

OPEN REPORT
ASHBOURNE REBORN PROGRAMME BOARD

Ashbourne Reborn Programme Board – 27 September 2023

ASHBOURNE REBORN PROGRAMME UPDATE

Report of the Director of Regeneration and Policy

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, highlights key programme risks and sets out next steps.

Recommendations

1. That activity and progress to date be received and noted.
2. That the Procurement Strategy for the Highways and Public Realm Project be received and noted.
3. That delivery partner Project Boards' Terms of Reference are requested for approval by the Programme Board in accordance with Governance requirements.
4. That Appendix 3 – Draft Protocol for Escalating Ashbourne Reborn Decisions be received and agreed.
5. That the highlighted Programme risks and associated mitigation measures are received and noted.
6. That reporting and monitoring requirements are received and noted.

List of Appendices

- Appendix 1 Governance Structure Chart
- Appendix 2 Programme Board Terms of Reference
- Appendix 3 Draft Protocol for Escalating Ashbourne Reborn Decisions
- Appendix 4 Schedule of Activity to Date
- Appendix 5 Minutes of DCC Project Control Board 05/09/23
- Appendix 6 Minutes of Ashbourne Methodist Church Project Board 05/09/23
- Appendix 7 Stage 3 Designs

Appendix 8 Highways and Public Realm Procurement Strategy

Appendix 9 Programme and Project Risks

Appendix 10 Delivery Plan Milestones

Appendix 11 Funding Profile

Background Papers

Council Report 27 July 2023

Ashbourne Reborn Programme - Additional Communications and Stakeholder Engagement Capacity 27 September 2023

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 Ashbourne Reborn is a £15.22m programme aimed at transforming Ashbourne town centre through significant improvements to highways and public realm and the development of the Link Community Hub. The programme is principally funded by the UK Government through the *Levelling Up Fund*. The initial *Levelling Up Fund* capital grant award in January 2023 was £13,373,509. A further grant of £70,000 was awarded in July 2023 to provide revenue capacity support.

1.2 As a reminder, the programme comprises the following projects:

Project 1: Public Realm & Highways Improvements - £8.804m

This project will deliver a series of transformed public spaces including the Market Place, Victoria Square, Millennium Square and Shrovetide Walk. Connections between these spaces will also be improved. Highways improvements will be undertaken along Compton, Dig Street and St John Street to create a better pedestrian experience, reducing the impact of vehicles and improving safety.

This project is led by Derbyshire County Council.

Project 2: Link Community Hub - £6.418m

The project aims to transform the Methodist Church into a multi-purpose community space, enhancing the town centre offer, and providing a venue that will help drive greater footfall.

This project is led by Ashbourne Methodist Church.

1.3 Derbyshire Dales District Council is the Accountable Body for Ashbourne Reborn. This means that, although projects are being delivered by other delivery partners the Council has responsibility for, inter alia:

- all financial matters (including but not limited to managing the programme budget, paying delivery partners and claiming funding from the Government to cover such payments)
- all procurement matters (including but not limited to appointment, contracts and purchases made by delivery partners)
- ensuring outputs and outcomes are achieved on time and to budget
- other compliance matters (including but not limited to equalities duties and subsidy control)
- discharging this accountability by monitoring, assuring, reporting and auditing to the Government's satisfaction.

1.4 On 27 July 2023 the District Council approved revised governance arrangements for Ashbourne Reborn, including increased Member involvement from both the District Council and County Council at Programme Board level. Each project board retains autonomy to make decisions to deliver their respective projects within the approved scope, timescales, budget and project deliverables (including but not limited to outputs and outcomes within the approved LUF bid). This structure is

intended to enable project boards, comprising the requisite knowledge and delivery experience, to get on with delivering projects without recourse to the Programme Board for delivery / operational decisions. The approved Governance Structure Chart is provided in Appendix 1.

- 1.5 Matters that could have a significant impact on the programme, potentially resulting in a change to the approved bid / Memorandum of Understanding between the District Council and the Department for Levelling Up, Housing and Communities (DLUHC) in terms of deliverables, timescales, cost, outputs / outcomes and risk should be matters for decision by the strategic Programme Board and are required to be escalated by Project Boards (see below).

