

# Clay Cross Town Deal Programme Report

September 2024



# PROGRAMME UPDATE

## SEPTEMBER 2024

### SUMMARY

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

- Clay Cross Active sub-station and ducting works have been completed ready for the power supply and meter to be connected early September.
- Work continues with Inside Ltd to confirm the scope and deliverables of the Town Centre regeneration work in readiness for formal contract signing.
- The Town Centre archaeology and bat surveys have been completed with no issues found.
- Low Carbon Challenge Fund: sixteen applications have been approved and nine 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

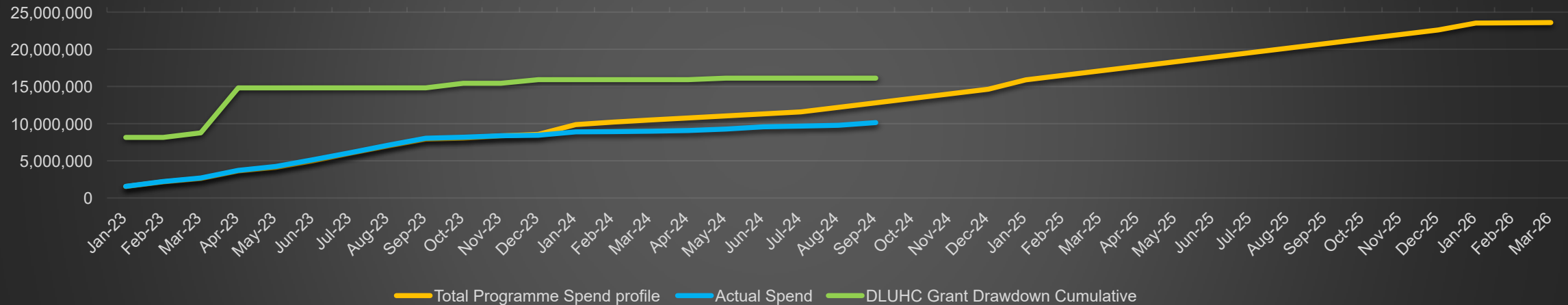


Project	£	Key Milestones					
		2024/25					
		2023/24	Apr – Jun Q1	Jul – Sept Q2	Oct – Dec Q3	Jan – Mar Q4	25/26
<b>Clay Cross Active</b> Start: Jan 2023 End: Nov 2024	£7m	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> CCTD Funding spent.</li> <li><span style="color: yellow;">●</span> Construction underway</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> Construction underway</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> Construction underway</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Construction due to complete</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> CCA re-opening</li> </ul>	
<b>Town Centre Regeneration</b> Start: Jan 2023 End: March 2026	£14.1m	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> Appointment of contractor</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> A61 planning app approved</li> <li><span style="color: yellow;">●</span> Acquisition of Block A complete</li> <li><span style="color: yellow;">●</span> Prelim works started</li> </ul>	<ul style="list-style-type: none"> <li>Construction underway –</li> <li><span style="color: red;">■</span> Bridge St works</li> <li><span style="color: blue;">■</span> Town Square</li> </ul>	<ul style="list-style-type: none"> <li>Construction underway –</li> <li><span style="color: blue;">■</span> Market St</li> <li><span style="color: blue;">■</span> Baileys Sq Units</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Block A works complete</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Works on Clock Tower to commence</li> <li>Town Square works complete</li> </ul>
<b>Low Carbon Challenge Fund</b> Start: June 2023 End: March 2026	£1.9m	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> Residential scheme launched</li> <li><span style="color: yellow;">●</span> Launch of Energy Audit Scheme</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> Continue business engagement</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> Continue business engagement</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Continue business engagement</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Continue business engagement</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Programme complete March 26</li> </ul>
<b>Local Area Energy Plan (LCENS)</b> Start: September 2022 End: June 2023	£148k	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> Complete and published</li> </ul>					
<b>Rail Station Feasibility</b> Start: September 2022 End: June 2023	£102k	<ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> Complete and published</li> </ul>					

# 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 possible and necessary to bring projects within budget.
The Town Regen contract has yet to be signed with Inside Limited, who continue to work under license.	Work progressing and being invoiced against formal purchase orders whilst the overall contract is finalised.
Failure to meet the outputs/outcomes as specified in the Clay Cross Town Deal Business Cases.	To be closely monitored by Senior Leadership Team and project team level, put in place mitigating actions where necessary.

