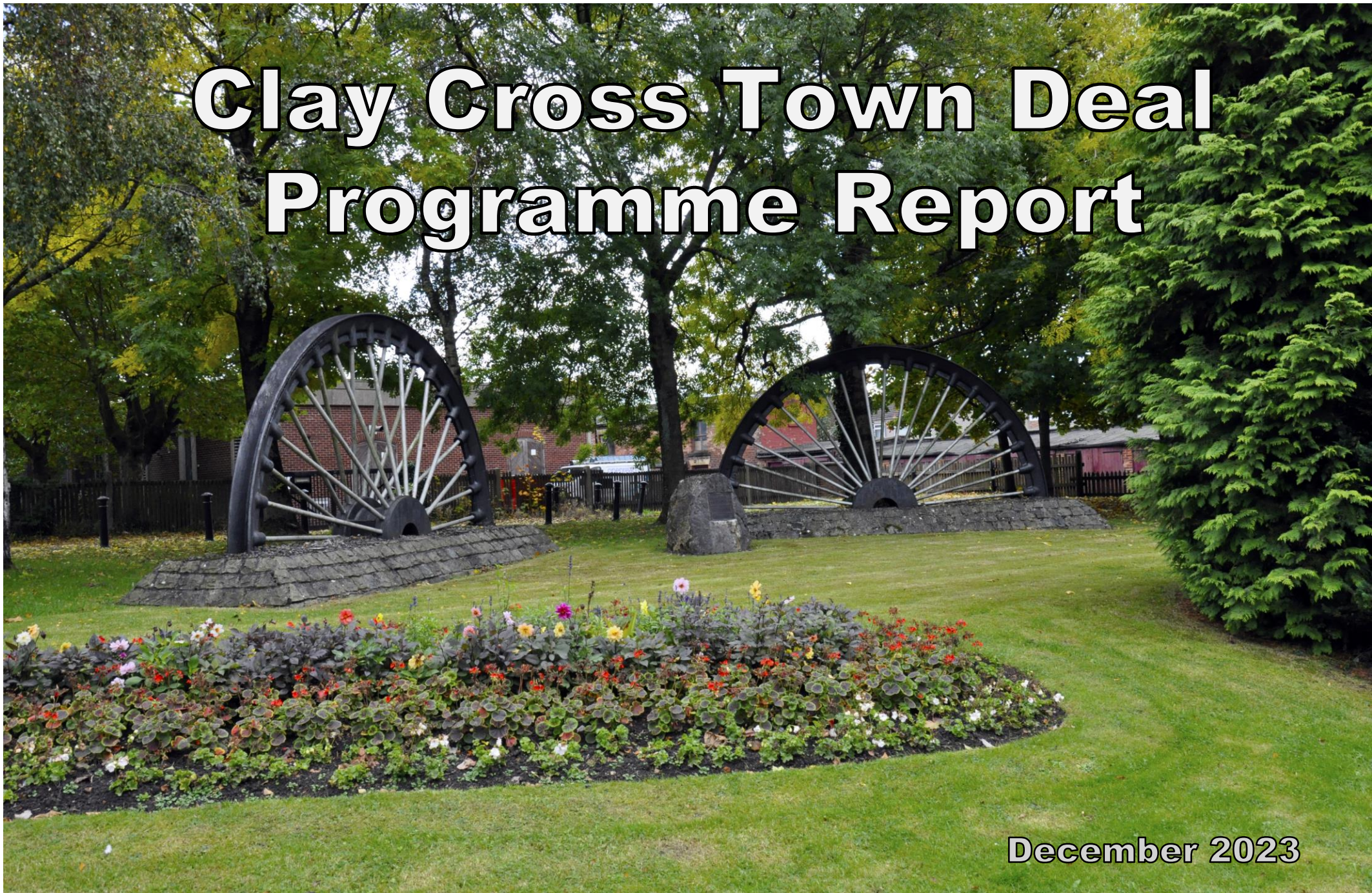


Clay Cross Town Deal Programme Report



December 2023

PROGRAMME UPDATE

DECEMBER 2023

SUMMARY

The third quarter of this financial year has seen the following milestones being met for the programme.

