

SPECIAL BISHOP AUCKLAND STRONGER TOWNS BOARD

At a Special Meeting of **Bishop Auckland Stronger Towns Board** held in The Elgar Room, Bishop Auckland Town Hall and via Microsoft Teams on **Monday 18 July 2022 at 3.00 pm**

Present:

David Land - Chair

Board Members:

Jonathan Ruffer	The Auckland Project (Founder)
David Maddan	The Auckland Project
Dehenna Davison MP	MP for Bishop Auckland
Councillor Michael Siddle	Mayor, Bishop Auckland Town Council
Natalie Davison-Terranova	Bishop Auckland College
Nik Turner	Believe Housing
Rob Yorke	SDEA and Teescraft
Councillor Elizabeth Scott	Cabinet Member for Economy and Partnerships, DCC
Revd Chris Knights	Substitute for Bishop Paul Butler
Geoff Paul	Interim Director of Economy, Regeneration and Growth, DCC

Also Present

Graham Wood	Economic Development Manager, DCC
Susan Robinson	Head of Corporate Property and Land, DCC
Mark Jackson	Head of Transport and Contract Services, DCC
Craig MacLennan	Transport and Infrastructure Manager, DCC
Jonathan Gilroy	Cities and Local Growth Unit (CLGU)
Alex Jarvis	Cities and Local Growth Unit (CLGU)

1 Apologies for absence

Apologies for absence were received from Bishop Paul Butler, Helen Golightly, Mike Matthews and Katy Severs.

2 Minutes of the meeting held on 21 June 2022

The draft Minutes of the meeting held on 21 June 2022 were presented to the Board. Some comments/amendments had been received and as this was a Special meeting of the Board the draft Minutes would be considered for approval at the next ordinary meeting on 28 July 2022.

Canny Hill Statue

Following a request for an update the Board was informed that DCC was looking at a maintenance budget for the statue. Other than the £50k Stronger Towns funding (STF) as a Quick Win project no additional funding from the STF was being requested.

3 Declarations of Interest

Members were reminded of the requirement to review their declarations of interest prior to each meeting of the Board, and to declare at the start of the meeting, including any declarations in relation to the Town Centre Diversification Fund.

4 Business Case Delivery Update

Geoff Paul presented an update on Business Case delivery in respect of each Project which included:

Delivery timeline

Content development

Risk review

Next steps

The update was for information and the CLGU representatives advised the Board that requests for extensions of time for business case submission were being considered.

AGREED that the update be noted.

5 Stronger Towns Funding Project: Tindale

Geoff Paul presented a report which considered the options available to the Board in relation to the Stronger Town Funding supporting projects in the Tindale area.

By way of background Geoff Paul reminded the Board that the Town Investment Plan specifically included the Tindale Triangle project which would improve the capacity of three junctions in the area which were preventing new housing, commercial and retail development taking place. Council officers had been developing the detailed business case for submission to Government by the deadline of the end of July.

At its meeting on 21 June 2022 the Board considered a new project that would provide a viability gap grant to a developer to enable the provision of new leisure and retail facilities at Tindale. The development would create over 400 jobs and secure private sector investment. The developer had called the development the Auckland Retail Park. Officers were asked to consider this scheme as an alternative to the Tindale Triangle project.

This report considered both schemes.

The Business Case for Tindale Triangle was on target for submission later this month. The design proposals for the three junctions were included in the report. The scheme rated very highly in terms of value for money (benefit cost ratio over 4) and would enable future housing, leisure and retail development as described in the Town Investment Plan.

The Auckland Retail Park proposal comprised of a mix of retail and leisure providing eateries, gym, cinema and bowling alley with an estimated 450 jobs created.

The Board was advised that planning permission for the development was granted a number of years ago and included a condition which prevented development taking place until highway improvements to address capacity were implemented (The Tindale Triangle improvements).

The Board was also informed that a £3m grant to the developer to meet a viability gap would need to satisfy a number of tests before a Business Case could be signed off by the S151 Officer. These were listed in the report. Work on this was ongoing and it was suggested that this be further considered at the Board meeting on 28 July.

If the Board was minded to prioritise support for the Auckland Retail Park and deliver the anticipated benefits to the wider town then the Board could consider supporting both projects. This would require a review of unallocated Funds in the Town Centre Diversification Fund, but it was important to stress that movement of Funds could have an adverse impact on the town centre by further out of town retail development. Such a change would also require a project variation request to Government as the Town Investment Plan outputs agreed with the Government would not be delivered. Board was also advised that any decision to support this project would require approval from Government to extend the deadline for business case submission.

The Board was advised that the Business Cases currently being delivered and those subject to agreed extensions were at risk of final costs being in excess of original estimates in the Town Investment Plan because of national pressures on construction costs.