## Clay Cross Town Deal Programme Overview



# CLAY CROSS ACTIVE - UPDATE



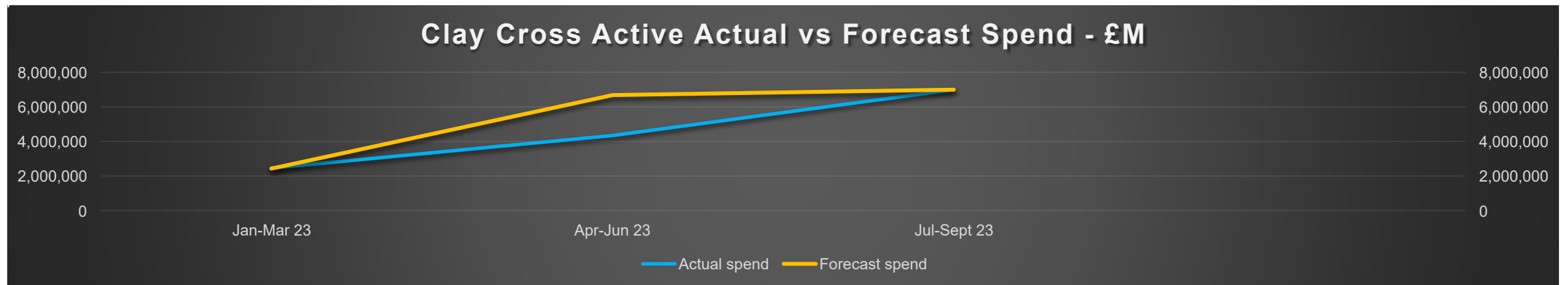
Timeframe	TD Budget	Project Summary
<b>Start: Jan 2023</b> <b>End: Nov 2024</b>	£7m	A new health and wellbeing community hub for the residents of Clay Cross and the surrounding area. State-of-the-art fully accessible and family friendly leisure centre. Facilities will include pool, sports hall, wellness 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
<b>Amber/Red</b>	<ul style="list-style-type: none"> <li>The Pool Hall roof nears completion.</li> <li>The filtration plantroom works have commenced.</li> <li>Phase 1 of the Sub-station and ducting works are complete ready for the power supply and meter to be connected.</li> </ul>	<ul style="list-style-type: none"> <li>Phase 1 of the sub-station works are now complete in readiness for the power supply to be connected by early September.</li> <li>ISG submitted an extension of time to Hadron for exceptionally adverse weather, requesting an extension of time until 20/12/24 with early access dates identified for required areas to enable client fit out.</li> <li>A request to create additional car parking have been instructed to the contractors, this will be submitted to planning in due course.</li> <li>Project on track, 80% spend and 83% work achieved against the overall contract.</li> </ul>
<b>PREVIOUS RAG</b>		
<b>Amber/Red</b>	<ul style="list-style-type: none"> <li>Contractors procured to install floor finishes.</li> </ul>	

# 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.	Risk realised: An extension of time has been requested due to exceptionally adverse weather, following evaluation a formal extension is to be issued. Practical completion is now expected 20/12/24.
Design is altered to reflect changes in the client requirements	The remaining contingency is now only circa £10k. Any new variations for client changes are to be avoided as this may lead to a delay being claimed by ISG. This is being managed through a robust change management process and the budget is being continually monitored at regular financial and commercial meetings.
Statutory utilities infrastructure requires upgrading to provide services to the new building.	The contractor is continuing to press and pursue required parties to progress the gas meter install.



