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ASHBOURNE REBORN PROGRAMME BOARD

Ashbourne Reborn Programme Board – 6 December 2024

ASHBOURNE REBORN PROGRAMME UPDATE

Report of the Director of Place and Economy

Report Author and Contact Details

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Wards Affected

Ashbourne North and South

Report Summary

The report summarises activity to progress the *Ashbourne Reborn* Programme, including the recent submission of a Project Adjustment Request, PAR, to MHCLG, highlights key programme risks and sets out next steps.

Recommendations

1. That the Board receives and notes progress to date and the position regarding programme, cost, deliverables and risks.
2. That the Board notes MHCLG's approval of the recent Project Adjustment Request and revised expenditure profile, and partner responsibilities to fulfil associated project spend commitments.
3. That the Board notes the impact of necessary utilities work on the Highways and Public Realm programme and associated risks.

List of Appendices

Appendix 1 Minutes of the H&PR Project Control Board 01/10/24

Appendix 2 Minutes of the LCH Project Board 01/10/24

Appendix 3 Agreed Adjusted Expenditure Profile Summary

Background Papers

Ashbourne Reborn Programme Board Update Reports from 27 September 2023 to 22 October 2024.

Community and Environment Committee Report 29 October 2024.

Consideration of report by Council or other committee

No

Council Approval Required

No

Exempt from Press or Public

No

ASHBOURNE REBORN PROGRAMME UPDATE

1. Background

- 1.1 As set out in the papers of previous Programme Board meetings, Ashbourne Reborn is a £15.9m programme aimed at transforming Ashbourne town centre through significant improvements to highways and public realm and the development of the Link Community Hub. Originally with a budget of £15.22m, this has increased to over £15.9m through the agreement of additional partnership match funding. The programme is principally funded by the UK Government through a £13,373,509 funding allocation from the Levelling Up Fund, Round Two. The programme comprises the following projects:

Project 1: Public Realm & Highways Improvements led by Derbyshire County Council - £8.8m

Project 2: Link Community Hub led by Ashbourne Methodist Church - £7.1m (inc. additional match funding)

- 1.2 Derbyshire Dales District Council (DDDC) is the Accountable Body for Ashbourne Reborn. Matters that could have a significant impact on the programme in terms of deliverables, timescales, cost, outputs / outcomes and risk, potentially resulting in a change to the approved bid / Memorandum of Understanding between the District Council and the Ministry of Housing, Communities and Local Government (MHCLG) should be matters for consideration by the strategic Programme Board. Such matters are required to be escalated by Project Boards.
- 1.3 Should these matters be considered to require a Project Adjustment Request i.e. variation of more than 30% in expenditure profile or deliverables, this must be approved by Derbyshire Dales District Council's Community and Environment Committee prior to submission as this would constitute a formal request to change the terms of the agreement between Derbyshire Dales District Council as the Accountable Body for Ashbourne Reborn and MHCLG.

2. Key Issues

Project Progress, Procurement and Risks:

- 2.1 Partners continue to work collaboratively to progress both projects and bring costs closer to the available budget. An overview is provided below, with further detail of the Highways and Public Realm project provided in Appendix 1 Minutes of the October Project Control Board meeting, and Minutes of the October Project Board for the Link Community Hub provided in Appendix 2. Verbal updates following the Project Board meetings held on Tuesday 5 November and Tuesday 3 December will be provided to the Programme Board in advance of the written Minutes being available.

Link Community Hub: Ashbourne Methodist Church

- 2.2 The preparatory work conducted by volunteers and some direct orders has been completed. This included removal of asbestos by specialist contractors, stripping out the old boilers, removing the downstairs pews, salvaging the courtyard paving slabs for reuse in the community garden, sheeting up the organ pipes, and removing the grand piano and organ console to storage. Following issue of a Letter of intent for an initial package of works, the main contractors, Messenger Construction Ltd, started on site on 11th November, allocating the necessary staff to the job, including the site manager. Safety fencing has been erected on Station Road, they have started work on the initial instruction including demolition of the old hut. All pre-start conditions have been discharged.
- 2.3 The contract and final price negotiations for awarding the full contract are progressing well, as are the final drawings needed for the contract. The full contract is scheduled to be signed in mid-December.
- 2.4 The total cost of the Link Community Hub project is now £7.1m. This follows extensive challenge and scope reduction and avoids significant compromises to the big deliverables of the construction, to the future operation and to the required Outputs or Outcomes. This has necessitated an increase to AMC's funding commitment from £1.4m to £2.1m.
- 2.5 The most significant risks for the Link Community Hub Project continue to include increased project costs and unforeseen costs, and slippage within the programme. Current contributors to the risk of delay are issues resulting from protracted contractor negotiations and a winter construction start.