- Clay Cross Active swimming pool construction well under way. Walls have been cast, pressure testing to be done throughout November and December.
- Planning application for Town Centre Regeneration approved.
- Invitation to Tender for Town Centre Regeneration and Connections works now live.
- Planning for new Police Station on Bridge Street approved (enabled through Early Release Funding).
- Low Carbon Challenge Fund: Five applications now approved and five Expressions of Interest submitted.

Overview

- Total programme budget of £24.1m.
- Programme to be financially completed by March 2026.

Aims

- **Urban Regeneration:** Thriving town and town centre for people to live and work.
- **Skills and Infrastructure:** Supporting investment, development of businesses and creating opportunities for training and skills development.
- **Connectivity:** Improving local transport links and improved connectivity.

Projects

- **Clay Cross Active:** new leisure centre and community hub.
- **Town Centre Regeneration:** transport and connections improvements, new community/social spaces, learning hubs and business enterprise units.
- **Low Carbon Challenge Fund:** programme of support to help stimulate the transition to a low carbon economy.
- **Low Carbon Local Area Energy Plan:** outlining how Clay Cross can achieve net zero carbon by 2050.
- **Rail Station Feasibility:** identify the viability of a train station in Clay Cross.

CLAY CROSS TOWN DEAL

KEY MILESTONES

KEY

- Achieved
- On Target



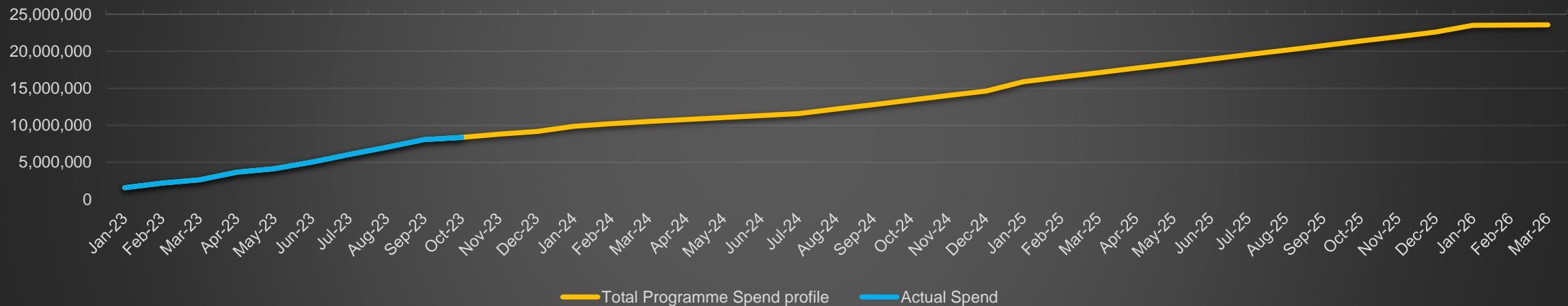
Project	£	Key Milestones					
		2023/24				24/25	25/26
		Apr – Jun Q1	Jul – Sept Q2	Oct – Dec Q3	Jan – Mar Q4		
Clay Cross Active Start: Jan 2023 End: Nov 2024	£7m	● Sports hall construction underway	● New pool excavation works commenced	● CCTD Funding spent	■ Construction continues	■ Construction Complete	
Town Centre Regeneration Start: Jan 2023 End: March 2026	£14.1m	● Planning application submitted	● EOI process for main contractor complete	● Planning app decision ■ Acquisition of Block A & former school land	■ Appointment of contractor	■ Work to commence on Broadleys Units and Block A	■ Works on Clock Tower to commence
Low Carbon Challenge Fund Start: June 2023 End: March 2026	£1.9m	● Commercial scheme launched	● Residential scheme launched	● Launch of Energy Audit Scheme	■ Continue business engagement	■ Continue business engagement	■ Programme complete March 26
Local Area Energy Plan (LCENS) Start: September 2022 End: June 2023	£148k	● Complete and published					
Rail Station Feasibility Start: September 2022 End: June 2023	£102k	● Complete and published					

PROGRAMME – RISK AND FINANCE



Top Programme Risks	Mitigation
Rising costs continue to increase pressure in delivering projects to budget.	Regular cost plan reviews for each project reviewed weekly by contractors/clients). Value engineering conducted as and where necessary to bring projects within budget.
Failure to purchase or agree the workplan on externally owned assets within the time needed to deliver the programme to DLUHC deadline.	Regular review of project programme against the work breakdown structures. If elements need to be re-aligned, this is actively managed to ensure the overall programme is maintained.
Exceptionally adverse weather delays the projects and provides an opportunity for the contractor to claim an extension of time, impacting on overall cost to the programme.	Maximise off site construction, where possible and limit wet trades, to ensure less pressure on programme.

