

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 13 February 2023

at 2.00 p.m.

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

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors Boddy, Brash, Buchan, Cassidy, Harrison, Lindridge, Little, Martin-Wells, Moore, Morley 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 23 January 2023.

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Capital Programme 2023/24 to 2026/27 – *Director of Resources and Development*

5. KEY DECISIONS

- 5.1 Hartlepool Mayoral Development Corporation – *Managing Director* (To Follow)

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Statutory Council Tax Calculations – *Director of Resources and Development* (To Follow)
6.2 Council Tax Support Fund – *Director of Resources and Development*
6.3 Procurement Social Value Statement of Intent – *Managing Director*

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.

7. ITEMS FOR INFORMATION

- 7.1 Strategic Financial Management Report as 31 December 2022 – *Director of Resources and Development*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

For Information:

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

Monday 13 March, 2023 at 11.00 am – Please note change of time of meeting.



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

23 JANUARY 2023

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

Present:

Councillor Shane Moore (In the Chair)

Councillors: Moss Boddy, Bob Buchan, Tom Cassidy, Brenda Harrison, Jim Lindridge, Sue Little, Melanie Morley and Mike Young.

Also Present: Councillor Tom Feeney as substitute for Councillor Jonathan Brash; and Councillor Paddy Brown as substitute for Councillor Andrew Martin-Wells in accordance with Council Procedure Rule 4.2.

Edwin Jeffries, HJTUC

Officers: Denise McGuckin, Managing Director
Hayley Martin, Chief Solicitor
Neil Wilson, Deputy Chief Solicitor
Chris Little, Director of Resources and Development
James Magog, Assistant Director, Finance
Sally Robinson, Director of Children's and Joint Commissioning Services
Craig Blundred, Director of Public Health
Jill Harrison, Director of Adult and Community Based Services
Gemma Ptak, Assistant Director, Preventative and Community Based Services
Tony Hanson, Director of Neighbourhoods and Regulatory Services
Kieran Bostock, Assistant Director, Place Management
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

82. Apologies for Absence

Councillors Jonathan Brash and Andrew Martin-Wells.

83. Declarations of Interest

None.

84. Minutes of the meeting held on 12 December 2022

Confirmed.

85. Medium Term Financial Strategy (MTFS) 2023/24 to 2025/26 *(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 impact of the Provisional Local Government Finance Settlement for 2023/24 and to enable Members to approve the budget proposals to be referred to Council, including the level of Council Tax and Adult Social Care (ASC) precept for 2023/24.

Issue(s) for consideration

The Director of Resources and Development gave a presentation to the Committee highlighting the main issues that had impacted upon the preparation of the 2023/24 budget including the effects of inflation, the national pay award and the Chancellor's autumn statement and the Local Government Settlement which had not come through to Councils until 19 December 2022.

The presentation outlined the details of the provisional settlement and what this provided for Hartlepool. The settlement was better than expected with an additional £1.188m for Hartlepool targeted at Adult and Social care funding and Revenue Support Grant increase. The Director indicated that the additional funding would reduce the reliance on reserves in 2023/24 and reduced the deferred deficit. The Director also highlighted the savings proposals that had been considered by the Policy Committees and the comments circulated ahead of the meeting.

The Director outlined an additional Council Tax Support Fund announced by the government which aimed to provide all Local Council Tax Support (LCTS) households with an additional payment of £25 which would more than cover the proposed referendum limits rise for those households. A further report with options around the Council Tax Support Fund would be reported to the February meeting.

The Director concluded his presentation by outlining to Members the effects of the slightly improved settlement on the projected deficit in the financial years 2024/25 to 2026/27 and also his robustness advice.

The Chair noted the comments submitted by the Policy Committees on the savings proposals and in relation to the savings considered by the Neighbourhood Services Committee, the Chair noted the significant opposition to the proposals made by the public to the introduction of charges for brown 'garden waste' bins. A charge of £41.50 had been

proposed and the Chair proposed that in light of the comments from the public and following further discussion with senior officers, the charge should still be introduced but at a lower rate of £32. The Chair's proposal was seconded.

The Chair also referred to the saving proposed relating to Christmas Trees and proposed that other than the removal of tree at the National Museum of the Royal Navy, all the other trees should remain. The Chair's proposal was seconded.

A Member commented on the charges for brown bins was penalising gardeners who were adding to the townscape and ensuring the maintenance of good drainage. This was important with the increasing levels of surface water flooding. The Chair acknowledged the point and that made by members of the public that they were paying for their brown bin collections through their Council Tax; but those without gardens were also footing the bill for brown bin collections.

Some Members considered that more information should have been submitted on the proposal to introduce the brown bin charges including details on the costings and a greater level of public consultation. All Members should also have been involved at an earlier stage.

A Member also questioned the poverty impact assessment form included with the report which did not reflect the impact of the proposed Council Tax rise. The Director indicated that as a tax already paid, Council Tax was not included. The Council did address issue of poverty with Council Tax through the LCTS scheme which at 12% was one of the most generous operated by a local authority.

Members questioned the impact of the two proposals made by the Chair on the budget deficit. The Director stated that an additional £55,000 would be required from the budget support fund. The changes to the potential take up of the brown bin charge were also questioned. The Director of Neighbourhoods and Regulatory Services stated that there were 37,000 households with brown bins in the town and it was expected that in the first year 6,000 (16%) would take up the scheme. The Director also reported that there was a proposed charge of £20 for an additional brown bin to be collected up to a maximum of four bins for one household. The supply of a previously used additional brown bin would be £16, which would cover the cost of refurbishment of a returned brown bin so they were recycled into use.

A Member commented that while the settlement figure may have been better than expected it was still below what was needed. The Member was also deeply concerned that the government approach was simply to keep putting council tax up year after year regardless of people's ability to be able to pay. Households were already having to make difficult choices and this would only add to the pressure. The Chair stated he could not

disagree; government was shifting the funding for local authorities from central government grant to local council tax payers.

During further debate, the Committee discussed issues around council tax and government funding. The Director of Neighbourhoods and Regulatory Services also explained how households and brown bins would be identified when they had paid the fee for collection. A Member also expressed concerns at the £400,000 saving in Adult Social Care through demand management. The Member considered this a difficult saving in an aging society and the push towards greater NHS funding of services for people with identified health needs and scrutiny of complex / high cost packages of care would be extremely difficult when the NHS was already in crisis.

The Chair thanked everyone present for their contribution to the debate and moved the recommendations set out in the report with the two amendments relating to reducing the brown bin charges to £32 and only reducing the number of Christmas Trees by one.

The following decisions were agreed on a majority vote.

Decision

That the following proposals be referred to Council on 26th January 2023:

1. That the report be noted, including noting that 38% (£1.916 billion) of the Government's national Spending Power increase for 2023/24 is based on 'making available' an increase in Council Tax (up to 3%) and Adult Social Care precept (up to 2%) flexibility as part of their strategy for funding services;
2. That it be noted that these limits are year specific, which means any unused limit results in a permanent reduction in recurring income;
3. That Council be recommended to use of the increased Council Tax flexibility provided by the Government and recommend an increase in Council Tax of 2.9% and the Adult Social Care precept of 2%. This will provide additional recurring income of £2.303m, which will help protect services and provide the most robust basis for setting the 2023/24 budget;
4. That feedback on 2023/24 savings detailed in Appendix A to the report from the Policy Committees be noted and that the following amendments be made to those proposals:
 - A reduction in the proposed Garden Waste charge from £41.50 to £32.00, which reduces the 2023/24 savings from £250,000 to £195,000;

- A reduction in the Christmas Tree saving from £9,000 to £3,000, which will retain existing trees other than the one located at the Historic Quay;
 - The replacement of above reduced savings of £61,000 with an increase in one off funding from the Budget Support Fund Reserves;
5. That on the basis of approving recommendations (3 and 4 above) the overall package of savings to balance the 2023/24 budget as detailed in paragraph 9.12 of the report be approved.

In summary these changes result in the following package to balance the 2023/24 budget:

	£'m	% of deficit
Gross Deficit	10.039	
Less – Reduction in general inflation provision	(0.610)	6.1%
Less – Increase in recurring resources	(2.903)	28.9%
Less – Proposed savings	(1.707)	17.0%
Less – Council Tax and ASC increase	(2.303)	22.9%
Less – One off funding	(2.516)	25.1%
Deficit Still to be addressed	0	100.0%

6. That the robustness advice detailed in section 9 to the report be noted, which supports recommendation 5;
7. That the forecast deficits for 2024/25 to 2026/27 detailed in paragraph 7.4 to the report be noted and that a robust saving plan will need to be developed during 2023 to address these deficits; and
8. The Committee noted that the Government was providing one off funding of £100m and required councils to allocate £25 to LCTS households to reduce 2023/24 Council Tax bills. Modelling was being completed to assess the cost of the mandatory scheme and options for using any remaining balance would be submitted to the Finance and Policy Committee in February.

86. LGA Corporate Peer Challenge Feedback Report

(Managing Director)

Type of decision

Non-key decision.

Purpose of report

To present to members the feedback report following the Local Government Association (LGA) Corporate Peer Challenge (CPC) held in December 2022.

Issue(s) for consideration

The Managing Director gave a presentation to the Committee setting out the main aspects of the feedback report from the recent LGA Corporate Peer Challenge.

The Managing Director stated that it had been some ten years since the last corporate peer challenge. The Managing Director outlined the membership of the team that had visited Hartlepool in December, which included members with a knowledge of a committee system and the issues facing a small local authority like Hartlepool. The presentation outlined the purpose and process of a CPC and the scope and brief of the peer challenge for Hartlepool. The report of the team included some detailed recommendations and the Managing Director stated that the next step was to produce an action plan in response to the recommendations. The Managing Director thanked the officers and members of the CPC team for giving up their own time to carry out the review.

The Managing Director reported that the overall message was a positive one reflecting Hartlepool's ability to punch above its weight even when still emerging from the Covid-19 pandemic. It was recognised staff are dedicated, loyal and passionate about serving our communities. It was recognised we are community focused and have a great source of data and intelligence we should consider our approach to community engagement, and have meaningful consultations to strengthen community insight and partnership working. There were recommendations regarding governance and the committee system which had been in place since 2013, the CPC team felt there was scope to streamline the decision making process and ensure that decisions are made at the most appropriate level and review the scheme of delegation, reduce the number of Full Council meetings and empower Committees and promote efficient decision making. Comments were also made on the over reliance of reserves to address the budgeting issues and the risks of burn-out among senior staff.

The Managing Director stated that the report would be referred to Council for consideration and then an action plan would be developed to address the recommendations within the feedback report. It was highlighted that the corporate peer challenge team would return in six months to see how the action plan was being addressed.

Members welcomed the report and noted the comments around decision making. It was commented that officers should be proud of their dedication services and ambition to improve the town despite the challenging financial situation.

A Member commented that while it was very positive to see the additional capital investment that was being attracted into Hartlepool the fact remained that there was still extensive poverty and a financial situation that was based on year on year council tax rises. Other Members did feel that

the capital investment was one way to generate the jobs needed to boost the town's economy. The Managing Director stated that Members' should not underestimate the work that went into the bids for capital investment and winning those bids was only the start of the process.

A Member commented that they saw the report as more challenging than others and the key aspect would be what was included in the action plan. The Member asked if this would be available for the Council meeting on 26 January so that Members could properly debate the options to move forward from the review. The Managing Director stated Members were asked to accept the report and authorise her to produce an action plan in response to the recommendations with a view to presenting this to Members towards the end of this financial year. The Chair stated that it would be important to have Members involved in any discussions on an action plan so that the Council was in the best position for the future.

The Chair outlined his own reflections on the peer challenge process and indicated that he welcomed the suggestions for greater empowerment of the committee system. The Chair also commented that regardless of the social media comments of a very small minority, the Council had a track record of good financial management and it was good to read in the report that the peer review team supported that. The Chair commented that he had asked the peer challenge team if some of the Council's services had been cut back too far and their conclusion was that Hartlepool had some high standards with cleanliness being high in comparison with other areas across the country, and that potentially the Council was doing too much at times.

The following decision was agreed without dissent.

Decision

1. That the feedback report from the Corporate Peer Challenge be noted and referred on to full Council.
2. That the Managing Director be authorised to produce an action plan setting out the Council's proposed response which will be reported to a future Finance and Policy Committee and Council meeting later this financial year.

87. ICT Contract Preferred Supplier (*Director of Resources and Development*)

Type of decision

For information.

Purpose of report

The purpose of the report was to update Finance and Policy Committee on the outcome of the comprehensive procurement process of a new ICT managed contract provider including the appointment of the preferred supplier.

Issue(s) for consideration

The Assistant Director, Finance reported on the outcome of the comprehensive procurement process of a new ICT managed contract provider. The report set out the process undertaken including soft marketing testing and the support received from SOCITM Advisory and Ward Hardaway Solicitors.

The outcome of the procurement process was submitted at Appendix A to the report. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3). Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Following the issue of the 'notice to award' there would be a statutory standstill period of at least 10 calendar days. This was a short pause between the point when the contract award decision is notified to bidders, and the final contract conclusion, during which time suppliers can challenge the decision. Bidders can use this time to review the notice they receive, informing them of the award decision. The Chief Solicitor reminded Members that they should not disclose the name of the preferred bidder until that time period had lapsed.

The Director of Resources and Development recorded his thanks to the Assistant Director and the team for the work involved in bringing the tendering procedure to this positive conclusion.

There was no dissent to the following decision.

Decision

That the award of the contract to the highest scoring bidder as set out in the appendix to the report be noted. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3). Information relating to the financial or business affairs of any particular person (including the authority holding that information).

For the consideration of the following item, the only officers present were:-
Denise McGuckin, Managing Director
Neil Wilson, Deputy Chief Solicitor
Chris Little, Director of Resources and Development
David Cosgrove, Democratic Services Team.

88. Senior Leadership Restructure *(Managing Director)*

Type of decision

Non-key Decision.

Purpose of report

To make recommendations in respect of the Chief Officer structure of the Resources and Development department.

Issue(s) for consideration

The Managing Director reported that a report was considered and approved by the Committee on 19th September 2022 to address the resignation of an Assistant Director in the Resources and Development department, who had secured a promotion with another council. It was envisaged the changes approved at that time would provide a stable basis for the foreseeable future and would not require any further changes. However, at the start of November, the Director of Resources and Development tendered his resignation. We have agreed a leave date of 31st May 2023 to provide an appropriate lead time to put in place appropriate succession arrangements.

The LGA Corporate Peer Challenge (CPC), undertaken in December 2022, identified leadership has a strong record of delivery and in many areas this is evidenced by the positive outcome of external inspections. The CPC also identified:

- There is a need to modernise ways of working and review organisational structures and remits to drive transformation, release capacity for strategic planning, strengthen the corporate core and mitigate risk.
- The organisational structure has evolved in an ad hoc way overtime leading to large portfolios for many staff, with some conflicting priorities.
- Queried whether HBC have sufficient senior capacity in the right place with the right skills to drive forward the vision for the Town whilst also continuing to deliver across ambitious plans already in place; and
- Referred to the 'Hartlepool Way' of 'getting things done no matter what' risks burnout and overstretch without clear prioritisation.

The Managing Director considered it was important to plan for the future and transform from a traditional local authority to one fit for the 21st Century.

The aim of the recommended changes was to ensure that the Council had an Executive Leadership team clearly focused on the Council's priorities and challenges and is joined-up in delivering excellent and consistent services. The proposals to achieve this aim were set out in Appendix 1 in the exempt section of the report. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual).

In order to discuss those proposals, the appropriate resolution was moved, seconded and agreed and the meeting moved into closed session.

Decision

The decisions of the Committee are set out below.

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

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 88 – Senior Leadership Restructure – This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (para. 2) Information which is likely to reveal the identity of an individual.

90. Senior Leadership Restructure *(Managing Director)*

This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (para. 2).

Type of decision

Non-key Decision.

Purpose of report

To make recommendations in respect of the Chief Officer structure of the Resources and Development department.

Issue(s) for consideration

The Committee considered the Managing Director's proposals for the restructure of the senior leadership of the Authority.

The following decisions were agreed on a majority vote.

Decision

1. That the updated Chief Officer Pay Structure (at Appendix 2 to the report) be approved and the inclusion of an additional Chief Officer pay band between the current Band A Chief Officer and Director pay band.
2. That the deletion and addition of the posts, including changes in responsibilities and the grading of the posts, identified in the Not For Publication element of the report be approved;
3. It was noted that the proposals as set out in the Not for Publication element of the report would form the basis of appropriate communications and consultations with those staff affected;
4. It was noted that an Appointments Panel would need to be convened to agree arrangements for appointing to posts.
5. It was noted that the proposed structure provides a recurring saving, identified in the Not for Publication element of the report.
6. The changes to the officer governance arrangements were noted.
7. It was noted that that the Pay Policy would be updated to reflect the updated Chief Officer Pay structure.

91. Any Other Items which the Chairman Considers are Urgent

The Committee noted that the next meeting would be held on Monday 13 February, 2023 at 2.00 pm in the Civic Centre.

The meeting concluded at 12.10 p.m.

H MARTIN

CHIEF SOLICITOR
PUBLICATION DATE: 2 FEBRUARY 2023

FINANCE AND POLICY COMMITTEE

13 February 2023



Report of: Director of Resources and Development

Subject: CAPITAL PROGRAMME 2023/24 to 2026/27

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

2. PURPOSE OF REPORT

2.1 The purpose of the report is:

- i) To approve the Capital Strategy for 2023/24 to 2026/27 to be recommended to Council for approval. The strategy is a requirement of the Prudential Capital Code; and
- ii) To approve the Capital Programme new starts 2023/24 to 2026/27, to be recommended to Council for approval.

3. BACKGROUND

3.1 The Council has, in recent years, developed an ambitious Capital Programme, ensuring investment in existing and new assets within the Borough, to support delivery of the priorities set out in the Council Plan. This report draws together the Capital Programme and Capital Strategy, aligning them with the Medium Term Financial Strategy (MTFS) and Treasury Management Strategy as an integral part of the Council's Strategic and Financial Planning Framework.

3.2 For completeness, the capital programme includes planned HRA investment. Decisions on HRA investment are subject to Business Cases and are included as part of HRA Business Plan updates provided to Finance and Policy Committee on a regular basis.

4. CAPITAL STRATEGY

4.1 Under the Prudential Code for Capital Finance in Local Government, Councils are free to determine their own capital investment priorities to meet the needs of their local communities. However, in doing so they

must have regard to the prudential code and the key considerations of prudence, affordability and sustainability. An approved capital strategy is a requirement of the code.

- 4.2 The Council has well established processes and governance arrangements in place for its capital programme and Treasury Management including reporting via the Audit and Governance arrangements.
- 4.3 The Chartered Institute of Public Finance and Accountancy has recently strengthened the code given concern around interpretation of key requirements, including commercial investments and the adverse financial impact these has on some councils. They have also provided more guidance on the production of capital strategies and what constitutes “best practice”. In parallel to this strengthening, the Council has embarked on a significant capital programme of approximately £159m, demonstrating our ambitions for the borough.
- 4.4 In response to these developments, more frequent monitoring and reporting of Treasury Management and Prudential Indicators to Audit and Governance Committee has commenced in the current year. In addition a formal capital strategy has been produced for approval.
- 4.5 The capital strategy is attached at Appendix 1. The strategy is designed to provide a framework for which the capital and regeneration objectives of the Council are delivered, enabling the Councils ambitions to be met whilst ensuring that proposals are affordable and risk is minimised. It outlines the planned programme of expenditure, how the programme is governed and risk managed.
- 4.6 The strategy has regard to the Councils wider strategic framework supporting and aligning with the overall Council Plan. It sits alongside the Medium Term Financial Strategy, Treasury Management Strategy and the revenue and capital budgets for the Council. Taking a medium to long term view, it demonstrates that the Council’s capital investment plans have due regard to the Council’s objectives, stewardship of assets, value for money, prudence, sustainability and affordability.
- 4.7 Specifically, the objectives of our Capital Strategy are to ensure it provides:
- An overview of the governance process for approval and monitoring of our capital expenditure, including links to the authority’s policies on capitalisation;
 - A long-term view of the Council’s capital expenditure plans;
 - An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals; and
 - Any restrictions around borrowing or funding of ongoing capital finance.

- 4.8 The strategy is, in part, an iterative process whereby an annual review, in line with the MTFS and Treasury Management Strategy, will be undertaken in order to inform the approach going forward. The review will also be informed by any discussions and recommendations arising through the regular reporting of Treasury Management and Prudential Indicators to Audit and Governance Committee.

5. CAPITAL PROGRAMME

- 5.1 The capital programme detailed at Appendices 2 to 10, includes schemes previously approved by relevant Committees and Council. The full programme is included to ensure Members are provided clarity on the depth and breadth of the programme over the medium term and to ensure a point of reference for the quarterly monitoring reports to Finance and Policy Committee.
- 5.2 It should be noted that the programme includes schemes due to conclude in the current financial year. A review of the programme post year end will be undertaken to ensure remaining live schemes are still required, given the need to prioritise capacity for our key capital projects.
- 5.3 Any new schemes or amendments to existing schemes are detailed in the following section, and shown at Appendix 10.

Schemes funded from Specific Grants and Departmental Business Cases

- 5.4 The government provides specific capital grants for investment in a number of key priority areas including schools, Disabled Facilities Grants and the Local Transport Plan. These resources can only be spent in accordance with specific grant conditions and as such are allocated to those service areas. These grants, in the main, support recurring capital activity, but are included for approval on an annual basis given their variable nature.
- 5.5 Grant allocations for 2023/24 onwards have yet to be confirmed for all grant schemes. Indicative or provisional allocations are detailed in the table below and are included in the capital programme appendices accompanying the report. In line with the procedures adopted in previous years it is recommended that once the actual 2023/24 allocations are known, authority is delegated to the relevant policy committee to approve the detailed schemes to be funded. This will ensure schemes can be implemented as soon as practical and grant conditions are complied with. These schemes will be included in future capital monitoring reports.

Service Specific Capital Grants	2023/24 £'000
Disabled Facilities Grant (Better Care Fund)	1,222
Adult and Community Based Services - Total	1,222
Devolved Formula Capital (Schools)	100
Schools Condition Allocation	690
High Needs Provision Capital Allocation	732
Children's and Joint Commissioning Services - Total	1,522
Local Transport Plan – Structural Highways Maintenance	1,054
Local Transport Plan – Integrated Transport Block	719
Children's and Joint Commissioning Services - Total	1,773

For planning purposes it is assumed these allocations will be the same in future years.

- 5.6 The Council also funds a replacement programme for operational vehicles and equipment (e.g. refuse vehicles, grass cutters etc.) used to deliver front line services. The Council has robust procedures for managing the operational life of vehicles and equipment and this includes an annual review of the proposed replacement programme by the Neighbourhood Services Committee. Officers will continue to actively manage the proposed programme and this may mean planned replacements may be delayed if this is financially advantageous for the Council. A summary of the vehicle replacement programme for the coming three years, as approved by Neighbourhood Services Committee, is summarised below

Vehicle Replacement Programme	2023/24 £'000	2024/25 £'000	2025/26 £'000
Cleansing	29	361	0
Highways	16	0	168
Horticulture	29	63	45
Libraries	0	19	110
Street Lighting	0	54	0
Waste Management	0	764	1,248
Other	141	19	0
Price Contingency	20	130	136
Vehicle Replacement Programme - Total	235	1,410	1,707

Variations

- 5.7 In year variations to the capital programme are reported as part of quarterly update reports to Finance and Policy Committee.

Towns Deal

- 5.8 At Finance and Policy Committee of 22 August 2022, members approved the business case for reimagining Middleton Grange Shopping Centre. This enabled the Council to apply to the Department for Levelling up Housing and Communities (DLUHC) for £14m of Town Deal money. On the 22 November 2022 DLUHC approved the business

case and the project was the fifth and final scheme to get the green light as part of the Hartlepool Town Deal programme.

- 5.9 Since the approval from DLUHC, officers have moved on to the delivery phase and using the NEPO framework they have appointed Driver Project Services as a Strategic Delivery Partner for the delivery of this scheme. Work has been on going with Driver to undertake a full review of the business case, cost modelling and the development of the delivery programme

Levelling Up

- 5.10 Hartlepool Borough Council's bid to the Levelling Up Fund Round 2 for 'Catalysing Hartlepool's Screen Industries Production Village' (application LUF 20556) was submitted to DLUHC on 29th July 2022. The value of the capital bid request of £16.454m was approved and the total project budget is £18.57m, with the additional match funding from TVCA.
- 5.11 The intention is to create a "Production Village" in the Lynn Street / Whitby Street area that will act as a catalyst for the further development of Hartlepool's fledgling screen industries sector.
- 5.12 The aim of the project is to transform the urban environment through the acquisition, redevelopment and selective demolition of existing buildings to create a range of new, flexible spaces that will provide post-production, back office and wider support services to screen industries. These will be complemented by the creation of an urban park/square to transform the look and feel of the area, improve the connection through to the town centre and attract new investment.
- 5.13 HBC was informed on 19th January 2023 that the bid had been successful for the full requested amount. The successful applicant letter from Deheena Davison MP stated HBC had 'submitted a strong application, which performed well against the assessment criteria, and she was pleased to hear about the projects we plan to deliver with this investment'.
- 5.14 This is further good news for Hartlepool after the £25m Town Deal was confirmed in late 2022. The Town Deal delivers five projects; the re-development of the former Wesley Chapel, the re-imagining of Middleton Grange Shopping Centre, connectivity improvements between The Waterfront and the town centre and the creation of civil engineering and health and social care skills academies.
- 5.15 A full report on the LUF funded project will be prepared for Finance and Policy Committee on 13th March. As yet, HBC has not received any grant agreement, Heads of Terms, payment terms or associated monitoring and evaluation requirements for the funding and it is hoped

that this will be received ahead of the March F&P Committee. At this point it will be included in the capital programme.

6. FUNDING

- 6.1 The Council continues to seek to maximise external funding sources to fund the Capital Programme, in order to limit the amount of borrowing required. The Programme includes significant funding from Government, the Tees Valley Combined Authority and various funding bodies. The success in leveraging in such funding ensures that the financing impact on the Revenue budget is minimised.
- 6.2 The Council continues to have a low ratio of financing costs to overall net revenue budget, with less than 5% of our net budget spent on servicing borrowing. This is set out in the Capital Strategy and reported to Audit and Governance Committee on a regular basis. This is a key ratio demonstrating the affordability of the Capital Programme.
- 6.3 Where there is deemed to be a realistic likelihood of external funding being realised for the scheme, this is included within the capital programme, but is shown as TBC. However, there remains a risk that this funding will not be forthcoming and this would result in either the scheme being withdrawn, amended or alternative funding secured. This may result in an increased borrowing need.
- 6.4 The Council previously set a capital receipt target to provide funding to offset the removal of Housing Market Renewal (HMR) funding in 2011. The sale of land at Hart, expected to be achieved this financial year, will mean the target is exceeded by £0.790m. This funding will be held as a contingency pending award of contracts on the major capital projects given current inflation.
- 6.5 No new target for capital receipts generation has been set. When a capital asset is no longer needed, we will seek to sell this asset, if appropriate, to generate capital receipts. Capital receipts can be used to provide more flexibility on funding to minimise borrowing costs or to fund new assets. Any capital receipt availability will be considered as part of funding for existing capital projects prior to release for any future capital programme.
- 6.6 Where applicable S106 contributions are maximised and allocated to housing and non-housing capital schemes as appropriate. The on-going position with regard to developer contributions is included within the quarterly finance updates.

7. RISK IMPLICATIONS

- 7.1 There are no direct risk implications arising from approving the Capital Programme and adopting the Capital Strategy. The risk management of individual schemes and the wider Capital Programme is addressed as

part of the capital strategy and recognises that overall capacity to deliver schemes is at a premium which may require future prioritisation. This being a key point being highlighted as part of the recent Peer review.

8. FINANCIAL CONSIDERATIONS

- 8.1 There are no direct financial implications arising from adopting the Capital Strategy.
- 8.2 The financial considerations of individual schemes and the wider capital programme are addressed as part of the details contained in this report and as part of the governance and approval process as set out in this strategy.

9. OTHER CONSIDERATIONS

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

10. RECOMMENDATIONS

- 10.1 It is recommended that Members;
- i) approve the Capital Strategy for 2023/24 to 2026/27, at Appendix 1, to be recommended to Council for approval. The strategy is a requirement of the Prudential Capital Code;
 - ii) approve the Capital Programme new starts 2023/24 to 2026/27, as set out at Appendix 10, to be recommended to Council for approval;
 - iii) approve the delegation to relevant policy committees to approve detailed schemes arising from confirmed specific grant allocations as set out in paragraph 5.4;
 - iv) agree that any capital receipts generated will initially be considered for funding the existing capital programme as set out in paragraph 6.5; and
 - v) note the existing capital programme set out on Appendices 3-9.

11. REASON FOR RECOMMENDATIONS

- 11.1 To ensure the Council has a framework, aligned to the Capital Plan and other key strategies, for which the capital and regeneration objectives of the Council are delivered.
- 11.2 To refer the Capital Programme to Council as part of consideration of the 2023/24 technical Budget and Council Tax calculations to Council.

12. BACKGROUND PAPERS

- 12.1 None

13. CONTACT OFFICER

James Magog
Assistant Director (Finance)
01429 523093
James.magog@hartlepool.gov.uk

Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor



Hartlepool Borough Council

Capital Strategy 2023/24 to 2026/27

1. Executive Summary
2. Background
3. Strategic Framework
4. Objectives of the Capital Strategy
5. Strategic Context
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1. Executive Summary

This strategy provides a framework for which the capital and regeneration objectives of the Council are delivered, enabling the Council's ambitions to be met whilst continuing to ensure that proposals are affordable and risk is minimised. It sets out how the Council will invest £159m in the town's assets, much of which has been secured through successful external funding bids, helping to regenerate and grow the economy.

It aligns with the Medium Term Financial Strategy (MTFS) of the Council and sets the basis for decisions on capital spend for the 2023/24 budget.

2. Background

The government recognises that capital investment is essential for enabling local authorities to deliver economic regeneration, housing and school improvements, and to support service transformation, and is used well by many authorities.

The current system to regulate capital finance, in place since 2004, is based on the principle of local decision making and accountability. Local authorities are free to determine their own capital strategies and decide how they deliver services on the principle that they are best placed to make the decisions needed to support their local communities.

Authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003. The key messages from the Code is, in relation to capital expenditure, the consideration of Prudence, Affordability and Sustainability.

CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital and revenue planning. A Capital Strategy is part of the Prudential Code requirements.

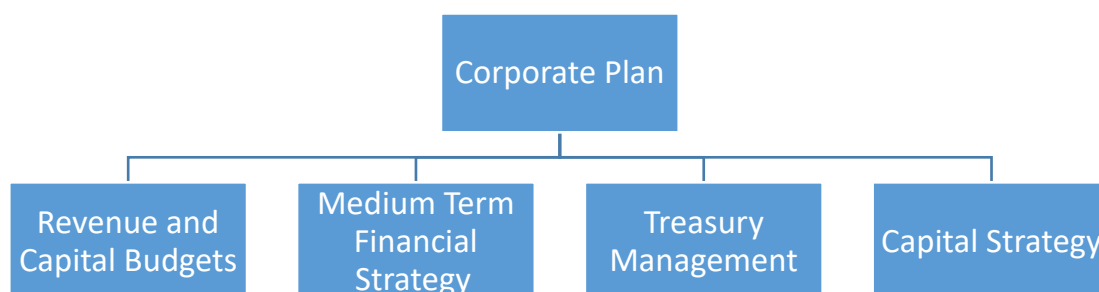
The Financial Management Code of Practice has been issued by CIPFA 'to provide guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively'. The Financial Management Code applies to all local authorities and brings together statutory requirements and Codes of Practice into one document. Our Capital Strategy needs to reflect the standards outlined in the CIPFA Financial Management Code of Practice.

Capital Expenditure

Capital expenditure is where the Council spends money on assets, such as property, plant or equipment that have a useable life of more than one year. This can include spending on assets owned by the Council, by other bodies, as well as loans and grants to other bodies to enable them to buy or improve assets.

3. Strategy Framework

The Capital Strategy is an integral part of the Council's Strategic and Financial Planning Framework, which sets out to sustainably deliver the Authorities vision, plans and objectives.



