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**Title:** Redhills Revealed  
**Portfolio:** Home to a Growing and Vibrant Economy  
**Responsible Director:** Phil Witcherley, Director of Economic Growth and Innovation  
**Report Author:** Martin Wood, Economy and Policy Adviser

## Report Summary

The purpose of this report is to seek approval to award £358,274 of grant funding from the North East Combined Authority (North East CA) Investment Fund to Redhills CIO for the Redhills Revealed project. This is a major capital and cultural regeneration programme to restore and renew the Miners' Hall, deliver a sensitive new build extension, conserve heritage collections, and re-establish Redhills as a hub for culture, heritage, civic participation and community wealth building across County Durham and the wider North East. The grant will address a funding shortfall arising from unforeseen capital costs and wider inflationary pressures encountered during delivery.

## Recommendations

The Chief Executive is recommended to:

- Approve a grant of £358,274 to Redhills CIO from the North East Combined Authority Investment Fund; and
- Authorise officers to enter into a Grant Funding Agreement, subject to the conditions set out in this report.

## A. Summary of Investment Proposal (Context)

### 1. Background

- 1.1 Redhills (Durham Miners' Hall) is a Grade II listed heritage asset of national significance, located in Durham City Centre. The building has historic importance as the home of the Pitman's Parliament and has been recognised by Historic England as one of the UK's "Irreplaceable Places".
- 1.2 The Redhills Revealed project is a major capital and cultural regeneration programme to restore and renew the Miners' Hall, deliver a sensitive new-build extension, conserve heritage collections, and re-establish Redhills as a hub for culture, heritage, civic participation and community wealth building across County Durham and the wider North East.
- 1.3 The project has attracted substantial investment from a wide range of funders, including the National Lottery Heritage Fund, Durham County Council, trades unions, trusts and charitable foundations. Total project costs are £14.19m, of which £13.83m is confirmed match funding.
- 1.4 In early 2025, following discussions with the Mayor, Redhills CIO approached the North East Combined Authority seeking a contribution from our Investment Fund towards the cost of restoring the historic building.
- 1.5 Officers agreed to consider the request through the Investment Fund, subject to full appraisal.

### 2. The Investment Proposal

- 2.1 Redhills CIO requested £358,274 from the North East Combined Authority Investment Fund in August 2025 (an intervention rate of approximately 2.5% against the total project value).

- 2.2 They have subsequently taken possession of the Durham Miners Hall and are open and operating. Demands on their cash-flow over the next six months means that without this North East Combined Authority funding, they would be unable to draw down the final tranche of NLHF funding. This would undermine viability and delay significantly their break-even date.

### 3. Outputs and Outcomes

Outputs	24/25	25/26	26/27	Total
Number of properties with low or zero carbon energy infrastructure units installed	1			1
Area of site reclaimed, (re)developed or assembled	1365m <sup>2</sup>			1365m <sup>2</sup>

Description of Outcomes	Timeframe for achievement	Totals
Direct jobs safeguarded	24/25	3
Direct jobs created	25/26	7.5
Indirect jobs created	25/26	2
Increase in GVA/productivity		

### 4. Timetable for Implementation

- 4.1 All outputs have been achieved.
- 4.2 This report seeks retrospective approval for a project that is now complete and operational. For the purposes of this delegated decision, both the eligible expenditure date and the project start date are confirmed as 1 April 2025.

### 5. Appraisal

- 5.1 The proposal has been subject to a Small-Scale Appraisal (NE0063) in line with North East Combined Authority assurance requirements and the HM Treasury Five Case Model.
- 5.2 The appraisal assessed the Strategic, Economic and Commercial Case as GREEN.
- 5.3 The project demonstrates strong alignment with North East Combined Authority priorities, including:
- Inclusive economic growth and community wealth building;
  - Culture, heritage and the creative industries;
  - Skills, participation and civic engagement;
  - Regeneration and placemaking;
  - Net Zero ambitions.
- 5.4 The appraisal confirms that the project is unique, with no comparable provision, and that it delivers significant social value and long-term public benefit relative to the scale of North East Combined Authority investment.
- 5.5 The Financial and Management Case was also assessed as GREEN.
- 5.6 When the project was appraised, the following was confirmed:
- Total project costs of £14.19m, with substantial secured match funding;
  - A low intervention rate, representing good value for money;

- The project was at a late stage of delivery, with capital costs largely finalised and scrutinised by professional quantity surveyors;
- Appropriate governance and management arrangements within Redhills CIO.