Clay Cross Town Deal Programme Overview



CLAY CROSS ACTIVE - UPDATE



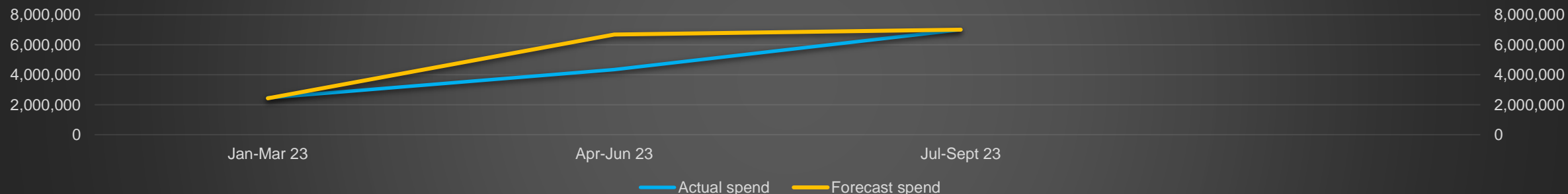
Timeframe	TD Budget	Project Summary
Start: Jan 2023 End: Nov 2024	£7m	A new health and wellbeing community hub for the residents of Clay Cross and the surrounding area. State-of-the-art fully accessible and family friendly leisure centre. Facilities will include pool, sports hall, wellness centre, gym, soft play, tag active and a café. Local services including community health care and advice agencies will be located at Clay Cross Active.

CURRENT RAG	KEY ACHIEVEMENTS	PROGRESS SUMMARY
Amber	<ul style="list-style-type: none"> Works to the steel frame have progressed well with over 80% of the frame now in place. The swimming pool walls have been cast and have started a 21 day curing period. The pools will be filled Nov/Dec to pressure test First floor decking is complete, the aim is to have the 1st section of the floor cast soon. 	<ul style="list-style-type: none"> October 23 has been a challenging month with both the steel frame and RC pool formation being affected by the wind and rain encountered in the period. However, with support from the associated sub-contractors who have both worked extended shifts, the programme remains in the same position. Minor design changes are now being collated by ISG for submission of a new Section 73 planning application. Citizens Advice and NHS Community Clinic – discussions are underway to formally agree leases for the new spaces being created for them, the NHS have now approved the plans. Discussions underway to decide the type of equipment that will be installed in the Leisure Centre e.g. Immersive Spin & Exercise Studios.
PREVIOUS RAG		
Amber		

CLAY CROSS ACTIVE - RISK & SPEND

TOP THREE RISKS	MITIGATION
Contingency insufficient to cover all client risks arising throughout the project.	<p>Through value engineering options discussed and agreed by the project team and the client, the project is currently within budget.</p> <p>The Design Brief has been refined and adjusted to suit the project budget whilst still meeting the client's design brief for the majority.</p>
Asbestos is found in the existing building to a greater extent than expected.	A significant amount of asbestos has been found and removed in the existing sports hall roof. The concern is that these levels could be replicated in the remaining swimming pool hall. Retain a substantial contingency sum to the end of the demolition of the swimming pool hall to expend, if required, against this item in the future.
Exceptionally adverse weather delays the project and provides an opportunity for the contractor to claim an extension of time.	Maximise off site construction, and limit wet trades, to ensure less pressure on programme.

Clay Cross Active Actual vs Forecast Spend - £M



CLAY CROSS ACTIVE – DLUHC OUTPUTS AND OUTCOMES

Outputs and Outcomes	Target	To be achieved by	On target to achieve?	Progress
New/upgraded protected sports centre	1	Nov 24	Yes	Completion of Clay Cross active will achieve this output.
New /upgraded cycle/walking path km/Total length of pedestrian paths improved	3	Mar 26	Yes	Will be achieved by improvements to existing and the creation of new paths around the leisure centre. Other elements of the Town Deal Programme, including Broadley, pedestrianisation of Market Street could also contribute to achieving this output if required.
Amount of new 'other' enterprise space sqm	4,800	Nov 24	Yes	This will be achieved by creation of a new café, tag active, soft play and community/commercial hire and lease opportunities.
Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects	20	Nov 24	Yes	There is high confidence that the number of jobs safeguarded will be met.
Number of full-time equivalent (FTE) permanent jobs created through the projects	5	Nov 24	Yes	There is high confidence that the number of jobs created will be met.

