Hartlepool Development Corporation

Hartlepool Development Corporation Board

Date: 14 July 2026 at 3:30pm
Venue: Hartlepool Civic Centre

Membership:

Pamela Hargreaves (Independent Chair)
Brenda Harrison (Independent member)
Alison Gwynn (Independent member)
Lisa Molloy (Independent member)
Shane Moore (Independent member)
Martin Raby (Independent member)
Matt Storey (Independent member)

Associate Members:

Matt Wilton (Chief Executive, Hartlepool Borough Council)
Tom Bryant (Chief Executive, TVCA)

Hartlepool
Development
Corporation

	AGENDA
1.	Apologies for Absence To receive any apologies for absence.
2.	Declarations of Interest To receive any declarations of interest.
3.	Minutes of the previous meeting To approve as a correct record the minutes of the meeting held on 28 April 2026.
4.	Chair's Update To receive a verbal update from the Chair of the Hartlepool Development Corporation.
5.	Planning Update To receive a report from the Head of Planning providing an update on the position of planning service delivery and the status of planning applications.
6.	Q4 Budget Report To receive and consider a report from the Interim Director of Finance and Resources presenting an update on the financial position of Hartlepool Development Corporation
7.	Urgent and Delegated Decisions The appendices to this report are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information); of schedule 12a Local Government Act 1972) To receive a report from the Interim Monitoring Officer providing an update on urgent and delegated decisions made since the last Board meeting.
8.	Middleton Grange Shopping Centre The appendices to this report are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person

	(including the authority holding that information); of schedule 12a Local Government Act 1972) To receive a report from the Director of Infrastructure providing an update on Middleton Grange Shopping Centre
9.	Development Corporation Review Update To receive a verbal update from the Director of Infrastructure regarding the review of the Development Corporation.
10	Risk Register To receive a report from the Head of Performance Risk and Assurance providing an overview of the principle strategic risks facing Hartlepool Development Corporation.
11.	Dates of next meeting • Tuesday 8 September 2026

Members of the Public - Rights to Attend Meeting

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact: tvcagovernance@teesvalley-ca.gov.uk

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Hartlepool Development Corporation Declaration of Interests Procedure

1. The purpose of this note is to provide advice and guidance to all members of the Development Corporation Board and Audit and Risk Committee on the procedure for declaring interests. The procedure is set out in full in the Development Corporation's Constitution under the "Code of Conduct for Members" (Appendix 2).

Personal Interests

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Development Corporation. As a general principle, members should act impartially and should not use their position at the Development Corporation to further their personal or private interests.

3. There are two types of personal interests covered by the Constitution:

    a. **"disclosable pecuniary interests".** In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
        i. a member of your family;
        ii. any person with whom you have a close association;
        iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
        iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
        v. any body as described in paragraph 3 b) i) and ii) below.

    b. **Any other personal interests.** You have a personal interest in any business of the Development Corporation where it relates to or is likely to affect:
        i. 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;
        ii. any body which:
            - exercises functions of a public nature;
            - is directed to charitable purposes;
            - one of whose principle purposes includes influencing 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).

Declarations of interest relating to the Councils' commercial role

4. Financial relationships between the Development Corporation and individual councils do not in themselves create a conflict of interest for Council Leaders who are also Development Corporation Board members. Nor is it a conflict of interest if the Development Corporation supports activities within a council boundary. Nevertheless, there are specific circumstances where the Board may consider entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

Procedures for Declaring Interests

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

Register of Interests

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Development Corporation. If no declaration is received from elected members within 28 days the matter may be referred to the Head of Paid Service of your local authority and Leader of the political group you represent on your council for action. If a Declaration is not submitted within an appropriate timescale you may be prevented from attending committee meetings. Details of any personal interests registered will be published on the Development Corporation's website, with the full register available at the Development Corporation's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

Declaration of Interests at Meetings

7. The Development Corporation will include a standing item at the start of each statutory meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.

8. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.

9. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

Sensitive Information

10. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

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Hartlepool Development Corporation

HARTLEPOOL DEVELOPMENT CORPORATION BOARD

MINUTES

Tuesday 9 June 2026 at 3pm

Meeting held at Hartlepool Civic Centre

(These minutes are in DRAFT form until approved at the next Board meeting and are therefore subject to amendments.)

ATTENDEES	
Members	
Pamela Hargreaves	Independent Chair
Brenda Harrison	Independent Member
Martin Raby	Independent Member
Alison Gwynn	Independent Member
Shane Moore – arrived at 15:40	Independent Member
Officers and other representatives	
Jonathan Spruce	Director of Infrastructure, TVCA
Jeanette McGarry (Via Teams)	Interim Monitoring Officer, TVCA
Laura Metcalfe	Development Corporation Manager, TVCA
Louise Holroyd (Via Teams)	Locum Solicitor, TVCA
Justine Matchett	Planning Consultant, Lichfields
Kate Smith	Governance Officer, TVCA
Apologies	
Lisa Molloy	Independent Member
Matt Storey	Police and Crime Commissioner, Cleveland Police
Matt Wilton	Chief Executive, Hartlepool Borough Council
Tom Bryant	Chief Executive Officer, TVCA
Jo Moore	Interim Director of Finance and Resources, TVCA

HDC 20/26 Agenda item 1	APOLOGIES FOR ABSENCE The Chair opened the meeting at 15:04 and welcomed everyone in attendance. Apologies were noted in the Attendees list.

HDC 21/26 Agenda item 2	DECLARATIONS OF INTEREST There were no declarations of interest.
HDC 22/26 Agenda item 3	MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING Members were invited to raise any concerns or amendments regarding the minutes of the Board meeting held on 28 April 2026. Member, Martin Raby confirmed that his colleague from Marketing had been in contact with the Comms team at TVCA to offer support. RESOLVED – The Hartlepool Development Corporation Board APPROVED the minutes of the meetings held on 30 March 2026 as a correct record.
HDC 23/26 Agenda item 4	CHAIR'S UPDATE The Chair, Pamela Hargreaves, assured Members that progress is being made on various fronts in relation to Hartlepool Development Corporation, although a lot of this is currently in the background. It was highlighted that there would be a workshop following the meeting. Members were advised that the Mayoral review of the Development Corporation is ongoing, and subject to the outcome of this, there will be additional information which can be shared. RESOLVED – The Hartlepool Development Corporation Board NOTED the update
HDC 24/26 Agenda item 5	PLANNING UPDATE The Board received a report from the Head of Planning providing an update on the position of planning service delivery and the status of planning applications relevant to the Hartlepool Development Corporation. Planning Consultant Justine Matchett noted that since the last Board meeting, the Queens Meadow hybrid application has now been approved, although it was shown as live on the report. It was outlined that the Jomast S73 application, for sites 2 and 3, has gone to consultation and is similar theme to the previous application which replaces the Persimmon small house types. Members were advised that the amended separate application for a single dwelling on Plot 7 (aka plot 29) to remove the substation, has been reduced from 3 storeys to 2.

	Comments and questions were invited from the Board, and are noted below: • Whilst not for consideration at this meeting, for complete transparency, Member, Martin Raby noted an interest as Principal of the Northern School of Art in relation to the application from the Cleveland College of Art and Design, which is pending consideration. • Members noted that it is positive to see applications coming through to the Board, and development in progress. RESOLVED – The Hartlepool Development Corporation Board NOTED the updated position of planning service delivery and the status of planning applications submitted for consideration.
HDC 25/26 Agenda item 6	NUTRIENT NEUTRALITY REPORT The Board received a report from the Head of Planning regarding Section 33 agreements with private sector nutrient credit providers. It was explained to the Board that Teesmouth and the surrounding coastal area have been designated special protection due to the excessive nutrients. As part of the work by Natural England, any developments which are likely to impact the water quality require securing nutrient credits to offset nutrients. Members were told that developers are buying credits from private sector providers who have sites in Durham and North Yorkshire. These providers are generally farms who have taken their land out of agricultural use and applying nitrate fertilisers. This reduces the amount of nitrates which get into the water and make a way out to sea. The private sector providers have agreements with their local authorities that they will retain those sites for the next 60 years. S33 gives powers to the Board to challenge and enforce the local authorities over the maintenance of those sites and ensure the developments in the HDC area do not cause harm. Whilst unlikely this will have to be invoked, Natural England have asked for it to be put in place. Members were advised that mitigation sites are already operating and this gives an additional level of protection. Comments and questions were invited from the Board and these are summarized below: • Members asked for details on impact to Hartlepool specifically and it was outlined that approval is sought as an overall policy for future developments. • It was clarified that S33 allows the Planning Authority to have authority outside the area, and any development in the whole Tees catchment which increases overnight accommodation has to off-set nutrients.

