

CABINET

TUESDAY, 13 JUNE 2023

ASHINGTON REGENERATION PROGRAMME ESTABLISHMENT

Report of: Councillor Wojciech Ploszaj, Portfolio Holder for Business

Lead Officer: Simon Neilson, Executive Director of Place and Regeneration

Purpose of report

To update Cabinet regarding the establishment, development and delivery of the £30m Ashington Regeneration Programme, which will have a catalytic impact on the town's economy and drive forward the implementation of the Ashington Town Investment Plan.

This report also seeks approval for the strategic acquisition of the Woodhorn Road site and the Wansbeck Square site from Advance Northumberland (Commercial) Limited to create the required development platform to enable implementation of the Ashington Regeneration Programme.

Recommendations

Cabinet is recommended to:

- 1. Endorse the Ashington Investment Plan as the overarching strategy that will provide the context, vision and aspirations for delivery of the phased Ashington Regeneration Programme**
- 2. Agree the establishment of the Ashington Regeneration Programme with two initial phases associated with the Ashington High Street Innovation Programme (HSIP) and Town Centre Renewal of Strategic Sites Programme**
- 3. Approve the associated financial profiles as set out in Appendix 1 whilst:**
 - endorsing the bid submitted to extend the HSIP Programme with a funding ask of £576,898 and acceptance of this additional funding into the Medium Term Financial Plan, if successful**
 - approving an initial allocation of £1,000,000 in the Medium Term Financial Plan to be fully funded by the Government to develop plans for Wansbeck Square Strategic Site**

- **approving an initial grant allocation of £600,000 in the Medium Term Financial Plan to be fully funded by the Government to develop plans for Portland Park Strategic Site**
 - **authorising the Executive Director for Place and Regeneration to enter into contracts up to the value of £1.6m for the development of the strategic sites and delivery of public realm capital works, subject to confirmation of associated funding being in place and the appropriate procurement processes being followed**
4. **Delegate authority to the Executive Director for Place and Regeneration, in consultation with the s151 Officer, to purchase the Woodhorn Road site, at a value up to a maximum of £210,000 from funding already allocated in the Medium Term Financial Plan**
 5. **Approve the acquisition of the Wansbeck Square site, and delegate authority to the Executive Director for Place and Regeneration, in consultation with the S151 Officer, to acquire the Wansbeck Square site at a value up to a maximum of £1,365,000 with funding from the Strategic Regeneration Projects budget within the Capital Programme**
 6. **Agree the associated programme management and assurance arrangements to support the programme's delivery as set out in the report**

Links to Corporate Plan

The Ashington Regeneration Programme is a placemaking 'whole town' suite of emerging investments which will contribute to the economic growth of the town whilst seeking to address inequality and promote inclusion. The development of delivery plans and business cases to comply with the external funding requirements will ensure value for money.

Key Issues

Ashington Town Investment Plan, developed by Ashington Town Board, sets out the strategic direction for the town's economic growth and the ambition and investment themes required to enable this to be realised.

The Ashington Regeneration Programme will provide a co-ordinated mechanism to support the development and delivery of the investments required by effectively integrating Council capital allocations with significant external grant funding to create a £30m portfolio for the transformation of Ashington town centre.

The programme includes funding in Phase 1 from the North of Tyne High Streets Innovation Programme for a suite of capital and revenue projects (up to £2.4m) being

delivered through Ashington High Street Innovation Programme (HSIP) as established in the MTFP.

Implementation of the Ashington Regeneration Programme requires the Council to undertake strategic site assembly in order to create the optimum development platform for investments at:

- The area connecting Woodhorn Road and Lintonville Terrace, known locally as 'Grand Corner', adjacent to the south west corner of Portland Park. This site comprises units 2-4 Woodhorn Road, referred to as the Woodhorn Road site.
- Wansbeck Square, retail and offices, referred to as the Wansbeck Square site.

The two sites represent critical components of a package of external funding worth a total of £21.4m from NTCA and HM Government (DLUHC). This includes £16.1m awarded to bring forward Grand Corner Gateway, improving connectivity with Portland Park and the redevelopment of Wansbeck Square to provide an attractive gateway and arrival point for the new Ashington Station.

Advance Northumberland (Commercial) Limited own both sites, which were acquired as part of a programme of land assembly to enable major regeneration plans. They have been managed by the landlord on the basis that, once funding was secured, the sites would be acquired by the council in readiness for redevelopment.

Cabinet should note that the acquisition of the Woodhorn Road site to enable the development of Grand Corner Gateway was previously approved in principle at the meeting held on 11 October 2022 and capital allocated to enable this in support of the HSIP programme.

A Government grant of £16.4m has been offered to the council for Ashington Town Centre Transformation (package bid) intended to support capital projects at Wansbeck Square and Portland Park. This will need to be delivered and all grant funding spent by March 2025.

