Sunderland City Council

**Item No. 10**

## CABINET MEETING – 24th July 2025

## EXECUTIVE SUMMARY SHEET – PART I

**Title of Report:**
Sunniside Regeneration Update and Glassworks Sunderland

**Author(s):**
Executive Director of Economy and Place

**Purpose of Report:**
The purpose of this report is to provide an update on the regeneration of the Sunniside neighbourhood and seek approval to:

(i) Enter into funding agreements and undertake design and enabling works in relation to the former Peter Smith Antiques building to support delivery of the UKSPF Sunniside Creative Hub – Glassworks project.

(ii) Undertake design and enabling works to the ground floor of Biscop House to facilitate potential meanwhile use and create a gateway to the Sunniside Creative Hub.

**Description of Decision:**

Cabinet is recommended to:

(i) Note the progress update provided in relation to the regeneration of the Sunniside neighbourhood;

(ii) Subject to the award of £2,405,000 of UK Shared Prosperity Fund (UKSPF) grant from the North East Combined Authority (NECA), to authorise the Executive Director of Economy and Place, in consultation with the Portfolio Holder for Housing, Regeneration and Business, and the Director of Finance, to:

a) enter into the necessary grant funding agreement with NECA;
b) procure and appoint all necessary consultants and contractors to deliver the design and enabling works as described in this report at the former Peter Smith Antiques building; and
c) enter into a partnership and delivery agreement with Sunderland Culture Limited in respect of the UKSPF project and associated works.

(iii) Authorise the Executive Director of Economy and Place, in consultation with the Portfolio Holder for Housing, Regeneration and Business, and the Director of Finance, to procure and appoint all necessary consultants and contractors to deliver the design and enabling works as described in this report to the ground floor of Biscop House; .

(iv) Authorise the Executive Director of Economy and Place, in consultation with the Portfolio Holder for Housing, Regeneration, and Business and the Director of Finance to approve, where required, the subsequent variation of any of the contracts for works or services awarded in accordance with paragraphs (ii) and (iii) above for the delivery of the relevant projects subject to there being available budget provision for each proposed variation within the approved budget for the projects; and

(v) Approve the funding arrangements as set out in the report and approve the resultant variation to the Capital Programme.

**Is the decision consistent with the Budget/Policy Framework? *Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

The creation of a new Sunniside Creative Hub is a key part of the Council's ambition to attract new creative and cultural investment into the Sunniside neighbourhood, supporting the growth of artists and makers, while satisfying the wider social and economic regeneration objectives set out in the Sunniside Place Strategy and the City Plan.

Securing UKSPF grant funding via NECA will unlock the delivery of essential pre-development design and enabling works to preserve and enhance the former Peter Smith Antiques Building which has been identified as the potential location for Glassworks Sunderland – a new glassmaking facility that sets out to protect the future of glassmaking in the city and act as the catalyst for the establishment of the Sunniside Creative Hub.

Entering into a delivery agreement with Sunderland Culture in respect of the UKSPF funded works will help to expedite the preparation of RIBA Stage 3 proposals for the Glassworks Sunderland project supported by ACE and will support the preparation of a business case and implementation plan

Biscop House forms an important gateway to Villiers Street and is located directly opposite the new Nile and Villiers residential development. The proposed design and enabling works to the ground floor unit will allow its short term activation for meanwhile use and longer term role as a critical part of the Sunniside Creative Hub.

**Alternative options to be considered and recommended to be rejected:**

(i) Not to enter a grant funding agreement with NECA for the UKSPF grant: This would mean the UKSPF Sunniside Creative Hub – Glassworks project and the associated enabling works could not be delivered and would leave a significant

gap in the funding required to deliver the Glassworks Sunderland project supported by ACE.

(ii) Not to enter a delivery agreement with Sunderland Culture for the provision of RIBA Stage 3 proposals: This is expected to be a specific funding condition under the proposed UKSPF grant funding agreement with NECA and will help to expedite the delivery of a business case and implementation plan for Glassworks Sunderland. Leadership of this activity by Sunderland Culture is aligned with the expectations of ACE.

(iii) Not to procure the design and enabling works to the Peter Smith Antiques Building: This is likely to result in further decay of the building and would delay the defrayal of the UKSPF grant which is required by end March 2026 and would impact on the subsequent ability to progress delivery of Glassworks Sunderland.