The Board discussed the options.

Rob Yorke sought clarification regarding the planning condition, and was informed that without funding, the costs for the junction improvement works would be met by the developer. The developer had not included such costs in his proposal. The works must be delivered to the satisfaction of the LPA before any development, other than preliminary works, were commenced on site.

Rob Yorke asked if the highway improvement costs were known when the planning permission was granted. He was concerned that the developer may potentially be required to meet these costs and referred to a report he had seen some time ago. This referred to improvements to only one roundabout at a cost of £380k. Craig MacLennan advised that recent data showed that the congestion at Tindale

warranted improvements to three junctions, and the estimated cost of undertaking the minimum works required to allow future housing, leisure and retail development was £2.75m.

David Maddan noted that the report recommended that the Board continues to support the funding to address capacity issues, and that it may wish to look at unallocated TCD monies to support both schemes.

There was no guarantee that £2.75m investment would generate £100m in new housing. David Maddan considered this to be a risk as opposed to the Auckland Retail Park project which would create over 400 jobs subject to highway capacity improvements.

David Land advised that from his own experience congestion was experienced between 2pm and 4pm on Fridays. If the Board wished to support both schemes he asked how value for money could be assured. Geoff Paul explained that the report to the Board identified a BCR on the Tindale Triangle works of 4 and that should the Board agree to fund the Auckland Retail Park the detailed work to develop the detailed business case, including the BCR would need to be undertaken.

Following further questions and comments from Rob Yorke, Craig MacLennan advised that Highways had been looking at the options for capacity improvements for 2 years and could provide a breakdown of how the £2.75m would be allocated. Geoff Paul added that this was the minimum work needed to unlock the potential for future development.

Councillor Scott reminded the Board that if the road mitigation works were not implemented then the Auckland Retail Park could not happen, and added that the Tindale Triangle Project would remove the obligation from any developer to have to potentially meet capacity improvement costs.

Both David Land and Rob Yorke considered that the biggest highways risk was the McDonald's roundabout but noted that this was not included in the project.

Dehenna Davison MP stated that she would be pleased to see both projects delivered in full but appreciated that caution should be exercised to ensure that economic development was realised. The point of the Fund was levelling up; job growth would be hugely beneficial and she would like to see the retail park delivered if possible. She asked if a Business Case was feasible by 28 July or if an extension could be requested. In terms of the junction improvement works she agreed that McDonald's roundabout was the biggest bone of contention for residents.

Craig MacLennan was asked to look at the forecast model to establish if the McDonald's roundabout could be included in the improvement works. The Board was advised that the works included in the Tindale Triangle project would have a beneficial impact on the tailback issues associated with McDonalds.

Councillor Scott asked Officers if it would be feasible to include both projects given that the Retail Park could not proceed without the junction improvement works which had been identified as necessary to support housing development.

Geoff Paul advised that the Business Case for the £2.75m capacity improvement works could be delivered by the deadline. If the Board could fund a grant of £3m from the wider TCD Fund a four month extension from Government would be required to complete the Business Case.

David Land stated that at the last meeting, although it had not been voted upon, the majority of the Board preferred the Auckland Retail Park development.

Nik Turner stated that a preference had not been expressed by all; the Board had requested further information about the Auckland Retail Park and Heritage Walking and Cycling Route proposals for consideration at this meeting.

Nik Turner also asked about the potential risks if a Business Case extension was needed. Alex Jarvis explained that there was no guarantee that an extension would be granted and if the project was significantly changed a variation assessment would be required.

The discussion on the report ended without the Board making a decision on the recommendation and the matter would be further discussed at the meeting on 28 July.

6 Stronger Towns Funding Project: Walking and Cycling

Geoff Paul presented a report which considered the options available to the Board in relation to Stronger Towns Funding supporting walking and cycling projects in Bishop Auckland.

He advised that the project had been specifically included in the Town Investment Plan and the ambition was to enhance the cycling and walking network in and around the town. The project had been proposed by the Thematic group at the March meeting of the Board and officers had been working on developing the detailed business case for submission to Government by the end of the month.

On 21 June 2022 the Board raised a proposal to prioritise an alternative route from Binchester to Witton Park. This was referred to in the report as the Heritage Walk. The route was approximately 6.6km.

The Heritage Walk had significant challenges. A fundamental issue for this proposal was affordability. The scheme would need to meet Department for Transport (DfT) standards and using up to date benchmarking data, each kilometre would cost around £750k. In addition to this base cost the report identified other costs associated with structural and engineering works and land acquisition. The overall estimate for the delivery of the Heritage Walk was between £6m and £7m. The STF budget was £2.5m with a DCC contribution of £0.5m for the original proposals.

