



Barnard Castle Vision Governance

Report of Ian Thompson, Director of Regeneration and Economic Development

Councillor Neil Foster, Cabinet Portfolio Holder for Regeneration

Purpose of the Report

- 1 This report provides an update on the activities of Barnard Castle Vision, includes details of achievements to date, reports on the recent independent evaluation, outlines current governance arrangements and makes recommendations for future governance arrangements.

Background

2. Barnard Castle Vision (BCV) was established in 2006 to lead a 20-year programme of economic regeneration activities within the town of Barnard Castle. Initially membership of the partnership included Teesdale District Council as accountable body for funding, Teesdale LSP, One NorthEast, Durham County Council, County Durham Economic Partnership, a voluntary and community sector representative, Teesdale Marketing Limited and the Enterprise Agency.
3. A broad programme of activity strands developing the actual and potential resources of the town linked to physical areas within it was agreed, underpinned by core principles of benefit to residents, young people, inward investors, and visitors, and a commitment to 'transformational change'.
4. The delivery team is managed by an officer in Economic Regeneration and includes a small number of specialist staff on either a secondment or contract basis.
5. The BCV has been responsible for 15 projects, which have spent £1,962,000 of One North East funding within Barnard Castle. This sum includes initial research, survey, delivery team and development costs. Achievements are as follows:
 - Building the Digital Dale broadband infrastructure.
 - Preparing comprehensive designs for the forthcoming redevelopment of the Witham Hall.
 - Creating and managing NeST gallery, cafe and digital studio on the site of a former car salesroom on Newgate.

- Setting up and supporting the Barney Guild of retailers to make a stronger, more competitive retail offer in the town centre; providing support and resources for festivals and shopping events, Christmas celebrations, and improvement to festive lighting.
- Investing in shop improvement grants for retailers; including ongoing business viability support and consultancy.
- Seeking, identifying and working with potential inward investors, leading to a significant reduction in vacancy rates within the town. Publishing and disseminating materials for investors.
- Raising the profile of the town through professional and other networks, nationally and internationally, including press features in the Washington Post, a visit by an OECD reporting team, profile at the EU conference on citizenship in Malmo, national engagement with NESTA, and a wide variety of other connections.
- Improving parking access with a new entrance to and upgrading of the Hole in the Wall car park.
- Making improvements to the riverside footpaths through lighting and clearing of pathways; involving local volunteers through the 1000 Voices project.
- A study into the viability of installing hydroelectric plant near the town.
- Providing and installing new energy efficient lighting to illuminate the Castle in evening hours.
- Commissioning studies into improving the protection of and access to the Market Cross, and managing the on-going provision of assessment and repair.
- Forging international partnerships with European towns to create opportunities for joint working and submission of EU funding bids.
- Engaging with and bringing to the region one of the biggest providers of apprenticeships in France, trialling three craft placements in Barnard Castle, and ensuring that their UK office is now based in the North East. Participation on the UK steering group of new developments to create European apprenticeships across the region and elsewhere, creating placements for Teesdale.
- Connecting with large scale investment projects at Digital City in Middlesbrough to create new opportunities for businesses in Teesdale; and becoming their first rural satellite, gaining funding and other resource for the town.
- Completing detailed comprehensive appraisals of 10 potential development sites to aid discussions with developers.
- Providing a masterplan for Shaw Bank and detailed studies to bring improvements to the streetscape, transport and access for the town.

- Commissioning and developing a comprehensive landscape study working with one of the UK's leading landscape architects, resulting in a programme of projects to upgrade and maintain the natural assets of the town.
 - Developing and initiating the implementation of a coherent and aesthetically appropriate way-finding strategy.
 - Investing in tourism and local food projects to help increase visitor numbers and provide vital help for local retail and service providers such as B&Bs and hotels; including time-limited projects to assist farmers and food producers during difficult periods.
 - Resourcing and managing the Witham cinema project, including holding a Film and Animation festival with local creative businesses.
 - Running a programme of leadership events bringing together leadership expertise from local, regional, national and international platforms to benefit the town.
 - Working with young people and children to identify their ideas for the town and to support a number of projects including provision of interactive studio facilities to Teesdale school, and the creation of a 'young vision' group.
 - The 1000 Voices engagement project, which to date has gathered approximately 200 local people to contribute to and find out about the Vision's work on a regular basis.
6. In addition to this the Barnard Castle Vision successfully applied to the Heritage Lottery Fund for £87,000 of landscape development funding. This initial funding enabled the Vision to work towards securing a full HLF grant of £1.9m to enhance the landscape of Barnard Castle and the surrounding area, incorporating many of the projects arising from the Vision's existing landscape strategy.
 7. Over the past two years the political and funding landscape has changed considerably and it is therefore an appropriate time to consider the way forward. A recently produced evaluation carried out by Newcastle University (CURDS) presents an appropriate opportunity to consider the role of BCV, revisit the Board structure and refresh the governance model.
 8. The current governance model has developed from a structure proposed by EKOS Consulting in 2007 to oversee the development and implementation of a 20 year programme of regeneration activities in Barnard Castle, and has been amended twice in recent years to reflect the needs of the work programme.
 9. A key consideration from the outset has been to ensure effective delivery. This is important not only in terms of community engagement and delivery of the overall Vision, but also in delivering key regeneration projects and interventions which arise from this. The priority was and remains to have a regeneration vision for Barnard Castle which is not only ambitious and maximises the economic contribution of the Town, but which also reflects the views of local people, is realistic and deliverable.

