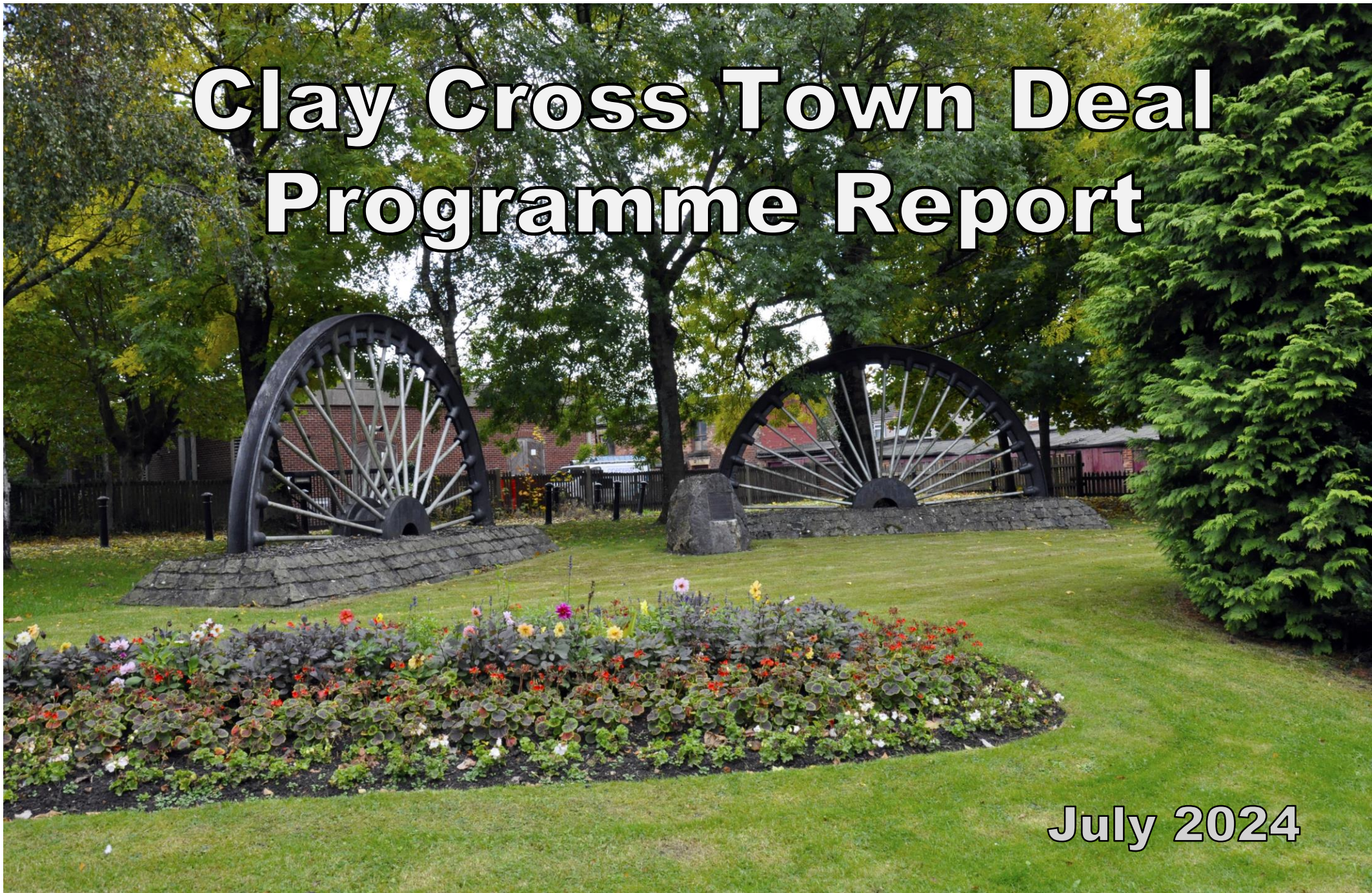


Clay Cross Town Deal Programme Report



July 2024

PROGRAMME UPDATE

JULY 2024

SUMMARY

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

- The Sharley Park Leisure Centre structure has been demolished. Construction work is progressing on the Clay Cross Active building.
- Work continues with Inside Ltd to confirm the scope and deliverables of the Town Centre regeneration work in readiness for formal contract signing, expected July/Aug 2024. NEDDC now in possession of Block A and works associated with the discharge of the pre-commencement planning conditions have started.
- Low Carbon Challenge Fund: twelve applications have been approved and ten further 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
- Overdue



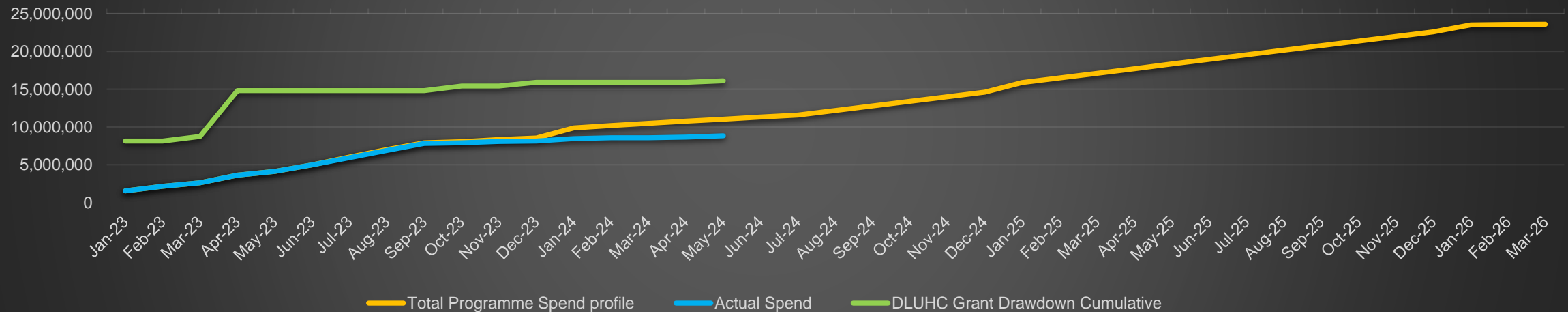
Project	£	Key Milestones					
		2024/25					
		2023/24	Apr – Jun Q1	Jul – Sept Q2	Oct – Dec Q3	Jan – Mar Q4	25/26
Clay Cross Active Start: Jan 2023 End: Nov 2024	£7m	<ul style="list-style-type: none"> ● CCTD Funding spent. ● Construction underway 	■ Construction underway	■ Construction underway	■ Construction due to complete	■ CCA re-opening	
Town Centre Regeneration Start: Jan 2023 End: March 2026	£14.1m	<ul style="list-style-type: none"> ● Appointment of contractor 	<ul style="list-style-type: none"> ● A61 planning app approved ● Acquisition of Block A complete ● Prelim works started 	■ Construction underway – Bridge St works Town Square	■ Construction underway – Market St Baileys Sq Units	■ Block A works complete	■ Works on Clock Tower to commence Town Square works complete
Low Carbon Challenge Fund Start: June 2023 End: March 2026	£1.9m	<ul style="list-style-type: none"> ● Residential scheme launched ● Launch of Energy Audit Scheme 	■ Continue business engagement	■ Continue business engagement	■ Continue business engagement	■ Continue business engagement	■ Programme complete March 26
Local Area Energy Plan (LCENS) Start: September 2022 End: June 2023	£148k	<ul style="list-style-type: none"> ● Complete and published 					
Rail Station Feasibility Start: September 2022 End: June 2023	£102k	<ul style="list-style-type: none"> ● 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.
Failure to meet the outputs/outcomes as specified in the Clay Cross Town Deal Business Cases.	To be closely monitored by SLT and project team level, put in place mitigating actions where necessary.