In February 2021, a new Council Plan was formally adopted covering the period up to 2023/24. The Council Plan sets out our vision for Hartlepool:

“Hartlepool will be a place...

- 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;
- that is sustainable, clean, safe and green;
- that has an inclusive and growing economy; and
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community.”

Capital Strategy

The Capital Strategy provides that fourth important pillar, linking capital expenditure and financing to the delivery of our vision, priorities and objectives as set out in the Council Plan, to ensure sustainable growth for Hartlepool. The Capital Strategy is therefore the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities. In addition as part of the Strategy, the Director of Resources and Development with responsibility for finance, reports explicitly on the affordability and risk associated with the Capital Strategy. Inevitably the full picture of the control

system around the Council's wide range of capital expenditure and its funding is reflected in a range of documents, monitoring and management arrangements.

4. Objectives of the Capital Strategy

A Local Authority Capital Strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of services and ambitions of the Council Plan, along with an overview of how associated risk is managed and what the implications might be for future financial sustainability.

While the strategy should be tailored to Hartlepool Borough Council's individual circumstances, it is required to include detail on capital expenditure, the Council's investments, liabilities and treasury management, along with sufficient detail to allow Members, residents and Council stakeholders to understand how stewardship, value for money, prudence, sustainability and affordability will be secured, and how the Council will meet legislative reporting requirements.

Consequently, planning and managing the use of the Council's capital resources is vital. This includes understanding the role that these assets play in the delivery of services and ensuring that the authority's asset base remains fit for purpose.

Capital expenditure is technically described as "Expenditure on the acquisition, creation, or enhancement of 'long term assets'". This is items of land, property and plant which have a useful life of more than 1 year. The definition of capital investment is wider than that of capital expenditure. The Department of Levelling UP, Housing and Communities (DLUHC) Guidance on Local Authority Investment states "The definition of an investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate profit; for example, investment property portfolios. For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party."

The objectives of our Capital Strategy are to ensure it provides:

- An overview of the governance process for approval and monitoring of our capital expenditure, including links to the authority's policies on capitalisation;
- A long-term view of the Council's capital expenditure plans, where long term is defined by the financing strategy of and risks faced by the authority with reference to the life of projects/assets;
- An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals; and
- Any restrictions around borrowing or funding of ongoing capital finance.

Our strategy will additionally include:

- The Council's approach to commercial activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources;
- Requirements for independent, expert advice and scrutiny arrangements;
- An overview of our governance process for approval and monitoring and ongoing risk management of other financial guarantees and long-term liabilities; and
- A summary of the skills and resources available to the Council.

The Capital Strategy will continue to develop over the coming years as we progress with our ambitious regeneration and capital programme.

5. Strategic Context

During its rich history, the town of Hartlepool has played a regionally, nationally and internationally important role in numerous activities and technologies including seafaring, rail travel, coal mining, steel production, nuclear energy, renewables and tourism. Hartlepool today is:

- A productive place, with relative strength in energy, manufacturing and construction. Its ports, power and a producer workforce continue to make an increasing contribution to national and regional productivity;
- An important sub-regional service centre, with large retail, education and healthcare sectors providing services and employment to the local population; and
- A growing visitor destination, attracting over 3.5 million visitors a year, with spending increasing by 10% in just 5 years.

Periods of decline have created social and economic challenges for the residents of Hartlepool. The town still suffers from significant socioeconomic challenges linked to economic inactivity, unemployment, a depressed skills market, low levels of productivity and job availability. Maritime, skills, enterprise, innovation, heritage and landscape assets however all present opportunities to transform the town. In the last 2 years, the Council has undertaken significant work to engage with wide ranging stakeholders and develop an evidence base for to strategically plan the Boroughs growth for the next 10 years.

As a result, the Council and its key stakeholders set out a vision for:

“.....a modern, connected, vibrant and liveable waterfront 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”

Hartlepool Investment Plan 2020

This is the vision for the Hartlepool Investment Plan, which the Council and its stakeholders developed and published in January 2020 as the 'Charter for Change'. It sets out that we are prepared to lead the evolution of Hartlepool – providing the up-front investment of time, capital, energy and creativity, to secure the rewards of a modern town with a 360° economy. It is based on the premise and evidence that wider financial and commercial returns will come once the economic value and wellbeing of the town is on the up - with better skills, healthier people, more visitors and more economic engagement.

Town Centre Masterplan 2021

Following the success of a partnership approach to the development of the Town Investment Plan in 2020, the Council undertook extensive engagement to develop a focused and ambitious Town Centre Masterplan to begin bringing those investment priorities to life. The Masterplan, adopted by the Council in November 2021, establishes a 20-year vision for rediscovering Hartlepool as:

“A well-connected vibrant and liveable waterfront town”. It outlines opportunities for transformative change in Hartlepool town centre – reimagining the town centre itself and considering ways in which this adapted to better suit the needs and purposes of the residents and visitors it serves.

The investment priorities within both these key strategic documents are described in section 6.

Inclusive Growth Strategy 2022

Following consultation with businesses and stakeholders in early 2022 to set out Hartlepool's economic growth priorities in the coming years, a Hartlepool Inclusive Growth Strategy 2022-25 has been published.

The strategy was developed through consultation with wide ranging stakeholders and in partnership with the Economic Regeneration and Tourism Forum. The strategy draws on data and economic insights to understand the current health of Hartlepool's economy relating to areas such as business survival rates, employment, education, skills and productivity. It is focused around three themes – developing people; developing business; and developing place.

In addition to the strategy, an action plan has been published detailing the specific projects and initiatives that will deliver the ten point plan.

Tees Valley investment context

In January 2019, the Tees Valley Combined Authority agreed an Investment Plan for 2019-2029, which set out the focus for investments to create new jobs, grow the skills base and improve infrastructure across the 5 Local Authority areas in the region, including Hartlepool. TVCA's Devolution Deal with

Government in 2015 provides for the transfer of significant powers for employment and skills, transport, and investment together with the first Mayoral Development Corporation outside London.

Through the deal, the Combined Authority has the power to create an Investment Fund, bringing together funding for devolved powers to be used to deliver a 30-year programme of transformational investment in the region. This includes the control of a new £15m a year funding allocation over 30 years.

To maximise the amount of investment in Tees Valley, a Strategic Economic Plan (SEP) has been developed which sets out the steps that are being taken to overcome the barriers to business growth within Tees Valley, placing SMEs, innovation and individuals at the centre of our region's growth ambitions.

The SEP includes priorities to improve, diversify and accelerate growth in the local economy to benefit businesses and residents with the ambition to create 25,000 jobs and add £2.8bn to the economy by 2026. The aim is to become a high-value, low-carbon, diverse and inclusive economy, and therefore it has been identified that investment will be channelled into five main strategic priorities:

- Business Growth;
- Research, Development, Innovation & Energy;
- Education, Employment & Skills;
- Culture and Tourism; and
- Transport & Infrastructure

6. Investment priorities

Taken together with the vision set out in the Council Plan, the key strategic documents detailed in section 5 set the foundation, evidence and need for our investment priorities and articulate the pipeline of projects and programmes that need to be delivered to achieve our vision. They strongly shape, and provide the evidence for, our long term investment plans.

Hartlepool Borough Council approved its £43m Capital and Indigenous Growth Investment Plan in 2020 with additional external grant funding taking the total potential investment to well over £50m in the coming years. The core of the programme will support the ambition for a compact and connected waterfront town. Almost £40m including £11.8m of prudential borrowing and £24.8m Tees Valley Combined Authority co-funding – will be directed towards new developments and enhancements of Hartlepool Waterfront to include:

- Expansion of the National Museum of the Royal Navy including new exhibits and exhibition halls;
- Council's new strategic leisure attraction, including sports and leisure facilities; and

- Public realm and public art, including a new events space.

The priorities that the Town Centre Masterplan clearly articulates in establishing a new “Heart of Hartlepool” are:

1. Changes to usage and function of retail space in Middleton Grange Shopping Centre;
2. Redevelopment potential of the ‘Civic Quarter’;
3. Increased capacity and connectivity of Hartlepool Rail Station from 2023 through the re-commissioning of a second platform, new northern entrance and new pedestrian rail bridge;
4. Waterfront visitor and leisure destination; the new strategic leisure facility and events space for the Borough on Jackson’s Landing and expansion and reconfiguration of National Museum of Royal Navy on adjacent site;
5. Continued growth of skills and education provision through Hartlepool FE College and Northern School of Art – including new film & TV studios in Hartlepool town centre; and
6. Redevelopment, growth and diversification ambitions of Hartlepool United Football Club.

Town Deal and Levelling Up

The investment plans also define our priorities that are being delivered under the governments Town Deal Fund programme, and those that are hoping to be successfully funded under the Levelling Up Fund.

In 2021 the Council secured £25m in capital funding under Town Deal to deliver five key priority capital projects with a range of delivery partners:

- £13.8m Re-imagining Middleton Grange Shopping Centre;
- £1.4m Wesley Chapel redevelopment;
- £6.2m Waterfront connectivity project;
- £1.25m Development of a Health and Social Care Academy; and
- £2.25m Development of a Civil Engineering Academy

These projects will begin their delivery stage in autumn 2022 and further demonstrate the ambition of the Council to deliver on its bold vision and Masterplans for the town.

The Council has also bid to Round 2 of the governments Levelling Up Fund with proposals to create a 'Screen Industries Production Village' in Hartlepool's extending Town Centre to engender a step-change in economic growth and development. More specifically, the project will comprise c. £19 million of regeneration activity to catalyse the development of a Production Village, including:

- Land assembly through targeted acquisition of property;
- Construction of flexible commercial/workshop/accommodation floor space;
- Restoration of strategic heritage assets; and
- Extensive public realm and amenity enhancements

The current economic environment of high inflation and funding uncertainty however is likely to impact on the Council's capital ambitions over the period. This will be kept under close review to ensure priority schemes are best placed to be delivered. Ultimately the size and scope of our capital ambitions is heavily reliant on our ability to lever in external funding sources.

A19, Grade Separated Junction, Elwick Road and Hartlepool Western Link Road

In 2018 the Hartlepool Local Plan identified two main westward growth areas: the South West Extension and growth in the Elwick Road area. It was recognised that highway improvements to the Elwick Road corridor are necessary to support development of these growth areas to deliver future growth of the Borough. The junctions at Elwick Village and Dalton Piercy have, historically and on an ongoing basis, given rise to safety concerns.

The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project has developed through the Local Plan in conjunction with discussions between the Local Authority and Highways England (now National Highways). Safety and capacity issues resulted in planning conditions being imposed on planning permissions reflecting Highways England's concerns that the current road network could not fully accommodate all additional traffic movements, and which would otherwise adversely impact on Elwick Village

Proposed road infrastructure improvements will accordingly address these concerns and improve the quality, safety and reliability of the network over the Local Plan period (2016-31) and beyond. The proposed highway network upgrade will also reduce traffic levels through Elwick Village and improve safety and amenity for residents.

Other Capital Priorities

In addition to the significant investment outlined above, the Council will continue to prioritise schemes that align with the vision in the Council Plan, maximising external funding opportunities to do so. Examples include, but are not limited to:

- Investing in schools and education through devolved funding, supporting our aim for resilient and resourceful communities with opportunities for all;
- Fully utilising Disabled Facilities Grants and investing in the drug and alcohol services to ensure those who are vulnerable will be safe and protected from harm and that people are enabled to live healthy, independent and prosperous lives; and
- Investing in our Housing provision and optimising warm home initiatives and grants to support a sustainable, clean, safe and green Hartlepool.

Given the extent of the capital programme, there is, however, a recognition that prioritisation is required in order to ensure successful delivery of key projects in the future.

7. Capital Programme

This vision and investment plan has led to an increasingly ambitious capital programme. The current approved on-going capital programme is for over £159m with some significant regeneration projects. The capital programme will grow given approval of the recent Levelling Up submission.

The following table summarises this on-going capital programme. Note this does not include new approvals for 2023/24.

	Spend to 31 March 2022 £000	Current and Future Years Commitment £000
Major Regeneration Schemes	2,419	92,346
Adult and Community Based Services	895	9,594
Children's and Joint Commissioning Services	271	10,196
Neighbourhoods and Regulatory Services	1,297	30,639
Resources and Development (inc Legal)	975	336
Corporate	39	1,830
HRA	2,125	13,952
Total Capital Programme	8,021	158,893

The capital programme is funded by the following sources:

	Spend to 31 March 2022 £000	Current and Future Years Commitment £000
External Funding – Government Grants	1,676	45,496
External Funding – Grants from Other Public Bodies	2,989	52,799
Internal Funding	87	3,674
Prudential Borrowing	3,269	50,120
Unconfirmed Funding	0	6,804
Total Capital Programme	8,021	158,893

8. Capital Governance

With increasing ambition and capital investment the governance of the capital programme has been further strengthened.

At a strategic level the capital strategy provides members with the opportunity to consider and fully understand the overall strategy, governance arrangements and risk appetite underpinning it. The strategy and the accompanying detailed capital programme sits alongside the medium term financial strategy and inevitably can have a revenue implication. The strategy should therefore be considered in conjunction with the budget proposals for the following year and over the MTFS period.

The annual capital programme will therefore set the basis for monitoring arrangements in year, reported to Finance and Policy on a quarterly basis. The monitoring presented will include milestones on regeneration schemes, as well as the financial position. In addition, the Audit and Governance will receive quarterly reports to include an update on Treasury Management and Prudential Indicators as required by the refreshed Prudential Code.

Underpinning the monitoring being reported to Finance and Policy, there sits a formal governance structure, focused specifically on the major schemes, as detailed below:



These governance arrangements are nuanced by scheme to ensure high priority and high risk schemes are suitably supported and managed.

This governance initially considers any significant new starts / new schemes prior to going to relevant committee and finance and policy, before inclusion in overall programme. However, any schemes can be called into this governance arrangement if deemed necessary. For more routine capital financing, existing avenues via relevant Directorates, Programme Management Board, Executive Leadership Team and policy committees will still stand. This includes;

- Vehicle replacement;
- Highways maintenance;
- Disabled Facilities Grant; and
- Education spend fully funded by devolved capital grants or equivalent

9. Housing Revenue Account

The Council began investing in social housing in 2010 and re-opened its Housing Revenue Account (HRA) on the 1 April 2016. The HRA is a separate ring fenced account and all costs, including capital debt servicing, have to be met from rental income. The Council has a current stock of just over 300 properties with an ambitious investment plan that will take the stock to over 450 over the period.

Decisions on HRA investment are undertaken outside of the framework of this capital strategy, with an annual business and investment plan taken to Finance and Policy Committee.

10. Commercial investment

Commercial investment is an area of both contention and concern within Local Government. Given the reduction in local government grant since 2010, many local authorities have sought to mitigate that loss by increasing their property portfolio with the primary purpose being for financial return. This has often been investments outside of their geographic area.

This practice has drawn concern from the Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA around both the risks and security of these funds. As a consequence CIPFA has strengthened the Prudential Code that Local Authorities are required, by regulation, to have regard to. In doing so the Code explicitly requires that Local Authorities must not borrow to invest primarily for financial return. Therefore, should the Council choose to invest primarily for financial return it will be required to set out how it has complied with or had regard to the Code.

To date the Council has not entered into any investment decisions (outside of Treasury Management transactions) that are primarily for financial return. There are no plans to do so.

However, there may be the requirement for Council funding in future regeneration that, as a consequence, provide a commercial return. The scenario may also arise whereby Council funding, with an associated return, is required to make a scheme financially viable. Should such occurrences be

proposed, a clear regeneration, economic development or service requirement would be required and demonstrable. Fundamentally there would need to be a socioeconomic benefit for the people of Hartlepool, consistent with how this is defined in the Treasury's green book guidance.

In such instances the governance and approval process set out in Section 8 would be followed.

The Council is required to produce an annual Investment Strategy. This requirement is detailed within the annual Treasury Management Strategy.

11. Treasury Management and Affordability

Effective Treasury Management ensures that the Council keeps sufficient cash to meet the Council's spending needs whilst ensuring the risks involved are appropriately managed. On a day to day basis the Council tends to be "cash rich" as income (government grants, Council Tax etc.) tends to be received prior to expenditure. Whilst this excess cash is used to temporarily fund capital expenditure, over the medium to long term we are required to borrow to fund the capital programme. An effective Treasury Management strategy is therefore essential in the funding of the capital strategy and programme.

The Treasury Management strategy is approved by Full Council each year. The continuing objective of the strategy is to fund the core annual borrowing requirement at the lowest possible long term interest rate, thus ensuring costs to the revenue budget are minimised. In doing so the Council uses cash surplus to temporarily reduce overall borrowing, an approach known as internal borrowing.

Total borrowing therefore remains below our Capital Financing Requirement (CFR). The following table outlines the projection of debt to CFR over the coming five years.

Financing v Debt	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
CFR	122,542	126,420	139,610	149,436	150,042
Net Debt	90,655	90,655	90,655	99,655	102,655
(Under)/Over Financed	(31,887)	(35,765)	(48,955)	(49,781)	(47,387)

As previously set out, affordability, especially in the current environment, is critical to the Council's capital ambition. Any increase in the Council's revenue budget that is committed to capital financing limits the availability of funding for other services. However, clearly there are nuances to this – capital investment often has an Invest to save business case or levers in other investment / benefits for the revenue budget.

The indicator below sets out the gross capital financing budget as a percentage of the current net revenue budget and how this is projected to change over the period. Whilst no formal benchmarking exists, informal benchmarking suggests that this remains low. All capital financing is considered affordable prior to any borrowing taking place.

Gross Financing Costs v Net Revenue Budget	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
% Indicator	4.96%	4.40%	4.40%	4.74%	4.74%

*This excludes borrowing in relation to invest to save schemes and business cases which are self-funded through income generation.

Treasury Investments are made where the Council holds an excess of cash and through cash flow management knows it can make short / medium term investments to generate returns. Investments made for service reasons or financial return (e.g. commercial property) are not considered treasury investments.

The primary objectives of the Council's investment strategy in order of importance are:

- Safeguarding the re-payment of the principal and interest of its investments on time (security);
- Ensuring adequate liquidity; and
- Investment return.

12. Asset Management Planning

To ensure that capital assets continue to be of long-term use, the Council is developing an updated Asset Management Strategy for approval. The strategy will set out how the Council will effectively manage, use and review the assets it holds.

When a capital asset is no longer needed, we will seek to sale this asset, if appropriate, to generate capital receipts that can fund spend on new assets or used to repay borrowing.

13. Risk Management

Any capital programme carries risk. However risk should not prevent the progression of an ambitious capital strategy and programme. Instead there needs to be an understanding of the level of risk involved on projects and clear mitigation where possible. Risk comes in many forms, including reputational, social, staffing, legal and environment. These all need managing as part of projects.

The financial position of the Council means that financial risk has to be a key consideration and area where mitigation is required.

Ultimately the risk is managed by the project boards and project manager/sponsor following the governance arrangements outlines in Section 8 above.

Key risks and associated mitigation are set out in the table below.

Risk	Detail and Mitigation
Funding	The Council's financial position necessitates that external funding opportunities are explored and maximised in order to ensure affordability of projects, particular major regeneration projects. The funding risk is mitigated by ensuring that external funding is confirmed or is highly likely prior to contract tender stage. Where conditions are attached these are clearly understood and adhered to.
Interest Rate	Where borrowing is required to finance the capital programme the Council is exposed to interest rate risk. An increase in interest rates would add an additional cost to the revenue budget. This risk is mitigated by pro-active Treasury Management, use of cash reserves where available. For Highlight, our replacement leisure centre, future dated borrowing has been undertaken to fix the interest rate thus achieve a low rate of interest and removing this risk. Opportunities to do so in the future will continue to be explored.
Inflation	Delivering capital projects are vulnerable to inflation. This is particularly pertinent in the current circumstances as the economic recovery from Covid, and the war in Ukraine pushes inflation higher, particularly within the construction sector. Project costs include latest estimate of inflation as well as a contingency for major projects. For minor works there is often the ability to flex the programme to minimise this risk. In addition the Council has earmarked uncommitted capital receipts and temporary MRP savings to address any short term risk.
Legislation	Any changes in legislative requirements and regulations has the potential to impact on capital projects, given the need to comply with latest legislation. The Council ensures that capital schemes comply with current legislation and horizon scans to ensure that any likely future changes are fed into capital schemes as appropriate.
Cost Estimate	A significant risk on major schemes is project cost estimates. As more information comes to light, for example ground conditions, utility requirements or diversions, material requirements, cost estimates are revised accordingly. The Council mitigates this risk by ensuring appropriately qualified

	staff and external organisations are utilised, “optimism bias” is considered and external requirements are complied with, and a suitable contingency is held at the various design stage. Ultimately this risk is only addressed when contracts for works are tendered and let.
Project delivery / capacity	Successful delivery of major capital projects requires significant staff input that can lead to capacity constraints. The Council has increased capital capacity through the Assistant Director – Development and Growth and project team, in addition to bringing in external support as appropriate. Capacity issues will require careful monitoring to ensure any impact on delivery is mitigated.

Ultimately the risk is managed by the project boards and project manager and /or sponsor following the governance arrangements outlines in Section 8 above.

14. Skills and resources

Section 8 set out the governance arrangements underpinning the capital strategy, approval and monitoring arrangements. To support these arrangements, the Council ensures that all the respective disciplines involved in the process have the necessary qualifications, experience and skills to carry out their roles.

Officers are encouraged to undertake necessary training courses and Continued Professional Development so as to ensure qualifications and skills are up to date and emerging issues, regulatory changes and best practice are understood and implemented where necessary.

Where appropriate, external support is utilised to ensure the capacity and the capital programme can be delivered to the best possible outcome. These engagements may cover individual work packages for example business case development, project appraisal, regulatory compliance, as well as specialist technical advice and support.

Members are provided with financial overview training on induction. Where future gaps or demand for additional training are identified, this will be provided either in house or externally as appropriate.

	Budgeted Expenditure							
	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	Pending Mandate
Continuing Projects - Expenditure								
Major Regeneration Schemes (Appendix 3)	94,765	2,419	15,041	19,930	34,956	13,880	0	8,539
Adult and Community Based Services (Appendix 4)	5,601	895	4,706	0	0	0	0	0
Children's and Joint Commissioning Services (Appendix 5)	8,745	271	5,674	2,800	0	0	0	0
Neighbourhood and Regulatory Services (Appendix 6)	21,132	1,297	16,623	803	803	803	803	0
Resources and Development (Appendix 7)	1,311	975	336	0	0	0	0	0
Corporate (Appendix 8)	1,869	39	1,830	0	0	0	0	0
HRA (Appendix 9)	16,077	2,125	5,442	3,430	3,498	1,057	525	0
TOTAL	149,500	8,021	49,652	26,963	39,257	15,740	1,328	8,539

	Estimated Resources							
	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	Pending Mandate
Continuing Projects - Funding								
External Funding - Government Grants	40,762	1,676	19,849	9,775	7,620	1,617	225	0
External Funding - Grants from Other Public Bodies	48,696	2,989	13,134	11,596	17,570	1,753	803	851
Internal Funding								
Revenue Contributions	9	9	0	0	0	0	0	0
Earmarked Reserves	3,387	78	3,309	0	0	0	0	0
Capital Receipts	365	0	292	73	0	0	0	0
Prudential Borrowing	49,477	3,269	13,068	5,519	14,067	10,370	300	2,884
Unconfirmed Funding	6,804	0	0	0	0	2,000	0	4,804
TOTAL	149,500	8,021	49,652	26,963	39,257	15,740	1,328	8,539

	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
New Schemes - Expenditure							
Adult and Community Based Services	4,888	0	0	1,422	1,222	1,222	1,222
Children's and Joint Commissioning Services	1,722	0	0	1,522	0	0	0
Neighbourhood and Regulatory Services	10,804	0	0	2,098	3,273	3,570	1,863
TOTAL Budget Expenditure	17,414	0	0	5,042	4,495	4,792	3,085

	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
New Schemes - Funding							
External Funding - Government Grants							
Disabled Facilities Grant	4,888	0	0	1,222	1,222	1,222	1,222
Department for Education Funding	1,522	0	0	1,522	0	0	0
External Funding - Grants from Other Public Bodies							
TVCA LTP Grants	7,092	0	0	1,773	1,773	1,773	1,773
Prudential Borrowing	3,912	0	0	525	1,500	1,797	90
	17,414	0	0	5,042	4,495	4,792	3,085

Glossary

CIP	Capital Investment Programme
NIP	Neighbourhoods Investment Programme
CECA	Centre for Excellence in Creative Arts
ICS	Integrated Children's System
PH	Public Health
EDM	Engineering Design Management
DSO	Direct Services Organisation
HIFP	Highways Improvement Funding Programme
LTP	Local Transport Plan
HUG	Home Upgrade Grant
LAD	Local Authority Delivery
CCF	Council Capital Fund
DDA	Disability Discrimination Act

Project Code	Scheme	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	Pending Mandate
Major Regeneration Schemes									
8958	The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project	18,506	1,231	210	600	8,235	8,230	0	0
7550	CIP - Waterfront Leisure Centre (Highlight)	21,394	748	233	7,413	11,000	2,000	0	0
TBC	CIP - Waterfront Public Realm	2,000	0	0	250	1,550	200	0	0
7551	CIP - Waterfront Infrastructure	2,256	0	168	300	1,538	250	0	0
9101	CIP - Borough Hall Improvement	3,000	67	200	0	2,233	500	0	0
9159	CIP - Wingfield Castle works	4,000	19	234	547	2,000	1,200	0	0
9161	CIP - NMRN & Museum of Hartlepool	8,500	0	3,650	1,450	3,400	0	0	0
9130	CIP - Business Park Investment	760	9	751		0	0	0	0
7536	CIP - SEMH Free School Access Road	850	35	472	343	0	0	0	0
TBC	CIP - Waterfront Public Art	780	0	0	0	0	0	0	780
TBC	CIP - Mill House Demolition	500	0	0	0	0	0	0	500
TBC	CIP - Business Loans Fund	500	0	0	0	0	0	0	500
TBC	CIP - Shades	4,259	0	0	0	0	0	0	4,259
TBC	CIP - Bowling Club Refurbishment	600	0	0	0	0	0	0	600
TBC	CIP - Brierton Sports Complex	700	0	0	0	0	0	0	700
TBC	CIP - Headland Sports Hall	200	0	0	0	0	0	0	200
TBC	CIP - NIP Phase	1,000	0	0	0	0	0	0	1,000
9165	Towns Fund - Middleton Grange	13,860	173	3,917	6,020	3,750	0	0	0
9231	Towns Fund - Waterfront Connectivity	6,200	77	1,248	2,125	1,250	1,500	0	0
7715	Towns Fund - Wesley Chapel	1,400	17	1,020	363	0	0	0	0
9234	Towns Fund - Health and Care Academy	1,250	15	1,235	0	0	0	0	0
9235	Towns Fund - Civil Academy	2,250	28	1,703	519	0	0	0	0
Major Regeneration Schemes - Total		94,765	2,419	15,041	19,930	34,956	13,880	0	8,539

	Estimated Resources							
	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	Pending Mandate
Major Regeneration Schemes - Funding								
External Funding - Government Grants								
Towns Fund	24,960	310	9,123	9,027	5,000	1,500	0	0
External Funding - Grants from Other Public Bodies								
TVCA	35,645	2,074	5,453	10,293	16,024	950	0	851
Arts Council	1,800	0	0	0	1,800	0	0	0
Internal Funding								
Revenue Contributions	0	0	0	0	0	0	0	0
Earmarked Reserves	0	0	0	0	0	0	0	0
Capital Receipts	0	0	0	0	0	0	0	0
Prudential Borrowing	25,556	35	465	610	12,132	9,430	0	2,884
Unconfirmed Funding	6,804	0	0	0	0	2,000	0	4,804
Major Regeneration Schemes - Funding Total	94,765	2,419	15,041	19,930	34,956	13,880	0	8,539

Project Code	Scheme	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Adult and Community Based Services								
7212	Capital Grants to Residential/Nursing Care Homes	149	0	149	0	0	0	0
7234	Chronically Sick and Disabled Persons Adaptations	127	0	127	0	0	0	0
7218	Disabled Facilities Grant	1,663	0	1,663	0	0	0	0
7232	Museum Acquisition	1	0	1	0	0	0	0
7348	Art Gallery	10	0	10	0	0	0	0
7483	Reinstate 3G Pitch	188	80	108	0	0	0	0
7522	Stranton Cemetery Flood Alleviation	600	360	240	0	0	0	0
7543	Waverley Allotments (Terrace Car Park)	21	9	12	0	0	0	0
7576	Seascapes - Seaton High & Lowlight	129	1	128	0	0	0	0
7711	Carlton Adventure Centre	400	0	400	0	0	0	0
7785	Burn Valley Garden Play Area 2022	28	0	28	0	0	0	0
7811	Summerhill Cycle Hub	514	348	166	0	0	0	0
7831	Community Hub South - Internal Alterations	88	77	11	0	0	0	0
7990	Boer War Statue - Ward Jackson Park	25	6	19	0	0	0	0
8103	Swimming Scheme	35	0	35	0	0	0	0
8108	Centre for Independent Living	146	0	146	0	0	0	0
8393	Stranton Cemetery Cremators	255	0	255	0	0	0	0
9212	Relocate Cemetery Office	90	0	90	0	0	0	0
8408	Mill House - Equipment Purchase	3	0	3	0	0	0	0
8409	Sport & Youth Improvements	12	0	12	0	0	0	0
8088	Community Hub South - Owton CC	41	0	41	0	0	0	0
8088	Central / Community Hub Central - Ground Floor Internal Alterations	35	0	35	0	0	0	0
9213	Community Hub Central Classroom	37	0	37	0	0	0	0
8534	Church Street Townscape Heritage Project	231	0	231	0	0	0	0
8634	Playing Pitches - Football Foundation	5	0	5	0	0	0	0
8689	Brierton Sports Fields	1	0	1	0	0	0	0
8896	Brierton Tennis Courts	30	0	30	0	0	0	0
Allot	Other Allotment Schemes	243	7	236	0	0	0	0
CR	Crematorium refurbishment	494	7	487	0	0	0	0
Adult and Community Based Services - Total		5,601	895	4,706	0	0	0	0

Estimated Resources							
	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Adult and Community Based Schemes - Funding							
External Funding - Government Grants							
Seascapes Grant	119	0	119	0	0	0	0
Sport England Grant	347	269	78	0	0	0	0
Disabled Facilities Grant	1,663	0	1,663	0	0	0	0
Heritage Lottery Fund	231	0	231	0	0	0	0
Miscellaneous Grant	43	33	10	0	0	0	0
External Funding - Grants from Other Public Bodies							
Developers S106 Contributions	49	34	15	0	0	0	0
Miscellaneous Grant	62	13	49	0	0	0	0
Internal Funding							
Revenue Contributions	9	9	0	0	0	0	0
Earmarked Reserves	691	63	628	0	0	0	0
Capital Receipts	126	0	126	0	0	0	0
Prudential Borrowing	2,261	474	1,787	0	0	0	0
Adult and Community Based Schemes - Funding Total		5,601	895	4,706	0	0	0

