

# North Yorkshire Council

## Executive

5 November 2024

### Catterick Garrison Town Centre Regeneration – Levelling Up Fund Project

#### Report of the Corporate Director Community Development

This report contains a confidential Appendix which contains information of the type defined in paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 (as amended) as it contains information relating to the financial and business affairs of the Council and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

#### **1.0 PURPOSE OF REPORT**

1.1 To seek approval from the Executive to:

- 1.1.1 enter into the construction contract to carry out the Catterick Garrison Town Centre Regeneration Project on the terms principally contained in this report; and
- 1.1.2 delegate to the Corporate Director of Resources in consultation with the Corporate Director of Community Development and Assistant Chief Executive Legal and Democratic Services to agree the final terms of the construction contract within the established budget.

#### **2.0 SUMMARY**

- 2.1 This report provides an update on the Catterick Garrison Regeneration Project, and in particular the progress the council and the Defence Infrastructure Organisation (DIO) have made against the pre-construction conditions contained in the Collaboration Agreement (CA) overseeing the delivery of the Project.
- 2.2 A procurement process has been undertaken by the council to select a contractor and the council has been working with the selected contractor, Willmott Dixon, as part of the early contractor involvement stage. The council is now in a position to agree the final terms of the construction contract with a view to commencing on site in January 2025.

#### **3.0 BACKGROUND**

- 3.1 The Catterick Regeneration Project is aimed at regenerating part of Catterick Garrison Town Centre and is part of a wider general aim to improve Catterick Garrison Town Centre for residents.
  - 3.2 The project's vision is to transform Shute Road into an attractive, vibrant and inclusive town centre via the creation of a new town square with a community and enterprise facility and the rejuvenation of Coronation Park. This will provide a desirable, well-connected, dynamic place to meet and relax. To deliver on this vision, the town centre regeneration project is comprised of three core elements:
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<b>Project 1: Accessibility and Connectivity</b> (Transport infrastructure interventions)	
1a	<b>Pedestrian crossing improvements</b> To improve green transport routes in and around the Catterick Garrison area. Two broad locations for the pedestrian crossings have been identified for potential improvement works on A6136 Richmond Road. These two locations include the, <ul style="list-style-type: none"> <li>▪ Northern Crossing – Consideration is being given to the existing staggered pedestrian crossing facility associated with Gough Road / A6136 Richmond Road traffic signal-controlled T junction), and</li> <li>▪ Southern Crossing – Close proximity of the ‘Aldi’ food-store access from A6136 Richmond Road.</li> </ul>
1b	<b>Cycling infrastructure improvements</b> To enhance key paths and cycle ways through Coronation Park and on the approach to the town centre. Existing routes will be upgraded and new sections established where gaps currently exist in the network.  Proposed improvement works focus on the Catterick Road to Coronation Park corridor and routes through Coronation Park.

<b>Project 2: Public Realm and Landscape</b> (Community infrastructure interventions)	
2a.	Creation of a new town square (circa 1860sqm of new and enhanced public realm)
2b.	Creation of a new pedestrian link between Richmond Road and Shute Road – featured ramped accessible walkway.
2c.	Upgrade Coronation Park to include new play areas, active spaces, community garden area and walking routes.
2d.	Strengthening green links to the parkland by drawing the landscape from Coronation Park through Shute Road to Richmond Road
2e.	Installation of Ground Source Heat Pumps under the town square.

<b>Project 3: Mixed Use Community and Enterprise Facility</b> (Community infrastructure interventions)	
3a.	Demolition of four buildings and site clearance works.
3b.	New build – one central building divided into three parts, <ul style="list-style-type: none"> <li>▪ Community and Enterprise Facility. (1,250sqm with rentable office space (2nd floor), community spaces (1st floor) and food and beverage kiosks and seating (Ground floor))</li> <li>▪ Double height - Glass Pavilion (283sqm for indoor community seating and food and beverage kiosks).</li> <li>▪ Shaded canopy to outdoor seating area and retail use. (609sqm)</li> </ul>
3c.	New car parking spaces to the south of the new Community and Enterprise Facility.
3d.	Installation of photovoltaics to the roof area of the Community and Enterprise Facility building.

3.3 In August 2022 a Levelling Up Fund (LUF) bid was submitted for the project which represented a joint working initiative between Richmondshire District Council, North Yorkshire County Council, the Ministry of Defence (MoD) and the DIO. Following notification of the bid’s success, the council’s Executive resolved on 30 May 2023 to accept the LUF grant offer of £19.0m of capital grant funding from Ministry of Housing

Communities and Local Government (MHCLG) for the delivery of the Catterick Garrison Regeneration Project.

