2020)	34.2% (2019)	33.0% (2020)	27.3% (2019)	30.0% (2020)	+	▬	▬
	Successful completion of drug treatment - alcohol (% of those that entered treatment)	25.6% (2019)	34.4% (2020)	37.8% (2019)	35.3% (2020)	31.2% (2019)	30.7% (2020)	+	▬	+
	Smoking prevalence in adults – current smokers (APS)	19.3 (2019)	15.9 (2020)	13.9 (2019)	12.1 (2019)	15.3 (2019)	13.6 (2019)	+	▬	▬
	Under 18 conception rate per 1,000	27.0 (2019)	20.4 (2020)	15.7 (2019)	13.0 (2020)	21.8 (2019)	18.6 (2020)	+	▬	▬
	Percentage of older people who were still at home 91 days after discharge from hospital into reablement / rehabilitation services (effectiveness of the service)	82.9% (2019/20)	83.5% (2020/21)	82.0% (2019/20)	79.1% (2020/21)	83.5% (2019/20)	72.1% (2020/21)	+	+	+
	Percentage of service users aged 65+ who reported that they had as much social contact as they would like	53.8% (2019/20)	▲	43.4% (2019/20)	▲	48.1% (2019/20)	▲	N/A	N/A	N/A
	Percentage of adults in contact with secondary mental health services who live independently with or without support	86% (2019/20)	85% (2020/21)	58% (2019/20)	58% (2020/21)	69% (2019/20)	69% (2020/21)	▬	+	+
	% 16-17 year olds in Education and Training	92.6% (2019)	93.7% (2020)	92.6% (2019)	93.2% (2020)	91.6% (2019)	92.2% (2020)	+	+	+
	Percentage of children living in families with less than 60% of the median UK household income, after housing costs have been taken into account	37.8% (2019/20)	▲	31% (2019/20 UK)	▲	37% (2019/20)	▲	N/A	N/A	N/A

Hartlepool will be a place...	Performance Indicator	Hartlepool		England		North East		Direction of Travel	RAG Rating England	RAG Rating North East
		Baseline	Latest Data	Baseline	Latest Data	Baseline	Latest Data			
...where those who are vulnerable will be safe and protected from harm	Children looked after rate, per 10,000 children under 18	155 (2019/20)	172 (2020/21)	67 (2019/20)	67 (2020/21)	107 (2019/20)	108 (2020/21)	▬	▬	▬
	Rate of children who were subject of a child protection plan per 10,000 children	92 (2019/20)	122 (2020/21)	43 (2019/20)	41 (2020/21)	70 (2019/20)	67 (2020/21)	▬	▬	▬
	Second or subsequent child protection plans (percentage)	18.9 (2019/20)	15.7 (2020/21)	21.9 (2019/20)	22.1 (2020/21)	21.9 (2019/20)	20.8 (2020/21)	+	+	+
	Percentage of homelessness applications that were resolved	84% (2019/20)	85% (2020/21)	N/A Local PI		N/A Local PI		+	N/A	N/A
	Percentage 'Good' or 'Outstanding' Adult Social Care Providers	97.8% (2019/20)	97.8% (May 2022)	N/A Local PI		N/A Local PI		↔	N/A	N/A
	Deaths from drug misuse per 100,000 population	16.3 (2018-20)	▲	5.0 (2018-20)	▲	9.9 (2018-20)	▲	N/A	N/A	N/A
...of resilient and resourceful communities with opportunities for all	Percentage of primary / secondary schools rated good or outstanding by OFSTED	86.8% (2019/20)	89.5% (June 2022)	N/A Local PI		N/A Local PI		+	N/A	N/A
	Percentage qualified to level 1 and above (working age population - 16-64 years)	81.1% (2019)	86.2% (2021)	85.8% (2019)	87.8% (2021)	84.8% (2019)	85.0% (2021)	+	▬	+
	Percentage of adults in contact with secondary mental health services in paid employment	14% (2019/20)	15% (2020/21)	9% (2019/20)	9% (2020/21)	10% (2019/20)	11% (2020/21)	+	+	+
	Percentage of adults with learning disabilities in paid employment	23.5% (2019/20)	22.3% (2020/21)	5.6% (2019/20)	5.1% (2020/21)	5.1% (2019/20)	4.3% (2020/21)	▬	+	+
...that is sustainable, clean, safe and green	CO ² emissions estimates – per capita (LA influence)	4.3 tonnes (2019)	▲	4.1 tonnes (2019)	▲	4.5 tonnes (2019)	▲	N/A	N/A	N/A
	Percentage of household waste sent for reuse, recycling and composting in Hartlepool	34.00 (2019/20)	30.10 (2020/21)	43.80 (2019/20)	42.30 (2020/21)	35.50 (2019/20)	33.50 (2020/21)	▬	▬	▬
	Number of affordable homes delivered (gross)	86 (2019/20)	20 (2020/21)	58,964 (2019/20)	52,145 (2020/21)	2,587 (2019/20)	1,751 (2020/21)	▬	N/A	N/A
	Number of houses improved through energy efficiency measures.	N/A	645 (2021/22)	N/A Local PI		N/A Local PI		N/A	N/A	N/A