- 10 A report produced by Ekos Consulting in 2007 (undertaken prior to the development of the BCV Partnership Board) set out potential delivery model options and made clear recommendations on the governance arrangements for both the development and delivery phases of a regeneration partnership in Barnard Castle. A strong focus was placed on ensuring that the delivery mechanism was sustainable, sought to achieve maximum value for money, avoided duplication and ensured that as much resource as possible was directed towards project implementation.
- 11 Following this, appropriate arrangements to oversee the development of the BCV Partnership structure were agreed. These involved:
- Clear and transparent principles of governance and terms of reference.
 - A focused management board supported by partnership structures and accountable body.
 - An independent chair; and a dedicated delivery team.
 - An accountable body taking responsibility for the legal and financial management of the BCV – particularly with reference to the management of public sector funding resources. This provides a clear audit trail for funds defrayed, oversees contract management and ensures that cashflow is adequately sustained. This was previously Teesdale District Council and became Durham County Council at Local Government Re-organisation.
 - Strong engagement between the public, private and voluntary sectors, a factor which has been key to the success of the BCV.
- 12 The Community Engagement Strategy for the Vision was developed to ensure local residents and businesses effectively engaged and influenced the activities of BCV. Mediums used include Radio Teesdale, the local press and the internet, which are important in communicating and co-ordinating the latest information about new developments as well as gaining input and views. All press releases are signed off by the DCC press office.
- 13 The governance model adopted is set out below and is structured around a small, focused, high calibre Board, with an independent Chair. The involvement of wider communities of interest has been formalised through the establishment of project steering groups and through liaison via the 1000 Voices project. The project steering groups bring additional expertise through Durham County Council officers, individuals, businesses and local and regional organisations. This mechanism ensures stakeholders not represented on the Board have the opportunity to feed into the development and delivery of the Vision. Diagram 1 below sets this out:

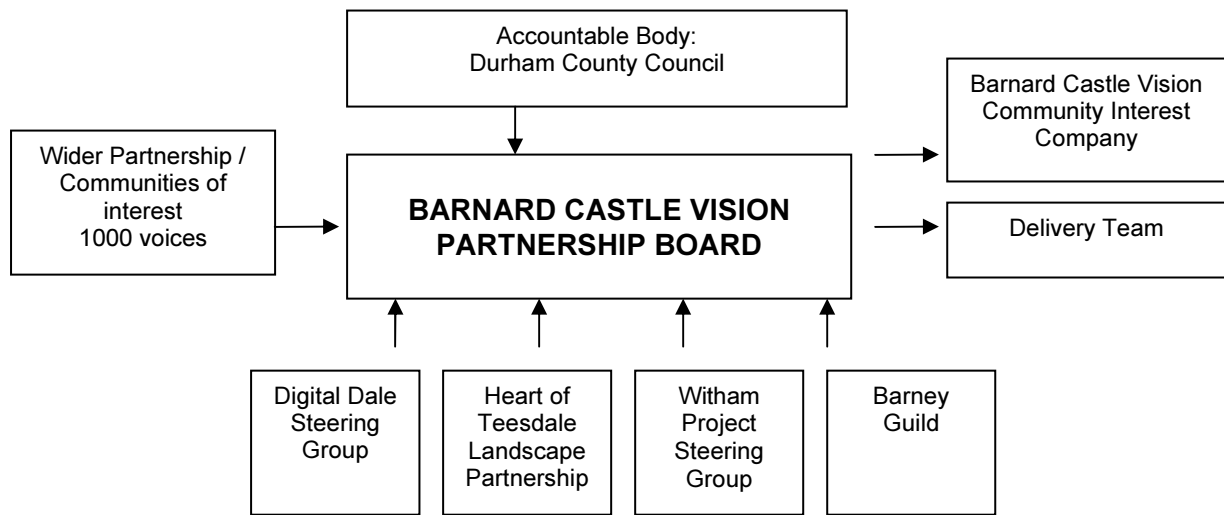


Diagram1.

