

# Coastal Communities Fund Stage II Application

## Part 1: Business Case



September 2012



### PART 1: BUSINESS CASE

#### 1. Executive Summary

1.1 Sunderland's Seafront represents one of the city's finest natural assets, providing a unique location in which to grow and diversify the Sunderland economy. The Seaburn Masterplan Delivery Project will be critical to the next phase of regeneration, enabling the comprehensive redevelopment of the Ocean Park and Promenade areas of Seaburn for leisure-led, mixed-use development over 16.7 hectares.

1.2 The need to reinvigorate the seafront represents a strategic priority for Sunderland City Council. Launched in 2009 and supported by a robust strategic and policy platform, the Seafront Regeneration Project is an ambitious plan to reinvigorate Sunderland's tired but popular twin resorts of Roker and Seaburn. Since then the City Council has invested £2.9m at the seafront on strategic acquisitions, improvements to the public realm and visitor infrastructure.

1.3 Endorsement of this project by the Sunderland Partnership, the City Council's Cabinet and Executive Management Team demonstrates strong commitment to the transformation of Sunderland's Seafront.

1.4 Coastal Communities Funding – matched with the City Council's own resources - is sought for:

- Improvements to Seaburn Promenade and events infrastructure to support the location of new businesses in the area
  - Reconfiguration of highway infrastructure to increase capacity for future development of Seaburn Ocean Park
  - Sustainable drainage feasibility study and implementation of green infrastructure works, to overcome site floodrisk constraints
- A Plan identifying the Seaburn Study area and the location of the proposed infrastructure works can be viewed in Appendix A.
- 1.5 CCF grant support towards the project will have a significant impact, unlocking the Seaburn Ocean Park site for comprehensive re-development and improvement by a private sector development partner over the next 6.5 years:
- Enabling 53,000sqm high quality and sustainable mixed-use leisure-led development incorporating 267 residential homes
  - Leveraging £78m of private sector investment and creating additional follow-on local business growth
  - Providing 721 Direct FTE jobs; 525 construction jobs directly, indirectly or through the supply chain and 1460 FTE construction jobs and new training opportunities for residents of the city.
  - Rejuvenating a well-loved coastal destination for the community of Sunderland



- Harnessing one of the city's most treasured assets to provide an additional draw to visitors of the City and region

1.6 The project budget is £2.7m and is to be delivered using a combination of Coastal Communities Funding and City Council's own resource. The project will consist of 3 phases of capital works and feasibility work towards developing and implementing a sustainable drainage strategy and green infrastructure works. A project summary is set out opposite.

1.7 A more comprehensive breakdown of project budgets and timescales can be found the Capital Cost Plan and section 5 of this Business Case..

1.8 The project has and continues to be shaped by effective and robust engagement with stakeholders and partners.

1.9 Innovative and far-reaching consultation techniques have given the project team insight into the local community's aspirations for the area. As the different elements of the Seafront regeneration project progress, the City Council continues to engage with stakeholders to refine detailed proposals as they come forward.

1.10 Rigorous project management and governance arrangements and strong partnerships have been established with representatives from the public, private and voluntary sectors. Regular project briefings and a multidisciplinary project group established at the outset will continue to steer and guide the project.

Phase	Cost of works	Budget source	Timetable for implementation
Phase I Seaburn Promenade Improvements	£600K	<ul style="list-style-type: none"> <li>▪ CCF £2m</li> <li>▪ City Council match 700K</li> </ul>	Start on site: January 2013  Completion: June 2013
Phase II Whitburn Road Carriageway Improvements	£600K	<ul style="list-style-type: none"> <li>▪ CCF £2m</li> <li>▪ City Council match £700k</li> </ul>	Start on site: August 2013  Completion: March 2014
Phase III Realignment of Lowry Road	£1m	<ul style="list-style-type: none"> <li>▪ CCF £2m</li> <li>▪ City Council match £700k</li> </ul>	Start on Site: April 2014  Completion: October 2014
Sustainable drainage feasibility and Green Infrastructure work	£500K	<ul style="list-style-type: none"> <li>▪ CCF £2m</li> <li>▪ City Council match £700k</li> </ul>	Feasibility Work: May – July 2013  Work on site: May - October 2014

1.11 The partnership is confident that we have the right mix of skills and experience to deliver this project on time and to budget.

## 2. Organisation Summary

2.1 Sunderland City Council is the lead organisation for the Seaburn Masterplan project and wider regeneration strategy.

### The City Council

2.2 Sunderland City Council serves a community of 287,000 people in the North East of England. It is a unitary borough, combining parish, district and metropolitan functions, co-ordinating over seven hundred different services through a combination of direct services provision and commissioning of private and voluntary sector agencies.

In summary, its aims are to:

- Create an enterprising and productive global city with a strong and diverse local economy
- Create a city where everyone can be supported to make healthy life and lifestyle choices
- Make Sunderland a place where everyone feels welcome, safe and inclusive
- Create a place with a thriving learning culture
- Ensure Sunderland becomes a clean, green city with a strong culture of sustainability

2.3 Services span a wide range of areas including advice and benefits, business support, community development, council and democracy, education and learning, environment and planning, housing, leisure and culture, health and social care, transport and streets.

2.4 The functional service areas of the Council are carried out by a range of corporate directorates and guided by a corporate governance framework aimed at ensuring that the Council is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

2.5 As with most Local Authorities, key decisions for these service areas are subject to the City Council's democratic decision making processes. Key decisions on the seafront project are reported to and made by the Council's elected members through Committees and Cabinet processes. The City Council's Cabinet meets monthly and has authority to take key decisions about Council policy/services. The Council's Area Committees and scrutiny Committee meet as often as required to make decisions about relevant services for which they are responsible and have delegated authority.

### The Seafront Project team

2.6 The Seaburn Masterplan Delivery Project is overseen by the Planning Implementation Team within the Office of the Chief Executive of the Council.

2.7 The project forms part of the wider Seafront Regeneration project will be implemented under Prince II Project Management Methodology. Clear roles and responsibilities have been identified for members of the project team and established reporting and governance arrangements are in place.

2.8 An overview of the project team and their roles and responsibilities within the Seaburn project can be found below:

#### Programme Management

Colin Clark Head of Property and Planning

Janet Johnson – Deputy Chief Executive

- Overall responsibility and authority for the delivery of the Seaburn Masterplan and Seafront Regeneration Project

#### Project Management

Daniel Hattle - Planning Implementation Technical Manager Project Executive

- Responsible for ensuring that all key decisions affecting the direction of the Seaburn project will contribute to meet project objectives
- Chair of the Seafront Project Group

Ben Winter – Senior Planner  
(Regeneration) Project Manager

- Day-to-day management of the project
- Delivery on budget and on time, and in accordance with the project objectives

#### Project Board

The Seafront Project Group is a multi-disciplinary working group of officers representing Council and other organisations with a stake in the seafront. Chaired by the Project Executive the group will provide the strategic direction for the project as well as the technical expertise and knowledge to drive the project forward. Project group officers supply the project with expertise in key specialist areas including: Resort management and maintenance, events development, tourism, legal and contract management, land and property surveying, financial and risk management, procurement and marketing and communications.

An overview of the key project board suppliers and their responsibilities can be found in section 7.4 of the Capital Delivery Plan. A staff structure diagram can be viewed in Appendix B.

2.9 The project team have been supported by:

- In house landscape design, urban design and engineering teams to work up detailed design proposals.
- External consultants to provide specialist technical expertise related to the delivery of the Seaburn Masterplan:
  - Community Engagement (Planning Aid)
  - Development sustainability (URS Scott Wilson)
  - Low carbon opportunities (DTA consultants)
  - Environmental Management and protection (Argus Ecology);

- Private sector partners to provide a detailed understanding of the market, informing viability and what is realistic and achievable.
- Seafront business forum to provide insight into the issues facing local businesses on a day-to-day basis at Seaburn

#### Experience relevant to the project

2.10 The project team has extensive experience relevant to the project, having overseen the considerable progress already made in renewing Sunderland's seafront since 2009.

- Preparation of seafront regeneration strategy and comprehensive masterplanning work for Roker and Seaburn seafronts, which forms the policy framework for the regeneration of the seafront.
- Project management of the delivery of the first phase improvement works to Marine Walk supported by funding from Sea Change. Interventions include implementation of new artist-designed Roker pier gates, Roker promenade improvements and creation of events space, new feature lighting. Winner of RTPi North East Awards for Achievement, Local Government News Lighting Design Award



Phase one improvements at Roker



- The team has overseen the strategic acquisition of land and buildings at Seaburn as part of a land assembly exercise to facilitate comprehensive redevelopment and carried out soft market testing with the private sector. The procurement of a development partner and will also be overseen by the team

2.11 The project team's previous award-winning work at the seafront demonstrates a proven track record in managing and delivering physical regeneration coastal works. We have gained a comprehensive and detailed understanding of the issues facing Sunderland seafront and formed strong working relationships with many of the agencies, organisations and businesses with a stake in its future.