(iv) Not to deliver the design and enabling works for the Biscop House ground floor unit: The unit is currently vacant and boarded up and does not provide any ground floor animation to Coronation Street or Villiers Street. Delivering the works will allow the property to be brought into use, add to the local regeneration impact, and support the delivery of the Nile + Villiers development and the Sunniside Creative Hub.

**Impacts analysed:**

| **Equality** | **Y** | **Privacy** | **N/A** | **Sustainability** | **N/A** | **Crime and Disorder** | **N/A** |
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| **Is the Decision consistent with the Council's Co-operative Values?** | **Yes** |
| **Is this a "Key Decision" as defined in the Constitution?** | **Yes** |
| **Is it included in the 28 day Notice of Decisions?** | **Yes** |

**CABINET** **24th JULY 2025**

**UKSPF FUNDING – GLASSWORKS SUNDERLAND**

**REPORT OF THE EXECUTIVE DIRECTOR OF CITY DEVELOPMENT**

## 1.0 Purpose of Report

1.1 The purpose of this report is to provide an update on the regeneration of the Sunniside neighbourhood and seek approval to:

(i) Enter into funding agreements and undertake design and enabling works in relation to the former Peter Smith Antiques building to support delivery of the UKSPF Sunniside Creative Hub – Glassworks project.

(ii) Undertake design and enabling works to the ground floor of Biscop House to facilitate potential meanwhile use and create a gateway to the Sunniside Creative Hub.

## 2.0 Description of Decision (Recommendations)

2.1 Cabinet is recommended to:

(i) Note the progress update provided in relation to the regeneration of the Sunniside neighbourhood.

(ii) Subject to the award of £2,405,000 of UK Shared Prosperity Fund (UKSPF) grant from the North East Combined Authority (NECA), to authorise the Executive Director of Economy and Place, in consultation with the Portfolio Holder for Housing, Regeneration and Business, and the Director of Finance, to:

a) enter into the necessary grant funding agreement with NECA;
b) procure and appoint all necessary consultants and contractors to deliver the design and enabling works as described in this report at the former Peter Smith Antiques building; and
c) enter into a partnership and delivery agreement with Sunderland Culture Limited in respect of the UKSPF project and associated works.

(iii) Authorise the Executive Director of Economy and Place in consultation with the Portfolio Holder for Housing, Regeneration and Business, and the Director of Finance, to procure and appoint all necessary consultants and contractors to deliver the design and enabling works as described in this report to the ground floor of Biscop House;

(iv) Authorise the Executive Director of Economy and Place, in consultation with the Portfolio Holder for Housing, Regeneration, and Business and the Director of Finance to approve, where required, the subsequent variation of any of the contracts for works or services awarded in accordance with

paragraphs (ii) and (iii) above for the delivery of the relevant projects subject to there being available budget provision for each proposed variation within the approved budget for the projects; and

(v) Approve the funding arrangements as set out in the report and approve the resultant variation to the Capital Programme.

## 3.0 Background

3.1 The objective of the City Plan is to create a connected, international city opportunities for all. It provides the blueprint to address the economic and social challenges that Sunderland faces so that the city and its people can achieve their full potential. A key element of the City Plan is to maximise the contribution which culture and creativity can make to the city's development.

3.2 The Sunniside neighbourhood is an area of the city which suffers from complex social and economic challenges and has been identified as a strategic priority for investment and development by both the Council and NECA – the Sunniside neighbourhood is identified as a Strategic Place Priority in the Strategic Place Partnership between NECA and Homes England.

3.3 Despite its challenges, the Sunniside neighbourhood is also an area of real opportunity. It is an important hub for creatives and culture, is recognised in Sunderland's Music Cities Network status, and has received support from Historic England as a Heritage Action Zone since 2017. Over recent years there have been successful interventions in Mackie's Corner, Sunniside Gardens, the eastern gateway around Pop Recs and Sunshine Cooperative, and several heritage buildings have been restored and reactivated.