- 14 The membership of the Board brings specific project-related skills and experience of relevance to the work programme:
- Durham County Council (as accountable body)
 - Business Sector
 - Rural Specialist
 - Education Sector
 - Voluntary Sector
 - Independent Chair
- 15 In terms of DCC there are 2 representatives: the Corporate Director of Regeneration and Economic Development, and the Head of Economic Development.
- 16 Appendix 2 sets out the Principles of Governance and Terms of Reference.
- 17 Additionally, a community interest company (CIC) has been created, primarily to provide the opportunity to gather resources and activities which could not be committed to statutory authorities and to run commercial activities to generate sustainable income for further projects of benefit to the town.
- 18 Currently the biggest of these is NeST, which operates as a creative space for digital and creative businesses (eg filmmakers, photographers, architects, graphic designers and visual artists), combined with gallery and café spaces. For instance, the NeST creative studios and gallery buildings are leased by the CIC. Community Interest Companies are limited companies, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a “community interest test” and “asset lock”, which ensure that the CIC is established for community purposes and the assets and profits are dedicated to these purposes. Registration of a

company as a CIC has to be approved by the Regulator who also has a continuing monitoring and enforcement role.

Current Position

- 19 During the past four years BCV has implemented regeneration projects in several key areas within Barnard Castle, such as site and retail development, master planning and landscape enhancement and development of the digital and creative sectors. It has intervened in the public realm, has established links with similar organisations in other parts of Europe, and has carried out several projects that have had a considerable impact on the town, set out in the schedule at Appendix 3.
- 20 Over the last three financial years 2008-2011 through £1,962,000 single programme funding, the following outputs have been delivered: assistance to over 60 businesses, created 20 jobs and nine new businesses as well as attracting 2 retail inward investors.
- Digital Dale broadband project (£80,000) from single programme - remainder of funding through RDPE and private sector
 - Creating a gallery and workspace for digital and creative businesses at Newgate Studios (NeST) (£129,500)
 - Connecting with large scale investment projects at Digital City in Middlesbrough to create new opportunities for businesses in Teesdale (£50,000)
 - Supporting local businesses through the Barney Guild and Shop Front Grants (£191,459)
 - Designs, surveys and ground works to redevelop the Witham Hall to enable it to become a state of the art cultural and business facility (£237,812)
 - Creating apprenticeships and training opportunities (£18,000)
 - Surveying and repairing the Market Cross (£20,000)
 - Improving parking and toilet facilities, signage and lighting (£129,889)
 - Renewing riverside walks (£32,972) - includes funding from North Pennines Leader grant
 - Plans for landscaping Scar Top and bringing landscape characteristics back into focus, by renewing rural and town features and opening up views (£62,969)
 - Championing local food production and take up by local businesses (£39,000)
 - Completing detailed appraisals of potential development sites to aid discussions with developers (£75,000)
 - Providing a masterplan for Shaw Bank and investment in The Youth Hub (£95,000)
 - Investing in tourism and local food projects to help increase visitor numbers and provide vital help for local retail and service providers such as B&Bs and hotels (£102,000)
 - Holding a Film and Animation festival with local creative businesses (£300.00).
- 21 BCV has won 7 Action for Market Towns Awards over the three years 2008, 2010 and 2011 for projects in the categories of Partnership and Strategic Working; Social and Community and Vibrant Retail Heart and also a Regional Best Use of Digital Technology Award in 2008.