Cabinet should note that projects on the two strategic sites were initially developed one year ago and there are a number of challenges to overcome in order to draw down grant funding. These include rapidly progressing design development, decisions on site acquisition, confirmation of the funding package to take account of rising costs, securing external operators for planned new facilities and ensuring compliance with public funding regulations and subsidy control.

Initial capital grant allocations totalling £1,600,000 is requested to enable significant project development work to proceed quickly and demonstrate to the Government, the Council's commitment to delivery. A further report will be brought to Cabinet in Autumn setting out the key decisions required to implement the full Programme and addressing the range of implications outlined in this paper. Equally, the individual business cases for the

two flagship projects will be presented to Cabinet in due course.

As accountable body, the Council is responsible for ensuring the successful delivery of the Programme and that public funding is invested effectively and appropriately, in accordance with the grant funding agreements issued by the Government and Combined Authority. Ultimate decision-making responsibility lies with the accountable body, as set out in relevant guidance.

Developing and implementing a package of projects simultaneously involves fully establishing programme management and delivery arrangements to manage this funding effectively. Staffing and resource arrangements are set out in the report and will be kept under regular review given the scale and nature of the programme.

BACKGROUND

Current regeneration context

1. The Ashington Regeneration Programme builds on multiple public-led investments in Ashington over the last decade, predicated on the need to reverse the town centre's declining viability and maximise the benefits of planned strategic developments on the town's economic growth.
2. Council interventions include the site assembly of Portland Park, which has resulted in the development of a new and very well utilised Leisure Centre, the construction of large retail floorspace, all supported by infrastructure and public realm works in readiness for construction of a new cinema and restaurants.
3. During 2016 improvements were completed to Station Road, which saw the street re-opened to traffic, new on-street parking introduced, and high-quality materials and sustainable planting installed.
4. Ashington is now on the cusp of further and more significant change with two major projects underway that will fundamentally alter the town's purpose, movement strategy, vitality and investment potential. These include the reopening of passenger rail services to the Northumberland Line, including Ashington station, and the development of Northumberland College's Gen Zero campus at Wansbeck Business Park.
5. These projects will have a catalytic effect on the struggling town centre and wider area, generating new visitors, footfall and spend as well as further underpinning employment growth at Wansbeck Business Park and Ashwood Business Park.

Northumberland Line Economic Corridor (NLEC) Strategy

6. In 2021, the NTCA initiated the development of the Northumberland Line Economic Corridor (NLEC) Strategy with an overarching vision to: *"deliver a dynamic and inclusive clean growth economy across the North of Tyne, opening up opportunities to our communities and ensuring a more prosperous and resilient future"*.
7. The aim of the NLEC interventions is to realise the Line's ambition for growth by regenerating and changing perceptions of town centres and improve access to strategic employment centres growth and jobs.
8. The Combined Authority approved the 10-point Delivery Plan for the Corridor in September 2022, with "Ashington Town Centre Rapid Renewal" identified as one of the 10 priority programmes. Within this, the redevelopment of Wansbeck Square was particularly identified as offering an attractive arrival point for train passengers alighting at the new Ashington Station. As such, the NTCA agreed as part of the

initial £10m tranche of investment to an “in principle” contribution of £2.5m towards the cost of transforming Wansbeck Square.

Ashington Town Investment Plan

9. In tandem and in recognition of the economic growth potential offered by the reopening of the Northumberland Line and the wider Economic Corridor, the Council facilitated, via the Ashington Town Board, the preparation of the Ashington Town Investment Plan.
10. The Ashington Town Board is a private sector-led partnership comprising representation from local businesses, community bodies, elected members and public agencies, and co-ordinated by NCC officers. The Investment Plan is now due to be endorsed by the Town Board in early summer 2023 and provides the overarching vision and strategic objectives to set out a road map to economic growth in Ashington.
11. It establishes a bold vision for the transformation of Ashington:
‘Proud Past, Prosperous Future, Clean Growth Leader’
By 2030, Ashington will be a thriving centre for businesses, residents, learners and young people, providing thousands of high-quality jobs in advanced manufacturing and low carbon clean growth industries, more and better homes, excellent skills and education opportunities, an attractive leisure and culture offer, and a great quality of life for a growing and prosperous population.
12. The vision is supported by four strategic objectives, which establish the themes for investment that focus on addressing Ashington’s specific challenges and opportunities:
 - Growing Town
 - Vibrant Town
 - Connected Town
 - Inclusive Town
13. Establishing the Ashington Regeneration Programme presents a strong Council response to the strategic direction set out in the Town Investment Plan by developing and resourcing a phased package of projects that collectively deliver the ambitious vision and growth objectives and harness the benefits of the large-scale investments already underway.
14. The Programme will progressively deliver against all of the Ashington Town Investment Plan themes, with an initial focus on ‘Vibrant Town’ and ‘Connected Town’ as interventions are targeted at the town centre and the high street.