## Partnerships

2.12 Sunderland has a long history of partnership working. The Sunderland Partnership is the city's Local Strategic Partnership (LSP). Formed in 2005 it brings together the public, private, community and voluntary sectors to work together to achieve success, encourage improvement, and tackle and overcome problems for the benefit of all residents now and in the future. Its main role to date has been the co-ordination of Sunderland's regeneration activity - through the Sunderland Strategy 2008 – 2025, the key document through which partners in Sunderland set out their vision and priorities for the city.

2.13 The Seaburn Masterplan Delivery Project has support from the organisations on the Sunderland Partnership including the University of Sunderland, Northumbria Police, City of Sunderland College, Voluntary and Community Association Sunderland and City Hospitals Sunderland.

2.14 More specifically to the Seafront regeneration project, partnerships have been formed with the local business community and voluntary sector to guide and shape the direction of the project including Sunderland FC's KICKZ project, Planning Aid, the Seafront Business Forum and the Disability Alliance Sunderland.



Local Government News Award for improvements at Roker



### 3. Project background

#### Context and location

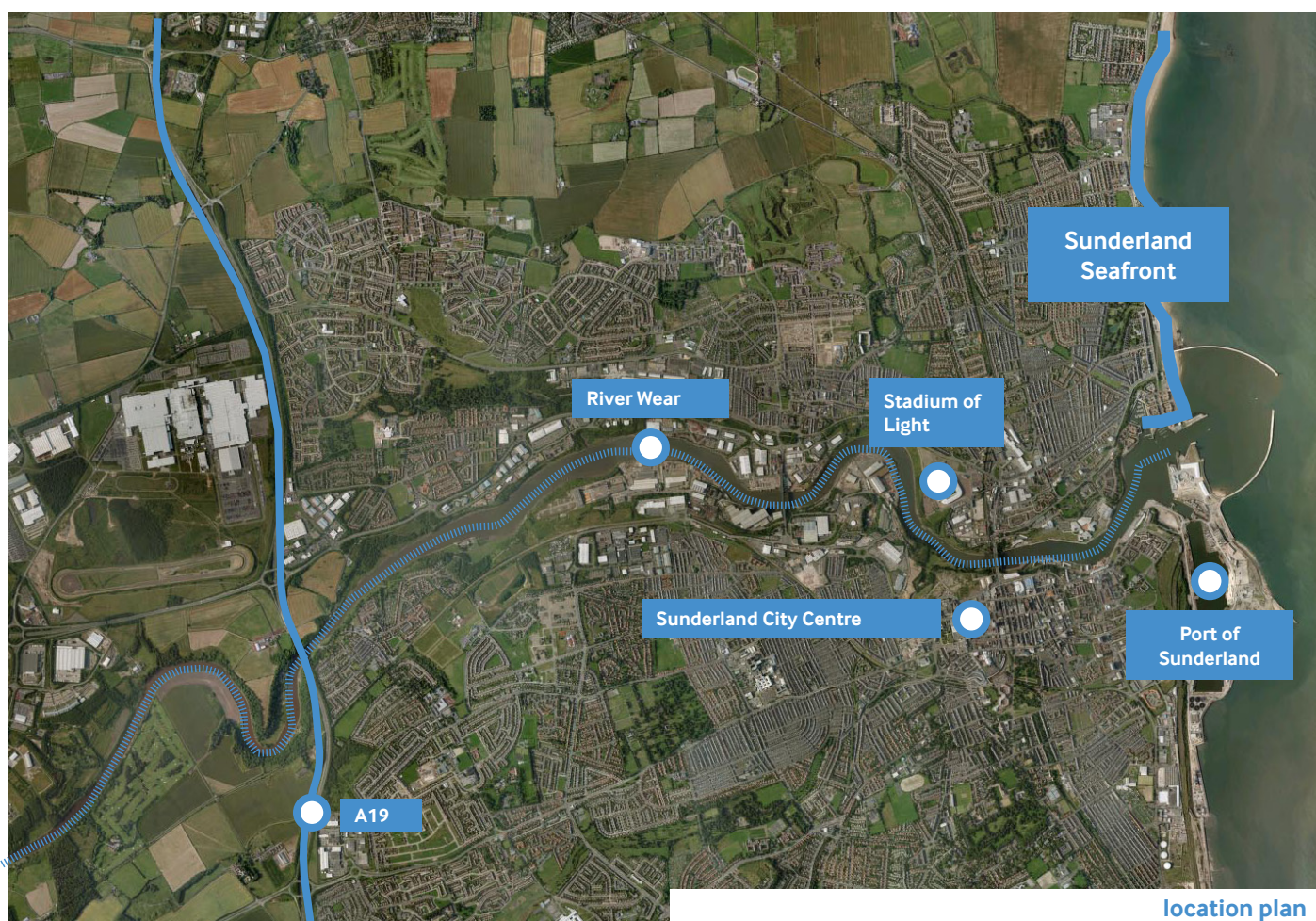
3.1 Sunderland, a City by the sea boasts two stunning beaches and the historic resorts of Seaburn and Roker.

3.2 Both Roker and Seaburn (together known as 'the seafront') are located to the north east of the city, north of the River Wear. The location of Sunderland's Seafront can be viewed in Plan 3.0.

3.3 The Seaburn Masterplan delivery project focuses on the regeneration of the northernmost resort of Seaburn. It forms part of the wider Seafront regeneration project – an ambitious plan to breathe new life into Sunderland's seafront area. The Seaburn (Ocean Park and Seaburn Promenade) 'character areas' of this project can be viewed in plan 3.1. A detailed plan identifying the Seaburn Study area and the location of the 3 phases of proposed works can be viewed in Appendix A.



seafront character areas



location plan



## Project development

### Background

3.4 Since the 1960s, both Roker and Seaburn have suffered decline common to many UK coastal resorts. The fall in demand for domestic holidays and the growing popularity of cheap foreign package holidays took its toll. Visitor numbers fell dramatically towards the late 1970s/early 1980s and so too did the fortunes of Roker and Seaburn. At Seaburn since the mid 1980s many of the original landmarks and attractions including the Seaburn Concert Hall, and more recently the funfair have been demolished.

3.5 Today, Sunderland's seafront does continue to function as a leisure destination and the expansive beaches at both Roker and Seaburn offer much to residents and visitors. Sunderland City Council's 2007 Community Spirit Summer Survey found the seafront to be the most visited and most important green space in the City, with 94% of respondents stating it was important to their quality of life. Some resort facilities such as a hotel, function centre, amusements and restaurants do remain in Seaburn; and the area is the destination for

large-scale events such as the Sunderland International Airshow, Sunderland Marathon and Sunderland 10K run.

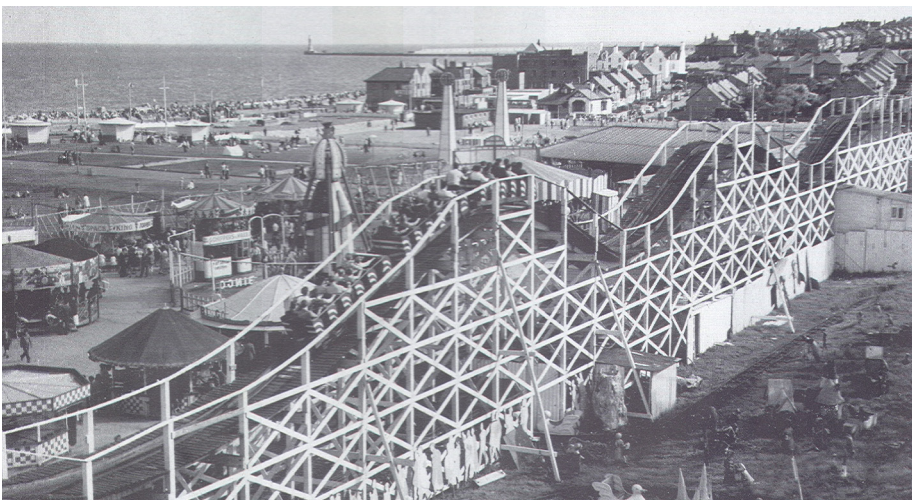
3.6 However, the area has struggled from continuing decline and under investment evidenced by a dated and deteriorating physical environment; and vacant buildings and sites. The same 2007 Community Spirit Summer Survey found the seafront to be the second green space in the city most in need of improvement.

### Consultation city wide, research and outcomes

3.7 The acknowledgement of the need to address the issues faced by the Seafront, coupled with growing corporate and strategic commitment to regenerate and realise the potential of the area led to the formation of the Seafront Regeneration project in 2009..

3.8 The Seafront Regeneration project was kick started by an extensive city-wide consultation between 16 February and 3 April 2009 to find out what the people who live in, work in and visit Sunderland felt should be the vision for the future of their seafront.

3.9 Support was enlisted from Planning Aid North East and the Council's in-house Consultation Team to help facilitate workshops with residents and local businesses across the city. These workshops involved hands-on activities, which encouraged participants to consider different aspects of the seafront's regeneration. To ensure hard to reach groups were involved in the consultation the Council also undertook workshops with a number of Independent Advisory Groups (IAGs) including the Disability Alliance of Sunderland, Young People IAG and Older People IAG. These workshops were tailored to the needs of each group. For example council officers took the Disability Alliance of Sunderland on a site visit of the seafront, to be shown first hand some the particular issues disabled people face when using the Seafront area.