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/Red	<ul style="list-style-type: none"> Demolition of the old superstructure has taken place. Leases for TAG Active, Soft Play and the Fitness Suite equipment have now been agreed. 	<ul style="list-style-type: none"> The Contractor took possession of Sharley Park LC on 11/03/24, asbestos has been removed and the superstructure has now been demolished. New incoming electrical supply – plans in place with the supplier to have power available for the 11/07/24. The programme has incurred delays of 15 working days due to the asbestos removal and quality issues identified and rectified to the sports hall blockwork walls and the steel bracing. The revised completion date on 26/11/24 is currently at risk. The Pool Hall acoustic modelling is progressing which is due to complete in the next period.
PREVIOUS RAG	<ul style="list-style-type: none"> Cubicles, IPS, landscaping, decoration, metalwork and flooring packages are being procured. 	<ul style="list-style-type: none"> Cubicles, IPS, landscaping, decoration, metalwork and flooring packages are being procured. Project on track, 60% spend and 65% work achieved against the overall contract. Some elements of the original approved project (Play Park, Measured Mile, etc.) have been value engineered out.
Amber		

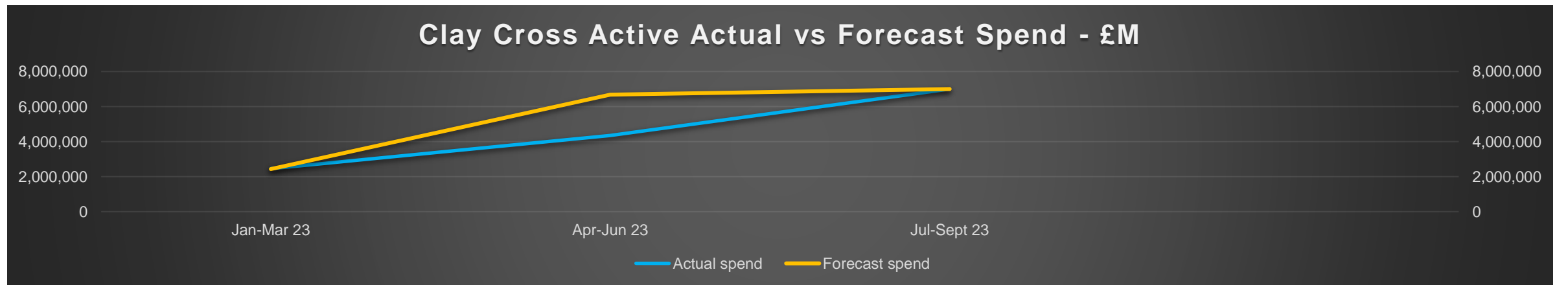
CLAY CROSS ACTIVE - UPDATE



CLAY CROSS ACTIVE - RISK & SPEND



TOP THREE RISKS	MITIGATION
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. The contractor has had a few months of severe weather that has complicated the programme and required mitigation. This is ongoing and being monitored.
National Grid's failure to commit to a programme with the potential risk of a significant delay to the required 'power on' date because of offsite electrical reinforcement works.	A specific risk workshop was held as part of the January 24 Project meeting. National Grid have committed to a 'power on' date for 11/07/2024. However, the actual compliance by National Grid is still be monitored by the Contractor and reported against at each monthly Site Progress meeting.
Changes continue to be made by the client and operator, throughout the design and construction phases.	To date there have been circa 80 no. variations, but this is being managed through a robust change management process and the budget is being continually monitored at regular financial and commercial meetings.