	RESOLVED: The Hartlepool Development Corporation Board: i. NOTED the report; ii. CONSIDERED the recommendations presented in the Officers Report, and iii. APPROVED the signing of Section 33 agreements in relation to the following sites: a. Morton Grange Farm (Throughway and Redcar & Cleveland Council) b. Tunstall Farm (Throughway and North Yorkshire Council) c. Newsham Beck (GR Herbert & Sons and Durham County Council) iv. DELEGATED authority to the Head of Planning/TVCA Legal Services to draft and enter into any other Section 33 agreements which might become necessary in the future.
HDC 26/26 Agenda item 7	REVISED SCHEME OF DELEGATION The Board received a report from the Director of Infrastructure presenting the revised Scheme of Delegation for Middleton Grange Shopping Centre (MGSC). Members were advised that the Scheme of Delegation for MGSC has been in place for 2 years and the new asset manager, Black Cat, has been working alongside officers on a revised scheme. This allows for a more nimble response to work within the shopping centre. Comments and questions were invited from the Board and these are summarized below: • A member noted a typo in paragraph 3 of the report; and it was confirmed that the word '*delegated'* should be replaced with '*reserved'*. • The Chair advised that it should be included that the Board reserves the right to review the policy, should it be necessary. • It was also suggested that it would be helpful if the Asset Manager update the Chair, in order to maintain a link with the Board. ACTION: the Chair advised she would send through additional text to this effect. RESOLVED: The Hartlepool Development Corporation Board: i. APPROVED the suggested amendments to the Middleton Grange Shopping Centre Scheme of Delegation, **subject to the additions noted above**.
	The Chair advised the Board and members of the public that appendices and reports on subsequent items hold commercial information which **are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)); of schedule 12a Local Government Act 1972.**

	Members were advised that if they wish to discuss any details, then the session would have to be closed for those specific conversations. Members indicated that their comments did pertain to confidential matters and therefore the meeting should go into private session. *The Chair thanked members of the public and press for attending and stated they would be invited to come back into the room for decisions and any non-confidential discussions, but they indicated this would not be necessary and left the building.* 15:25 - The meeting continued in closed session.

HDC 27/26 Agenda item 8	URGENT AND DELEGATED DECISIONS The Board received a report from the Interim Monitoring Officer providing an update on urgent and delegated decisions made since the last Board meeting. The appendices to this report are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)); of schedule 12a Local Government Act 1972. RESOLVED – The Hartlepool Development Corporation Board: I. NOTED the Delegated Decision detailed in paragraph 2 and confidential Appendix 1. II. NOTED the Delegated Decision detailed in paragraph 3 and Appendix 2. III. DEFERRED comment on Delegated Decision detailed in paragraph 4 and Appendix 3 – subject to clarification and to be brought back to the Board. IV. NOTED the Delegated Decision detailed in paragraph 5 and Appendix 4. V. NOTED the Delegated Decision detailed in paragraph 6 and confidential Appendix 5. VI. NOTED the Urgent Decision detailed in paragraph 7 and Appendix 6. VII. NOTED the Urgent Decision detailed in paragraph 8 and Appendix 7. VIII. NOTED the Urgent Decision detailed in paragraph 9 and Appendix 8. IX. NOTED the Urgent Decision detailed in paragraph 10 and confidential Appendix 9
HDC 28/26 Agenda item 9	NEW TENANCY PROPOSAL The Board received a report from the Director of Infrastructure regarding a new tenancy proposal for a currently vacant unit in Middleton Grange Shopping Centre.

	The appendices to this report are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)); of schedule 12a Local Government Act 1972. The Chair asked members whether there was approval of the proposal, and the decision was unanimous. RESOLVED: The Hartlepool Development Corporation: i. APPROVED the new tenancy proposal detailed in paragraph 1 and confidential appendix 1. ii. DELEGATED to the Centre's asset manager to execute the lease agreement based on the Heads of Terms proposed.
HDC 29/26 Agenda item 10	COMMERCIALISATION PROPOSAL The Board received a report from the Director of Infrastructure regarding commercialisation provision at Middleton Grange Shopping Centre. This report and appendix are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)); of schedule 12a Local Government Act 1972.
HDC 30/26	DATE OF NEXT MEETINGS: • Tuesday 14 July 2026 (AGM) • Tuesday 14 July 2026 – Board The Chair thanked everyone for their attendance and participation in the meeting. Meeting closed at 15:46.

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Agenda Item 5

Report to the Hartlepool Development Corporation Board

14 July 2026

Report of the Head of Planning

PLANNING UPDATE

SUMMARY

Responsibility for the determination of planning applications within the Hartlepool Mayoral Development Corporation boundary lies with the Hartlepool Development Corporation [HDC].

In accordance with the approved Scheme of Delegation, 2 applications have been approved under delegated powers since the last Planning Update Report was prepared on 28th May 2026.

There are now 10 valid planning applications currently being considered by HDC.

RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board note the updated position of planning service delivery and the status of planning applications submitted for consideration.

DETAIL

1. Delivery of planning service functions relating to town and country planning and development control within the Hartlepool Mayoral Development Corporation area is now overseen by the Head of Planning with operational services delivered through Lichfields (re-appointed in April 2025 following a competitive tender process).

2. Since the last Planning Update Report was prepared on 28th May 2026, 4 new valid applications have been submitted[1]. There are 10 valid applications currently being considered by HDC and there is one application which has been submitted but is currently invalid.

[1] As of 29th June 2026 when this report was prepared.

3. 2 applications have been determined under delegated powers since the last Planning Update Report was prepared. Details are provided in the accompanying schedule.

4. There is 1 application for residential development at Queens Meadow, submitted in December 2023, which is still under consideration by Officers following the receipt on 9th June 2026 of revised plans.

5. There is one new enforcement case to report. This relates to the display of unauthorised illuminated signage and vinyl window graphics at 77 Church Street. Officers are liaising with the site owner to seek removal of the unauthorised works.

6. There are no current appeals in process.

7. Local planning authorities in England are required to submit quarterly returns to central government to provide summary information relating to the number and status of planning and related applications in each quarter. The last submission was made by the Hartlepool Mayoral Development Corporation on 31st April 2026 and future quarterly returns will be submitted as required.

8. Earlier this year the Development Corporation Officers worked alongside Officers at Hartlepool Borough Council to prepare a Supplementary Planning Document dealing with Houses in Multiple Occupation (HMOs). Following a period of public consultation this document has now been adopted by the Council and is applicable across the whole of Hartlepool including the HDC area.

9. The new HMO SPD is intended to ensure that applicants, agents and any other interested parties understand the approach to be taken towards applications for HMO development. It seeks to build on the policies identified in the National Planning Policy Framework, the 2018 Hartlepool Local Plan and Supplementary Planning Documents. It is now a material consideration in the determination of planning applications for HMOs created through conversions, purpose-built HMOs and the expansion of existing HMOs.

FINANCIAL IMPLICATIONS

10. There are no financial implications.

LEGAL IMPLICATIONS

11. Planning Powers were conferred on to the Hartlepool Mayoral Development Corporation on 1 June 2023 giving HDC the power to determine planning applications within the redline boundary.

RISK ASSESSMENT

12. This subject matter of this report is categorised as low risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

13. The subject of this report is a matter for HDC Board information only therefore no additional consultation and communication has been undertaken

EQUALITY & DIVERSITY

14. This report does not impact on groups of people with protected characteristics.

Name of Contact Officer: Jonathan Spruce
Post Title: Head of Planning
Telephone Number: 01325 792600
Email Address: **Jonathan.spruce@teesvalley-ca.gov.uk**

Delegated Planning Decisions[1] since Last Planning Update Report on 28.05.2026

Application Reference	Address	Description of Development	Decision and Decision Date
HMDC/2026/0019	Cleveland College Of Art And Design, Church Square, Hartlepool, TS24 7EX	Internal works consisting of the removal of a separating wall and blocking up of 3no. existing doorways to form 1no. larger room	Approved 30.06.2026
HMDC/2026/0020	23 Scarborough Street, Hartlepool, TS24 7DA	Change of use of ground floor from office (Class E) to drinking establishment (Sui Generis)	Approved 26.06.2026

Current Live Applications

Application Reference	Address	Description of Development	Status
HMDC/2023/0031	Land east of Queens Meadow Business Park Hartlepool	Outline planning application (with all matters reserved apart from access) for the erection of up to 210 dwellings (Use Class C3) with associated infrastructure, access and landscaping	Validated: 12.05.2024 Pending Consideration
HMDC/2025/0022	Land at entrance to Queens Meadow Business Park	Erection of drive-thru restaurant (Use Class E), Petrol Filling Station (Sui Generis) and Electric Vehicle charging stations, with associated car parking, landscaping, and other works	Validated: 18.06.2025 Pending Consideration
HMDC/2025/0034	Land Adjacent To Slipway Into Jacksons Dock Maritime Avenue Hartlepool	Change of use and external alterations to create multi-functional Public Events Space	Validated: 12.02.2026 Pending Consideration
HMDC/2025/0076	Land At Fleet Avenue Hartlepool	Construction of a 2-storey dwelling	Validated: 18.12.2025 Pending Consideration
HMDC/2026/0011	14 - 18 Scarborough Street Hartlepool TS24 7DA	Discharge of conditions 5, 6, 7, 8, 9, 10, 11, 14, 16 on HMDC/2025/0048 (Change of use from offices (Class E) to mixed use pop up restaurant, drinking and gaming venue (Sui Generis), and external alterations including part demolition of existing ground and first floor extensions and erection of	Validated: 09.03.2026 Pending Consideration

[1] As of 29th June when report was prepared.