Roller coaster at Seaburn 1960s





3.10 The consultation process provided officers with a valuable insight into the community's aspirations for the seafront area and generated over 2,500 written responses, one of the highest responses to a consultation ever received by the Council. The results of the consultation demonstrated an overwhelming desire to transform the fortunes of the seafront and were recorded in a findings report which was made available to the public on the council's website and in local libraries.

3.11 An Issues and Options Report was prepared by regeneration officers to provide a comprehensive overview of the issues facing the Roker and Seaburn area. Through SWOT Analysis methodology the report was able to identify key regeneration priorities facing the seafront.

3.12 The outcomes of the consultation and Issues and Options Report were to inform the basis for the robust policy platform, which underpins the Seafront Regeneration project. This includes: the overarching Seafront Regeneration Strategy (2010), prepared to guide the regeneration of both Roker and Seaburn; the Marine Walk (Roker) Masterplan Supplementary Planning Document (2010); and Seaburn Masterplan and Design Code Supplementary Planning Document (2011).

3.13 Further information on the consultation outcomes as well as an in depth review of the issues facing the Seaburn area can be found in these documents, which are included in the supplementary information accompanying this Business Case.

### **Building on learning from existing projects**

3.14 Since the consultation on the Seafront project, the project team has been successful in delivering the first phase of the Marine Walk Masterplan at Roker - including new artist-designed Pier gates, major public realm and landscaping improvements and an award-winning lighting scheme. An initial set of public realm works at Seaburn Promenade are complete and planning permission and a development partner have been secured for the redevelopment of the Seaburn seating shelter for a mixed café restaurant use.

3.15 The success of the project team's work to date has enabled the development of strong working relationships and partnerships with local stakeholders, the voluntary and private sector. These partnerships and the multi-disciplinary expertise they provide will be vital to the delivery of the Seaburn project.

3.16 The work to date at the seafront has afforded the project team and their partners crucial experience and understanding of the particular issues faced by Sunderland's Seafront. The lessons learned from previous projects will also inform the development and management of the Seaburn project.

3.18 Our work so far has involved extensive consultation and participation as well as the development of a growing events calendar at the seafront. Sunderland residents' increased awareness, pride and ownership of the seafront has generated a level of support which will be fundamental to the success of the Seaburn Masterplan Delivery project .

3.19 The seafront regeneration project has built up significant momentum. Coastal Communities funding support will be critical in enabling the next phase of regeneration at Seaburn, unlocking the area for major redevelopment, and continuing the rejuvenation of this much loved destination.



**Phase one improvements at Roker**

## 4. Strategic Context

### Strategic Gaps

#### Sunderland

4.1 Whilst Sunderland's economy adjusted to the decline of traditional industries in recent decades, the city still suffers from serious deprivation, and worklessness. Unemployment remains considerably higher than the UK average. Just over one in five of the working age population within Sunderland are claiming benefits, a high proportion of which are considered long term workless.

4.2 A reliance on the public sector and a narrow range of large scale employers - many of which are located out of town - coupled with a lack of indigenous new business start ups and a decline in city centre private sector growth has hindered the development of improved shopping, leisure and cultural facilities in the city centre.

4.3 Sunderland continues to suffer from a relatively low skills base and low average earnings. Whilst this is improving, educational attainment remains lower than the national average and career opportunities for higher skilled residents are limited to a narrow range of sectors. Economic diversification is therefore a key priority for the city in order to create a broader range of jobs and attract new residents and investment to the city.

4.4 Population decline has slowed in Sunderland since 2008; however, the city has continued to lose younger people and young families, particularly in the 15-29 age groups, largely because of the lack of employment opportunities, poor cultural and shopping attractions and a weak housing market. Housing choice is limited and has not kept pace with rising aspirations and incomes. In particular there is a shortfall of larger family and executive type homes.

#### Seafront and Seaburn

4.5 The waning popularity of British coastal resorts generally and lack of investment by the private and constrained public sector have all contributed to the decline in fortunes of Sunderland's seafront. The research and consultation outlined in section 3 identified the following gaps in existing provision affecting the seafront:

- There continues to be a lack of high quality indoor family entertainment and leisure facilities for visitors to the seafront
- The closure of visitor facilities in the past and introduction of modern individual developments such as a supermarket and leisure centre has resulted in a poor commercial mix inappropriate for the coastal location, a fragmented and disjointed built form; and vacant sites leading to a lack of presence and lack of a coherent identity
- Traffic Management issues exist across the seafront area particularly in relation to congestion and parking. A busy coast road separates the beach areas from commercial facilities and represents a barrier to pedestrians. Accessibility to existing local business is compromised
- The promenade and areas of public space have suffered from the lack of investment and are of particularly poor quality, creating a poor first impression to visitors and potential investors; and presenting access issues for the less mobile



Ocean Park, Seaburn



- Large areas of poorly maintained and underused 'backland' areas of green space fail to support and integrate with surrounding habitats and the wider route networks. Due to their under use, anti-social behaviour is an issue
- Flood risk and drainage issues including areas within Floodzone 3B
- constrain the future development of the area
- The housing market at the seafront area is pressured. The area has a higher number of larger residential dwellings than the rest of the city and as a result is a sought after location for family sized dwellings. However demand exceeds supply. A larger number of older persons reside in larger homes with little opportunity to downsize. With a lack of house building in the area, there is the need to address this housing imbalance and cause of out migration

4.7 Soft market testing by the City Council has shown that private sector interest in the area does exist and there is development potential for a range of commercial uses associated with the seafront including specialist retail, food and drink uses, modest indoor leisure facilities and some guest accommodation. However activity has been hindered by the constraints to Seaburn's Ocean Park Site and a lack of developer confidence as a result of the weak financial climate and property market.

### Meeting Strategic Priorities

4.8 The seafront is widely recognised as a key asset to the city and its regeneration a fundamental component in the future development of Sunderland's economy.

4.9 The 3 phases of the Seaburn Masterplan Delivery Project will facilitate comprehensive redevelopment of the area for a mixed-use leisure led development by introducing vital infrastructure improvements, which will capitalize upon Sunderland's seafront location. The project will address a number of strategic issues faced by the city and the seafront, and aligns itself to national and local strategic policy, as follows:

- The Sunderland Strategy 2008-2025 - The document sets the objective that 'by 2025 Roker and Seaburn will have a key role in providing culture and tourism attractions, creating an attractive, accessible and desirable destination'
- The Sunderland Economic Masterplan - Aim 3 of the Economic Masterplan 'a prosperous and well connected waterfront City Centre' identifies the seafront as a key asset and distinctive feature of the City, which will contribute to the City's unique sense of place and be vital in assisting to achieve economic expansion

- The Seafront Regeneration Strategy (2010) provides the overarching vision for the regeneration of the seafront. The vision for Seaburn is to deliver: '...An attractive, safe, clean and accessible destination for all residents and visitors, of which the people of Sunderland can be proud of. Seaburn will be a family focused resort offering high quality indoor and outdoor facilities, providing activities and events for everyone'
- The Seaburn Masterplan and Design Code (2011) sets out planning and development principles for the area. A design code and indicative layout provide detailed design and planning guidance and identify the opportunity to deliver comprehensive, high quality and sustainable mixed-use leisure-led development
- The National Planning Policy Framework (NPPF) seeks a positive approach to delivering development which would addresses the 3 dimensions of sustainable development - the environmental, economic and social issues faced by Seaburn and Sunderland
- The Flood and Water Management Act (2010) seeks to encourage development which future proofs against the impact of climate change and through the uptake of Sustainable Urban Drainage Systems

## Meeting the needs of the people

The target beneficiaries for the Seaburn Project have been identified through extensive research and public consultation.

4.11 The far-reaching citywide consultation exercise with local residents, stakeholders, elected members and businesses gave City Council officers insight into the issues and perceptions of the seafront

and in turn generated considerable support for the proposals. The extent of the consultation and the overwhelming response rate has given partners confidence that the target beneficiaries will benefit from the project. Further details on the consultation are outlined in section 3.

4.12 A summary of the target beneficiaries and the anticipated benefits for each target group is set out in the table below.

4.13 As the different phases of the Seaburn project progress further consultation will take place with the target beneficiaries to ensure that the project does not lose focus and that the anticipated benefits for the City and community will be realised. Ongoing monitoring and evaluation of the project will also take place. (see section 11).