ASHINGTON REGENERATION PROGRAMME DEVELOPMENT AND DELIVERY

15. The development and delivery of the Ashington Regeneration Programme will initially focus on the following:
 - *Ashington High Street Innovation Programme (HSIP)*, with funding secured from the NTCA and Government to help targeted town centres to recover from the Covid pandemic period of lockdowns.
 - *Town Centre Renewal of Strategic Sites Programme*, with funding secured from the Government as part of its overall approach to levelling up across the country.
16. The two phases of the Programme and the associated funding and project components are set out below.

Ashington High Street Innovation Programme

17. The NTCA identified Ashington as one of three centres that would benefit from targeted funding through the North of Tyne High Street Innovation Programme (HSIP). As such, the Council was invited to bid for up to £1.9m (capital & revenue) for projects that would be implemented by March 2024. Accordingly, a Delivery Plan was developed and submitted in May 2022.
18. The Delivery Plan was based around three main workstreams, that were predicated on building momentum, economic activity and early capital delivery, as follows:
 - Public Realm and Connectivity (capital)
 - Accelerate Ashington Business Support (revenue)
 - Animating Ashington events programme (revenue)
19. The Combined Authority approved the Delivery Plan in July 2022 with the Council's Cabinet subsequently agreeing in October 2022 to the establishment of Ashington HSIP in the Capital Programme with a budget of £1,263,766. This allocation would support the acquisition of 2-4 Woodhorn Road and the public capital works associated with creating Grand Corner Gateway. A further £1,068,842 of grant funding was allocated to cover the full revenue costs associated with the HSIP.
20. Subsequent to this, the Authority invited the Council to submit an updated Delivery Plan to bid for additional budget (£576,898) available from the Government through the UK Shared Prosperity Fund (UKSPF) to extend the HSIP programme to March 2025.
21. This enabled a fourth workstream – Ashington Regeneration Plan to be added focused on the development of a detailed Town Centre Regeneration Plan. It also facilitated a full reprofiling of the proposed spend to take account of slippage

incurred due to delays in the announcement of the LUF bid. The current delivery status of the projects within the HSIP Programme are detailed in Table 1 overleaf.

Table 1: Ashington Regeneration Programme – High Street Innovation Programme (HSIP)

Investment Themes	Project	Current Delivery Status
Connected Town Vibrant Town	Public Realm & Connectivity - will improve pedestrian movements in town centre by removing physical barriers and creating attractive, green public gateways and routes to key destinations as the first stage of large-scale investments in the town centre	The original scheme is being rescheduled to take account of slippage. It is anticipated that site acquisition of units 2-4 Woodhorn Road will be finalised in late 2023, with demolition works potentially starting in February 2024 and waymarking and soft landscaping completed by June 2024. An extension of the planned capital works has been proposed to NTCA to focus on improving the area linking Grand Corner Gateway through to plot 3 on Portland Park and enabling enhanced access to the existing leisure centre and Home Bargains as well as the bus hub.
Growing Town Vibrant Town	Accelerate Ashington - Supporting a range of existing businesses to adapt and grow and help individuals looking to create a new business in the town. Targeted support will include pre-start, digital sales and promotion, advice and marketing aimed at creating a resilient and adaptable business base.	This project commenced in October 2022 and is being delivered by Advance Northumberland. Activity and spend will now be extended until June 2024.
Vibrant Town Inclusive Town	Animating Ashington – programme designed to deliver new cultural events and activities that engage local people, attract visitors and support the wider economic growth of the town.	The programme has been reprofiled and will now commence in October 2023 and run until March 2025. Activities will build up towards the opening of Ashington Station and capital works at Grand Corner, Portland Park and Wansbeck Square.
Vibrant Town Connected Town	Ashington Regeneration Plan – preparation of a concise, streamlined, and highly visual Town Regeneration Plan that articulates the integration and impact of strategic site capital development with a focus on the town centre.	This project will commence in July 2023 and be completed by November 2023. Funding in this workstream will also support the drafting of the business case for the redevelopment of Wansbeck Square strategic site.

Town Centre Renewal of Strategic Sites

22. In March 2022, the Department of Levelling Up, Housing and Communities (DLUHC) announced a second round of Levelling Up Funding (LUF). In August, the Council submitted a package bid comprising of two linked projects – Wansbeck Square Redevelopment and Portland Park Development as detailed in Table 2 below. The bid had a total project value of £24,470,860 and a LUF ‘ask’ of £16,427,044.