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 (m ²)	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

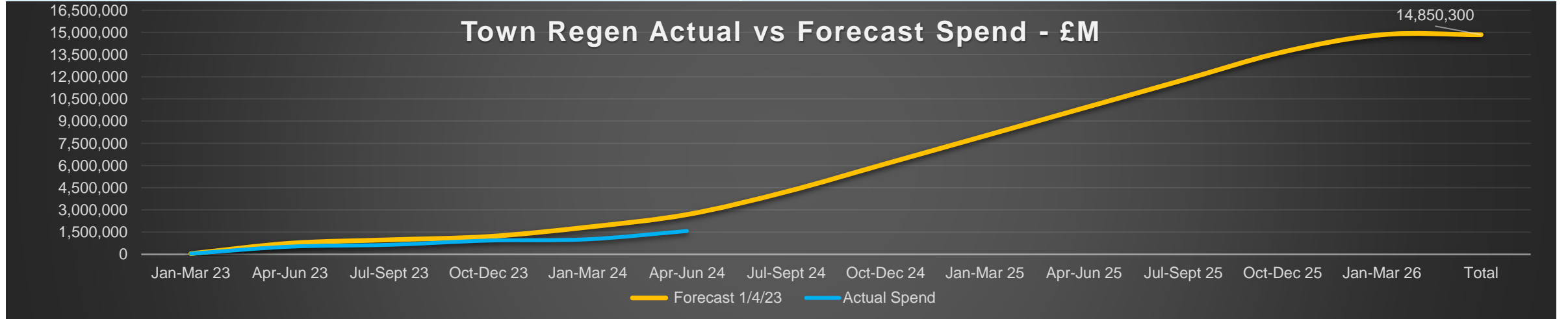


Timeframe	Budget	Project Summary	
Start: Jan 2023 End: March 2026	£14.1m	The Town Centre Regeneration project is supporting several changes being made to revitalise the centre of Clay Cross. Four key elements include transport and connections to enhance connectivity by foot and car, enhancement of the 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 the Broadleys area to provide flexible accommodation for businesses.	
CURRENT RAG	KEY ACHIEVEMENTS	PROGRESS SUMMARY	
Amber	<ul style="list-style-type: none"> The Block A building has been procured from DCC. Preliminary works have started on site. 	<ul style="list-style-type: none"> Work continuing with Inside Ltd to confirm the deliverables and affordability of the employers' requirements for the Town Centre regeneration scheme ahead of signing the JCT 2016 D&B contract, with a target date of July / Aug 2024. NEDDC now in ownership of Block A and works associated with the discharge of the pre-commencement planning conditions have started on site, e.g. securing the site boundary, archaeology, ecology etc. Heads of Terms being drafted for first 3 tenants in the Baileys Square units. 	
PREVIOUS RAG	<ul style="list-style-type: none"> A61 punch in has received planning application approval. 	<ul style="list-style-type: none"> FHP commercial agents have been appointed to promote the business spaces and Block A. The site previously known as Broadley's has been formally named as Baileys Square, in keeping with the original name of the area. DCC cabinet to confirm the decision to re-locate the library to Block B, meeting to be held on 25th July 2024. Skills workshop held 10th May, attended by learning providers. Delivery model of learning outcomes to be presented to Board. Governance toolkit exercise undertaken. 	
Amber			

TOWN CENTRE REGENERATION – RISK AND SPEND



TOP RISKS	MITIGATION
<p>The 278 connection works technical approval from DCC are outstanding and the delay may impact the programme further. Traffic Regulation Order (TRO) currently have a six month plus approval time which may impact the programme.</p>	<p>DCC to advise on timeline for technical approval to be granted and how the TRO's can be expedited.</p>
<p>The delivery of the skills/learning outputs/outcomes not delivered as agreed with DLUHC.</p>	<p>Discussions between the Accountable Body and learning providers underway. Strategy and delivery models to be agreed. Board to receive an update at July meeting.</p>
<p>Low take up of business units and Block A resulting in voids and lack revenue for accountable body.</p>	<p>Agents now appointed and Economic Development undertaking discussions with potential interested businesses for Block A and Baileys Square units.</p>



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 business/commercial 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.