Application Reference	Address	Description of Development	Status
		single and two storey rear extensions and external terrace, reinstatement of front basement bay window/doorway and other minor alternations)	
HMDC/2026/0021	14 - 20 Scarborough Street, Hartlepool, TS24 7DA	Change of use from offices (Class E) to mixed use pop up restaurant, drinking and gaming venue (Sui Generis), and external alterations including part demolition of existing ground and first floor extensions and erection of single and two storey rear extensions and external terrace, reinstatement of front basement bay window/doorway and other minor alternations	Validated: 27.05.2026 Pending Consideration
HMDC/2026/0022	Land At Maritime Avenue, Fleet Avenue And Mainsforth Terrace Hartlepool	Section 73 application to vary conditions 1, 11 and 23 and remove conditions 2 and 12 of planning permission HMDC/2025/0071 for the construction of apartments, houses, offices, food takeaway unit, retail outlet, business units, nursing home, nursery school/creche together with associated parking and external works.	Validated 02.06.2026 Pending Consideration
HMDC/2026/0023	The Ward Jackson Church Square Hartlepool, TS24 7EY	Discharge of condition 3 on HMDC/2025/0046 (Replacement of damaged windows to principal elevations and roof works including removal of HVAC equipment, re-roofing, installation of new plant screen and reinstallation of HVAC equipment)	Validated 08.06.2026 Pending Consideration
HMDC/2026/0026	Footpath Outside Northern School Of Art, Mainsforth Terrace, Hartlepool, TS24 7DJ	Full Application: Installation of 1No. BT Street Hub Unit and associated advertisement panels on either side of the unit	Validated 22.06.2026 Pending Consideration
HMDC/2026/0027	Footpath Outside Northern School Of Art, Mainsforth Terrace, Hartlepool, TS24 7DJ	Advertisement Consent: Two digital 75 inch LCD display screen, one on each side of the Street Hub unit	Validated 22.06.2026 Pending Consideration

Enforcement Cases

Case Reference	Address	Unauthorised Works and date reported	Requirement of Enforcement Notice	Status

HMDC/2025/0016	Engineers Social Club 28 Raby Road TS24 8AE	Unauthorised felling of 4 TPO'd trees. 26th March 2025	N/A	Discussions underway with new owner regarding re-planting and wider plans for the site.
HMDC/2026/0024	77 Church Street	Unauthorised installation of advertisements 9th June 2026	N/A	Discussions underway with site owner to secure removal.

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Hartlepool Development Corporation

Agenda Item 6

Report to the Hartlepool Development Corporation Board

14 July 2026

Report of the Interim Group Director of Finance and Resources

DRAFT REVENUE OUTTURN 2025/26

PURPOSE OF THE REPORT

To provide details of the draft revenue and capital outturn position for Hartlepool Development Corporation for the year ending 31 March 2026, highlighting any key variances to the approved budget for the year, based on the provisional outturn position as at the end of Quarter 4 (31 March 2026). This report is provisional pending the finalisation of the Annual Statement of Accounts 25/26.

This report also provides an update on the Corporation's overall financial position, including reserves forecasts.

SUMMARY

1. During the financial year, the Board is presented with quarterly reports with details of how the Corporation is performing against the financial framework and specific budgets. This report presents the draft Quarter 4 outturn position for both revenue and capital as at the 31 March 2026.

2. The outturns are draft at this stage subject to finalisation of the year end accounts for 2025/26. Once these are finalised a full reconciliation between the draft outturn and the final outturn for 2025/26 will be presented to the Board.
   The provisional revenue outturn for Hartlepool Development Corporation is a deficit of £0.693m, representing a £0.592m improvement from the Quarter 3 forecast deficit of £1.285m.

3. The principal driver for this favourable movement is the improvement in the outturn position for Middleton Grange Shopping Centre of £0.643m, from £1.344m forecast deficit in Q3 to a deficit of £0.701m as at 31 March 2026. This is primarily due to a saving on expenditure of £0.288m arising from successful business rates appeals and an increase in rental income of £0.356m due to increased lettings.

4. Despite the improvement from the Q3 forecast, the draft outturn shows a significant deficit of £0.693m for 2025/26. This deficit has been funded by utilising the capital budget for the asset transfer of £0.500m and £0.193m of the £0.833m capital budget not required due to the successful award of Investment Zone funding. This was approved by the Board in Quarter 3.

5. The Board is asked to transfer the remaining £0.638m to an earmarked reserve to be utilised in 2026/27.

6. Capital expenditure remains within the approved £2.415m budget for 2025/26, with no forecast overspends. Expenditure is low due to major capital schemes not yet progressing to delivery stages.

7. Members are asked to approve the request to carry forward £1.545m underspend on capital expenditure for Middleton grange shopping centre. The works are contractually committed but have not yet been carried out so it is requested that this budget is reprofiled to 2026/27.

8. As the Corporation only utilises, and draws down, grant funding to match expenditure, there are no usable earmarked reserves within the Corporation. The Corporation should be maintaining a General Fund balance to act as a contingency against unforeseen costs. This will be an important consideration going forward in setting the budget for 2026/27.

RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

i. Notes the draft revenue outturn of a £0.693m overspend for 2025/26;
ii. Notes the improvement of £0.592m in the deficit position from Q3 forecast outturn;
iii. Notes, that the revenue deficit of £0.693m will be funded from repurposed capital budget as approved by the Board in Quarter 3;
iv. Notes that there is £0.638m of residual grant funding to be utilised in 2026/27;
v. Approves the capital budget carry forward request of £1.545m for committed expenditure in 2026/27 for Middleton Grange shopping centre.

BACKGROUND

2025/26 Draft Revenue Outturn

9. Tables 1 and 2 below summarise the draft revenue outturn position for HDC for 2025/26, showing a net deficit of £0.693m, and set out the movement between the Q3 forecast and draft outturn position for 2025/26. This deficit will be funded utilising repurposed TVCA grant funding, as approved by the Board in Quarter 3.

10. Table 1 provides a subjective (category of expenditure) breakdown of the current budget and the draft outturn position for 2025/26.

Table 1 – HDC draft revenue outturn summarised by type of expenditure & Income

	Revised Annual Budget £'000	Draft Outturn 2025/26 £'000	Variance (Surplus) /Deficit £'000	Reported Forecast Q3 £'000	Variance (Surplus) /Deficit £'000
MGSC Income	(2,197)	(2,220)	(23)	(1,864)	(356)
MGSC Expenditure	2,513	2,920	407	3,208	(288)
Net (surplus)/deficit MGSC	316	701	385	1,344	(643)
Employees	275	230	(45)	215	15
Supplies and Services	157	438	281	383	55
Third Party Payments	23	23	-	23	-
Expenditure	455	690	235	621	69
Planning Fee Income	(90)	(100)	(10)	(82)	(18)
Investment Zone Income	(175)	(175)	-	(175)	-
Other Income	(33)	-	33	-	-
TVCA Revenue Funding	(423)	(423)	-	(423)	-
Income	(721)	(698)	23	(680)	(18)
Net (surplus)/deficit	50	693	643	1,285	(592)
Reprofiling of Asset Transfer	-	(500)	(500)	(500)	-
Reprofiling of Capital Grant	-	(193)	(193)	(833)	640
Total Funding	-	(693)	(693)	(1,333)	640
Net (surplus)/deficit	50	(0)		(48)	

11. The draft revenue outturn position of a deficit of £0.693m is an adverse movement of £0.643m from the 2025/26 budget of deficit of £0.050m. This movement is due to under-performance of the Middleton Grange Shopping Centre of £0.385m, increased operational costs of £0.258m and lower planning fee income.

12. Table 2 provides a breakdown of the draft outturn as at 31 March 2026 and Q3 forecast outturn compared to budget by expenditure category.

Table 2: Analysis of movement between Q3 and draft outturn for 2025/26

	Revised Annual Budget £'000	Draft Outturn 2025/26 £'000	Presented Forecast Q3 £'000	Variance (Surplus) /Deficit £'000
MGSC Income	(2,197)	(2,220)	(1,864)	(356)
MGSC Expenditure	2,513	2,920	3,208	(288)
Net (surplus)/deficit MGSC	316	701	1,344	(643)
Employees	275	230	215	15
Supplies and Services	157	438	383	55
Third Party Payments	23	23	23	-
Expenditure	455	690	621	69
Planning Fee Income	(90)	(100)	(82)	(18)
Investment Zone Income	(175)	(175)	(175)	-
Other Income	(33)	-	-	-
TVCA Revenue Funding	(423)	(423)	(423)	-
Income	(721)	(698)	(680)	(18)
Net (surplus)/deficit	50	693	1,285	(592)

13. This favourable movement from Quarter 3 relates primarily to the improvement in the position of Middleton grange shopping centre which has a favourable variance of £0.643m from the Q3 forecast of £1.344m to the draft outturn position of a deficit of £0.701m.

14. The change in forecast is due to a reduction in costs £0.288m and an increase in income £0.356m which has resulted in a significantly improved outturn position of a deficit of £0.701m compared to the Q3 forecast deficit of £1.344m.

15. Expenditure in year for MGSC was significantly reduced due to a rates mitigation exercise which gives exemptions for business rates on void properties and business rates appeals seeking to reduce the relatable value (RV) of the rental units, savings in year resulted in a net saving of £0.295m.

16. The increase in rental income of £0.356m is primarily due to increased lettings.

17. Employee costs have risen by £0.015m in the draft outturn due to charges for Finance support from TVCA. The forecast outturn shows an underspend on staff costs against

budget of £0.045m this is due to reduced establishment costs following staff departures.