Table 2: Ashington Regeneration Programme Town Centre Renewal of Strategic Sites Programme		
Investment Themes	Project	Funding Source
Vibrant Town Inclusive Town	Wansbeck Square Strategic Site – creating an attractive town centre gateway for passengers at Ashington Station, includes demolition of existing buildings, development of high-quality public realm, landscaping, providing space for events and activities potentially coupled with a new community facility and commercial units.	DLUHC, NTCA (NLEC), NCC
Vibrant Town Growing Town	Portland Park Strategic Site – construction of a new cinema facility and associated public realm.	DLUHC, NCC, ANL
Connected Town Vibrant Town	Portland Park Infrastructure Phase 2 – highway and routeway improvements to enable good movement and connectivity between Portland Park and the town centre to support strategic developments.	NCC

23. In January 2023, the Council was advised that the Ashington LUF bid had been unsuccessful and in March, a letter was received from DLUHC providing feedback on the quality of the submission to inform any subsequent re-submission to a future round of the LUF.
24. However, just two weeks later, the Government announced, as part of Spring Budget, that a further £210 million of unspent departmental funding would be allocated to 16 places that had put forward ‘shovel ready’ projects to the Levelling Up Fund. Ashington was one of the towns selected.
25. The Council has subsequently received written confirmation of the funding award of £16.4m with a Memorandum of Understanding awaited. The funding has been awarded on the basis of the business case submitted to DLUHC in August 2022. This requires the package of projects to be completed and the grant fully defrayed by March 2025.

Project Development Issues

26. Implications from progressing the proposed package of Phase 2 capital projects are listed below with the steps being taken to resolve each. Progress will be reported back to Cabinet later this year.
27. The Government funding awarded for the two flagship projects is predicated on these being 'shovel ready' and any slippage may result in a subsequent loss of grant or inability to deliver the package as per the submission. The council is awaiting a funding inception meeting with DLUHC to establish any levels of flexibility and the procedure for project change requests.
28. Costs for the projects being developed at Portland Park and Wansbeck Square were originally developed 12 months ago. A rebasing exercise indicates that there is a gap of £1.5m in funding to deliver these. This will require significant cost value engineering during the next stage of design development in order to bring the package within the available funding envelope.
29. Any changes to the costs will have an impact on the viability gap, which determines the maximum amount of public funding that can be invested in each project. Refreshed development appraisals will be completed to determine the updated funding gap and this will be reported to Cabinet in the Autumn.
30. The package business case submitted to government outlined and evidenced the wide benefits that the investments would bring to the community of Ashington. It should be noted that most of the 'monetised benefits' were derived from activities and services planned at Wansbeck Square and that any reduction in the scale of impact of this will have an adverse effect on the overall business case and jeopardise the funding. Early discussions will take place with DLUHC to understand tolerances.
31. All capital projects within the programme will need to demonstrate full compliance with the Subsidy Control Act 2022. Further advice will be sought by NCC in respect of the Wansbeck Square site and Advance Northumberland for the Portland Park site to ensure that any resultant subsidies created by project activities are controlled and legally compliant.
32. The original LUF bid submission focused on the construction of new facilities including cinema provision and community/creative space. DLUHC highlighted the risk to project sustainability from relying on external operators ie; commercial and charitable for both proposed new buildings. The council will need to fully consider any potential safeguards to the future operation of any new facility at Wansbeck Square incorporating operator procurement (concession contract), lease terms and performance management eg; SLA.

33. As set out above, the funding from the Government for projects at Wansbeck Square and Portland Park are subject to compliance with a prescriptive spend and monitoring framework. The design work being progressed following Cabinet approval of the budgets, is technically 'at risk' until full viable business cases are assured by the Council. Should the projects not proceed to delivery then any capital grant allocation will become a revenue cost to the council.
34. A further detailed report will be presented to Cabinet in the Autumn regarding the Wansbeck Square and Portland Park sites once development work has progressed to establish individual project delivery budgets.

Site Acquisitions

35. As set out above, there are two strategic sites that will need to be acquired by the council in order to implement the Ashington Regeneration Programme. These sites are both owned by Advance Northumberland (Commercial) Limited, having been purchased as part of a site assembly package to enable economic growth in Ashington.
36. Cabinet should note the site information and market valuations set out below. Subject to agreement of the requested delegation these details will form the basis of the necessary negotiations with Advance Northumberland and resultant payment terms to achieve site acquisition, with vacant possession, in a timely manner.

Woodhorn Road Site

37. The Woodhorn Road site consists of 8,435 sq.ft of shop and premises. The end of terrace building has a return frontage to Lintonville Terrace to the West.
38. The Woodhorn Road site was valued on a 'desktop' basis by Align Property Partners as a joint instruction from NCC and Advance Northumberland for the purposes of informing sale negotiations. The market value with vacant possession is advised to be £210,000. Cabinet has already agreed to the site acquisition and allocated the sum of £210,000 in the MTFP.

