



# Delegated Decision Report

29 February 2024

**Subject:** Northumberland Line Economic Corridor – Ashington  
Wansbeck Square  
**Report of:** Senior Regeneration and Economic Development Officer  
**Portfolio:** Housing, Land and Development

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## Report Summary:

In April 2023, NTCA Investment Panel gave indicative approval to the allocation of funding and breakdown of projects under the Northumberland Line Economic Corridor 10 Point Thematic Plan, endorsed by Cabinet in June 23. This included a dedicated funding pot of £10m Investment Funding for in-principle support to 3 capital programmes aligned with the Northumberland Line Railway reopening – at Newcastle Central; Newsham (both now endorsed and fully funded by IP previously) and the redevelopment of Ashington Wansbeck Square, next to the northern terminus of the railway line.

To progress the work of the Northumberland Line Economic Corridor we are now proposing to allocate £2.5m of funding from the NTCA NLEC Investment Fund to the Northumberland County Council led scheme approved by NTCA TOG on February 15<sup>th</sup> 2023. Details are as below:

- This major capital investment project will create an attractive and modern new gateway to Ashington town centre, befitting of a town with significant growth potential and ambitions, closely aligned to investment in the Northumberland Line Economic Corridor and the new rail passenger service. The project is pivotal to the regeneration of Ashington, and a key component of the town's strategic plan for regeneration led by Northumberland County Council (NCC) and supported by NTCA. The NLEC Strategy recognises the important role that Ashington plays as a key population centre, provider of jobs and education, and a vital local service hub for south east Northumberland in the wider North of Tyne area.
- Ashington does not currently provide a modern gateway to welcome passengers, visitors, and local residents into the town. The town centre suffers from retail decline, poor quality built environment with underutilised buildings and a lack of attractive public space. Wansbeck Square is the key entrance to the western end of the Ashington town centre and falls within the primary shopping area. Adjacent to Ashington's new Northumberland Line rail station it will become an increasingly prominent location when the new train station opens, providing the main transport gateway in the town. Investment is urgently needed to improve this area of the town centre to provide a modern, accessible and vibrant destination, capable of welcoming visitors and offering a positive first impression of the town.
- Wansbeck Square is currently home to a vacant 1960s building which previously housed the Council's Customer Services Centre and a Wilko discount retail store. The built environment is deteriorated and comprises a steep ramp from the rear car park and a series of dated concrete steps which are very difficult for many to access and provide a bleak welcome for rail passengers. The lack of open and well-lit space means the site is an antisocial behaviour hotspot, recently exacerbated by the entire site becoming completely vacant. For these reasons, this prominent and strategically located site is in urgent need of redevelopment.

## Recommendations:

The Chief Executive (Head of Paid Service) in consultation with the Mayor and relevant Cabinet Member, and in accordance with the scheme of delegation, is recommended to:

- i. Approve £2.5m NTCA Investment Fund for the scheme as set out in the report.
- ii. Noting that the conditions proposed to be entered into with the applicant as part of the Grant Funding Agreement process.

## 1. Background Information, Proposals and Timetable for Implementation

<b>Proposal Name</b>	Wansbeck Square Gateway Redevelopment
<b>Lead Organisation</b>	Northumberland County Council
<b>Delivery Areas</b>	Ashington
<b>Timescales</b>	February 2024 – March 2026
<b>Project Value</b>	£14,664,842
<b>Grant amount requested</b>	£2,500,000
<b>NTCA Budget Implications:</b>	NTCA Cabinet have agreed a £10m NLEC Investment Fund capital allocation. If this proposal is approved, it will be the final allocation granted under that £10m pot.

This project will provide the following new facilities and services at Wansbeck Square:

- **A new, modern public space, with high-quality public realm providing an attractive and welcoming point of arrival** adjacent to the new train station in the heart of the town centre. Alongside improved access to the neighbouring public park/green space, this will provide a place for people to meet, space for outdoor cultural and community events, and improved amenities for rail passengers; and
- Demolition of a vacant 1960s building making way for the construction of **a new Creative Community Hub** providing an inviting town centre ‘destination’ where young people will take part in training, cultural and leisure activities, and residents and visitors will enjoy cultural performances and events. The building will also incorporate a cafe for use by train passengers and others. It will be designed to connect the building with the high street, creating much needed animated frontage.