Project Code	Scheme	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Children's and Joint Commissioning Services								
7384	Devolved Schools Capital	247	0	247	0	0	0	0
9238	Energy Efficiency Capital Funding	195	0	195	0	0	0	0
7586	Purchase of Computer Equipment - CLC Standards Fund	37	0	37	0	0	0	0
7355	CECA IT Infrastructure and Technology	42	0	42	0	0	0	0
7355	CECA TVCA Grant Unallocated	31	0	31	0	0	0	0
7142	Schools General - Fire Safety Modifications (Conditions)	53	0	53	0	0	0	0
7142	Schools General - Fire Safety Modifications (Conditions) 22/23	464	0	464	0	0	0	0
7142	Kingsley - Fire Safety Modifications	319	56	263	0	0	0	0
7142	Throston - Fire Safety Modifications	200	109	91	0	0	0	0
9027	English Martyrs - New Build	155	0	155	0	0	0	0
9028	High Tunstall New Build	161	0	161	0	0	0	0
7474	High Tunstall 3G Pitch	24	0	24	0	0	0	0
7478	High Tunstall Grass Pitch	15	0	15	0	0	0	0
8906	Brierton Campus Windows	18	0	18	0	0	0	0
7521	Two Year Old FNE Capacity Funding	23	0	23	0	0	0	0
8788	Universal Free School Meals	8	0	8	0	0	0	0
7568	Lynnfield Primary School Boundary Wall	19	0	19	0	0	0	0
7569	Lynnfield Primary School DHW Boiler Renewal	21	12	9	0	0	0	0
7570	Lynnfield Primary School Heating - Pipework, radiators, fan convectors, air systems	55	22	33	0	0	0	0
9163	St Helens Primary School Demolition KS1 and KS2 Chimney	50	1	49	0	0	0	0
7786	St Helens Primary School Storm Damage to Conservatory	95	0	95	0	0	0	0
7566	Throston Primary School Heating Renewal	40	22	18	0	0	0	0
7564	High Tunstall Renew Pool Flooring	11	0	11	0	0	0	0
9210	Fens Primary School Electrical Rewire	73	0	73	0	0	0	0
New	Grange Primary School Roofing Works	26	0	26	0	0	0	0
9207	Grange Primary School Fire Alarm Renewal	60	0	60	0	0	0	0
9208	Kingsley Primary School Fire Alarm Renewal	45	0	45	0	0	0	0
New	Lynnfield Primary School Toilet Refurbishments	42	0	42	0	0	0	0
New	Lynnfield Primary School Gas Main Renewal	40	0	40	0	0	0	0
9209	Miers Avenue Children's Centre Boiler Replacement	16	0	16	0	0	0	0
New	St Helens Primary School Main Entrance Access	50	0	50	0	0	0	0
9148	Springwell Special School Increase Capacity	424	38	386	0	0	0	0
New	Catcote Secondary Special School Alternative Provision 6th Form	306	0	306	0	0	0	0
7663	Kingsley Primary School - Portokabin SEND Provision	190	0	190	0	0	0	0
9004	Schools General - Conditions unallocated	112	0	112	0	0	0	0
9004	Schools General - Contingency	75	0	75	0	0	0	0
9004	Schools General - Suitability Unallocated (SEMH)	743	0	743	0	0	0	0
9004	Schools General - Special Provision	564	0	564	0	0	0	0
9004	Schools General - Basic Need	600	0	600	0	0	0	0
7149	Create Children's Homes	216	0	216	0	0	0	0
7768	Supporting Treatment and Recovery Together (START) - Hartlepool's Substance Misuse Service	2,800	0	0	2,800	0	0	0
8072	ICS Case Management Improvement	37	0	37	0	0	0	0
8218	Youth Service Portable MUGA	5	0	5	0	0	0	0
8946	PH - Stepping Stones Project	38	11	27	0	0	0	0
Children's and Joint Commissioning Services - Total		8,745	271	5,674	2,800	0	0	0

Estimated Resources							
	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Children's and Joint Commissioning Services - Funding							
External Funding - Government Grants							
DEVCAP	399	165	234	0	0	0	0
Special Provision	964	0	964	0	0	0	0
School Conditions	1,454	57	1,397	0	0	0	0
Basic Need	1,436	38	1,398	0	0	0	0
Other	195	0	195	0	0	0	0
External Funding - Grants from Other Public Bodies							
Misc Grant	270	11	259	0	0	0	0
Internal Funding							
Revenue Contributions	0	0	0	0	0	0	0
Earmarked Reserves	1,072	0	1,072	0	0	0	0
Capital Receipts	0	0	0	0	0	0	0
Prudential Borrowing	2,955	0	155	2800	0	0	0
Children's and Joint Commissioning Services - Funding Total		8,745	271	5,674	2,800	0	0

Project Code	Scheme	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Neighbourhood and Regulatory Services								
8306	Schools - Kitchen Refurbishment	261	0	261	0	0	0	0
S106	Developers Contribution Fund	3,319	0	107	803	803	803	803
7222	Sustainable Warmth LAD3	1,659	1	1,658	0	0	0	0
7272	Wheelie Bin Purchase	90	0	90	0	0	0	0
7333	EDM Seaton Additional Car Parking Facilities	87	0	87	0	0	0	0
7344	NIP - Hindpool Close Play Area	40	3	37	0	0	0	0
7347	NIP - CCTV in Parks	350	290	60	0	0	0	0
7436	NIP - Stranton Cemetery Car Park	50	0	50	0	0	0	0
7437	NIP - Sinking Fund	61	0	61	0	0	0	0
7440	NIP - Central Park	120	1	119	0	0	0	0
7466	DSO Vehicle Purchase	7,684	0	7,684	0	0	0	0
7553	Seaton Toilets	435	4	431	0	0	0	0
TBC	Beach Huts	80	0	80	0	0	0	0
7561	Green Homes Grant	663	199	464	0	0	0	0
7577	Hartlepool North NDIP Study	50	0	50	0	0	0	0
7878	Community Safety CCTV Upgrade	79	68	11	0	0	0	0
7900	EDM Hartlepool Marina - North Pier	80	4	76	0	0	0	0
7902	EDM Hartlepool Drainage Schemes	36	6	30	0	0	0	0
8444	EDM Town Wall Strengthening	46	25	21	0	0	0	0
8578	EDM Management Unit Study	28	0	28	0	0	0	0
8996	NIP - Improvements to Parks	314	241	73	0	0	0	0
8997	NIP - Unallocated	16	7	9	0	0	0	0
9147	NIP - CCTV in parks, Support	34	5	29	0	0	0	0
9170	HUG1 Sustainable Warmth LAD3	611	0	611	0	0	0	0
9201	Reed St. Depot Relocation	510	190	320	0	0	0	0
HIFP	HIFP Highways Schemes	356	0	356	0	0	0	0
LTP	Local Transport Plan Integrated Transport Block	2,675	253	2,422	0	0	0	0
TVCA	LTP Scheduled reconstruction	1,398	0	1,398	0	0	0	0
Neighbourhood and Regulatory Services - Total		21,132	1,297	16,623	803	803	803	803

Estimated Resources							
	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Neighbourhood and Regulatory Services - Funding							
External Funding - Government Grants							
Changing Places Funding	95	0	95	0	0	0	0
Department for Business, Energy & Industrial Strategy Grants	2,933	200	2,733	0	0	0	0
External Funding - Grants from Other Public Bodies							
Thirteen Group Funding	75	3	72	0	0	0	0
TVCA	4,696	478	4,218	0	0	0	0
Developers Contributions	3,438	1	225	803	803	803	803
Internal Funding							
Revenue Contributions	0	0	0	0	0	0	0
Earmarked Reserves	279	0	279	0	0	0	0
Capital Receipts	0	0	0	0	0	0	0
Prudential Borrowing	9,616	615	9,001	0	0	0	0
Neighbourhood and Regulatory Services - Funding Total	21,132	1,297	16,623	803	803	803	803

Project Code	Scheme	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Resources and Development								
7260	City Challenge Clawback	9	0	9	0	0	0	0
7623	Corporate IT Projects	12	0	12	0	0	0	0
	Corporate Projects	109	0	109	0	0	0	0
7220	Private Sector Housing Grants	35	0	35	0	0	0	0
7357	15 Church Street Renovation	1,146	975	171	0	0	0	0
Resources and Development - Total		1,311	975	336	0	0	0	0

Estimated Resources							
Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	
Resources and Development - Funding							
External Funding - Government Grants							
City Challenge	9	0	9	0	0	0	0
External Funding - Grants from Other Public Bodies							
Miscellaneous Grants	101	66	35	0	0	0	0
Internal Funding							
Revenue Contributions	0	0	0	0	0	0	0
Earmarked Reserves	121	0	121	0	0	0	0
Capital Receipts	0	0	0	0	0	0	0
Prudential Borrowing	1,080	909	171	0	0	0	0
Resources and Development - Funding Total		1,311	975	336	0	0	0

Project Code	Scheme	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Corporate								
7036	Uncommitted CCF	226	0	226	0	0	0	0
7041	Corporate Planned Unallocated	248	0	248	0	0	0	0
7065	Fire Risk Assessments	100	15	85	0	0	0	0
7072	Seaton Library DDA toilet	37	0	37	0	0	0	0
7200	Civic Centre Capital Project	75	13	62	0	0	0	0
7336	Borough Hall - Upgrade Fixtures and Fittings	8	0	8	0	0	0	0
7591	Mill House Capital	126	0	126	0	0	0	0
7617	Borough Hall - Lighting and Wiring	40	2	38	0	0	0	0
8970	Historic Quay Dilapidation Work	97	0	97	0	0	0	0
9034	Carlton - Construction of a Fire Escape	34	0	34	0	0	0	0
7539	Throston Youth Project - Resurface Car Park	63	1	62	0	0	0	0
7812	Masefield Centre SALIX Air Source Heat Pump	65	8	57	0	0	0	0
New	Borough Hall - Major Refurb Works	45	0	45	0	0	0	0
New	Jutland Road Demolition	60	0	60	0	0	0	0
	Seaton Carew Library Heating Replacement	20	0	20	0	0	0	0
7623	Corporate IT Equipment - Laptops	625	0	625	0	0	0	0
Corporate - Total		1,869	39	1,830	0	0	0	0

Estimated Resources							
	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
Corporate - Funding							
External Funding - Government Grants							
Miscellaneous Grants	65	8	57	0	0	0	0
External Funding - Grants from Other Public Bodies							
Miscellaneous Grants	0	0	0	0	0	0	0
Internal Funding							
Revenue Contributions	0	0	0	0	0	0	0
Earmarked Reserves	1,224	15	1,209	0	0	0	0
Capital Receipts	166		166	0	0	0	0
Prudential Borrowing	414	16	398	0	0	0	0
Corporate - Funding Total	1,869	39	1,830	0	0	0	0

Project Code	Scheme	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
HRA								
7534	Lynne Street Housing	9,199	313	3,087	2,400	2,659	740	0
7182	Empty Properties Phase 3	1,879	103	182	364	388	317	525
7450	Greatham Development	2,240	1,676	564	0	0	0	0
7620	Brenda Road PHASE 1	2,128	32	1,609	487	0	0	0
8106	New Build	631	1	0	179	451	0	0
HRA - Total		16,077	2,125	5,442	3,430	3,498	1,057	525

Estimated Resources								
		Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000
HRA - Funding								
External Funding - Government Grants								
	Homes England Grant	4,049	596	1,543	748	820	117	225
External Funding - Grants from Other Public Bodies								
	Developers Contributions	2,713	149	1,321	500	743	0	0
	TVCA Brownfield Housing Fund	1,647	160	1,487	0	0	0	0
Internal Funding								
	Revenue Contributions	0	0	0	0	0	0	0
	Earmarked Reserves	0	0	0	0	0	0	0
	Capital Receipts	73	0	0	73	0	0	0
Prudential Borrowing		7,595	1,220	1,091	2,109	1,935	940	300
HRA - Funding Total		16,077	2,125	5,442	3,430	3,498	1,057	525

4.1 APPENDIX 10

Scheme	Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	Comments
Adult and Community Based Services								
Disabled Facilities Grant (Better Care Fund)	4,888	0	0	1,222	1,222	1,222	1,222	These are indicative allocations based on the 2022/23 actual allocation.
Supporting Treatment and Recovery Together (START) - Hartlepool's Substance Misuse Service	200	0	0	200	0	0	0	This is an existing scheme. The forecast scheme costs have increased by £0.200m, funded through Prudential Borrowing. The borrowing costs are fully funded by Public Health Grant.
Childrens and Joint Commissioning								
Devolved Formula Capital (Schools)	100	0	0	100	0	0	0	These are indicative allocations based on the 2022/23 actual allocation.
School Condition Allocation	690	0	0	690	0	0	0	These are indicative allocations based on the 2022/23 actual allocation.
High Needs Provision Capital Allocation	732	0	0	732	0	0	0	These are indicative allocations based on the 2022/23 actual allocation.
Neighbourhoods & Regulatory Services								
Local Transport Plan - Structural Highways Maintenance	4,216	0	0	1,054	1,054	1,054	1,054	These are indicative allocations based on the 2022/23 actual allocation.
Local Transport Plan - Integrated Transport Block	2,876	0	0	719	719	719	719	These are indicative allocations based on the 2022/23 actual allocation.
Replacement Wheelie Bins	360	0	0	90	90	90	90	This is the existing annual wheelie bin replacement programme - renewal and replacement of existing stock that has reached the end of its useful life and is funded from the existing departmental prudential borrowing budget.
Vehicle Procurement	3,352	0	0	235	1,410	1,707	0	This was approved by Neighbourhood Services Committee on 1 Dec 2022
NEW SCHEMES TOTAL	17,414	0	0	5,042	4,495	4,792	3,085	

Estimated Resources							
Gross Cost £000	Expend to 31/3/2022 £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	
Funding							
External Funding - Government Grants							
Disabled Facilities Grant	4,888	0	0	1,222	1,222	1,222	1,222
Department for Education Funding	1,522	0	0	1,522	0	0	0
External Funding - Grants from Other Public Bodies							
TVCA LTP Grants	7,092	0	0	1,773	1,773	1,773	1,773
Internal Funding							
Revenue Contributions	0	0	0	0	0	0	0
Earmarked Reserves	0	0	0	0	0	0	0
Capital Receipts	0	0	0	0	0	0	0
Prudential Borrowing	3,912	0	0	525	1,500	1,797	90
	17,414	0	0	5,042	4,495	4,792	3,085

FINANCE AND POLICY COMMITTEE

13th February 2023



Report of: Managing Director

Subject: Hartlepool Mayoral Development Corporation (MDC)

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision – General Exemption Applies

2. PURPOSE OF REPORT

2.1 The purpose of this report is to update Members on work that has been carried out to secure sufficient safeguards and assurances within the Hartlepool Mayoral Development Corporation Constitution since Council considered this matter on the 23 November and to seek Members endorsement of the updated Constitution.

2.2 As part of the legislation for Development Corporations, the Mayor can request the transfer of publicly owned assets to the ownership of the MDC. Asset transfer is a separate consultation process carried out by the Secretary of State for Levelling Up, Housing and Communities (SoS) with statutory stakeholders. The assets listed have been the subject of discussions between Tees Valley Combined Authority (TVCA) and the Council. This report therefore also seeks Members views and comments regarding the transfer of public assets and planning powers in response to the statutory consultation

3. BACKGROUND

3.1 The designation of a Mayoral Development Area is a mayoral power under the Localism Act 2011 (section 197). On 22nd July 2022, the Tees Valley Combined Authority Cabinet supported the Mayors proposal to designate an area of Hartlepool as a new Mayoral Development Area, subject to the outcome of consultation. At this meeting an allocation of £10M was made from the Investment plan to support the designation.

3.2 The TVCA undertook a consultation with statutory consultees and other stakeholders for the area. A consultation was published on the TVCA website on Thursday 23rd June 2022 and closed on Thursday 4th August 2022. The

consultation documents covered the general principles of a MDC, the proposed redline boundary, and powers. A summary of the responses and the TVCA's formal response can be found on the TVCA website.

3.2 A MDC is a statutory body created to accelerate the regeneration of a defined area. A MDC can draw on a wide range of powers to acquire, develop, hold and dispose of land and property, and develop infrastructure by dedicating specialist capacity; securing additional investment; and, streamlining processes.

3.3 The objectives of the Hartlepool MDC are:

- To further the economic development and regeneration of the Hartlepool area, so that it becomes a major contributor to the Tees Valley economy and the delivery of the Tees Valley's Strategic Economic Plan;
- To attract private sector investment and secure additional jobs, available for the people of the Tees Valley; and
- To transform and improve the environment of the Corporation area, which may include providing good quality commercial, cultural, leisure and housing facilities for the benefit of the people of Hartlepool.

3.4 At the Council meeting of the 23rd November 2022, Members agreed that subject to satisfactory safeguards and assurance being agreed and provided for within the Hartlepool MDC Constitution that:

- officers will continue to work with the TVCA to secure written assurances to ensure as far as reasonably practicable that all of the elements set out in the HBC consultation response are adopted;
- work will continue with the TVCA to ensure sufficient safeguards are contained within the MDC Constitution a copy of which will be brought back to Members for information; and
- a further report will be presented to Members regarding any financial or asset implications as part of the second stage of the consultation which will be undertaken by the SoS.

3.5 In October 2022, following statutory consultation, and in line with legislation, the Tees Valley Mayor notified the SoS of the designation of the Hartlepool Mayoral Development Area. This signalled the start of formal legislation being drawn up by government to establish the MDC and its powers.

4. MASTERPLAN

4.1 Alongside the consultation period for the formal establishment of the MDC, a Masterplan has been developed. The purpose of the Masterplan is to build upon ongoing plans and investment and sets out a high-level framework which has been developed with key partners.

- 4.2 Following a procurement process, Arup have been commissioned to develop a Masterplan for the MDC area.
- 4.3 Some supporting areas of the document are still being developed, for example, economic statistics to highlight challenges, final images, and reference to the separate design code document (which is currently being commissioned). The final version will be presented to a meeting of the MDC Board once formally established, followed by a formal launch event.

5. LEGISLATION AND POWERS

- 5.1 The designation of Mayoral Development Areas is a mayoral power under the Localism Act 2011 (section 197) and applies to the TVCA through the Combined Authority (Functions) Order 2017. Once an area has been designated and notified to the SoS, legislation is drawn up by government, and laid before Parliament, to establish the MDC and give it powers.

5.2 Hartlepool Development Corporation Establishment Order

The MDC becomes a legal entity through an Establishment Order (**Appendix 1**) It includes the map for the area and an Explanatory Memorandum to accompany the order This order was laid before Parliament on 6 February 2023 and will come into force on 27 February 2023 and can be found at <https://www.legislation.gov.uk/ukxi/2023/104/contents/made>.

5.3 The Power to Grant Discretionary Business Rates Relief

The MDC will have the power to grant discretionary rate relief to businesses within the redline boundary. Government is currently drafting this legislation and it will be laid before Parliament in the same way as the Establishment Order referred to above.

The application of this power in operational terms has been the subject of extensive discussions between the TVCA and Hartlepool Borough Council (HBC) and will be detailed in an agreement between the MDC and HBC. It should be noted that the default position will be that the Tees Valley Mayor can grant business rate relief within the MDC area, but the MDC must compensate HBC for any resulting loss of business rates income.

Where this applies to new rates (for example, related to new investment) there would be an agreement between the MDC and HBC that the Tees Valley Mayor could offer this without compensating HBC, but only if it is agreed by the MDC Board, with agreement from the HBC Board Member of the MDC. In the event this isn't granted it reverts to the above default position. Therefore, the HBC Board Member of the MDC will have a veto over any such scheme but having this agreement allows the MDC the flexibility to move forward without involving HBC for new investment. Where there is an impact on HBC's finances, again it reverts to the default position.

5.4 Town and Country Planning Powers

There are several powers related to Planning that can be discharged by the MDC. The application of these powers in operational terms has been the subject of discussions between the TVCA and HBC and will be detailed within a Memorandum of Understanding MOU/legal agreement between the MDC and HBC.

The high-level position is as follows:

- The MDC will discharge planning powers for the purposes of planning applications and decisions on those applications within the redline boundary area. This will only be for those applications that fall within the attached “strategic definition” document (**CONFIDENTIAL Appendix 2 - Paragraph 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)**). The consideration of and decisions on applications that do not fall within this will be dealt with by HBC. For this to work in practice, the MDC will be granted this power through the legislation but will delegate back the functions that have been agreed should remain with HBC through the MoU/Legal Agreement referred to above.
- The MDC will automatically receive CPO powers through section 207 of the Localism Act 2011 and therefore does not need to draw down the power to CPO through the planning legislation. This does not affect the CPO powers of HBC. The MDC will discharge the powers in relation to Listed Buildings.
- The MDC will not be discharging the powers related to planning enforcement. Planning enforcement will remain the responsibility of HBC.
- The MDC will not be discharging the powers related to the Local Plan. The Local Plan will remain the responsibility of HBC.
- The MDC will not be discharging the powers related to applications for consent for overhead electricity lines.

5.5 Supplementary Planning Document/Design Code

In line with statutory requirements, a Supplementary Planning Document/Design Code will be developed, which will sit alongside the Masterplan. The document will be published for statutory consultation.

6. TRANSFER OF PUBLIC ASSETS

- 6.1 The legislation enables the SoS to make a scheme to transfer property, rights and liabilities to the MDC. This can include the transfer of publicly owned assets to the ownership of the MDC. An asset transfer scheme is subject to a

separate consultation process carried out by the SoS. The final decision as to whether an asset is transferred to the ownership of the MDC sits with the SoS.

- 6.2 The assets listed (**CONFIDENTIAL Appendix 3 - Paragraph 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)**) are the subject of SoS consultation and have been subject of extensive discussions between HBC and TVCA. The assets included on the list are those that it has been agreed are crucial to the delivery of key projects in the Masterplan.
- 6.3 TVCA are working closely with HBC's legal and finance teams to agree appropriate terms and protections on an asset-by-asset basis. The detailed heads of terms for each HBC asset are still being finalised at the time of writing, however are based on the following principles:
- a) the Council (including our current tenants) will not be required to vacate the HBC assets until such time as appropriate alternative accommodation has been identified and secured. The Council will work with the Combined Authority and the Mayoral Development Corporation to identify appropriate locations;
 - b) the Council will not be required to incur any additional revenue costs, using a baseline of the current budget for the assets, from any future accommodation arrangement;
 - c) where maintenance or repair costs arise in respect of the assets, ahead of the Council (or current tenants) moving to a new location, the Council will inform the Mayoral Development Corporation of the issue and the parties will work together to find a solution to avoid significant expenditure, and
 - d) unless otherwise agreed with the Council, there will be no situation where the Council suffers an annual overall reduction in either business rates or council tax income as a result of the Mayoral Development Corporation public asset transfer.
 - e) where a loss arises to the Council, the compensation process will commence on transfer of the asset, recognising the impact on the Council's budget both now and in the future.
 - f) failure to adequately develop sites should give rise to a discussion about land being returned, with a presumption that a transfer shall take place unless the Council is provided with a credible delivery plan. Allied to this, where the Mayoral Development Corporation transfers land to third parties it shall include safeguards to allow land to be recovered if it is not adequately developed within an agreed period (as well as allowing other parties to step into contracts and securing rights against the titles to the assets).
- 6.4 HBC await contact from the SoS regarding the asset transfer consultation which is expected imminently. The consultees will be the Tees Valley Mayor

and the asset owners. The consultation will be complete before commencement of the purdah period.

7. CONSTITUTION

- 7.1 The draft Constitution (**appendix 4**) sets out the governance arrangements and rules of procedure for the MDC. Council have negotiated with the Tees Valley Mayor to include appropriate assurances and have included as many safeguards as possible to protect the Council's position. These include measures such as:
- The Mayor will not have a casting vote
 - HBC elected member representation must be present for any meeting to be quorate
 - That the Board cannot make decisions that impose financial or other liabilities upon HBC
 - That an elected member of HBC will be the Vice Chair of the Board
 - The Managing Director of HBC is a non-voting member of the Board
- 7.2 Once the MDC becomes a legal entity, the Constitution will be taken to the first meeting of the MDC Board for approval.

8. RISK IMPLICATIONS

- 8.1 As with any new entity there are risks involved, however Members should be mindful of changes in government funding, a mayoral election and change of direction and the current economic climate may make it difficult to attract private sector investment over the next 3 years.

9. FINANCIAL CONSIDERATIONS

- 9.1 The TVCA Cabinet committed £10m to the MDC from the Investment Plan at its meeting in July 2022. Financial implications associated with the MDC delivery will be the subject of separate, project specific reports undertaken by the MDC Board.
- 9.2 Discussions are on-going as to the financial compensation package to reflect the revenue implications of asset transfers, consistent with the principle of no undue detriment to the Councils revenue budget.

10. LEGAL CONSIDERATIONS

- 10.1 As set out above, the legislation establishing the MDC will come into force 27th February 2023, whereupon the MDC will become a legal entity. The consultation process for the transfer in of publicly owned assets is expected to open on 6th February 2023.

11. CONSULTATION

- 11.1 The TVCA undertook a consultation with statutory consultees and other stakeholders, for the MDC area. It was published on the TVCA website on Thursday 23rd June 2022 and closed on Thursday 4th August 2022. The consultation covered the general principles of a MDC area, the proposed redline boundary, and powers. A summary of the responses and the formal TVCA response can be found on the Combined Authority website.

As set out above, the SoS will conduct separate consultation in relation to the proposed asset transfer scheme

12. OTHER CONSIDERATIONS

Child & Family Poverty	None relating to this report
Equality & Diversity	None relating to this report
Staff considerations	None relating to this report
Asset Management	None relating to this report
Environment, Sustainability & Climate Change	None relating to this report

13. RECOMMENDATIONS

Members are asked to:

- a) Endorse the MDC Constitution
- b) Note the overarching principles governing asset transfer and that work will continue to agree financial compensation
- c) To provide comment to feed in to the SoS consultation relating to the transfer of HBC owned assets
- d) Delegate authority to the Managing Director in consultation with the Chief Solicitor and s151 Officer to negotiate and agree the heads of terms and any accompanying MOU/Legal agreements between the MDC and the Council including the scheme of delegation in relation to the transfer and discharge of Planning powers

14. REASONS FOR RECOMMENDATIONS

- 14.1 To ensure that the Council can secure the investment and other benefits of the MDC but with sufficient safeguards to ensure local input into decision making.

15. BACKGROUND PAPERS

Finance and Policy Committee Report, 21 November 2022– Mayoral Development Corporation
Extraordinary Council meeting 23 November 2022 – Mayoral Development Corporation
TVCA Cabinet meeting 22nd July and 28th October 2022 – Investment Plan
TVCA Overview & Scrutiny 10th August 2022

16. CONTACT OFFICERS

Denise McGuckin
Managing Director

Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor



S T A T U T O R Y I N S T R U M E N T S

No.

LOCAL GOVERNMENT, ENGLAND

**The Hartlepool Development Corporation (Establishment) Order
2023**

Made - - - -

Laid before Parliament

6th February 2023

Coming into force - -

27th February 2023

The Secretary of State for Levelling Up, Housing and Communities makes this Order in exercise of the powers conferred by section 198 of the Localism Act 2011^(a) (“the 2011 Act”) as modified by article 4 of, and the Schedule to, the Tees Valley Combined Authority (Functions) Order 2017^(b) (“the 2017 Order”).

The Mayor of Tees Valley has notified the Secretary of State of the designation of a Mayoral development area and of the name to be given to the Corporation for the area pursuant to section 197(6)(b) and (c) of the 2011 Act as modified by article 4, and the Schedule to, the 2017 Order.

Citation and commencement

1. This Order may be cited as the Hartlepool Development Corporation (Establishment) Order 2023 and comes into force on 27th February 2023.

Mayoral Development Area

2.—(1) The Mayoral development area is the area of land shown bounded externally by the inside edge of the black line on the map.

(2) In paragraph (1), “the map” means the map marked “Map referred to in the Hartlepool Development Corporation (Establishment) Order 2023” of which prints signed by a Deputy Director in the Department for Levelling Up, Housing and Communities have been deposited, and are available for inspection, at the offices of the Secretary of State for Levelling Up, Housing and Communities and at the offices of the Tees Valley Combined Authority.

^(a) 2011 c. 20. “Combined Authority” and “Corporation” have the meaning given in paragraph 1(2)(b) of the Schedule to the Tees Valley Combined Authority (Functions) Order 2017 (S.I. 2017/250).

^(b) S.I. 2017/250. This order was made under sections 105(3), 105A(1)(b) and (2)(a), 107D(1), 114(1) and (3) and 117(5) of the Local Democracy, Economic Development and Construction Act 2009 (c.20). Section 105A was inserted by section 7 of the Cities and Local Government Devolution Act 2016 (c.1) (“the 2016 Act”). Section 114 was amended by section 23 of, and paragraphs 26 of Schedule 5 to, the 2016 Act, and by S.I. 2016/997. Section 117(5) was inserted by section 23 of, and paragraph 29 of Schedule 5 to, the 2016 Act.

Establishment and naming of the Hartlepool Development Corporation

3. There is established a corporation for the Mayoral development area named the “Hartlepool Development Corporation”.

Signed by authority of the Secretary of State for Levelling Up, Housing and Communities

[NAME]
Parliamentary Under Secretary of State
Department for Levelling Up, Housing and Communities

EXPLANATORY NOTE

(This note is not part of the Order)

This Order establishes a corporation in relation to an area in the Tees Valley Combined Authority, designated as a Mayoral development area. The area is shown bounded externally by the inside edge of the black line of the map.

The power to designate and establish the corporation is set out in section 198 of the Localism Act 2011, as modified by Article 4 of, and the Schedule to, the Tees Valley Combined Authority (Functions) Order 2017 (S.I. 2017/250).

The corporation for the area is to be called the Hartlepool Development Corporation (article 3).

A full impact assessment has not been prepared for this Order as no impact on the private or voluntary sectors is foreseen.



Department for Levelling Up,
Housing & Communities

Map 1 of 2 referred to by The Hartlepool Development Corporation (Establishment) Order 2023

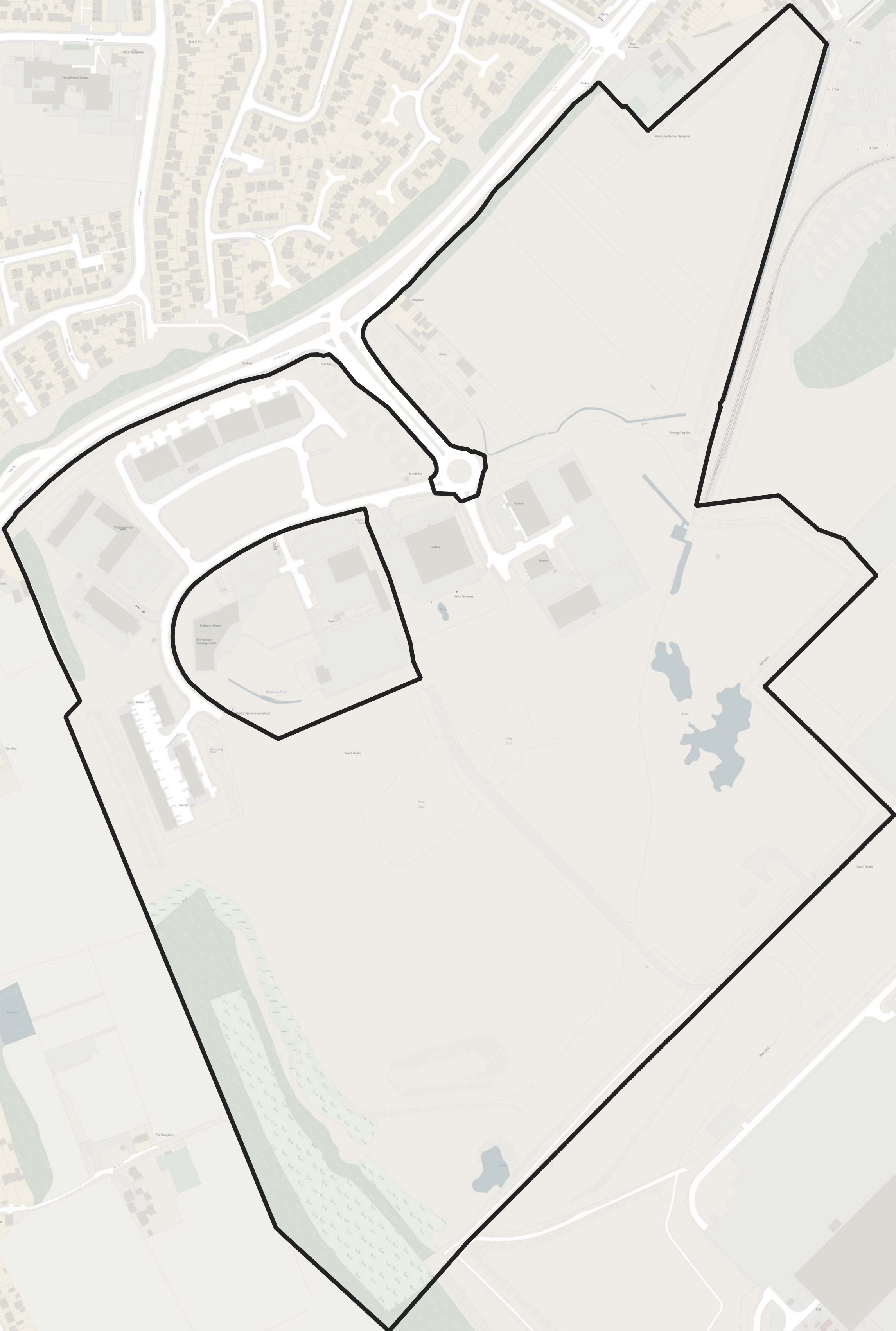
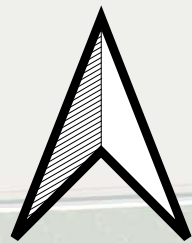
Map 1 of 2 referred to by The Hartlepool Development Corporation (Establishment) Order 2023. Signed by a member of the Department for Levelling Up, Housing and Communities Senior Civil Service.