Wansbeck Square Site

39. Wansbeck Square currently consists of circa 17,000 sq.ft of office space, currently leased by the Council for £75,000 per annum. In addition, the site holds 4 retail units totalling 25,300 sq.ft, the largest of which (21,590 sq.ft).
40. The Wansbeck Square site was valued on a 'desktop' basis by Align Property Partners as a joint instruction from the Council and Advance Northumberland for the

purposes of informing sale negotiations. The market value for the sites – Wansbeck Square retail and office premises, is £1,365,000 with vacant possession.

41. From a Council perspective, a purchase of the sites with vacant possession is preferable due to the risks associated with tenant vacation being borne by Advance Northumberland prior to transfer to the Council.

PROGRAMME MANAGEMENT AND ASSURANCE ARRANGEMENTS

42. The governance structure will provide the mechanisms through which decisions will be made to support the development and delivery of the programme, including the defrayal of public funds, and the monitoring and reporting of activity, outputs, risks and issues. The structure chart at Appendix 2 illustrates the key programme roles and responsibilities

Key roles and responsibilities

43. The Ashington Town Board will provide the strategic direction, local insight and a collaborative stakeholder approach to shaping regeneration investments in Ashington and is the main means through which external partner organisations will influence project development and delivery.
44. The Council will act as the Accountable Body for the external funding and as such will have overall responsibility for the effective management and defrayal of funding. The Council will regularly report on programme performance, progress, expenditure and outputs, in line with funder requirements. It will also put in place a grant funding agreement with Advance Northumberland (Commercial) Ltd, project lead for the Portland Park scheme.
45. In addition, the Council will establish a Programme Board to oversee town regeneration programmes in Ashington, Borderlands towns and Cramlington. This Board will have overall responsibility for effective delivery of the Programme, ensuring sufficient project management resources are in place to oversee each scheme. The project leads will submit regular progress reports on each project to the Board.
46. The Board will provide oversight and strategic direction, make decisions e.g., on contractor appointments, and make recommendations on the approval of project business cases and funding allocations. Membership will include Executive Directors and Heads of Service of relevant departments (regeneration, planning, technical services, transport, and education) as well as support services (finance, legal and procurement).
47. The Council's Capital Strategy Group will make recommendations to Cabinet on the allocation of funding from the Council's capital programme to support the two

projects in the Programme. The Cabinet will be the final decision-making authority, approving the Council match funding contribution to projects, as well as the individual project business cases for Wansbeck Square and Portland Park site developments.

48. Subject to Cabinet decision, approval will be delegated to the Executive Director for Place and Regeneration to execute all contracts relating to individual projects, with confirmation being in place of associated funding and the appropriate procurement processes being followed.
49. This will initially include the award of relevant contracts for the supply of a multi-disciplinary design team and spatial planning service to capital project development. Collectively these multiple contracts are anticipated to have a value of up to £1.6 million.
50. Rules 2.3 and 2.4 of the Council's Finance and Contract Procedure set out why this delegation is required, as the potential contract values will exceed those allowed. The initial contracts to be awarded will be for design work and project development that will commit expenditure to low-risk activities not normally required to be the subject of examination under the Council's Business Case and Risk Appraisal Processes.
51. It should be noted that, in order to meet grant funding timescales, the council will need to commence the procurement of an operator to manage the proposed new building and associated services for the community at Wansbeck Square. Any financial implications to the council, based on the preferred operating model, feedback from suppliers during the tender process and the developing business case will be included in the planned update report to Cabinet in the Autumn.
52. The Council's s151 Officer will independently assess the sustainability, viability, and value for money of each project business case, to ensure compliance with all necessary financial regulations. This will include scrutinising and signing off business cases, financial returns, and monitoring and evaluation reports for submission to DLUHC and NTCA. The Council's Audit Committee will, as required, provide a further level of assurance in the management of public finances, compliance with legal and regulatory responsibilities, and risk management.

Programme Assurance

53. The Council has a robust assurance process in place, to ensure sign-off at various stages of projects. This includes:
 - A business case will be developed for each DLUHC (LUF) project, compliant with HMT Green Book five case model, which will be independently assessed. An appraisal report, with key findings and recommendations will be presented to

the Programme Board and Cabinet to secure approval for the business case and funding. The business case for Wansbeck Square will be submitted to NTCA to be considered for funding of up to £2.5m from the Northumberland Line Economic Corridor Investment Programme. It should be noted that the business case for the Portland Park development will need to be simultaneously approved by the Board of Advance Northumberland Ltd (ANL), as well as NCC Cabinet, in order to proceed.