Hartlepool will be a place...	Performance Indicator	Hartlepool		England		North East		Direction of Travel	RAG Rating England	RAG Rating North East
		Baseline	Latest Data	Baseline	Latest Data	Baseline	Latest Data			
...that has an inclusive and growing economy	Employment rate	67.6% (Q4 2019)	68.6% (Q4 2021)	76.0% (Q4 2019)	75.1% (Q4 2021)	70.5% (Q4 2019)	70.2% (Q4 2021)	+	—	—
	Unemployment Rate	7.7% (Q4 2019)	7.5% (Q4 2021)	3.9% (Q4 2019)	4.5% (Q4 2021)	5.8% (Q4 2019)	6.0% (Q4 2021)	+	—	—
	Youth unemployment rate (claimant count aged 16-24)	7.7% (Dec 2019)	7.6% (Dec 2021)	3.2% (Dec 2019)	4.3% (Dec 2021)	5.2% (Dec 2019)	5.2% (Dec 2021)	—	—	—
	Care leavers who are in education, employment and training aged 17-21	49% (2019/20)	54% (2020/21)	56% (2019/20)	56% (2020/21)	54% (2019/20)	54% (2020/21)	+	—	↔
	Qualified to level 3 and above (working age population)	49.8% (2019)	56.3% (2021)	58.5% (2019)	61.3% (2021)	52.1% (2019)	54.5% (2021)	+	—	+
	Percentage of Council spend that goes to local suppliers	35.8% (2019/20)	33.5% (2021/22)	N/A Local PI		N/A Local PI		—	N/A	N/A
	Business density (enterprises per 10,000 population)	303.3 (2019)	300.0 (2021)	502.5 (2019)	509.0 (2021)	321.3 (2019)	329.0 (2021)	—	—	—
	Visitor numbers (STEAM)	3.72m (2019)	1.52m (2020)	N/A Local PI		N/A Local PI		—	N/A	N/A
	Value of visitor economy (STEAM)	£199.46m (2019)	£75.54m (2020)	N/A Local PI		N/A Local PI		—	N/A	N/A
	Self-Employment Rate	7.5% (2020)	8.6% (2021)	9.9% (2020)	9.3% (2021)	7.6% (2020)	7.4% (2021)	+	—	+
	Rate of births of new enterprises	41.6 (2019)	36.9 (2020)	76.9 (2019)	70.4 (2020)	44.7 (2019)	43.7 (2020)	—	—	—
...with a Council that is ambitious, fit for purpose and reflects the diversity of its community	Council's CO ² emissions data	To be published by Sept 2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of transactions delivered digitally (internal and/or external)	233,486 (2020/21)	225,569 (Q3 2021/22)	N/A Local PI		N/A Local PI		+	N/A	N/A
	HBC employees who agreed that they felt that they were maintaining a healthy work – life balance	70.6% (Summer 2020)	77.3% (Spring 2022)	N/A Local PI		N/A Local PI		+	N/A	N/A
	HBC employees who agreed that they were having meaningful check ins with their manager	74.9% (Summer 2020)	79.0% (Spring 2022)	N/A Local PI		N/A Local PI		+	N/A	N/A



Strategic Risk Register

June 2022

Risk Scoring Matrix:

	IMPACT			
LIKELIHOOD	1 NEGLECTIBLE	2 MINOR	3 MAJOR	4 CRITICAL
4 ALMOST CERTAIN	AMBER 4	RED 8	RED 12	RED 16
3 PROBABLE	GREEN 3	AMBER 6	RED 9	RED 12
2 POSSIBLE	GREEN 2	AMBER 4	AMBER 6	RED 8
1 HARDLY EVER	GREEN 1	GREEN 2	GREEN 3	AMBER 4

HBC Strategic Risk Register

No.	Risk Title	Risk Score	Risk Owner
1	Finance - Failure to deliver a balanced budget leading to a reduction in services provided, damage to reputation and negative impact on the community.	RED 12	Chris Little Director of Resources and Development
2	Workforce - The skills, expertise, wellbeing, performance and overall size of the workforce available may not be sufficient to support the overall aims of the organisation resulting in the failure to deliver services.	RED 9	Claire McLaren Assistant Director – Corporate Services
3	Communication and Engagement – Failure to deliver effective communication, consultation and engagement could impact adversely on the Council’s reputation and ability to deliver plans and strategies.	AMBER 6	Claire McLaren Assistant Director – Corporate Services
4	Health and Safety - Failure to comply with Health and Safety legislation and ensure appropriate risk controls are in place to ensure the health, safety and wellbeing of individuals at work and those who may be affected by our act or omission.	RED 12	Claire McLaren Assistant Director – Corporate Services
5	Information Governance and Cyber Security - Failure to comply with legislation and ensure appropriate system safeguards to ensure the confidentiality, integrity and availability of personal and corporate information and data leading to data loss, cyber-attacks, legal proceedings and significant financial penalties.	RED 8	Claire McLaren Assistant Director – Corporate Services
6	Information Technology – Failure to provide a resilient and responsive ICT infrastructure leading to ineffective service delivery or the loss of services.	RED 8	Claire McLaren Assistant Director – Corporate Services
7	Children and Young People – Failure to improve life chances, provide opportunities for education for children and young people particularly those whose circumstances make them vulnerable to poor outcomes.	RED 9	Sally Robinson Director of Children’s and Joint Commissioning Services
8	Drugs and Alcohol – Failure of the drugs and alcohol addiction services to prevent, treat and provide recovery for those with substance misuse problems in Hartlepool.	RED 9	Craig Blundred Director of Public Health

Appendix 2

No.	Risk Title	Risk Score	Risk Owner
9	Safeguarding children – Failure to protect children and young people from harm and promote their welfare.	RED 8	Jane Young Assistant Director - Children and Families
10	Market failure and sufficiency of provision – Provider failure within residential or non-residential care leading to insufficient capacity to support vulnerable adults appropriately.	AMBER 6	Danielle Swainston Assistant Director - Joint Commissioning
11	Adult Safeguarding – Failure to protect an adult’s right to live in safety, free from abuse and neglect.	AMBER 6	John Lovatt Assistant Director - Adult Social Care
12	Access to Leisure, Community and Preventative services - Failure to engage the at risk population in preventative, cultural, leisure and community based activities could impact on demand led services.	AMBER 6	Gemma Ptak Assistant Director - Preventative and Community Based Services
13	Highways and Flood Defences – Failure to maintain the Borough Highway infrastructure and protect areas from flooding risks could impact on the economy and quality of life.	AMBER 6	Kieran Bostock Assistant Director – Place Management
14	Community Safety - Failure to provide a safer Hartlepool where residents and visitors can live free from crime, fear of crime and anti-social behaviour could impact on quality of life and tourism.	AMBER 6	Sylvia Pinkney Assistant Director – Regulatory Services
15	Waste Management - Council are unable to collect and dispose of all household waste within existing financial resources.	RED 9	Kieran Bostock Assistant Director – Place Management
16	Business Continuity - Failure to provide Council services as a result of disruption to the normal day to day activities.	RED 8	Sylvia Pinkney Assistant Director – Regulatory Services