18. Supplies and Services costs at draft outturn total £0.438m, an increase of £0.055m from Q3 forecast of £0.383m.

19. Supplies and Services draft outturn of £0.438m is made up of expenditure on Planning costs paid to Lichfields who provide the planning service for TVCA and professional fees relating to internal and external audit and consultancy costs.

20. £0.250m relates to Lichfields' costs associated with delivering the planning function on behalf of HDC for 2025/26 this has increased by £0.025m from the Q3 forecast of £0.225m.

21. Successful discussions have been held with Lichfields to agree a fixed ceiling figure for planning fees, which will provide greater certainty and control over future expenditure.

22. Expenditure on professional fees of £0.210m has also increased by £0.029m from the Q3 forecast of £0.181m due to increases in internal audit costs of £0.010m and £0.014m feasibility costs related to the Town Hall.

23. Planning Fee income at draft outturn is £0.086m, this is an increase of £0.004m from the Quarter 3 Forecast of £0.082m. £0.014m was also received in Biodiversity Grant income to support the cost of the work carried out by Lichfields.

24. Grant income of £0.175m has been received from TVCA Investment Zone funding to support the planning activities of HDC.

25. Revenue grant funding from TVCA of £0.423m as agreed in Q1 & Q2 remains unchanged between Q3 forecast and draft outturn.

26. The net deficit in year of £0.693m has moved by £0.592m from the Q3 forecast of £1.285m due to the improved position of the Middleton Grange shopping centre as noted above.

27. As approved in Q3 the asset transfer funding of £0.500m from TVCA has been applied to revenue to reduce the net deficit of £0.693m.

28. The Q3 forecast a remaining deficit of £0.785m after asset transfer funding to be funded by TVCA Investment Plan funding for HDC, of £0.833m leaving a small surplus of £0.048m.

29. However, due to the improvement in the financial position as at 31 March 2026 there is only funding required of £0.193m, this will be funded by the investment plan funding as

agreed in Q3. The remaining £0.638m not utilised in 2025/26 will be subject to a carry forward request in Q1 to mitigate future budget pressures of HDC if approved.

2025/26 Draft Capital Outturn

30. HDC currently had a revised 2025/26 Capital Budget of £1.915m after approval of the £0.500m Asset transfer reallocation in Q3. Table 5 below provides a subjective (category of expenditure) breakdown of the Capital Budget and draft outturn for 2025/26.

Table 5 - HDC Draft Capital Outturn summarised by type of expenditure

	Revised Annual Budget £0	YTD Actual £0	Forecast Outturn £0	Variance £0
Professional Fees	30	28	30	(2)
Construction Costs	1,659	114	154	(1,545)
Payment of Capital Grant	226	226	226	-
	1,915	369	410	(1,546)

31. Table 6 below analyses the current capital activity by areas of Investment.

Table 6 – HDC Draft Capital Outturn summarised by areas of investment

	Revised Annual Budget £'000	YTD Actual £'000	Forecast Outturn £'000	Variance £'000
HDC Film Studios Capital	226	226	226	-
HDC Town Hall Capital	30	28	30	(2)
Middleton Grange	1,659	114	154	(1,545)
	1,915	369	410	(1,546)

32. Tables 5 and 6 show that capital expenditure is within the approved capital budget and there are no overspends for 2025/26.

33. The funding for the Film Studios project is now being funded via the Investment Zone grant funding. The forecast underspend of £0.098m has been transferred to Middleton Grange capital project as approved in Q3.

34. Expenditure on Middleton Grange for the year totals £0.114m against an approved budget of £1.659m. It is therefore requested that the unspent balance of £1.546m in 2025/26 be reprofiled into 2026/27 to enable delivery of the remaining works in 2026/27.

35. The draft outturn for 2025/26 shows a balanced position, with no revenue carry forward to 2026/27. Capital budget of £1.545m will be carried forward to 2026/27, subject to approval by the Board.

CONCLUSION

36. The financial performance of the Hartlepool Development Corporation shows a significant deterioration during the year from the approved budget. However, following a comprehensive review of all activities and maximising any savings, there was a significant improvement at the end of March 2026 from the reported Q3 position.

37. Alternative funding options were considered during the year, and members have approved reallocation of Asset transfer budget to revenue expenditure and transfer of planned capital grant to revenue to balance the budget for 2025/26.

38. This has only been possible, as TVCA approved a £10m grant in total and did not specify whether the grant should be spent on revenue or capital to give the Corporation's Board as much flexibility as possible in the delivery of the Corporation's priorities. Therefore, it as the complete discretion of the HDC Board as to the utilisation of the grant for capital or revenue purposes.

39. Members approved the transfer of £0.833m of capital funding to revenue in Q3. However, due to the improved outturn position, only £0.193m was required to fund the remaining deficit. As such the remaining £0.638m will be subject to a carry forward request within the TVCA budget at Q1 to reprofile these funds to HDC for 2026/27. Formal reporting in 2026/27 will seek approval from the Board to utilise these funds for revenue or capital purposes.

FINANCIAL IMPLICATIONS

40. The Financial implications are all detailed in the body of this report.

LEGAL IMPLICATIONS

41. There are no legal implications associated with the recommendations in this report.

RISK ASSESSMENT

42. This report has been categorised as medium risk to reflect the updated work on the implementation of the TVCA group risk management strategy. The group corporate

risk register has been updated to reflect funding uncertainty. The existing management systems and daily routine activities are sufficient to control and reduce risk.

43. The risk of increased costs through economic factors is closely monitored and is being managed through the revised borrowing strategy put in place. A robust business case development process reduces the risk of cost pressures of investments by ensuring sufficient contingencies are built in resulting in no additional call of Corporations resources.

44. Borrowing Commitments: A £75m borrowing facility is available but will require robust business cases and demonstrable ability to service debt. Any drawdown would create ongoing revenue commitments for interest and MRP increasing pressure on limited revenue resources.

45. Revenue Impact of Abortive Costs: If capital schemes do not progress, abortive costs become revenue in nature, adding to pressure on already limited and time-bound revenue funding.

CONSULTATION & COMMUNICATION

46. The subject of this report is a matter for HDC Board approval; therefore, no additional consultation and communication has been undertaken.

EQUALITY & DIVERSITY

47. There are no equality and diversity implications associated with the recommendations in this report. Specific proposals associated with business cases and Investment Plan funding draw down will consider these implications where applicable.

Name of Contact Officer:	Jo Moore
Post Title:	Interim Group Director of Finance and Resources
Email Address:	jo.moore@teesvalley-ca.gov.uk

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Hartlepool Development Corporation

The appendices to this report are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information); of schedule 12a Local Government Act 1972.)

Agenda Item 7

Report to the Hartlepool Development Corporation Board

14 July 2026

Report of Interim Group Monitoring Officer

URGENT AND DELEGATED DECISIONS

SUMMARY

This report provides an update for the Hartlepool Development Corporation (HDC) Board of Delegated and Urgent Decisions taken since the last update to the Development Corporation Board on 9 June 2026.

RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

i. NOTES the Delegated Decision detailed in paragraph 2 and Appendix 1.
ii. NOTES the Delegated Decision detailed in paragraph 3 and Appendix 2.
iii. NOTES the Delegated Decision detailed in paragraph 4 and Appendix 3.
iv. NOTES the Delegated Decision detailed in paragraph 5 and Appendix 4.
v. NOTES the Delegated Decision detailed in paragraph 6 and Appendix 5.
vi. NOTES the Delegated Decision detailed in paragraph 6 and Appendix 6.

DETAIL

Attached to this report are six Delegated Decision Records.

1. The records contain commercially sensitive information pertaining to tenants of Middleton Grange Shopping Centre. The details of the delegated and urgent decisions are therefore not for publication under paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Schedule of 12A of the Local Government Act 1972.

Delegated Decisions

2. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the Board on 11 July 2024, under item 10.3.

    a. A decision has been made to remove a gas meter from a vacant unit at Middleton Grange Shopping Centre. The gas meter is no longer in use and there is a standing charge of £1.80 per day. It is not envisaged that any future tenant would require a gas supply and it would be discouraged for it to be renewed by any future tenant. The Board delegated authority to the Hartlepool Development Corporation Statutory Officers any landlord non-recoverable capex up to £100,000.

    b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached as Appendix 1.

3. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 9 June 2026, under item 7.

    a. A decision has been made to agree to a dilapidation settlement with a former tenant at Middleton Grange Shopping Centre. The Board delegated authority to the Hartlepool Development Corporation Statutory Officers settlement of any dilapidations claim up to £100,000.

    b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached as Appendix 2.

4. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 9 June 2026, under item 7.

    a. A decision has been made to agree to the terms of a new lease at a new unit with an existing tenant at Middleton Grange Shopping Centre. The Board delegated authority to the Hartlepool Development Corporation Statutory Officers any letting with a contracted rent up to £150,000 per annum.

    b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached as Appendix 3.

5. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 9 June 2026, under item 7.

a. A decision has been made to approve to a Tenant Restructuring Plan relating to a tenant at Middleton Grange Shopping Centre. The Board delegated authority to the Hartlepool Development Corporation Statutory Officers to respond to tenant restructuring proposals.

b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached as **Appendix 4.**

6. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 9 June 2026, under item 7.

   a. A decision has been made to agree to the terms of a renewal lease with an existing tenant at Middleton Grange Shopping Centre. The Board delegated authority to the Hartlepool Development Corporation Statutory Officers any letting with a contracted rent up to £150,000 per annum.

   b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached as **Appendix 5.**

7. The Delegated Decision below has been taken in line with the General Delegations set out in the HDC Constitution:

   a. A decision has been made pursuant to General Delegation 3 (GD3) of the Hartlepool Development Corporation Constitution to vary the current asset management contract with Black Cat Building Consultancy to include the production of a strategic delivery plan for Middleton Grange Shopping Centre and the surrounding area.

   b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 6.**

FINANCIAL IMPLICATIONS

8. The financial implications in relation to each Delegated Decision are identified within each decision form.

LEGAL IMPLICATIONS

9. The decisions referred to in this report have been taken in accordance with the Hartlepool Development Corporation Constitution and/or the Middleton Grange Shopping Centre Scheme of Delegation (June 2026).

10. The Middleton Grange Shopping Centre Scheme of Delegation (June 2026) was agreed by the board on 9 June 2026 under item 7. The main body of the report identifies the specific delegations exercised by the Statutory Officers in accordance with the Scheme of Delegation and Constitution.

RISK ASSESSMENT

11. This report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

12. Save for where provided in the Delegated Decision Record, no consultation is required in relation to reporting to the Board.

EQUALITY & DIVERSITY

13. It is not expected that the content of this report will have an adverse effect on any individual with protected characteristics.

Name of Contact Officer:	Louise Holroyd
Post Title:	Locum Solicitor
Email Address:	louise.holroyd@teesvalley-ca.gov.uk

DELEGATED DECISION FOR MIDDLETON GRANGE SHOPPING CENTRE

This form should be used to record decisions for Middleton Grange Shopping Centre for Hartlepool Development Corporation taken under the scheme of delegation arrangements by the Group Chief Executive, Group Director of Finance & Resources, and Monitoring Officer. Delegated decisions are possible pertaining to Middleton Grange Shopping Centre asset management decisions.

OFFICER: Chief Executive , Interim Group Director of Finance and Resources and Interim Monitoring Officer	DATE DECISION TAKEN: 8 June 2026
DECISION NO: HDC AF12-2026	DELEGATION POWER AND PAGE OF CONSTITUTION OR BOARD MINUTE NUMBER: 11th July 2024 – HDC 17/24 iii
SCHEME OF DELEGATION ITEM: • All landlord non recoverable capex up to £100,000.	
DETAILS OF DECISION: This decision relates to the removal of a gas meter at Unit 133-134 at Middleton Grange Shopping Centre. HDC have received a recommendation from Black Cat Asset Management (BCAM) to remove a gas meter from this vacant unit, as it is no longer in use and there is a standing charge of £1.80 per day. It is not envisaged that any future tenant would require a gas supply and it would be discouraged for it to be renewed by any future tenant. The removal of gas from the shopping centre also aligns with the Environmental, Social & Governance (ESG) strategy of the shopping centre.	
FINANCIAL IMPLICATIONS: The centre's Property Manager's Jones Lang LaSalle (JLL) have received a quote for removing the gas meter. The quote is £420.00 + VAT. The saving of £1.80 per day will cover the cost of the removal after 234 days.	
LEGAL IMPLICATIONS: N/A	
EXISTING BOARD DECISION WHICH ASSIGNED THE NECESSARY FUNDING: On 11th July 2024, HDC board approved the MGSC scheme of delegation per board minute 17/24iii. This decision delegated authority to HDC statutory officers pertaining to MGSC operational costs to achieve its strategic goals.	

IS THIS A KEY DECISION? No
RELEVANT DEVELOPMENT CORPORATION POLICY FRAMEWORK: Fits within the HDC masterplan, falling within the Middleton Grange focus area and is in line with the MGSC business plan.
PROCESS OF PARTNER CONSULTATION: The board have approved the scheme of delegation under the outlined parameters.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED: The only alternative option is to not remove the gas meter. This has been rejected as the meter is no longer in use, and it is costing HDC £1.80 per day on unnecessary expenditure.
ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS: N/A

SIGNATURE:	SIGNATURE:	SIGNATURE:
GROUP CHIEF EXECUTIVE DATE:03/06/2026	INTERIM GROUP DIRECTOR OF FINANCE & RESOURCES DATE:08/06/2026	INTERIM MONITORING OFFICER DATE:04/06/2026

RECORD OF THE EXERCISE OF DELEGATIONS TO CHIEF OFFICERS AS DETAILED IN THE MIDDLETON GRANGE SHOPPING CENTRE SCHEME OF DELEGATION JUNE 2024

This form should be used to record decisions taken in accordance with the delegations provided in the Hartlepool Development Corporation Constitution to one or more Chief Officers (as relevant) – Chief Executive, Section 73 Officer and Monitoring Officer.

OFFICER: Chief Executive, Interim Group Director of Finance and Resources and Interim Monitoring Officer	DATE DECISION TAKEN: 25 June 2026
DECISION NO: HDC AF15-2026	
REFERENCE – TYPE OF DELEGATION Delegation to HDC Statutory Officers - Middleton Grange Shopping Centre Scheme of Delegation (June 2026)	DELEGATION POWER • Settlement of any dilapidations claims up to £100,000

DETAILS OF DECISION:

<u>Background</u>

A tenant ("the Tenant") occupied a unit at Middleton Grange Shopping Centre ("the Premises") under a lease which ended in June 2025 ("the Lease").

The Tenant served a break notice on Hartlepool Development Corporation ("HDC") as landlord of the Premises in December 2024 confirming that they intend to vacate the Premises. The Tenant subsequently vacated the Premises in June 2025.

The Centre's previous asset managers, Jones Lang LaSalle ("JLL") inspected the Premises following the Tenant's departure, and HDC were advised that the premises had not been left in a compliant condition in accordance with the terms of the Lease.

JLL recommended that HDC commission and serve upon the Tenant a Schedule of Dilapidations in order to recover costs from the Tenant as a result of their failure to comply the reinstatement provisions of the Lease. The decision to authorise the commissioning of a survey and preparation of a Schedule of Dilapidations in respect of the Premises, and to issue a dilapidations claim against the Tenant to recover costs from the Tenant as a result of their failure to comply with the reinstatement provisions of the lease was approved via Urgent Decision on 29 July 2025 (Decision number: HDC UD 11-2025).

Black Cat Asset Management ("BCAM"), the current asset managers for Middleton Grange Shopping Centre, have now put forward a recommendation to HDC to agree to the proposed settlement sum of this dilapidations claim.

A copy of BCAM's recommendation is attached to this request as confidential Appendix B.

<u>Decision</u>

The following decisions have been made:

1. Agree to the proposed dilapidations settlement.
2. Authorise HDC to enter into a Settlement Agreement with the Tenant to formalise the settlement and to delegate to the Monitoring Officer Authority to sign the Settlement Agreement on behalf of HDC.

FINANCIAL IMPLICATIONS:

Appendix A to this record sets out the full and final settlement proposal.

The fees associated with the settlement agreement are as follows:

- Anthony Collins Solicitors: £1,100.00 plus VAT.
- JLL Building Surveyors: £2,500.00 plus VAT.
- <u>Total: £3,600.00 plus VAT.</u>

PROCESS OF PARTNER CONSULTATION:

There has been no consultation undertaken prior to this decision.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

Not to accept the settlement offer. HDC could decide not to accept the settlement offer, however HDC have been advised that this is the Tenant's best and final offer. It is not considered that pursuing a claim for the debt in full would result in recovery of more than this amount and fee costs to HDC would increase.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

The Chief Executive of Hartlepool Development Corporation is also the Chief Executive of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Chief Executive has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Interim Group Director of Finance & Resources of Hartlepool Development Corporation is also the Interim Group Director of Finance & Resources of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Group Director of Finance & Resources has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Interim Monitoring Officer of Hartlepool Development Corporation is also the Interim Monitoring Officer of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Monitoring Officer has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

ANY OTHER INFORMATION TO BE INCLUDED AS PART OF THE DECISION RECORD:

SIGNATURE:	SIGNATURE:	SIGNATURE:
CHIEF EXECUTIVE	INTERIM MONITORING OFFICER	INTERIM GROUP DIRECTOR OF FINANCE & RESOURCES
DATE: 24/6/26	DATE: 25/6/26	DATE: 25/6/26

Date Reported to HDC Board

RECORD OF THE EXERCISE OF DELEGATIONS TO CHIEF OFFICERS AS DETAILED IN THE MIDDLETON GRANGE SHOPPING CENTRE SCHEME OF DELEGATION JUNE 2024

This form should be used to record decisions taken in accordance with the delegations provided in the Hartlepool Development Corporation Constitution to one or more Chief Officers (as relevant) – Chief Executive, Section 73 Officer and Monitoring Officer.

OFFICER: Chief Executive, Interim Group Director of Finance and Resources and Interim Monitoring Officer	DATE DECISION TAKEN: 25 June 2026
DECISION NO: HDC AF14-2026	
REFERENCE – TYPE OF DELEGATION Delegation to HDC Statutory Officers - Middleton Grange Shopping Centre Scheme of Delegation (June 2026)	DELEGATION POWER • Delegation to HDC Statutory Officers- any letting with a contracted rent up to £150,000 per annum.

