

# Durham County Council

Economy & Enterprise Overview and Scrutiny Committee

Major Programme Board

6 November 2023

# Major Programmes

1. REG Major Programmes Portfolio
2. Major Programmes Board and Portfolio Office Approach
3. Controls & Guidance
4. Case Studies:-
  - 1) Durham Innovation District Aykley Heads
  - 2) Jade Phase 2
  - 3) The Story
  - 4) DLI Mag
  - 5) Leisure Transformation
  - 6) Durham City Bus Station

# 1. REG Major Programme Portfolio

# REG Major Programmes Portfolio

## Major Programmes - Total Value c. £878 M

**Delivery & Pipeline Committed and Secured** £628 m

**Active Pipeline Development – Unsecured** £250 m

**Significant Private Sector Investment** c£1.4 bn

(for example Milburngate £130m, Aykley Heads £250m, Jade Phase2 £100m, Forrest Park £120m)

**70  
Major  
Programmes /  
Projects  
  
+ BAU**

**152 schemes  
£153m – 2023/24  
REG Capital Prog  
  
£407m – 2023/24  
to 2026/27**

**103  
Non-REG  
schemes for  
other services,  
totalling over  
£100m**

# REG Capital Programme

Figures in the table below refer to REG capital projects only, in development/delivery. They do not include projects delivered by REG on behalf of other services (e.g. school builds). They also don't capture the full scale of other projects in pipeline development and the resource intensive nature of these for example Aykley Heads Joint Venture .

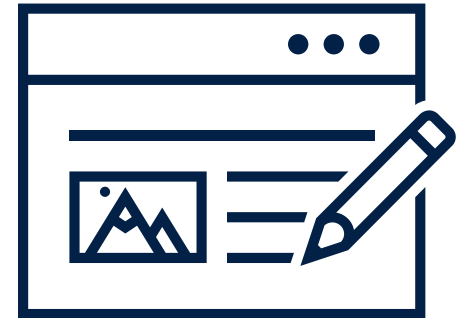
<b>Year</b>	<b>Number of Schemes (start)</b>	<b>Start of Year</b>	<b>Number of Schemes (end)</b>
2018/2019	112	56,832,126	118
2019/2020	94	67,623,930	116
2020/2021	130	85,434,542	145
2021/2022	139	87,554,297	179
2022/2023	166	129,318,414	178
2023/2024	149*	136,340,000	
2024/2025		167,034,844	

\* 23/24 Capital Programme increased to £153.14M and 152 schemes

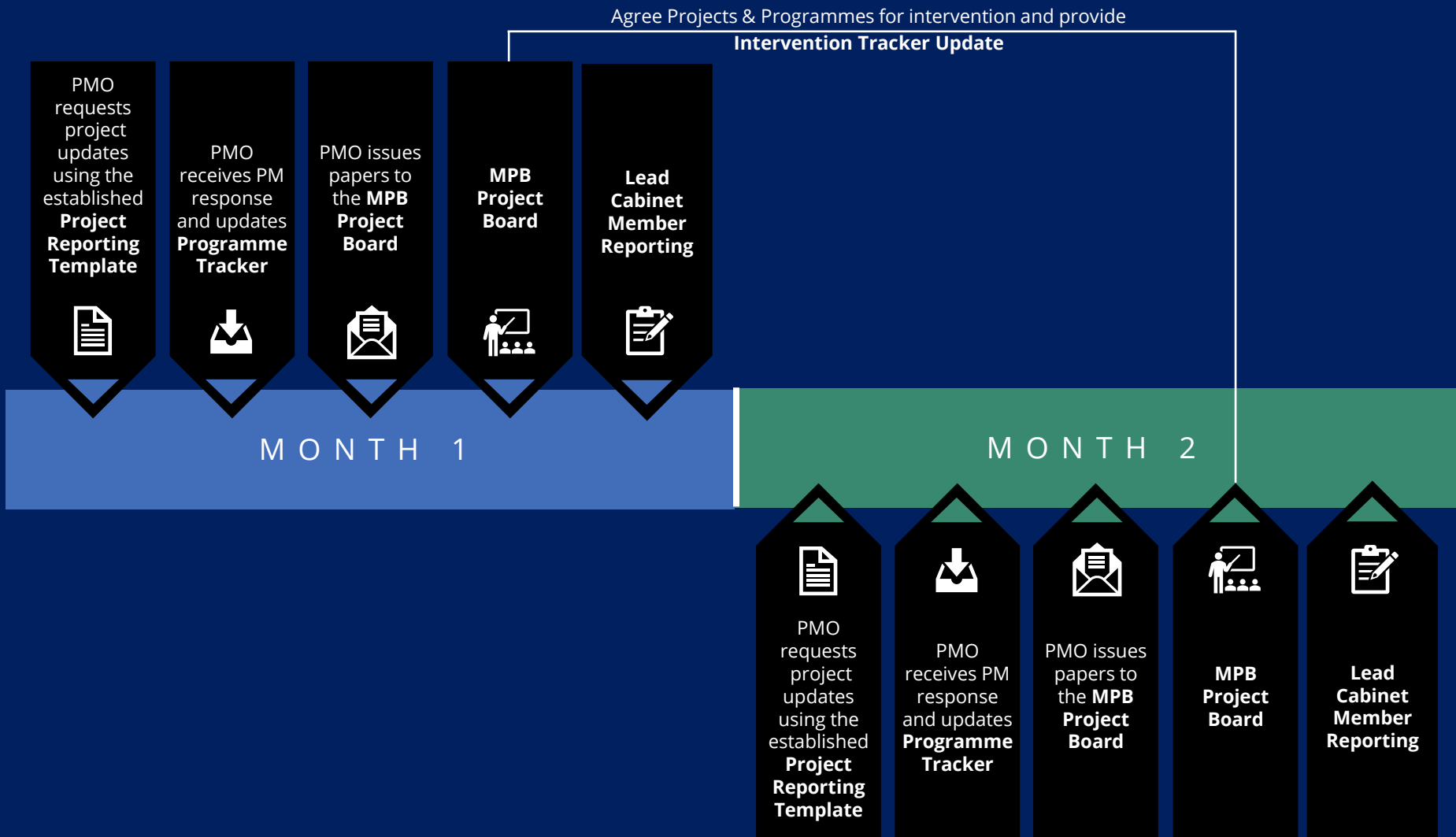
## **2. Major programmes Board and Portfolio Office Approach**

# Major Programmes Board and Portfolio Office Approach

- The Major Programmes Board (MPB) was established in Summer 2021 to oversee the REG portfolio and is responsible for its strategic direction.
- The MPB has overseen the development of a Portfolio Office (PO).
- The PO is a virtual information hub and centre of excellence for all Programmes and Projects.
- The PO sets **standards and controls** for REG Programmes and Projects and is a hub for coordination of all information, Board communication, monitoring and intervention activities.
- The PO ensures the MPB has oversight of significant Programme and Project activity informed by accurate data covering programme, cost, quality, reputation and overarching risk.