Highways and Public Realm Project: DCC

- 2.6 Preparatory work on the DCC-led Highways and Public Realm project continues, with most designs now finalised or awaiting final confirmation of specific elements following the required re-scoping exercises. This includes, for example, an element of drainage information, final design details for Shrovetide Walk and HVM proposals. While a significant proportion of the design work was completed to inform the Target Cost, it should be noted that any incomplete areas of design continue to impact on the accuracy of the Target Cost. Updated Target Cost information is now expected in early December, due to the need to revisit subcontractor costs.
- 2.7 Preparatory works, such as setting up the compound at Fishpond Meadow, will continue over December 2024. However, the start date for the main works will now be towards the end of January, following late notification of the need to bring forward a programme of utilities works in advance of the Ashbourne Reborn improvements. This will help to protect the benefits of the Ashbourne Reborn investment by avoiding newly laid surfaces being disturbed after delivery for as long as possible.

- 2.8 This adjustment to the Highways and Public Realm delivery plan can be accommodated within the overall programme, with DCC confirming delivery is still on track for completion of all DCC-led works by December 2025. However, it creates additional challenges for the scheduling of works around Shrovetide and the school holidays and for the associated expenditure profile. DCC officers are developing a mitigation strategy to address the impact of the delay, reflecting the recently agreed commitments to MHCLG, and will provide an update at the meeting.
- 2.9 Indicative traffic management plans have been developed by DCC and the main contractor, Galliford Try, with high level information made available in time for first public drop-in sessions on 26 November. Final sign-off of the detailed plans by DCC will follow, and further information will be provided in a verbal update at the meeting.
- 2.10 Progress continues to explore and agree final cost saving proposals, with most now confirmed. Final decisions on project detail rest with the Project Board and the officer team where these do not impact on commitments with MHCLG. However, some of the rescope proposals remain challenging for partners, with further information to be provided to support final decisions at the Project Board meeting on 3 December 2024. The potential savings also remain subject to Galliford Try's updated Target Cost submission, due on 6 December.
- 2.11 The approach taken should mean that commitments to MHCLG are still achievable within acceptable thresholds, but this remains under review while cost information and designs are finalised. The final designs and HVM report may create additional pressures and further work continues with the aim of bringing costs down. Subject to submission of the final Target Cost there remains a separate element of client contingency within the budget at a level proposed by DCC's commercial advisor.
- 2.12 Work to raise Henmore Bridge parapet was completed by DCC in November and is being reviewed by DCC following recent feedback. The raising of the parapet means that a new pedestrian footway can be established safely as part of the main works.
- 2.13 Highest scored risks for the Highways and Public Realm Project continue to include budget pressures, traffic management and programme/phasing of delivery, including any potential delays associated with work by utility companies, disruption to traders and stakeholder management. Active DCC co-ordination of projects across Ashbourne and liaison with utility providers to minimise impact of their activities on the Ashbourne Reborn improvements following completion remain mitigation strategies.

Hostile Vehicle Mitigation

- 2.14 A draft Road Safety review for Ashbourne Reborn was received on 22 November. This document is currently being reviewed by DCC (client) and DDDC and a verbal update will be provided at the meeting ahead of consultant recommendations being brought back to a future meeting.

Working Group – Design and Events

- 2.15 A Working Group meeting was held on 20 November to progress decisions around proposed cost saving measures. The outcome of this meeting will inform related remaining final design decisions to be confirmed at the Highways and Public Realm Project Board Meeting on 3 December.
- 2.16 Future meetings will continue to include practical consideration of the influence on the emerging construction programme on key events, with parallel work through the Comms Group and Comms officer to liaise with events' organisers.
- 2.17 The District Council has commenced engagement with businesses requiring new sitting out licences for when works to the Market Place and Victoria Square are completed.