TOWN CENTRE REGENERATION - UPDATE



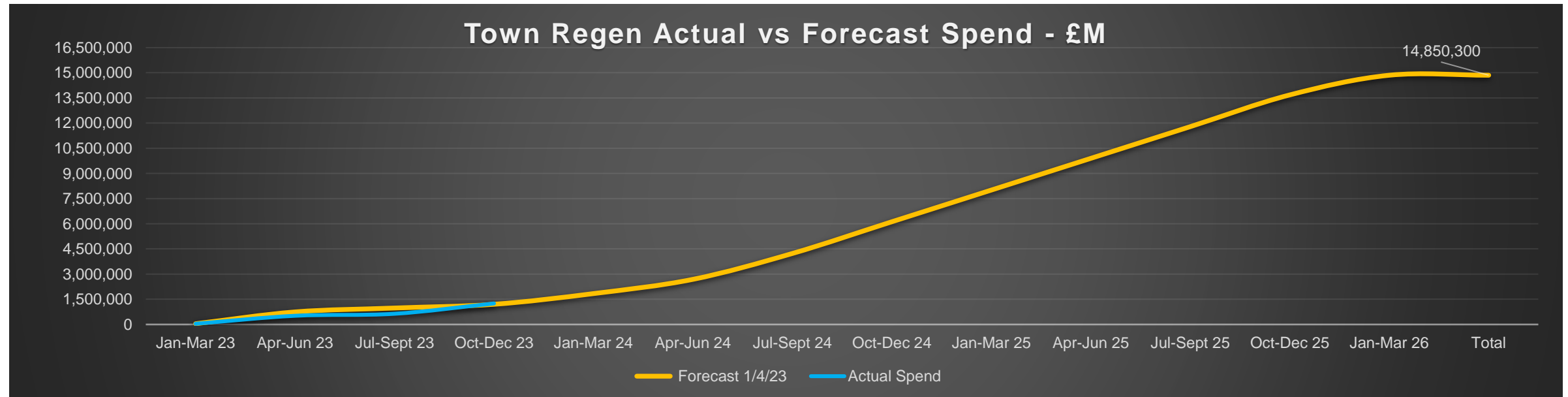
Timeframe	Budget	Project Summary
Start: Jan 2023 End: March 2026	£14.1m	The Town Centre Regeneration project is supporting several changes being made to revitalise the centre of Clay Cross. Four key elements include transport and connections to enhance connectivity by foot and car, create a learning and skills hub in the Clock Tower building, create a community space and social area through a new town square and refurbished heritage building and utilising Broadleys to provide flexible accommodation for start-up and pop-up enterprise units and providing a space for community activities.

CURRENT RAG	KEY ACHIEVEMENTS	PROGRESS SUMMARY
Amber	<ul style="list-style-type: none"> • Planning permission for main scheme has been approved with conditions. • Invitation To Tender is now live. • Work underway to explore best options to maximise access from the A61 into the main car park prior to planning permission submission. 	<ul style="list-style-type: none"> • Discussions underway between NEDDC and DCC to resolve outstanding issues and finalise asset purchases as this is a scheme critical element. • Ongoing risk that asset purchase process will not be completed by end of December 2023 which may impact on the overall programme timetable. • Planning permission granted with conditions, work underway to action and discharged as soon as possible. • The Board is being asked to consider options for the A61 access. This is to explore how best to maximise impact whilst maintaining costs within the existing funding envelope. • As agreed at the last Board, A61 access was separated from the main scheme in order to de-risk the main scheme planning application. Subject to Board agreement, planning application for access will be submitted. This is to ensure works for the main site and connections can commence in spring 2024. • Strong interest in the business units continues with positive engagement from local business owners.
PREVIOUS RAG		
Amber		

TOWN CENTRE REGENERATION – RISK AND SPEND



TOP TWO RISKS	MITIGATION
Key assets including Block A and former junior school land, including access rights, not purchased as per the programme plan.	Ongoing discussions between NEDDC and DCC Estates and Economic Development teams are working through the issues in order to resolve as quickly as possible.
The delay in appointing a contractor to deliver the connections (enabling) works in time as per the programme plan.	Enabling works now part of main programme ITT so the programme plan slippage is managed appropriately.