# REG MPB - Project Reporting Timeline






## 3. Controls and Guidance

# Controls & Guidance

The Process Flow Diagram is supported by a **guidance framework** to help sponsors, programme and project managers understand the requirements and outputs needed to set Projects up for success and ensure delivery of activities in accordance with REG's PO requirements.

- The Guidance prepared by the PO will facilitate consistent and effective Project set up, development and delivery.
- This will allow the MPB to track and assure the Programme mandates and objectives against wider REG and Council strategy and that projects are achieving expected outcomes.
- Communication and reporting channels have been established throughout REG to ensure the successful implementation of controls, guidance and delivery.



## Portfolio, Programme & Project Guidance

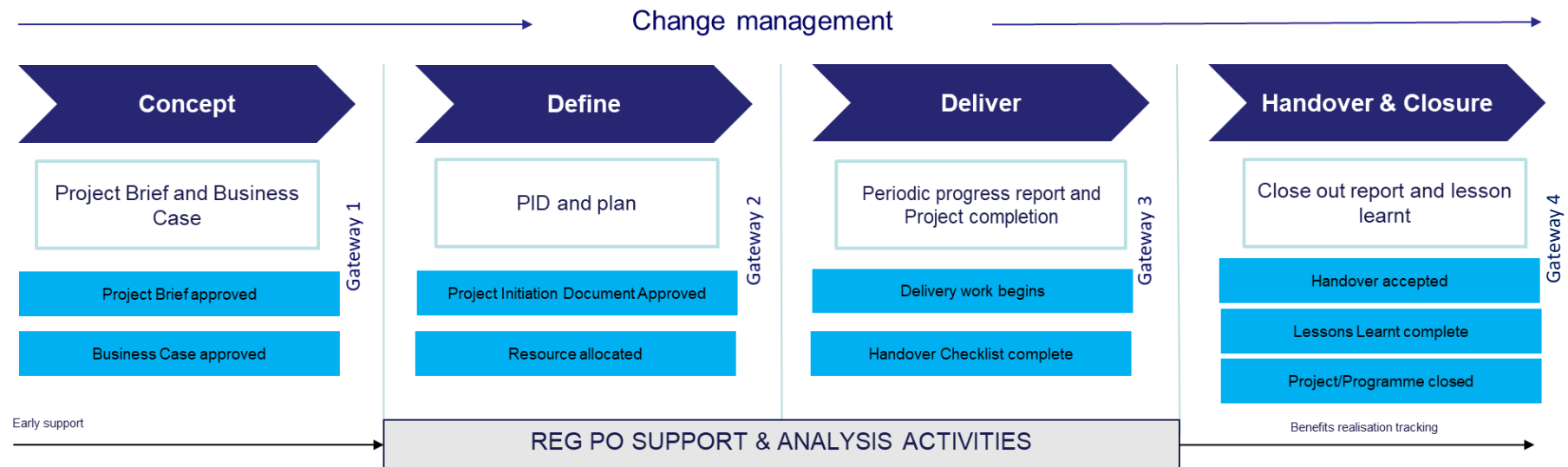
*"...getting projects and programmes right from the start..."*

March 2022

FOR INTERNAL USE ONLY

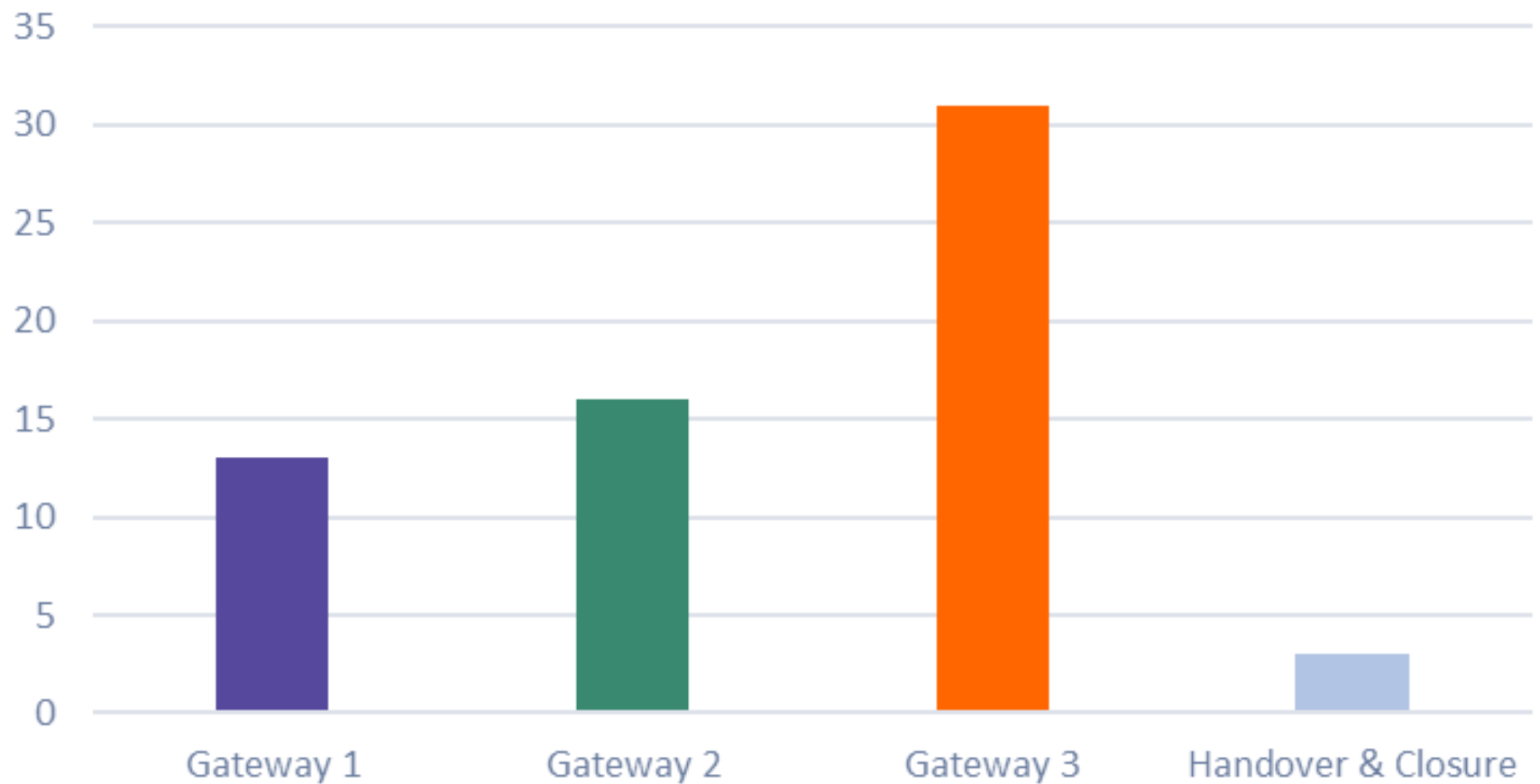
# Major Programmes & Project Investment | Controls & Guidance