- 22 An evaluation report in 2010 by Newcastle University's Centre for Urban & Regional Development Studies (CURDS) states that the strategy employed by BCV is in line with the directives established by the OECD and the EU for place based and integrated regeneration approaches, specifically in relation to rural development. The report states that around £8m worth of investment has been attracted to the town and that progress has been achieved as a result of attracting a rich blend of skills and experience both within the implementation team and at the Board level.
- 23 Project management is undertaken by a small team comprising an experienced DCC regeneration officer, part time specialists and a secondment arrangement from a partnering organisation. The evaluation report states that those recruited to the team have between them an impressive track record in securing funds and delivering a wide array of projects.
- 24 The Newcastle University CURD's evaluation report recommends that if BCV is to maximise its funding potential and its regenerative impact on Barnard Castle the structure of the Board may need to change in order to further integrate local priorities with county level aspirations and strategies. An ongoing programme of partner engagement should also be sustained as the BCV moves through subsequent phases of delivery.
- 25 The original programme objectives recognised the inter-connected nature of intervention required to ensure the continued adaptation and prosperity of the town and the requirement for a flexible response as needs have been addressed and priorities have emerged. Between 2007 and 2011 the pattern of assistance from the BCV Partnership shifted strongly away from an initial emphasis on research, planning and project preparation, towards delivery and completion of physical projects. The existing governance model may need to change/adapt as a result of the need to deliver current projects, but in future, there will be new projects to be researched and developed, and that it should not be assumed that major funding for new physical projects will be impossible, as is currently evidenced by the likelihood that the HoT programme will have a budget of almost £3m. BCV is only one quarter of the way through the original time-frame of 20 years.
- 26 In the future, with the absence of ONE funding and limited spend available to the County Council, BCV will need to demonstrate a clear purpose which can be delivered through success in attracting external funds. A focus on delivering the Witham, landscape and other projects and co-ordination and promotion will be important, alongside the generation of new programmes and projects and the pursuit of the original thematic strands identified by the partnership.
- 27 In addition, it is now timely that the governance arrangements for the Heart of Teesdale HLF programme are appropriately reviewed as this moves into the delivery phase.
- 28 **Governance Options:**
An analysis of the individual and collective capacity of partners and stakeholders, as well as potential mechanisms and delivery vehicles brings forward the following options:

Option 1: Barnard Castle Vision Partnership Board (status quo)

Option 2: No governing structure (BCV ceases)

Option 3: Barnard Castle Vision Partnership Board (amended)

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Considerations:

Option 1 – Barnard Castle Vision Partnership Board (status quo)

This option would see a continuation of current arrangements, which whilst having proven to perform well to date, would not take on board the CURDS recommendations about strengthening governance arrangements and strategic political involvement.

Option 2 – No governing structure (BCV ceases)

This option would involve the closure of BCV and instead, activities would be undertaken by regeneration officers employed by and reporting to DCC. The County Council would continue to oversee the development and delivery of regeneration activity, but without a formalised multi agency partnership approach.

This approach fits with DCC's strategy to deliver regeneration, but ignores the benefits of partnership working, which is of utmost importance in delivering regeneration activity. This would also result in the loss of high calibre Board involvement.

Option 3 - Barnard Castle Vision Partnership Board (amended)

This option includes additional Board representation, rather than changing an existing structure and capacity. A central decision making Board continues, strengthened by representation from the Regeneration and Economic Development Portfolio Holder (or as a substitute, the Assistant Portfolio Holder who is also Rural Champion). Distinct advantages in achieving continuity between the Vision development and longer term delivery stages. Led by a respected Chair – preferably independent from the other organisations represented on the Board. Supported by a delivery team which is well connected to partner organisations (potential secondment arrangements). Existing structure has worked well, with success demonstrated and this amendment could further strengthen that position.

This would capitalise on existing project success and support the continuation of a partnership approach, involving partners in the co-ordination and implementation of projects. The recommended addition to membership of the Board would help further integrate local priorities with county level aspirations and strategies. It is also recommended that BCV provides regular updates on activity to the AAP.

Conclusion

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This paper recommends the implementation of Option 3. Expansion of membership of the Board by one post to accommodate the Portfolio Holder for Regeneration and Economic Development (or the Assistant Portfolio Holder for Regeneration and Economic Development as a substitute) which

would clarify the relationship between BCV and Durham County Council. The RED Assistant Portfolio Holder is also rural champion and it is therefore apt in relation to the market town of Barnard Castle and the rural hinterland that this relationship is established. These additional board members would strengthen accountability and links with DCC.

31 The delivery team should continue to be resourced by the direct recruitment of a small core team, with technical support bought in on an as-needed basis to build the capacity of the existing team's local knowledge and track record of delivery. This would allow for maximum flexibility and would require BCV to continue to demonstrate success in attracting external funding to resource such activity.

