

**OPEN REPORT**  
**ASHBOURNE REBORN PROGRAMME BOARD**

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**Ashbourne Reborn Programme Board – 26 October 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 and related quarterly monitoring reporting to the Department of Levelling Up, Housing and Communities (DLUHC), highlights key programme risks and sets out next steps.

**Recommendations**

1. That progress with the Ashbourne Reborn Link Community Hub Project Board Draft Terms of Reference and the Highways and Public Realm Project Control Board Draft Terms of Reference is noted prior to consideration at the November Project Board meetings and subsequent Programme Board, in accordance with Governance requirements.
2. That the Board considers progress to date and the position regarding programme, cost, deliverables and project level risks be received and noted.
3. That the highlighted Programme risks and associated mitigation measures are received and noted.
4. Following consideration of the update report alongside presentation material at the Programme Board meeting, that information for reporting to DLUHC in the next quarterly monitoring return, including conditions that might lead to a Project Adjustment Request, be received and noted.
5. That the tabled schedule of future meeting dates is approved.

## **List of Appendices**

- Appendix 1 Link Community Hub Project Board Draft Terms of Reference
- Appendix 2 Highways & Public Realm Project Control Board Draft Terms of Reference
- Appendix 3 Draft Minutes – H&PR Project Control Board 03/10/23
- Appendix 4 Minutes of LCH Project Board 03/10/23
- Appendix 5 Strategic Risk Register
- Appendix 6 Top Ten Project Risks
- Appendix 7 Delivery Plan Milestones (draft)

## **Background Papers**

Ashbourne Reborn Programme Board Update Report 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 an £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- £8.804m

Project 2: Link Community Hub led by Ashbourne Methodist Church - £6.418m

1.2 Derbyshire Dales District Council is the Accountable Body for Ashbourne Reborn. 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.

1.3 Quarterly monitoring returns are required to be provided to DLUHC 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

1.4 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.

## **2. Key Issues**

### Governance

- 2.1 Ashbourne Reborn Project Board Terms of Reference documents are required to be finalised with reference to the recently revised governance arrangements and provided to the Programme Board for approval, as requested by Programme Board on 27 September 2023. These Terms of Reference documents have been drafted and are provided for information in Appendices 1 and 2 of this report. They will be presented for approval at the November Project Boards and at the subsequent Programme Board.

### Project Progress, Procurement and Risks:

- 2.2 Partners continue to work collaboratively to progress both projects. Brief project-based updates are set out below, with further detail provided in Appendix 3 – Draft Minutes of the Highways and Public Realm Project Control Board 03/10/23, and Appendix 4 - Minutes of Link Community Hub Project Board 03/10/23.

#### Highways and Public Realm Project:

- 2.3 The DCC-led Highways and Public Realm Project is continuing to progress work related to detailed design as it moves towards RIBA Stage 4 design, incorporating designs for Millennium Square and Shrovetide Walk that benefit from existing planning consents.
- 2.4 Following the methodology agreed within the Highways and Public Realm Procurement Strategy, the Midlands Highway Alliance Plus Medium Schemes Framework (MHA+ MSF4) has been used to begin Early Contractor Involvement (ECI) with framework contractor Galliford Try. An initial meeting was held to progress ECI on 17 October with key project members including AECOM.
- 2.5 ECI will help to firm-up costs where estimates have only been possible to date, alongside more detailed information about the construction period and methodology. This will help to mitigate project risks and enable a smooth transition into the construction period.
- 2.6 The submission for Listed Building Consent for work on the Market Place and Victoria Square is currently within the 21-day statutory consultation period. The next potential Planning Committee at which it can be considered is 14<sup>th</sup> November. However, in response to the application, Derbyshire Police have provided counter-terrorism and safety advice, with a focus on the prospective Martyn's Law. This advice is currently under consideration, reflecting the prioritisation of safe public spaces through Ashbourne Reborn and could result in potential amendments to the design. While this could result in a delay to planning determination it is anticipated that this can be

managed within the programme, with other scheme elements progressed concurrently to avoid a delay to commencement of construction.