DETAILS OF DECISION:

Background

Hartlepool Development Corporation ("HDC"), as landlord of Middleton Grange Shopping Centre, is negotiating relocation terms with an existing tenant ("the Tenant"), the details of which are set out in confidential appendix A

The Tenant are currently holding over on a protected lease in their existing unit, which contractually expired on the 21 January 2021. The Tenant has indicated their wish to relocate to a larger unit for a term of 3 years.

Terms of the new lease have been negotiated by Barker Proudlove, HDC's external retail property consultants, and a provisional agreement with the Tenant has now been reached. The proposed Heads of Terms are summarised in the attached confidential Appendix B and are set out in full in Black Cat Asset Management's recommendation at confidential Appendix C.

Decision

A decision has been made to agree to the terms of the new lease to the Tenant on the terms set out in the attached recommendation at confidential Appendix C and completion of the new lease on those terms.

Appendices A, B and C to this Record of Decision are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Schedule 12A of the Local Government Act 1972.

FINANCIAL IMPLICATIONS:
Appendix A to this record sets out the financial implications of agreeing the new lease terms, The fees associated with the transaction are as follows: Anthony Collins Solicitors: £1,950 plus VAT Barker Proudlove: £3,000 plus VAT Total: £4,950 plus VAT
PROCESS OF PARTNER CONSULTATION: There has been no partner consultation prior to making this decision.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED: Not to agree to the recommended lease terms – this may result in the Tenant no longer wishing to operate their business from the Centre and vacating the unit. This would consequently mean that HDC would need to cover the void costs for the unit as the unit would become vacant.
ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS: The Chief Executive of Hartlepool Development Corporation is also the Chief Executive of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Chief Executive has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict. The Interim Group Director of Finance & Resources of Hartlepool Development Corporation is also the Interim Group Director of Finance & Resources of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Group Director of Finance & Resources has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict. The Interim Monitoring Officer of Hartlepool Development Corporation is also the Interim Monitoring Officer of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Monitoring Officer has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.
ANY OTHER INFORMATION TO BE INCLUDED AS PART OF THE DECISION RECORD: None

SIGNATURE:	SIGNATURE:	SIGNATURE:
Tom Bryant. CHIEF EXECUTIVE DATE: 21/6/26	Janette McGarvey INTERIM MONITORING OFFICER DATE: 22/6/26	J moore. INTERIM GROUP DIRECTOR OF FINANCE & RESOURCES DATE: 25/6/26
Date Reported to HDC Board		

Hartlepool Development Corporation

DELEGATED DECISION FOR MIDDLETON GRANGE SHOPPING CENTRE

This form should be used to record decisions for Middleton Grange Shopping Centre for Hartlepool Development Corporation taken under the scheme of delegation arrangements by the Group Chief Executive, Group Director of Finance & Resources, and Monitoring Officer. Delegated decisions are possible pertaining to Middleton Grange Shopping Centre asset management decisions.

<table>
<tr><td>OFFICER:

Chief Executive, Interim Group Director of Finance and Resources and Interim Monitoring Officer</td><td>DATE DECISION TAKEN:

25 June 2026</td></tr>
<tr><td>DECISION NO:
HDC AF16-2026</td><td>DELEGATION POWER AND PAGE OF CONSTITUTION OR BOARD MINUTE NUMBER:

HDC Board 9th June 2026 – 26/26 - Revised Scheme of Delegation</td></tr>
<tr><td colspan="2">SCHEME OF DELEGATION ITEM:

• Responses to tenant restructuring proposals.</td></tr>
<tr><td colspan="2">DETAILS OF DECISION:

<u>Background</u>

Hartlepool Development Corporation (“HDC”), as landlord of Middleton Grange Shopping Centre, has received notice that a tenant of a unit in the Centre (“the Tenant”) is proposing to restructure their business.

HDC’s asset managers, BCAM, have reviewed the restructuring plan proposal on behalf of HDC and have provided a recommendation to vote in favour the plan. A copy of this can be found attached to this record at confidential Appendix B.

<u>Decision</u>

A decision has been made to approve the Tenant Restructuring Plan on the proposed terms.

Appendices A and B to this Record of Decision are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) and paragraph 5 (Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of Schedule 12A of the Local Government Act 1972.</td></tr>
<tr><td colspan="2">FINANCIAL IMPLICATIONS:

There are no direct financial implications for HDC related to this decision. The wider financial implications of the tenant’s restructuring proposals are detailed in the confidential appendices.</td></tr>
<tr><td colspan="2">LEGAL IMPLICATIONS:

BCAM’s recommendation confirms that there is no change to the current lease or liabilities with</td></tr>
</table>

the current tenant. The lease is excluded from the protection of Ss 24-28 Landlord and Tenant Act 1954 and expires on 31 January 2029.There are no direct Legal implications for HDC relating to this decision.
EXISTING BOARD DECISION WHICH ASSIGNED THE NECESSARY FUNDING: N/A
IS THIS A KEY DECISION? No
PROCESS OF PARTNER CONSULTATION: There has been no partner consultation.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED: To either vote against the Tenant's restricting plan or to abstain from voting. Should the plan not receive the required number of votes, this may lead to the Tenant company entering administration and the loss to HDC being greater than if the plan had been implemented.
ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS: The Chief Executive of Hartlepool Development Corporation is also the Chief Executive of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Chief Executive has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict. The Interim Group Director of Finance & Resources of Hartlepool Development Corporation is also the Interim Group Director of Finance & Resources of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Group Director of Finance & Resources has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict. The Interim Monitoring Officer of Hartlepool Development Corporation is also the Interim Monitoring Officer of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Monitoring Officer has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

SIGNATURE: GROUP CHIEF EXECUTIVE DATE: 15/6/26	SIGNATURE: GROUP DIRECTOR OF FINANCE & RESOURCES DATE: 25/6/26	SIGNATURE: MONITORING OFFICER DATE: 22/6/26

RECORD OF THE EXERCISE OF DELEGATIONS TO CHIEF OFFICERS AS DETAILED IN THE MIDDLETON GRANGE SHOPPING CENTRE SCHEME OF DELEGATION JUNE 2024

This form should be used to record decisions taken in accordance with the delegations provided in the Hartlepool Development Corporation Constitution to one or more Chief Officers (as relevant) – Chief Executive, Section 73 Officer and Monitoring Officer.

OFFICER: Chief Executive, Interim Group Director of Finance and Resources and Interim Monitoring Officer	DATE DECISION TAKEN: 25 June 2026
DECISION NO: HDC AF17-2026	
REFERENCE – TYPE OF DELEGATION Delegation to HDC Statutory Officers - Middleton Grange Shopping Centre Scheme of Delegation (June 2026)	DELEGATION POWER • Delegation to HDC Statutory Officers- Any letting with rent level up to £150,000 pa.

DETAILS OF DECISION:

<u>Background</u>

Hartlepool Development Corporation ("HDC"), as landlord of Middleton Grange Shopping Centre, is negotiating terms with an existing tenant, the details of which are set out in confidential appendix A ("the Tenant") to agree a renewal lease of a unit in the Centre.

The Tenant has indicated their wish to enter into a lease to remain at the Centre for a further 5 years, with effect from the expiry date, subject to a tenant break option at the end of the third year.

Terms of the new lease have been negotiated by Barker Proudlove, HDC's external retail property consultants, and a provisional agreement with the Tenant has now been reached. The proposed Heads of Terms are summarised in the attached confidential Appendix B and are set out in full in Black Cat Asset Management's recommendation at confidential Appendix C.

<u>Decision</u>

A decision has been made to agree to the terms of the renewal lease to the Tenant on the terms set out in the attached recommendation at confidential Appendix C and completion of the renewal lease on those terms.

FINANCIAL IMPLICATIONS:

Appendix A to this record sets out the financial implications of agreeing the new lease terms,

The fees associated with the transaction are as follows:

TEES VALLEY

Anthony Collins Solicitors: £1950.00 plus VAT Barker Proudlove: £14,500.00 plus VAT Total: £16,450.00 plus VAT	
PROCESS OF PARTNER CONSULTATION: There has been no partner consultation prior to making this decision.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED: Not to agree to the recommended lease terms – this may result in the Tenant no longer wishing to operate their business from the Centre and vacating the unit. This would consequently mean that HDC would need to cover the void costs for the unit as the unit would become vacant.	
ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS: The Chief Executive of Hartlepool Development Corporation is also the Chief Executive of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Chief Executive has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict. The Interim Group Director of Finance & Resources of Hartlepool Development Corporation is also the Interim Group Director of Finance & Resources of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Group Director of Finance & Resources has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict. The Interim Monitoring Officer of Hartlepool Development Corporation is also the Interim Monitoring Officer of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Monitoring Officer has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.	
ANY OTHER INFORMATION TO BE INCLUDED AS PART OF THE DECISION RECORD: None	

SIGNATURE:	SIGNATURE:	SIGNATURE:
CHIEF EXECUTIVE DATE: 21/6/26	INTERIM MONITORING OFFICER DATE: 25/6/26	INTERIM GROUP DIRECTOR OF FINANCE & RESOURCES DATE: 22/6/26
Date Reported to HDC Board		

RECORD OF THE EXERCISE OF DELEGATIONS TO CHIEF OFFICERS AS DETAILED IN THE HDC CONSTITUTION

This form should be used to record decisions taken in accordance with the delegations provided in the Hartlepool Development Corporation Constitution to one or more Chief Officers (as relevant) – Chief Executive, Section 73 Officer and Monitoring Officer.