MHCLG Information and Processes

- 2.18 Following the Autumn Statement, Local Authorities in receipt of LUF grants were issued updated Quarterly Monitoring Forms for the new submission deadline of 29 November 2024. Alongside these forms, which highlighted the opportunity to adjust expenditure profiles within the return, the following advice was provided:

“Any revised profile will be subject to further consideration by the Department. This will be no earlier than the Spring Budget, when Departments expects to have their profiles, for the next Spending Review period, announced.”

- 2.19 As the timescales for decision making on the national LUF programme would have resulted in a significant delay to the Ashbourne Reborn Programme, it was agreed with MHCLG officers that a swifter decision could be pursued through the Project Adjustment Request process by exception.
- 2.20 Following agreement and approvals received at both Project Boards, Ashbourne Reborn Programme Board and Derbyshire Dales District Council's Community and Environment Committee, a Project Adjustment Request was formally submitted on 8 November 2024, alongside a required draft of the Q2 Monitoring Return. Approval of the proposed changes was received from MHCLG just two weeks later, on Friday 22 November, by the date required to ensure that the required confirmation did not impact on timely progress. This decision was granted in record time following regular

liaison between DDDC and MHCLG officers and is the result of a significant team effort.

2.21 It is now imperative that delivery partners work to fulfil the new commitments, ensuring that the forecast expenditure profile is achieved each quarter, in particular the expenditure to the end of 2024/25 financial year that was unlocked by the MHCLG decision.

2.22 The finalised Quarterly Monitoring Return for submission on 29 November reflects the confirmation of the changes by MHCLG. Assurance documents that would usually be required by MHCLG in this quarter have not yet been received.

3. Options Considered and Recommended Proposal

3.1 Not applicable.

4. Consultation/Engagement

4.1 An overview of recent and planned Comms activity will be provided separately to this report in a verbal update to the Programme Board meeting.

4.2 Regular comms updates continue for Ashbourne Reborn, supported by the Ashbourne Reborn Communications Officer and in line with the agreed Comms Grid of planned activities. Comms Group meetings are held monthly, and Ward Member Briefings are issued regularly to provide information in advance of activity in Ashbourne.

4.3 Recent activity has also involved co-ordinating public drop-in sessions on 26 and 28 November, and the public meeting on 3 December 2024. These events were designed to maximise the opportunity for stakeholders and the public to review the updated design and programme information and ask questions. A verbal report on the events will be provided at the Programme Board meeting.

5. Timetable for Implementation

5.1 The latest update on progress against milestones will be included in the presentation to Programme Board.

5.2 Completion of the Highways and Public Realm Project and the main contractor work for the Link Community Hub is now scheduled for December 25/26, resulting in some final grant defrayal early in Quarter 4 to allow for a lag in invoicing, especially around the Christmas period. However, the amount of LUF grant utilised in this period will be minimised, with LUF expenditure prioritised over match funding wherever practicable, as reflected in the agreed expenditure profile. As part of the Project Adjustment Request, MHCLG have agreed that some match funding may be carried into the 2026/27 financial year for the Link Community Hub Project to enable completion of works outside the main contract and to recognise the retention sum associated with the main works.

6. Policy Implications

- 6.1 The LUF proposals were developed in line with the Council's Economic Recovery Plan and Economic Plan, and Ashbourne Reborn is one of the District Council's Corporate Plan priorities within the 'Prosperous and sustainable Dales communities and businesses' theme. In particular, the proposals directly contribute to the Place Shaping Delivery Plan core programme area: Facilitate town centre regeneration to improve public realm and stimulate spend and investment.

7. Financial and Resource Implications

- 7.1 A summary of the MHCLG approved expenditure profile is provided in Appendix 3. This includes minor within year adjustments since the last Programme Board, as agreed by the Chair.
- 7.2 As previously reported, costs have risen considerably since the LUF bid, with much higher than predicted levels of inflation and challenging market conditions. Alongside rising construction costs and costs of materials, project fees have also increased from the original estimates prepared by the consultant bid team. Availability of materials and lead-in times for delivery are also a consideration within finances and risk.
- 7.3 Ashbourne Reborn Project Boards continue to finalise value engineering, prioritisation and, as a last resort, potential de-scoping activities to remain within budget. While Project Boards for both projects currently believe that commitments to MHCLG can be delivered within acceptable thresholds, should this alter, any resultant recommendations that could have direct or cumulative implications for commitments made to MHCLG will be escalated to the Programme Board for consideration.
- 7.4 As Accountable Body, the District Council has worked hard to achieve rapid MHCLG approval for a modified spending profile based upon the forecasts provided by Delivery Partners. It is now incumbent on Delivery Partners to ensure their forecasted expenditure profiles are achieved, in order to avoid any further risks to the agreed programme and to mitigate reputational risks for Delivery Partners as well as for the Accountable Body.
- 7.5 The financial risk is assessed as High.