An assessment had been made using the DfT appraisal tool AMAT. The estimated usage of the route was low and would be largely for leisure purposes as opposed to commuting or educational trips. Using the tool the route would offer poor value for money, with a benefit cost ratio (BCR) estimate of 0.49, which was less than the STF threshold of 1.2.

In conclusion although the project was a good one which would enhance leisure provision, it was not deliverable within available budgets and did not offer value for money.

The original proposals which were detailed in the report would improve significantly substandard routes, would secure high user numbers and represented good value for money. The proposals directly supported the aims of the Town Investment Plan (TIP). The BCR of the original proposal was over 2.

The report detailed the specific works that were being proposed in 9 separate locations and provided details of works needed for each. The report identified the criteria that had been used to assess the level of impact delivered by STF investment and described how the 9 routes had been prioritised.

The Board discussed the report.

Rob Yorke stated that in his view the works should have been carried out by DCC in any event. The number of cars parked in Escomb at weekends demonstrated that this was a well-used footpath. The scheme would link into assets such as Binchester Roman Fort, Kynren and Escomb Saxon Church, becoming a Heritage Walk in its own right. There were sections of the walk that local residents would use, and following discussions he had with landowners it would unlock land for overnight stay provision. He suggested that the Binchester to Escomb route could be looked at as an alternative to the full length.

David Maddan noted the reference in the report to the route being a recreational footpath but there was potential for people to use it as a direct walk, which would fit the criteria used to prioritise works on walking and cycling routes.

Jonathan Ruffer noted that the BCR did not address that the Heritage Walk passed 11 Arches at Flatts Farm which was currently under active plans for construction. This would be an easy route to walk to the site for local people. The works at 11 Arches were not in furtherance of charitable activity but the activity at the site was charitable.

Councillor Scott stated that she was very supportive of the Heritage Walk but that it was not deliverable within available funding.

Following a query regarding the increase in path width from 1m to 3m and the impact this had on costs, Craig MacLennan advised that the increase in width was to DfT standards which were introduced the previous year. This standard must be used if Government funds supported the project.

Jonathan Gilroy explained that unless there was a means of addressing the BCR issues any changes would require a different process for considering any request for an extension for Business Case submission.

David Land asked about the viability of addressing the BCR and was assured by Officers that this had been explored in depth and although it was a good proposal, technically the route did not deliver a strong business case.

David Maddan considered that the route would attract a lot of visitors which would benefit businesses, and asked if a case could be made even if the BCR was low. Craig MacLennan replied that the STF gateway benchmark was 1.2 and a prescribed approach to business case development must be used.

Jonathan Ruffer stressed the need to make a decision today. He did not think that Officers had considered what was proposed at 11 Arches which was not part of TAP. It had been 6 weeks since the first tranche of money had arrived.

Craig MacLennan advised that he was aware of tourist development, however the value for money assessment was undertaken using the criteria set out in the DfT model.

Geoff Paul asked Board members not to interpret professional advice from council officers that was negative relating to any scheme as the Council being obstructive and not supporting the Board. He assured the Board that Council officers were providing advice and support to assist the Board to make informed decisions based on the Business Case submission guidance issued by Government. He reiterated that officers believed this was a good project which the Council would continue to work upon, however it was not deliverable in view of the cost and weak business case.

Councillor Scott confirmed that she was championing the work on The Heritage Walk project with DCC.

Jonathan Ruffer accepted that DCC was not being obstructive but felt that consideration of the route should be approached with a likeness of spirit. He appreciated that there were Regulations but also that common sense should be applied. He would like to see the Board agree the heritage route which did not fall within the narrow rigour of the rules but would make a terrific difference to the town. That it was a good project had been accepted by all Departments. It was self-evidently a more ambitious way of helping the town. Any reasonable capital value uplift would be met.

Geoff Paul advised that the Stronger Towns Funding was about levelling up. The Heritage Walk would produce a weak business case for Government and was not deliverable for a number of reasons. He advised that it would be difficult for the Heritage Walk Business Case to be supported by the Council's S151 Officer.

At the conclusion of the discussion the Chair asked the Board to consider the recommendations in the report.

Upon a vote by show of hands the recommendations in the report were rejected and it was **AGREED** that the Heritage Walk be supported.

Geoff Paul informed the Board that he would discuss the position with Government on how to take the issue forward as a formal request for an extension of the Business Case submission and a variation request would both be required.

7 Any Other Business

Nik Turner asked if future reports could include potential risks, including financial and reputational.

8 Date of Next Meeting

Thursday 28 July 2022 at 1.00pm.

David Land asked if Board members could attend the next meeting in person where possible.