Target beneficiary	How many	How identified	How they will benefit
All residents of Sunderland	City wide	Extensive public consultation including targeting of hard to reach groups	<ul style="list-style-type: none"> <li>Improved pedestrian environments,</li> <li>Improved accessibility to the seafront</li> <li>Improved leisure opportunities</li> <li>Increased opportunity for events participation</li> <li>Future comprehensive development of the site will deliver new leisure and economic possibilities,</li> <li>Direct and indirect employment</li> <li>Increased pride in the area</li> </ul>
Visitors to the City	National and regional	Extensive public consultation	<ul style="list-style-type: none"> <li>Enhanced pedestrian environments,</li> <li>Improved accessibility to the seafront</li> <li>Improved opportunities for leisure</li> <li>Future comprehensive development of the site - leisure</li> <li>Increased opportunity for events participation</li> </ul>
Existing local businesses at the Seafront, other local businesses, and future businesses	Locally – 50, Citywide	Extensive public Consultation engagement with Seafront Business Forum	<ul style="list-style-type: none"> <li>Improve accessibility to existing businesses, increased residents and visitors to the City and the Seafront,</li> <li>Opportunities for contracts tendering</li> <li>Increased critical mass of businesses through comprehensive redevelopment</li> </ul>



## Options Appraisal

4.14 To address the issues faced by Seaburn, 3 masterplan options were prepared. A thorough options appraisal was carried out including a series of Masterplanning workshop exercises. The strengths and weaknesses of each option were identified in the context of the overall aims and objectives of the seafront regeneration project and the outcomes of the extensive public consultation exercises.

4.15 Options considered were:

- **Minimal intervention:**

Retention of existing businesses and facilities in the current form and limited development of individual sites as they become available

- **Moderate intervention:**

Redevelopment of all existing areas of land under Council ownership and retention of all existing areas of green space

- **Comprehensive redevelopment:**

Increase of developable area to facilitate the comprehensive development and improvement of all areas within the Masterplan boundary

4.16 The outcome of the appraisal demonstrated that a comprehensive approach to the regeneration of Seaburn was required to fully address the objectives of the consultation and Seafront Regeneration strategy. Alternative approaches were considered to have a limited impact which failed to fully address the needs of the area. However it was recognised that the comprehensive approach would require a detailed and robust design platform. A design code therefore accompanies the Seaburn masterplan

4.17 The full options appraisal can be viewed in section 6 of the Seaburn Masterplan and Design Code Supplementary Planning Document, a copy of which accompanies this bid document.

## Addressing CCF Outcomes and priorities

1) Coastal communities are better able to use their assets (physical natural economic cultural and social) to promote sustainable economic growth and jobs

4.18 The delivery of infrastructure to facilitate the comprehensive redevelopment of the site will secure long term economic growth and investment in the area resulting in significant direct and indirect job creation.

4.19 Project interventions will harness Sunderland's best loved natural asset to rejuvenate a popular destination for existing residents and attract new residents and visitors to the area. Improvements will safeguard the area's natural heritage and biodiversity including protecting the unique cannonball limestone rocks and designated wintering birds as well as deliver enhancements to the Mere Knolls SNCI.

4.20 The project will enhance existing and develop new physical and economic assets. Existing local businesses will benefit from a revitalized physical environment and improved accessibility to the area as a direct result of the project. The future comprehensive redevelopment of the area will introduce a high quality destination for residents and visitors and provide new business opportunities.

4.21 The project will reaffirm Seaburn's status as a historic resort by strengthening opportunities for leisure activity and events participation and introduce benefits, relevant to residents throughout the year.

2) Coastal communities have greater capacity to create a sustainable economic future and are better equipped to adapt to change

4.22 The project will deliver economic benefits within the immediate 2 year period and facilitate further economic gains phased over the next 6.5 years by unlocking the area for comprehensive development, resulting in lasting social benefits.

4.23 In facilitating comprehensive development the project will diversify and strengthen an established commercial market and complement the city centre economy in the longer term; as well as play a role in addressing the city's wider housing market needs. Infrastructure works form part of a comprehensive masterplanning approach to the area supported by robust market testing. Development will avoid opportunistic and short-lived forms of development in future.

4.24 Economic growth aspirations will be balanced with the wider environmental and social needs of the area. All phases of the project will utilise sustainably sourced materials. The project will introduce a sustainable drainage strategy, secure much needed sustainable drainage solutions a key area of floodrisk to the south of the site and provide green infrastructure enhancements, which will protect environmentally and ecologically sensitive locations. The wider comprehensive development of the site will deliver ambitious energy efficiency targets, supported by a low carbon strategy and further sustainable drainage measures.

3) Partnerships are developed to support economic innovation enterprise and investment either within a community and or across a number of coastal communities.

4.25 Multi-disciplinary partnership working has been integral to facilitating the project from the outset. The design, implementation and management of the project has brought together professionals from the public, private and voluntary sector; and the local community. With a shared aim to bring about the transformation of Sunderland's Seafront, the Seafront Project Group, Seafront Business Forum and ongoing community consultation continue to shape and drive the project forward.

4) People have more opportunities for training and skills development inc. volunteering.

4.26 It has been established that the future comprehensive development of the area will complement Sunderland AFC's KICKZ youth community project as well as other grassroots initiatives. All elements of construction will require targeted recruitment and training. This targeted approach is designed to assist the local economy and reduce worklessness and social deprivation by targeting employment at priority groups.



### **Benefits of being part of a wider initiative**

4.27 The Seaburn Masterplan Delivery Project will benefit from being part of Sunderland's wider Seafront Regeneration Project.

4.28 Key project management infrastructure is already in place, including the Seafront project group, which oversees the strategic direction of the seafront project. Financial, procurement and risk management arrangements are established and strong, collaborative working relationships exist between partners involved in the project.

4.29 The City Council has a corporate commitment to the transformation of Sunderland's seafront. This is clearly evidenced in local strategic policy; the funding and other assets already committed to the delivery of works; and recent commitment of £700,000 Council resource to match fund the Seaburn project (see section 8). This commitment is set to continue over the lifetime of the project.

4.30 There is considerable public pride in the seafront. Substantial support and ownership of the seafront regeneration project has been generated by ongoing and best practice consultation on the seafront regeneration strategy and community involvement in the projects, which fall under it, particularly in relation to events. The proposals are widely supported by the public.

4.31 Significant progress has been made on the delivery of the Seafront regeneration project. The completed upgrades to the environment and ongoing development of the seafront's events calendar form a platform to complement and enhance the impact of the Seaburn project and demonstrate the ongoing and far reaching revival of Sunderland's seafront to the private sector.

### **Complementary projects and provision**

#### **Projects**

4.32 The seafront has strong physical and historical linkages with St Peter's church and former monastic site (dating from 674 AD) and is integral to the vision for the development of this Candidate World Heritage site. The St Peter's project seeks to enhance links between St Peter's and the sea.

4.33 Improvements to the promenade (phase 1) and works to the Whitburn road area (phase 2a) will provide enhancements to the footpaths and cycle routes, in particular the C2C and North Sea Route 1 to South Shields, strengthening the seafront's position as official end point to the Coast2Coast route.

4.34 Phases 1 and 2a will introduce new and improved signing to improve way-finding. This links to Sunderland's Legible Cities project, which seeks to develop a range of coordinated and distinctive signing across the City.

#### **Provision**

4.35 Local landmarks and natural heritage assets in the area will be enhanced by the Seaburn project, strengthening the area's identity and sense of place.

4.36 Phase 1 of the project will revitalise Seaburn's historic promenade by introducing new opportunities to enjoy the area. The scheme will incorporate the area's rare Limestone Cannonball rock formations. Conversion of the Seaburn Seating shelter to café/restaurant use will breathe new life into a distinctive and well-known local landmark.

4.37 Phase 3 of the project will provide a link to and potentially expand the habitat of an established SNCI adjacent to the Seaburn Masterplan site. The concept, developed with the city Council's Landscape and Natural Heritage teams, is aimed to allow the SNCI to flourish and in the longer term enable the designated area to expand into the Masterplan area.

4.38 The project will complement existing commercial assets in the area. The popular cafes and restaurants at Queens Parade will benefit from an upgraded physical environment and improved access arrangements, which will assist in securing their future. assets in the area will be enhanced by the Seaburn project, strengthening the area's identity and sense of place.

## 5. Project delivery

5.1 The Seaburn Masterplan Delivery Project has emerged from a thorough and detailed masterplanning approach to the regeneration of Seaburn, guided by the overarching vision and principles of the Seafront Regeneration Strategy and Sunderland Economic Masterplan.

5.2 The project consists of 3 phases of infrastructure improvements to be delivered over the period 2013-2015, which will be key to the viability and deliverability of the comprehensive redevelopment of Seaburn Ocean Park identified in the Seaburn Masterplan. The project will progress in conjunction with the procurement of a private sector development partner to deliver a mixed-use leisure led scheme for the site.

5.3 Coastal Communities Funding, together with City Council match is critical to delivering these works and triggering additional development and private investment.

### Detailed description of the project phases

#### Phase 1 – Seaburn Shelter and Seaburn Promenade

5.4 The Coastal Communities Fund will support a £600,000 programme of improvement works to Seaburn Promenade. Works will support the introduction of new start up businesses in the redeveloped Seaburn Shelter by delivering a significantly enhanced visitor environment, and improving the area's capacity to host new events.