OFFICER: Chief Executive, Section 73 Officer and Monitoring Officer	DATE DECISION TAKEN: 25th June 2026
DECISION NO: HDC 01-2026	
REFERENCE – TYPE OF DELEGATION HDC Constitution - GD3	DELEGATION POWER AND PAGE OF CONSITUTION The acceptance of the best value tender or quotation (Chief Executive Officer and Group Director of Finance and Resources) 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.

DETAILS OF DECISION:

This decision relates to the commissioning of a strategic delivery plan for Middleton Grange Shopping Centre and the surrounding area.

The current supplier of asset management services at MGSC, BCAM, are to be instructed under variation to their current contract to allow the strategic delivery plan to be progressed at the pace required. BCAM have the required knowledge, information of the centre along with the skills and experience to carry out this piece in a 4 week time frame.

Following the procurement process outlined above, a decision has been made pursuant to General Delegation 3 (GD3) of the Hartlepool Development Corporation Constitution to award the contract to Black Cat Building Consultancy to provide asset management services for Middleton Grange Shopping Centre.

FINANCIAL IMPLICATIONS:

The cost of the valuation is £44,0000 plus VAT.

This will amount will be used from the contingency of £100,000 set out in the HDC 26/27 budget.

PROCESS OF PARTNER CONSULTATION:

HDC Board have been briefed.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

The alternative is not to commission this piece, which would hamper the potential redevelopment plans in the timeframe required. This has been rejected.

Another alternative would be to tender for this piece as a standalone contract which would take considerably longer and likely be less cost effective as the current asset management supplier has the knowledge and experience of the centre that another organisation would not. This has been rejected.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

The Chief Executive of Hartlepool Development Corporation is also the Chief Executive of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Chief Executive has considered whether this creates an actual conflict of interest.
This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Interim Group Director of Finance & Resources of Hartlepool Development Corporation is also the Interim Group Director of Finance & Resources of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Group Director of Finance & Resources has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Interim Monitoring Officer of Hartlepool Development Corporation is also the Interim Monitoring Officer of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Hartlepool Development Corporation Constitution, the Interim Monitoring Officer has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

ANY OTHER INFORMATION TO BE INCLUDED AS PART OF THE DECISION RECORD:

N/A

SIGNATURE:	SIGNATURE:	SIGNATURE:
CHIEF EXECUTIVE	MONITORING OFFICER	FINANCE DIRECTOR (S73)
DATE: 21/6/26	DATE: 22/6/26	DATE: 25/6/26

NB only include Chief Officer(s) required for the specific delegation

Date Reported to HDC Board
(to be completed by Governance)

Once fully complete and signed off please return to the Governance Team.

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Hartlepool Development Corporation

The appendices to this report are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)); of schedule 12a Local Government Act 1972.

Agenda Item 8
Report to the Hartlepool Development Corporation Board
14 July 2026
Report of TVCA Director of Infrastructure

MIDDLETON GRANGE SHOPPING CENTRE

SUMMARY

The acquisition of the Middleton Grange Shopping Centre long leasehold completed on 19 December 2023. This report provides Board Members with an update on the operations of the shopping centre since the last update in April 2026.

RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board NOTES the updates provided in this report and the confidential appendices.

DETAIL

Finance

1. Since completion of the purchase of the shopping centre, HDC officers have worked with JLL, the appointed property management company, to obtain comprehensive financial information. This information covers, for example, tenant schedules, current contract terms, operating costs and arrears reports.

2. The information provided has allowed officers to review the current rent roll, current debtors and identify any irrecoverable costs – and to review the potential impact certain scenarios would have on financial results for the year. From this information officers have prepared a forecast position and compared to actuals and this is included in confidential appendix 1 to this report.

3. A monthly review of actuals to forecasts is undertaken and any variances will be considered by management and discussed with JLL. Both the financial information and the forecasts are updated for any new lease agreements entered, costs which have arisen and tenants who may have vacated their premises in the period. Provisions are reviewed and updated as necessary.

4. The debtor's position is analysed monthly, and potential high-risk tenants identified. Tenants are considered high risk if they have not made payments for a significant period or if their payments are turnover-based and there has been a significant fall in turnover, reducing the amount receivable.

5. A quarterly finance update of performance against forecast will be presented to the Board as part of the overall shopping centre update. For the year ended 31 March 26 there is a negative net operating position. Details are included in confidential **appendix 1.**

6. The purchase of the shopping centre was approved by the board in November 2023. The total cost was funded from the Hartlepool MDC £10m allocation received from TVCA Investment Plan. A programme plan and phased profile of remediation works identified as part of the purchase is now being managed and monitored post-transaction.

7. In advance of the acquisition and during the acquisition costs had been incurred on professional fees. The costs were funded via the project development allocation, under the delegation approved on the 19 February 2024.

Marketing

8. Over the first quarter of 2026 contracted marketing provider, Cool Blue continued to deliver against Middleton Grange's strategic marketing objectives through a mix of seasonal campaigns, targeted digital activity, PR and event delivery on a monthly rolling basis, TVCA marketing team brought this in house from March.

9. Digital presence: Continuing to implement a proactive content plan to maintain steady online engagement and reach. From January - March 2026, social media achieved an organic reach of 63,364 across all platforms, down 93% on the previous quarter. Total organic engagements in the quarter was 10,564, up 15% on the previous quarter. Engagement spikes were driven by the Makers & Bakers Artisan Market, and the temporary toilet closure. The centre's email subscriber database has grown to 1,607 recipients, up 1% from the previous quarter, supporting ongoing communication and campaign visibility. Campaigns this quarter included Easter in person events and Artisan Market.

10. Website: The Middleton Grange website continues to perform well with steady visitor numbers and regular content updates. In the last quarter, the website has had 14,936 visitor sessions (down 33%), with 12,819 of those coming through to the site directly. 5,392 came through organic search and 337 from organic social media.

11. Tenant Engagement: Strong communication with tenants has been maintained. Proactive support was provided to amplify tenant-led activity across digital channels.

Footfall

12. Counters are installed at various entrances around the Centre.

13. For the year-to-date period January 2026- March 2026, the total number of visitors to the Centre was 1,052,956 which is 0.5% down on the same period in 2025. This compares to a UK average of –0.7% and a North/Yorkshire average of –1.2%.

14. January 2026 saw 313,332 visitors to the Centre (-0.8%, or -8,403 visitors on 2025). This compares to a UK average of -1.7% and a North/Yorkshire average of -1.6%).

15. February 2026 saw 323,077 visitors to the Centre (-2.5%, or -8,298 visitors on 2025). This compares to a UK average of -1.0% and a North/Yorkshire average of -1.5%).

16. March 2026 saw 416,547 visitors to the Centre (+1.4%, or +5,711 visitors on 2025). This compares to a UK average of +0.2% and a North/Yorkshire average of -0.5%).

Business Plan

17. At its meeting in July 2024, the HDC Board approved a strategic asset business plan which set out at a high level the actions required over a 12–18-month period to ensure that the underlying investment is preserved while the longer-term aspirations and viability is tested.

18. The asset manager's quarterly report covering the period January – March 2026 is attached at confidential **appendix 2.**

19. A new asset business plan is being finalised by the shopping centre's asset managers and will be presented to a future board for approval.

FINANCIAL IMPLICATIONS

20. The shopping centre generates income from rents. There are a range of lease agreements, for example, some agreements are rates only. Where properties are vacant, HDC as landlord is liable for service charge fees and business rates.

21. After landlord liabilities for void service charges and business rates, and non-recoverable operating fees, are deducted there is an operating deficit due to the transition costs this financial year to be in the region of £0.701m. Officers are working closely with JLL to manage these pressures through tighter control of maintenance and operational budgets, as well as proactive asset management via Black Cat aimed at improving income to offset rising costs. Should these measures prove insufficient, the Corporation will need to seek additional financial support from the TVCA Cabinet.

22. No financial implications from the capital expenditure on current repair or investigation activity, as the purchase price was reduced to cover these as part of the negotiations.

LEGAL IMPLICATIONS

23. Once HDC has entered into a Lease for a particular unit it will be bound by its terms. HDC has instructed a number of industry experts to ensure that all legal documentation is based on accurate industry advice.

24. External solicitors are instructed by HDC to complete all legal documentation and provide ongoing advice as required. This is managed by the TVCA in-house legal function.

25. Consideration will be given to, and an assessment produced to manage any risk under the Subsidy Control Act 2022, whereby a public authority provides resources to give one entity a commercial advantage over another. This will be considered, and an assessment made in respect of any letting, before it is agreed.

RISK ASSESSMENT

26. Property Management: HDC does not have the internal expertise to proactively manage the MGSC and ensure continuity of rent collection, service charge management and general property management. This is mitigated with the appointment of JLL as property managers.