# CLAY CROSS ACTIVE – MHCLG 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 <sup>2</sup> )	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 (now known as Baileys Square) to provide flexible accommodation for businesses.
CURRENT RAG	KEY ACHIEVEMENTS	PROGRESS SUMMARY
Amber	<ul style="list-style-type: none"> <li>Block A investigative works advancing well, contractor proposals to be issued in the near future.</li> <li>Archaeology works have concluded, awaiting the release of the report.</li> </ul>	<ul style="list-style-type: none"> <li>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&amp;B contract.</li> <li>A revised programme timetable to be issued.</li> <li>Planning conditions have been discharged to allow Baileys Square works to commence.</li> </ul>
PREVIOUS RAG	<ul style="list-style-type: none"> <li>Block B initial concepts produced, addressing the feedback to enable advancement to the next phase of the design process.</li> </ul>	<ul style="list-style-type: none"> <li>Outstanding are the publication of the TROs, delaying the connections works starting.</li> <li>Heads of Terms continue being drafted for first 3 tenants in the Baileys Square units.</li> <li>FHP commercial agents working alongside NEDDC to promote the business spaces and Block A.</li> </ul>
Amber		

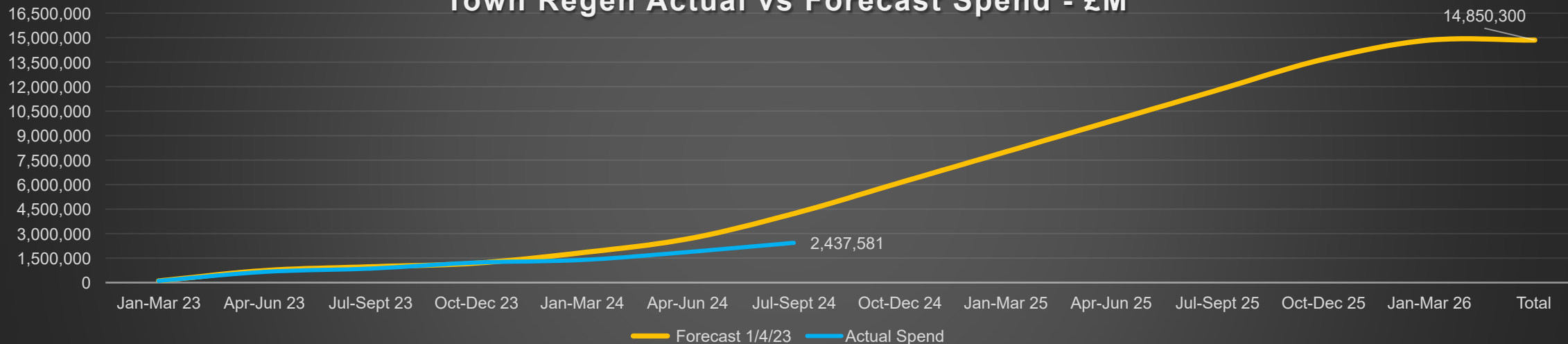


# TOWN CENTRE REGENERATION – RISK AND SPEND



TOP RISKS	MITIGATION
Delay to signing of contract with Inside Limited, contractor selected to carry out the Town Regen works. Work continues under licence.	Senior team working with Inside Limited, discharge planning conditions and finalise the contract to enable signing.
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.	DCC to advise on timeline for technical approval to be granted and how the TRO's can be expedited.
The delivery of the skills/learning outputs/outcomes not delivered as agreed with DLUHC.	Discussions between the Accountable Body and learning providers continues.

Town Regen Actual vs Forecast Spend - £M



# TOWN CENTRE REGENERATION – MHCLG OUTPUTS



Outputs	Target	To be achieved by	On target to achieve?	Progress
Community Hub/ F&B (m <sup>2</sup> )	367	Mar 2026	Yes	Refurbishment of Block A will achieve this output.
Skills Hub & Library (m <sup>2</sup> )	1,394	Mar 2026	Yes	Refurbishment of Block B will achieve this output.
Workspace/Retail Units (m <sup>2</sup> )	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 <sup>2</sup> )	3,241	Mar 2026	Yes	The Broadleys development and Market Street improvements will achieve this output.
Wider public realm improvements (m <sup>2</sup> )	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 - MHCLG 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.