#### Issues

5.5 Public consultation, the Seafront Regeneration Strategy, Issues and Options Report and Seaburn Masterplan identified the following issues:

- Deteriorating pedestrian environment and failing infrastructure for disabled persons a dissuasion to potential visitors
- Unattractive Sea defence measures,

- Unsightly, misused and poorly maintained areas of soft landscaping
- Vacant promenade buildings in poor state of repair and attracting antisocial behaviour

#### Proposal

5.6 The City Council has been successful in securing a development partner to lever in £1.2m for the redevelopment of the Seaburn Seating shelter at Seaburn Promenade. Planning approval was secured for the development in November 2011. With works anticipated to start in early 2013, the redevelopment will see the creation of a contemporary high quality mixed-use building incorporating café, bar/restaurant, refurbished public toilets, a Change Place facility and removal of vacant kiosk immediately adjacent.

5.7 The £600,000 Seaburn promenade works are intended support the new business and employment opportunities by introducing improvements to the promenade area and sea wall to provide a much enhanced setting for the Seaburn Shelter development. The project will build on initial promenade improvements completed in July 2011.

5.8 Newly landscaped areas of public realm will be delivered to the north and south of the Seaburn Shelter. The scheme will provide new and improved areas of planting, interpretation and directional signing, formal and informal areas of seating and steps incorporating the unique cannonball rock formations. Viewing



Proposed Seaburn Shelter redevelopment



areas adjacent to the Shelter building and a stepped terrace area towards the promenade will provide the opportunity to sit and linger in the area and enjoy views out to sea. The viewing areas will also be available for use by future businesses for outside seating/dining areas.

5.9 In consultation with the City Council's Events Team, a range of new events infrastructure including electricity and lighting plug in points will be introduced to support the highly successful Sunderland International Airshow and continuing expansion and diversification of the seafront events programme.

5.10 Vital upgrades to the sea wall will protect the future businesses within the shelter development from coastal flooding. Further information on the materials and specification can be found in section 5.1 of the Capital delivery plan.

5.11 A planning application for the proposed promenade works is to be submitted in October 2012, with a decision anticipated in November. Works are scheduled to be concurrent with the build out of the Shelter. Phase 1 of the Seaburn project will support 47 permanent FTE jobs through the Seaburn shelter redevelopment and a further 30 FTE construction jobs.

5.12 Plans of the phase 1 works including the Shelter proposal can be found in the supplementary information accompanying this bid. A project Gantt Chart can be found in Appendix C.

## Phase 2 - Whitburn Road Improvements (Phase 2a) / Lowry Road Realignment (Phase 2b)

5.13 The Coastal Communities Fund will support a £1.6m programme of works to Whitburn Road and Lowry Road at Ocean Park. Improvements to the highway infrastructure are essential to unlock the Ocean Park site for future comprehensive redevelopment, improve accessibility for all visitors to Seaburn, and support local businesses in the area.

### Issues

5.14 Public Consultation, the Seafront Regeneration Strategy, Issues and Options Report and Seaburn Masterplan identified the following issues:

- The current convoluted route of Lowry Road cannot adequately accommodate future development potential at Ocean Park
- High levels of on-street and illegal car parking and fast moving traffic at Whitburn Road represent a significant barrier to pedestrian access to the beach and existing and future commercial areas
- Current daytime parking arrangements have implications for existing local businesses and future occupiers of the development
- Busy coast road and a lack of a gateway creates a lack of presence for businesses at the seafront
- The poor quality of pedestrian environment and failing infrastructure for disabled persons discourages potential visitors
- High number of pedestrian and vehicular accidents (including a recent fatality) at Whitburn Road
- Misaligned cycle route causes conflict with pedestrians and links poorly to C2C finish
- Pedestrian and inter-traffic conflict on Lowry Road around Morrison's store entrance

## Proposal

### Phase 2a Whitburn Road

5.15 Comprehensive improvements to landscaping at Whitburn Road will deliver a widened and improved pedestrian area and reconfigured cycle route incorporating renewed, high quality coherent surface treatments to complement the works undertaken on phase 1 of the project, contributing to the physical transformation of the Seaburn area.

5.16 The Whitburn Road carriageway width will be reduced to 7.3 metres to slow traffic speed and improvements to pedestrian crossings in the area will take place including the introduction of new pedestrian refuge areas. A rationalisation of the current on-street car parking arrangements will also be introduced including the re-positioning of disabled parking and loading bays.

The proposals will support existing and future businesses development by increasing pedestrian connectivity between Seaburn Ocean Park, Queens Parade and the beach. A rationalisation and revision of parking arrangements will enhance the

setting and improve accessibility arrangements for existing businesses on Queens Parade. The physical improvements will enhance the environment and improve safety for all, encouraging more visitors to the area.

5.17 A large and permanent area of open space spanning Whitburn Road will be developed capable of hosting outdoor events. The introduction of this events space will provide a much needed gateway and focal point for the area, improving the setting for new and existing commercial development and increasing the capacity of the area to host large scale events, cementing Seaburn's position as a key visitor destination.

### Phase 2b Lowry Road Realignment

5.18 £1m works to Lowry Road will introduce a more direct alignment of the road, remove the current staggered junction arrangement to the south of the public car park and reconfigure the curve adjacent to Morrisons foodstore. Additional work to widen the road adjacent to the foodstore will increase junction capacity and improve access to

and from both the store and future development site. The remaining sections of Lowry Road are to be retained on the existing alignment, with general improvements introduced to the junction with Dykelands Road and the implementation of improved pedestrian crossing facilities.

5.19 The alterations to the alignment of Lowry Road will be key to unlocking the Ocean Park site for comprehensive development identified in the Seaburn Masterplan SPD. Works will enable the area to accommodate a quantum of development capable of providing a viable development opportunity for the private sector. The works will increase the capacity of Lowry road to handle the increased traffic flows a large-scale comprehensive leisure led development would bring as well as enable new buildings at Ocean Park to be accessed and serviced from the rear; so as not to detract from the visual appearance and improved visitor environment along the seafront.

5.20 The works at Lowry Road and Whitburn Road are anticipated to secure 23.7 direct construction jobs during the lifetime of the grant. In addition, by facilitating improved accessibility to the site and opening up the site for major redevelopment the project will be vital to delivering significant job creation in the longer term (see next section and section 3.4 of the application form).

5.21 Plans of phases 2a and 2b proposals can be found in the supplementary information accompanying this bid. Project Gantt Charts can be found in Appendix C.



Whitburn Road, Seaburn

### Phase 3 – Sustainable drainage and Green Infrastructure

5.22 The Coastal Communities Fund will support a £500k project to deliver sustainable drainage and green infrastructure improvements to the site, key to securing the long term future development of Seaburn Ocean Park, supporting biodiversity in the area and providing outdoor leisure opportunities.

#### Issues

5.23 Public and statutory consultation, the Seafront Regeneration Strategy and Seaburn Masterplan identified the following issues:

- Surface water management and drainage capacity issues identified at Ocean Park and flood risk issues associated with the Cut Throat Dene area
- The site is partially located within Floodzone 3B
- The areas of green open space at Seaburn have little biodiversity value and are poorly utilised, suffering from vandalism and lack of maintenance
- The adjacent Mere Knolls SNCI is a valuable habitat for biodiversity, yet its status is under review

#### Proposal

5.24 A drainage consultant will be procured to prepare a sustainable drainage and water management strategy for Seaburn. The outcomes of the strategy will inform drainage and water management arrangements for the comprehensive redevelopment of Seaburn Ocean Park by a private sector development partner and for the green infrastructure landscaping interventions on land identified as Flood Zone to the south of Ocean Park around Cut Throat Dene.

5.25 Green infrastructure landscaping improvements will be designed to significantly improve the environmental and ecological value of the area and alleviate the risk of flooding. Sustainable Urban Drainage systems (SUDs), where appropriate and where identified in the drainage strategy will be introduced around Cut Throat Dene to alleviate surface water and fluvial floodrisk. This may also include removing the concrete channels currently in place in parts of the Dene. Landscaping will seek to take advantage of the environmental opportunities of the area by integrating the area with the existing Mere Knolls SNCI located immediately to the west of the site. This will include significant tree and grass planting and management and maintenance of the area in a manner to allow a more organic urban meadow appearance. Footpath improvements will link the area with wider route networks and be constructed from organic materials to minimise the impact on habitats.

5.26 The landscaping and sustainable drainage works are anticipated to secure 7.4 construction jobs during the lifetime of the grant. In

addition, by future proofing against the impacts of climate change, particularly in relation to floodrisk the project will secure the capacity of the comprehensive redevelopment site to create and sustain jobs in the longer term. The delivery of green infrastructure improvements, which enhance opportunities for leisure, ecology and nature conservation will create a more attractive environment to encourage visitors and residents to the seafront thus supporting existing and new businesses in the area.

5.27 Plans of phase 3 works can be found in the supplementary information accompanying this bid. A project Gantt Chart can be found in Appendix C.



### **Sustaining job creation and wider economic benefits of the project**

5.28 In the longer term, the infrastructure works will facilitate large scale physical regeneration of Seaburn. Comprehensive redevelopment of the ocean park site over the next 10 years will leverage £78m of private sector investment, bringing a further 721 Direct FTE jobs; 1096 construction jobs as well as follow-on local business growth. A detailed breakdown of FTE and construction jobs can be found at Appendix D.