- 3.4 The Catterick Garrison Regeneration Project is designed to act as a catalyst to the DIO's wider Catterick Town Centre town centre commercial and residential development (Phase 2).
- 3.5 The council and the DIO have entered into a Collaboration Agreement which oversees the land transfer from MOD ownership to NYC on a 125-year lease and the delivery of LUF development. By the terms of the Collaboration Agreement the following conditions must be satisfied prior to the Land Transfer and before the development commences on site:
- i. The DIO obtaining vacant possession of the LUF project site in accordance with the LUF programme. This has now been completed, April 2024.
  - ii. The DIO carrying out demolition works of certain buildings at the LUF project site in accordance with the LUF programme and, to the satisfaction of the Council. Currently in progress and due to complete December 2024.
  - iii. The Council applying for and obtaining satisfactory planning permission for the project works, currently in progress and due to complete November 2024
  - iv. The Council obtaining any necessary statutory orders for the project works, All Statutory Orders are obtained, road closure permits in place and Road Safety Audit completed. October 2024
  - v. The Council carrying out any necessary enabling works to the LUF site such as site surveys, temporary traffic management works, footpath diversions etc. In progress with only one survey left to conduct upon completion of demolition works (Confirmation Topographical Survey to confirm extent of DIO demolition works meet the requirements of the CA prior to Land transfer).
  - vi. The Council entering into contract with its appointed contractor to carry out the project works. In progress with a Pre-Construction Service Agreement already in place to support. Final cost plan 9<sup>th</sup> December 2024 and delegated authority to approve the contract to enable a timely completion and start on site.
- 3.6 Once demolition has completed, and confirmatory surveys have been conducted the DIO will grant the council a long lease of the site at a peppercorn rent (125 years). On completion of the works the council will take responsibility for the completed project with DIO making financial contributions for the maintenance of the park and public realm elements of the project up until the completion and full occupation of its Phase 2 development.

#### **4.0 PRE-CONSTRUCTION CONDITIONS**

- 4.1 The council and the DIO have been working in partnership through the C A to satisfy the pre-construction conditions associated with the LUF project. The project has experienced some delay due to issues associated with the discharge of conditions linked to the DIO's demolition works however the project still remains deliverable within MHCLG's required timescales. Officers are however keen to ensure that the council is in a position to commence works in January 2025 to ensure the works completion date meets the funding deadline of March 2026.
- 4.2 Satisfactory planning consent for the LUF scheme. including the DIO's demolition works, was obtained in March 2024. Since then, the council, through its appointed consultant Align Property Partners, has carried out all necessary pre-construction works and surveys associated with the project and are in the process of obtaining the requisite traffic regulation orders.

- 4.3 The DIO achieved vacant possession of the LUF site in April 2024 and discharged all of the pre commencement planning conditions associated with the demolition works in July 2024. All necessary preparatory work has been completed, including ecological surveys and the demolition works commenced mid-October 2024 and are due to complete December 2024.
- 4.4 A requirement of the MHCLG grant is securing match funding contributions from local partners including the DIO. Richmondshire District Council and North Yorkshire County Council made direct financial contributions and the DIO's contribution is by way of land value of circa 4 acres, representing the project site as well as a capital expenditure on demolition and compensation costs associated with the scheme. The council has obtained an independent valuation of the LUF site, compensation amounts and demolition costs from the DIO to enable NYC to confirm that the match funding contributions of the grant have been met.
- 4.5 The only remaining pre-construction conditions to be satisfied, prior to commencement on site, is the Demolition Works, Prior Planning approvals, final confirmatory surveys and the appointment by the council of the contractor to carry out the project works. All these conditions will be met and finalised well within the project timelines and Wilmott Dixon's estimated start on site of January 2025.

## **5.0 CONSTRUCTION CONTRACT**

- 5.1 In September 2023 the Executive Member for Open to Business provided authority for the council to procure a contractor to deliver the works via the YORbuild Major Works Framework. The council undertook a two-stage procurement process with appointment of a contractor for the Early Contractor Involvement stage followed by the agreement of a within budget construction cost including project contingency before being appointed to proceed to the next phase.
- 5.2 Wilmott Dixon Construction Limited was selected as the contractor and in August 2024 commenced the Early Contractor Involvement stage of their contract with the council which has involved assisting Align in finalising the design and providing a fixed construction cost. This stage is due to complete at the beginning of December 2024 which is expected to coincide with the completion of the DIO's demolition works.
- 5.3 Align have provided a cost profile for the scheme which is attached in confidential Appendix A to this report and the estimated total construction contract price of £14.9m. Whilst Willmott Dixon has not yet completed its assessment of the final construction cost for the scheme, its initial tender is within this cost profile. Discussions with the contractor have indicated that this remains more than realistic and achievable. The construction cost profile includes a healthy contingency totalling circa £2m.
- 5.4 The contract with Willmott Dixon Construction will be a fixed lump sum contract however the council will carry the risk of unforeseen changes to scope of works and/or site information. These risks will be accommodated through the contingencies. Due to time constraints associated with the LUF grant funding deadlines, this report seeks approval to delegate the agreement of the final terms of the construction contract to the Corporate Director of Resources in consultation with the Corporate Director of Community Development and Assistant Chief Executive Legal and Democratic Services., to agree the final terms of the construction contract within the established budget. This delegation will include ensuring there is a sufficient contingency to accommodate the project's risks.