- The MPB has established an agreed Programmes and Projects **Business Process**.
- The Business Process provide an agreed framework through which all REG Programmes and Projects , both capital and revenue are delivered.



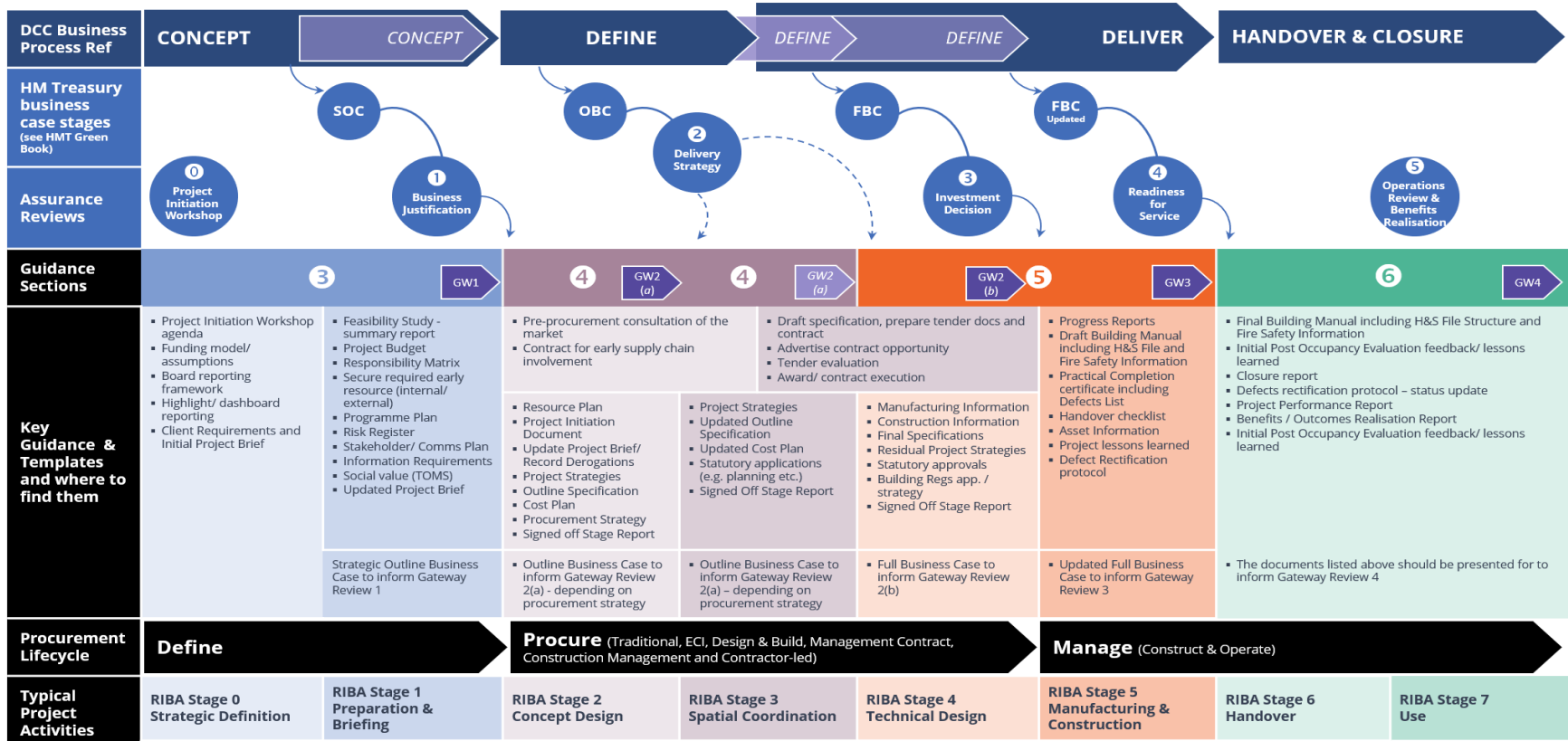
- Each stage covers a prescribed set of activities, including expected deliverables required to navigate assurance Gateway checkpoints.
- Each Gateway will seek to revalidate Programme and Project assumptions, viability and progress against plan.

## Total projects by Gateway status



# Controls & Guidance Business Process

- The PO will support Programme & Project sponsors and those responsible for project delivery in navigating the Business Process.
- The **Process Flow Diagram** below is a development of the Business Process and provides greater clarity on the requirements and expectations of each stage.



# Major Programmes and Project Investment | Project Controls

## Project Brief

CCS Durham

Project Request Form/Commission

Address: 0161 275 2222

Project Name: [Blank]

Project Description: [Blank]

Project Manager: [Blank]

Project Start Date: [Blank]

Project End Date: [Blank]

Project Status: [Blank]

Project Budget: [Blank]

Project Risk: [Blank]

Project Impact: [Blank]

Project Justification: [Blank]

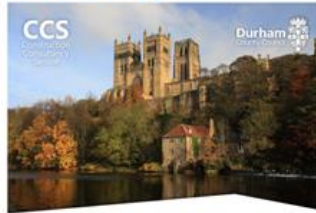
Project Approval: [Blank]

Project Review: [Blank]

Project Report: [Blank]

Project Close: [Blank]