5.29 The benefits of the project will stretch beyond job creation. The Seaburn project has long-term sustainable economic growth at its heart and will play a significant role in meeting the aspirations set out in Sunderland's Economic masterplan.

### **Capitalising on distinctiveness and a sense of place**

5.30 Comprehensive improvements to the quality of the seafront environment will introduce significant economic benefits for the Seafront and Sunderland. There exists a significant body of evidence in urban policy (including CABE), which links investments into the physical environment with improvements in economic performance.

5.31 Investment in a high quality environment will deliver a transformation of the wider image and reputation of Seaburn and Sunderland. Physical revitalisation projects have a major impact upon locational choices and decisions made by investors, businesses and workers. An improved physical environment at the seafront will offer scope to strengthen the city's programme of events and outdoor activities. In doing so the project will emphasise one of the City's most valuable assets, which is key to the area's sense of place and the quality of life it offers. This will play a key role in attracting much needed private sector investment and knowledge workers to the city. Improvements to the quality of place will transform the way local people feel about where they live boosting the sense of pride and ownership and playing a key role in retaining residents in the city - a crucial and widely recognised factor in the revival of the city's economy.

### **Diversification of Sunderland's economy**

5.32 Physical regeneration projects make a positive contribution to the tourism and cultural economy.

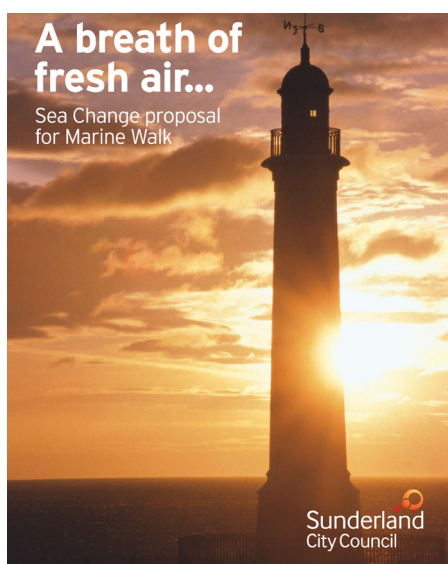
5.33 The high quality physical improvements to be delivered are intended to benefit of the City's residents all year round. It will provide an attractive destination for visitors to Sunderland and the North East region, providing a complementary offer to the coastal locations at neighbouring South Tyneside and North Tyneside.

5.34 The enabling of a modern leisure-led commercial development and the growth of a new community at Seaburn, will safeguard existing jobs in local businesses, attract significant inward investment by the leisure and tourism sector, and also provide new opportunities for local independent businesses to flourish. In doing so, the project will facilitate the development and growth of the visitor economy, diversifying the range of employment opportunities in the city for both existing and potential future residents as well as increasing visitor numbers, and spend in the area.

## Strengthening and Diversifying the Property Market

5.35 The high quality physical improvements delivered by the project will have a positive impact upon market values for the area and encourage private sector investment. It is recognised by developers and agents that high quality physical improvement works can influence market rates, increasing residential purchase price and commercial rental premiums.

5.36 A mixed use leisure-led comprehensive redevelopment will diversify the range of commercial property available in Sunderland and will encourage new investors, business and employment opportunities into the City. Importantly the residential element of the development will play a role in addressing housing need through the introduction of much needed larger family sized homes and smaller residential apartments. This will be crucial in retaining the city's young families and higher skilled workers, as well as attracting new residents to the city.



## Project Implementation Timetable

5.37 Gantt charts for the 3 phases of infrastructure work are presented in Appendix C. The overarching programme of works is to be phased over the next 2 years, with the first phase of works starting on site in January 2013.

5.38 The City Council is in the process of procuring a private sector development partner to deliver the development at Ocean Park. The programme of works will support the development of this site. A project timetable for this process can also be in Appendix C.

5.39 It is anticipated that, development on the earlier phases of development will commence in late 2014 /early 2015.

5.40 Based on the project timetables, the following key milestones have been identified:

Activity	Date
Phase 1 – Seaburn Promenade and Seaburn Shelter	
Design and Consultation	September 2012
Secure Statutory Permissions	December 2012
Secure Contractor	December 2012
Start on site	January 2013
Completion of works	July 2013
Phase 2a – Whitburn Road Improvements	
Design and Consultation	Sept 12 - Feb 12
Secure Statutory permissions	October 2013
Start on Site	Aug & Nov 2013
Completion of works	March 2014
Phase 2b – Lowry Road Realignment	
Design and Consultation	January 2013
Secure Statutory permissions	April 2014
Start on Site	April 2014
Completion of works	October 2014
Phase 3 – Green Infrastructure	
Appoint Drainage Consultant	May 2013
Drainage Strategy completed	July 2013
Design and Consultation	July 13 - Dec 13
Landscape and drainage designs	July13 - Dec 13
Secure Statutory permissions	April 2014
Secure specialist landscape and drainage contractor	April 2014
Start on site	May 2014
Completion of works	October 2014
Private Sector Development Partner (Initial phases of development)	
Marketing of site/Design competition	January 2013
Development Partner Secured	December 2013
Design and Consultation	Jan 14 - Dec 14
Secure Statutory permissions	December 2014
Start on site	January 2015



### **Finding out about and getting involved in the project – Equality and Diversity**

5.41 The vision for the Seaburn Masterplan seeks to create an area, which is physically and intellectually accessible.

5.42 Project designs will go beyond the minimum standards of accessibility as set out in the Equality Act 2010. For further information on accessibility interventions, see section 5.3 of the Capital Delivery Plan.

5.43 Early consultation on the Seafront Regeneration strategy and Seaburn Masterplan was undertaken to include as wide a range of people as possible including hard to reach groups (see section 3 Project Background).

5.44 The momentum of this consultation has continued into the detailed design stages of the different phases of the project. Consultation on the design proposals has been programmed into the project scheduling, which will provide further opportunities for the public to get involved. In the case of phases 1 and 2a, a visit to Seaburn with the Disability IAG took place in August 2012, which included presentation of draft designs. The interventions identified in 5.3 of the Capital Delivery Plan to improve accessibility for all at the seafront were informed by this visit.

5.45 The Council's Corporate Communications Team has a Communications Strategy in place for the Seafront. The City Council's publications relating to the seafront will be available in a range of formats and languages. The City Council also employs a translating service where required.

5.46 Sunderland City Council undertakes Equality Impact Assessments (EIA) on new and existing services, functions, major projects and policies to demonstrate how equality has been thoroughly addressed. In keeping with this approach, the Seaburn Project has been subject to a full EIA. With the support of the City Council's Equality Officer the EIA will be continually reviewed and updated as the project progresses. The current EIA can be found in Appendix E of this document.



**Public consultation event**

## 6. Project resources

### Staffing Resources

6.1 The delivery of Infrastructure works will be primarily designed and project managed by the City Council's in-house design and project team. Where specialist resource is required consultants and contractors will be procured through the City Council's procurement process.

6.2 There will be no new staff roles created for the project.

6.3 A description of the roles of the core project team can be found in section 2 and in section 7.4 of the Capital Delivery Plan. A staff structure diagram identifying project roles can be found in Appendix B.

### Current Work Management arrangements

6.4 The management of the Seaburn Masterplan Delivery Project will harness existing project management arrangements already in place for the Seafront Regeneration project:

6.5 The day-to-day management of each phase of the project will be overseen by the dedicated project manager.

6.6 A project board – The Seafront Project Group – is a multidisciplinary team of internal stakeholders chaired by the Seafront Project Executive. The Seafront Project Group has responsibility to ensure the project retains its focus and will be delivered within the agreed budgetary and timescale tolerances. The Seafront Project Group meets monthly and will be updated on each occasion by briefings from the Project Manager. Key decisions which may effect the strategic direction of the project will be authorised by the Project Board.

6.7 In order to ensure continued political and community engagement with the project, regular briefings will take place with relevant cabinet portfolio holders and ward area councillors. Area committee meetings are held on a monthly basis. Portfolio holder briefings will be held when required.

6.8 The Seaburn Project falls under Aim3 of the Sunderland Economic Masterplan. To ensure that the project continues to address the strategic aspirations of the Economic Masterplan, briefings with the Aim 3 project group will take place.

6.9 The Seafront Business Forum is a key stakeholder and partner in and will continue to be involved throughout its design and implementation.

## Managing External Teams

6.10 Third Party consultants and contractors for the project will be secured using the City Council's procurement process. In all cases the third party will be issued with a brief and contract, which sets out clearly the roles and responsibilities and reporting arrangements for the work to be undertaken as well as a project timetable. The brief and contract must be agreed and signed by both the Project Manager and the Director of the third party organisation. Further information on the project procurement strategy can be found in section 7.2 of the Capital Delivery Plan.