Appendix 2

No.	Risk Title	Risk Score	Risk Owner
17	Economic Regeneration – Failure to encourage regeneration, support enterprise, reduce unemployment and grow new and existing businesses could impact adversely on the sustainability of Hartlepool.	AMBER 6	Bev Bearne Assistant Director – Development and Growth
18	Housing – Failure to address the housing requirements of the borough and provide affordable, high-quality housing.	AMBER 6	Bev Bearne Assistant Director – Development and Growth / Kieran Bostock Assistant Director – Regulatory Services / Danielle Swainston Assistant Director - Joint Commissioning
19	Inflation - Increasing inflation leading to increased costs for goods and services resulting in overspend against allocated budgets, reduced level or standard of service delivery, longer waiting times for services or cuts to existing services.	RED 12	Denise McGuckin Managing Director

Appendix 2

RISK TITLE:	Finance - Failure to deliver a balanced budget leading to a reduction in services provided, damage to reputation and negative impact on the community.	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Changes in government funding leading to the necessity to deliver savings, cuts and efficiencies.</p> <p>Council Tax not increased in line with government referendum limits including the Adult Social Care precept.</p> <p>Individual service pressures for example rising number of looked after children; increasing demands on Adults’ services.</p> <p>Higher national pay awards and / or inflation than forecast.</p> <p>Permanent reduction in business rates base – e.g. Power Station and economic impact of Covid pandemic.</p> <p>Impact of inflation on capital programme costs and other service delivery across the Council.</p> <p>Political uncertainty – national and local.</p>	<p>Potentially a significant impact on reputation, service delivery, and achievement of Council objectives.</p> <p>Service cuts, redundancies, Section 114 notice etc.</p>	<p>Prepare and deliver a balanced and sustainable Medium Term Financial Strategy including the Capital Strategy and Reserve Strategy.</p> <p>Ongoing monitoring and delivery of savings and efficiency targets.</p> <p>Maximise and safeguard income for the council, including effective treasury management strategy, debt recovery, maximise funding opportunities.</p> <p>Timely and effective financial performance reporting and monitoring.</p> <p>Good understanding and interpretation of changes to funding regimes and analysis of the Government annual budget statements.</p> <p>Robust governance framework.</p> <p>Compliance with relevant accounting principles and standards to satisfy legislative and regulatory requirements.</p> <p>Capital programme monitoring arrangements in place and capital contingency built in to 2022/23 MTFS.</p>

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				RED 12
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Chris Little – Director of Resources and Development
DIVISION	Finance
DEPARTMENT	Resources and Development Department
DATE OF ASSESSMENT	June 2022

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Being prepared to respond quickly to future changes	Close monitoring of future changes to Local Government Finance.	Director of Resources and Development	March 2023
	Agree savings programme for 2023/4 – 2024/5.	Managing Director	December 2022
	Monitor delivery of savings programme.	Director of Resources and Development	March 2025
	Close monitoring of the impact of inflation pressures on the Capital programme and service delivery across the Council	Director of Resources and Development	March 2023

Appendix 2

RISK TITLE:	Workforce - The skills, expertise, wellbeing, performance, and overall size of the workforce available may not be sufficient to support the overall aims of the organisation resulting in the failure to deliver services.	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>The necessity to deliver savings and efficiencies has resulted in a reduced workforce.</p> <p>Loss of experienced staff due to retirement, ill health, lack of development opportunities or due to concerns about job security caused by continuing reductions in staffing levels.</p> <p>Recruitment and selection difficulties; attracting applicants to the public sector/Local Government.</p> <p>Recruitment and retention difficulties resulting from an inability to compete in the local/national labour markets if pay levels continue to be suppressed.</p>	<p>Failure to maintain staffing levels, and failure to develop staff performance/Council services, resulting in reduced service delivery impacting on the lives and wellbeing of the Hartlepool community.</p> <p>Increased workloads leading to inefficiencies, increased sickness absence and impact on staff wellbeing and general discontent.</p> <p>Reputational damage.</p> <p>Failure to attract and maintain external contracts resulting in reduced income generation.</p>	<p>Availability of up to date HR policies and procedures, in line with legislative requirements and the strategic aims of the Council.</p> <p>Recruitment and retention of quality staff ensures that the organisation has the necessary knowledge, skills and experience to achieve its objectives.</p> <p>Support the development of Apprenticeships, volunteering opportunities and work experience within the Council.</p> <p>Accurate and timely payment of all employee salaries and administration of all deductions from pay.</p> <p>Administration of pension service.</p> <p>Advisory services providing advice, guidance and support in all employment matters.</p> <p>Support provided to the programme of organisational and structural change being delivered to meet the financial challenge, including service reviews and redundancies.</p> <p>Trade Union negotiation and consultation.</p> <p>Absence management and reporting.</p> <p>Management of Health and Wellbeing contracts, including Occupational Health and Counselling (emergency only) to support the wellbeing of the workforce preventing and supporting the management of sickness absence.</p> <p>Management and administration of employee benefits.</p>

Appendix 2

		<p>Workforce planning, including the Council's values and behavioural standards, succession planning, pay and reward.</p> <p>Employee development and engagement to further enhance the skills and capacity of our workforce.</p> <p>Support the development of the Council's Digital Strategy through My View and HR Dashboard for employee and managers to access and manage employee information.</p> <p>Support the health of the workforce through the Council's Health & Wellbeing of the Workforce Programme.</p> <p>Report on concerns and actions to monitor recruitment and retention across the Council to the Corporate Management Team.</p> <p>Utilise market forces supplements where the criteria is met under the Council's terms and conditions of employment (in the absence of funding a full pay and grading review).</p> <p>Managers encouraged to review essential criteria in person specifications such as qualification level (possible JE implications to pay banding).</p> <p>Introduction of development schemes for career development to attract quality candidates.</p> <p>Development of recruitment platforms with NEREO and other partner agencies to reach a wider audience.</p>
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Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLECTIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE			RED 9	
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Claire McLaren - Assistant Director – Corporate Services
DIVISION	Corporate Services
DEPARTMENT	Resources and Development Department
DATE OF ASSESSMENT	June 2022