## Feasibility Reports



Stage 1 Report  
Site Location  
Project Description

Project Ref: 00000000  
Author: [Blank]  
Date: October 2020  
Version: 1.0

Contribution (Consultancy Services): [Blank]  
Corporate Property & Land: [Blank]  
Regeneration & Local Services: [Blank]  
Durham County Council: [Blank]  
County Hall: [Blank]  
Durham: [Blank]  
DH1 1TA

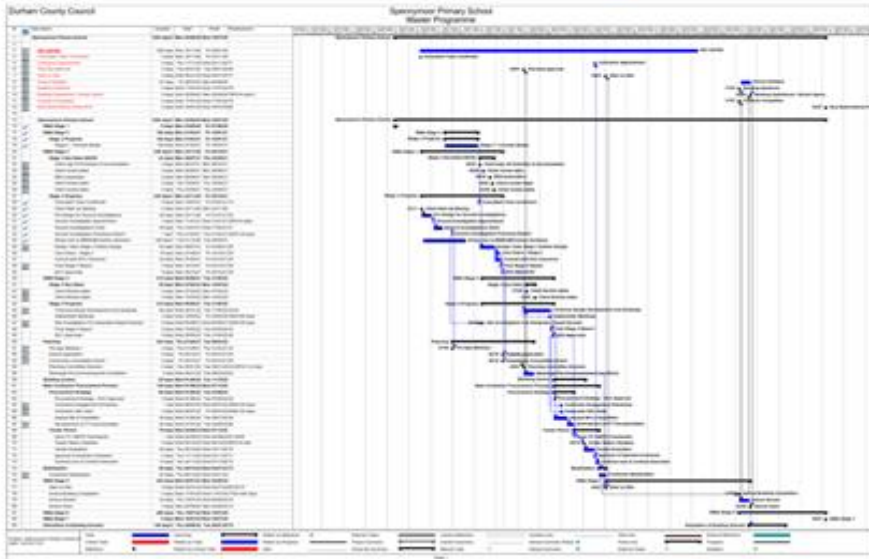
## Cost Control

Description	Contract	Stage 1 Estimate	Revised Stage 1 Estimate	Stage 2 Estimate	Revised Stage 2 Estimate	Stage 3 Estimate	Revised Stage 3 Estimate	Actual to Date
Construction Works								
Site Construction Works	£11,200,000	£11,200,000	£11,200,000	£11,200,000	£11,200,000	£11,200,000	£11,200,000	£11,200,000
Site Works	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Site Construction Works - Subtotal	£10,200,000	£10,200,000	£10,200,000	£10,200,000	£10,200,000	£10,200,000	£10,200,000	£10,200,000
Professional Fees & Charges	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Professional Fees - Subtotal	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Other Costs	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Other Costs - Subtotal	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
<b>Total Contract Value</b>	<b>£13,200,000</b>	<b>£13,200,000</b>	<b>£13,200,000</b>	<b>£13,200,000</b>	<b>£13,200,000</b>	<b>£13,200,000</b>	<b>£13,200,000</b>	<b>£13,200,000</b>

## Risk, Issue, Action and Decision Logs

ID	Originator	Date Raised	Date Closed	Action	Outcome	Action Owner	Action Due	Status
415	Chris Jones	25.08.20	25.08.20	Site set up	Vegetation to progress	Vegetation	From 01/09/20	Closed
416	Chris Jones	26.08.20	27.08.20	Vegetation and site to be cleared/removed for progress for other works	Vegetation to progress from 01/09/20	Vegetation	From 01/09/20	Closed
417	Chris Jones	26.08.20	26.08.20	Vegetation and site to be cleared/removed for progress for other works	Vegetation to progress from 01/09/20	Vegetation	From 01/09/20	Closed
418	Chris Jones	26.08.20	26.08.20	Site to be cleared/removed for progress for other works	Vegetation to progress from 01/09/20	Vegetation	From 01/09/20	Closed
419	Chris Jones	26.08.20	26.08.20	Site to be cleared/removed for progress for other works	Vegetation to progress from 01/09/20	Vegetation	From 01/09/20	Closed