Signature

Date 30 January 2023

 Hartlepool Development Corporation Boundary

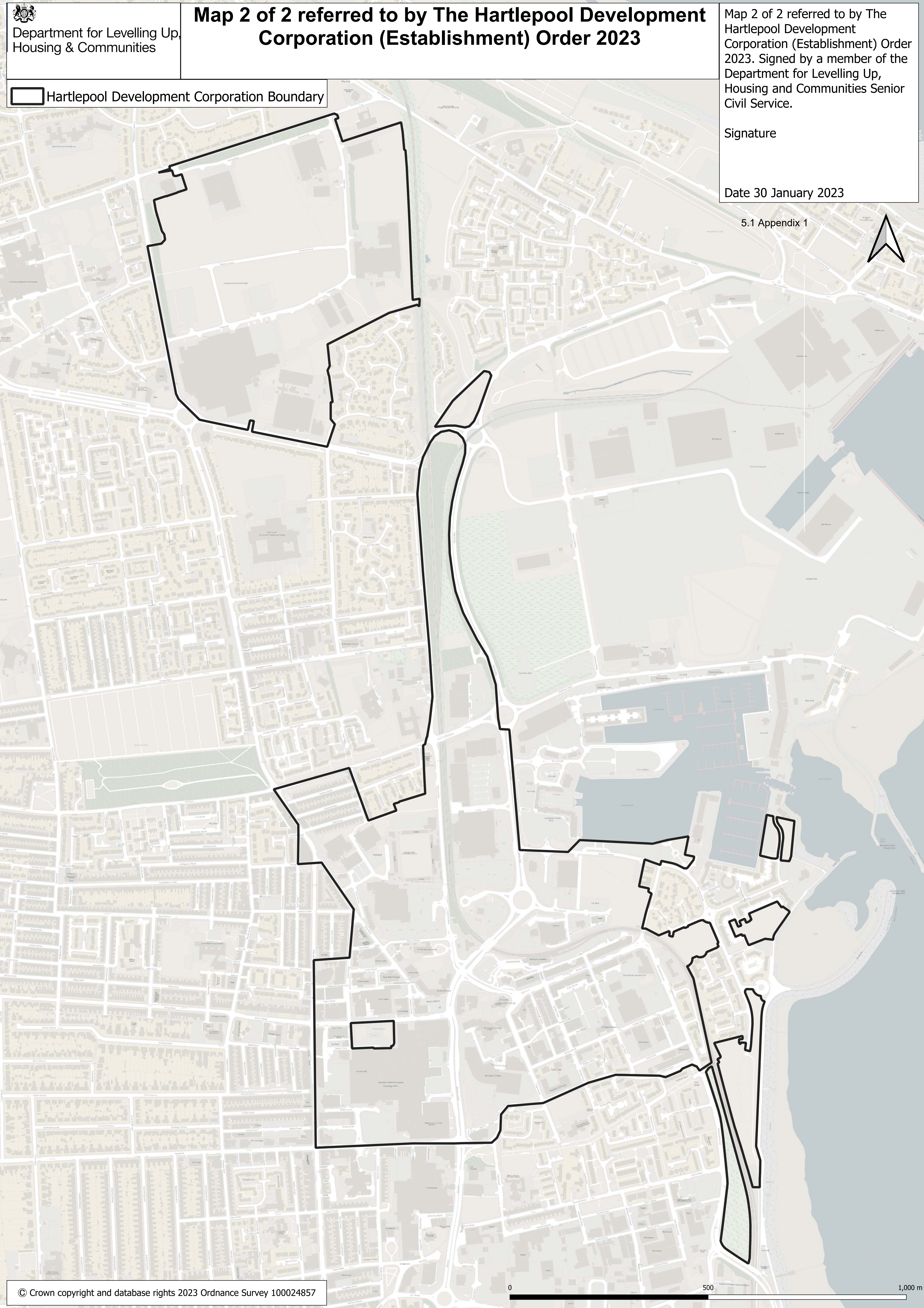
5.1 Appendix 1



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Department for Levelling Up,
Housing & Communities

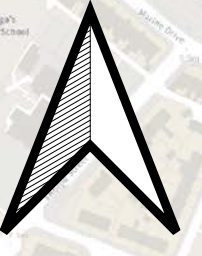
Map 2 of 2 referred to by The Hartlepool Development Corporation (Establishment) Order 2023

Map 2 of 2 referred to by The Hartlepool Development Corporation (Establishment) Order 2023. Signed by a member of the Department for Levelling Up, Housing and Communities Senior Civil Service.

Signature

Date 30 January 2023

5.1 Appendix 1



Hartlepool Development Corporation

Draft Constitution

Version 1.3

February 2023

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Document Version Control

Document Title	Date Approved by Board	Replaces Version	In force from:
Constitution Version 1	TBD	NA	TBD
Constitution – Hartlepool Development Corporation (amends by Hartlepool Borough Council, prior to agreeing consent)	TBA	1	TBD
TVCA amendments	TBD	2	
HBC Amendments			

Introduction

1. Hartlepool Development Corporation (the “**Corporation**”) is the Mayoral Development Corporation responsible for delivering the agreed economic development and regeneration functions at the specified sites within Hartlepool.
2. The Corporation has been established pursuant to the powers devolved to the Tees Valley Mayor under the Tees Valley Combined Authority (Functions) Order 2017. This Constitution reflects this statutory framework and constitutes a direction to the Corporation pursuant to s220 Localism Act 2011.
3. This Constitution takes effect when the required statutory arrangements are enacted.

Objectives

4. The objectives of the Corporation are:
 - a. To further the economic development and regeneration of the Hartlepool area, through the delivery of the agreed functions within the identified areas so that Hartlepool becomes a major contributor to the Tees Valley economy and plays a core role in the delivery of the Tees Valley’s Strategic Economic Plan;
 - b. To help attract public and private sector investment and thereby create and secure additional jobs, accessible to the people of the Tees Valley; and
 - c. To transform and improve the environment of the Corporation area, providing good quality commercial, leisure and housing facilities for the benefit of the people of Hartlepool at the specified sites and surrounding area.
5. In support of the Objectives, the Corporation will deliver its functions within the Designated Zone and work collaboratively with the Tees Valley Combined Authority, Hartlepool Borough Council (the "Council") and other partners to contribute positively to local and Tees Valley-wide initiatives on skills, job opportunities for local people inward investment, transport, sustainable development, culture and tourism. Where possible, the Corporation will complement existing activity.
6. To support the achievement of its core objectives, the Corporation will develop, a Master

Plan, setting out how its objectives will be secured by the development of land and infrastructure within its area of responsibility.

7. .

Boundary

The precise area covered by the Corporation (the “area”) is shown at Appendix A. The sites which shall transfer into the area are specified at Appendix B (the "Sites"). The Mayor and Hartlepool Borough Council may agree other sites within the Designated Zone which may be added to or removed from the Sites at any time up to the End Date (as defined at paragraph 42).

The Board

8. Save for as detailed in paragraphs 11 and 12 below, the Board of the Corporation shall be appointed by the Combined Authority, following a proposal put to it by the Mayor.
9. The Chair shall be the Tees Valley Combined Authority Mayor or other Board members nominated by him/her.
10. An elected member of Hartlepool Brough Council shall be the Vice Chair of the Corporation Board.
11. With the exception of the Mayor, all Board members will serve for a period of 2 years or until the Annual General Meeting following a Mayoral Election but may be reappointed if so proposed by the Mayor.
12. There shall be a minimum of 6 (this being a member of 5 Board Members plus the Mayor) and a maximum of 8 Board Members in total.
13. A Board member may resign by serving notice on the Mayor.
14. Any Board member may be removed by the Mayor, where there is due cause to do so in accordance with Schedule 21 Localism Act 2011.
15. The Chair of the Board may resign that appointment by serving notice on the Mayor, without resigning membership of the Board. Where the Mayor is the Chair of the Board, they may resign by informing the Combined Authority.

16. All decisions of the Corporation, unless otherwise delegated, shall be taken by the Board in accordance with the arrangements set out in this Constitution. The Board shall seek consensus on all matters, but where consensus cannot be achieved decisions shall be made by majority vote. Each member of the Board shall have one vote. The Chair shall not have a second or casting vote. If the vote is tied, it shall be deemed not to have been carried.
17. The Corporation may decide on its own procedure, and the procedure of any of its Boards, or workstreams established by the Board.
18. The quorum shall be half of the members in office, rounded down in the event that this does not produce a whole number, to include The Mayor. The quorum must:
 - a. include at least the Mayor or one Member who is a representative of the TVCA; and
 - b. include at least one Member who is also an elected member of Hartlepool Borough Council.
19. The Chair and Vice Chair may each nominate another member as a Substitute Member, with the authority to act in place of the Chair or Vice Chair.
20. The Group Chief Executive of the Combined Authority and the Managing Director of Hartlepool Borough Council shall be appointed as Associate Members, with the right to participate fully in Board discussions and to receive all papers (no less than two days beforehand) but not vote.
21. The Corporation shall hold an Annual Meeting to consider any amendments to its procedures, to recommend any changes to this Constitution to the Combined Authority and to make appointments to Committee roles.
22. All members of the Board and the Statutory Officers, must sign up to the Corporation code of conduct prior to participating in Board meetings. This shall include an obligation to provide up to date conflict of interest declarations, and the Board shall act in accordance with the Nolan Principles at all times.

The Statutory Officers

23. The Combined Authority, Group Chief Executive will serve as Head of Paid Service with overall responsibility for the Corporation's operations and staff, and to act as lead adviser to the Board.
24. The Group Director of Finance & Resources of the Combined Authority (the "Group Director of Finance") shall fulfil the role of Group Director of Finance & Resources of the Corporation. The powers of the Group Director of Finance & Resources are set out in this Constitution and Statute. The Group Director of Finance & Resources shall oversee the interface between the financial responsibilities of the Combined Authority and the Corporation, to ensure the financial integrity of both organisations.
25. The Group Chief Legal Officer is the Monitoring Officer to the Combined Authority (the "**Monitoring Officer**") and the Corporation. In the event of a conflict on interest the Deputy Monitoring Officer of the Combined authority will intercede.

Powers of the Corporation

26. The powers of the Corporation are set out in the order made by the Secretary of State for Levelling Up, Housing and Communities. Taking into account all relevant legislation, this Constitution and any other directions made by the Mayor, the Corporation may do anything it considers appropriate for the purposes of the Objective.
27. The Corporation has a number of specific powers from the Localism Act, as set out below in this section. All of the powers are subject to the Objectives set out in paragraph 4, and the provisions of this Constitution, and are summarised as:
 - a. Powers relation to infrastructure
 - i. This includes the power to provide, or facilitate the provision of infrastructure.
 - b. Powers in relation to land
 - i. The power to regenerate or develop land.
 - ii. To bring about the more effective use of land.
 - iii. To provide buildings or other land.
 - iv. To acquire, hold, improve, manage, reclaim, repair or dispose of land, buildings. plant, machinery, equipment or other property.
 - v. To carry out building or other operations, including demolishing buildings.

c. Powers to acquire land

- i. To acquire land in , in accordance with the provisions of the Localism Act 2011.

d. Powers in relation to acquired land

- i. To override easements
- ii. To extinguish public rights of way (with the consent of the Secretary of State)

e. Powers in relation to businesses and companies

- i. To carry on any business.
- ii. To form or acquire interests in any business or company.

f. Financial Assistance powers

- i. To provide financial assistance to any person.
This may be given in any form, including grants, loans, guarantees, investments, or the incurring of expenditure for the benefit of the person assisted.

g. Powers in relation to discretionary relief from non-domestic rates

- i. To determine the amount of discretionary rate relief from non-domestic rates (i.e. business rates).

h. Powers in relation to Planning

- i. To be the local planning authority, for the purposes of
 - Part 3 of the Town and Country Planning Act 1990,
 - Part 2 of the Planning and Compulsory Purchase Act 2004, and
 - Part 3 of that Act.
- ii. To have the functions conferred on the local planning authority by the provisions mentioned in Part 1 of Schedule 29 to the Local Government, Planning and Land Act 1980.
- iii. To have, the functions conferred on the relevant planning authority by Schedule 8 to the Electricity Act 1989 so far as applying to applications for consent under section 37 of that Act.
- iv. The provisions specified in Part 2 of Schedule 29 to the Local Government, Planning and Land Act 1980 are to have effect, in relation to land and to the Corporation, subject to the modifications specified in that Part of that Schedule.

28. The Corporation can request at any time that the powers it holds in respect of Planning be

exercised by Hartlepool Borough Council and may at any time require that any powers so passed be returned to it with immediate effect. In such a situation, the Corporation shall share all relevant information it holds in respect of issues that have arisen, so that the Council is able to make informed decisions in respect of the exercise of the powers.

29. Hartlepool Borough Council shall continue to be the billing and collecting authority for non-domestic rates for existing operations, except in respect of areas of the Designated Zone where the revenue is received by the Combined Authority.
30. The Corporation shall not transfer to a third party or dispose of the Civic Centre or Hartlepool United Football Club stadium, without agreement from Hartlepool Borough Council.

Decision Making

31. The Board must not make any decision which imposes a financial or other liability on Tees Valley Combined Authority or Hartlepool Borough Council (with the exception of non-domestic rates, as covered by paragraph 35)..
32. The Statutory Officers shall advise the Board in writing where it believes a decision which would be prohibited by paragraph [31] might be made. Information on the Breach shall be shared in writing with the Combined Authority and Council, and representations from each shall be invited, prior to any decision being made.
33. Where the Board identifies a significant risk of breaching paragraph 32, it shall recommend to the Board that in their view this gives rise to Breach.
34. A decision by the Corporation to exercise powers in relation to discretionary relief from non-domestic rates which has a significant adverse financial impact upon the Council must also be approved by an elected member of Hartlepool Borough Council. .

Reporting

35. As soon as reasonably practicable after the end of each financial year, the Corporation must prepare an annual report on how it has exercised its functions during the year, including a copy of its audited statement of accounts for that year, and send that report to the Combined Authority's Cabinet, Overview and Scrutiny Committee and Audit and Governance Committee. The "financial year" shall mean a period of 12 months ending with

31st March.

36. The Corporation's officers shall respond promptly to requests from the Group Director of Finance & Resources, and follow any advice and actions required in a timely manner. The Corporation shall make available any financial information reasonably requested from the Combined Authority, or from Finance Directors of the Combined Authority's constituent councils.

Committees

37. In addition to the Group Audit & Risk committee the Corporation may establish committees of the Board.
38. A workstream may, with agreement of the Board, include persons who are not members of the Corporation. The work of these workstreams, or any recommendations made by them, will be reported back to the Board as part of the Group Chief Executive's standing update or by additional report as appropriate
39. The Board must approve the Terms of Reference of any such committee.

Audit and Risk Committee

40. The Corporation Board shall establish an Audit Committee. The Mayor, with agreement of the Combined Authority shall appoint a Chair of the Audit Committee. The other members of the Audit Committee shall be appointed by the Board.

Delegations

41. The Corporation may delegate any of its functions to any of its members, committees, or staff.
42. A Committee of the Corporation may delegate any function conferred on it to any member of the Corporation, any sub-committee of the Committee, or any of the Corporation's staff.
43. The Corporation shall establish:
 - a. A Scheme of Delegation to include appropriate financial limits;
 - b. Procurement Policy which accords with the Public Contract Regulations 2015;
 - c. Financial Procedure Rules including provision for setting an annual budget;
 - d. A Code of Conduct together with a register of interests;
 - e. Provisions relating to the resolution of conflict of interests;

- f. Access to information procedure rules.

Amending the Constitution

- 41. This Constitution is a living document and shall be amended as the Corporation progresses. Authority is delegated to the Monitoring Officer of the Combined Authority, in consultation with the Group Chief Executive of the Combined Authority to make amendments to the Constitution to the extent that these reflect organisational or legislative changes, or to make any minor textual or grammatical corrections. Any other changes, including increasing the scope of the Corporation, shall be agreed by the Corporation Board

Successor Arrangements

- 42. In the event of the dissolution of the Corporation, all records will be held by the Council. All sites and rights held by the Corporation will revert to the Council, unless the Secretary of State for Levelling Up, Housing and Communities determines otherwise. The Corporation, Council and Combined Authority agree to collaborate in the lead up to the End Date (this being the final day of operation for the Corporation) to ensure a smooth transfer of functions. In the event of dissolution, the Council will give the Corporation full and unvetted access to the records.

Appendix 1 – Plan of the area of responsibility of the Hartlepool Development Corporation

INSERT

Appendix I

RULES OF PROCEDURE

1. Interpretation

- 1.1 The Hartlepool Development Corporation is referred to as the "**Development Corporation**" in these rules.
- 1.2 These rules apply to meetings of the Development Corporation Board ("**Board**") and where appropriate to the meetings of the audit committee and workstreams established by the Board. For the avoidance of doubt, in the event of conflict between these rules and the constitution, the rules shall have effect.
- 1.3 References in these Rules to the "Chair" mean the Member for the time being presiding at the meeting of the Board, and at a meeting of the Audit Committee or other workstream established by the Board.
- 1.4 These Rules shall be read in conjunction with other parts of the Constitution
- 1.5 These Rules are subject to any statute or other enactment whether passed before or after these Rules came into effect.

2. Annual meeting of the Development Corporation Board

- 2.1 The Annual Meeting will:
 - (a) confirm the Mayor as the person who is to preside at meetings;
 - (b) approve the Members of the Development Corporation; agree the portfolio responsibilities of each of the members and any functions delegated to them;

Confirm an elected member of Hartlepool Borough Council as Vice Chair

- (c) approve the minutes of the last meeting;
- (d) receive any declarations of interest from Members;
- (e) receive any announcements from the Mayor and/or the Group Chief Executive;
- (f) consider any recommendations from the Audit Committee;
- (g) appoint the Group Audit Committee;
- (h) appoint such other workstreams as the Development Corporation considers appropriate;
- (i) appoint the membership of the workstreams referred to in the preceding sub-paragraphs after:

- (i) deciding the number of members to be appointed to each workstream and their term of office;
- (k) appoint the Chair and Vice-Chair of the Audit Committee, after considering any proposal put to them by the Committee.
- (l) appoint the Chair and Vice-Chair of the workstreams referred to in the preceding sub-paragraphs;
- (m) appoint to outside bodies;
- (n) agree the officer scheme of delegation;
- (o) consider amendments to the Development Corporation's procedure rules, as appropriate;
- (p) approve the Development Corporation's allowances scheme;
- (q) decide the date and time for the ordinary meetings of the Development Corporation Board;
- (r) consider any other business set out in the agenda for the meeting.

3. Ordinary Meetings of the Development Corporation Board

3.1 At an ordinary meeting of the Development Corporation, the Board will:

- (a) approve the minutes of the last meeting;
- (b) receive any declarations of interest from Members;
- (c) receive any announcements from the Mayor and/or the Group Chief Executive including those relating to the work or recommendations of any workstreams established by the Board;
- (d) deal with any business from the last ordinary meeting;
- (e) receive reports from the Audit Committee or where appropriate any workstream established by the Board;
- (f) consider any other business specified in the agenda for the meeting. Extraordinary Meetings of the Development Corporation Board

4. Admission of the Public

- 4.1 All meetings of the Board and Audit Committee shall be open to the public, except to the extent that they are excluded whether during the whole or part of the proceedings either:

In accordance with Section 100A(2) of the 1972 Act; or

By resolution passed to exclude the public on the grounds that it is likely, in view of the nature of the business, that if the public were present there would be disclosure to them of exempt information as defined in Section 101 of the 1972 Act. Any such resolution shall identify the business or part of the business to which it applies and state the description, in terms of Schedule 12A to the 1972 Act of the exempt information giving rise to the exclusion of the public.

5. Notice of Meetings

- 5.1 At least five clear days before a meeting of the Board and the Audit Committee, notice of time and place of the intended meeting shall be published at the offices of the Corporation.
- 5.2 An invitation to attend the meeting, specifying an agenda for the meeting shall be left at, or sent by, electronic mail or post to all Development Corporation Members at their usual place of residence, or to such other place as may be requested by a Member.
- 5.3 Lack of an invitation to a Member shall not affect the validity of a meeting.
- 5.4 Agendas and papers for Board meetings and meetings of the Group Audit & Risk Committee will be published on the Corporation website five clear days prior to the meeting date unless ruled commercially or operationally sensitive under Paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972, with written agreement of the relevant Chair

6. Chair of Meeting

- 6.1 At a meeting, the Chair shall preside. If the Chair is absent, the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the Members present shall choose which Member is to preside at the meeting.
- 6.2 Any power or duty of the Chair in relation to the conduct of the meeting, may be exercised by the person presiding at the meeting.
- 6.3 The ruling of the Chair on the interpretation of these Rules in relation to all questions

of order and matters arising in debate, shall be final.

7. Items of Business

- 7.1 No item of business may be considered at any meeting except:
- the business set out in the agenda;
 - business required by law to be transacted at the annual meeting; or
 - business brought before the meeting by reason of special circumstances, which shall be specified in the minutes, and where the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency.
- 7.2 Any business raised under the agenda item any other business shall be for information only and not business requiring a decision, unless agreed by the Chair.

8. Order of Business

- 8.1 Items of business shall be dealt with in the order specified in the agenda for the meeting, except that such order may be varied at the discretion of the Chair, or on a request agreed to by the meeting.

9. Order of Debate

- 9.1 The Chair will introduce each item and may invite a Member or Officer to present it.
- 9.2 Each Member, including Associate Members of the Development Corporation, shall be given an opportunity to speak on the matter and on any recommendations contained in the report.
- 9.3 The order in which anyone will be invited to speak will be decided by the Chair.
- 9.4 Members may speak more than once on the same item, with the agreement of the Chair.
- 9.5 Any Member, when speaking, may move that:
- (a) an amendment be made to the recommendation(s); or
 - (b) that an item be withdrawn.
- 9.6 Any such motion, if seconded, shall either be agreed by consensus amongst those Members present, or be voted upon.
- 9.7 Subject to the outcome of any such motion, once each Member who wishes to speak

has done so, the Chair shall move the item, which if seconded, shall again either be agreed by consensus or shall be voted upon.

10. Duration

- 10.1 At any meeting the Chair shall have discretion to adjourn the meeting for a short period of time unless the majority of Members present, by vote, determine it shall stand adjourned to another day, the date and time of which shall be determined by the Chair.

11. Minutes

- 11.1 The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. Discussion of the minutes should be restricted to their accuracy.

12. Code of Conduct and Protocols

- 12.1 Members and Associate Members shall comply with the provisions of the Development Corporation's Code of Conduct for Members and of any other Codes or Protocols, approved by the Development Corporation Board, including those relating to registering and disclosing pecuniary and other interests.

Access to Information

- 12.2 In accordance with the Local Government Act 1972 as amended:
- (a) All meetings of the Board and Audit Committee shall be open to the public unless it is likely in view of the nature of the business to be transacted that either confidential information (as defined in section 100A(3) of the 1972 Act) or information falling within one of the categories of exempt information in Schedule 12A (as amended) of the 1972 Act would be disclosed.
 - (b) Copies of the agenda, and reports open to the public will be available for public inspection at least five clear days before a meeting or where the meeting is convened at shorter notice from the time the meeting is convened. If an item is added to the agenda later, the revised agenda and any additional report will be open to inspection from the time it was added to the agenda. Copies of any agenda or reports need not, however, be open to inspection by the public until copies are available to members of the Corporation. In addition, an item of business may be considered urgently, whereby reason of special circumstances, which shall be specified in the minutes, the Chair is of the opinion that the item should be considered at the meeting, as a matter of urgency.

- (c) The Corporation will make available for public inspection for six years after a meeting the minutes of the meeting (but excluding any part of the minutes when the meeting was not open to the public or which disclose confidential or exempt information), a summary of any proceedings not open to the public where the minutes open to inspection would not otherwise provide a reasonably fair and coherent record, and the agenda for the meeting and reports relating to items when the meeting was open to the public.
- (d) The author of any report will set out in it a list of those documents (called background papers) relating to the report which in his/her opinion disclose any facts or matters on which the report is based and which have been relied on to a material extent in preparing the report (except for documents which are published works or which disclose confidential or exempt information). Such background papers will remain available for public inspection for four years from the date of the meeting.
- (e) Where information is withheld under these provisions the fact must be made known to the member of the public concerned who shall be advised of the categories of information being withheld and the way in which the withholding of the information can be challenged.

13. Exclusion of Access by the Public to Meetings

13.1 (a) Confidential information – requirement to exclude public

The Public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Confidential information means information given to the Corporation, its Committees and Sub-Committees by a Government department on terms that forbid its public disclosure or information that cannot be publicly disclosed by reason of a Court Order or any enactment.

(b) Exempt information – discretion to exclude public

The public may be excluded from meetings wherever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.

Exempt information means information falling within the following categories (subject to any qualifications):

- (i) information relating to any individual;

- (ii) information which is likely to reveal the identity of any individual;
 - (iii) information relating to the financial or business affairs of any particular person (including the authority holding that information);
 - (iv) information relating to any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matter arising between the Combined Authority, its Committees and Sub-Committees or a Minister of the Crown and employees of, or office holders under, the Combined Authority, its Committees and Sub-Committees;
 - (v) information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;
 - (vi) information which reveals that the Combined Authority, its Committees and Sub-Committees proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment;
- (c) Exclusion of Access by the public to reports

If the Proper Officer considers it appropriate, the Corporation and the Group Audit & Risk Committee may exclude access by the public to reports which in the Proper Officer's opinion relate to items during which the meeting is likely not to be open to the public. Such reports will be marked "Not for Publication" together with the category of information likely to be disclosed.

14. Reporting of Proceedings

- 14.1 Without prejudice to the Chair's powers in procedure rule 5.3, and subject to procedure rules 17.1 and 17.2, while any meeting of the Corporation is open to the public any person attending the meeting may report on the meeting, and publish or disseminate any recording at the time of the meeting or after the meeting.
- 14.2 The Chair may decide not to permit oral reporting or oral commentary of the meeting as it takes place, if the person reporting or providing the commentary is present at the meeting.
- 14.3 Where the public are excluded from a meeting in order to prevent the likely disclosure of confidential or exempt information, the chair may also prevent any person from reporting on that meeting employing methods which can be used without that person's presence at the meeting, and which enable persons not at the meeting to see or hear the proceedings at the meeting, as it takes place or later.

15. General Disturbance

- 15.1 If a general disturbance makes orderly business impossible, the Chair may:
- adjourn the meeting for as long as the Chair considers necessary.
 - call for any part of the meeting room open to the public, to be cleared, if the disturbance is in that part.
- 15.2 If a member of the public interrupts proceedings, the Chair shall warn the person concerned. If they continue to interrupt, the Chair may order them to be removed from the meeting room.
- 15.3 If the Chair considers at any meeting that a Member is behaving improperly or offensively, or is deliberately obstructing business, the Chair may move that the Member should not be heard further. If seconded, the motion shall be voted upon without discussion.
- 15.4 If the Member continues to behave in the same way, the Chair may:
- (a) adjourn the meeting for a specified period; and/or
 - (b) move that the Member leaves the meeting (if seconded such a motion will be voted on without discussion).

16. The Forward Plan

- 16.1 Forward Plans for the Corporation will be prepared to cover a period of four months. The Plans will be updated on a monthly basis.

Contents of the Plan

- 16.2 The Forward Plan will contain details of key decisions which relate to the discharge of Corporation functions and which are proposed to be taken during the period covered by the Forward Plan. The details relating to these key decisions, insofar as they are available or might reasonably be obtained, will be as follows:
- the matter in respect of which a key decision is to be taken;
 - the decision maker's name and title, if any;
 - the date on which, or the period within which the decision is to be made;
 - a list of documents submitted to the decision maker for consideration in relation to the matter, in respect of which the decision is to be taken;
 - the address from which, subject to any prohibition or restriction on their disclosure, copies of or extracts from any document listed, is available;
 - that other documents relevant to the matter may be submitted to the decision

- maker; and
- the procedure for requesting details of those documents (if any) as they become available.

16.3 For the purposes of the Forward Plan, a “key decision” means a decision of a decision maker, which in the view is likely to result in the Combined Authority or the Mayor incurring significant expenditure, or making significant savings, having regard to the Combined Authority’s budget for the service or function to which the decision relates; or to be

17. Publication of the Forward Plan

17.1 The Forward Plan will be published at least 28 days before the start of the period covered in the Plan.

17.2 It will be published on the Combined Authority’s website and made available for inspection by the public at the Combined Authority’s offices. Exempt information need not be included in the Forward Plan and confidential information cannot be included.

18. Urgent Decisions

18.1 Where a decision needs to be taken urgently and it is not practical to convene a quorate meeting of the Board or relevant committee or subcommittee of the Development Corporation, the Group Chief Executive, in consultation with the Chair (or in their absence the Vice Chair) of the Board or relevant committee or subcommittee, the Group Director of Finance and Resources and the Monitoring Officer, has the authority to take an urgent decision.

18.2 The Monitoring Officer will maintain a record of all ‘urgent’ decisions and submit a report on these decisions at least annually to the Cabinet. The report will include a summary of the subject matter of the decisions taken.

19. 20. Confirmatory or minor decisions in writing

19.1 Where a decision of a minor or confirmatory nature (for example to confirm of the decisions of an unexpectedly inquorate meeting) the chair of the Board or relevant committee or subcommittee of the Development Corporation may request that confirmation of such a decision be made in writing. A written confirmation of the decision by each member of Board, the committee or subcommittee shall be treated as a decision of that body when it is signed by the Chair of the body, who shall have authority to confirm that decision.

19.2 The Monitoring Officer will maintain a record of all written records of decisions and report them to the next meeting of the relevant body and submit a report on these

decisions at least annually to the Board. The report will include a summary of the subject matter of the decisions taken by this method.

21. Officers' Interests

- 19.3 If it comes to an Officer's knowledge that a contract in which the Officer has a pecuniary interest, whether direct or indirect, has been, or is proposed to be entered into by the Development Corporation, the Officer shall as soon as reasonably practicable give notice in writing to the Monitoring Officer of the fact that he/she has such an interest.
- 19.4 An Officer shall be treated as having an indirect pecuniary interest in a contract if he/she would have been so treated by virtue of Section 95 of the Local Government Act 1972 had he/she been a member of the Development Corporation, i.e. the other party to the contract is a company or other person or body (other than a public body) of which the Officer or his/her spouse/partner is a member or employee or partner.
- 19.5 The Monitoring Officer will keep a record of any such notices/interests and the record shall be open for inspection by any Member of the Development Corporation at its offices.

20. Sealing of Documents

- 20.1 A decision of the Board or the Mayor (or of a joint committee, committee, subcommittee, person or persons to whom the Cabinet has delegated its powers and duties) shall be sufficient authority for the signing or sealing of any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed.
- 20.2 22.2 The Common Seal of the Development Corporation shall be kept in a safe place in the custody of the Monitoring Officer and the affixing of the Common Seal shall be attested by the Monitoring Officer or other person nominated by him/her, unless any enactment otherwise authorises or requires, or the Corporation has given requisite authority to some other person (See authority of the Group Chief Executive in accordance with delegation CEO8 (Appendix IV))).

21. Authentication of documents

- 21.1 23.1 Where any document is necessary for any legal procedure or proceedings on behalf of the Development Corporation it will be signed by the Monitoring Officer or other person nominated by him or her, unless any enactment otherwise authorises or requires, or the Corporation has given requisite authority to some other person.