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Control measures are regularly reviewed to ensure effectiveness.	Review the effectiveness of the ‘existing control measures’ related to recruitment.	Assistant Director – Corporate Services	June 2023

Appendix 2

RISK TITLE:	Communication and Engagement – Failure to deliver effective communication, consultation and engagement could impact adversely on the Council's reputation and ability to deliver plans and strategies.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Failure to respond effectively to public relations / media.</p> <p>Poor partnership working and media relations.</p> <p>Lack of marketing and communication skills.</p> <p>Technology failure.</p> <p>Not effectively engaging with the public so that their views are heard.</p> <p>Negative news stories coming from poor local performance.</p> <p>Failure of staff and elected members to uphold the Nolan principles (In particular the principle of accountability where holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.)</p>	<p>Poor image, public discontent and reputational damage.</p> <p>Failure to attract investment and visitors to the town leading to loss of jobs and/or economic hardship.</p> <p>Difficulties in attracting and retaining staff.</p> <p>Poor staff morale and employee engagement.</p>	<p>Annual Communications Plan.</p> <p>Love Hartlepool campaign in collaboration with partners from across Hartlepool.</p> <p>Ongoing website and social media including Facebook, Instagram and Twitter development.</p> <p>Proactive communications.</p> <p>HR policies and procedures (Code of Conduct, Values).</p> <p>Internal communications and staff engagement work including development of the Staff Hub</p> <p>Public engagement and consultation activities including Face the Public events and the Your Say online consultation platform.</p>

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Claire McLaren - Assistant Director – Corporate Services
DIVISION	Corporate Services
DEPARTMENT	Resource and Development Department
DATE OF ASSESSMENT	June 2022

Appendix 2

RISK TITLE:	Health & Safety - Failure to comply with Health and Safety legislation and ensure appropriate risk controls are in place to ensure the health safety and wellbeing of individuals at work and those who may be affected by our by act or omission.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Non-compliance with legislation, government guidance and best practice standards</p> <p>Failure to maintain corporate Health and Safety Policy standards</p> <p>Poorly communicated policies and procedures leading to senior leaders, managers and employees not being aware of their individual Health and Safety roles and responsibilities</p> <p>Lack of incident reporting and a low near miss to accident reporting ratio</p> <p>Failure to correctly monitor employees health for those exposed to hazardous substances such as HAVS</p> <p>Lack of available resources to manage health and safety on day to day basis</p> <p>Lack of suitable training for staff appropriate to the level of the requirements to manage health and safety at work</p> <p>Lack of suitable work place maintenance programmes and condition surveys</p>	<p>Risk to life, including: Fatality, injury, ill health</p> <p>Prosecution under the Health and Safety at Work Act 1974, The Regulatory Reform (Fire Safety) Order 2005, the Occupiers' Liability Act for breach of statutory duty and accompanying regulations.</p> <p>Costs arising from other enforcement actions.</p> <p>Fees for intervention by enforcing authority, such as the HSE. Currently £154 per hour.</p> <p>Torte of negligence (Civil Claim).</p> <p>Fines from prosecution, maximum fine is unlimited; custodial sentences, up to a maximum of 18 years for gross negligence manslaughter; indirect incurred legal costs.</p> <p>Insurance costs; compensation award; excess payments, levied by the insurance company; raised insurance premiums.</p> <p>Costs to the reputation of Hartlepool Borough Council.</p> <p>Indirect costs such as costs arising from investigations, retraining and developing systems.</p> <p>Loss of income.</p> <p>Costs arising from loss or damage of plant or property</p>	<p>Corporate Health and Safety Policy</p> <p>Accompanying Health and Safety Policies</p> <p>Employing a qualified Health, Safety and Risk Manager and Health and Safety team to provide advice and assistance to ensure that directors, manager and employees are aware of their responsibilities under health and safety legislation and to ensure that health and safety standards are adequately maintained.</p> <p>Corporate and departmental H&S committees to ensure that managers and trade union representatives are consulted on matters of health and safety</p> <p>CMT oversight in place through quarterly reporting arrangements.</p> <p>An online incident reporting system including near miss reporting system</p> <p>H&S training catalogue, available through the workforce development programme and free to all employees</p> <p>Induction checklist with H&S instructions</p> <p>H&S audit programme conducted by the HS&R team to ensure that H&S performance standards are maintained</p>

Appendix 2

Lack of suitable health and safety audits, fire risk assessment and inspection programmes to identify health and safety risks across the work force		<p>Unannounced site safety inspections conducted by the H&S team to ensure compliance with safety legislation</p> <p>Director appointed to provide resources for H&S safety</p> <p>Monitoring in place for high risk actions including HSE improvement notice actions.</p>
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CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				RED 12
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Claire McLaren - Assistant Director – Corporate Services
DIVISION	Corporate Services
DEPARTMENT	Resources and Development Department
DATE OF ASSESSMENT	June 2022

Appendix 2

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Risk Management Group that has been established to meet fortnightly is working well.	Review the Risk Management Group to ensure it has appropriate membership and is having a demonstrable impact on improving health and safety.	Assistant Director – Corporate Services	March 2023

Appendix 2

RISK TITLE:	Information Governance and Cyber Security - Failure to comply with legislation and ensure appropriate system safeguards to ensure the confidentiality, integrity and availability of personal and corporate information and data leading to data loss, cyber-attacks, legal proceedings and significant financial penalties.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Non-compliance with legislation and best practice standards.</p> <p>Human error.</p> <p>Deliberate attack.</p> <p>System failure.</p>	<p>If the Council does not effectively manage personal data, a penalty of up to £0.5m may be levied by the Information Commissioner.</p> <p>Detrimental impact on end user/customer.</p> <p>Service disruption.</p> <p>Potentially major reputational damage.</p>	<p>Compliance with legislation and information publication requirements.</p> <p>Information management policies, strategies, processes and procedures and associated staff training (mandatory).</p> <p>Data Security and Protection (DPS) Toolkit.</p> <p>Regular monitoring of information governance by Corporate Information Governance Group with all Department's represented and chaired by an Assistant Director.</p> <p>Mandatory for all staff to undertaken IG training once a year – alternating face-to-face and e-learning.</p> <p>Automatic email encryption where TLS certificates exist.</p> <p>Encryption of removable media – laptops, tablets, USB devices.</p> <p>Security of our system monitored by NEC and reported to HBC monthly through Operations Board.</p> <p>8 weekly meetings with NEC re Cyber security.</p> <p>Information security incident management process incorporating lessons learned improvement action plans.</p> <p>Internal arrangements for the secure disposal of information through shredding.</p> <p>Anycomms secure file transfer between HBC and its partner organisations.</p>