## Project Planning

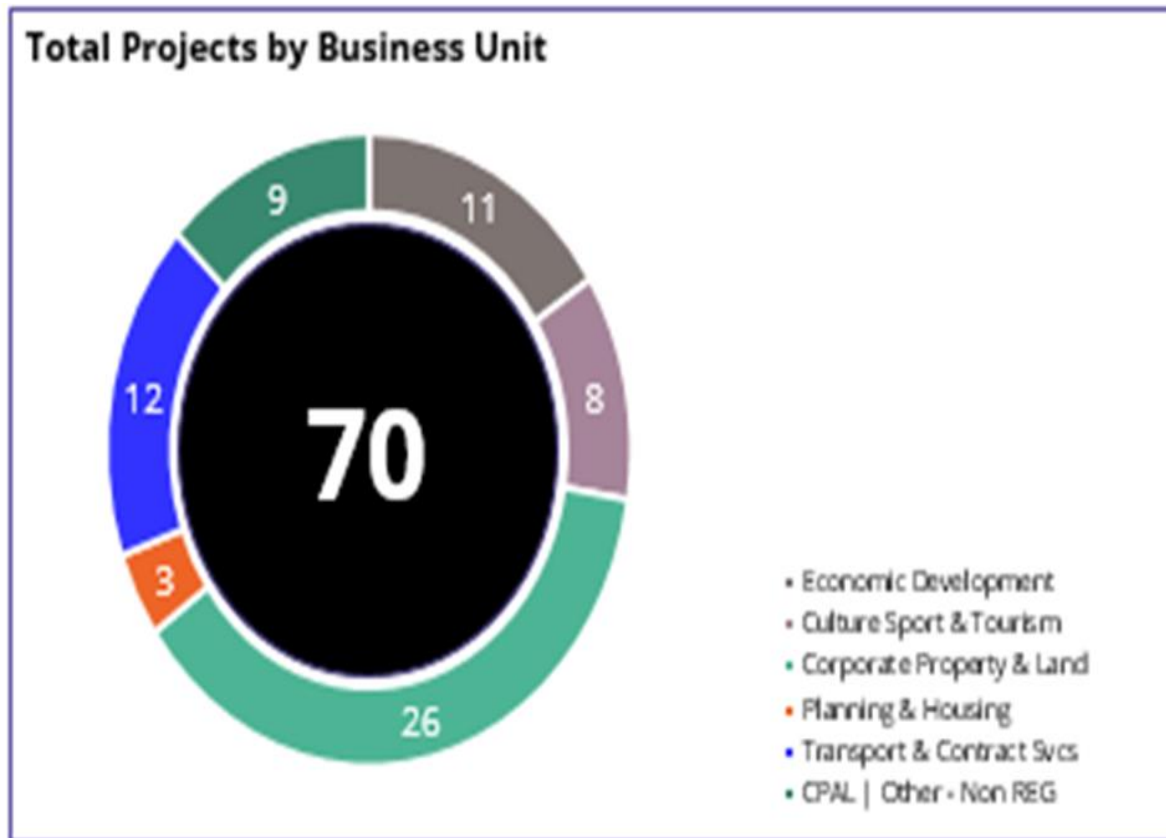


## Risk Mitigation

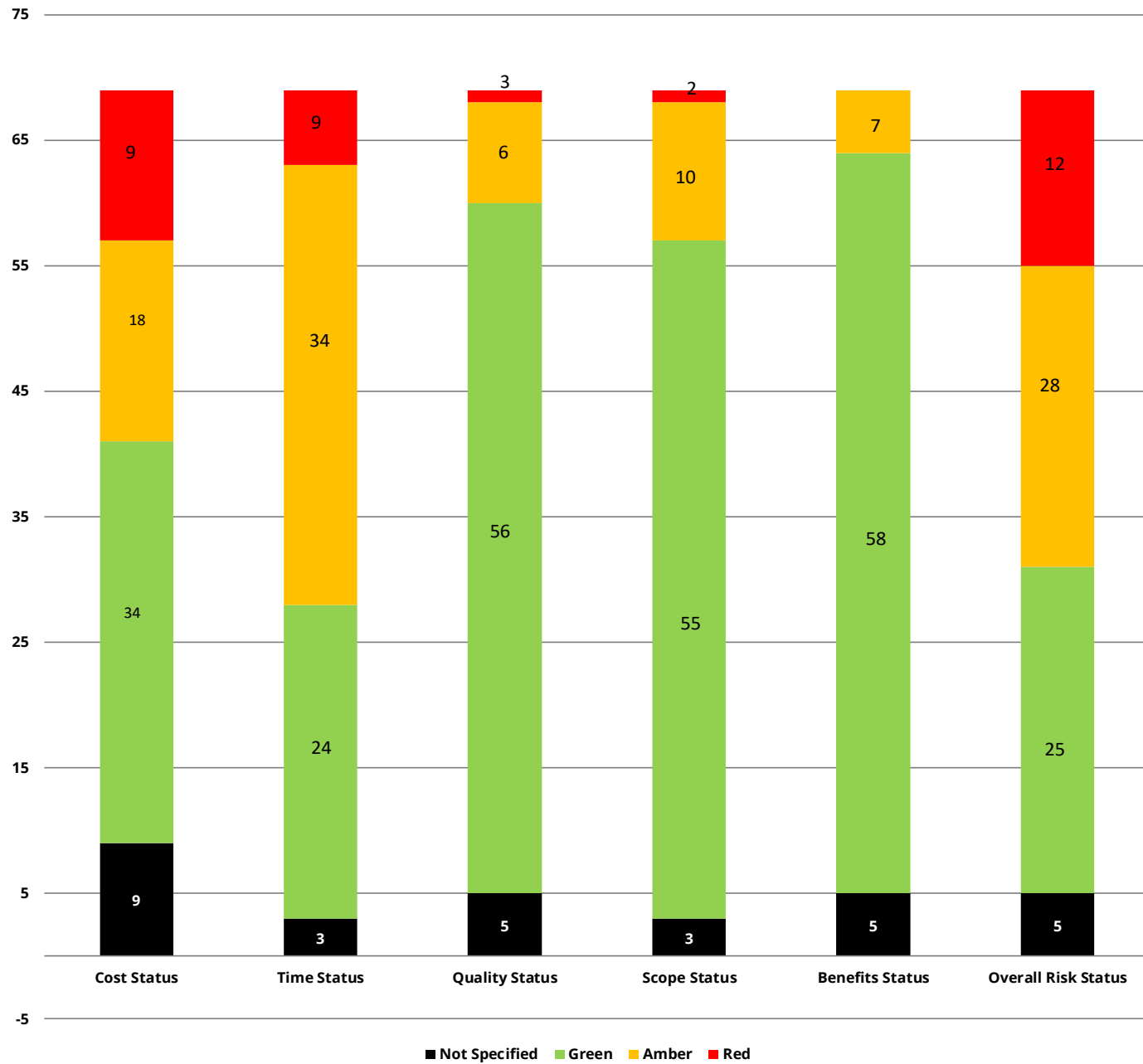
ID	Issue	Impact	Priority	Owner	Start	End	Status	Mitigation
1	Site to be cleared/removed for progress for other works	High	1	Chris Jones	25.08.20	25.08.20	Closed	Site to be cleared/removed for progress for other works
2	Site to be cleared/removed for progress for other works	High	1	Chris Jones	26.08.20	26.08.20	Closed	Site to be cleared/removed for progress for other works
3	Site to be cleared/removed for progress for other works	High	1	Chris Jones	27.08.20	27.08.20	Closed	Site to be cleared/removed for progress for other works
4	Site to be cleared/removed for progress for other works	High	1	Chris Jones	28.08.20	28.08.20	Closed	Site to be cleared/removed for progress for other works
5	Site to be cleared/removed for progress for other works	High	1	Chris Jones	29.08.20	29.08.20	Closed	Site to be cleared/removed for progress for other works

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# Projects by Business Unit



# Project Health Indicators





## 4. Case Studies

# Case Studies – as requested by EEOSC

- 1) Durham Innovation District - Aykley Heads
- 2) Jade Phase 2
- 3) The Story
- 4) DLI Mag
- 5) Leisure Transformation
- 6) Durham City Bus Station

# Case study 1:

## Durham Innovation District Aykley Heads

Project Health Indicators	RAG
Cost	Yellow
Time	Yellow
Quality	Green
Scope	Green
Benefit	Green
<b>Overall</b>	Green

### Gateway stage



# Durham Innovation District



DCC BUSINESS  
PROCESS STATUS –  
DEFINE



OVERALL  
ANTICIPATED  
DEVELOPMENT VALUE  
£250M



CURRENT PHASE £1M



STAGE –  
PROCUREMENT OF A  
JOINT VENTURE  
PARTNER



PROCUREMENT  
TIMELINE OCTOBER 23  
– MARCH 25



DEVELOPMENT OF 15  
HECTARE SITE

# Aykley Heads Development Site 15 hectares



# Aykley Heads planning permission

Hybrid Planning  
Consent granted for c400,000 sq ft  
development  
floorspace,  
demolition of  
County Hall and  
construction of  
Plot C office  
block