2. Key Issues

Governance

- 2.1 Ashbourne Reborn Project Boards held their first official meetings in May 2023. Whilst a framework was established for Terms of References, these are required to be finalised with reference to the revised governance arrangements and provided to the Programme Board as soon as possible for approval, as approved by Council on 27 July 2023.
- 2.2 Project Board Terms of Reference should reflect and complement those of the strategic Programme Board, provided in Appendix 2. Clear delegations and tolerances for each project will be set in order that each project board can make project decisions within those limits whilst referring matters outside those limits to the strategic Programme Board. Those limits will be set by the Programme Board informed by the view of each Project Board. For example:
 - Project Board decision: a change to the project design (for example in response to local feedback) which doesn't impact the approved project deliverables, outputs or outcomes.
 - Programme Board decision: the potential de-scoping of a project element (for example to meet the available budget) which would result in a reduction to the project deliverables including but not limited to outputs and outcomes of the programme agreed with DLUHC.
- 2.3 A draft protocol for escalating decisions (where appropriate) is attached for consideration as Appendix 3.
- 2.4 Project Board Terms of Reference must include (but not be limited to) the following:
 - Purpose and remit, with reference to the interaction with the strategic Programme Board and internal officer group.
 - Membership including the role of stakeholders.
 - Meeting cycles, quoracy, decision making, records of decisions and declarations of interest.
 - Reporting, including Government requirements (such as risk management, project milestones, funding profile and progress against outputs and outcomes) and ensuring appropriate communication and

escalation within the programme structures and back to the respective delivery partner organisations.

- Contract management and the role of appointed contractors.
- The project deliverables as defined by the Accountable Body with reference to the approved Bid.
- A requirement to deliver projects on time, within budget, and according to the approved scope.
- How the Project Board will review its role and terms of reference.

Project Progress, Procurement and Risks:

- 2.5 Over recent months, partners have worked collaboratively to progress both projects. A schedule of activity to date is provided in Appendix 4. Brief project-based updates are set out below, with further detail provided in Appendix 5 - Minutes of the September 2023 Project Board Meetings Minutes of Derbyshire County Council Project Control Board 05/09/23, and Appendix 6 - Minutes of Ashbourne Methodist Church Project Board 05/09/23
- 2.6 The DCC-led Highways and Public Realm Project has reached the end of the RIBA Stage 3 design package, with associated plans provided in Appendix 7. These designs were informed by extensive stakeholder and public consultation, including two public engagement sessions in the Methodist Church Hall in July. These sessions were well attended and feedback from the engagement is detailed in the Stakeholder and Public Engagement Report, which will be published on the Ashbourne Reborn webpage following approval by the Highways and Public Realm Project Control Board. A key matter considered by the Project Control Board was the extent of short-stay parking provision, incorporating disabled provision, in and around the Market Place. Following a positive discussion, a way forward was agreed by all partners as per the plans.
- 2.7 The updated designs have also informed the submission for Listed Building Consent for work on the Market Place and Victoria Square. Following the 21 day statutory consultation period, it is anticipated that this will be considered at Planning Committee on 14th November.
- 2.8 The project will now progress to RIBA Stage 4 design, incorporating existing designs for Millennium Square and Shrovetide Walk that benefit from existing planning consents.
- 2.9 The Ashbourne Reborn Highways and Public Realm Procurement Strategy has been finalised in accordance with rules, regulations and LUF requirements following consultation with procurement colleagues at both councils and was agreed at the September meeting of the Highways and Public Realm Project Control Board. This is provided in Appendix 8 for the Programme Board to receive and note.
- 2.10 Risk workshops were held with the Highways and Public Realm Project Control Board in August to inform an updated risk register. The top ten risks are set out in Appendix 9, with the highest scored risks at that time being

the impact of traffic management restrictions on Ashbourne and the phasing of construction to minimise disruption. In addition, there are risks around the timeframe that Traffic Regulation Orders (TROs) are taking to process due to capacity challenges at DCC. These will be required to support delivery of the project and usually require a six to nine month process, although temporary TROs can be quicker. To note, permanent TROs at DCC are currently taking twelve to eighteen months, which would undermine delivery of the project. Associated mitigation will be discussed at the next Highways and Public Realm Project Control Board.