## Financial Management

6.11 The City Council has robust Financial Management process in place to support the delivery of Capital and revenue projects. The Project Manager will be responsible for day to day financial management of each phase of works. The project manager will be supported by a dedicated budget manager, from the City Council's Financial Management Services Team. Further information on cost management can be found in section 7.6 of the Capital Delivery Plan.

### Relevant Policies in Place to deliver the project

The delivery of the project will be supported by the following corporate policies:

- Health and Safety/ Construction Design & Management
- Procurement
- Risk management
- Financial management
- Strategic and Planning Policy

It will not be required to develop new policies to support the delivery of this project

## Partnership working and stakeholders

6.14 Partner organisations for the Seaburn Masterplan delivery project will continue to be vital in generating support for the project and ensuring that the project remains relevant to the needs of the city and its residents.

6.15 Key partner organisations and groups are:

- The Sunderland Partnership including University of Sunderland, Northumbria Police, City of Sunderland College and City Hospitals Sunderland
- Local Voluntary Groups – VCAS, Disability IAG, Planning Aid
- The Seafront Business Forum

6.16 Depending on their specific area of expertise, the different partners have been engaged by the project team to advise on project direction

6.17 Local voluntary groups such as the Disability IAG and the Seafront Business Forum have provided much needed insight into specific areas of need, relating to accessibility and local business development. Planning Aid, a charity specialising in community engagement in the planning process, oversaw the public consultation strategy for the seafront, playing a vital role in maximising residents' ownership and support for the project

6.18 The Sunderland Partnership is responsible for the direction and co-ordination of Sunderland's regeneration activity - through the Sunderland Strategy 2008 – 2025. Their involvement has been crucial in aligning the project with the City's wider strategic priorities.

6.19 Evidence of our partners' endorsement of the project can be found in Appendix F



## 7. Project Costs

7.1 The breakdown of the project budget can be found in section 4.2 of the application form. A more detailed breakdown is provided in the Capital Cost Plan which accompanies this business case.

### Project cost assumptions

7.2 Actual project costs cannot yet be determined as the works are subject to being procured. Project costs have therefore been based upon estimates provided by the professional project team, supported by recent comparable costs for similar projects at the seafront.

### How inflation has been taken into account

7.3 The current RPI is 2.9%. For works contracted within 1 year a 3% year increase has been assumed. Prices specified by contractors in tender documentation area are fixed, once submitted to the City Council. Contractors are therefore asked to take inflation into account when preparing tender documentation.

## 8. Match and in-Kind funding

### Match Funding Secured

8.1 The £2m Coastal Communities Fund bid for infrastructure works at Seaburn will be supported by £700,000 match funding, secured from the City Council's Capital Programme.

8.2 At its meeting on 18th July 2012 the City Council's Cabinet approved the allocation of £700,000 to Seaburn improvement works designed to generate and support private sector investment in the area. The report highlights the intention that the allocation will be used to support the £2m bid to Coastal Communities.

8.3 A copy of the Cabinet Report and a record of the executive decisions taken is available in Appendix G of this Business case.

### In Kind funding

8.4 The project will benefit from considerable in kind funding. The table in Appendix H evidences the amount of in-kind funding available. Calculations are based on the ERDF methodology for calculating hourly rates. This estimates that approximately £116,542 of staff time will be invested to support the delivery and management of the project.

## 9. Financial Appraisal

9.1 To realise all of the aspirations and projected outputs of the Seaburn Masterplan the comprehensive development scheme at Ocean Park will be delivered in a number of phases by both the public and private sector.

9.2 At the feasibility stages of the scheme high level development appraisals were undertaken based upon a notional scheme derived from the Seaburn Masterplan. A breakdown of the location of the development phases for this scheme is contained in Appendix I.

9.3 This high level appraisal gave an indication on the financial viability of the phases and overall scheme, highlighting any scheme deficit relating to the requirements for 'gap' funding in order to deliver the potential outputs.

9.4 Detailed below is a summary of each phase based upon the financial appraisal which demonstrates what funding requirement there is to make the scheme financially feasible and therefore deliverable.

### Development Phase 1 – Seaburn Shelter and Promenade

9.5 This phase is actively underway and involves the redevelopment of a standalone seating shelter and public toilets into a leisure led development offering space for new bars, cafés restaurants and specialist seafront related retail along with significant promenade improvements in front of the shelter and to the grass banks to the north and south of the building.

9.6 The building is located on a split level site between the promenade and Whitburn Road, shown as 'Phase 1' on the plan at Appendix I.

9.7 A preferred bidder has been selected and full planning permission obtained for approximately 847sqm of space across a number of individual units over two storeys.

9.8 The building contract has been provisionally let by the developer with work due to commence early 2013. The developer is now awaiting confirmation of the Council delivering the remaining promenade improvement works.

9.9 In order to assess the financial viability of the scheme a development appraisal has been carried out based upon the appointed scheme set out in Appendix I. Values have been based upon market knowledge for similar operators and costs based upon information from the developer. A copy of the development appraisal is attached in Appendix J

9.10 It is important to note that the preferred bidder has agreed to deliver development of the building at their risk.

9.11 The table below summarises the relevant key outputs for the scheme.

Total scheme cost	£1,841,671
Total scheme value	£1,201,481
Square metres of commercial space delivered	847 m2
Scheme deficit	£600,182

## Development Phase 2 – Seaburn Ocean Park Site (south)

9.12 This phase involves the first stage of the major redevelopment of the majority of the Seaburn Ocean Park site, incorporating a former hotel site, existing Leisure Centre, former fairground and adjacent open space/ public realm into a mixed leisure-led development offering space for new bars, cafés restaurants, hotel, residential and specialist seafront related retail, along with enhanced public realm.

9.13 The site forms the majority of the southern part of the Ocean Park site shown as Phase 2 on the plan at appendix I. It is proposed to bring this site to the market in order to seek a private sector developer who would develop a scheme that met the aspirations of the master plan.

9.14 In order to assess the financial viability of the scheme a high level development appraisal has been carried out based upon the notional scheme set out in Appendix J. Values have been based upon market knowledge for similar operators and costs based upon similar schemes and BCIS indicators. The timings for the scheme are consistent with the overall project delivery plan located at Appendix C. A copy of the development appraisal is attached in Appendix J.

9.15 Infrastructure costs required prior to the scheme commencing have been incorporated.

9.16 The appraisal assumes that the Council will include its land holdings at nil value with current 3rd party acquisition costs been borne by the council.

9.17 The table below summarises the key outputs for the scheme.

Total scheme cost	£16,473,600
Total scheme value	£21,409,767
Square metres of commercial space delivered	10,044 m2
Residential units delivered	52
Scheme deficit	£600,182

9.18 The development appraisal therefore shows that there is a funding gap of £4,162,459 in order to make the scheme financial viable and enable the outputs to be delivered.

## Development Phase 2a – Land to the west of Ocean Park

9.19 This phase is also part of the first stage of the major redevelopment of the former Ocean Park site.

9.20 The site forms the majority of land to the west of the former Ocean Park site shown as Phase 2a on the plan at Appendix I. It is proposed to bring this site to the market along with development phase 2 for development by the private sector to help meet the aspirations of the master plan and provide cross subsidy

9.21 In order to assess the financial viability and potential surplus of the scheme a high level development appraisal has been carried out based upon the notional scheme set out in appendix J. Values have been based upon market knowledge for similar schemes and costs based upon similar schemes and BCIS indicators. The timings for the scheme are consistent with the overall project delivery plan located at Appendix C. A copy of the development appraisal is attached in appendix J.

9.22 The table below summarises the key outputs for the scheme. The development appraisal shows that there is a surplus of £2,059,918 which can be used to offset some of the deficit from Phase 2.

Total scheme cost	£10,489,053
Total scheme value	£12,825,000
Square metres of commercial space delivered	0
Residential units delivered	45
Scheme surplus	£2,059,918



#### Development Phase 3 - Seaburn Ocean Park (North)

9.23 This project involves the second stage of the major redevelopment of the Seaburn Ocean Park site.

9.24 It enhances and completes the aspirations of the Masterplan on the Council owned land, the site forming the majority of the northern part of the Seaburn Ocean Park site shown as Phase 3 on the plan at Appendix I. The project delivery plan envisages building work commencing on this phase by a private sector partner approximately 4 years following phase 2 being marketed.

9.25 In order to assess the financial viability of this phase a high level development appraisal has been carried out based upon the notional scheme set out in Appendix J. Values have been based upon market knowledge for similar operators and costs based upon similar schemes and BCIS indicators. The timings for the scheme are consistent with the overall project delivery plan located at Appendix C. A copy of the development appraisal is attached in Appendix J.

9.26 The appraisal assumes that the major Infrastructure works required to facilitate this phase would have been carried out prior to the scheme commencing.

9.27 The table below summarises the key outputs for the scheme.

Total scheme cost	£24,853,400
Total scheme value	£36,966,969
Square metres of commercial space delivered	14,337 m2
Residential units delivered	145
Scheme surplus	£2,982

9.28 The development appraisal shows that there is a surplus of approximately £3,000.

#### Phase 4 – 'Martino's' Restaurant Site

9.29 This project involves the final stage of the major redevelopment of the Seaburn Ocean Park site.

9.30 It enhances and completes the aspirations of the Masterplan and is located on the Southern edge of Seaburn Ocean Park site on land currently occupied by a restaurant. The site is shown as Phase 4 on the plan at Appendix I.