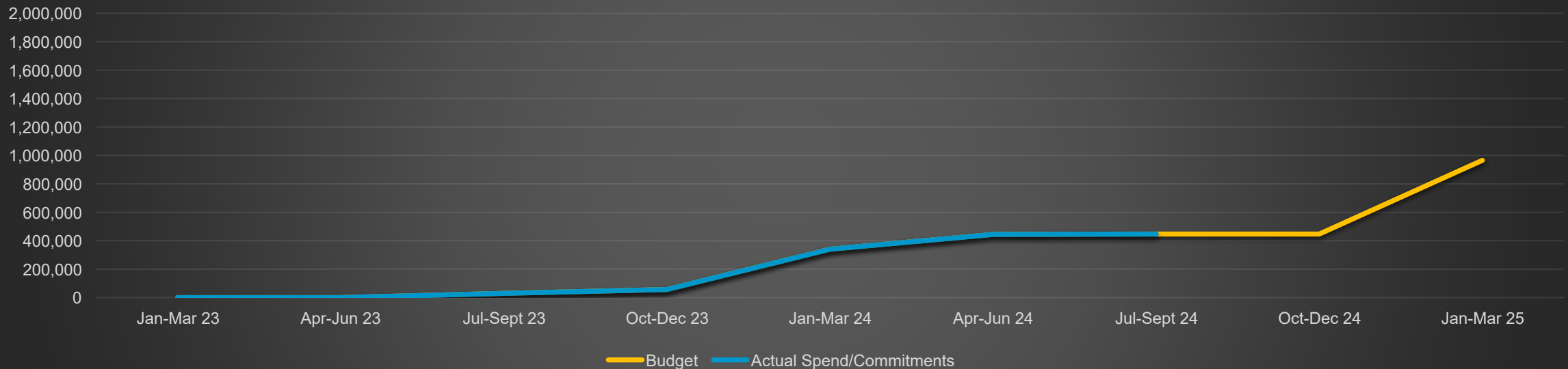
CURRENT RAG	KEY ACHIEVEMENTS	PROGRESS SUMMARY
Green	<ul style="list-style-type: none"> <li>Total Spend £447k</li> <li>EOI potential value £519k</li> </ul>	<ul style="list-style-type: none"> <li>16 applications have been approved totalling £447,128.</li> <li>9 Expressions of Interest received with a potential value of £519k, including two exemplar schemes.</li> <li>Energy appraisals have been carried out by PEP progressing the two exemplar schemes in development.</li> <li>2 potential projects, yet to submit an EOI totalling £20k, awaiting energy audits.</li> <li>Ongoing dialogue with NEDDC estates regarding energy efficiency benefits for existing tenants at Coney Green.</li> <li>Energy audits carried out on businesses in Clay Cross may identify energy saving interventions that could be funded through LCCF.</li> </ul>
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 MHCLG 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 MHCLG outputs and outcomes.

## Low Carbon Challenge Fund Budget v Potential Commitments



# LOW CARBON CHALLENGE FUND

## MHCLG 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. 16 supported to date.
Enterprises with improved energy consumption (production process)	37	March 26	Yes	Total number businesses/enterprise receiving grant funding, 16 supported to date.
Floor space with improved carbon performance (m <sup>2</sup> )	6,000	March 26	Achieved	Need to ensure enough businesses with adequate floor space are supported to help meeting this target. 6680m <sup>2</sup> 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
<b>Local Area Energy Plan (Low Carbon Energy Network Strategy)</b>	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>
<b>Rail Station Feasibility</b>	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 project is progressing well, though a formal request to extend the practical completion date has been made due to the excessive extreme weather.

**Town Centre Regeneration:** Negotiations continue with the main contractor in readiness for formal contract signing. Internal clearing works have started in the block A building. The delay in obtaining the TRO/278 approvals are impacting the start of the connections works. The project manager has left the project, and we are currently in the process of appointing a new manager.

**Low Carbon Challenge Fund:** Interest from businesses has slowed. Two innovative schemes continue to be progressed.

**Rail Feasibility:** Maintain a watching brief.