5.7 Since the appraisal, the work has been completed and the building is operational. Consideration of their updated financial forecasts suggests that, with the North East Combined Authority's support, the project will have a positive overall working capital position of at the end of September 2026. Looking further ahead, their cash position will be improved by the final tranche of Heritage Lottery Funding, helping them build up to a 3-month level of reserves, whilst the project is expected to make a net operating profit of around £50,000 in 2027/28.

5.8 Given the overall scale of the project and the low intervention rate, the appraisal recommended that an external auditor's report is required to validate project expenditure prior to the release of North East Combined Authority funds.

## 6. RAG Assessment

Overall RAG assessment		
Risk Rating	Strategic case	Green
	Commercial case	Green
	Economic case	Green
	Financial case	Green
	Management case	Green
	<b>Overall rating</b>	<b>Green</b>

## 7. Recommended Conditions of Funding

The award of funding would be **subject to the following proposed funding conditions.**

No.	Condition
1	Submission of an external auditor's report validating the overall project cost of £14.19m prior to the release of grant funding.

## B. Potential Impact on North East Combined Authority Objectives

The Redhills Revealed project directly contributes to NECA's strategic priorities by:

- Restoring a nationally significant heritage asset as a living hub for community wealth building.
- Delivering measurable outcomes in skills, inclusion, housing, and regeneration.
- Supporting cultural and creative growth while boosting the visitor economy.
- Strengthening civic participation and community voice, rooted in the historic Pitman's Parliament.
- Aligning with devolution commitments around inclusive growth, culture, skills, housing, and sustainability.

## C. Key risks

A summary of key risks relating to the investment proposal is included below:

The principal risk addressed by the proposed grant is the risk of a funding gap at a late stage of delivery, which could otherwise compromise practical completion and early operational viability.

This risk is mitigated through:

- The low intervention rate;
- The requirement for independent verification of project costs;
- The inclusion of appropriate grant conditions;
- The project's advanced stage and strong delivery track record.

No significant additional delivery risks have been identified.

## D. Corporate Implications

### D1. Financial and other resources implications

The financial summary for the project/programme is included below:

	<b>TOTAL ELIGIBLE EXPENDITURE BY FUNDING SOURCE</b>
North East CA Investment Fund Capital	£358,274
<b>Total North East CA</b>	<b>£358,274</b>
Other Capital Match <i>DCC</i>	£1,637,656
Other Capital Match <i>NEA Ciswo</i>	£590,400
Other Capital Match <i>Garfield Weston</i>	£300,000
Other Capital Match <i>Trade Unions</i>	£574,686
Other Capital Match <i>Kirby Lang</i>	£10,000
Other Capital Match <i>Pilgrim Trust</i>	£26,290
Other Capital DMA	£1,500,000
Other Capital Community Ownership	£234,305
Other Revenue Match <i>NLHF</i>	£8,960,590
<b>Total Match</b>	<b>£13,833,927</b>
<b>Total Capital</b>	<b>£1,495,930</b>
<b>Total Revenue</b>	<b>£8,960,590</b>
<b>Proposal Total</b>	<b>£14,192,201</b>
<b>NECA Grant Rate %</b>	<b>2.52%</b>

### D2. Legal implications

The Monitoring Officer has been consulted on this report. The applicant has submitted its assessment of how the proposed award of funding complies with the Subsidy Control Act 2022. The North East CA will carry out its own assessment of these issues and the completion of the grant funding agreement will be subject to that assessment.

### D3. Equalities implications

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010.

The project contributes positively to inclusive growth, community participation and cultural access across former coalfield communities.

The appraisal confirms that an Equalities Impact Assessment is not required for this proposal.

**D4. Consultation and engagement**

The funding request was discussed at the North East CA's Senior Leadership Team meeting on 19/02/2025.

**E. Appendices**

None

**F. Background papers**

None

**G. Contact officers**

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**H. Glossary**

NLHF – National Lottery Heritage Fund

North East CA – North East Combined Authority

**I. Consultee**

Cabinet Member:	Director/Head of Service:	Director of Finance and Investment:	Monitoring Officer:
Yes	Yes	Yes	Yes