Appendix 2

		<p>Business continuity arrangements in place covering availability of information systems.</p> <p>Cyber security is a standing item on the agenda for the corporate Business Continuity Group.</p> <p>Regular application of security patches and updates to system.</p>
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CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE				RED 8
	HARDLY EVER				

RESPONSIBLE OFFICER	Claire McLaren - Assistant Director – Corporate Services
DIVISION	Corporate Services
DEPARTMENT	Resources and Development Department
DATE OF ASSESSMENT	June 2022

Appendix 2

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Access support from external bodies to review and ensure our approach to cybersecurity and information governance is up to date with current best practice.	Work with the Department for Levelling Up, Housing and Communities (DLUHC) to review cyber security arrangements.	Assistant Director – Corporate Services	December 2022
	Utilise LGA funding to review cyber security arrangements.	Assistant Director – Corporate Services	December 2022

Appendix 2

RISK TITLE:	Information Technology - Failure to provide a resilient, flexible and responsive ICT infrastructure leading to ineffective service delivery or the loss of services.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Out of date equipment, software and technology.</p> <p>Lack of robust disaster recovery, business continuity and cyber-crime plans.</p> <p>Environmental threats.</p> <p>Lack of CICT staff knowledge and expertise.</p> <p>Lack of general ICT knowledge and expertise of all staff.</p> <p>Poor user awareness of threats.</p> <p>Failure to protect our ICT assets.</p> <p>Poor contract management of outsourced ICT service and/or collapse of provider.</p> <p>Lack of suitable ICT provider.</p>	<p>Negative impact on productivity and availability of services.</p> <p>Failure to ensure security of personal data.</p> <p>Failure to comply with legislation.</p>	<p>Relevant information security policies and training in place.</p> <p>8 Weekly Cyber Security meetings with NPS which highlight any potential threats to the network</p> <p>Work From Anywhere (WFA) project to introduce a solution to support staff without mobile devices and provide Business Continuity options.</p> <p>Self-help/training videos on intranet support staff 24/7</p> <p>Monthly Operations Board meetings with NPS to monitor Contract and Service issues</p> <p>Dedicated and skilled CICT Team</p> <p>Microsoft office buyout to avoid excessive increase in IT costs</p> <p>Quarterly Partnership Board - manages contract at strategic level</p> <p>Project underway to replace existing VDI infrastructure with laptops/small form factor PCs to remove associated risk of old technology.</p> <p>Value for Money (VFM) review completed on existing contract with ICT provider NEC.</p>

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLECTIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE				RED 8
	HARDLY EVER				

RESPONSIBLE OFFICER	Claire McLaren - Assistant Director – Corporate Services
DIVISION	Corporate Services
DEPARTMENT	Resources and Development Department
DATE OF ASSESSMENT	June 2022

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Implement findings of VFM review to end of current contract in October 2023.	Tighten contract management arrangements.	Assistant Director – Corporate Services	December 2022
	Develop new performance measures to reflect the findings of the VFM review.	Assistant Director – Corporate Services	December 2022
	Amend current service delivery model to reflect VFM findings.	Assistant Director – Corporate Services	December 2022

Appendix 2

RISK TITLE:	Children and young people - Failure to improve life chances, provide opportunities for education for children and young people particularly those whose circumstances make them vulnerable to poor outcomes
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<p>Failure to promote life chances for a child or young person due to:</p> <ul style="list-style-type: none"> Lack of investment and/or public sector cuts impacting upon capacity of schools, health services and local authorities to deliver services that meet need and improve life chances. Lack of educational opportunities Lack of access to community health services Lack of opportunities to develop life skills 	<p>Ineffective support and opportunities for children can result in significant implications for the future life chances, increasing the risk of them being dependent on the state throughout their adult life, for example:</p> <ul style="list-style-type: none"> Worklessness Mental health needs Drug and alcohol dependency Entering the criminal justice system. 	<ul style="list-style-type: none"> Education Improvement Strategy and DfE Priority Investment Area Child and Family Poverty Strategy and Plan 0-19 service and pathways Early help offer Using all opportunities to influence policy makers on impact of austerity for children and young people in Hartlepool.

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE			RED 9	
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Sally Robinson
DIVISION	Children's and Joint Commissioning Services
DEPARTMENT	Children's and Joint Commissioning Services
DATE OF ASSESSMENT	June 2022

Appendix 2

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Education Improvement Strategy	Implement EIS Year 2 Align the Education Service to White Paper and Schools Bill to target resources to vulnerable children	Assistant Director Education	March 2023
SEND Improvement Plan	Implement finding from High Needs Block Review Implementation of SEND action plan Prepare for SEND inspection and planned future changes	Assistant Director Joint Commissioning	March 2023
Health and Wellbeing Strategy	Implement Starting Well (Health and Wellbeing Strategy) 0-19 pathways regularly reviewed	Director of Public Health	March 2023
Early Help	Review and remodel Early Help around Supporting Families and Family Hubs model Implement Workforce programme for Early Help workforce	Children's and Joint Commissioning Services Departmental Management Team	March 2023
Work across partners to reduce duplication and maximise effective use of resources.	Implement opportunities for joint commissioning, collaboration and shared services	Children's and Joint Commissioning Services Departmental Management Team	March 2023