# Procurement Stage



SOFT MARKET  
TESTING – STRONG  
PARTNER INTEREST



COMPLEX  
PROCUREMENT  
EXERCISE



APPOINTMENT OF  
LEGAL/COMMERCIAL  
SUPPORT

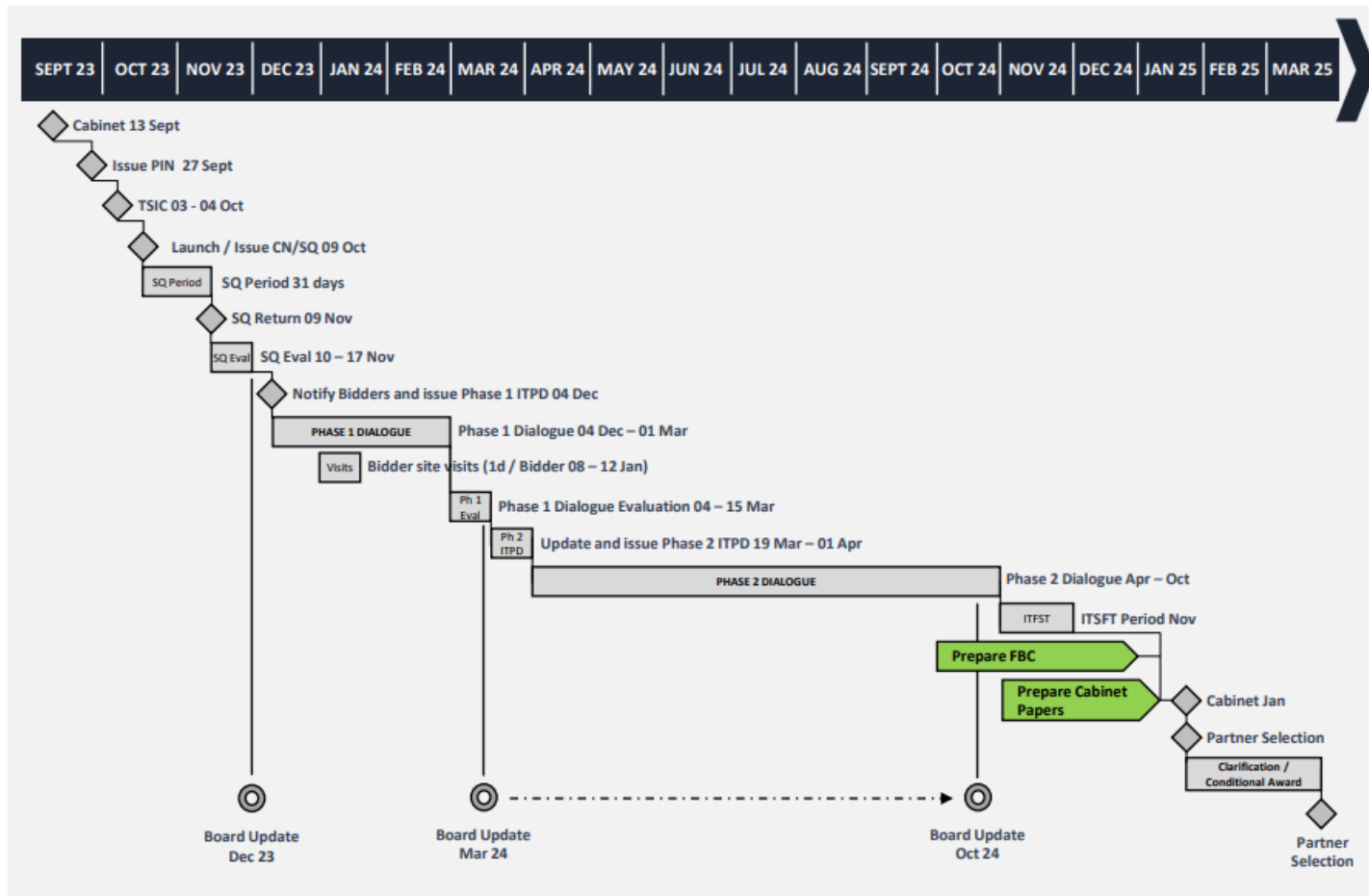


PREPARATION OF  
PROCUREMENT  
LAUNCH MATERIAL



PROCUREMENT  
LAUNCH OCTOBER 23

# Procurement Timeline





# Case study 2:

## Jade Phase 2

Project Health Indicators	RAG
Cost	Green
Time	Yellow
Quality	Green
Scope	Green
Benefit	Green
<b>Overall</b>	Yellow

### Gateway stage





## Overview

- Jade Business Park occupies the site of the former Hawthorn Colliery.
- The colliery was closed circa 1991.
- The area was reclaimed around 2003
- Worked commenced on establishing infrastructure for a business Park 2005.
- The financial crash of 2008 halted works.
- 2018 area granted Enterprise Zone status; work began developing the Business Park.



## Jade Phase 1

- Completed Summer 2021
- Seven new industrial units totalling 155,000 square feet.
- Site fully let with approx. 200 jobs.
- Financed by DCC

## Phase 2 overview

Outline planning permission to develop the second phase of Jade Business Park that includes an additional 39 acres (15 Ha) of development land with unit sizes from 20,000 to 250,000 sq ft. Determined October 2022.

Looking to provide up to 1,000 new jobs on site.





## Site Boundaries

- Jade Phase 2 : Red
- Land Raise : Blue



Artist's  
impression  
showing  
Jade  
Business  
Park fully  
built out.

- PHASE 2: 295,000 sq ft
- 6 units from 20,000 to 85,000 sq ft



# Delivery of Phase 2

- 
- Durham Business Process Status – DEFINE
  - Developer to fund Phase 2, in negotiation to secure £50M in private investment funding.
  - Due to poor site soils LEP have provided funding for £2.6M
  - The developer is working on a Reserve Matters application, due for submission Q4 23/24.
  - Construction to start summer 2024
  - First tenanted unit Spring 2025
  - It's a boost to the East Durham area, bringing much need high value jobs.