- Formal agreement between NCC (as accountable body) and ANL, as the Council's delivery partner setting out key project management requirements, including submission of quarterly progress reports on progress, spend, and outputs, and monthly cost reports with actual and forecast expenditure.
- A sub-grant agreement between NCC and ANL, as project sponsor/developer for the Portland Park project and for public realm improvements from Grand Corner Gateway to Portland Park, subject to NTCA approving the additional HSIP funding.
- ANL will ensure and evidence compliance with public procurement and financial regulations, as well as statutory obligations.
- During project design, costs will be presented at the end of each RIBA stage and agreed (via gateway points) before progressing.
- Project variances will be considered by each Project Board and escalated to the wider Programme Board as required.
- Production of regular project monitoring reports, with supporting evidence of defrayal and output achievement, to ensure each project is on schedule, and to identify any delivery issues or challenges.
- Regular budget monitoring will be undertaken with all claims validated by senior finance and performance management staff

Programme Staffing and Capacity

54. The management and resourcing of this support will be co-ordinated through the NCC Programme Board and includes:
 - Strategic and delivery teams (e.g., technical services, highways, planning) who will be involved in the development, design, assurance, statutory approval, and delivery of projects.
 - Finance, legal, and procurement teams, who will provide corporate support services.
55. The Economic Growth and Regeneration (EG&R) Team will provide overall programme management, part funded by NTCA until March 2025. This team will also project manage the HSIP programme workstreams including:
 - commissioning and management of the consultancy team for development of

the Regeneration Plan

- commissioning and managing the Creative Team who will deliver the Animating Ashington Programme working closely with the NCC Cultural Development Manager.
- the Accelerate Ashington Business Support project is being managed by Advance Northumberland through a grant funding agreement and client managed by the EG&R Programme Team.

56. The Regeneration Programmes Investment Team will ensure the projects developed are robust, represent value for money, and are compliant with any funding agreement. The team will be responsible for maintaining the Council's accountable body role for externally funded regeneration projects and programmes. The team will also co-ordinate the assurance and approval of robust business cases for the two flagship projects. This includes co-ordination of independent appraisal for project business cases and preparation and issuing of a sub-grant funding agreement to ANL for the Portland Park development project, on approval of the business case and the Public Realm and Connectivity extension.
57. The Regeneration Finance and Performance Team will ensure that arrangements are in place to monitor spend and outputs and prepare reports and claims to all funders. Outputs, as specified in each grant funding agreement, will be fully checked to ensure there is the required supporting evidence.

Project Management arrangements

58. The capital schemes have identified project leads in place as set out below:
- Wansbeck Square Strategic Site– this project will be client managed by a senior officer in Strategic Estates and Advance Northumberland (Financial) Limited will provide a full PM Service and lead on delivery via a PID contract.
 - Portland Park and the HSIP Public Realm and Connectivity extension project will be directly managed by Advance Northumberland (Commercial) Limited as Project Sponsors and site owners.
 - HSIP Public Realm & Connectivity including the creation of Grand Corner Gateway – Advance Northumberland (Financial) Limited are already contracted to provide the PM Service for this project.
 - Portland Park Infrastructure Phase 2 – this will be led by Highways Development with support from the wider Ashington Regeneration Capital Project Team that is already in place.
59. It is important to note that the speed of the delivery requirements and scale of this programme are significant, and resourcing will be kept under regular review. The council may need to consider additional resourcing to match the scale of ambition to

deliver this transformative programme and meet funder requirements.

COSTS AND FUNDING

60. The Ashington Regeneration Programme currently comprises up to seven project activities across the two phases with a potential total value of £29,816,168, including £21.4m of external grants. These have been combined in the table 3 to show the total funding that may be available.

Table 3 – Ashington Regeneration Programme Funding 2023 to 2026						
	DLUHC (LUF)	NTCA/ UKSPF (HSIP)	NTCA (NLEC)	NCC Match	ANL Match	Total Budget
Ashington HSIP	0	2,474,506	0	435,000	0	£2,909,506
Town Centre Renewal	16,427,044	0	2,500,000	5,477,394	2,502,224	£26,906,662
Total	£16,427,044	£2,474,506	£2,500,000	£5,912,394	£2,502,224	£29,816,168

61. Table 4 below shows the potential funding split by project in Phase 1 and Phase 2 of the programme.

Table 4 - Ashington Regeneration Programme Financial Summary by Project						
Ashington High Street Innovation Programme						
Project / Cost heading	DLUHC (LUF)	NTCA/ UKSPF (HSIP)	NTCA (NLEC)	NCC	ANL Match	Total Funding
Public Realm & Connectivity		1,322,931		435,000		1,757,931
Accelerate Ashington		399,024				399,024
Animating Ashington		509,255				509,255
Regeneration Plan		60,000				60,000
Programme Management		183,296				183,296
Sub-Total		2,474,506		435,000		2,909,506
Town Centre Renewal of Strategic Sites Programme						