8. Procurement Implications

- 8.1 Procurement strategies are in place for both projects within Ashbourne Reborn. Project teams have been asked to provide up to date Procurement Registers to record key procurement activity. The proposed deadline for receipt of these documents is 9 December 2024.
- 8.2 Procurement of a main contractor for the construction of the Highways and Public Realm project has been undertaken by DCC. Processes are to be put in place to enable a decision to proceed to stage 2 construction subject to

final costs and agreement, following MHCLG's approval of the updated expenditure profile.

- 8.3 As set out in Section 2, procurement of the main contractor for the Link Community Hub is ongoing, with a letter of intent issued in advance of the conclusion of the final negotiation and an initial package of work instructed to avoid further programme delays.

9. Legal Advice and Implications

- 9.1 As stated, this report summarises activity to progress the *Ashbourne Reborn* Programme, including the recent submission of a Project Adjustment Request, PAR, to MHCLG, highlights key programme risks and sets out next steps.

- 9.2 It is to be acknowledged there are inherent risks / legal risks connected to this project as described within this report. These risks have been assessed as high due to, inter alia, the requirement for external agreements and consents.

- 9.3 However specifically referring to the three decisions recommended to be taken as noted at the top of this report, the legal risk of challenge by judicial review when taking the decisions as recommended has been assessed as low.

10. Equalities Implications

- 10.1 None additional at this stage, but equalities remain an important consideration for detailed design. An Equality Impact Assessment (EIA) was prepared for the Levelling Up Fund bid and was submitted to the Derbyshire Dales District Council C&E Committee meeting on 29th June 2022. Equalities considerations form part of the ongoing assessment of final scheme proposals, including the assessment of implications of any significant changes in the design to update the previous EIA.

11. Climate Change Implications

- 11.1 No additional implications at this stage, but Climate Change Implications remain an important consideration for detailed design. A Climate Change Impact Assessment was prepared for the Levelling Up Fund bid and was submitted to the Derbyshire Dales District Council C&E Committee meeting on 29th June 2022. A further climate change assessment may be required on final scheme proposals to assess the implications of any significant changes to the project.

- 11.2 In terms of other environmental considerations, there are synergies between the traffic management element of Ashbourne Reborn and the air quality considerations for the area. Where the delivery of Ashbourne Reborn can contribute to and complement activity to improve air quality, this will be reflected in the Air Quality Action Plan.

12. Risk Management

12.1 Project level risks have been highlighted within the report in section 2, with further detail to be presented at the Programme Board meeting. The highest strategic risks are currently considered to be Project Costs and Programme, which are being addressed through active review and management of both projects. The need to agree changes to the expenditure profile with MHCLG and uncertainty about their decision-making processes adds to the Programme/delivery timeframe risk.

12.2 Current programme level risks reflect:

- Cost challenges. Mitigation at this stage includes working with delivery partners to reduce fee expenditure (where possible), early contractor involvement / independent review of current cost estimates, value engineering and re-scoping alongside assessment of the impact on programme deliverables.
- Stakeholder expectations. Mitigation at this stage includes stakeholder engagement and regular communications, expectation management and quality control.
- Programme and Resources. Delivery timeframes are challenging, and the programme is resource-intensive at all levels. Ongoing consideration of resources is required, including any related challenges facing delivery partners to ensure the delivery and profiled expenditure is achieved.
- Co-ordination – Over-run of utilities work could cause further delay to the Highways and Public Realm Programme, requiring active DCC liaison with utilities companies to expedite the work.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	27/11/2024
Director of Resources/ S.151 Officer	Karen Henriksen	27/11/2024
Legal Services Manager (Deputy Monitoring Officer)	Kerry France	27/11/2024