- 2.11 The Link Community Hub Project is progressing at pace, with the appointment of the full Link Community Hub Design Team (architect, structural and services engineers, landscape architect etc.). RIBA Stage 3 design is complete and RIBA Stage 4 detailed design work is ongoing. All required surveys and engineers inspections of the site condition, including trial pits, are well progressed or complete.
- 2.12 Planning and Listed Building Consent Applications are being finalised for submission for the full scope of the LUF funded scheme this Autumn following completion of the final required bat survey. While the need for additional bat surveys has caused some delay to submission of the planning applications, this does not pose a significant risk to delivery timeframes.
- 2.13 Ashbourne Methodist Church Partners also actively supported and took part in the public engagement in July, making the Methodist Church Hall available to host the events, providing information about the Link Community Hub Project and attending the events to answer questions from the public and stakeholders. This helped to provide a full overview of the Ashbourne Reborn Programme.
- 2.14 A Risk Workshop will be undertaken to update the risk register for the Link Community Hub Project in time to inform a review of the Strategic Programme Risk Register for reporting in the October Quarterly Monitoring Return to Government. Highest scored risks highlighted currently include the potential outcome from intrusive surveys e.g. building fabric / structure, worse than anticipated and unforeseen costs.
- 2.15 The Procurement Strategy for the construction contract for the Link Community Hub has been drafted and will be provided to the Programme Board when in final form. Procurement to date has reflected procurements rules, regulations and LUF requirements and has benefitted from District Council procurement advice.
- 2.16 The next stage for both projects is to progress detailed design and also to conduct contractor procurement, with early contractor involvement at the earliest opportunity to provide greater cost certainty, inform detailed design and help to mitigate project risks.
- 2.17 Following completion of Stage 3 design, both Project Boards have commissioned revised cost plans for completion end September / early

October. This will help establish the extent of emerging cost challenges – both projects having seen increasing costs to date – and will inform an updated funding profile for the October Quarterly Monitoring return to Government. Taking into account the unexpectedly high rate of inflation since the bid, other market pressures, and early indications, it is likely that value engineering and some re-scoping will need to be considered to remain within budget. It is intended that the outcomes and implications of the cost plan work will be considered at the October Project Board and Programme Board meetings.

- 2.18 After reviewing available capacity and the resource requirements to increase the frequency of communications, especially prior to and through the construction period, it is considered that the establishment of an additional, dedicated communications and engagement resource is necessary to support effective delivery of the programme. This is the subject of a separate report for consideration by the Programme Board.

Programme Monitoring

- 2.19 Quarterly monitoring returns are required to be provided to the Department of Levelling Up, Housing and Communities on the following timetable:

| Reporting Period: | Commission date: | Return date: | Reporting: |
|--|-------------------------|---------------------|-------------------|
| 1 January 2023 to 31 March 2023 | 3 April 2023 | 28 April 2023 | 6 Monthly |
| 1 April 2023 to 30 June 2023 | 3 July 2023 | 28 July 2023 | Quarterly |
| 1 July 2023 to 30 September 2023 | 2 October 2023 | 27 October 2023 | 6 Monthly |
| 1 October 2023 to 31 December 2023 | 8 January 2024 | 2 February 2024 | Quarterly |
| 1 January 2024 to 31 March 2024 | 1 April 2024 | 26 April 2024 | 6 Monthly |
| 1 April 2024 to 30 June 2024 | 1 July 2024 | 26 July 2024 | Quarterly |
| 1 July 2024 to 30 September 2024 | 7 October 2024 | 1 November 2024 | 6 Monthly |
| 1 October 2024 to 31 December 2024 | 6 January 2025 | 31 January 2025 | Quarterly |
| 1 January 2025 to 31 March 2025 | 7 April 2025 | 2 May 2025 | 6 Monthly |
| Further reporting dates to be confirmed by DLUHC | | | |

- 2.20 The monitoring returns include updates on project progress, delivery plans, funding profiles, and risks. In the six-monthly reports, updates must also be provided on measurable outputs and outcomes. Grant payments are made in January and July (approximately) and the amount provided is informed by the progress and expenditure reported in the previous quarterly return. Information collated for future returns will inform Programme Board papers. The next quarterly monitoring return is scheduled for 27 October and a summary will be shared at the next Programme Board meeting on 26 October.