Appendix 2

RISK TITLE:	Drugs and Alcohol - Failure of the Drugs and Alcohol addiction services to prevent , treat and provide recovery for those with substance misuse problems in Hartlepool
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> Failure to break intergenerational cycles of drug and alcohol misuse in Hartlepool Failure of the service to fully engage with the at a risk population Failure of the service to deliver an evidenced based model of treatment and addiction recovery Failure to increase capacity, resources and expertise to meet the level of need 	<ul style="list-style-type: none"> Continuing increase in the prevalence of substance misuse in Hartlepool leading to Increased prevalence of ACEs, children suffering significant harm and crime At risk population do not receive appropriate levels of treatment and behavioural support with increasing numbers failing to achieve a sustained recovery Increased incidence of drug related deaths. 	<ul style="list-style-type: none"> Health and Wellbeing Board Safer Hartlepool Partnership Systematic review of Drug Related Deaths and ongoing review of the process 0 to 19 service and pathways

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE			RED 9	
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Craig Blundred – Director of Public Health
DIVISION	Public Health
DEPARTMENT	Children’s and Joint Commissioning Services
DATE OF ASSESSMENT	June 2022

Appendix 2

ADDITIONAL CONTROLS TO BE PUT IN PLACE: TBC			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
The development of a strategy for substance misuse with clear vision, objectives and outcomes identified	Implement the strategy to be performance monitored and managed by strategic governance group	Director of Public Health	December 2022
Outcome review for strategy	Monitor and review outcomes in the action plan associated with the strategy	Director of Public Health	March 2023
Annual review of DRD process	Review the outcomes of the DRD process and identify key learning and report to strategic governance group	Director of Public Health	March 2023

Appendix 2

RISK TITLE:	Safeguarding children - Failure to protect children and young people from harm and promote their welfare	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
Failure to protect a child or young person and promote their welfare due to: <ul style="list-style-type: none">Increased demand and consequent capacity within the services to respond.Failing in policies/ proceduresFailure in partnership workingLack of the required skills, knowledge, expertise and resources within the service to meet need.	<ul style="list-style-type: none">Ineffective safeguarding leaves children at risk of harm.Children and young people do not experience safe, consistent, stable care, leading to increased risks of poor adult outcomes.Significant implications for reputation of the organisation.	<ul style="list-style-type: none">Policies and procedures in placePractice manual regularly reviewed and updatedPerformance Management and Quality assurance cycleManagement oversight and supervisionWorkforce Development programmeStaff BriefingsHSSCPTees Procedure meetingsEffective commissioning arrangements with clear service specifications and robust and regular monitoring and reviewOfsted Inspection of Local Authority Children’s Services

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE				RED 8
	HARDLY EVER				

RESPONSIBLE OFFICER	Jane Young - Assistant Director Children and Families
DIVISION	Children and Families
DEPARTMENT	Children's and Joint Commissioning Services
DATE OF ASSESSMENT	June 2022

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Continuous improvement in assessment planning, implementation and review of the needs of children and young people	Performance management in place with audits cycle to review practice Managers oversee timescales and quality of APIR process	Assistant Director Children and Families	March 2023

Appendix 2

RISK TITLE:	Market failure and sufficiency of provision - Provider failure within residential or non-residential care leading to insufficient capacity to support vulnerable adults appropriately.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> • Action taken by the regulator to stop a service from operating. • Provider decides to close or change focus of provision. • Provider cannot operate due to financial viability. • Commissioned services not able to provide high quality services. 	<ul style="list-style-type: none"> • Service for vulnerable adults ceasing at short notice. • Services unavailable to meet assessed need placing people at risk of harm. • Vulnerable adults need to be moved to different provision which is detrimental to their health and wellbeing and creates significant pressure for operational services. • Insufficient provision for older people can result in increased Delayed Transfers of Care, creating pressures across the wider health and care system. • Increase in out of area placements if there is insufficient provision locally. • Non-residential provision is not able to meet need therefore vulnerable adults have to access residential care which would place significant pressure on existing provision. • Reputational damage to the Council if services cannot be provided within Hartlepool to meet local needs. 	<ul style="list-style-type: none"> • Regional agreement/ process to share information re: commissioned provision intelligence which highlights any emerging risks. • Regular contract meetings with providers to understand their current performance and business position. • Robust commissioning arrangements – financial checks undertaken. • Regional protocol for responding to market failure. • Good relationships with partners e.g. CCG for information to be shared to highlight any early issues that can be planned for. • Commissioning link officers for all providers – regular visits from link officers. • Good relationship with CQC – regular updates. • Bi monthly regional commissioning meetings – share best practice and intelligence on providers across the region • Regular committee reports to inform members of market position • High quality data and information available which if a provider closes can be used to ensure that the best provision is identified

CURRENT RISK ASSESSMENT:

Appendix 2

RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Danielle Swainston - Assistant Director - Joint Commissioning
DIVISION	Joint Commissioning
DEPARTMENT	Children's and Joint Commissioning Services
DATE OF ASSESSMENT	June 2022

Appendix 2

RISK TITLE:	Adult safeguarding - Failure to protect an adult's right to live in safety, free from abuse and neglect.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
Failure to protect an adult from death or serious harm as a result of increased referral activity and workload pressures, leading to either a failing in policies / procedures, personnel or partnerships.	Ineffective safeguarding has potentially critical implications for individuals (vulnerable adults, responsible officers/Members), and the reputation of the organisation.	<p>Adult safeguarding alerts / referrals are managed in a timely manner.</p> <p>Head of Service role has been created and there is a fully staffed, dedicated Adult Safeguarding Team. Relevant training is provided to all staff involved in adult safeguarding, including Advanced Safeguarding Training and legal literacy training.</p> <p>The Teeswide Safeguarding Adults Board (TSAB) is the statutory body that sets the strategic direction for safeguarding and approves and updates all policies and procedures. HBC is represented on the Board and all sub groups.</p> <p>The Quality Assurance Framework (QAF) is completed by a number of peers from other local authorities and other statutory bodies, e.g. the Police. This is linked to the guiding principles of the Care Act.</p> <p>New legislation (Domestic Abuse Act) is now in place to help deal with the increase in domestic abuse.</p> <p>There are a range of multi-agency arrangements in place at Teeswide and local level to share information and support the safeguarding of vulnerable adults including:</p> <ul style="list-style-type: none"> • Multi Agency Risk Assessment Conference • Multi Agency Tasking & Coordination • Integrated Community Safety Team • Ensure all providers have up to date training for their staff in identifying, dealing with and reporting Safeguarding issues