The project has several linked elements. £10.27m Levelling Up Fund round 2 resources for the project have been secured (as part of a wider package bid for Ashington town centre regeneration) and £1.89m from NCC’s capital programme. NCC is now requesting a £2.5m grant from NTCA which will meet the funding gap and allow the project to go ahead. The NTCA funding would contribute towards the initial enabling works needed to prepare the site for development. Advance Northumberland have been appointed as project manager, and a project design team (led by Identity Consult, working with Ryder Architects) was commissioned in December 2023.

The project is currently at an advanced stage of development, with designs and costs at RIBA stage 2, supported by a feasibility study and business plan demonstrating the ongoing financial sustainability of the new facilities. The appointed design team is currently reviewing the designs submitted as part of the LUF bid. Refreshed RIBA 2 designs and costs will be in place by March 2024 with final RIBA stage 4 designs and costs by August 2024. This will enable NCC to procure and appoint the main contractor by October. 2024, ready for the project to start on site by November 2024. **NTCA resource will be used to deliver enabling works and will be expended early within the timeline.** The new facilities are scheduled to open in May 2026. From this time, the redeveloped Wansbeck Square will provide an attractive new gateway to Ashington town centre, complementing the new rail station which is due to open in late 2024 onwards.

The scheme was assessed in line with subsidy control laws and no issue arose in relation to this, as confirmed in writing by lawyers.

## 2. Funding Profile:

The £2,500,000 requested from NTCA is the remaining gap between the total project costs and the funding secured from DLUHC and NCC. The NTCA funding is needed to complete the funding package and enable the project to go ahead.

<b>FUNDING SOURCES</b>			
<b>Funding Resource</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>Totals</b>
NTCA NLEC Investment Fund	£1,250,000	£1,250,000	£2,500,000
DLUHC Levelling Up	£5,137,282.5	£5,137,282.5	£10,274,565
Northumberland CC	£1,890,277		£1,890,277
<b>TOTALS</b>	<b>£8,277,559.5</b>	<b>£6,387,282.5</b>	<b>£14,664,842</b>

The full cost for the proposed scheme are outlined as below:

<b>COST BREAKDOWN: CAPITAL CATEGORY</b>	
Demolition and site preparation	£615,000
Construction of building	£8,454,012
External works	£2,622,300
Price and design risk	£292,283
Additionality	£150,000
Inflation	£577,551
Contingency	£584,566
Professional fees and surveys	£1,169,130
Project management fees	£200,000
<b>TOTAL</b>	<b>£14,664,842</b>

The applicant has confirmed that the funds from both parties (NTCA and DLUHC) are fungible – that is to say that both parties funding can be used in combination to meet each aspect of the Wansbeck Square redevelopment. Costs are based on a valuation report (June 2022) which was prepared for the LUF bid. It is also noted that the DLUHC funding has been provided with some conditions relating to scheme and completion date. **NCC has confirmed that in the event of a cost overrun they would meet the additional sums required.**

Breakdown of NTCA funding against delivery is as below:

<b>Funding</b>	<b>Delivery</b>	<b>Timeline</b>
NTCA - total forecast £800,000 £729,301 £70,699	WS Building Demolition/Construction Design and Prof fees	Q3 24/25
NTCA - total forecast £800,000 £729,302 £70,698	WS Building Demolition/Construction Design and Prof Fees	Q4 24/25
NTCA - total forecast £900,000	Total construction	Q1 & 2 25/26

On appraisal, the following points were made regards the economic and financial case, both of which were given a risk rating of 'amber' by the external appraiser:

- The economic case (when considered in conjunction with Portland Place) was assessed as satisfactory by DLUHC in their LUF assessment and grant funding award. The project delivers a range

of non-quantifiable benefits that further mitigate and strengthen the value for money to be delivered by the scheme including, increased business confidence, pride in place and the work of the community hub. If the scheme is judged on the wider planned outputs the initial assessment is positive, however as the economic success is based on delivery of future phases, there may be a case for inclusion of clauses to recover funds should future schemes not go ahead.

- Regards the financial case, it was noted that this is based on June 2022 costs and values and the scheme has only been developed to RIBA Stage 2. The scheme will not achieve RIBA Stage 4 detail until after the required demolition works have identified any further complexities and the scheme does not have planning consent. NCC has, however, also provided assurances that if the scheme can be completed but anticipated costs have increased, they will fund the shortfall. A phased approach to funding should be considered to mitigate risks and to enable the required demolition works.