# Case study 3:

## The Story

Project Health Indicators	RAG
Cost	Yellow
Time	Yellow
Quality	Green
Scope	Green
Benefit	Green
<b>Overall</b>	Yellow

### Gateway stage







# The Story

DCC Business Process Status –  
Handover

Development cost c£20m

Contractor – Kier

Original Construction Programme –  
March 2021 to October 2022

Extensions of time granted revising  
completion date due to various factors

Extension of time  
factors include

Discovery of:

Asbestos containing  
materials in the ground

2 wells/culvert

An oil pit

Several wall related issues

## Kier /DCC

Kier projected completion several times since April 2023

Each time rejected for not meeting DCC completion requirements

Practical Completion achieved 20 October 2023

Commercial negotiations to close contract underway

Now DCC building – fit out to be undertaken prior to occupation and use





# The Story

















# Case study 4:

## DLI

Project Health Indicators	RAG
Cost	Green
Time	Green
Quality	Green
Scope	Green
Benefit	Green
<b>Overall</b>	Yellow

### Gateway stage







## DLI MAG

DCC Business  
Process Status  
– Deliver

Programme  
Start February  
2022

Currently at  
RIBA Stage 4  
Technical  
design

Target  
completion Q4  
2024/25













# Case study 5:

## Leisure Transformation Overall programme

Project Health Indicators	RAG
Cost	Orange
Time	Green
Quality	Green
Scope	Green
Benefit	Green
<b>Overall</b>	Green

### Gateway stage



# Case study 5:

## Leisure Transformation

### Project status

#### Abbey



#### Peterlee



#### Bishop Auckland

#### Louisa Centre

#### Spennymoor

#### Teesdale



A comprehensive report covering the whole of the leisure programme is to be tabled to Cabinet

# Leisure Transformation Programme

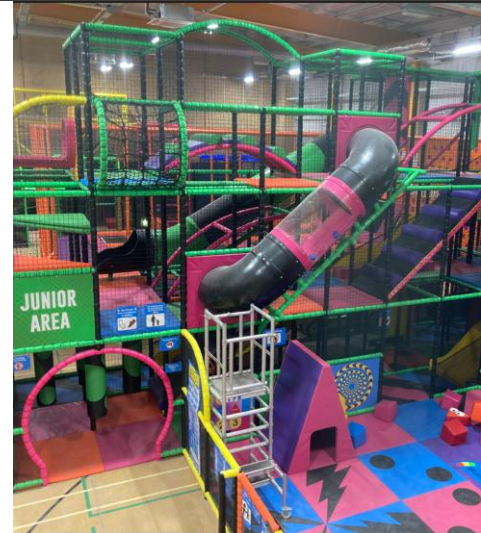
## Challenges and Complexities:

- Market Changes
- Cost of living crisis
- Construction inflation
- Unforeseen major repairs e.g. Peterlee pool
- Staff recruitment
- Market Forces/Procurement
- Operational impact and works sequencing

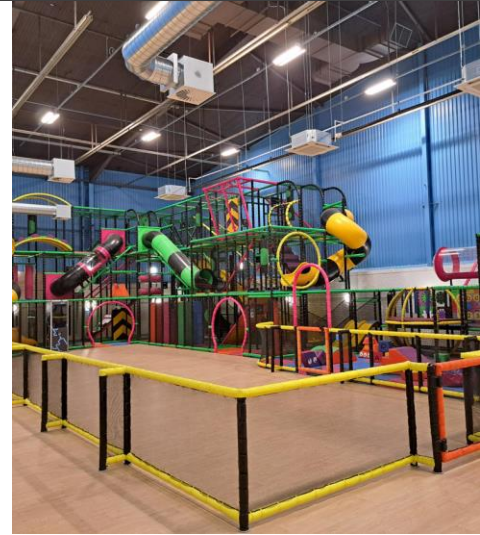








Abbey



Peterlee





## Spennymoor Ph-1

# Case study 6:

## Bus station

Project Health Indicators	RAG
Cost	Yellow
Time	Yellow
Quality	Green
Scope	Green
Benefit	Green
<b>Overall</b>	Yellow

### Gateway stage





Welcome to Durham Bus Station

Take-Away • 0191 7

At any time  
No loading  
at any time

Public Information  
Please coverings  
must be worn on  
public transport  
and inside  
this building





# Project Timeline

- Opening delayed by 12 months
- Revised date: Nov 2023
- Explanation of delays inc:
  - Covid (17 weeks)
  - Abnormal ground conditions (12 weeks)
  - Sub structure redesign
  - Party wall (16 weeks)
  - Material delays (cladding 6-8 weeks)