CURRENT RISK ASSESSMENT:

Appendix 2

RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	John Lovatt – Assistant Director - Adult Social Care
DIVISION	Adult Social Care
DEPARTMENT	Adults and Community Based Services
DATE OF ASSESSMENT	June 2022

Appendix 2

RISK TITLE:	Access to Leisure, Community and Preventative Services – Failure to engage the at risk population in preventative, cultural, leisure and community based activities could impact on demand led services.		
DETAILED DESCRIPTION OF CURRENT RISK:			
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?	
<ul style="list-style-type: none">• Unable to operate buildings due to lack of financial resource including capital investment.• Unable to operate buildings due to lack of staff resource.• Insufficient investment in the redevelopment of leisure and community assets.• Lack of investment in preventative services and financial resource being allocated to treatment/crisis/social care services.	<ul style="list-style-type: none">• Lack of investment could result in moth balling facilities or selling/leasing to other organisations.• Unable to retain high quality staff to support long term delivery of services.• Existing assets are ageing and in need of investment or replacing. Without investment it will be increasingly challenging to maintain an offer for the whole population.• Demand will increase and further resources will be committed to treatment / crisis responses rather than investing in prevention.	<ul style="list-style-type: none">• Planned maintenance programme.• External funding opportunities are being explored.• Social Capital opportunities are being explored• Empowering communities to create their own opportunities.• Working with VCS organisations to support the delivery of community priorities.• Demonstrating to internal and external partners the difference preventative work can make to the economy.	

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Gemma Ptak – Assistant Director - Preventative and Community Based Services
DIVISION	Preventative and Community Based Services
DEPARTMENT	Adult and Community Based Services
DATE OF ASSESSMENT	June 2022

RISK TITLE:	Highways and Flood Defences – Failure to maintain the Borough Highway infrastructure and protect areas from flooding risks could impact on the economy and quality of life.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> • Lack of investment in infrastructure. • Deterioration of the highway due to extreme weather. • Escalating costs for schemes. • Loss of key personnel. • Quality of work issues. • Storm intensity exceeding the design capacity of the drainage network. • Climate Change leading to more unexpected and severe weather events such as storm surges, heavy rainfall, etc. 	<ul style="list-style-type: none"> • Financial. • Reputation. • Legal. • Health and safety issues where infrastructure cannot be fixed or upgraded. 	<ul style="list-style-type: none"> • Established inspection regimes and policies for both highways and flood/coastal protection assets. • Regular monitoring meetings with insurance officers to assess position. • Regular review on inspection frequencies in conjunction with insurance section to determine policy outcomes. • Use HBC procurement process to ensure robust costs estimates. • Work closely with contractors to ensure deliverable schemes are developed. • Existing Transport Policy in Local Transport Plan. • Programme of installation of dropped kerbs. Programme of installation of low floor bus infrastructure. • Weather warnings provided by Met Office enabling advanced planning to be undertaken.

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLECTIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE		AMBER 6		
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Kieran Bostock – Assistant Director - Place Management
DIVISION	Place Management
DEPARTMENT	Neighbourhoods and Regulatory Department
DATE OF ASSESSMENT	June 2022

Appendix 2

RISK TITLE:	Community Safety - Failure to provide a safer Hartlepool where residents and visitors can live free from crime, fear of crime and anti-social behaviour could impact on quality of life and tourism.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> • CCTV service unable to operate without access to Civic Centre. • Lack of partnership approach by agencies. • Reduced resources within the police and fire authority. • Lack of scrutiny from Safer Hartlepool Partnership. 	<ul style="list-style-type: none"> • Financial. • Reputation. • Legal. 	<ul style="list-style-type: none"> • Other services could function with remote access to systems. • Footage could be viewed from other locations however cameras would be static. • Regular liaison with Police and Fire Brigade. • Joint working regularly carried out through the Hartlepool Community Safety Team. • All partner agencies work to same strategies in Safer Hartlepool Partnership. • Audit and Governance community safety statutory role.

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Sylvia Pinkney - Assistant Director - Regulatory Services
DIVISION	Regulatory Services
DEPARTMENT	Neighbourhoods and Regulatory Department
DATE OF ASSESSMENT	June 2022

RISK TITLE:	Waste Management - Council are unable to collect and dispose of all household waste within existing financial resources.
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> Increased costs relating to waste disposal. Provision of new contract or re-negotiation of existing contract. Lack of contractors willing to remove certain waste products. Current Government consultation relating to waste and future implications of findings. Existing plant/equipment insufficient to meet current needs. 	<ul style="list-style-type: none"> Financial. Reputational. Legal. 	<ul style="list-style-type: none"> Ongoing discussions with existing contractor. Procurement options being considered. Consultation response sent to Government on their proposed new strategy and the possible implications for Councils that may need further consideration. Contractors appointed to produce long term strategy and business case for Tees Valley future waste provision. Waste Management and Officer Groups established across Tees Valley. Availability of ear-marked reserves to cover budget overspend.

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE			RED 9	
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Kieran Bostock – Assistant Director - Place Management
DIVISION	Place Management
DEPARTMENT	Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	June 2022

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Additional income sources introduced	Identify possible income sources that could offset the cost increases and share with elected members for consideration and approval.	Assistant Director – Place Management	December 2023

RISK TITLE:	Business Continuity - Failure to provide Council services as a result of disruption to the normal day to day activities
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DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none"> • Disruption to normal day-to-day activities as a result of a major incident affecting employees, accommodation, IT services or vehicles. • Service delivery partners withdrawing contracted services. • Pandemic Flu. • Major Incident declared affecting the wider community of the town. 	<ul style="list-style-type: none"> • Reputation. • Legal. • Financial. • Health and Safety 	<ul style="list-style-type: none"> • Business Continuity group coordinating arrangements for reviewing, planning and testing. • Business Continuity plans in places for services and functions. • Exercising of Business Continuity plans to ensure fit for purpose.