22. Committees

- 22.1 24.1 The Board shall at its Annual Meeting each year appoint such committees as are required to be appointed by or under any statute, and may at any time appoint such other joint committees, committees or sub-committees as are necessary to carry out the work of the Corporation but, subject to any statutory provision, may at any time dissolve a joint committee, committee, sub-committee or alter its membership;
- 22.2 24.2 No joint committee, committee or sub-committee shall continue in office longer than the next Annual Meeting.
- 22.3 24.3 These procedure rules shall, with any necessary modifications, apply to meetings of committees and sub-committees of the Board. Save where it is otherwise stipulated elsewhere in this Constitution or in legislation, decisions of the committees and subcommittees of the Development Corporation shall be made by way of a simple majority of the Members present and voting, and the Chair shall have not have a second or casting vote.

23. Attendance

- 23.1 25.1 The Monitoring Officer shall record the attendance of each Member at each meeting of the Board and committees and sub-committees of the Development Corporation, and it shall be the responsibility of each Member to sign such a record, if requested.

24. Failure to attend Meetings

- 24.1 Subject to the exceptions prescribed by statute, if a Member of the Development Corporation fails throughout a period of twelve consecutive months to attend any meeting of the Board or the joint committees, committees or subcommittees of the Development Corporation to which they have been appointed, he/she shall (unless the failure to attend was due to a reason approved by the Board before the end of that period), cease to be a Member of the Development Corporation. For the purpose of this provision, the period of failure to attend shall date from the first meeting which the Member could have attended as a Member.

25. Resignation

- 25.1 A person appointed as a Member of the Development Corporation may at any time resign his/her office by a notice of resignation in writing signed by him/her and delivered to the Monitoring Officer and the Chair or Vice Chair of the committee that appointed him/her, as the case may be.

26. Members' Allowances

- 26.1 The Development Corporation may pay travel and subsistence allowances to its Members in accordance with a scheme drawn up and approved by the Board.
- 26.2 The Development Corporation may pay allowances to eligible members, in accordance with recommendations made by the Tees Valley Combined Authority's Independent Remuneration Panel contained in a report submitted by the panel to the Tees Valley Combined Authority Cabinet.

Appendix III

CODES OF CONDUCT

PREAMBLE

FOR INFORMATION ONLY GENERAL PRINCIPLES OF CONDUCT

Preamble

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

Selflessness
Holders of public office should act solely in terms of the public interest.

Honesty and Integrity

Holders of public office must be truthful and should avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly on merit, using best evidence and without discrimination or bias.

Accountability

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.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Personal Judgement

Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for Others

Members should promote equality by not discriminating unlawfully against any person and by

treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the Development Corporation's Statutory Officers and its other employees.

Duty to Uphold the Law

Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship

Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.

Leadership

Holders of public office should exhibit these principles in their own behavior. They should actively promote and robustly support the principles and be willing to change poor behavior wherever it occurs.

Training

All members of the Board and the Statutory Officers shall be offered training, not less than once every three years, which includes information on the Nolan Principles and Misconduct in Public Office offences.

NOTE: THIS PREAMBLE AND THE GENERAL PRINCIPLES OF CONDUCT SPECIFIED WITHIN IT ARE FOR INFORMATION ONLY, AND THEY DO NOT FORM A PART OF THE DEVELOPMENT CORPORATION'S CODE OF ENFORCEMENT PURPOSES.

HARTLEPOOL DEVELOPMENT CORPORATION

(THE “DEVELOPMENT CORPORATION”)

CODE OF CONDUCT FOR MEMBERS AND OFFICERS

Members Code of Conduct

Part 1 General Provisions

Introduction and Interpretation

1. (1) This Code applies to **you** as a Member of the Development Corporation when you are acting in that capacity.
- (2) This Code is based upon and is intended to be consistent with the General Principles of Conduct specified in the preamble.
- (3) It is your responsibility to comply with the provisions of this Code.
- (4) This Code does not cover matters in respect of which the Secretary of State may under the Act specifically provide that criminal sanctions will apply.

Interpretation

2. (1) In this Code--

“the Act” means the Localism Act 2011

"meeting" means any meeting of:-

- (a) the Development Corporation or the Development Corporation Board;
- (b) the Development Corporation Group Audit & Risk Committee and any workstream established by the Board

“Member” includes the Mayor, elected and co-opted Members and Associate Members.

General Conduct

3. (1) You must always comply with the law.
- (2) You must treat others with respect.

- (3) You must not do anything which may cause the Development Corporation to breach any of the equality enactments (as defined in Section 33 of the Equality Act 2006).
 - (4) You must not bully any person and you must not intimidate or attempt to intimidate any person who is involved in any complaint about any alleged breach of this Code.
 - (5) You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Development Corporation.
 - (6) You must not conduct yourself in a manner which could reasonably be regarded as bringing the Development Corporation, or your office as a Member of the Development Corporation, into disrepute.
 - (7) You must not use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.
4. When using or authorising the use by others of the resources of the Development Corporation:-
- (1) You must act in accordance with the Development Corporation's reasonable requirements.
 - (2) You must ensure that such resources are not used improperly for political purposes (including party political purposes); and
 - (3) You must have regard to the Development Corporation's Transparency Code.
5. You must not prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
6. You must not disclose information which is given to you in confidence, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, unless:-
- (a) you have the consent of a person authorised to give it; or
 - (b) you are required by law to do so; or
 - (c) the disclosure is made to a third party for the purpose of obtaining professional legal advice, provided that the third party agrees not to disclose the information to any other person; or
 - (d) the disclosure is reasonable, in the public interest, made in good faith, and made in compliance with the reasonable requirements of the Development Corporation.
7. Where you have been involved in the making of any decision or the taking of any action by the Development Corporation Board or Group Audit & Risk Committee, or recommendation

made by any workstream established by the Board, you must not take part in that scrutiny process other than for the purpose of answering questions or giving evidence relating to the business.

8. (1) When making decisions on any matter you must have regard to any relevant advice provided to you by:
 - (a) the Group Chief Executive; or
 - (b) the Group Director of Finance & Resources; or
 - (c) the Monitoring Officer,where that Officer is acting pursuant to his or her statutory duties.
- (2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the Development Corporation.

Part 2 Interests

Registration of Members' Interests

9. Subject to paragraph 12, you must register in Development Corporation's register of Members' interests ("Register") information about your personal interests. For the purposes of paragraphs 9 to 15 inclusively 'your personal interests' or 'personal interest' means:-
- (a) any 'disclosable pecuniary interest' (as specified at the Appendix to this Code or as defined by any statutory provisions in force from time to time under the Act) which you know about and which is held by
 - you, or
 - your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you are civil partners; and
 - (b) any other interests held by you as set out in paragraph 11.
10. You must register information about your personal interests by giving written notice to the Monitoring Officer, who maintains the Register, within 28 days of:-
- this Code being adopted by the Development Corporation;
 - your election or appointment as a Member of the Development Corporation; and of
 - becoming aware of any new interest or change to any registered interest.
11. You have a personal interest in any business of the Development Corporation and for the purposes of paragraph 9(b) where either it relates to or is likely to affect:-
- (a) any body of which you are a Member (or in a position of general control or management) and to which you are appointed or nominated by the Development Corporation;
 - (b) any body which:-
 - (i) exercises functions of a public nature or
 - (ii) is directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member (or in a position of general control or management);

Sensitive Information

12. Where you think that disclosure of the details of any of your personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, you may inform the Monitoring Officer; and if the Monitoring Officer agrees, a note will be made in the Register to the effect that you have a personal interest, details of which are withheld under Section 32 of the Act.

Declaration of Interests

13. Where you attend a meeting and you are, or ought reasonably to be, aware that any of your personal interests are relevant to an item of business which is being considered, then you must disclose to that meeting the existence and nature of that interest at the start of the consideration of that item of business, or when the interest becomes apparent, if later.
14. Where you have a personal interest in any business of the Development Corporation which relates to or is likely to affect a body of a type described in paragraph 11(a) and 11(b)(i), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
15. Where you have a personal interest but, by virtue of paragraph 12, sensitive information relating to it is not registered in the Register, you must indicate to the meeting that you have a personal interest, but you need not disclose the sensitive information to the meeting.
16. Where you attend a meeting, and you are, or ought reasonably to be aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well-being or financial position, or the well-being or financial position of a person described in paragraph 17, to a greater extent than most of the inhabitants of the area affected by the decision, then you must disclose to that meeting the existence and nature of that interest at the start of that item of business, or when the interest becomes apparent, if later.
17. The persons referred to in paragraph 16 are:-
 - (a) a Member of your family;
 - (b) any person with whom you have a close association;
 - (c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or a company of which they are a director;
 - (d) any person or body in whom persons described in (a) and (b) have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - (e) any body of a type described in paragraph 11 (a) and (b).

Non participation

18. Where you have a personal interest of the type described in paragraph 16 in any business of the Development Corporation, and the interest is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest and the business:-

- (a) affects your financial position or the financial position of a person or body described in paragraph 17(a) to (e) inclusively; or
- (b) relates to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body referred to in the preceding sub-paragraph (a),

then subject to paragraphs 19 and 20:-

- (a) you may not participate in any discussion of the matter at the meeting;
- (b) you may not participate in any vote taken on the matter at the meeting;
- (c) if the interest is not registered, you must disclose the interest to the meeting; and
- (d) if the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.

19. Where you have an interest of the type described in paragraph 18 in any business of the Development Corporation, you may attend the meeting and make representations, answer questions or give evidence relating to that business before the business is considered and voted upon, provided the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Disclosable Pecuniary Interests

20. In addition to the requirements of the Act regarding the registration and declaration of a disclosable pecuniary interest, you must also comply with the statutory requirements relating to withdrawal from participating in any discussion or voting on any matter in which you have a disclosable pecuniary interest.

Requirement to leave a meeting room

21. You must comply with any procedural rule or standing order adopted by the Development Corporation which requires a Member to leave the room during any meeting at which a matter in which they have a disclosable pecuniary interest is being discussed.

Part 3

Disclosable Pecuniary Interests

1. The duties to register, disclose and not to participate in respect of any matter in which a Member has a disclosable pecuniary interest are set out in Chapter 7 of the Localism Act 2011.
2. Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) as follows:-

For this purpose:-

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant

Authority; “Member” includes a co-opted

member;

“Development Corporation ” means the corporation of which M is a Member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Interest	Prescribed Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Development Corporation) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a Member, or towards the election expenses of M. This includes any payment or financial benefits from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Development Corporation:-</p> <ul style="list-style-type: none"> (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the area of the Development Corporation.
Licenses	Any license (alone or jointly with others) to occupy land in the area of the Development Corporation for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge):-</p> <ul style="list-style-type: none"> (a) the landlord is the Development Corporation; and (b) the tenant is a body in which the relevant person has a beneficial interest

Securities

Any beneficial interest in securities of a body where:-

- (a) that body (to M's knowledge) has a place of business or land in the area of the Development Corporation; and
- (b) either –
 - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Officers' Code of Conduct

1. Purpose

- 1.1 This code sets out the standards of conduct that the Hartlepool Development Corporation ("the Development Corporation") expects from its Officers. The aim is to promote high standards of conduct and to maintain public confidence in the Development Corporation and its services.

2. General Principles

- 2.1 The public is entitled to expect the highest standards of conduct from all Officers. The role of Officers is to represent the Development Corporation in delivering services to the local community. Officers must perform their duties to the best of their abilities with honesty, integrity, impartiality and objectivity and contribute to the maintenance of high standards in public service. Officers must at all times act in accordance with the trust that the public is entitled to place in them.
- 2.2 This code should be read in conjunction with the Development Corporation's Constitution and other relevant Policies and Procedures.

3. Gifts and Hospitality

- 3.1 All offers of gifts or hospitality should be treated with caution. Where a gift or hospitality could be perceived as an inducement or reward for performing Development Corporation duties, or where acceptance of the gift or hospitality could be open to misinterpretation, Officers should tactfully but firmly refuse the offer.
- 3.2 Gifts of a promotional nature, e.g. calendars, diaries and pens which are of a low monetary value i.e. less than £25 may be accepted.
- 3.3 All offers of gifts and hospitality of £25 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and no later than 28 days from the date of the offer) in a register held by the Senior Administrator.
- 3.4 It is a criminal offence under the Bribery Act 2010 to accept a bribe or to bribe another person. The offence of being bribed will occur where an employee agrees to receive or accepts an advantage (for their own or another's benefit and whether or not he or she actually receives it), in order to carry out the improper performance of a Development Corporation function, or where the advantage may be a reward for already having performed the function improperly.
- 3.5 The offence of bribing another person occurs where an employee offers, promises or gives a financial or other advantage to another person, with the intention that this will induce that

person

to improperly perform a function or activity, or in order to reward that person for the improper performance of such a function or activity.

- 3.6 Guidance on the Bribery Act indicates that bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, better to present products and services, or to establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Act to criminalise such behaviour of Officers are in any doubt about the acceptance of a gift or hospitality they should inform the Monitoring Officer in advance (where feasible) and seek advice. Where an employee receives an unsolicited gift or believes that a person is otherwise attempting to influence him or her, the Monitoring Officer should be informed immediately.
- 3.7 Particular care should be taken by Officers concerned with purchasing the award of official contracts or the allocation of grant monies. An Officer who knowingly accepts a gift or favour from a contractor or other person providing services to or seeking services or funding from the Development Corporation may put themselves at risk of a disciplinary investigation. Failure to record offers of gifts and hospitality may also be the subject of investigation by managers.

4. Confidential Information

- 4.1 Officers should treat all information they receive in the course of their employment as confidential to the Development Corporation. Officers must not use information in the Development Corporation's possession to further their private interests or those of their relations and friends. Deliberate exploitation of confidential information for personal gain may result in disciplinary action, including dismissal.
- 4.2 Officers are only permitted to disclose confidential information where it is required by law or where the Development Corporation has agreed to make the information available to the public. Where Officers are in any doubt as to whether they are permitted to release information they must consult their Manager before any disclosure is made.

5. Officer Interests

- 5.1 Officers must disclose any personal conflicts of interest and must not involve themselves in any decisions or matters where their actions could be perceived as biased. A personal conflict may arise where an Officer provides consultancy services in a private capacity which conflict with or are of a similar nature to the Development Corporation's services, or which may result in a reduction of the Development Corporation's services. Another example is where an employee, acting in a private capacity, causes conflict with a service provided by the Development Corporation to a service user.
- 5.2 Officers interests in contracts must be disclosed in writing where Officers have any

financial interest, direct or indirect, in any contract which the Development Corporation has entered into or is proposing to enter into, or any application by the Development Corporation for a licence, consent or permission. Officers are also required to identify a partner, relative or close associate who might have a legitimate interest in Development Corporation contracts or services.

- 5.3 Officers must also disclose in writing any interests where they are involved as either as an individual or as a partner in a business or as a Director of a Company or where they have a substantial shareholding in a public or private company which regularly has dealings with the Development Corporation. For this purpose, “substantial” can be defined as more than £5,000 nominal value or 1/100th of the nominal value of the company whichever is the lower. Friendship or membership of an association or society could also influence an Officer’s judgements and should be treated in the same way.
- 5.4 If Officers are in any doubt as to what interests they need to declare they should seek guidance from the Monitoring Officer. Failure by Officers to declare interests in contracts or companies is a criminal offence. Failure to disclose a conflict of interest may result in disciplinary action.

6. Public Office

- 6.1 Officers who wish to seek public office in a Local Authority other than that with whom they are employed or act for are not generally prevented from doing so unless they occupy politically restricted posts under the Local Government and Housing Act 1989 (“the 1989 Act”) but should discuss their intentions and the implications with the Monitoring Officer and seek legal advice.
- 6.2 Officers other than holders of politically restricted posts who become Councilors of other Local Authorities should ensure that their two capacities are kept separate. In particular, they should take care that they do not disclose or use for an unauthorised purpose confidential information which could benefit or cause harm either to the Authority represented or to the Development Corporation.

7. Political Activities

- 7.1 Political activities relate to standing for public elected office, engaging in party political debate in a personal capacity, by speaking or writing in public and canvassing at elections. The ability of Officers to engage in such activities is restricted if they occupy politically restricted posts, as defined by section 2 of the 1989 Act and specified in a list maintained by the Development Corporation as required by that Act.
- 7.2 An employee who proposes to engage in political activities should consider all aspects of this Code and ensure there is no conflict of interest between their duties as an employee and their political activities. Officers who regularly advise Members, regularly have contact with the public or media, or exercise delegated powers should take particular care when they

propose to engage in political activities. They must in all cases consult their Manager.

- 7.3 Where Officers are required to advise Members they must do so in ways which do not compromise their political neutrality and must not allow their own personal or political opinion to influence or interfere with their work.

8. Recruitment and Employment

- 8.1 Officers involved in recruitment or decisions relating to discipline, promotion or grading must not be involved where they are related to an applicant or have a close association with an applicant or employee.
- 8.2 All Officers involved in recruitment and selection on behalf of the Development Corporation must be familiar with, and abide by, the Development Corporation's recruitment policy and procedures.
- 8.3 Canvassing of Members of the Development Corporation relating to any employment matter including appointments, is strictly prohibited and may result in disciplinary action.

9. Sustainability Issues

- 9.1 Officers must be aware of their obligation towards improving the environment and in particular ensure the wider long-term implications of their actions are in accordance with Development Corporation policy.
- 9.2 Officers are required to consider sustainability issues when undertaking their duties, including the procurement of goods and services. In particular they should seek opportunities to improve and promote energy conservation, advocate recycling and waste minimisation, reduce pollution and support Development Corporation initiatives to improve the environment.

10. Diversity

- 10.1 All Members of the local community, customers, contractors, Members and Officers have a right to be treated with fairness and dignity. All Officers are required to comply with the Development Corporation's diversity policies and in accordance with the legal requirements placed upon the Development Corporation.

11. Intellectual Property/Copyright/Lecture Fees

- 11.1 All creative designs, writings and drawings produced by Officers in the course of their duties are the property of the Development Corporation.
- 11.2 All inventions made by Officers remain the property of the Development Corporation if made during the course of their duties. The duties are described in the Officers terms of employment, job description and those arising from an instruction from a manager or other

authorised officer of the Development Corporation.

- 11.3 Fees for giving lectures or writing articles may only be retained by Officers where these activities are not integral to their employment or position with the Development Corporation and they are conducted in the Officers own time.
- 11.4 Where Officers are interviewed by the media or agree to give lectures in connection with their official duties the Development Corporation's Head of Communications and Marketing must be consulted on any intended lecture or publication in the press or other media which is connected to their official duties and prior consent of their line manager must be obtained.
- 11.5 Officers should take care when expressing their personal views publicly that they do not undermine confidence in their objectivity in the performance of their duties.

12. Use of the Development Corporation's Facilities

- 12.1 Officers must ensure that they use public funds entrusted to them in a responsible and lawful manner. They should strive to ensure value for money to the local community and to avoid legal challenge to the Development Corporation.
- 12.2 The Development Corporation's resources should be used solely in respect of its business. No improper use must be made of premises, vehicles, equipment, stationery or services. A reasonable amount of personal use of ICT and telephone facilities may be made but is subject to any Development Corporation ICT protocols and any arrangements for the payment of personal telephone calls.

13. Performance of Duties

- 13.1 Officers are required to observe agreed working procedures, operational regulations, health and safety rules, regulations, professional codes of practice and the provisions of the Development Corporation's Constitution and to carry out reasonable and proper instructions in matters relating to their duties.
- 13.2 An Officer must not:-
 - (a) Fail to discharge through carelessness, or neglect an obligation placed upon him/her by contract or by law;
 - (b) Fail to report any matter which he/she is required to report;
 - (c) Fail to wear safety clothing or footwear, or use safety equipment which has been issued as being necessary in the interests of health & safety or otherwise fail to have

due regard to health & safety requirements.

13.3 Failure to observe the Officers Code of Conduct or any human resources policies and procedures (for instance relating to substance misuse, smoking or ICT protocols) or other Development Corporation policies, regulations or standards, may lead to disciplinary action in accordance with the Development Corporation's disciplinary procedures.

Part 4

Protocol on Member/Officer Relations

1. The Role and Purpose of the Protocol

- 1.1** The Hartlepool Corporation (“the Development Corporation”) strives to carry out its duties and provide services in a way that is effective; efficient in terms of the resources deployed; and responsive to the views and wishes of the people that might be affected by what it does.
- 1.2** Above all, the Development Corporation operates with, and promotes high ethical values and standards in an environment which demands close and effective working relations between all Members and Officers without either seeking to take unfair advantage of their position. This is achieved by means of a culture of mutual respect, trust, courtesy, openness and understanding, in which Members and Officers feel free to speak to one another openly and honestly.
- 1.3** With this in mind, the purpose of this Protocol is not in any way to change that relationship, but to offer guidance to Members and Officers on their respective roles and their working relations with one another, in order to help them to perform more effectively and thereby to ensure the efficient and effective running of the corporation and the delivery of best value services to the local community.
- 1.4** The relations between Members and Officers are complex and varied. This Protocol does not therefore aim to be either prescriptive or comprehensive. It is intended simply to offer guidance on some of the issues which most commonly arise. It is hoped however that the approach which it adopts to these issues will serve as a reference document for dealing with other issues.
- 1.5** This Protocol relies to a large extent on current practice and convention. It does, however, attempt to promote greater clarity and certainty for the benefit of both Members and Officers.
- 1.6** The Protocol also seeks to reflect and bring together the principles underlying the respective Codes of Conduct which apply to Members and Officers. The shared objective of these Codes is to enhance and maintain the integrity (both real and perceived) of Development Corporations and those who work within them and to maintain the very high standards of personal conduct required of all who serve the public.
- 1.7** Development Corporations do not however operate in isolation. The Development Corporation always seeks to work in partnership with other local organisations and agencies and regional and national bodies to the greatest effect for the people of the area. Increasingly the Development Corporation’s Members and Officers are required to

represent the Development Corporation on a variety of outside bodies and organisations with statutory and non-statutory links to the Development Corporation. Whilst the procedural aspects of the Protocol relate mainly to the Development Corporation, it is expected that Members and Officers representing the Corporation on outside bodies, continue to maintain the ethos of courtesy, respect and understanding advocated by this Protocol.

- 1.8** The Protocol must be read and operated in the context of all relevant legislation and national and local codes of conduct and the Development Corporation's Policy on confidential reporting. A copy of the Members' Code of Conduct and the Confidential Reporting Policy are reproduced in this part

of the Constitution. Advice and guidance in connection with the Code and Policy, together with this Protocol can be obtained from the Development Corporation's Monitoring Officer.

2. The Roles of Members and Officers

2.1 Members

The roles of Members of the Development Corporation and Officers employed by the Development Corporation are different, but complementary. Members and Officers are servants of the public and they are indispensable to one another, but their responsibilities are distinct. All Members, including the Mayor, serve only so long as their term of office lasts. Officers are responsible to their Corporation (the Development Corporation). Their job is to give advice to all Members including the Mayor, and to the Corporation, and to carry out the Corporation's work under the direction and control of the Corporation.

Mutual respect between Members and Officers is essential to good governance. Close personal familiarity between individual Members and Officers can change this relationship and prove embarrassing to the Members and Officers.

- 2.2** The five guiding principles to be followed are that the Development Corporation should be:

Transparent – to ensure that the public are clear about who is responsible for particular decisions.

Understandable – to ensure that the decision-making process is simple, clear and unambiguous to Members, Officers and the public.

Efficient – to enable swift and responsive action.

Accountable – to ensure that decisions are open to scrutiny by Members and by the public and that members of the public are able to measure the Development Corporation's actions against its agreed policies.

Providing Best Value - to promote continuous improvement within the Development Corporation and demonstrate Best Value in ensuring resources are directed appropriately.

2.3 Officers

Officers support and advise the Development Corporation, and the constituent parts of its decision- making processes; implement the Development Corporation's decisions and may themselves take decisions formally delegated to them through the approved Scheme of Delegation. All Officers are required to be politically neutral.

- 2.4** Both Officers and Members, including the Mayor, must comply in all respects and at all times with their respective Codes of Conduct, not only in their dealings with each other, but also when dealing with partners and the public.
- 2.5** In particular, it should be recognised that Members of the Development Corporation do not have any special immunity from civil or criminal wrongs that they may commit against fellow Members, Officers or members of the public. Members must ensure that they do not, therefore, for example, slander or libel another person. During the course of their normal duties for the Development Corporation, Members will only have a qualified (and not an absolute) protection against prosecution or civil action.
- 2.6** Any member of the public (including Officers) can complain to the Development Corporation's Monitoring Officer about a Members' alleged breach of the Development Corporation's Code of Conduct for Members and/or bring private, civil action against a Member. The Auditor can also take legal action against an elected Member and the Development Corporation, as a whole, for any alleged breach of the law.
- 2.7** The Development Corporation has statutory duties with regard to equality issues and in accordance with Development Corporation's Code of Conduct for Members, Members must promote equality by not discriminating against others. Members and Officers should not, therefore, by their behaviour or speech act in a discriminatory way with regard to, for example, a person's age, gender, race, disability, religion, ethnicity, nationality or sexual orientation. Such principles will apply to the implementation of personnel policies, recruitment and promotion as they apply to day to day dealings with fellow human beings.

2.8 Members' expectations

Members can expect from Officers:-

- (a) A commitment to the Development Corporation as whole, and not to any particular political group.
- (b) A working partnership.
- (c) An understanding of and support for the respective roles, workloads and pressures.

- (d) Reasonable and timely response to enquiries and complaints.
- (e) Professional advice, not influenced by political views or preference, which does not compromise the political neutrality of Officers.
- (f) Regular, up to date information on matters that can reasonably be considered appropriate and relevant to their needs, having regard to any individual responsibilities that they have and positions that they hold.
- (g) Awareness of and sensitivity to the political environment.
- (h) Respect, dignity and courtesy and not acting in a discriminatory way through behaviour or speech.
- (i) That they have received relevant training and development in order to carry out their role effectively.
- (j) Integrity, mutual support and appropriate confidentiality
- (k) That employees will not use their relationship with Members to advance their personal interests or to influence decisions improperly.
- (l) That Officers will at all times comply with the relevant Code of Conduct.
- (m) Support for the role of Members as the local representatives of the Development Corporation, within the parameters of support approved by the Development Corporation.
- (n) That Officers will promote equality of opportunity in all Development Corporation matters.

2.9 Officers' Expectations

Officers can expect from Members:-

- (a) A working partnership.
- (b) An understanding of and support for the respective roles, workloads and pressures.
- (c) Leadership and direction.
- (d) Respect, dignity and courtesy and not acting in a discriminatory way through behaviour or speech.
- (e) Integrity, mutual support and appropriate confidentiality.
- (f) Not to be subject to bullying or harassment or to be put under undue pressure. Members

should have regard to the seniority of Officers in determining what are reasonable requests, having regard to the relationship between Members and Officers, and the potential vulnerability of Officers, particularly at junior levels.

- (g) That Members will not use their position or relationship with Officers to advance their personal interests or those of others or to influence decisions improperly.
- (h) That Members will at all times comply with the Development Corporation's Members' Code of Conduct.
- (i) That Members will promote equality of opportunity in all Development Corporation matters.

2.10 Limitations Upon Behaviour

The distinct roles of Members and Officers necessarily impose limitations upon behaviour. By way of illustration, and not as an exclusive list:-

- (a) Close personal, as opposed to working, relationships between Members and Officers can confuse these separate roles and detrimentally affect the proper discharge of the Development Corporation's functions, not least by creating the perception in others that a particular Member or Officer may be securing advantageous treatment.
- (b) The need to maintain the separate roles means that there are limits to the matters on which Members may seek the advice of Officers, both in relation to personal matters and party political issues.
- (c) Relationships with a particular individual or party group should not be such as to create public suspicion that an employee favours that Member or group above others.

2.11 Grievances or

Complaints Procedure

for Officers

- (a) From time to time the relationship between Members and Officers may break down or become strained. Whilst it will always be preferable to resolve matters informally, through conciliation by an appropriate senior manager or Member, Officers will have recourse to a Policy and Procedure relating to grievances, where the matter concerns their employment or to the Development Corporation's Monitoring Officer, as appropriate to the circumstances. In the event of a grievance or complaint being upheld, the matter will be referred to the Group Chief Executive Officer who will decide on the course of action to be taken.

Procedure for Members

- (b) In the event that a Member is dissatisfied with the conduct, behaviour or performance of an Officer, he/she should not raise the matter in public or before the press, as Officers have no means of responding to the same in public. The matter should be raised with an appropriate Officer.

Part 5

Confidential Reporting Policy

This policy enables employees, and other persons working for the Hartlepool Development Corporation (“the Development Corporation”) on Development Corporation premises, together with suppliers and those providing services under a contract with the Development Corporation to voice confidentially serious concerns over alleged malpractice and alleged wrongdoing within the Development Corporation.

Officers will be nominated for the purpose of dealing with concerns raised by employees or other persons under this policy.

1. INTRODUCTION

- 1.1** Employees/Officers are sometimes the first to realise that there may be something seriously wrong, but they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Development Corporation; or they may fear harassment, victimisation or other reprisals. In these circumstances it may be easier to ignore the concern rather than report what may be just a suspicion of malpractice.
- 1.2** The Development Corporation is committed to the highest possible standards in the delivery of its services, and for full accountability for those services. In line with that commitment employees are encouraged to come forward and voice any serious concerns they may have about the Development Corporation’s operations. It is recognised that certain matters will have to be dealt with on a confidential basis. This policy makes it clear that you can do so without fear of reprisals. This policy is intended to encourage and enable you to raise serious concerns within the Development Corporation rather than overlooking a problem or “blowing the whistle” outside.
- 1.3** The policy applies to all Officers, employees and any contractors working for the Development Corporation on Development Corporation premises. It also covers suppliers and those providing services under a contract with the Development Corporation in their own premises.

2. AIMS AND SCOPE OF THIS POLICY

- 2.1** This policy aims to:
 - (a) provide avenues for you to raise concerns and receive feedback on any action taken;
 - (b) allow you to take the matter further if you are dissatisfied with the Development Corporation’s response to the concerns expressed; and

(c) reassure you that you will be protected from possible reprisals or victimisation

2.2 Complaints systems are in place to provide a mechanism for individuals to complain about the standard of service, action or lack of action by the Development Corporation or its employees, which affect our services to the public. If you are an employee there are procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover concerns that fall outside the scope of these procedures e.g. malpractice or wrongdoing. Thus any

serious concern that you may have regarding possible malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Development Corporation (although complaints about Members' conduct will need to be forwarded to the Development Corporation's Monitoring Officer) or others acting on behalf of the Development Corporation, can and should be reported under this policy. Employees and Officers are expected to report malpractice and wrongdoing and may be liable to disciplinary action if they knowingly and deliberately do not disclose information relating to malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Development Corporation or others acting on behalf of the Development Corporation.

3. WHAT IS MALPRACTICE OR WRONGDOING?

3.1 Malpractice and wrongdoing may be about something which:-

- is unlawful; or
- against the Development Corporation's Procedure Rules or policies; or
- is not in accordance with established standards of practice; or
- amounts to improper conduct by an Officer or a Member.

The overriding concern should be that it would be in the public interest for the malpractice or wrongdoing to be corrected and, if appropriate, sanctions to be applied.

3.2 The following are examples of issues which could be raised under this policy. It is not intended to be an exhaustive list and there may be other matters which could be dealt with under the policy:

- (a) any unlawful act or omission, whether criminal or a breach of civil law
- (b) maladministration, as defined by the Local Government Ombudsman
- (c) breach of any statutory code of practice
- (d) breach of, or failure to implement or comply with any policy determined by the Development Corporation
- (e) failure to comply with appropriate professional standards or other established standards of practice
- (f) corruption or fraud
- (g) actions which are likely to cause physical danger to any person, or give rise to a risk of significant damage to property
- (h) failure to take reasonable steps to report and rectify any situation which is likely to

give rise to a significant avoidable cost, or loss of income, to the Combined Authority or would otherwise seriously prejudice the Development Corporation

- (i) abuse of power, or the use of the Development Corporation's powers and authority for any unauthorised or ulterior purpose
- (j) unfair discrimination in the Development Corporation's employment or services
- (k) dangerous procedures risking health and safety
- (l) damage to the environment
- (m) other unethical conduct

4. SAFEGUARDS

4.1 HARASSMENT OR VICTIMISATION

The decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from the Development Corporation as a whole. The Development Corporation will not tolerate any harassment or victimisation and will take appropriate action in order to protect you if you raise a concern in good faith. In addition you are protected in law by the Public Interest Disclosure Act 1998, which gives employees protection from detriment and dismissal where they have made a protected disclosure, provided the legal requirements of the Act are satisfied.