## **6.0 ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 The Authority does not hold the required capabilities in-house to be able to construct the project on site and NY Highways are not able to deliver the build.

## **7.0 FINANCIAL IMPLICATIONS**

- 7.1 The council was awarded £19.0m of capital grant funding from the Department of Levelling Up, Housing and Communities (renamed as MHCLG) in respect of the Catterick Garrison Town Centre Regeneration Project.
- 7.2 In December 2023 the council's Executive gave approval to enter into the C A with the DIO to deliver the scheme. By entering into the CA and Lease with the DIO, subject to satisfaction of the various conditions, the Council committed to delivering the three core elements of the Catterick Garrison Regeneration Project in accordance with the LUF grant and being responsible for all cost overruns associated with the project and maintenance costs, with the proviso that maintenance costs for the parks and public realm elements will be recoverable from the DIO until Phase Two is completed and fully occupied.
- 7.3 The cost of the capital works pursuant to Willmott Dixon's construction contract will be within the established budget for the Catterick Garrison Town Centre Regeneration Project and the LUF grant. In the event that the proposed construction contract price from Willmott Dixon exceeds Align's current cost profile totalling £14.9m Willmott Dixon and Align will undertake a value engineering exercise to ensure there is sufficient contingency within the contract price to deliver the scheme. This is however not expected to be required.
- 7.4 The scheme includes the construction of a mixed use Community and Enterprise Facility. The council has carried out a soft marketing exercise to identify potential operators of the facility and is also reviewing the potential to operate the facility in house. Further approval will be sought on the operating model and any associated financial implications to the Council.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 The Council has general powers to undertake regeneration projects such as the Catterick Garrison Town Centre Regeneration Project pursuant to the general power of competence contained in the Localism Act 2011 as well as the wellbeing provisions in the Local Government Act 2000.
- 8.2 This report seeks approval to enter into the construction contract with Willmott Dixon which has been procured via the YORbuild framework. The terms of the construction contract will be a fixed lump sum contract however the council will carry the risk of changes to the scope of works and any unforeseen site conditions. Align will manage the contract on behalf of the council and have commissioned a number of site surveys to mitigate the council's risk.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 An equalities impact assessment has been undertaken and identified no negative impacts on people with protected characteristics. The form is attached in Appendix B. The project is intended to support people with disabilities through the provision of a changing place.

## **10.0 CLIMATE CHANGE IMPLICATIONS**

10.1 There has been a climate change impact assessment undertaken. This is attached as Appendix C. This has identified some minor climate impact in terms of carbon emissions during construction. The whole project however will feature renewable energy and state of the art building construction methods which will contribute a positive impact on carbon emissions through generating more energy than the facility uses. Updated and current Building efficiency rating of A+ with a Net Zero achievement regarding Carbon Footprint. In addition, the project has a community garden which will be used for food and flower growing supporting pollinators and reducing food miles. There has been attention paid to connecting paths and cycleways with networks running from housing and schools to the town centre through the park. Investment in these cycleways will encourage active travel.

## **11.0 REASONS FOR RECOMMENDATIONS**

11.1 To allow the Council to enter into the construction contract to facilitate the delivery of the LUF Catterick Garrison Town Centre Regeneration Project.

## **12.0 RECOMMENDATION(S)**

To seek approval from the Executive to:

- 12.1 enter into the construction contract to carry out the Catterick Garrison Town Centre Regeneration Project on the terms principally contained in this report; and
- 12.2 delegate to the Corporate Director of Resources in consultation with the Corporate Director of Community Development and Assistant Chief Executive Legal and Democratic Services to agree the final terms of the construction contract, within the established budget.

### **APPENDICES:**

Appendix A – Cost Profile (Confidential)  
Appendix B – Equality Impact Assessment  
Appendix C – Climate Change Impact Assessment

Catterick Town Centre Regeneration – Levelling Up Fund Project (30 May 2023)  
Levelling Up Fund – Catterick Garrison Town Centre Regeneration Project –  
Submission of Construction Tender (15 September 2023)  
Levelling Up Fund – Catterick Garrison Town Centre Regeneration Project –  
Submission of Building Operator Tender (15 September 2023)  
Catterick Garrison Town Centre Regeneration – Levelling Up Fund Project (12 December 2023)

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