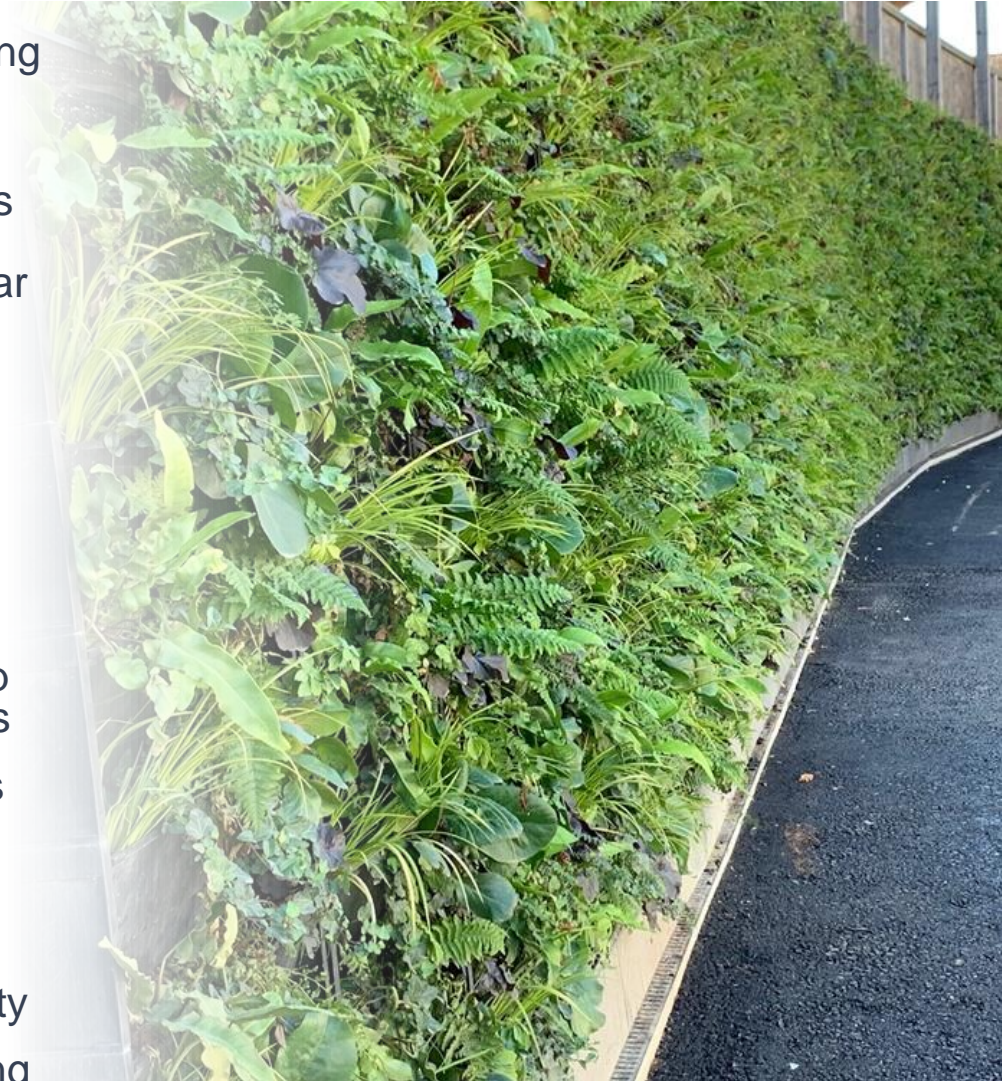
# Project Budget

- Project budget £12.5m
- Out turn cost: Ongoing
- Cost pressures due to:
  - Delays
  - Extension of Time
  - Inflation
  - Labour / Materials
  - Issues identified on site
  - Additional design



## Scope:

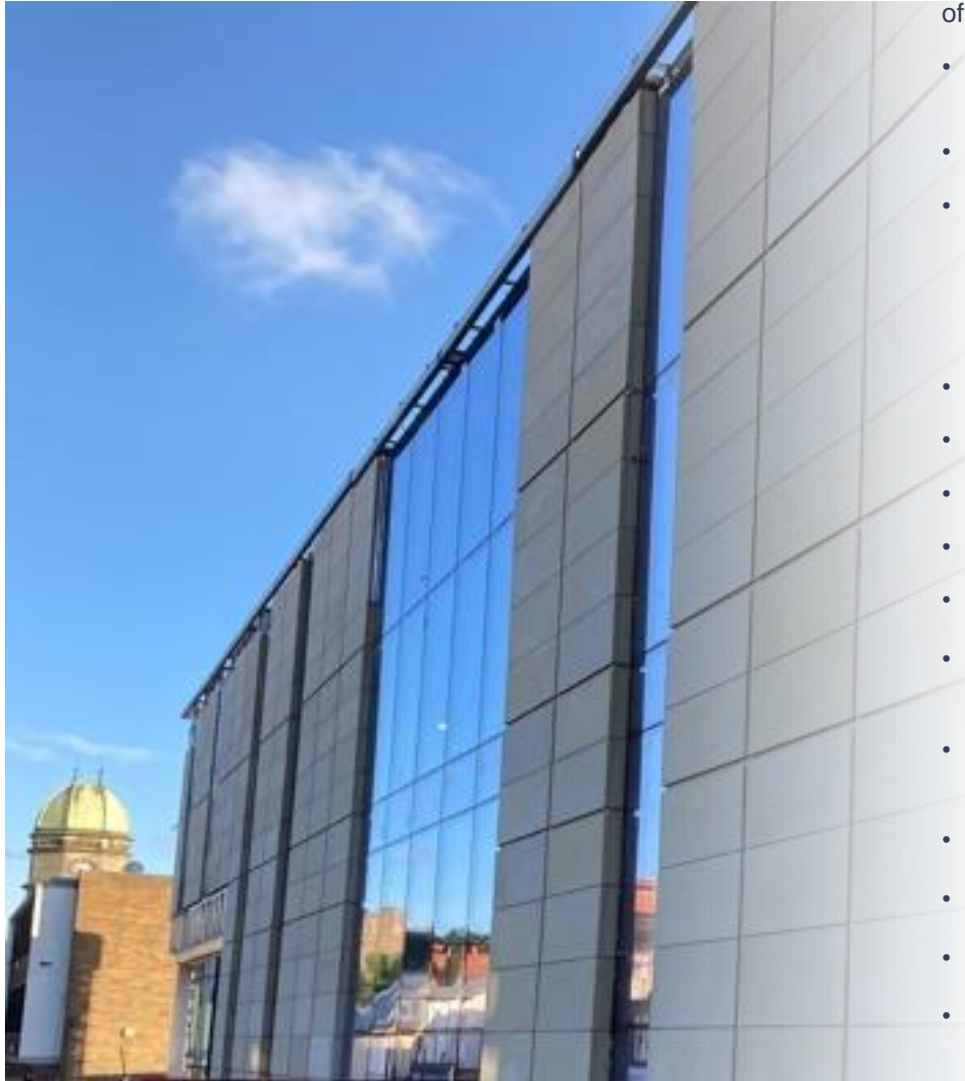
- Improve access for all, including access to more and better opportunities,
- Accelerate modal shift towards sustainable transport and reduce dependency on solo car journeys
- Improve and increase passenger circulation space,
- Improve passenger facilities
- Reduce fear of crime and improve natural surveillance
- Improve bus movements, drop off locations and layover areas
- Provide cycle storage facilities
- Improve sight lines at the bus station exit
- Create a more welcoming and enhanced gateway into the City
- Reduce severance by providing access to services



## Quality and Benefits:

The previous bus station was past its end life and was a maintenance liability to the authority. The new station will offer:

- Improved facilities including toilets, accessible toilets, parent and child facility and a changing places unit.
- More and better seating and information displays
- Reduced fear of crime by improved natural surveillance with 2No mezzanine floors which will accommodate Security, Police, Wardens and bus operators, high quality CCTV, glass frontage and a help point.
- Lighter and brighter environment
- Reduced queuing into the Bus Station
- High quality sustainable infrastructure
- Improved natural, built and historic environment
- Improved gateway into the City
- Wider regeneration from townscape improvements and public realm improvements.
- Environmental improvements (green roof and living wall)
- Accessibility for all,
- Improved journey quality and journey times
- Improved user environment
- Modal shift to sustainable modes, serving 2.74 million passengers per year





# Summary Slide

- Major Programmes value £878 m
- Delivery & Pipeline Committed and Secured £628m
- Active Pipeline Development – Unsecured £250m
- Private Investment of circa £1.4bn
- 152 Live schemes totalling £153m
- Strong programme governance across all schemes in line with best practice