TOWN CENTRE REGENERATION – DLUHC OUTPUTS



Outputs	Target	To be achieved by	On target to achieve?	Progress
Community Hub/ F&B (m ²)	367	Mar 2026	Yes	Refurbishment of Block A will achieve this output.
Skills Hub & Library (m ²)	1,394	Mar 2026	Yes	Refurbishment of Block B will achieve this output.
Workspace/Retail Units (m ²)	420	Mar 2026	Yes	Creation of pop up units and refurbishment of Block A will achieve this output.
New net additional jobs (FTE)	55	Mar 2029	Yes	The creation of the Community hubs/F&B, workspace and retail units will achieve this output.
New public realm (m ²)	3,241	Mar 2026	Yes	The Broadleys development and Market Street improvements will achieve this output.
Wider public realm improvements (m ²)	9,490	Mar 2026	Yes	The new Leisure Centre, improved traffic/pedestrian spaces and event space will achieve this output.
Enterprises using commercial spaces	14	Mar 2029	Yes	The new pop up units on Broadleys and Block A will achieve this output.

TOWN CENTRE REGENERATION - DLUHC OUTCOMES



Outcomes	Target	To be achieved by	On target to achieve?	Comment
Capacity of new/improved training facilities (additional learner p.a)	544	Mar 2026	Yes	Refurbishment of learning space and library will achieve this.
Additional number of learning/students/trainees completing courses (p.a)	252	Mar 2029	Yes	Learning through the Adult Education Centre, library and at Clay Cross Active will achieve this outcome.
Number of learners enrolled in new education and training courses (p.a)	224	Mar 2029	Yes	Learning through the Adult Education Centre, library and at Clay Cross Active will achieve this outcome.
Number of close collaborations with employers (p.a)	5	Mar 2029	Yes	Collaborations with employers at key sites including Block B, library and Clay Cross Active will achieve this outcome.

LOW CARBON CHALLENGE FUND - UPDATE



Timeframe	Budget	Project Summary
June 2023 - March 2026	£1.9m	Low Carbon Challenge Fund is a programme of support to help stimulate the transition to a low carbon economy and is targeted at developers of new homes and also at developers or tenants/owners of commercial property in the Clay Cross Town Deal area.

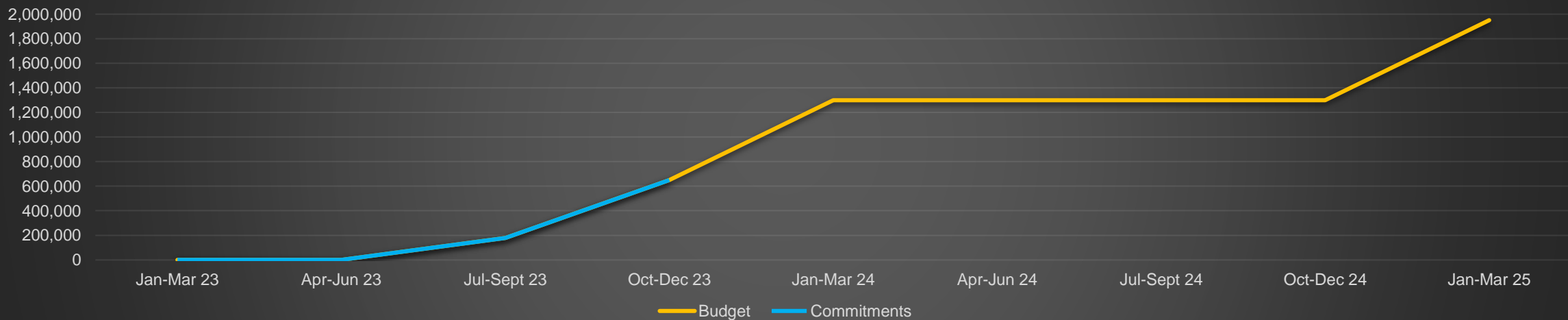
CURRENT RAG	KEY ACHIEVEMENTS	PROGRESS SUMMARY
Green	Commercial element launched mid-June 2023 Utilising UK Shared Prosperity Funding, Energy Audit Scheme now launched.	<ul style="list-style-type: none"> Comprehensive marketing campaign underway, regular enquiries received. A recent exercise to publicise a low carbon workshop has generated high interest in the LCCF and site visits from PEP and support with EOIs. Five applications now approved, totalling £51.5k, mostly focused on solar panels. Feedback from the successful applicants illustrate significant savings in utility costs, and calculations carried out by NEDDC-appointed energy specialists (PEP) show encouraging reductions in carbon footprints. Five Expressions of Interest received with a potential value of £340k. Two exemplar schemes in development, the latest from a large employer in the area. Discussions continue with developer of new police station for high-impact proposal. Ongoing dialogue with NEDDC estates regarding energy efficiency benefits for existing tenants at Coney Green. Energy audits carried out on businesses in Clay Cross may identify energy saving interventions that could be funded through LCCF.
PREVIOUS RAG		
Green		