- 2.7 The implications of Martyn's Law will be considered and added to the Project risk register at the November Project Control Board meeting. The updated risk register following the risk workshops in August was used to inform the Strategic Risk Workshop, with further detail provided in section 12 of this report. The highest scored risks for the project are currently the impact of traffic management restrictions on Ashbourne and the phasing of construction to minimise disruption.
- 2.8 The cost plan for the Highways and Public Realm project has been updated by Bentley Project Management following the completion of RIBA Stage 3 design. The updated information includes some estimates in advance of ECI and cannot yet take account of the implications of Martyn's Law and any necessary changes to the design of the Market Place. The current cost plan indicates a moderate potential overspend of less than 5%. While this can currently be absorbed within associated contingency within the project budget, this increases the risk of cost overruns later and it will be important to understand how value engineering can be used to address this.
- Link Community Hub:
- 2.9 The Link Community Hub Project, led by Ashbourne Methodist Church, is progressing at pace and currently remains on track for completion by July 2025, following the submission of the associated Planning Application at the end of September. RIBA Stage 4 detailed design work is ongoing.
- 2.10 The Procurement Guidelines/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. Reflecting this and the need to maintain the programme, main contractor procurement processes are shortly to commence.
- 2.11 The cost plan has also been updated for the Link Community Hub by Greenwoods Projects Ltd and indicates a potential overspend in the order of 15%. The high rate of inflation since the bid and associated market pressures have resulted in the need for extensive value engineering and de-scoping will potentially need to be considered to remain within budget. This work is in its early stages, following confirmation from DLUHC that there will be no further grant allocation to cover the cost of inflation. Any potential implications for agreed outputs from the project will be provided to the Programme Board as soon as possible with an indication of whether they are significant enough to require a Project Adjustment Request to DLUHC.
- 2.12 A Risk Workshop for the Link Community Hub Project was undertaken at the beginning of October, in time to inform the review of the Strategic Programme Risk Register. Highest scored risks highlighted currently

include project costs and unforeseen costs, the potential outcome from intrusive surveys e.g. building fabric / structure, worse than anticipated and failure to obtain sufficient tenders for the construction work within the budget.

- 2.13 The next stage for both projects is to progress detailed design and continue with contractor procurement, with ECI used effectively to provide greater cost certainty, inform detailed design and help to mitigate project risks.

### Programme Monitoring

- 2.14 The next quarterly monitoring return is required to be provided to DLUHC by Friday 27 October at 5pm, reflecting Quarter 2, July to September. The monitoring returns include updates on project progress, delivery plans, funding profiles, and risks. At six-monthly intervals, in April and October, updates must also be provided on measurable outputs and outcomes. A separate presentation will summarise key information for the October monitoring return for discussion. However, finances are discussed in more detail in section 7 of this report and information about project and programme risks is provided in section 11 and Appendices 5 and 6. Appendix 7 sets out draft project milestones for quarterly reporting, currently under review.
- 2.15 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.

### **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 Further to the public engagement events held on 26 and 29 July a Stakeholder and Public Engagement Report has been compiled by AECOM on behalf of the Highways and Public Realm Project Control Board. A summary introduction has been created to support the main document and is to be made available on the DDDC Ashbourne Reborn webpage following approval by the Project Control Board.
- 4.3 To support increasing requirements for communication and engagement as the programme progresses, preparatory work to support recruitment of an additional, dedicated communications and engagement resource is being progressed as agreed at the Programme Board on 27 September 2023. Interim support procured through AECOM is now in place.

## **5. Timetable for Implementation**

- 5.1 Specific milestones required for reporting to Government are set out in draft in Appendix 7, subject to any amendments to be agreed prior to submission. In headline terms the initial project plan indicated that detailed scheme designs (RIBA Stage 4) were 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, exacerbated by the initial delay in the funding announcement.
- 5.3 In addition, further consideration of cost efficiencies and safety precautions has resulted in construction of both projects being focussed into one main contract and construction period. This has removed the opportunity for earlier delivery in 2023/24 and compressed the majority of the construction period into 2024/25.
- 5.4 While there have been some initial challenges, 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 and any further changes that may be proposed for the forthcoming Quarterly Monitoring return.

## **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 Cost plans have been updated for both projects following the completion of RIBA Stage 3 design. 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. Ashbourne Reborn Project Boards continue to consider value engineering, prioritisation and, as a last resort, potential de-scoping activities to remain within budget. Any resultant recommendations that could have direct or cumulative implications for commitments made to the DLUHC will be escalated to the Programme Board for consideration when known.
- 7.2 As indicated, the Link Community Hub Project Board has identified a funding gap through the latest cost analysis. Work is ongoing at a project level to explore the extent to which this can be addressed through value

engineering. However, in the absence of further funding it is likely that there will need to be some de-scoping. Associated implications for project outputs, outcomes and commitments to DLUHC are not yet fully understood and cannot be reported within the October Quarterly Monitoring return. The potential requirement for a formal Project Adjustment Request will be kept under review.