3. Options Considered and Recommended Proposal

Not applicable.

4. Consultation

- 4.1 Ashbourne Reborn benefits from a Communications and Engagement Plan, and a Communications Group involving key project partners also convenes at least every six weeks to support regular and responsive communications and the delivery of the stakeholder engagement plan.
- 4.2 Public engagement events were held on 26 and 29 July at Ashbourne Methodist Church and a Stakeholder and Public Engagement Report has been compiled by AECOM on behalf of the Highways and Public Realm Project Control Board. This will be made available on the DDDC Ashbourne Reborn webpage following approval by the Project Board.
- 4.3 As set out in section 2.17, the need for additional Communications resource to support ongoing communications and consultation is the subject of a separate report for consideration by the Programme Board.

5. Timetable for Implementation

- 5.1 Specific milestones required for reporting to Government are set out in Appendix 10, with details of the last quarterly monitoring return for both projects. In headline terms the initial project plan indicates that detailed scheme designs (RIBA Stage 4) are anticipated to be completed by the end of 2023, with contractor procurement by Spring 2024 and construction on the ground taking place in 2024 and early 2025.
- 5.2 Notwithstanding the significant work progressed 'at risk' prior to announcement of the LUF award, the scale of the programme, timescale for implementation, cost challenges and breadth of partners involved has inevitably resulted in some delay.
- 5.3 Mobilising the programme has required: additional resourcing within the District Council's Regeneration and Policy service and external consultancy support; input from teams across the District Council (Finance, Audit, Legal, Committee section, Communications, Estates, Parking); preparation of detailed funding agreements with Delivery Partners for each project; and the procurement by Delivery Partners of external consultants to provide project management services and develop project designs (within the available LUF budget) alongside programme management fees. Whilst the detail involved and negotiations required impacted the start of the design stage of the programme, as indicated above, design work has progressed. Completion of the Grant Funding Agreement for the Highways and Public Realm project is necessary to progress the next stage of design work and presents a risk to the programme (see Section 9). While there have been some initial delays, programme delivery currently remains on track for defrayal of the LUF grant within the amended timeframes (see section 7), subject to formal agreement with DLUHC of the date for completion within the 2025/26 financial year.

6. Policy Implications

- 6.1 Ashbourne Reborn is one of the District Council's current Corporate Plan priorities within the 'prosperity' theme. The LUF proposals are closely linked to the Council's Economic Recovery Plan and Economic Plan. They support the Corporate Plan priority of '*Prosperity*'. In particular, the proposals directly contribute to the corporate target area: *Promote investment to stimulate the economy of our market towns*.

7. Financial and Resource Implications

- 7.1 Project cost plans are currently under review by both Project Boards, as set out in Section 2.16. Any cost challenges highlighted by this work will be reviewed at Project Board level before reporting to Programme Board. Early indications are that costs have risen considerably since the LUF bid, with much higher than predicted levels of inflation, which is likely to contribute to the need for value engineering, prioritisation and, as a last resort, potential de-scoping activities to remain within budget. Alongside rising construction costs and costs of materials, project fees have also increased from the original estimates prepared by the consultant bid team. Any resultant recommendations that could have direct or cumulative implications for commitments made to the Department for Levelling Up, Housing and Communities will be escalated to the Programme Board for consideration.
- 7.2 The requirement to manage costs within the available LUF budget is a key element within the Grant Funding Agreements, and District Council officers continue to work closely with delivery partners to manage financial challenges and risks as the programme develops. In parallel to the grant funding agreement negotiations with DCC, to ensure progress can be maintained, a revised letter of intent from DDDC is proposed to enable funding of appropriate elements of design work. Any such interim arrangement will be subject to appropriate conditions and the provision of related evidence prior to agreement of associated payments.
- 7.3 Current funding profiles are provided in Appendix 11. Table 1 shows the figures within the current Memorandum of Understanding with Government. However, these figures are not yet adjusted to account for the three-month delay in the funding announcement. Subsequent discussions with officers from the Department for Levelling Up, Housing and Communities indicated that project completion by July 2025 to reflect this delay, beyond the original deadline of March 2025, was likely to be within acceptable thresholds and would not require a formal Project Adjustment Request. Further to this, the July Quarterly Monitoring return was requested from all local authorities to include a realistic representation of likely expenditure in 2025/26 within the funding profile. This did not constitute a formal change request but was to inform further discussion. It is proposed to seek agreement of a revised completion date with DLUHC alongside submission of the October monitoring report. Table 2 in Appendix 11 reflects an indicative funding profile provided in response to the request for a realistic approach. However, it will be reviewed and revised to reflect the updated cost plans and associated project spend profiles in time for the October Monitoring Report. A meeting is planned with Government Officers in early October to discuss progress on Ashbourne Reborn and seek feedback to inform the next monitoring return.