Project	DLUHC (LUF)	NTCA/ UKSPF (HSIP)	NTCA (NLEC)	NCC	ANL Match	Total Funding
Wansbeck Square Site	10,274,565		2,500,000	1,890,277		14,664,842
Portland Park Site	6,152,479			1,151,315	2,502,224	9,806,018
Portland Park Infrastructure				2,435,802		2,435,802
Sub-Total	16,427,044		2,500,000	5,477,394	2,502,224	26,906,662
TOTAL FUNDING BOTH PHASES	16,427,044	2,474,506	2,500,000	5,912,394	2,502,224	29,816,168

62. A detailed profile of spend by project and split by financial year is at Appendix 1.

63. The following should be noted in connection with the figures presented in the tables above and at Appendix 1:

High Street Innovation Programme

- Grant Funding - £1.89m funding from NTCA, including UKSPF, is confirmed. A further bid of £576,898 has been submitted and is awaiting decision by NTCA.
- NCC match funding – A total of £435,000 is allocated in the MTFP for the Public Realm and Connectivity project, as agreed at Cabinet on 11 October 2022.

Town Centre Renewal of Strategic Sites Programme

- Grant Funding - £16.4m funding from DLUHC is confirmed and a Memorandum of Understanding is awaited. Funding of £2.5m from NTCA through the Northumberland Line Economic Corridor is subject to submission of a business case and is not confirmed.
- Council match funding - £3m is allocated in the MTFP as agreed at Cabinet on 9 April 2019. The requirement outlined above includes £41,592 of additional funding to cover the gap between the MTFP allocation and projected total costs of the two flagship projects at Wansbeck Square and Portland Park.
- The match funding contribution from Advance Northumberland is subject to change as the Portland Park project develops. Details of the potential loan required by Advance from NCC, to complete the Portland Park funding package, will be set out in the report that Cabinet will receive in the Autumn. It should be noted that in June 2022, Advance agreed 'in principle' to provide up to £1m of their own funds to support the development of Portland Park and this was submitted to DLUHC as a match funding contribution to the LUF bid.
- Portland Park Infrastructure Phase 2 - NCC capital of £2,435,802 is allocated in the MTFP as Ashington North East Quarter Redevelopment Phase 2. Any

required draw down against this budget will be set out in the report that Cabinet will receive in the Autumn. There is no external grant funding on this project.

IMPLICATIONS

Policy	The project fully supports the Council's Corporate Plan, the Northumberland Economic Strategy and the draft Ashington Town Investment Plan
Finance and value for money	Up to £21.4m has, or will be, secured from HM Government and NTCA which can be matched to local resources. The report outlines the current resources identified in the Capital programme. The financial implications of these proposals are outlined in the main body of the report including the recommendation to note the staffing arrangements and potential need for Cabinet to review this at a later date. Business Cases for individual projects will be brought back to Cabinet as they are developed for a final decision to proceed.
Legal	<p>Legal advice has been provided in respect of subsidy control for the HSIP Delivery Plan and for the LUF bid. External subsidy control advice has been received throughout LUF bid development and will be updated to ensure compliance as projects move forward. Further work is underway in respect of site assembly, procurement and project cost modelling that will require ongoing legal support, with a view to providing a detailed update and any necessary approvals in the next Cabinet update report in the Autumn.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
Procurement	In line with all other expenditure, project spend will be subject to the Council's recognised procurement procedures. Project spend will be subject to the Council's recognised procurement procedures. Rule 4.9.1(e) of the Council's Finance and Contract Procedure Rules requires Executive approval before commencing procurement of goods or services where the value is over £2 million.
Human Resources	The programme is being managed by NCC's EG&R Team in conjunction with Advance Northumberland leads as outlined in the report. The NTCA HSIP funding includes an 8% Management Fee to enable appropriate resources to be committed throughout development and delivery.
Property	Proposals for the site acquisition of units 2-4 Woodhorn Road and Wansbeck Square are outlined in the section on Site Acquisitions.
Equalities	(Impact Assessment attached)