- 7.3 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 with a view to managing 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 has been issued to enable funding of appropriate elements of design work, subject to the Grant funding Agreement being progressed and the provision of related evidence prior to agreement of associated payments.
- 7.4 Table 1 below shows the figures within the initial Memorandum of Understanding with Government. However, these figures have **not** been adjusted to account for the three-month delay in the funding announcement.

Table 1 – Current summary funding profile within the Memorandum of Understanding with DLUHC.

Funding	2022/23	2023/24	2024/25	2025/26	Totals
LUF	£256,431	£3,996,011	£9,121,066		£13,373,509
Match	62,069	301,366	£1,485,716		£1,849,149
Totals	£318,500	£4,297,377	£10,606,782		£15,222,658

- 7.5 Subsequent discussions with officers from DLUHC indicated that project completion by July 2025 to reflect the delayed funding announcement, 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. This request has been replicated within the guidance for the October Quarterly Monitoring submission and a subsequent meeting with DLUHC officers on 9 October 2023 which advised an achievable completion date was included within the latest return.
- 7.6 Alterations that amount to cumulative changes of over 30% from the original MoU to the project spend timetable may ultimately result in the need for a Project Adjustment Request submission.
- 7.7 The emerging updated funding profile for submission this month shows a further need for funding to be moved from 2023/34 into 2024/25 to reflect the updated delivery programme when compared to the information submitted in July, set out in Table 2. Options to extend the potential delivery timetable for a limited period beyond July 2025 are being considered to help to manage risk in the very constrained construction period, although all



partners remain committed to delivery in the shortest possible timeframe. The proposed approach and timescales will be discussed at the meeting.

Table 2 – July summary indicative funding profile within the Quarterly Return

Funding	2022/23	2023/24	2024/25	2025/26	Totals
LUF	£105,796	£1,523,086	£10,219,395	£1,525,233	£13,373,509
Match			£745,924	£1,103,225	£1,849,149
Totals	£105,796	£1,523,086	£10,965,319	£2,628,457	£15,222,658

7.8 This means that, in reflecting the latest spend profile, taking into account the delayed DLUHC announcement and updated partner delivery plans received, with construction mainly within the 2024/25 financial year, a change greater than 30% is likely to be needed and may be required to be formalised within a Project Adjustment Request.

7.9 Work is ongoing to finalise the funding profile for submission within the October Quarterly Monitoring Return and this will be provided to the Programme Board for consideration in the meeting.

7.10 The financial risk is assessed as High.

## 8. Procurement Implications

8.1 The agreed Procurement Strategy for the Highways and Public Realm Project was received at the Programme Board meeting in September 2023. A draft Procurement Strategy/Guideline document 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 in November. Delivery partners are required to follow these procedures in procuring project activity.

## 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. 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 has been submitted for final review by the central Methodist Church and is expected to be finalised and signed imminently. Defrayal of grant funding on the project remains subject to completion of this Grant Funding Agreement, which has resulted in continued expenditure at risk by project partners and the associated amount will be reflected as a commitment in Quarter 3 within the Quarterly Monitoring return to DLUHC.

9.3 The Grant Funding Agreement for the Highways and Public Realm Project is now under review by DCC Legal and Finance Teams. Completion of the Grant Funding Agreement is a critical path task and further delay will 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.

9.4 The legal risk is assessed as high.

## **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 C&E meeting on 29<sup>th</sup> 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 additional 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 29<sup>th</sup> 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.

11.3 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 top ten risks for both projects provided in Appendix 6. The updated Strategic Risk Register, taking into account updates from the project risk workshops, is provided in Appendix 5. The two highest strategic risks are currently considered to be Project Costs and Funding Agreements.

12.2 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. Project Costs pre-mitigated risk

score has been increased from 12 to 20 to reflect this risk following more detailed cost plan information.

- 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. However, as Grant Funding Agreement delay is ongoing, especially in relation to the Highways and Public Realm project, the pre-mitigated risk score has been increased from 15 to 20.
- 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. Project and Programme Resources pre-mitigated risk has been increased from 12 to 16 to reflect capacity constraints, especially at DCC given its current recruitment freeze.
- Reflecting recent experience and the proximity of procurement, pre-mitigated risk increased from 8 to 12 in relation to material and contractor availability.
- Site unknowns pre-mitigated risk score has also been increased from 8 to 12 to reflect the issue with Martyn’s Law and proximity to construction.

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:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	18/10/2023
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	18/10/2023
Monitoring Officer (or Legal Services Manager)	Steve Capes (in absence of Kerry France)	18/10/2023