9.31 The development is in private ownership, with the current owners indicating that they will bring the development forward themselves at their own risk in line with the rest of the development the Council will be promoting.

9.32 No appraisal has therefore been carried out but it has been assumed that the major Infrastructure works required to make the former Ocean Park site feasible for development would have been carried out prior to the scheme commencing.

#### Conclusion

9.33 The table below gives a summary of the surplus or deficit for each redevelopment phase.

Phase 1 deficit	£600,182
Phase 2 (commercial) deficit	£4,162,459
Phase 2 (residential) surplus	£2,059,918
Phase 3 surplus	£2,982
Overall deficit	£2,699,741

9.34 In order for phase 1 to be financially viable and deliver the required outputs, gap funding of £600,182 would be required. For phase 1 this would deliver the significant promenade improvements element of the Shelter redevelopment scheme. Works would be contracted and overseen by the City Council.

9.35 In order for phases 2 and 3 to be financially viable and deliver the outputs gap funding of £2,099,559 would be required. This would enable delivery of essential infrastructure to facilitate site development. These works need to be carried out as either part of phase 2 or prior to phase 2 commencing.

9.36 The above deficit figure is based upon the same developer taking all stages of the former Ocean Park forward or the Council using the surplus it would receive as landowner as direct grant.

## 10. Marketing Communications and Sales

### Publicity of the Seafront to date

10.1 The public's awareness of the wider seafront regeneration plans and the masterplan project for Seaburn is high and continues to grow through an active marketing and communications programme.

10.2 Since the initial city-wide public consultation in 2009 all activity relating to the seafront has been widely publicised. Regular updates are provided on a dedicated Seafront regeneration web page [www.sunderland.gov.uk/seafront](http://www.sunderland.gov.uk/seafront), which includes a dedicated link to a Seaburn mini-site. This is supported by regular press releases and Community news letters; overseen by the City Council's Corporate Communications Team.

10.3 Funding has been dedicated towards an improved events calendar for the area which has been successful in raising public awareness of and increasing participation in seafront activities.

10.4 Further consultation on the Seafront planning documents and soft market testing has raised awareness of the project amongst statutory agencies and the private sector, as well as provided the public with a more detailed understanding of the plans for Seaburn.

### Future publicity of the Seaburn project and Coastal Communities

10.5 All marketing and tender documentation for contractors and consultants will provide a summary of the seafront regeneration work completed and acknowledge that the Seaburn project is being supported by the Coastal Communities Fund. Similarly, suitable signage will be erected on site during the infrastructure construction phase.

10.6 The marketing of the Seaburn Ocean Park development site and procurement of a private sector development partner will provide a summary of the seafront regeneration work completed and acknowledge the support of the Coastal Communities Fund. Due to the scale of development, invitations to tender for the project will be published in Supplement S of OJEU. The Journal is published daily and will be made available in all countries within the European Union.

10.7 During and after the on-site works at Seaburn, the public and local businesses operating in the area will be informed of the contribution of the Coastal Communities Fund through the following measures:

- On-site billboards and signage during construction
- A permanent on-site plaque once construction is complete
- Incorporation into renewed signage and interpretation scheme for the Seaburn area

10.8 Building on the communications methods already established for the wider Seafront regeneration project, the Seaburn project will be supported by a comprehensive communications and publicity programme to raise public awareness of the project and its achievements:

- Consultation and informative exhibitions on the works taking place will be held at public venues in the Seaburn area and provide flyers and information leaflets for the public to take away
- Press releases before, during and after construction will keep residents of the City informed of progress
- Regular updates will be provided in the Area Community News letters
- Updates to the existing Seafront Regeneration project website and to the City Council's homepage will maximise exposure of the project
- Sunderland marketing literature targeted at potential visitors to the city and national business operators

10.9 In all cases the contribution of the Coastal Communities Fund to the improvements to the area will be highlighted.

10.10 The works, once completed will enable the creation of improved events infrastructure at the Seaburn promenade and adjacent to the Ocean Park development site. This will enable the events calendar for the seafront to be extended further and increase visitors to the area. The improvements will facilitate an improved backdrop to the Sunderland International Airshow – a yearly event, which attracts 1 million visitors to Sunderland over one weekend and a large number of associated caterers and traders. In all cases events publicity and marketing materials will reference the contribution of Coastal Communities Fund in developing the improved events infrastructure in the area.

10.11 A publicity and media project file will be held by the Project Manager. The Project Manager will be responsible for providing evidence of publicity on a quarterly basis. This should include: website materials, all literature displaying the logo, press releases and cuttings, records of events and briefing sessions, photographs.

10.12 Sunderland City Council's communication team will be consulted during project delivery to maximise communication and publicity to the City.





## 11. Monitoring and Evaluation Frameworks

11.1 The progress of the project and the degree to which it is achieving its objectives will be monitored against:

- the project programme forecast;
- the regeneration objectives in the Seafront Regeneration Strategy and Seaburn Masterplan and Design Code Supplementary Planning Document;
- The indicators identified in section 2.4 of the application form.

11.2 In the context of the identified project indicators and objectives, the Monitoring and evaluation process will consider:

- The degree to which the project is delivering the physical infrastructure works at Seaburn
- Whether the project programme is sound and whether it can be improved
- Any unintended consequences as a result of the interventions
- Whether the interventions are achieving the intended outcomes

## Monitoring and Evaluation Methods

11.3 A robust ongoing monitoring and evaluation framework is in place.

11.4 The Project Manager will provide monthly progress reports on the Seaburn Masterplan Delivery Project to the established Seafront Project Group as well as updates to Ward councillors as required. The monthly progress reports will be accompanied by an issues log, which will enable the project team to identify any issues with project progress as they arise and identify appropriate actions. Regular briefings with the Project Executive – who chairs the Seafront Project Group – will also take place.

11.5 The regeneration of Sunderland's Seafront is one of the key priorities for the Council. The Leader of the Council, Chief Executive and Portfolio holders are routinely updated on progress. The Project Executive will also provide updates to the City Council's Economic Masterplan Aim3 Project group.

11.6 A detailed Gantt chart project programme has been prepared (see Appendix C). This will allow the timescales of the project to be evaluated and reviewed against the milestones set out.

## Established Baseline

11.7 A significant amount of baseline information exists to support the monitoring and evaluation process. Whilst some baseline information represents a snapshot of the seafront before the interventions the City Council will use a range of data sets to monitor and evaluate the cumulative impacts of the project over time. These will include:

- The Economic, environmental and social indicators provided in the Sustainability Appraisal accompanying the Seaburn Masterplan and Design Code
- The Seaburn Masterplan and Design Code and Seafront Regeneration Strategy provide a comprehensive review of the issues facing Sunderland and the key aims and objectives for the area
- The issues identified in the Seafront Consultation Findings Report and Seafront Issues and Options Report
- The wider economic and social implications for Sunderland and for the seafront ward areas can be reviewed using regularly updated baseline data provided in the Sunderland Economic Masterplan including: Indices of Multiple Deprivation and NOMIS labour market data
- City-wide and seafront specific tourism and spend figures (STEAM - updated yearly)
- VAT registrations and Bank Search data to analyse the number of business start ups

### **Monitoring the Long term impact of the project**

11.8 The City Council regards evaluating its achievements and analysing results as a key part of project development and implementation. An allocation of £10,000 has been made for an independent evaluation of the project to be carried out.

11.9 A project review will be undertaken once every 6 months, one year and two years after the completion of the work. Regular inspections will be undertaken to identify maintenance requirements.

11.10 The baseline evidence used to support the Regeneration Strategy and masterplan and project development is regularly updated by the City Council and will be reviewed over time to provide evidence of the impact of the interventions.

### **Involving project beneficiaries**

11.11 Project beneficiaries will be involved in project monitoring through the City Council's ongoing city-wide consultation events. A yearly state of the city debate, regular Community spirit surveys and citizen's panel events combined with specific exhibitions to update residents and target groups as well as a dedicated seafront business forum will allow the project beneficiaries to review and evaluate the project as it progresses.

11.12 This element of project will be supported by the baseline evidence gathered during the extensive consultations at the outset of the seafront regeneration project, a summary of which can be found in the Consultation findings report.

## 12. Risk Analysis

12.1 The City Council recognises that risk management is one of the principal elements of corporate governance and a key contributor to ensuring a sound internal control environment. Please refer to section 7.7 of the Capital Delivery Plan, which sets out Sunderland City Council's approach to risk management on the project.

12.2 As part of this approach, a risk register for the overarching Seaburn project has been prepared which considers the political, economic, social and technological (PEST) factors, which may impact upon project delivery. This Risk Register can be found in Appendix K.

12.3 For each phase of works to take place under the Seaburn project, a more detailed and customised project risk register will be prepared. A phase 1 Risk Register has been prepared and can be found in Appendix K.