	<p>Yes No N/A X</p> <p>The promotion of inclusive growth is a core aspiration and expectation of the delivery of the Ashington Town Investment Plan, the Ashington Regeneration Programme and the NTCA Town and High Streets programme with specific metrics included in the monitoring and evaluation framework to establish performance.</p>
Risk Assessment	A risk register is in place for the programme, with regular updates and monitoring in place to effectively manage risk. The governance structure once embedded will increase risk management.
Crime & Disorder	It is anticipated that this programme will impact positively on antisocial behaviour. The Animating Ashington project will develop strong community relations particularly with young people and families. Capital improvements to the site between Grand Corner Gateway and Portland Park will specifically build in the need to reduce ASB, which is an identified issue in this part of the town, through reduction in the height of fencing, better lighting and a more open and visible public space. Each component project will seek to design out crime, increase perceptions of safety through improved lighting, footways and increased animation.
Customer Consideration	There has been extensive partner and community consultation as part of the development of the Ashington Investment Plan and through the LUF proposals and the HSIP programme responds to the feedback received. Further engagement is planned as each project develops in conjunction with Ashington Town Board.
Carbon reduction	The projects outlined in this report include improvements to public space and greening of the high street where possible, which will have a positive environmental benefit. Designs for new buildings and public realm works will incorporate sustainability benefits, where applicable and encourage active travel, particularly linked to the new Ashington Station.
Health & Wellbeing	Ashington Investment Plan includes an objective to support the development of an 'Inclusive Town' enabling positive health and wellbeing outcomes through successful town centre regeneration. A major focus of the programme is designing a better town centre which is well equipped to support recovery from Covid-19 and be more resilient in the future, offering new destinations and potentially facilities for residents that support wellbeing.
Wards	All wards in the town of Ashington

Appendices

Appendix 1: Ashington Regeneration Programme – Current and Proposed Medium Term Financial Profiles

Appendix 2: Ashington Regeneration Programme Governance and Assurance Framework

Background Papers

None

Report sign off

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Interim Director of Law and Governance and Monitoring Officer	
Executive Director of Resources and Transformation (S151 Officer)	Jan Willis
Executive Director of Place and Regeneration	Simon Neilson
Chief Executive	Helen Paterson
Portfolio Holder for Business	Wojciech Ploszaj

Author and Contact Details

Janice Rose, Interim Executive Director for Regeneration

07500 097568

janice.rose@northumberland.gov.uk

Karen Donaldson, Project Manager (Town Regeneration)

07966 324034

karen.donaldson@northumberland.gov.uk

Appendix 1: Ashington Regeneration Programme – Current and Proposed Medium Term Financial Profiles

Ashington High Street Innovation Programme

Current MTFP Profile	2022-23	2023-24	2024-25	2025-26	Total	Revised Costs	Funding Diff
Public Realm & Connectivity	54,783	1,208,983			1,263,766	1,757,931	494,165
Accelerate Ashington Business Support	149,448	249,576			399,024	399,024	0
Animating Ashington	70,000	455,000			525,000	509,255	-15,745
Regeneration Plan		0	0		0	60,000	60,000
Management Costs	47,521	97,297			144,818	183,296	38,478
Totals	321,752	2,010,856	0	0	2,332,608	2,909,506	576,898

Proposed MTFP Profile	2022-2023 Actual			2023-2024			2024-2025			All Years		
	NCC funding	NTCA /UKSPF	Total Funding	NCC funding	NTCA/ UKSPF	Total Funding	NCC funding	NTCA/ UKSPF	Total Funding	NCC funding	NTCA/ UKSPF	Total Funding
Public Realm & Connectivity		7,268	7,268	210,000	732,748	942,748	225,000	582,915	807,915	435,000	1,322,931	1,757,931
Accelerate Ashington Business Support		31,851	31,851		331,626	331,626		35,547	35,547		399,024	399,024
Animating Ashington			0		199,000	199,000		310,255	310,255		509,255	509,255
Regeneration Plan			0		60,000	60,000					60,000	60,000
Management Costs		3,130	3,130		105,869	105,869		74,297	74,297		183,296	183,296
Totals	0	42,248	42,248	210,000	1,429,244	1,639,244	225,000	1,003,014	1,228,014	435,000	2,474,506	2,909,506

Town Centre Renewal of Strategic Sites Programme

Current MTFP Profile	2022-23	2023-24	2024-25	2025-26	Total	Revised Costs	Funding Diff

Wansbeck Square Strategic Site					0	1,000,000	1,000,000
Portland Park Strategic Site					0	600,000	600,000
Portland Park Phase 2 Infrastructure			2,435,802		2,435,802	2,435,802	0
Totals	0	0	2,435,802	0	2,435,802	4,035,802	1,600,000

Proposed MTFP Profile	2023-2024				2024-2025				All years			
	NCC funding	ANL Match	Other Funding	Total Funding	NCC funding	ANL Match	Other Funding	Total Funding	NCC funding	ANL Match	Other Funding	Total Funding
Wansbeck Square Strategic Site			1,000,000	1,000,000				0			1,000,000	1,000,000
Portland Park Strategic Site			600,000	600,000				0			600,000	600,000
Portland Park Phase 2 Infrastructure				0	2,435,802			2,435,802	2,435,802			2,435,802
Totals	0	0	1,600,000	1,600,000	2,435,802	0	0	2,435,802	2,435,802	0	1,600,000	4,035,802

Appendix 2: Ashington Regeneration Programme – Governance and Assurance Framework