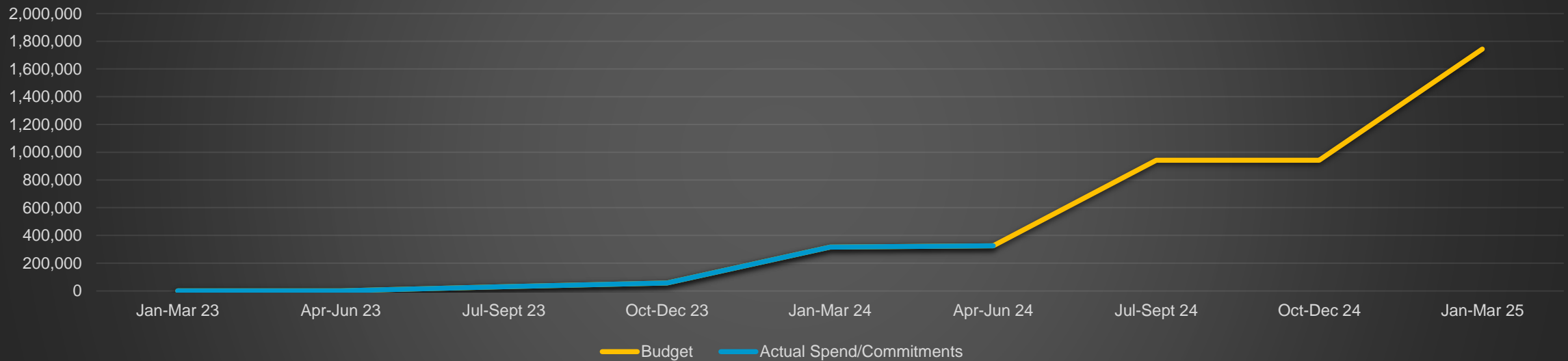
CURRENT RAG	KEY ACHIEVEMENTS	PROGRESS SUMMARY
Green	<ul style="list-style-type: none"> Total Spend £325k EOI potential value £615k 	<ul style="list-style-type: none"> Fewer applications received last quarter. 12 applications have been approved totalling £325,128. Positive feedback received from several applicants who are already benefiting from lower energy bills. 10 further Expressions of Interest received with a potential value of £615k, including two exemplar schemes. Energy appraisals have been carried out by PEP progressing the two exemplar schemes in development. 2 potential projects, yet to submit an EOI totalling £20k. 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.

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 60 homes benefit from LCCF. Possible project with high profile residential developer will significantly contribute to this output. 11 houses benefiting to date.
Enterprises receiving grant support	37	March 26	Yes	Ensuring a minimum of 37 enterprises are supported through LCCF. 12 supported to date.
Enterprises with improved energy consumption (production process)	37	March 26	Yes	Total number businesses/enterprise receiving grant funding, 12 supported to date.
Floor space with improved carbon performance (m ²)	6,000	March 26	Achieved	Need to ensure enough businesses with adequate floor space are supported to help meeting this target. 6680m ² of commercial buildings have already been improved.
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, 2 EOI received to date.

RAIL & ENERGY STRATEGY PROJECT UPDATES



PROJECT NAME	PROGRESS UPDATE	FUTURE ACTIVITY
Local Area Energy Plan (Low Carbon Energy Network Strategy)	<p>The Low Carbon energy network strategy now renamed the Local Area Energy Plan has been published.</p>	<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	<p>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>	<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 project is progressing well and remains on track though currently a significant risk of the completion date slipping has been identified. Demolition of the existing leisure centre has completed.

Some elements of the original scheme (Play Park, Measured Mile, etc.) are currently unaffordable and have been value engineered out

Town Centre Regeneration: Negotiations continue with the main contractor in readiness for formal contract signing. Preliminary works have started on site.

Low Carbon Challenge Fund: Interest from businesses has declined. Two innovative schemes are being progressed.

Rail Feasibility: Maintain a watching brief.