Sunniside Place Strategy

3.4 In March 2024 Cabinet approved the Sunniside Place Strategy which sets out a 10 year action plan for the regeneration of Sunniside and seeks to build on these recent achievements by:

- Developing a strong sense of place and purpose
- Creating a safe neighbourhood
- Activating the neighbourhood
- Intensifying uses and building the population
- Coordinating and sustaining change through cooperative stewardship

3.5 The action plan is broken down into strategic early interventions, and those that are short, medium, and long-term activities, prioritised on the grounds of impact and deliverability. Since the launch of the Place Strategy, Council officers have been implementing the early interventions in consultation with elected members and local stakeholders, with governance provided by the Sunniside Steering Group.

3.6 The Place Strategy, which was informed by the Sunniside Creative Industries and Music Sector Development Plan, identifies Villiers Street as a priority for investment including development of the existing and new creative businesses.

Sunniside Creative Hub

3.7 In 2024 the Council acquired the freehold interest in the former Peter Smith Antiques warehouse and adjoining building on Villiers Street/Borough Road, and also acquired a long leasehold interest (101 years) in the vacant ground floor unit in Biscop House.

3.8 The acquisition of these properties, combined with the Council's existing ownership of 19 and 20 Villiers Street, unlocked an opportunity to establish a creative and cultural hub – the Sunniside Creative Hub – that would define and activate this area of the neighbourhood and secure further investment.

3.9 The Council subsequently engaged with a variety of local, regional, and national cultural and creative hub operators, and with the support of initial UKSPF grant funding through the city's 2022-2025 UKSPF programme, Xsite Architects and Creative UK were appointed to prepare a brief and investment plan for a Sunniside Creative Hub which would:

- Strengthen and diversify the local creative economy
- Attract new and nurture existing creative talent from across our communities
- Unlock investment in cultural and heritage assets
- Engage communities in culture and creativity

Glassworks Sunderland

3.10 In February 2024, the Department for Culture, Media and Sport (DCMS) launched round 4 of the Cultural Development Fund (CDF). CDF is a strategic investment fund, administered by Arts Council England (ACE), which aims to unlock local growth and productivity, increase access to creativity and culture, and regenerate communities through capital investment in transformative place based creative and cultural initiatives.

3.11 The Council was approached by Sunderland Culture and collaborated on the submission of a bid by Sunderland Culture for Glassworks Sunderland - a new hub for glassmaking in the city, offering specialist facilities for artists and the public to create and produce glass art. The proposals for Glassworks Sunderland are strongly aligned with the strategic objectives in ACE's 'Lets Create' programme. The former Peter Smith Antiques building was identified as the preferred location for the facility.

3.12 Glassworks Sunderland is also well aligned with the ambition of the Sunniside Place Strategy to activate the Sunniside area, increase footfall, and strengthen the creative and entrepreneurial ecosystem.

3.13 On 17 January 2025, ACE announced at the Creative Industries Growth Summit held in the region that Sunderland Culture had been successful with its bid and was allocated £5m of CDF grant funding, The funding offer from ACE is subject to the production of a detailed business plan, demonstration of the required level of match funding, and execution of a grant funding agreement.

3.14 The CDF project proposal sets out to enable the creation of a new purpose built facility for people to create in glass, catalysing the emergence of a new creative cluster in Sunderland. A nationally significant centre of excellence for glassmaking, Glassworks Sunderland will connect Sunderland's 1350 years of glassmaking heritage and the city's creative future with specialist facilities to create and produce in glass. As well as safeguarding glassmaking in the city, it will also drive economic growth and support cultural regeneration and placemaking.

Biscop House

3.15 Biscop House is located on the corner of Coronation Street and Villiers Street, at the northern gateway to the proposed Sunniside Creative Hub and at the southern gateway to the Nile + Villiers residential development which is currently being delivered by Siglion.

3.16 Biscop House was constructed in the early 2000s, the upper floors comprise privately owned apartments, and the ground floor comprises a commercial unit which has never been occupied. The unit is currently boarded up as the original developer did not complete any fit out works and there are no windows, doors or utilities supplies.

3.17 Scoping work completed by Xsite Architecture on behalf of the Council, identified a short term opportunity for the ground floor unit to be repurposed to support meanwhile use which would activate a key east – west corridor through the neighbourhood and could support the promotion of the Nile + Villers development and the ongoing Place Strategy interventions. In the medium to long term the unit could form the northern gateway to the Sunniside Creative Hub, providing facilities to support the creative uses proposed in the Peter Smith Antiques building and the heritage properties at 19 and 20 Villiers Street.