32 The terms of reference of the Board of BCV are included in appendix 2. It is recommended that these be reviewed once the new Board arrangements are in place to ensure their continued fit for purpose. This should be done in consultation with the RED Portfolio Holder in conjunction with the local members.

33 **Recommendations**

33.1 It is recommended that Cabinet:

- Endorse the Regeneration and Economic Development Portfolio Holder joining the Board of Barnard Castle Vision with the Assistant Portfolio Holder acting as substitute.
- Seek a review of the BCV Board Terms of Reference by the Board once new arrangements are in place.

34 **Reason for Recommendations:**

To ensure the recommendations of the independent evaluation are appropriately addressed and to strengthen political engagement.

Background papers

Ekos Consultancy, BDP & Donaldsons report / Barnard Castle Vision 2007
Newcastle University CURDS evaluation report 2010

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Appendix 1: Implications

Finance – 1

Capital allocation for 2010/11 and 2011/12 is £3,608,000 (includes £2m for Witham Hall redevelopment).

Staffing – 2

Existing staffing arrangements.

Risk – 3

Reinforces good governance and probity.

Equality and Diversity / Public Sector Equality Duty – 4

- Young People – greater opportunities within the area so that they are encouraged to stay here to live, work and bring up their families
- Older People – improved access for people with limited mobility, improved cultural and leisure provision so that they may enjoy an active and enjoyable life
- The wider community – through investment to improve the attractiveness of the area and sustainable living
- Those volunteers who will be encouraged to invest their time to develop the area as a good place to live

Accommodation – 5

The delivery team would require accommodation within Barnard Castle.

Crime and Disorder – 6

None.

Human Rights – 7

None.

Consultation – 8

Statutory and stakeholder consultation has been carried out during Newcastle University CURDS evaluation.

Procurement – 9

All procurement and financial management is carried out within DCC procurement and contract procedure rules.

Disability Issues – 10

Complies with DCC general equality duty.

Legal Implications – 11

Legal support is provided by DCC as and when required.

Appendix 2: Principles of Governance & Terms of Reference

PRINCIPLES OF GOVERNANCE

- 1 To establish a Memorandum of Understanding between BCV Partnership and DCC as accountable body
- 2 Use Existing Structures – wherever possible, the delivery of regeneration should seek to use and interface with existing partnership structures. In some circumstances it may be necessary to supplement or build capacity within existing organisations to enable them to perform a delivery role. Unnecessary duplication or the creation of bespoke delivery bodies should be avoided where possible.
- 3 Accountable Body – DCC will take responsibility for the legal and financial management of the BCV – particularly with reference to the management of public sector funding resources. This body will provide a clear audit trail for funds defrayed, oversee contract management and ensure that cashflow is adequately sustained.
- 4 Clear, transparent Terms of Reference must be put in place for all delivery structures and partnerships involved in the delivery of the Barnard Castle Vision. The role and remit of each component should be clearly defined so that all partners have a shared understanding of their roles and responsibilities, and the expectations which are placed upon them. These Terms of Reference must be widely available and clear.
- 5 Appropriate measures to deal with actual or perceived conflicts of interest must be put into place to ensure probity.
- 6 A focused Management Board supported by partnership structures – the effectiveness of the BCV will be attributed to the establishment of a small, focused, high calibre Board which oversees the activity of the partnership. Wider engagement networks and consultation arrangements are best used as vehicles to achieve large scale partnership working and community ownership. The exact scale and range of partners who are represented upon the Board will be dependent upon the final range of projects which it is charged with delivery, and the geographic spread of its projects.
- 7 The Barnard Castle Vision will be led by an independent chair, with a background in the private, public or voluntary sectors. Procedures covering conflicts of interest will be required. Although the active involvement of public sector partners is critical, a degree of independence from these organisations is felt to be beneficial in fostering effective partnership working. This would suggest that an independent person not already involved in the life of the district as a councillor, director or having another affiliation to public or partnership organisations would be most appropriate. However, the limited capacity in Teesdale has to be recognised, and individuals who are already involved in such activities may be considered if there are difficulties in recruiting an independent chair. Appropriate checks and balances would be required in such as case, with a clear understanding of who the chair represents. To help overcome this, consideration should be given to appointing a chair using Nolan principles, with an open advertisement and selection on merit, together with clear guidance on how to deal with potential or perceived conflicts of interest.
- 8 It is considered critical that a dedicated staff resource is put in place to assist in the timely implementation of the Vision and programme of delivery, and to develop, commission and project manage individual projects. The size, character and skill requirement of this team will be dependent upon the scale and nature of the ongoing Vision. There may be advantages in staff from

partner organisations being seconded into a delivery team, either on a full time or part time basis – specifically overcoming employment issues associated with fixed term contracts. It may also provide benefits in fostering key linkages between the Delivery Team and key partner organisations. It is felt to be critical, however, that appropriate measures are put in place to ensure that staff time (be in full or part time) is effectively managed and directed towards the delivery of the Vision. This may include a requirement for staff to work out of a central project office.