LOW CARBON CHALLENGE FUND RISKS AND SPEND



TOP THREE RISKS	MITIGATION
Low uptake results in failure to spend budget within programme time scales.	Significant marketing campaign undertaken and ongoing. Use of case studies to publicise benefits with regular contact with local businesses to promote the fund.
Failure to deliver contracted DLUHC outputs within programme time scales.	Targeted discussions with potential applicants to ensure the correct mix of projects are developed. This will ensure projects are able to deliver DLUHC outputs and outcomes.
Poor value for money for the work funded by LCCF.	Appointment of Professional Energy Purchasers now in place for appraisal of full applications to ensure value for money.

Low Carbon Challenge Fund Budget v Potential Commitments



LOW CARBON CHALLENGE FUND

DLUHC OUTPUTS AND OUTCOMES



Outputs and Outcomes	Quantity	To be achieved by	On Target	Progress
New houses with improved (exemplar) energy consumption	60	March 26	Yes	Ensuring a minimum of 60 homes benefit from LCCF. Possible project with high profile residential developer will significantly contribute to the this output.
Enterprises receiving grant support	37	March 26	Yes	Ensuring a minimum of 37 enterprises are supported through LCCF.
Enterprises with improved energy consumption (production process)	37	March 26	Yes	Total number businesses/enterprise receiving grant funding
Floor space with improved carbon performance M2	6,000	March 26	Yes	Need to ensure enough businesses with adequate floor space are support to help meeting this target. Clay Cross Active will contribute to the output.
Sites generating electricity from renewable sources	2	March 26	Yes	Work underway to identify potential businesses that could meet outcome.
Innovative projects developed	5	March 26	Yes	Work underway to identify potential projects that could meet outcome, 1 EOI received.

RAIL & ENERGY STRATEGY PROJECT UPDATES



PROJECT NAME	PROGRESS UPDATE	FUTURE ACTIVITY
Local Area Energy Plan (Low Carbon Energy Network Strategy)	The Low Carbon energy network strategy now renamed the Local Area Energy Plan has been published.	<p>The plan has fulfilled the primary purpose of shaping the Low Carbon Challenge Fund, however, it will be key to maintain visibility of the plan to help identify future opportunities.</p> <p>The Economic Development Unit visited an innovative mine water heating system at Gateshead in September. Further work underway to identify other innovative projects that may benefit Clay Cross.</p>
Rail Station Feasibility	The Rail Feasibility Study has been published which completes the Town Deal funded project. Further work will be undertaken going forward to ensure that it remains on the agenda for the decision-making authorities.	<p>Watching brief - Will maintain an overview of the Barrow Hill project and periodic contact with Network Rail and DFT to identify future opportunities.</p> <p>Potential to work with local partners to lobby central government to progress.</p>

FOR THE BOARD TO NOTE:

Clay Cross Active: That the Town Deal grant of £7m is now spent. Construction of new pool well underway.

Town Centre Regeneration: Planning for main scheme agreed. Once preferred option is agreed by Board, planning permission for A61 access to be submitted.

Low Carbon Challenge Fund: Interest from businesses continues to be high. Two innovative schemes are being explored.

Rail Feasibility: Maintain a watching brief.