## 4.0 Sunniside Place Strategy & Action Plan – Progress Update

4.1 Implementing the Sunniside Place Strategy is a multi-stakeholder, public and private sector collaboration. The 2024/25 Annual Report (see Appendix A), summarises the actions and outcomes delivered over the last 12 months by these many partners. The change in Sunniside since the launch of the Place Strategy feels significant. There is a feeling that the investment that people have made in the area to-date has been protected, and there is now growing excitement, aspiration and confidence in the potential of Sunniside.

Developing a Strong Sense of Place and Purpose

4.2 During the last 12 months, 11 projects have been delivered in partnership with local creatives to build the place identity. These include the Sunderland Music Promo Wall, Sunniside Poet-in Residence Programme, Heritage Research and Promotion, the first edition of the Sunniside Zine, the Sunniside Playbook, and the Sunniside Wayfinding programme - a series of large-scale art murals which are designed to capture the uniqueness of the area and help distinguish Sunniside as a neighbourhood in its own right.

4.3 The outcomes from these projects include a greater sense of activity happening in the area, people connecting better with the area, increased visibility of local cultural and creative organisations and celebration of local talent, a greater sense of community, a new perspective on the heritage of the area, opportunities for people to come together and discuss important topics, people understand where Sunniside is, who is there, and the character of the area, a feeling that the area is cared for and people are investing in the quality of place, locals have an increased sense of pride and belonging in the neighbourhood.

Creating a Safe Neighbourhood

4.4 The Sunderland Altogether Improving Lives (SAIL) initiative has been invaluable in reducing crime and anti-social behaviour (ASB) in the area, with an estimated reduction of 17% (including a fall of 48% for youth ASB), and restoring people's confidence in the area and sense of safety. Funding for this initiative has been extended, creating a greater window of opportunity for businesses to establish themselves and for projects to develop, providing longer-term natural surveillance of the area.

4.5 The Supported Housing Improvement Programme (SHIP) is a government funded pilot initiative, delivered by the Council across the city to improve the quality and value of supported housing in the city. Poor quality support within this sector has been linked to the ASB experienced in Sunniside, where a number of these premises are located. Early interventions by the SHIP team have worked to address key problem properties in the Sunniside area.

Activating the Neighbourhood

4.6 An extensive programme of c.125 events has been delivered by Sunderland BID with funding from the city's UKSPF programme including Sunniside monthly food markets, Sunniside Nights, Urban Fest, Lunar New Year Celebrations, a Threads Clothing Market, and there is a growing programme of activity being delivered by local businesses. It is estimated that c.55,000 visitors have attended events in the area and, as a result, 50% have said their opinion of the area is more positive.

4.7 A local architectural practice, Harper Perry Ltd, was appointed to prepare a masterplanning exercise to identify strategic opportunities to catalyse further investment and development in the area over the next ten years. The process identified three distinct focus areas for economic growth and neighbourhood regeneration: Sunniside High Street, Villiers Street Creative Hub, and Sunniside Gardens.

4.8 A series of property related initiatives has also been delivered to improve occupancy levels, match prospective tenants with landlords, and identify opportunities for meanwhile use and future activation. This includes the completion of property audits to inform strategic planning and regeneration efforts, and the production of Sector Development Plans exploring the growth potential of key sectors including the Creative Industries, Food and Beverage, Leisure and Social Enterprise.

Protecting and Intensifying Uses and Building the Population

4.9 Over the last 24 months several strategic acquisitions have been made by the Council and its partners in the Sunniside neighbourhood and have invested heavily to mitigate risks to the area, preserve its heritage, capture its ambition, and create opportunities for intensifying uses.

4.10 The Council acquired Joplings House to protect its ongoing use as student accommodation, and since acquisition has invested to improve the quality of the offer, maintain full occupancy, and support the university's growth plans.

4.11 Several vacant properties have been brought back into use, with success stories including Lambton House and the Bridge Hotel, the Omniplex Cinema, Tribeca, Alberts Place and Funky G second hand clothing, and The Townhouse creative enterprise studios.