This does not however necessarily mean that if you are already the subject of disciplinary procedures that those procedures will be halted as a result of a concern being raised under this policy.

4.2 CONFIDENTIALITY

It will be easier to follow up and to verify complaints if complainants are prepared to give their names. However, wherever possible the Development Corporation will protect those who do not want their names to be disclosed. It must be appreciated that any investigation process may nonetheless reveal the source of the information and that a statement from you may be required as part of the evidence.

4.3 ANONYMOUS ALLEGATIONS

Concerns expressed anonymously are much less powerful, and they will be treated with caution and considered at the discretion of the Development Corporation. In exercising this discretion, the factors to be taken into account would include:

- (a) the seriousness of the issues raised.

- (b) the credibility of the concern; and
- (c) the likelihood of obtaining the necessary information and confirmation of the allegation.

4.4 DELIBERATELY FALSE OR MALICIOUS ALLEGATIONS

The Development Corporation will view very seriously any deliberately false or malicious allegations it receives and will regard the making of any deliberately false or malicious allegations by any employee as a serious disciplinary offence which could result in dismissal.

If you make an allegation in good faith but it is not confirmed by the investigation, no action will be taken against you.

The Development Corporation will try to ensure that the negative impact of either a malicious or unfounded allegation about any employee is minimised. However, it must be acknowledged that it may not be possible to prevent all of the repercussions potentially involved.

5. HOW DO I RAISE A CONCERN?

5.1 If you suspect wrongdoing in the workplace:

- **do not** approach or accuse the individuals directly
- **do not** try to investigate the matter yourself
- **do not** convey your suspicions to anyone other than those with the proper authority, but **do** something!

5.2 As a first step, you should normally raise concerns with your immediate manager or supervisor. However, the most appropriate person to contact will depend on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. For example, if you believe that senior management is involved in the matter of concern, or the normal channels of communication are inappropriate for some reason, as an employee of the Corporation you should approach a Nominated Officer (HR Advisor). If you feel that this would be inappropriate in the light of the particular matter concerned, or if you are not a Development Corporation employee, you can contact the Development Corporation's Monitoring Officer.

5.3 Concerns may be raised verbally but are better raised in writing. You are invited to set out the background and history of the concern giving relevant names, dates and places where possible, and the reason why you are particularly concerned about the situation. If you do not feel able to put your concern in writing you can telephone or meet the appropriate Officer.

- 5.4** The earlier a concern is expressed, the easier it is to take appropriate action.
- 5.5** Although you are not expected to prove the truth of an allegation that is made, it will be necessary for you to demonstrate to the person contacted that there are sufficient grounds for concern.
- 5.6** Advice and guidance on how matters of concern may be pursued can be obtained from the Development Corporation's Monitoring Officer.
- 5.7** Alternatively, you may wish to seek advice from your professional association.
- 6. HOW THE DEVELOPMENT CORPORATION WILL RESPOND**
- 6.1** The action taken by the Development Corporation will depend on the nature of the concern. Where appropriate, the matters raised may:
- be investigated by management, internal audit, or through the disciplinary process
 - be referred to the Police
 - be referred to the external Auditor
 - need to be the subject of a referral to the Development Corporation's Monitoring Officer
 - form the subject of an independent enquiry
- 6.2** In order to protect individuals and the Development Corporation, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example allegations of breaches of the Development Corporation's Code of Conduct, or discrimination issues) will normally be referred for consideration under these procedures.
- 6.3** Some concerns may be resolved by agreed action without the need for investigation.
- 6.4** Within 14 calendar days of a concern being raised under this procedure the relevant Officer will write to you:
- (a) acknowledging that the concern has been received;
 - (b) indicating how it is proposed to deal with the matter;
 - (c) giving an estimate (so far as reasonably practicable) as to how long it will take to provide a final response;
 - (d) telling you whether any initial enquiries have been made; and
 - (e) telling you whether further investigations will take place and if not, why not.
- 6.5** The amount of contact between you and the Officers considering the issues will depend on

the nature of the matters raised; the potential difficulties involved; and the clarity of information provided. If necessary, further information will be sought from you.

- 6.6 Where any meeting is arranged, you have the right, if you so wish, to be accompanied by someone who is not involved in the area of work and/or the matter to which the concern relates.
- 6.7 The Development Corporation will take appropriate steps to minimise any difficulties you may experience as a result of raising a concern. For example, if you are required to give evidence in criminal or disciplinary proceedings the Development Corporation will advise you about the procedure.
- 6.8 The Development Corporation accepts that you need to be reassured that the matter has been properly addressed. Therefore, subject to any legal restraints, you will receive as much information as possible about the outcomes of any investigation.

7. HOW CAN I TAKE THE MATTER FURTHER?

- 7.1 This policy is intended to provide employees and other persons with an avenue to raise concerns **within** the Development Corporation and it is hoped that you will take this option in the first place. The Development Corporation hopes you will be satisfied with the action taken under the policy. If you are not, and you feel it is right to take the matter outside the Development Corporation, then depending upon the nature of the issue involved, the following are possible contact points:
 - a) the External Auditor
 - b) relevant professional bodies or regulatory organisations
 - c) the Police
 - d) the Local Government Ombudsman
 - e) Public Concern at Work
 - f) an independent legal adviser within the meaning of the Public Interest Disclosure Act 1998
 - g) a regulatory body designated for the purposes of the Public Interest Disclosure Act
- 7.2 If you do wish to take the matter outside the Development Corporation, you must first ensure that you do not disclose confidential information. Check with the Compliance & Governance Manager or the Monitoring Officer about that. In addition, if you wish to secure the protections afforded by the Public Interest Disclosure Act, you must ensure that your disclosure is protected within the meaning of the Act and that it complies with a set of specific conditions which vary according to whom the disclosure is made. Again please check with the Compliance & Governance Manager or the Monitoring Officer about these matters.

8. RESPONSIBILITY FOR THE POLICY

- 8.1 The responsibility for the effectiveness of this policy rests with the Monitoring Officer. That Officer will be advised about and maintain records of concerns raised and the outcomes (but

in a form which does not endanger your confidentiality) and will report as necessary to the Development Corporation or one of its Committees.

Appendix IV

FINANCIAL REGULATIONS

1. Purpose and Scope

- 1.1 These regulations form part of the Development Corporation's Constitution and they set out the financial management policies of the Hartlepool Development Corporation (The Development Corporation) and are a key part of the Corporation's financial governance arrangements. All references to The Development Corporation within these financial regulations shall be taken to include all Development Corporation Group entities.
- 1.2 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the financial affairs of the Development Corporation.
- 1.3 It is important that these Regulations are, and continue to be, relevant to the Development Corporation. They should be reviewed regularly to remain consistent with the Development Corporation's Constitution and related documentation and be in line with best practice and legislation.
- 1.4 Where references are made to Group entities and/or activities that may on occasion conflict with a Subscription and Shareholders Agreement (SSHA) of Group entities these Financial regulations will prevail.

2. Role of the Development Corporation

- 2.1 Many of the responsibilities for financial matters are defined within the constitution of which these regulations form part and the Scheme of Delegation. Responsibilities are either reserved for the Development Corporation's Board to exercise or delegate to specific officers such as the Group Chief Executive Officer and Director of Finance & Resources.
- 2.2 The Development Corporation has overall responsibility for ensuring that the Development Corporation's expenditure remains within the resources available to it.

3. The Development Corporation is responsible for approving the Financial Control Framework of the Development Corporation.

Role of the Group Director of Finance & Resources

- 3.1 The Group Director of Finance & Resources, shall be responsible for ensuring the proper administration of the Development Corporation's financial affairs.
- 3.2 The Group Director of Finance & Resources shall issue and keep under continuous review, such instructions, advice or procedures relating to financial matters as he or she considers necessary to secure the proper administration of the Development Corporation's financial affairs.
- 3.3 The Group Director of Finance & Resources is responsible for reporting, where appropriate, breaches of Financial Regulations.
- 3.4 The Group Director of Finance & Resources has responsibility for ensuring compliance with the requirements of the Accounts and Audit Regulations relating to accounting records, control systems and audit.
- 3.5 If any financial issues arise which result in any uncertainty or ambiguity as to the correct procedure to follow under these regulations, then the Group Director of Finance & Resources shall have delegated powers to give a valid direction as to the appropriate procedure to follow.
- 3.6 The Group Director of Finance & Resources for the Development Corporation is fulfilled by the Group Director of Finance & Resources for the Combined Authority. If significant conflicts of interest arise between these two roles, these will be identified, and discussed with the Group Chief Executive Officer, who may direct another person to temporarily fulfil the role of Group Director of Finance & Resources for the purpose of resolving the significant conflict of interest.

4. Role of the Officers and Group entities ("the Group")

- 4.1 Chief Officers shall promote the financial management standards set by the Group Director of Finance & Resources and shall adhere to the standards and practices set down in these regulations.
- 4.2 It is the responsibility of Officers to consult with the Group Director of Finance & Resources and seek advice on any matters likely to have a material effect on the Development Corporation finances, before any decision is made.
- 4.3 If any Chief Officer or officer acting on behalf of the Development Corporation is

aware of any contravention to these Financial Regulations, they must immediately notify the Group Director of Finance & Resources who shall determine appropriate action.

5. Accounting Policies

5.1 The Group Director of Finance & Resources is responsible for selecting Accounting Policies and ensuring that they are applied consistently. The key controls in Accounting Policies are that:

- (a) Systems of internal control are in place to ensure that financial transactions are lawful.
- (b) Proper accounting records are determined and maintained.
- (c) Financial statements are prepared which represent fairly the financial position of the Development Corporation and its income and expenditure.

6. Financial Planning

6.1 The Group Director of Finance & Resources shall determine the appropriate timetable for the preparation of the annual budget that conforms to the statutory deadlines.

6.2 Each financial year, as part of the ongoing financial strategy, the Group, in consultation with the Group Director of Finance & Resources, will develop annual revenue and capital budget proposals for consideration by the Development Corporation's Board.

6.3 The Group shall prepare a statement of all resources and approvals covering a rolling programme identifying all approved schemes and programmes.

6.4 The Group Director of Finance & Resources will advise the Development Corporation on the robustness of budget proposals in accordance with his / her responsibilities under these financial regulations.

6.5 All revenue reserves held by the Development Corporation will be kept under review by the Group Director of Finance & Resources with a view to ensuring that they are spent on their specified purposes and that planned expenditure is properly phased.

- 6.6 The Group Director of Finance & Resources will also advise the Development Corporation on the prudent level of reserves and general balances.
- 6.7 The Group Chief Executive and Group Director of Finance & Resources will recommend approval of investment plans to the Development Corporation.

7. Financial Management – Revenue and Capital

Budget Monitoring and Control

- 7.1 The Group are responsible for monitoring their income and expenditure against the revenue and capital budgets approved by the Development Corporation.
- 7.2 The Group Director of Finance & Resources will establish an appropriate framework of financial management and control for the Development Corporation which ensures that;
 - (a) budget management is exercised within approved Development Corporation revenue and capital budgets;
 - (b) expenditure and income is monitored using information held on the Development Corporation's corporate financial information system;
 - (c) timely and sufficient information on receipts and payments on each budget is available to enable managers to fulfil their budgetary responsibilities;
 - (d) additions and changes to approved expenditure plans require approval by the Board.
- 7.3 The Group must personally ensure that any information which suggests a potentially significant variation against their approved budget (both overspends and underspends) is notified at the earliest opportunity to the Group Director of Finance & Resources. Where appropriate, the Group Director of Finance & Resources shall prepare a specific report for the Development Corporation to consider the proposed approach to mitigate the effects of such variation.
- 7.4 Where additional revenue or capital resources become available, or are forecast to become available, the Group must notify the Group Director of Finance & Resources at the earliest opportunity.

- 7.5 The Group Director of Finance & Resources will prepare revenue and capital budget monitoring reports in conjunction with the Group for presentation to the Development Corporation on a regular basis. The frequency and content of these reports shall be determined by the Group Director of Finance & Resources, in consultation with the Development Corporation's Board.
- 7.6 Where the Group wish to propose new capital and revenue schemes or blocks for inclusion in the Development Corporation's programme, they must first consult the Group Director of Finance & Resources who will determine the approach to be taken for approval of the proposal. The proposals would need to be approved by the Development Corporation following advice from the Group Director of Finance & Resources.
- 7.7 Bids for external funding to support capital and revenue expenditure cannot take place until approved by the Group Director of Finance & Resources.
- 7.8 Expenditure cannot take place unless the scheme or programme is fully funded and approved.

8. Treasury Management

- 8.1 The Development Corporation's Treasury Management activities shall be defined as the management of its investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 8.2 All Treasury Management activity shall be undertaken in full compliance with the Chartered Institute of Public Finance & Resources and Accountancy's Code of Practice: Treasury Management in Public Services (revised 2011) as may be revised from time to time or such other practices and procedures as may be approved by the Development Corporation.
- 8.3 Only the Group Director of Finance & Resources may enter into any borrowing, investment and financing arrangements on behalf of the Development Corporation.
- 8.4 The Group shall ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the prior approval of the Group Director of Finance & Resources.
- 8.5 The Group Director of Finance & Resources is responsible for formulating an

annual Borrowing and Treasury Management Strategy for approval by the Development Corporation in advance of the year together with providing a mid-year review and annual report after its close.

9. Banking Arrangements, Cheque Security and Credit Cards

- 9.1 No Group officer/entity other than the Group Director of Finance & Resources may open any bank account in the name of the Development Corporation
- 9.2 The Development Corporation's banking terms and overdraft arrangements shall be agreed by the Group Director of Finance & Resources.
- 9.3 All arrangements for the ordering and issuing of cheques shall be agreed by the Group Director of Finance & Resources, who shall make proper arrangements for their custody.
- 9.4 All cheques drawn on behalf of the Development Corporation shall be signed by 2 of the 3 key nominated signatories – Group Chief Executive Officer, the Group Director of Finance & Resources and the Engineering & Programme Director.
- 9.5 Credit cards, charge cards and other payment methods held in the Authority's name may only be opened, closed and managed by the Group Director of Finance & Resources.
- 9.6 The Group Director of Finance & Resources will ensure that bank reconciliations are completed on at least a monthly basis.

10. External Funding / Grants

- 10.1 The Group Director of Finance & Resources must be consulted on and approve all submissions to central government, European Union, Tees Valley Combined Authority and external bodies for funding. Prior to making any submission in relation to external funding, the Group must ensure that:
 - (a) an exit strategy is identified to manage the ultimate cessation of the funding stream with no adverse impact on the Development Corporation;
 - (b) any match-funding requirements are given due consideration prior to entering

into agreements and that future revenue budgets reflect these requirements;
and

- (c) they are able to comply with the terms and conditions of a grant scheme, including auditor certification requirements, before accepting them.

10.2 The Group must seek approval from the Group Director of Finance & Resources before accepting any offer of funding from external bodies.

10.3 The Group are responsible for ensuring that all expenditure to be funded by grant is properly incurred in accordance with the requirements and conditions of the funding body, and is supported by adequate evidence.

10.4 The Group are responsible for ensuring the completion and submission of grant claims. The Group must also ensure that grant claims comply with the requirements and grant conditions of the funding body, are submitted promptly, supported by adequate evidence and approved by the Group Director of Finance & Resources.

10.5 The Group are responsible for ensuring that any legal implications and risks of working with third parties are appropriately addressed. This will include any back to back agreements as required.

11. Income

11.1 All monies received on behalf of the Development Corporation shall be paid in full into the Development Corporation's bank account without delay.

11.2 The Group shall ensure that all accounts for income due to the Development Corporation are raised within five days on an official sales invoice which provides particulars of all charges to be made for work done, services rendered, or goods.

11.3 The Group Director of Finance & Resources shall be notified promptly of all money due to the Development Corporation and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money.

11.4 Any proposal to introduce charges or make changes to existing charges for the provision of services must be approved by the Group Director of Finance & Resources.

- 11.5 Any write off of unrecoverable debt should be in accordance with the write of criteria set by The Group Director of Finance Resources.

12. Ordering of and Payments for Works Goods and Services

- 12.1 Wherever possible a purchase order is required for all purchases of goods and services and these must be raised within the Development Corporation's financial system.
- 12.2 The Group must ensure that orders represent legitimate liabilities of the Development Corporation, sufficient budgetary provision exists to cover the payment and expenditure is correctly coded.
- 12.3 All orders for goods and services must be made in accordance with the Development Corporation's Procurement Policy.
- 12.4 All purchase orders and payments must be approved as detailed in the Scheme of Delegation.
- 12.5 The Group have the responsibility to ensure that payments are made within the terms of the contract and legislative requirements.

13. Insurance & Risk Management

- 13.1 The Group Director of Finance & Resources shall be responsible for ensuring that all insurable risks of the Development Corporation are adequately covered, for maintaining the necessary records and for managing all claims on behalf of the Development Corporation.
- 13.2 The Group shall notify the Group Director of Finance & Resources promptly of all risks, liabilities, properties or vehicles which are required to be insured, and of any alterations affecting risk or insurances indicating the amount of cover required.
- 13.3 The Group shall immediately notify the Group Director of Finance & Resources of any fire, loss, accident or other event that may give rise to a claim against the Development Corporation's insurers.
- 13.4 Directors are responsible for ensuring that a register of significant risks is maintained, reported and monitored.

14. Internal Audit

- 14.1 The Group Director of Finance & Resources shall be responsible for maintaining an internal audit of all accounts and financial transactions of the Development Corporation, and shall satisfy himself/herself as to security arrangements for the custody and safeguarding of the Development Corporation's assets as laid down in any legislation applicable to the Development Corporation and any relevant codes of practice adopted by the Development Corporation.
- 14.2 The Group Director of Finance & Resources, or nominated individuals undertaking internal audit functions, shall have authority to all relevant records of any Service, and shall be entitled to require the production property and to obtain information or explanations with regard to any matters under examination.
- 14.3 The Group shall notify the Group Director of Finance & Resources immediately of any circumstances which may suggest the possibility of irregularity or loss affecting the Development Corporation. Where the Group Director of Finance & Resources considers that an irregularity may have occurred, action shall be taken by way of an investigation and report.
- 14.4 Directors shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are implemented in a timely manner.
- 14.5 The Group Chief Executive and Group Director of Finance & Resources (the Statutory Officers), as outlined in clause 28 of the Development Corporation's Constitution, shall advise the Board when a Referral Decision may be required.
- 14.6 The Development Corporation shall maintain a register of significant risks which may lead to or constitute a Referral Decision (Clause 33 of the Constitution) and notify the Group Director of Finance & Resources at the earliest opportunity of changes to the risk profile of the Corporation which could have a material effect on the Corporation's or the Combined Authority's liabilities.

15. Arrangements with external Organisation

- 15.1 The Group Director of Finance & Resources must be consulted prior to the establishment of any financial arrangements as part of partnerships or joint arrangements with external companies, other public organisations and community and voluntary groups. No partnership or joint arrangements shall be entered into without the approval of the Development Corporation.
- 15.2 Directors must confirm whether any arrangement requires the Development Corporation to be designated an 'Accountable Body'. Where this is the case, the Group Director of Finance & Resources must be consulted and approval of the Development Corporation must be obtained prior to the arrangement becoming operational.
- 15.3 The financial arrangements of all partnerships where the Development Corporation is the Accountable Body should meet the requirements of the Development Corporation's Financial Procedure Rules and Contract Procedure Rules.

Appendix V

SCHEME OF DELEGATIONS TO CHIEF OFFICERS

1. Introduction

This Scheme of Delegation has been adopted by the Board (meaning the members of the Hartlepool Development Corporation meet as such) and can only be altered by the Board.

The roles of Group Chief Executive Officer and Group Director of Finance and Resources of the Development Corporation are discharged by the Group Chief Executive Officer and Group Director of Finance and Resources respectively.

The scope of this Scheme of Delegation applies to the Corporation where defined below: -

The Board approves, and/or delegates to its statutory officers in consultation with the Chair, the necessary matters reserved for Board

1.1 Group Chief Executive Officer (CEO)

The CEO shall fulfil the statutory role of Accounting Officer. The CEO is responsible for the corporate management and overall operational capacity of the Development Corporation, including the strategic management of all of the Development Corporation's staff.

The CEO is appointed the Proper Officer for the purpose of receiving a list of the Development Corporation's politically restricted posts.

The CEO cannot be the Monitoring Officer.

1.2. Monitoring Officer

Under the provisions of Section 7 of the Tees Valley Combined Authority (Functions) Order 2017, the designation and reports of the Monitoring Officer to the Combined Authority (the Monitoring Officer) shall apply as if the Corporation were a Committee to the Combined Authority. The Monitoring Officer will be responsible for promoting and maintaining the highest standards of conduct. The Monitoring

Officer will provide advice on the scope of powers and authority to take decisions, maladministration and probity to all Members and provide a comprehensive service to the Development Corporation Board.

The Monitoring Officer to the Development Corporation is appointed the Proper Officer in relation to the following functions under the Local Government Act 1972:

Determination of those reports which should be available for public inspection prior to a meeting of the Development Corporation Board, the Audit and Risk Committee and any other of the Development Corporation and those which are likely to be heard in private and consequently which should not be released to the public (section 100B (2)).

- a) Provision of documents to the press, additional to committee reports (section 100B(7)).
- b) Preparing written summaries of proceedings (section 100C (2)).
- c) Making arrangements for lists of background papers to reports to be compiled, and for copies of documents on those lists to be made available for public inspection (section 100D (1))
- d) Advising on what may or may not be a background paper for the purposes of reports which are open to public inspection (section 100D (5))
- e) Determination of documents disclosing exempt information which may not be inspected by Members (section 100F (2)).
- f) Signature or authentication of Summonses to the Development Corporation Board (paragraph 4 (1A) (b) of Schedule 12).
- g) Declaration and Certificates with regard to securities (section 146 (1)(a) and(b)).
- h) Deposit of documents (section 225 (1)).
- i) Certifications of photographic copies of documents (section 229 (5)).
- j) Issuing and signing of formal notices (section 234 (1) and (2)).

The Monitoring Officer is also appointed the Proper Officer for the following purposes:-

- k) Certification of copies of resolutions, minutes, other documents.
- l) Exceptions to the overview and scrutiny and publicity requirements relating to key decisions (the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

The Monitoring Officer will maintain an up to date Register of Member's interests and an up to date version of the Constitution and will ensure that it is widely available for consideration by Members, officers and the public.

The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct and be responsible for the receipt and acknowledgement of complaints of failure by a Member of the Development Corporation to comply with the Members Code of Conduct.

The Monitoring Officer cannot be the Group Chief Executive Officer or the Group Director of Finance & Resources.

1.3 Group Director of Finance & Resources

The Group Director of Finance & Resources has responsibility for ensuring lawfulness and financial prudence of decision making. The Group Director of Finance & Resources is appointed Proper Officer in relation to the following:

- a) receipt of money due from officers (Local Government Act 1972, section 115 (2);and
- b) proper administration of the financial affairs of the Development Corporation.

The Group Director of Finance & Resources will provide advice and guidance to all Members on financial impropriety and budgetary issues and will report to the Development Corporation regarding any proposal, decision or course of action that will involve incurring unlawful expenditure, or that is unlawful and is likely to cause a loss or deficiency on the part of the Development Corporation (including all entities within the Development Corporation Group), or if the Development Corporation, or any of its Group entities, is about to enter an item of account unlawfully.

1.4 General

All officers in whose name reports are submitted to the Development Corporation Board, the Audit & Risk Committee and any workstream established by the Board, shall submit such reports via the Monitoring Officer for:

- a) Compilation and retention of lists of background papers and copies of the relevant documents and reports.
- b) Identifying and determining what are background papers.

2. Scheme of Delegation of Functions to Chief Officers

2.1 Section 101 of the Local Government Act 1972 enables the Development Corporation to delegate the discharge of any of its functions to its officers.

2.2 Section 107D of the Local Democracy, Economic Development and Construction Act 2009 enables the Mayor to arrange for an officer of the Development Corporation to exercise any functions exercisable by the Mayor.

2.3 This part of the Constitution specifies those powers of the Development Corporation and the Mayor which, for the time being, are exercisable from time to time by officers of the Development Corporation, and stating the title of the officer in question by whom the powers are exercisable.

2.4 Chief Officers in the context of this Constitution mean the Group Chief Executive Officer, the Group Director of Finance & Resources.

2.5 The delegated powers of Chief Officers set out in this Scheme may be exercised by other officers authorised by the Chief Officer with the delegated power to act on their behalf and in their name, provided that appropriate administrative procedures are in place to record the authorisation and monitor decisions taken.

2.6 The exercise of delegated powers by officers is required to be in accordance with and subject to:

- a) Statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and statutory codes of practice;
- b) this Constitution, the Development Corporation Board's Rules of Procedure and Financial Regulations currently in force;
- c) the revenue and capital budgets of the Development Corporation, subject to any variation thereof which is permitted by the Corporation's Financial Regulations; and
- d) any policy or direction of the Development Corporation Board, the Audit & Risk Committee and any workstream established by the Board acting in exercise of the powers delegated to it by the Development Corporation.

2.7 Officers may **not** exercise delegated powers where:

- a) the matter is reserved to the Development Corporation Board, or the Mayor, and is to be exercisable only by them, by law or by this Constitution
- b) the matter is a function which cannot by law be discharged by an officer;
- c) the Development Corporation Board, or a committee, sub-committee or joint committee to which the Development Corporation is a party, has determined that the matter should be discharged otherwise than by an officer.

2.8 Where in relation to an item before the Development Corporation Board, Audit & Risk Committee and any workstream established by the Board, a Chief Officer is given specific authority to determine a particular matter, the officer should ensure that there is an appropriate audit trail to evidence such a determination.

2.9 Any reference in this Scheme of Delegation to any enactment shall include a reference to any amendment or re-enactment of the same.

3. General Delegations to all Chief Officers (unless otherwise stated)

GD1 The day to day routine management, supervision and control of services provided for the Development Corporation by staff under its control in accordance with the Rules of Procedure and Financial Regulations of the Development Corporation.

Contracts and Accounts

GD2 The disposal of surplus or obsolete equipment to the person submitting the highest quotation up to a limit of £10,000 in value.

GD3 The acceptance of the best value tender or quotation (**Group Chief Executive Officer and Group Group Director of Finance and Resources**):

GD4

GD5

- a) For the supply of goods, materials or services for which financial provision has been made in the Development Corporation's Budget and that do not exceed £1,000,000, and
- b) For building and civil engineering works for which financial provision has been made in the Development Corporation's Budget and that do not exceed £10,000,000

The invitation of quotations for contracts for the supply of goods, materials or services from at least three persons, subject to financial provision having been made in the Revenue or Capital Budget of the Development Corporation.

The invitation of quotations for contracts for the execution of works from at least three persons, subject to financial provision having been made in the Revenue or Capital Budget of the Development Corporation.

GD6 The provision of services or the purchase of materials or minor items of equipment for which provision has been made in the revenue estimates.

4. Delegations to the Group Chief Executive Officer

- CEO1 To discharge the functions of the Group Chief Executive Officer in relation to the Development Corporation.
- CEO2 To engage officers on behalf of the Development Corporation in order to coordinate and carry out its functions.
- CEO3 To discharge any function of the Development Corporation which has not been specifically delegated to another officer or reserved to the Development Corporation Board or Audit Committee whether by law or by this Constitution.
- CEO4 To take all action which is necessary or required in relation to the exercise of any of the Development Corporation's functions or the functions of the Mayor (other than those functions which by law can be exercised only by the Development Corporation or by the Mayor), having regard to the Development Corporation's or Mayor's approved plans, policies or strategies and the Development Corporation's budget, and all enabling legislation.

- CEO5 Take any action which is necessary or required as a matter of urgency in the interests of the Development Corporation, in consultation (where practicable) with the Chair of the Development Corporation Board, the Monitoring Officer and the Group Director of Finance & Resources and the Group Engineering & Programme Director.
- CEO6 Nominate, appoint and remove, in consultation with the Chair of the Development Corporation Board, Development Corporation representatives on the board of companies, trusts and other bodies, and to agree constitutional arrangements for such companies, trusts and other bodies, and give any necessary consent required within their relevant constitutions.
- CEO7 To authorise any named officer of the Development Corporation to exercise functions delegated to the Group Chief Executive Officer, the Group Director of Finance & Resources or the Monitoring Officer, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.
- CE08 Authentication of documents and the use of the corporate seal, following appropriate consultation with the Monitoring Officer and Chair of the Board

5. Delegations to the Group Director of Finance & Resources

- DoFR1 To effect the proper administration of the Development Corporation's financial affairs particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control generally.
- DoFR2 After consulting, so far as practicable with the Group Chief Executive Officer, the Engineering & Programme Director and the Monitoring Officer, to report to the Development Corporation Board if it appears to him/her that a decision has been made, or is about to be made which involves or would involve the Development Corporation incurring unlawful expenditure, or that a course of action has been taken or is about to be taken which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Corporation, or that an item of account is about to be made which is unlawful. Such a report will have the effect of prohibiting the proposal, decision or other action being implemented until the report has been considered.

- DoFR3 The taking of all action required on borrowing, investment and financing subject to the submission to the Development Corporation Board of an annual report of the Group Director of Finance & Resources on Treasury Management activities at six-monthly intervals in accordance with CIPFA's Code of Practice for Treasury Management and Prudential Codes.
- DoFR4 To effect all insurance cover required in connection with the business of the Development Corporation and to settle all claims under such insurances arranged for the Development Corporation's benefit.
- DoFR5 To discharge the functions of the Development Corporation under the Accounts and Audit (England) Regulations 2015 (with the exception of Regulations 6(2), 9(2) and 20(1)).
- DoFR6 To be the officer nominated, or to nominate in writing another officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made thereunder.
- DoFR7 To exercise the responsibilities assigned to the Group Director of Finance & Resources in the Development Corporation's financial arrangements and procedures and in its Procurement Policy.
- DoFR8 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Group Director of Finance & Resources, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

6. Delegations to the Monitoring Officer

- MO1 The Monitoring Officer is authorised to:
- a) institute, prosecute, defend, withdraw, conduct, settle or appeal any administrative action and/or any legal proceedings on behalf of the Development Corporation;
 - b) negotiate, issue, conclude and/or sign or execute any notice, document or agreement in any case where such action will facilitate, or be conducive or incidental to the carrying out of any decisions of the Development Corporation Board; or in any case where the Monitoring Officer considers that such action is necessary to protect the Development Corporation's interests, or to further or achieve the objectives of the Development

Corporation; and

- c) settle or otherwise compromise any such administrative action or legal proceedings if they have been commenced or there are reasonable grounds for believing such actions or proceedings may be contemplated.

MO2 Authentication of documents and the use of the corporate seal.

MO3 After consulting, so far as practicable, with the Group Chief Executive Officer, Group Director of Finance & Resources, the Monitoring Officer will report to the Development Corporation Board if he/she considers that any proposal, decision or omission has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or any maladministration or failure as determined following an investigation by the Local Government Ombudsman. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

MO4 To accept on behalf of the Development Corporation Board in-year changes to the membership of the Audit & Risk Committee and other workstreams established by the Board.

MO5 To make minor changes to the Constitution and its associated documents in order to reflect organisational or legislative change when the power remains unaltered.

MO6 To make any textual or grammatical corrections to the Constitution and its associated documents.

Supporting the Standards Regime

MO7 To receive and acknowledge complaints of failure to comply with the Members' Code of Conduct under the Development Corporation's adopted local standards arrangements.

MO8 To review complaints received in respect of any alleged breach by a Member of the Code of Conduct for Members and to act in accordance with the Development Corporation's adopted local arrangements.

MO9 The Monitoring Officer will, where considered appropriate, either conduct or arrange for investigations to be conducted into alleged breaches of the Members' Code of Conduct referred to him/her.

- M10 The Monitoring Officer will undertake informal resolution of such complaints in accordance with the Development Corporation's adopted local arrangements.
- M11 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Monitoring Officer, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

FINANCE AND POLICY COMMITTEE

13 February 2023



Report of: Director of Resources and Development

Subject: STATUTORY COUNCIL TAX CALCULATIONS

1. TYPE OF DECISION / APPLICABLE CATEGORY

Budget and Policy Framework.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to provide details of the final 2023/24 Local Government Finance settlement announcement and to advise Members of the arrangements to finalise the 2023/24 technical budget calculations to be referred to Council on 23rd February 2023.