### 3. NTCA Outputs/KPIs:

The following activity is in line with the original KPIs set out for the Northumberland Line Economic Corridor:

KPIs
<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>• 0.32 ha land rehabilitated</li> <li>• 3,220 sqm public realm created</li> <li>• 1 x new community facility / space created (2,196 sqm)</li> <li>• 1,860 young people supported pa (skills, wellbeing, culture) by year 3 of operation</li> <li>• 13,000 visitors attracted to cultural events/performances pa by year 3 of operation</li> </ul>
<p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• 8 direct new FTE jobs created at new facility</li> <li>• 10 Level 2 apprenticeships created pa (from year 3 of operation)</li> <li>• 61 people gaining a Level 2 qualification pa (from year 3 of operation)</li> <li>• 68 people gaining a Level 3 qualification pa (from year 3 of operation)</li> <li>• 60 young people supported into jobs pa (from year 3 of operation)</li> <li>• 25 volunteering opportunities pa (from year 3 of operation)</li> </ul>
<p><b>Other outcomes and impacts:</b></p> <ul style="list-style-type: none"> <li>• 57 FTE jobs created (gross); £18.3m cumulative net GVA to Ashington economy</li> <li>• Increased footfall (residents and visitors) and spending in the town centre</li> <li>• Reduced property vacancy rates</li> <li>• £26.5m commercial and residential wider land value uplift</li> <li>• Improved amenity and connectivity in the town centre</li> <li>• Reduction in crime/anti-social behaviour in town centre</li> <li>• Improved skills, confidence, and aspiration among young people</li> <li>• Increased engagement in cultural activities</li> <li>• Increased business confidence and investment in Ashington</li> <li>• Improved pride in place and positive perceptions of Ashington</li> </ul>

### 4 Conditions:

Should NTCA approve project funding, the following conditions are proposed as part of any funding agreement:

- Condition 1      **Funding is approved in 2 phases.** Phase 1 would provide funding to enable demolition works to proceed. Provision could then be made for the repayment of this funding if the wider scheme does not progress.
- Condition 2      **Phase 2 funding would then be signed off once RIBA Stage 4 has been achieved** and a new cost plan and timetable produced which re-confirms the ability to complete the project and the continued participation of DLUHC, alignment of funding and confirmation of any required funding from NCC.
- Condition 4      Any cost increases will be covered by NCC.

**5. Potential Impact on Objectives:**

- 5.1      These projects relate to supporting economic activities which are highlighted in the Devolution Deal, with the Northumberland Line identified as being a key economic corridor.

**6. Key Risks:**

- 6.1.      The risks associated with this application are mitigated through funding conditions. These include receipt of a full, detailed cost plan; project phasing and associated progress assessment.

**7. Financial and Other Resources Implications:**

- 7.1      The allocation for this project was set out and approved at Cabinet in September 2023 and at Investment Panel in April 2023, endorsed by Cabinet June 2023. This will be the final allocation made from this £10m NTCA NLEC Investment Fund pot.

**8. Legal Implications:**

- 8.1      The comments of the Interim Monitoring Officer are included in the report.

**9. Equalities Implications:**

- 9.1      NTCA is committed to driving equality and diversity. The measures contained within this paper will help the NTCA meet its duties under the Equality Act 2010, particularly around advancing equality of opportunity for those with protected characteristics, particularly with regard to socio-economic background.

**10. Inclusive Economy Implications:**

- 10.1      The project sets out a range of interventions that will hugely help the local economy in Ashington; help secure local jobs and apprenticeships (as per KPIs) and will, in an inclusive manner, providing opportunities for communities to access high quality jobs and business opportunities.

**11. Climate Change Implications:**

- 11.1      The improvement of Ashington will not only improve the attractiveness of the new sustainable and accessible public transport train service but will serve to attract local people into the town centre and out of vehicular travel to other destinations.

**12. Consultation and Engagement:**

- 12.1      Extensive consultation has been undertaken locally in Ashington, via the Council and their wider partners, and with all relevant stakeholders, pertaining to the new train service and Ashington's regeneration programme.

**13. Appendices**

None

**14. Background Papers:**

<https://www.northoftyne-ca.gov.uk/wp-content/uploads/2023/01/Minutes-for-Website.pdf>

**15. Contact Officers**

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**16. Sign-off**

1) Mayor and Portfolio holder Yes – Portfolio Holder at Investment Panel	2) Director/SMT Yes	3) Chief Finance Officer: Yes	4) Monitoring Officer: Yes	5) Head of Paid Service: Yes
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