- 7.4 Subsequent reports to the Programme Board will include more detailed updates on project and programme expenditure, with decisions or recommendations that have implications for the Accountable Body escalated to Community and Environment Committee.

8. Procurement Implications

- 8.1 As set out in Section 2, a Procurement Strategy has been collated for the Highways and Public Realm Project and provided to Programme Board following approval at the Highways and Public Realm Project Board. A draft Procurement Strategy is being finalised for the Link Community Hub and will be provided to the Programme Board following approval at the Link Community Hub Project Board

9. Legal Advice and Implications

- 9.1 Grant Funding Agreements are substantively progressed, enabled through external and internal legal support, with early work underpinned by a letter of intent issued to Derbyshire County Council and Heads of Terms agreed with Ashbourne Methodist Church. The legal risk is assessed as medium. Completion of the Grant Funding Agreements is a high priority and is reflected in the strategic programme risk register and project level risk registers.
- 9.2 The Grant Funding Agreement for the Link Community Hub is complete and was provided to Ashbourne Methodist Church partners in August for final review. Requests for an additional review by the central Methodist Church has extended the timeframe to final amendments and signing but all partners are working to completion before the end of September to enable payment of grant funding within quarter 2.
- 9.3 The Grant Funding Agreement for the Highways and Public Realm Project has benefitted from a series of officer meetings and associated drafts. Completion of the Grant Funding Agreement is critical path task and therefore delay would impact on the project programme. The key issue to resolve is the approach to risk, in particular from a potential cost-overrun e.g. from an unforeseen event. A verbal update will be provided at the meeting on the latest position.

10. Equalities Implications

- 10.1 None 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 C&E meeting on 29th June 2022. A further equalities assessment will be required on final scheme proposals to assess the implications of any significant changes to the project.

11. Climate Change Implications

- 11.1 None 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 C&E

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 potential synergies between the traffic management element of Ashbourne Reborn and the air quality considerations for the area. The Ashbourne Reborn Highways and Public Realm Design Team have been requested to support compatibility between the two work areas, with further consideration of any related opportunities at officer level.

11. Risk Management

11.3 Project level risks have been highlighted within the report in section 2. A review of the Strategic Risk Register will be provided for the next Programme Board meeting, taking into account updates from the project risk workshops. The current main strategic risks for the programme, as provided in the July 23 Quarterly Monitoring Report are contained within Appendix 9.

11.4 Current programme level risks reflect:

- Early cost challenges, consistent with the national picture. Proposed mitigation at this stage includes working with delivery partners to reduce fee expenditure (where possible), early contractor engagement and value engineering
- Stakeholder expectations. Proposed mitigation at this stage includes early stakeholder engagement and regular communications, expectation management and quality control.
- Outstanding funding agreements as set out in Section 9 of this report. Mitigation includes ongoing collaboration, an agreed schedule of meetings to finalise agreements, and letters of intent to allow initial work at risk.
- 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. As set out in section 7 of this report, work is ongoing to finalise and agree with Government the completion date of the Ashbourne Reborn Programme within 2025/26.

11.2 These risks will continue to be monitored actively, including to enable required quarterly reporting to Government on Ashbourne Reborn.

Report Authorisation

Approvals obtained from:-

| | Named Officer | Date |
|--------------------------------------|----------------------|-------------|
| Chief Executive | Paul Wilson | 19/09/2023 |
| Director of Resources/ S.151 Officer | Karen Henriksen | 19/09/2023 |

| | Named Officer | Date |
|---|----------------------|-------------|
| (or Financial Services Manager) | | |
| Monitoring Officer (or Legal Services Manager) | Kerry France | 19/09/2023 |