3. BACKGROUND

- 3.1 In accordance with the Constitution the 2023/24 Budget and Council Tax, including the Adult Social Care precept, were approved by Council on 26th January 2023.
- 3.2 This report provides an update on the final 2023/24 Local Government Finance Settlement and also deals with the statutory arithmetic calculation of the overall level of Council Tax. This calculation incorporates Council Tax levels set by individual precepting bodies (i.e. Police, Fire and Parish Councils) in accordance with the specific Government Council Tax referendum limits.
- 3.3 The precepting bodies have set their own budgets and Council Tax requirements. The role of the Council as the 'billing authority' is to incorporate these figures into the overall Council Tax calculation and then collect these amounts.

4. 2023/24 FINAL LOCAL GOVERNMENT FINANCE SETTLEMENT AND IMPACT ON THE COUNCIL

- 4.1 The final Local Government Finance Settlement was issued on 6th February 2023 and basically confirms the provisional settlement issued just before

Christmas. The final Government funding allocated to Hartlepool is £45,000 higher than the provisional settlement. It is recommended this increase in funding is allocated to reduce the use of the Budget Support Fund from £1.516m to £1.471m.

5. LEGAL CONSIDERATIONS AND STATUTORY BUDGET CALCULATIONS

5.1 The following issues are relevant in relation to this report and were addressed in previous reports to Finance and Policy Committee (23.01.23) and Council (26.01.23):-

- the Local Government Finance Act 1992 requires local authorities to set a balanced budget; and
- the Local Government Act 2003 requires local authorities to consider the advice of their Section 151 Chief Finance Officer (the Director of Resources and Development) when making budget decisions. This advice must include details of the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. These requirements are detailed in section 8.

5.2 The Local Government Act 1992 and relevant regulations also require the Council to approve the statutory Council Tax calculation incorporating the Council Tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and parish councils. This issue will be addressed in a report to Council on 23rd February 2023.

5.3 Individual 'precepting bodies' are responsible for setting their own Council Tax levels in accordance with the specific Government Council Tax referendum principles applying and which meet their own budgetary requirements. The Government has set the following Council Tax referendum limits for 2023/24:

2023/24 Council Tax Referendum Limits set by the Government

Type of Authority	Government Council Tax Referendum Limits
Police and Crime Commissioners	Band D increase of up to £15.00.
Fire and Rescue Authorities	Band D increase of up to £5.00.
Town and Parish Councils	No referendum limits have been set and the Government intends to keep this matter under active review for future years.

5.4 The statutory Council Tax calculations are an administrative responsibility that the Council as the statutory 'billing authority' is required to undertake

once the Council has set its own Council Tax level (which was approved on 26th January 2023) and the individual precepting authorities have set their own Council Tax levels.

6. RECOMMENDATIONS

6.1 It recommended that Members:

- i) Note the final settlement provides an increase in Government funding of £45,000, and approve the use of this increase to reduce the approved use of the Budget Support Fund from £1.516m to £1.471m.
- ii) Note that the detailed 2023/24 statutory Council Tax calculations, incorporating the Council Tax levels set by individual precepting authorities will be referred to Council on 23rd February 2023.

7. REASON FOR RECOMMENDATIONS

To inform the Finance and Policy Committee of final 2023/24 Local Government Finance settlement, the limited impact this has on the MTFS and the arrangements for referring the 2023/24 technical Budget and Council Tax calculations to Council.

8. BACKGROUND PAPERS

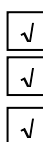
- Council - Medium Term Financial Strategy (MTFS) 2023/24 to 2024/26 – 26th January 2023.

9. CONTACT OFFICER

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

Sign Off:-

Managing Director
 Director of Resources and Development
 Chief Solicitor



FINANCE AND POLICY COMMITTEE

13th February 2023



Report of: Director of Resources and Development

Subject: COUNCIL TAX SUPPORT FUND

1. TYPE OF DECISION / APPLICABLE CATEGORY

- 1.1 Non Key – Article 11 (h): Expenditure which is inevitable as a result of the Government providing a Section 31 grant ('New Burden' Funding) to help fund the impact of specific legislative commitments where there is no in year cost, or future commitment for the General Fund.

2. PURPOSE OF REPORT

- 2.1 The report seeks to;
- Provide members with details of the Governments Council Tax Support Fund announced for 2023/24; and
 - Seek member approval for the Funds operation, given the likelihood of funding being available for a discretionary element.

3. BACKGROUND

- 3.1 As indicated in the January Medium Term Financial Strategy report, the Department of Levelling Up, Housing and Communities (DLUHC) issued guidance and provisional allocations for a Council Tax Support Fund to operate during 2023/24. This is £100m of one off funding to support the most vulnerable households in England. Hartlepool's provisional allocation is £348,937. Final allocations will be confirmed at the final Local Government Finance Settlement.
- 3.2 The guidance provided from government includes the following key aspects:
- The Government requires Councils to use most of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25.

- Councils can use their remaining allocation to determine their own local approaches to supporting economically vulnerable households with Council Tax bills.
 - The discount should apply to current LCTS claimants that have an outstanding council tax liability for the 2023/24 financial year. Where a taxpayer's liability for 2023/24 is less than £25, then their liability would be reduced to nil. Where a taxpayer's liability for 2023/24 is nil, no reduction to the Council tax bill will be available and those bills should not be credited.
 - There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support and automatically apply the discount.
 - Council tax reductions should be applied from the beginning of the 2023/24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March. It is for Councils to decide how to treat households that become eligible for LCTS during the financial year.
- 3.3 The Council will be expected to maintain a record of support provided in order to compile quarterly monitoring reports. DLUHC have confirmed that a new burdens assessment will be undertaken and reasonable additional costs associated with the implementation of the policy will be funded.

4. PROPOSALS

- 4.1 In order to ensure the administration is made as manageable as possible, and in order to avoid confusion for residents, it is proposed that the £25 mandatory value stipulated by government is increased locally to £30, and is applied to LCTS recipients on 1 April 2023 the annual billing process undertaken in March. In practice this will mean:
- Where a LCTS taxpayers bill is in excess of £30, a £30 discount will be provided;
 - Where a LCTS taxpayers bill is between £0 and £30, the discount will be equal to the value of the bill;
 - Where a LCTS taxpayer has a zero liability, no discount will be applied; and
 - Anyone claiming LCTS after the 1 April 2023 will not receive an award.
- 4.2 Eligible LCTS recipients will be notified via their annual Council Tax bill.
- 4.3 Based on the current recipients, 10,285 households in receipt of LCTS will benefit at a cost of £307,231 as set out in the table below. It should

be noted that the figures are based on current caseload and may vary at the point of annual billing:

	Households	Value
Initial Allocation	-	£348,937
Number of LCTS recipients	13,173	-
Number of LCTS recipients with no balance to pay	2,888	-
Number of LCTS recipients with balance to pay	10,285	-
Number of LCTS recipients – full £30 support	10,157	£304,710
Number of LCTS recipients – partial support	128	£2,521
Total projected value of awards	-	£307,231
Residual balance	-	£41,706

- 4.4 Setting the local support at £30 will mean that, on the assumption of the increase in Council Tax approved by the Council and the Fire/Police precepts being set at the referendum limits, this amount will offset the increase and provide net support to LCTS household as follows:

Property Band	2023/24 Council tax increase for households receiving full LCTS support	Net support to households after applying £30
A	£8.80	£21.20
B	£10.27	£19.73
C	£11.73	£18.27
D	£13.20	£16.80

- 4.5 Based on the above proposal a projected residual balance of £41,706 will remain available for supporting economically vulnerable households with Council Tax bills during the year. It is proposed that this is made available to supplement the Council's existing Local Welfare Support budget, as this will be the most effective way of supporting households. The Welfare Support team will administer through existing welfare support channels. In accordance with Government funding conditions the funding will only be available to support Council Tax (including arrears if applicable) for those identified as suffering hardship and will be restricted to those on or deemed eligible for LCTS. The team will ensure allocations are managed within available funding.
- 4.6 An alternative option would be to choose to leave the support at £25, the number of households receiving support will remain the same, with the value of awards projected to be £256,340. This option would leave £92,597 available to support households through the Welfare Support team.

5. RISK IMPLICATIONS

- 5.1 This risk of potential fraud and error will be mitigated by only awarding to eligible claimants at the 1 April 2023 and the discount being applied to Council Tax bills and not a physical payment. In addition the value of the award is such that financial risk is low.
- 5.2 There is a risk of overspend should additional awards be made over and above the limited funding allocation. This will be carefully managed and is mitigated by the reporting requirements in place.

6. FINANCIAL CONSIDERATIONS

- 6.1 The Council will receive match funding for the Council Tax Support Fund. It is likely that underspends will be returned to government. Any overspend is at the Councils cost.
- 6.2 The Council will receive New Burdens funding to support the administration of this scheme. At this stage the level of funding is uncertain though is not likely to be significant.

7. CHILD AND FAMILY CONSIDERATIONS

- 7.1 A full impact assessment of the Local Council Tax Support Scheme is undertaken as part of the annual consideration of the scheme. This fund will have a positive impact given it increases the support available.

8. OTHER CONSIDERATIONS

Legal Considerations	No relevant issues
Consultation	No relevant issues
Equality and Diversity	No relevant issues
Staff Considerations	No relevant issues
Asset Management considerations	No relevant issues
Environment, sustainability and climate change considerations	No relevant issues

9. RECOMMENDATIONS

- 9.1 It is recommended that Members approve the operation of the Council Tax Support Fund 2023/24 as set out in paragraphs 4.1 to 4.5, including increasing the support from the £25 minimum level to £30.

10. REASON FOR RECOMMENDATIONS

- 10.1 To enable the Council to use grant received and operate a scheme in compliance with government guidance.

11. BACKGROUND PAPERS

12.1 There are no background papers.

12. CONTACT OFFICER

James Magog
Assistant Director (Finance)
01429 523093
James.magog@hartlepool.gov.uk

Sign Off:-

Chief Executive



Director of Resources and Development



Chief Solicitor



FINANCE AND POLICY COMMITTEE

13th February 2023



Report of: Managing Director

Subject: PROCUREMENT SOCIAL VALUE STATEMENT OF INTENT

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key decision.

2. PURPOSE OF REPORT

- 2.1 To comply with the Council motion and ensure that Social Value principles are applied in a way that enables the Council to maximise economic, social and environmental benefits for Hartlepool and its citizens.

3. BACKGROUND

- 3.1 The Economic Growth & Regeneration Committee has considered detailed reports following the approval by Full Council of a Motion relating to social value. The motion included 3 elements, one of which has been referred to this Committee due to Procurement and the Contract Procedure rules being functions falling within the constitutional remit of Finance and Policy Committee:

- *Procurement procedures for the authority are reviewed and reformed to improve the social value of all tenders/quick quotes, including trebling the value weighting for social value to 30%, which is fixed.*

- 3.2 The Social Value Statement of Intent (Appendix A), is drafted to ensure that Social Value principles are applied in a way that enables the Council to maximise economic, social and environmental benefits for Hartlepool and its residents.
- 3.3 The Economic Growth & Regeneration Committee received the initial report and agreed that through the Statement of Intent the Council would drive social value to ensure it is at the forefront of minds when delivering services, leading by example.

3.4 The Council currently spends approximately £120 million per year with external suppliers in revenue and capital expenditure. With regards to the amount the Council spend with local companies, the last analysis completed was at the end of the financial year 2021/22. This had 3 categories:

- £40.1M (33.5%) - Hartlepool based spend
- £61.6M (51.5%) - Tees Valley spend
- £82.0M (68.5%) - North East Region (e.g. North Yorkshire to Northumberland)

3.5 The Statement of Intent would be imbedded within the Contract Procedure Rules and set out aspirations, which are aligned to the Hartlepool 'Council Plan.' A number of suggested key activities would be implemented which were set out in **Appendix A**.

3.6 Members of the Economic Growth & Regeneration Committee expressed their appreciation of the background work involved in preparation of the Statement of Intent which was considered to be 'far reaching' and within the 'spirit of the Motion'. The Managing Director responded to clarification sought from Committee members and agreed that the number of jobs that will be directly or indirectly created from the proposed capital investment project should include wording 'in Hartlepool' within those quantifiable terms. Also In the tender evaluation processes, Social Value of a minimum of 10% would be allocated to the overall score and it was suggested that increased weighting should be given to social value. The Managing Director highlighted that local businesses had been consulted and there was a balance to be achieved between value for money and cost considerations for local businesses. It was suggested that a minimum social value of 10% be applied for social value, the situation be monitored and a further report be submitted to this Committee in 6-8 months.

3.7 The Statement of Intent was referred to the Finance and Policy Committee for adoption within the Council's Contract Procedure Rules, subject to amendments detailed above.

4. FINANCIAL CONSIDERATIONS

4.1 The Council spends approximately £120m per year with external suppliers in revenue and capital expenditure. This makes social value very important to our commissioning practices. By recognising the social value in what suppliers can provide through all stages of the commissioning cycle, the council can maximise the benefits achieved by the money it spends.

5 LEGAL CONSIDERATIONS

5.1 The Public Services (Social Value) Act came into force on 31st January 2013 and places a duty on public bodies to consider social value before procuring goods and services. This means that public bodies must consider how what is being procured can help improve economic, social and environmental

well-being. In combination with the Localism Act 2011, it permits public bodies to focus on the Gross Value Added (GVA) locally. As well as local authorities, the Act applies to government departments, NHS Trusts, NHS Commissioners, fire and rescue services and housing associations.

- 5.2 The Act applies only to services contracts above the relevant EU threshold (£189,330). However this policy recommends we apply the principles of the Act to goods and works contracts as well, and to apply the principles and in many cases the practice, of the act to procurement of much lower contract values than the EU threshold.

6. STAFF CONSIDERATIONS

- 6.1 Corporate Procurement Group will be established to take forward the following:

- Share this statement with all staff – briefings with Managers to be undertaken
- Implement social value training for all Managers and those officers involved in procurement & commissioning (across the Council)
- Review a sample of current contracts to understand baseline of social value activity and whether this is being monitored/ evaluated properly
- Review how social value question is currently evaluated/ scored and make recommendations for any improvements
- Embed social value in contract monitoring

7. OTHER CONSIDERATIONS

- 7.1 Other considerations will be considered as part of the procurement of services.

CHILD AND FAMILY POVERTY	Not applicable
EQUALITY AND DIVERSITY	Not applicable
ASSET MANAGEMENT	Not applicable
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE	Not applicable

8. RECOMMENDATIONS

- 8.1 Members approve the Statement of Intent and refer it to the Constitution Committee to be incorporated in to the Councils Contract Procedure Rules within the Constitution.

9. REASONS FOR RECOMMENDATIONS

- 9.1 In response to Council motion referred to in section 3.1 above

10. BACKGROUND PAPERS

NEPO Member authority visit report 2021/2022
Economic Growth & Regeneration report – Procurement Social Value
Statement of Intent January 2023
Council Minutes – 16.12.21

11. CONTACT OFFICERS

Denise McGuckin
Managing Director

Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor



STATEMENT OF INTENT

Hartlepool Borough Council aspires for Hartlepool to be a place:

- 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
- That is sustainable, clean, safe and green
- That has an inclusive and growing economy
- With a Council that is ambitious, fit for purpose and reflects the diversity of its community

Our social value aims and objectives support the achievement of our Council plans:

- Reducing poverty and inequality
- Enhancing community economic and social wellbeing
- Increasing the town's resilience and environmental sustainability

The Council is committed to making Hartlepool a better place to live and improve lives, this statement aims to utilise social value within our contracts for the best of residents in Hartlepool.

SOCIAL VALUE GUIDING PRINCIPLES

The Public Services (Social Value) Act (the Act) helps to enable businesses of all sizes, from all sectors, to participate in procurement exercises. The core requirement of the Act is that the Council needs to consider social value in its commissioning and procurement activity. In doing so, it is vital that in seeking social value outcomes the Council will:

- Be clear on what social value is whilst allowing officers to retain flexibility in deciding which outcomes should be included in procurements to ensure relevance and proportionality.
- Apply meaningful weightings for social value in applicable tenders to ensure that it can be a differentiating factor when evaluating bids
- Promote business opportunities as widely as is viable, to allow all types of providers, including social enterprises, voluntary organisations, SMEs, and microbusinesses (collectively termed “smaller providers”), to access the information they need to be able to tender in a timely way.
- Hold “pre-tender” awareness events wherever possible.
- Work to ensure smaller providers are not disadvantaged by the Council's commissioning and procurement processes, whilst at the same time not over-burdening small businesses with bureaucracy resulting in them not tendering for HBC contracts.
- Look at a variety of contract models which offer opportunities to smaller providers, such as through lotting strategies which split tenders into

smaller contracts. It is vital that there is a balance between minimising costs and acknowledging the importance of social value.

Examples of social value activities that may be included within tender submissions

Economic responses might include:

- Creating Hartlepool jobs for local people
- Progressing towards paying a living wage
- Supporting young people into apprenticeships or internships for vulnerable adults
- Using local suppliers and supporting a local supply chain
- Investing in local SME businesses
- Providing training or apprenticeship schemes
- Promoting opportunities to work with local voluntary and community organisations

Social responses might include:

- Improving the health and wellbeing of local residents and employees
- Helping local charities and community groups
- Championing ethical supply e.g. Fair Trade
- Promoting social integration and community engagement e.g. involving local residents
- Promoting local culture and heritage
- Creating volunteering opportunities
- Promoting safeguarding and the welfare of children, young people and vulnerable adults

Environmental responses might include:

- Reducing energy and fuel consumption in the provision of the contract
- Minimising waste through re-use and recycling
- Using environmentally friendly goods to minimise pollution
- Saving energy e.g. using energy efficient lighting and equipment
- Promoting initiatives which retain, protect or enhance the local natural environment
- Incorporating sustainability considerations into your supply chain

FINANCE AND POLICY COMMITTEE

13th February 2023



Report of: Director of Resources and Development

Subject: STRATEGIC FINANCIAL MANAGEMENT REPORT -
AS AT 31st December 2022

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For information.

2. PURPOSE OF REPORT

2.1 The purpose of this report is to inform Members of:

- i) 2022/23 Forecast General Fund Outturn;
- ii) Corporate Income Collection Performance; and
- iii) 2022/23 Capital Programme Monitoring.

3. BACKGROUND AND FINANCIAL OUTLOOK

- 3.1 The second quarter position report highlighted the inflationary pressures that are impacting on the Council's budget. These pressures continue to exert a large degree of uncertainty on both the revenue and capital budgets. The MTFS sets out the on-going position.
- 3.2 The latest CPI inflation figure for December 2022 was a year on year 10.5% increase. This reflects two months of reductions since the peak of 11.1% recorded in October. The Bank of England is responding to these inflationary pressures by increasing the bank base rate. It was increased by 0.5 percentage points on 15 December, the ninth recorded rise since December 2021. The current base rate is 3.5%. A rise to 4.25% - 4.5% is anticipated by financial analysts during 2023.
- 3.3 The Chancellor's Autumn Statement on 17th November succeeded in restoring the Government's fiscal credibility in the eyes of the financial markets without deepening the recession. The package included net spending increases in 2023/24 and 2024/25, and fiscal tightening after 2024/25. The largest fiscal support was the extension of the Energy Price Guarantee for another twelve

months, until April 2024, although at a higher price cap of £3,000 from April 2023 rather than £2,500.

- 3.4 The Bank of England anticipate that inflation will fall sharply from the middle of 2023, helped by the government's energy price guarantee, as well as lower prices for imported products and less demand for goods and services. However, the confederation of British industry still forecast inflation to average 6.7% over the year, with significant risk dependent on how global price pressures evolve.
- 3.5 Against this backdrop a significant degree of uncertainty remains and some of the inflationary costs will flow through later in the financial year or indeed into 2023/24. In addition to the pressure on our direct costs, the wider economic impact of inflation is likely to lead to an increased demand on our services as well as a likely detrimental impact on our fees and charges income and Council Tax and Business Rate collection.
- 3.6 Officers continue to seek to mitigate the impact as far as possible. As greater certainty of the inflationary impact and our mitigation action becomes clearer this will be fed into the forecast outturn position detailed below.

Energy

- 3.7 Wholesale energy prices have shown some significant declines due to above average temperatures across Europe. This has allowed injections into storage, where ordinarily there would be withdrawals at this time of year. However, prices remain three to four times higher than their long term average. The Department for Business, Energy and Industrial Strategy (BEIS) have revised their relief scheme as at 1 April 2023 with a price threshold above that which, through NEPO, we have achieved for our forward purchases of gas and electricity. As such we are not currently eligible to receive any discount in 2023/24.
- 3.8 As part of the MTFS, the Council established an energy cost reserve at year end as part of a twofold strategy for increasing the revenue budget for anticipated long term prices and use of this reserve for the shorter term spike. This foresight has protected the Council in the current year. The impact of the recent announcements on the reserve and future budgets is addressed within the MTFS position.

Covid-19 Pandemic

- 3.9 Work is on-going to sign off all Covid-19 related grant schemes, including the business support grants due to be fully signed off by 31 March 2023. No issues are envisaged. At this stage in the financial year Covid-19 is not having a material impact on the budget, despite the increase in cases during December. With regard to fees and charges there is a degree of hesitancy still for some of these services, which is having a budgetary impact in certain areas. The position will be kept under review.

Government Support

- 3.10 With the exception of the Energy Bill Relief Scheme and the reversal of the National Insurance increase, the government has indicated that there will be no additional funding to support Local Authorities during 2022/2023 to mitigate the inflationary increases being incurred. The Council, through the likes of the Association of North East Councils (ANEC) continues to make the case for such support.

4. 2022/23 FORECAST GENERAL FUND OUTTURN

- 4.1 The current forecast outturn position is summarised below and shows a forecast total overspend of £3.064m. As previously reported, the use of specific earmarked reserves of £1.680m reduces this overspend to £1.384m. This will have to be funded from the Budget Support Fund, which will reduce one off resources available to support future budgets and reduce financial resilience.
- 4.2 The Departmental Budget Overspend has increased from £1.309m at Quarter 2 to £3.324m at Quarter 3. This position reflects the 2022/23 pay award which was agreed in November 2022. The Quarter 2 report showed the costs of the pay award as a single line, these are now included within the departmental budget outturn position for each department. The forecast position is detailed on Appendices A to D, with a summary position set out below:-

Q2 Forecast Outturn - Overspend/ (Underspend)		Q3 Forecast Outturn - Overspend/ (Underspend)
£'000		£'000
	Departmental Budgets	
(610)	Adult & Community Based Services	(165)
1,144	Children's & Joint Commissioning	1,887
675	Neighbourhoods & Regulatory Services	977
35	Resources & Development	306
65	Corporate (including Energy Budgets)	319
1,309	Total Departmental Forecast Budget Overspend	3,324
(260)	NI Saving	(260)
2,000	Cost of National Pay Award (included within departmental outturns for Q3)	0
3,049	Total Overspend	3,064
(680)	Use of Income Reserve	(680)
(1,000)	Use of Inflation Reserve	(1,000)
1,369	Outstanding Gap	1,384

Adult and Community Based Services

- 4.3 The forecast outturn reflects some of the approved 2023/24 savings being achieved in the current financial year, one-off DHSC grant funding, current packages of adult social care costs and current income projections for community based facilities. These are one off benefits in the current year.

Children and Joint Commissioning Services

- 4.4 The forecast outturn mainly relates to an increase in the number of children in our care requiring external residential placements, reflecting the increasing complexity of their needs and the significant fees being charged by the external care market. A budget pressure of £1m for this area has been included within the 2023/24 budget as part of the approved MTFS. However, this area continues to be a risk for all councils owing to external factors and the budget position will continue to be monitored closely during 2023/24.

The forecast outturn reflects a specific high cost placement of a child in our care which the Council will jointly fund with health until July 2025 when the child turns 18. As previously reported, the net cost of this placement will be funded from the £1m Children In Our Care Reserve.

Neighbourhoods and Regulatory Services

- 4.5 The current forecast outturn for the department is an overspend of £0.977m. This is predominantly as a result of a number of factors including inflationary pressures on goods, materials and fuel and shortfalls in fee income. There is also a £0.300m adverse variance in the passenger transport service. This reflects a number of issues including an increase in demand led SEND referrals, which require out of town transport and inflationary pressures in relation to fuel and cost of external provision. However, adverse variances are partly offset by forecast one-off savings in relation to Sustainable Transport, increased planning income as a result of two large planning applications and an anticipated over achievement of the salary abatement target from vacant posts.

Resources and Development (inc Legal)

- 4.6 The forecast outturn is an overspend of £0.306m. This is predominantly owing to a reduction in income partly offset with favourable variances from staffing vacancies and staff not being at the top of their grade.

Corporate

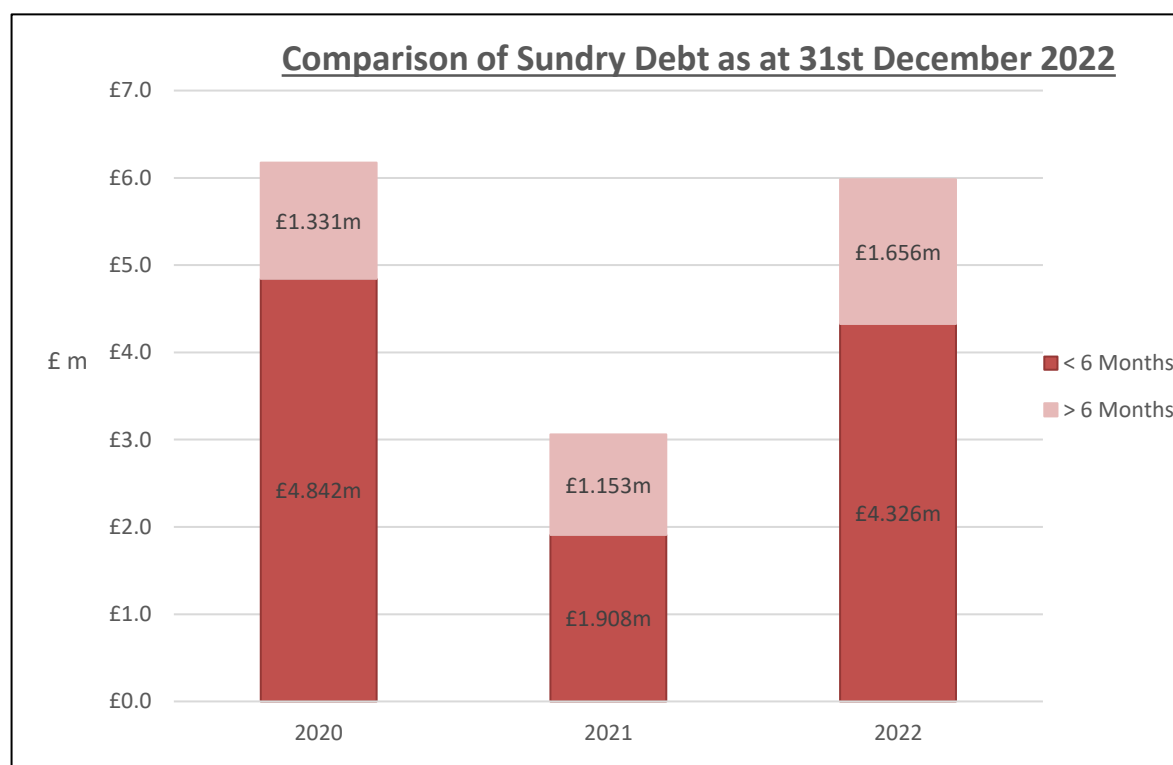
- 4.7 The corporate budget is showing an overspend of £0.319m. This reflects the projected inflationary pressures on key contracts.

5. SUNDRY DEBTS

- 5.1 The Council also collects significant Sundry Debts income for the payment of services provided by the Council. In total £26.75m sundry debts were raised in

the first nine months of 2022/23. As at 31st December 2022, £23.9m (89%) of this amount had been collected.

- 5.2 Robust procedures for collecting the remaining outstanding debt are in place. The following graph shows the comparable positions at 31st December for the last three years for long term debt and current debt which has been outstanding for less than six months.



- 5.3 Debtors totalled £5.982m as at 31st December 2022, of which £4.326m (72%) relates to current debts (less than 6 months old).
- 5.4 Included within current debts is debt where the customer has been invoiced for the whole of 2022/23 but payment is to be received in instalments throughout the year.
- 5.5 Debts greater than 6 months old total £1.656m. 96.08% (£1.591m) of this amount is under recovery action or has a payment plan in place and 3.92% (£0.065m) is now considered unrecoverable.

6. COLLECTION FUND

Business Rates

- 6.1 The government has continued to support businesses into 2022/23 in response to the Covid-19 pandemic with extended Retail, Hospitality and Leisure reliefs in place for the year. This relief results in a significant reduction in collectable business rates, but with full compensation by Government via a Section 31 grant. This support will continue into 2023/24.

- 6.2 At the 31st December 2022 the Council had collected 80.19% of the 2022/23 liability. This represents a good comparable position at this stage of the year, however, direct comparisons are difficult owing to the variable reliefs in place since the start of the pandemic.
- 6.3 The position continues to be closely monitored for signs of financial stress in the business sector with early signs that some businesses within the hospitality sector are experiencing difficulty with payments. Where difficulties arise, the team work with the business to tailor payments accordingly, whilst seeking to ensure full recovery of liability.

Council Tax

- 6.4 Whilst collection figures for Council Tax are showing recovery from the pandemic particularly with regard to arrears collection, in year performance has been impacted by the £150 Energy Rebate scheme. In addition to the significant staffing resource impact, reminder and enforcement activity were suspended until August in order to prioritise distribution of the rebate.
- 6.5 As at the 31st December 2022 the Council had collected 76.86% of the 2022/23 liability, compared to 76.67% for the previous year. In addition over £2m of arrears had been collected to the end of December reflecting the on-going catch up from Covid-19 and the suspension of new enforcement activity at the height of the pandemic.
- 6.6 As Cost of Living issues continue, there will likely be an increase in the number of households eligible for LCTS. This will be closely monitored against the Tax Base assumptions. As at the end of December 2022 the caseload continued to remain steady at 13,177 of which 8,638 were working age.
- 6.7 As with Business Rates, the position is being closely monitored.

7. 2022/23 CAPITAL PROGRAMME MONITORING

- 7.1 Individual schemes are detailed on Appendices E to J and in summary shows capital expenditure to 31st December 2022 of £10.587m, compared to a 2022/23 budget of £44.210m, £25.107m has been rephased to 2023/24 leaving £8.516m to be spent during the remainder of 2022/23. The rephased amount reflects the expected profile of expenditure to be incurred and resources will be rephased accordingly. The main items included within this are:
- Major Regeneration Scheme expenditure is now expected in the new financial year.
 - Adult & Community Based Services rephased expenditure mainly relates to schemes where either detailed proposals are still being finalised (eg. Carlton and Allotments) or where the schemes have 'slipped' and will not be completed by March 2023 (eg. Stranton Crematorium).

- Children's and Joint Commissioning Services rephased expenditure mainly relates to the building of the new START Drugs Rehabilitation Centre which is awaiting planning approval.
- Neighbourhoods and Regulatory Services mainly relates to vehicle purchases rephased by £6.306m as a result of both planned and unplanned factors. The planned deferral of some vehicles replacements is optimised to maximise the useful life of existing vehicles. The unplanned rephasing of some new vehicles is the result of supply chain issues post pandemic.

Section 106 Developers Contributions

- 7.2 The level of contributions for housing and non - housing service areas as at 31st December 2022 is included in Appendix K.

Capital Receipts Target

- 7.3 The Council previously set a capital receipt target to provide funding to offset the removal of HMR (Housing Market Renewal) funding in 2011. Owing to the challenging economic conditions over the last few years these capital receipts have taken significantly longer to achieve than initially anticipated. As at 31 March 2022 the remaining target was £0.524m.
- 7.4 Officers are progressing a number of land sales expected to be completed in the current financial year, however the remaining target will not be fully achieved until the completion of the sale of land at Hart, currently expected to be achieved early in 2023/24. This will mean capital receipts will exceed the previously set target by £0.790m. This amount will be held in the earmarked Capital Funding Reserve as a capital contingency until contracts are awarded for the major approved capital projects, and the position on external funding is clearer.