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE				RED 8
	HARDLY EVER				

RESPONSIBLE OFFICER	Corporate Management Team (Sylvia Pinkney - Assistant Director - Regulatory Services)
DIVISION	All
DEPARTMENT	All
DATE OF ASSESSMENT	June 2022

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Effective Business Continuity Group in place with regular reporting to CMT and escalation of concerns as required.	Review the effectiveness of the feedback mechanism between the Business Continuity Group and CMT.	Assistant Director – Regulatory Services	March 2023

Appendix 2

RISK TITLE:	Economic Regeneration: Failure to encourage regeneration, support enterprise and improve development opportunities for new and existing businesses across the borough.	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?
<ul style="list-style-type: none">• Failure to secure capital/revenue funding to deliver future regeneration projects• Failure to deliver existing and future regeneration projects on time/budget• Impact of inflation on capital programme costs.• Failure for the BIS/HEC to meet their business/income targets and remain economically viable.• Failure of the Council to effectively engage with local businesses and offer appropriate advice and financial assistance.• Failure of the Tees Valley Combined Authority to effectively engage with local businesses and offer appropriate advice and financial assistance.• Failure of other publicly funded business support organisations to effectively engage and deliver appropriate advice and financial assistance.• Failure of the Council to develop and deliver activities, events and projects that directly contribute to the growth in the economy.	<ul style="list-style-type: none">• Legal and financial impacts relating to Council capital/revenue and external funding of regeneration projects and assets.• Reputational damage to the Council.• Adverse effect on local economy.	<ul style="list-style-type: none">• Ensuring the Council teams have adequate staff and resources to undertake duties effectively.• Close monitoring of the current Regeneration Programme to identify issues/constraints/obstacles and look to positively remedy.• Capital programme monitoring arrangements in place and capital contingency built in to 2022/23 MTFS.• Continued close working relationship with the Tees Valley Combined Authority and other business support organisations.• Yearly plan of economy related interventions/activities to be undertaken.

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Bev Bearne - Assistant Director - Development and Growth
DIVISION	Development and Growth
DEPARTMENT	Resource and Development Department
DATE OF ASSESSMENT	June 2022

RISK TITLE:	Housing - Failure to address the housing requirements of the borough and provide affordable, high-quality housing.		
DETAILED DESCRIPTION OF CURRENT RISK:			
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?	
<ul style="list-style-type: none">• Imbalance in the current housing stock with existing provision skewed towards terraced/low quality dwellings.• Lack of Council owned land that can be developed for additional affordable housing provision.• Non or stalled delivery of the allocated housing sites and associated infrastructure provision identified in the Local Plan.• Downturn in the local, regional, national housing market due to economic/political changes.• Developments in the Teesmouth and Cleveland Coast Special Protection Area (SPA) not being approved for planning because they cannot demonstrate that they are nutrient neutral.	<ul style="list-style-type: none">• Inability of the Council to benefit from additional New Homes Bonus (subject to Government changes of this regime).• Inability of the Council to capture additional and higher value Council Tax.• Negative economic impact in terms pf physical job creation in the construction phase but also in providing attractive living environment for economically active people.• Reduced inward migration of economically active people and the risk of outward migration to more attractive settlements.	<ul style="list-style-type: none">• Adopted Local Plan which seeks to specifically address the current and future housing requirements of the Borough via allocating appropriate land and policies that control development.• Adopting a Housing Strategy which seeks to address the housing requirements of the borough and provide affordable, high-quality housing.• Currently working with Natural England on a range of mitigation which will allow developments to proceed. Memorandum of understanding is currently being discussed on the basis of where Hartlepool’s waste water discharges.	

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				
	POSSIBLE			AMBER 6	
	HARDLY EVER				

RESPONSIBLE OFFICER	Bev Bearne - Assistant Director - Development and Growth Kieran Bostock - Assistant Director – Place Management Danielle Swainston Assistant Director – Joint Commissioning
DIVISION	Various
DEPARTMENT	Resources and Development, Neighbourhoods and Regulatory Services, Children’s and Joint Commissioning
DATE OF ASSESSMENT	June 2022

Appendix 2

RISK TITLE:	Inflation - Increasing inflation leading to increased costs for goods and services resulting in overspend against allocated budgets, reduced level or standard of service delivery, longer waiting times for services or cuts to existing services.		
DETAILED DESCRIPTION OF CURRENT RISK:			
CAUSES - what could make it happen?	IMPLICATIONS - what impact would it have if it did?	EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?	
<ul style="list-style-type: none">Increased prices caused by rising production costs due to higher wages and increased fuel/energy prices etc.Increased demand / reduced availability of raw materials.International issues including the war in Ukraine.Contracts that allow for transfer of inflation costs to HBC as customer.Above inflation NLW increases.Outcome of Fair Cost of Care exercises in adult social care.	<ul style="list-style-type: none">Increased costs in delivery of capital schemes and increased levels of expenditure across the Council leading to overspend against allocated budgets.Reduced level / standard of service delivery.Longer waiting times for services.Cuts to services / redundancies.Reputational damage.Negative impact on the delivery of Council objectives.Significant increases in care fees.	<ul style="list-style-type: none">Timely and effective financial performance reporting and monitoring.Capital programme monitoring arrangements in place and capital contingency built in to 2022/23 MTFS.Ongoing discussions with existing contractors.Procurement options being considered to reduce costs where possible.Availability of earmarked reserves.	

Appendix 2

CURRENT RISK ASSESSMENT:					
RISK MATRIX		IMPACT			
		NEGLIGIBLE	MINOR	MAJOR	CRITICAL
LIKELIHOOD	ALMOST CERTAIN				
	PROBABLE				RED 12
	POSSIBLE				
	HARDLY EVER				

RESPONSIBLE OFFICER	Corporate Management Team (Denise McGuckin – Managing Director)
DIVISION	All
DEPARTMENT	All
DATE OF ASSESSMENT	June 2022

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Being prepared to respond quickly to future changes	Ongoing close monitoring of the impact of inflation pressures on the Capital programme and service delivery across the Council.	Director of Resources and Development	March 2023