Barnard Castle Vision Board Terms of Reference

- Each member will commit to the initiative and adhere to the agreed Terms of Reference. Terms of Reference can be amended by the group, however these must be endorsed by Durham County Council.
- No actions will be undertaken by members that can threaten or compromise the success of the Barnard Castle Vision regeneration programme.
- The role and contribution of every member of the Board will be valued.
- All members will act in an open and honest manner, giving constructive comment and opinion to improve and enhance the programme.
- Members are requested to advise when information is of a confidential nature. All members will respect and adhere to the confidential nature of any items relating to the Barnard Castle Vision, its activities and users.
- Members of the Interim Board must declare all interests (be they pecuniary or non-pecuniary) relating to a matter under consideration. Members of the Barnard Castle Vision Board must also declare a conflict if he or she has some other, non-pecuniary type of interest that places the person in a conflict position (e.g. bias). This could include any benefit obtained by relations, friends, or associates of a member who is in conflict.
- Individual Barnard Castle Vision members will be responsible for reporting back to the organisation they represent.
- Additional membership can be determined by the Board.
- The Barnard Castle Vision Board will be considered quorate if 50% of members are in attendance.
- There will be no nominated substitutes for non-attending members.
- It is the responsibility of the Board member to give reasonable notice if unable to attend.
- Minutes will be produced for all meetings and circulated to members of the Board.
- If a decision is required it will be reached by consensus, when consensus cannot be reached then voting will be required. The Chair will have a casting vote.
- All press statements made on behalf of the Board must be cleared through the DCC press office.

Appendix 3: Barnard Castle Vision programme delivery and achievements 2006-2010

Schedule of delivery:

<i>Feasibility and Appraisal Studies</i>	<i>Status</i>
Strategic Site Appraisals	Completed
Streetscape & Wayfinding Strategy	Completed
Transport & Access Plan	Completed
Landscape Appraisal	Completed
Hydro Feasibility	Completed
Higher Education Hub Report	Completed
Market Cross Survey	Completed
Shaw Bank Masterplan	Completed
Landscape Appraisal	Completed
Scar Top Improvement Scheme	Completed

<i>Physical Project delivery</i>	<i>Outline of Scheme</i>	<i>Cost</i>
DIGITAL DALE BROADBAND	Wireless Broadband Infrastructure to connect remote rural communities	£900,000
NeST DIGITAL AND CREATIVE STUDIO	Gallery, hot-desking and café to support creative businesses	£129,000
DIGITAL CITY RURAL SATILLITE INSTALLATION	Programme of support for NeST creative cluster	£50,000
HEART OF TEESDALE LANDSCAPE SCHEME	Enhance the Landscape of Barnard Castle and surrounding area	£87,000 initial development costs
RETAIL IMPROVEMENT GRANTS LEADING TO SEVERAL MAJOR REFURBISHMENTS	Support for retail businesses and attractiveness of high street	£191,459
NEW FLOODLIGHTING FOR THE CASTLE	Low energy lighting scheme to illuminate the Castle in the evening hours	£50,508

WITHAM HALL REDEVELOPMENT	Cultural and business facility, together with combined customer services and library	£237,812
HOLE IN THE WALL CAR PARKING WORKS	Improved access to previously under-used car park behind the high street	£79,381
TOWN WI FI CONNECTIVITY	To allow internet access for residents and visitors	£50,000
RIVERSIDE ENVIRONMENTAL & PATHWAY ENHANCEMENTS	Restore and enhance views of the River Tees and increase walking access	£32,972
SURVEYING AND REPAIR OF THE MARKET CROSS	Conservation and protection of Grade 1 Listed building	£20,000
SCAR TOP LANDSCAPING	Landscaping of Scar Top and Castle area and bringing landscape characteristics back into focus, by renewing rural and town features and opening up views	£62,969

<i>Wider regeneration activities</i>
Setting up the Barney Guild – a consortium of retail businesses
Tourism and Festival Activities
Film and animation Festival
Partners to the North Pennines Love Food project
Leadership Forum