27. Asset Management: HDC does not have the internal expertise to strategically manage the MGSC asset. This is mitigated by the appointment of BCAM as asset manager for the reporting period, alongside experienced letting agents and legal advisors.

28. Financial Risk: Declining income: Micro and macro-economic conditions may deteriorate leading to additional tenants vacating units or entering liquidation. This may reduce net income to a deficit level. This risk will continue and is inherent to the retail asset type. This is partly mitigated with increasing marketing activity to attract footfall, a proactive asset management and reletting strategy to stabilise and grow income, pending ongoing review of the asset as part of the forthcoming wider plans.

29. Financial Risk: Operational cost liability: There is a risk income voids from vacant premises means service charge is not covered and must be paid by HDC as owner. This is partly mitigated by income from rents which could be used to offset void service charge and rates costs. The delivery of the asset management business plan aims to stabilise and grow tenancies, whilst rationalising retail space, will seek to increase demand and reduce costs to reduce the long-term risk of income and service charge void.

30. Abortive Costs: Works are required in the short term to ensure health and safety requirements are met and the shopping centre can continue to operate. The vision for the area will indicate places where rationalisation will take place. Spending in these areas would not incur costs unless necessary for H&S reasons.

31. The risks are categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION AND COMMUNICATION

32. The contents of this report do not require further consultation.

EQUALITY AND DIVERSITY

33. It is not expected that the subject of the report will have an effect on groups of people with protected characteristics.

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Hartlepool Development Corporation

Agenda Item 10

Report to the Hartlepool Development Corporation Board

14 July 2026

Report of Head of Performance, Risk and Assurance

BOARD RISK MANAGEMENT REPORT

SUMMARY

This report provides the Board with a clear and focused overview of the principal strategic risks facing Hartlepool Development Corporation (HDC), including current exposure and key management actions.

RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board Committee:

i. **Note** the current strategic risk position.
ii. **Provide challenge and feedback** where appropriate on the risks and planned mitigations.
iii. **Endorse the direction of travel** for key mitigation plans and governance improvements.

OVERALL RISK POSITION

1. The Strategic Risk Register sets out the most significant risks affecting HDC's ability to:

    - meet its statutory responsibilities
    - maintain effective governance
    - deliver agreed priorities

2. A number of risks remain above target, particularly in relation to strategic alignment, organisational capacity and financial sustainability, including the position of Middleton Grange Shopping Centre.

3. Since the last report, progress has been made through the completion of key strategic and financial review activity, with recommendations considered, to be presented through Cabinet and governance arrangements.

4. This report presents the Hartlepool Development Corporation's Risk Register as of 28 June 2026.

KEY DEVELOPMENTS SINCE PREVIOUS REPORT

- Strategic review activity has been completed, and recommendations will be reported through the July Cabinet.
- Progress has been made in defining future priorities and delivery arrangements.
- Further work has been undertaken to assess the medium-term financial position and future funding requirements.
- Governance review activity has progressed, including consideration of committee effectiveness and skills requirements.

STRATEGIC RISK SUMMARY

5. The Corporation currently has four Red-rated strategic risks and two Amber-rated strategic risks. The highest areas of exposure relate to financial sustainability, the future performance of Middleton Grange Shopping Centre, strategic direction and governance effectiveness as shown in the following table:

Risk ID	Risk Summary	Residual Risk Score	Movement from Last Meeting	Risk Target	RAG Status	Treatment Action Plan / Updates	Treatment Action Plan Delivery Date / Control Frequency
RISK-00003219	Financial Sustainability – There is a risk that financial pressures and funding constraints may impact HDC's ability to maintain a sustainable medium-term financial position aligned to its priorities.	25		4	Red	A structured financial and strategic review is underway to align resources with delivery priorities and the emerging operating model. This includes ongoing financial monitoring, review of funding requirements and integration of financial planning with wider strategic decision-making. This work will inform a sustainable medium-term position.	Monthly financial monitoring and quarterly reporting; ongoing review - June 2026 milestone for update in July Cabinet
RISK-00003220	Middleton Grange Shopping Centre Commercial Viability – There is a risk that changes in market conditions and operating costs may affect the commercial performance of Middleton Grange Shopping Centre.	25		12	Red	Active asset management arrangements are in place, supported by regular financial and operational monitoring. An Asset Manager has been appointed to strengthen oversight and performance management. Ongoing review work is being undertaken to inform the future commercial approach and ensure alignment with wider financial and strategic considerations.	Monthly financial monitoring and quarterly reporting; ongoing review - June 2026 milestone for update in July Cabinet

Hartlepool Development Corporation

Risk ID	Risk Summary	Residual Risk Score	Movement from Last Meeting	Risk Target	RAG Status	Treatment Action Plan / Updates	Treatment Action Plan Delivery Date / Control Frequency
RISK-00003254	Committee Constitution and Effectiveness – There is a risk that the Audit and Governance Committee may not consistently maintain the appropriate mix of membership, independence and skills required to operate effectively.	25		5	Red	A governance review is underway to strengthen committee effectiveness, including development of a skills matrix, recruitment and appointment arrangements, and enhanced induction and refresher training. This will support a more consistent and effective approach to governance and oversight.	Ongoing governance review with regular reporting
RISK-00002562	Strategic Direction and Masterplan Deliverability – There is a risk that strategic direction and the masterplan may not be sufficiently clear, prioritised or aligned to current constraints, impacting deliverability.	20		5	Red	A structured strategic reset is underway in collaboration with TVCA to refine priorities, align the masterplan with the delivery pipeline and investment strategy, and confirm a clear forward position. Regular reporting to the Board has been established to support oversight and decision-making.	Ongoing review - June 2026 milestone for update in July Cabinet

Risk ID	Risk Summary	Residual Risk Score	Movement from Last Meeting	Risk Target	RAG Status	Treatment Action Plan / Updates	Treatment Action Plan Delivery Date / Control Frequency
RISK-00002581	Delivery Capacity and Operating Model – There is a risk that HDC does not have sufficient capacity and support arrangements to deliver its programme effectively.	16		12	Amber	An operating model review is underway to assess core resource requirements and the balance between internal capacity, shared services and external support. This work will inform a sustainable delivery model aligned to future priorities.	September 2026 milestone; ongoing monitoring
RISK-00002565	Asset Transfer, Stewardship and Liability Management – There is a risk that asset transfers and management arrangements are not supported by sufficient clarity on liabilities and stewardship.	15		5	Amber	Asset due diligence processes are in place, supported by asset risk registers and ongoing engagement with insurance advisors. The asset management approach is under review to strengthen clarity of responsibilities and long-term stewardship arrangements.	Monthly review and ongoing controls

ROLE OF THE BOARD IN RISK OVERSIGHT

6. The Strategic Risk Register supports the Board in discharging its governance responsibilities.

The Board's role is to:

- Review the overall risk profile
- Provide challenge and assurance on risk exposure and mitigation
- Focus on risks above target
- Ensure alignment between risk, strategy and key decisions

Management remains responsible for owning and mitigating risks. The Board provides oversight, challenge and assurance.

BACKGROUND

7. The Strategic Risk Register is the Corporation's primary tool for identifying and monitoring risks at a corporate level.

8. A recent review has refined the register to:

- strengthen alignment with strategic priorities and governance arrangements
- reflect the current operating environment, including recent Cabinet decisions and the ongoing review of HDC and MDC

9. The register distinguishes between:

- Residual risk – current level of exposure
- Target risk – intended position once actions are embedded

PARTNERSHIP & ENGAGEMENT

10. The Strategic Risk Register has been developed and maintained through ongoing engagement with internal stakeholders and relevant partner functions.

Internal engagement has included:

- Leadership Team members
- Statutory officers and senior managers
- Finance, Governance, Performance, Risk and Assurance teams

11. This engagement supports:

- consistent identification and ownership of risks
- alignment between strategic risks and operational management arrangements
- appropriate escalation of cross-cutting issues

12. This engagement now supports effective reporting to the Board, ensuring that the Strategic Risk Register provides a clear and consistent basis for oversight, challenge and assurance.

FINANCIAL IMPLICATIONS

13. This report does not seek approval for expenditure, does not request additional funding, and does not amend existing budgetary provision.

14. The recommendations relate solely to the presentation, review and oversight of the Strategic Risk Register, including risks relating to financial sustainability which are already subject to separate governance and decision-making processes.

LEGAL IMPLICATIONS

15. This report has no direct legal implications and does not propose changes to HDC's statutory functions, governance structures, constitutional arrangements, or decision-making powers.

16. The risks referenced include consideration of governance, compliance and asset-related matters, which are being managed within existing legal and regulatory frameworks.

RISK ASSESSMENT

17. This report provides oversight of the existing Strategic Risk Register and summarises the current position of the principal strategic risks facing Hartlepool Development Corporation.

18. The report reflects the current risk environment, including the implications of ongoing strategic review activity and the evolving delivery and governance context.

19. The risks referenced are subject to ongoing management, review and escalation through established governance arrangements. While a number of risks remain above target, this is consistent with the current stage of organisational development and the programme of improvement activity underway.

EQUALITY & DIVERSITY

20. The subject of this report relates to internal governance, risk management and organisational oversight arrangements.

21. There are no direct equality or diversity implications arising from the recommendations. Equality considerations are addressed, where relevant, through individual programmes, projects and decision-making processes.

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