8. CONCLUSION

- 8.1 The forecasts in this report are based on the position for the first nine months of this financial year. Given the inflationary environment and associated uncertainty, the current outturn position needs to be treated with a degree of caution. There is a risk the in-year overspend may increase. The position is being closely monitored.
- 8.2 All efforts are being made to mitigate the position. However, an overspend is forecast at year end and will require funding from the Budget Support Fund. This underlines the impact of inflation and the national pay award for 2022/23.

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 Members note the report.

12. REASONS FOR RECOMMENDATIONS

- 12.1 To keep Finance and Policy Committee updated on the Council's 2022/23 financial position.

13. BACKGROUND PAPERS

None.

14. CONTACT OFFICER

Chris Little
 Director of Resources and Development
 Email: chris.little@hartlepool.gov.uk
 Contact: 01429 523002

Sign Off:-

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

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2022/23 as at 31 December 2022

Approved 2022/23 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
(16)	Benefits	(2)	Favourable variance owing to vacant posts and reduced working hours.
(1,006)	Central Administration Recharges	0	
139	Communications and Marketing	83	The adverse variance is owing to a reduction in income generation.
1,023	Corporate Finance	(120)	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, and the 2022/23 pay award.
590	Corporate Strategy & Public Consultation	(58)	Favourable variance owing to vacant posts and reduced working hours, partly offset by the 2022/23 pay award.
(143)	Council Tax & Housing Benefits Subsidy	200	The grant generates £24m in subsidy, but the grant is reducing along with the current transfer rate of claimants across to Universal Credit. The anticipated variance is based on the Mid Year Review, submitted to DWP.
983	Customer and Support Services	0	
325	Economic Regeneration	(25)	Favourable variance is in relation to business grants.
243	Internal Audit	20	The adverse variance is owing to additional supplies and services costs.
68	Procurement	(55)	Favourable variance owing to a vacant post, partly offset by the 2022/23 pay award.
(138)	Registration Services	20	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.
(87)	Reprographics	30	The adverse variance is owing to a reduction in income generation and the 2022/23 pay award.
1,062	Revenues	(2)	Favourable variance owing to vacant posts and reduced working hours, partly offset by the 2022/23 pay award.
(669)	Revenue & Benefits Central	50	This adverse variance relates to Court Costs collection.
548	Shared Services	(10)	The favourable variance is owing to vacant posts, and some posts not being at the top of the grade, partly offset by the 2022/23 pay award.
(98)	Strategic Asset Management	100	Mainly relates to adverse variance for fee income owing to timing of capital receipts and reduction in leasing income, owing to lets not being renewed.
148	Strategic Development and Sustainability	0	
(17)	Strategic Management and Admin	30	Salary abatement is lower than the target budget.
391	Corporate Management Running Expenses	(54)	The favourable variance is owing to vacant posts and savings on the Corporate Subscriptions budget.
3,346	Resources & Development	207	
41	Civic Attendants	7	The adverse variance is owing to a reduction in income generation.
163	Democratic	0	
393	Human Resources	69	The adverse variance is owing to a reduction in income generation.
564	Legal Services	20	The adverse variance is owing to a reduction in income generation.
165	Municipal Elections and Registration of Electors	3	The adverse variance is owing to additional by-elections.
(4)	Other Office Services	30	The adverse variance is owing to a reduction in income generated from Local Land Searches.
97	Scrutiny	(10)	Favourable variance owing to a part year vacant post.
131	Support to Members	(20)	The favourable variance is owing to a reduction in supplies and services costs.
4	Training & Equality	0	
1,554	Legal	99	
4,900	Resources & Development and Legal Total	306	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2022/23 as at 31 December 2022

Approved 2022/23 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
134	Access to Education	(6)	Favourable variance linked to SLA income from schools.
172	Central Support Services	0	
21,164	Children and Families	2,290	The forecast outturn mainly relates to an increase in the number of children in our care requiring residential placements, reflecting the increasing complexity of their needs and the significant fees being charged by the external care market (23/24 pressure included in MTFS). Other reasons include increases in the overall number of children in our care, Special Guardianship and Child Arrangement Orders and the 2022/23 Pay Award. As previously reported, the forecast outturn also includes a specific high cost placement of a child in our care which the Council will jointly fund with health until July 2025 when the child turns 18. In the current year this will be funded from the Children In Our Care Reserve.
1,427	Early Intervention	30	Mainly relates to the 2022/23 pay award.
487	Other School Related Expenditure	(20)	Savings on premature retirement costs.
2	Play & Care	35	Historic income pressures.
355	Raising Educational Achievement	(11)	Additional one off grant received and staff vacancies.
325	Special Needs Services	49	The adverse pressure is linked to school buybacks.
296	Standards, Engagement & Development	(25)	Favourable variance mainly relates to increased training/work placement income.
1,245	Strategic Commissioning	(405)	Mainly relates to the receipt of grant funding not expected at the start of the financial year.
417	Strategic Management	0	
287	Youth Justice Service	0	An underspend of £50k is forecast resulting from increased Youth Justice Board grant and partner income; this balance will be transferred at year end to the Youth Justice Service Partnership reserve.
324	Youth Service	(50)	Favourable variance owing to staff vacancies.
26,635	Children's and Joint Commissioning Services	1,887	
Public Health Grant			
4,000	Children's Services	(5)	
2,501	Substance Misuse Services	(200)	Underspend relates to staff vacancies which have now been filled, premises costs and external rehabilitation placements.
1,483	General Public Health Support Services	(30)	Underspend relates to staff vacancies which have now been filled.
693	Sexual Health Services	(60)	Underspend relates to savings following the retender of the Tees-wide contract.
302	Physical Activity	0	
170	Mental Health	0	
112	Health Checks	0	
100	Obesity	0	
(9,361)	Public Health Grant	0	
0	Contribution to Ring-Fenced Public Health Reserve	295	Any over or under-spend is funded from, or contributes to, the ring-fenced Public Health grant reserve.
0	Public Health Grant	0	
26,635	Children's and Joint Commissioning Services Total (inc Public Health Grant)	1,887	

CHILDREN'S & JOINT COMMISSIONING SERVICES

MEMO:-	Dedicated Schools Grant	Actual Adverse/ (Favourable)	Director's Explanation of Variance
	Early Years Block	(23)	Reduced spend against the Disability Access Fund and contingency funding for 3 to 4 year old provision unlikely to be required.
	High Needs Block	438	The financial pressure is largely linked to the cost and volume of independent school places for pupils with complex SEND needs.
	Schools Block	0	Spend is expected to align with budget.
0	TOTAL Dedicated Schools Grant	415	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2022/23 as at 31 December 2022

Approved 2022/23 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
51	Adult Education	(50)	The underspend relates to the secondment of Hartlepool Working Solutions staff to grant funded schemes.
20	Archaeology	20	
3	Carers & Assistive Technology	0	
(195)	Coast, Countryside & Heritage	180	The overspend mainly relates to a combination of increased maintenance and energy costs and lower than budgeted income within the Cemeteries and Crematorium service area.
2,371	Commissioning - Adults	(325)	Mainly relates to the receipt of 'one-off' grant funding from the Department for Health and Social Care, the Integrated Care Board and the Hospital Trust.
1,231	Community Hubs	185	The overspend mainly relates to reduced income from room hire across all sites, including the CECA.
718	Cultural Services	200	Mainly relates to historic Income pressures across the Town Hall and Borough Hall venues.
182	Departmental Running Costs	15	
551	Direct Care & Support Team	35	Mainly relates to the 2022/23 Pay Award.
0	Employment & Skills	0	
76	General Allotments	0	
582	LD & Transition Social Work	40	
2,061	Locality & Safeguarding Team	40	Mainly relates to the 2022/23 Pay Award.
1,054	Mental Health Services	10	
1,353	OT & Disability Equipment	(55)	Expenditure with the Tees Community Equipment Service is starting to increase back towards pre-COVID levels.
1,651	Packages of Care - Mental Health	(155)	
11,792	Packages of Care - Older People	(125)	Packages of Care forecast outturns are based on current projections; The winter period / Q4 may impact on these projections. Further work is being undertaken to review potential pressures against the working age adults budget linked to a high number of young people due to transition from Children's Services to Adult Services in the coming year.
10,238	Packages of Care - Working Age Adults	(375)	
560	Sports, Leisure & Recreation Facilities	225	Income pressures across Leisure Centres and other services including historic income pressures combined with the impact of the 2022/23 pay award.
1,201	Working Age Adult Day Services	(30)	Mainly relates to reduced transport and supplies and services costs.
35,500	Adult & Community Based Services Total	(165)	

NEIGHBOURHOODS & REGULATORY SERVICES

Appendix D

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2022/23 as at 31 December 2022

Approved 2022/23 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
(208)	Building Team Design	115	The forecast adverse variance relates to a shortfall in fees and the impact of the pay award. However this position is improving in comparison to prior years.
(903)	Car Parking & Enforcement	0	Seaton car parks have seen an increase in income resulting in a forecast favourable variance of £60k. This balance will be transferred at year end to a reserve to manage future pressures in car parking anticipated as a result of the removal of TVCA funded free car parking in February 2023.
966	Community Safety & Engagement	0	There is a forecast favourable variance of £145k, mainly owing to reduced operating expenditure as a result of vacant posts in this area. In addition there has been a freeze on non-essential expenditure in order to offset inflationary pressures within the department. This balance will be transferred at year end to a reserve to manage future pressures in car parking anticipated as a result of the removal of TVCA funded free car parking in February 2023.
(50)	Construction Team	250	Adverse variance is predominantly as a result of inflationary pressures, staff vacancies and the pay award adversely impacting overhead recovery.
325	Engineering Services (incl Coastal Protection and Contaminated Land)	0	
1,093	Facilities Management	425	Reflects inflationary pressures in relation to food costs, lower uptake of meals compared to pre-covid activity and the impact of the pay award. Includes mitigation from 10p price rise per meal from September.
2,868	Environmental Services	0	
143	Health & Safety	22	Adverse variance is owing to a reduction in income generation.
2,399	Highways	405	Adverse variance is predominantly as a result of inflationary pressures and a back log of works is currently being undertaken to meet relevant standards.
1,619	Passenger Transport	300	The adverse variance reflects a number of issues including an increase in SEND referrals, which require out of town transport, inflationary pressures in relation to fuel and the cost of external provision which typically has increased by 10%. There is currently a national shortage of qualified drivers owing to new licence requirements, which has meant external operators are having to pay more to attract and retain staff. There are also cost pressures as a result of supply chain delays for new vehicles and shortage of adapted vehicles available to purchase.
905	Public Protection	40	The anticipated shortfall relates to License Fee income owing to a reduction in demand as a consequence of the Covid 19 pandemic and additional legal costs in relation to ongoing prosecutions. A corporate reserve was established in 2021/22 in response to income risks.
138	Road Safety	0	
938	Street Lighting	125	The forecast adverse variance predominantly reflects pressures in relation to maintenance, however work is ongoing to mitigate this.
2,413	Sustainable Transport	(800)	Favourable variance relates to favourable negotiations with operators.
(83)	Vehicle Fleet	240	Supply chain issues have caused delays for vehicle procurement, although this has resulted in lower borrowing costs this has been offset by higher levels of repairs expenditure due to an ageing fleet and high levels of inflation for vehicle parts resulting a forecast adverse variance. The increased need for vehicle repairs has also increased the need for hired in vehicles to keep services operating further exacerbating the forecast outturn position.
5,400	Waste & Environmental Services	200	The forecast adverse variance reflects additional costs as a result of the shutdown of Energy from Waste Facility and a reduction in the forecast income from recycling.
269	Planning & Development	(190)	The favourable variance is largely a result of the fees paid in relation to two large planning applications.
415	Strategic Management & Admin	(155)	Reflects forecast favourable variance in relation to salary abatement as a result of vacant posts.
18,647	Neighbourhoods & Regulatory Services Total	977	

MAJOR REGENERATION SCHEMES

APPENDIX E

CAPITAL MONITORING REPORT PERIOD ENDING 31 December 2022

Project Code	Scheme Title	A Full Budget £'000	B 2022/23 Budget £'000	C 2022/23 Actual as at 31/12/22 £'000	D 2022/23 Expenditure Remaining £'000	E Expenditure Rephased into 2023/24 £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2022/23 COMMENTS
8958	A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project	18,506	210	28	182	0	210	0	MIX	
7550	CIP - Waterfront Leisure Centre (Highlight)	21,394	233	19	214	0	233	0	MIX	
NEW	CIP - Waterfront Public Realm	2,000	0	0	0	0	0	0	GRANT	
7551	CIP - Waterfront Infrastructure	2,256	168	158	10	0	168	0	MIX	
9101	CIP - Borough Hall Improvement	3,000	200	7	193	0	200	0	MIX	
9159	CIP - Wingfield Castle works	4,000	234	28	206	0	234	0	MIX	
9161	CIP - NMRN & Museum of Hartlepool	8,500	3,650	3,650	0	0	3,650	0	MIX	
7536	CIP - SEMH Free School Access Road	850	472	7	465	0	472	0	MIX	
9130	CIP - Business Park Investment	760	751	3	748	0	751	0	MIX	
TBC	CIP - Waterfront Public Art	780	0	0	0	0	0	0	MIX	
TBC	CIP - Mill House Demolition	500	0	0	0	0	0	0	MIX	
TBC	CIP - Business Loans Fund	500	0	0	0	0	0	0	MIX	
TBC	CIP - Shades	4,259	0	0	0	0	0	0	MIX	
TBC	CIP - Bowling Club Refurbishment	600	0	0	0	0	0	0	MIX	
TBC	CIP - Brierton Sports Complex	700	0	0	0	0	0	0	MIX	
TBC	CIP - Headland Sports Hall	200	0	0	0	0	0	0	MIX	
TBC	CIP - NIP Phase	1,000	0	0	0	0	0	0	MIX	
9165	Towns Fund - Middleton Grange	13,860	3,917	0	0	3,917	3,917	0	GRANT	
9231	Towns Fund - Waterfront Connectivity	6,200	1,248	0	0	1,248	1,248	0	GRANT	
7715	Towns Fund - Wesley Chapel	1,400	1,020	0	0	1,020	1,020	0	GRANT	
9234	Towns Fund - Health and Social Care Academy	1,250	1,235	0	0	1,235	1,235	0	GRANT	
9235	Towns Fund - Civil Academy	2,250	1,703	0	0	1,703	1,703	0	GRANT	
Major Regeneration Schemes		94,765	15,041	3,900	2,018	9,123	15,041	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

These schemes have not yet begun and are awaiting a mandate to commence the scheme.

These schemes have now received final business case approval from the DLUHC.

CAPITAL MONITORING REPORT PERIOD ENDING 31 December 2022

Project Code	Scheme Title	A Full Budget £'000	B 2022/23 Budget £'000	C 2022/23 Actual as at 31/12/22 £'000	D 2022/23 Expenditure Remaining £'000	E Expenditure Rephased into 2023/24 £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2022/23 COMMENTS
Adult & Community Based Services										
7212	Capital Grants to Care Homes	149	149	17	0	132	149	0	UCPB	Budget to be rephased for future use.
7234	Chronically Sick and Disabled Persons Adaptations	127	127	8	10	109	127	0	MIX	Budget to be rephased for future use.
7218	Disabled Facilities Grant	1,663	1,663	834	829	0	1,663	0	GRANT	
7232	Museums Acquisitions	1	1	0	1	0	1	0	MIX	
7348	Art Gallery	10	10	0	10	0	10	0	GRANT	Grant funding from 'Tees Valley Museums' - project to be completed by March 2023.
7483	Reinstate 3G Pitch	188	108	1	7	100	108	0	MIX	
7522	Stranton Cemetery Flood Alleviation	600	240	98	142	0	240	0	UDPB	
7543	Waverley Allotments (Terrace Car Park)	21	12	0	12	0	12	0	RCCO	Scheme complete.
7576	Seascapes - Seaton High & Lowlight	128	128	10	118	0	128	0	GRANT	Expect to complete in 2022/23.
7711	Carlton Adventure Centre	400	400	0	0	400	400	0	MIX	Details of scheme still to be finalised.
7785	Burn Valley Garden Play Area 2022	29	28	23	5	0	28	0	GRANT	
7811	Summerhill Cycle Hub	514	166	134	32	0	166	0	MIX	
7831	Community Hub South - Internal Alterations	88	11	0	11	0	11	0	MIX	
7990	Boer War Statue - Ward Jackson Park	25	19	19	0	0	19	0	RCCO	
8103	Swimming Scheme	35	35	0	0	35	35	0	RCCO	
8108	Centre for Independent Living	146	146	0	0	146	146	0	RCCO	
8393	Stranton Cemetery Cremators	255	255	230	25	0	255	0	MIX	Scheme will complete in 2022/23.
9212	Relocate Cemetery Office	90	90	8	82	0	90	0	CAP REC	
8408	Mill House - Equipment Purchase	3	3	0	0	3	3	0	RCCO	
8409	Sport & Youth Improvements	12	12	0	0	12	12	0	MIX	
8088	Community Hub South - Kitchen Replacement	41	41	4	37	0	41	0	RCCO	Proposed work - waiting cost estimates.
8088	Community Hub Central - Ground Floor Internal Alterations	35	35	0	35	0	35	0	RCCO	Works underway.
9213	Community Hub Central - Classroom	37	37	0	37	0	37	0	RCCO	Works underway.
8534	Church Street Townscape Heritage	231	231	21	60	150	231	0	GRANT	Grant conditions extended to 2023/24.
8634	Playing Pitches - Football Foundation	5	5	0	0	5	5	0	CAP REC	
8689	Brierton Sports Fields	1	1	0	0	1	1	0	MIX	
8896	Brierton Tennis Courts	30	30	0	0	30	30	0	CAP REC	
Allot	Other Allotment Schemes	243	236	2	0	234	236	0	UDPB	
CR	Crematorium refurbishment	494	487	2	95	390	487	0	MIX	
Total Adult & Community Based Services		5,601	4,706	1,411	1,548	1,747	4,706	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 MONITORING REPORT PERIOD ENDING 31 December 2022

Project Code	Scheme Title	A Full Budget £'000	B 2022/23 Budget £'000	C 2022/23 Actual as at 31/12/22 £'000	D 2022/23 Expenditure Remaining £'000	E Expenditure Rephased into 2023/24 £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2022/23 COMMENTS
Children's and Joint Commissioning Services										
7384	Devolved Schools Capital	247	247	46	201	0	247	0	GRANT	Includes £123k 2022/23 allocation.
9238	Energy Efficiency Capital Funding	195	195	0	195	0	195	0	GRANT	2022/23 additional capital funding.
7586	Purchase of Computer Equipment - CLC Standards Fund	37	37	0	37	0	37	0	RCCO	
7355	CECA IT Infrastructure and Technology	42	42	18	24	0	42	0	GRANT	
7355	CECA TVCA Grant Unallocated	31	31	0	31	0	31	0	GRANT	
7142	Schools General - Fire Safety Modifications (Conditions)	53	53	0	0	53	53	0	GRANT	Schemes to be identified.
7142	Schools General - Fire Safety Modifications (Conditions) 22/23	464	464	0	0	464	464	0	GRANT	Schemes to be identified.
7142	Kingsley - Fire Safety Modifications	319	263	0	0	263	263	0	GRANT	Scheme on hold.
7142	Throston - Fire Safety Modifications	200	91	2	0	89	91	0	GRANT	Scheme on hold.
9027	English Martyrs - New Build	155	155	0	0	155	155	0	GRANT	
9028	High Tunstall New Build	161	161	0	0	161	161	0	GRANT	
7474	High Tunstall 3G Pitch	24	24	23	1	0	24	0	MIX	Scheme complete.
7478	High Tunstall Grass Pitch	15	15	0	15	0	15	0	UDPB	
8906	Brierton Campus Windows	18	18	0	18	0	18	0	RCCO	Scheme Complete.
7521	Two Year Old FNE Capacity Funding	23	23	0	23	0	23	0	GRANT	
8788	Universal Free School Meals	8	8	0	8	0	8	0	GRANT	
7568	Lynnfield Primary School Boundary Wall	19	19	0	19	0	19	0	GRANT	Scheme complete.
7569	Lynnfield Primary School DHW Boiler Renewal	21	9	0	9	0	9	0	GRANT	Scheme complete.
7570	Lynnfield Primary School Heating - Pipework, radiators, fan convectors, air systems	55	33	0	33	0	33	0	GRANT	Scheme complete.
9163	St Helens Primary School Demolition KS1 and KS2 Chimney	50	49	43	6	0	49	0	GRANT	Scheme complete.
7786	St Helens Primary School Storm Damage to Conservatory	95	95	9	86	0	95	0	GRANT	Scheme on-site.
7566	Throston Primary School Heating Renewal	40	18	0	18	0	18	0	GRANT	Scheme complete.
7564	High Tunstall Renew Pool Flooring	11	11	0	11	0	11	0	GRANT	Scheme complete.
9210	Fens Primary School Electrical Rewire	73	73	6	67	0	73	0	GRANT	Scheme complete.
New	Grange Primary School Roofing Works	26	26	0	26	0	26	0	GRANT	Awaiting confirmation of site start by contractor.
9207	Grange Primary School Fire Alarm Renewal	60	60	3	57	0	60	0	GRANT	Scheme complete.
9208	Kingsley Primary School Fire Alarm Renewal	45	45	2	43	0	45	0	GRANT	Scheme on-site.
7660	Lynnfield Primary School Toilet Refurbishments	42	42	23	19	0	42	0	GRANT	Scheme complete.
9211	Lynnfield Primary School Gas Main Renewal	40	40	36	4	0	40	0	GRANT	Scheme complete.
9209	Miers Avenue Children's Centre Boiler Replacement	16	16	0	16	0	16	0	GRANT	Scheme Complete.
7770	St Helens Primary School Main Entrance Access	50	50	3	47	0	50	0	GRANT	Scheme on-going.
9148	Springwell Special School Increase Capacity	424	386	34	352	0	386	0	GRANT	Scheme on-going.
7661	Catcote Secondary Special School Alternative Provision 6th Form	306	306	10	0	296	306	0	GRANT	Scheme awaiting pricing and final details.
7663	Kingsley Primary School - Portokabin SEND Provision	190	190	10	180	0	190	0	GRANT	Awaiting planning - 15th February.
9004	Schools General - Conditions unallocated	112	112	0	0	112	112	0	GRANT	Funding to be used for 2023/24 Condition Schemes.
9004	Schools General - Contingency	75	75	0	75	0	75	0	GRANT	
9004	Schools General - Suitability Unallocated (SEMH)	743	743	0	0	743	743	0	RCCO	Use of funding is being considered in the High Needs Block Review.
9004	Schools General - Special Provision	564	564	0	0	564	564	0	GRANT	
9004	Schools General - Basic Need	600	600	0	0	600	600	0	GRANT	
7149	New Children's Homes	216	216	60	156	0	216	0	UDPB	
7768	Supporting Treatment and Recovery Together (START) – Hartlepool's Substance Misuse Service	2,800	0	0	0	0	0	0	UDPB	Scheme profile to be confirmed following Planning decision.
8072	ICS Case Management Improvement	37	37	0	0	37	37	0	MIX	
8218	Youth Service Portable MUGA	5	5	0	0	5	5	0	GRANT	
8946	PH - Stepping Stones Project	38	27	0	0	27	27	0	GRANT	
Total Children's and Joint Commissioning Services		8,745	5,674	328	1,777	3,569	5,674	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 MONITORING REPORT PERIOD ENDING 31 December 2022

Project Code	Scheme Title	A Full Budget £'000	B 2022/23 Budget £'000	C 2022/23 Actual as at 31/12/22 £'000	D 2022/23 Expenditure Remaining £'000	E Expenditure Rephased into 2023/24 £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2022/23 COMMENTS
Finance & Policy Committee										
8306	Schools - Kitchen Refurbishment	261	261	0	30	231	261	0	RCCO	Funds earmarked for replacement of equipment.
Finance & Policy Committee Sub Total		261	261	0	30	231	261	0		
Regeneration Committee										
S106	Developers Contribution Fund	3,319	107	45	62	0	107	0	GRANT	Further details are set out in Appendix K.
Regeneration Committee Sub Total		3,319	107	45	62	0	107	0	GRANT	
7222	Sustainable Warmth LAD3 Grant	1,659	1,658	482	0	1,176	1,658	0	GRANT	Awaiting confirmation of extension to grant term, therefore it is expected that some funding will be rephased. Funding is for works on Low income households heated by mains gas.
7272	Wheelie Bin Purchase	90	90	76	14	0	90	0	UDPB	
7333	EDM Seaton Additional Car Parking Facilities	87	87	0	0	87	87	0	UDPB	All works complete. Slight deviation from outline design that was used to form Business Case owing to omission of Street Lighting. Officers waiting for clarification on whether this is required.
7344	NIP - Hindpool Close Play Area	40	37	0	3	34	37	0	GRANT	Thirteen funding rephased from 2020/21 - awaiting decision/approval to allocate to new scheme.
7347	NIP - CCTV in Parks	350	60	0	0	60	60	0	MIX	There are no planned works for the remaining budget.
7436	NIP - Stranton Cemetery Car Park	50	50	0	0	50	50	0	UDPB	This funding is likely to merge with the wider works at Stranton site for which a Mandate has been agreed by Capital Programme Board . A masterplan is yet to be developed.
7437	NIP - Sinking Fund	61	61	0	11	50	61	0	UDPB	To be used as and when required
7440	NIP - Central Park	120	119	26	0	93	119	0	GRANT	Awaiting planning approval before a date for the works to commence can be confirmed.
7466	DSO Vehicle Purchase	7,684	7,684	1,035	343	6,306	7,684	0	UDPB	Vehicle procurement has been delayed as a result of supply chain issues following the pandemic, in addition to reduced staffing capacity.
TBC	Beach Huts	80	80	0	80	0	80	0		
7553	Seaton Toilets	435	431	9	200	222	431	0	MIX	Includes Changing Places and NIP funding approved Nov 22
7561	Green Homes Grant - LAD2	663	464	454	10	0	464	0	GRANT	Works completed.
7577	Hartlepool North NDIP Study	50	50	0	0	50	50	0	GRANT	
7878	Community Safety CCTV Upgrade	79	11	2	9	0	11	0	MIX	
7900	EDM Hartlepool Marina - North Pier	80	76	0	76	0	76	0	GRANT	
7902	EDM Hartlepool Drainage Schemes	36	30	0	30	0	30	0	GRANT	
8444	EDM Town Wall Strengthening	46	21	0	0	21	21	0	GRANT	
8578	EDM Management Unit Study	28	28	0	0	28	28	0	GRANT	
8996	NIP - Improvements to Parks	314	73	0	73	0	73	0	MIX	Part Thirteen funding rephased from 2020/21. Approval required to allocate to new scheme.
8997	NIP - Unallocated	16	9	1	8	0	9	0	UDPB	This is the remaining balance on the Neighbourhood Investment Fund to be allocated to schemes following future approval by Members.
9147	NIP - CCTV in parks, Support	34	29	5	24	0	29	0	UDPB	
9170	HUG1 Sustainable Warmth LAD3	611	611	48	0	563	611	0	GRANT	Awaiting confirmation of extension to grant term, therefore it is expected that some funding will be rephased. HUG - Home upgrade for low income households off-gas grid.
9201	Reed St. Depot Relocation	510	320	190	130	0	320	0	MIX	Linked to Newmarket Housing scheme.
HIFP	Additional Highway Schemes HIFP	356	356	24	0	332	356	0	MIX	Further schemes to be agreed.
LTP	Local Transport Plan (LTP) Schemes	2,675	2,422	462	1,814	146	2,422	0	GRANT	Various Highways & Traffic schemes. Collaborative scheme with another local authority that has been delayed.
TVCA	TVCA Cycleways and Footpath Upgrades	1,398	1,398	1,392	6	0	1,398	0	GRANT	
Neighbourhoods Committee Sub Total		17,552	16,255	4,206	2,831	9,218	16,255	0		
Neighbourhood & Regulatory Services Total		21,132	16,623	4,251	2,923	9,449	16,623	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

CAPITAL MONITORING REPORT PERIOD ENDING 31 December 2022

Project Code	Scheme Title	A Full Budget £'000	B 2022/23 Budget £'000	C 2022/23 Actual as at 31/12/22 £'000	D 2022/23 Expenditure Remaining £'000	E Expenditure Rephased into 2023/24 £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2022/23 COMMENTS
7260	City Challenge Clawback	9	9	0	0	9	9	0	RCCO	
7623	Corporate IT Projects	12	12	0	0	12	12	0	MIX	
	Corporate Projects	109	109	0	0	109	109	0	MIX	
7220	Private Sector Housing Grants	35	35	14	0	21	35	0	GRANT	New grants awarded and income recycled from owner contributions.
7357	15 Church Street Renovation	1,146	171	15	156	0	171	0	MIX	
	Resources & Development Total	1,311	336	29	156	151	336	0		

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

CORPORATE

APPENDIX J

CAPITAL MONITORING REPORT PERIOD ENDING 31 December 2022

Project Code	Scheme Title	A Full Budget £'000	B 2022/23 Budget £'000	C 2022/23 Actual as at 31/12/22 £'000	D 2022/23 Expenditure Remaining £'000	E Expenditure Rephased into 2023/24 £'000	F (C+D+E) Total Expenditure £'000	G (F-B) Variance from Budget £'000	Type of Financing	2022/23 COMMENTS
7036	Uncommitted CCF	226	226	0	0	226	226	0	MIX	
7041	Corporate Planned Unallocated	248	248	0	0	248	248	0	RCCO	
7065	Fire Risk Assessments	100	85	0	0	85	85	0	MIX	Scheme on hold.
7072	Seaton Library DDA toilet	37	37	0	0	37	37	0	UDPB	Scheme on hold.
7200	Civic Centre Capital Project	75	62	0	0	62	62	0	UDPB	Scheme on hold.
7336	Borough Hall - Upgrade Fixtures and Fittings	8	8	0	0	8	8	0	MIX	Scheme on hold.
7591	Mill House Capital	126	126	0	0	126	126	0	MIX	
7617	Borough Hall - Lighting and Wiring	40	38	0	0	38	38	0	RCCO	Scheme on hold.
8970	Historic Quay Dilapidation Work	97	97	0	0	97	97	0	RCCO	
9034	Carlton - Construction of a Fire Escape	34	34	0	0	34	34	0	RCCO	Scheme on hold.
7539	Throston Youth Project - Resurface Car Park	63	62	0	0	62	62	0	RCCO	Scheme on hold.
7812	Masefield Centre SALIX Air Source Heat Pump	65	57	47	10	0	57	0	GRANT	Scheme complete.
New	Borough Hall - Major Refurb Works	45	45	0	0	45	45	0	RCCO	Scheme on hold.
9230	Jutland Road Demolition	60	60	4	56	0	60	0	RCCO	Starting on site in February 2023.
7662	Seaton Carew Library Heating Replacement	20	20	1	19	0	20	0	RCCO	Scheme complete.
7623	Corporate IT Equipment - Laptops	625	625	616	9	0	625	0	RCCO	Scheme complete.
Finance & Policy Committee Total		1,869	1,830	668	94	1,068	1,830	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 December 2022

Appendix K

	Affordable Housing Contributions ****	Cycleway / Interchange	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, 2022 *	0	219	660	15	180	0	133	157	5	141	149	15	881	22	41	100	2,718
Amounts Received in Year 2022/23 (B)																	
Wynyard	144																7
Thirteen Housing, Brierton Lane													109	7			206
Duchy Homes	99	97															368
Countryside Properties		368								2			3				5
Dere Street Homes	1																15
Other				15													
Total income	244	465	0	15	0	0	0	0	0	2	0	0	112	7	0	0	601
Sub Total - revised Balance	244	684	660	30	180	0	133	157	5	143	149	15	993	29	41	100	3,319
Committed & Actual Expenditure as at 31st December 2022 (C)																	
Council Housing - includes committed schemes	244									14							14
Summerhill																	69
Coastal Footpath & mitigation work		45			20									4			16
Offsite sports facilities								16									8
Golden Flatts					3		5										
Sub Total Expenditure	244	45	0	0	23	0	5	16	0	14	0	0	0	4	0	0	107
Forecast Committed Balance Remaining (A+B-C) 31st March, 2023 *	0	639	660	30	157	0	128	141	5	129	149	15	993	25	41	100	3,212

*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.