4.12 Siglion, the Council's wholly owned investment and development company, disposed of The Place and adjacent property to create the new British Esports Performance Campus and support the growth of a new industry which is providing new opportunities for younger people in the digital world.

4.13 With c.£32.4m of committed investment, there are a growing number of development projects in progress, including upgrades to Sunniside Social and the Register Buildings, construction of the Nile + Villiers residential community, redevelopment of the Norfolk Hotel (as set out in 4.14 below) and conversion of the former Tyre Shop.

Strategic Developments

4.14 Sunniside Social (Formerly Sunniside Leisure) & Multi Storey Car Park – The Council is deploying its own capital to deliver improvements to Sunniside Social and the adjacent Multi Storey Car Park. This includes improvements to the facades of the Register Buildings to improve the shopfronts and restore the heritage of the listed building. The Council is actively marketing the existing commercial space and has recently agreed terms for letting of one of the units. Omniplex is undertaking a major refurbishment of its cinema complex to significantly improve its offer and attract more visitors to the venue.

4.15 Nile + Villiers Community Villiers Housing – Siglion is currently developing 75 high quality new homes along with 575sqm of ground floor commercial space. Siglion has entered a pre-sale agreement with Placefirst Limited for 65 of the completed homes which will be available for private rent. Siglion will retain the balance of the homes which will be available for open market sale and will shortly commence marketing of the commercial units which will reactivate the high street. The scheme is scheduled to complete in early 2027.

4.16 Norfolk Hotel Redevelopment - Marengo Estates was awarded £175,000 capital grant support through Sunderland's UKSPF programme in June 2023 to redevelop the former Norfolk Hotel, an important historic building situated on Norfolk Street. Alongside significant private investment of £229,778 from Marengo Estates, UKSPF support has contributed to the first phase of

development, which has included the replacement of the slate roof spanning across the front and rear of the whole property and internal restructuring of 240 sqm floorspace within the Townhouse, the northern section of the property on Norfolk Street. This renovation work has created workspaces for 12 local businesses. The ground floor of the building (70 sqm) is now wheelchair accessible. A number of tenants have committed to take occupation once the building is fully operational and further prospective tenants are continuing to liaise with Marengo Estates around future occupancy. Marengo Estates is now working on Phase 2 plans to enable the further development of the whole building.

2025 / 26 Priorities

4.17 The next 12 months of activity will be focused on securing further investment into the area. The mini masterplans have identified focus areas that when unlocked will support further private sector investment, economic growth and a creation of a vibrant and populous residential neighbourhood.

4.18 The Sunniside regeneration project will continue to depend on trusted stakeholders and partners for delivery at pace, and the project will continue to shape plans for a stewardship model that builds on the progress, investment and ambition of stakeholders and offers a long-term solution to sustain the drive towards a successful city neighbourhood.

## 5.0 Former Peter Smith Antiques Building and UKSPF Sunniside Creative Hub – Glassworks Project

Former Peter Smith Antiques Building

5.1 The Council acquired the former Peter Smith Antiques Building in May 2024 to preserve its heritage and ensure an appropriate future use that was aligned with the Council's ambition for the regeneration of Sunniside.

5.2 At the point of acquisition the building was in a poor state of repair and was in need of intervention to prevent water ingress and further structural decay, and to provide a watertight envelope and a robust structure that would support future use.

5.3 To determine the full extent of the required interventions the Council appointed a chartered building surveying / quantity surveying practice - Ryden Levitt Bucknall – to complete a detailed condition survey and produce a schedule of essential works. The survey report identified a need to complete c.£1.7m of works including roof repairs/replacement; window repairs/replacement; removal of external vegetation and repair; concrete repairs; repair/replacement of rainwater goods; brick and masonry repairs, and mechanical and electrical replacement/upgrades. The budget estimate included project management costs and appropriate contingencies based on the level of survey and technical information available.

UKSPF Sunniside Creative Hub – Glassworks Project

5.4 In April 2025 the Council, in partnership with Sunderland Culture, submitted a bid to NECA for £2.405m of UKSPF funding to deliver the essential repairs at the Peter Smith Antiques building as part of an enabling works package which will be procured by the Council with close involvement and support from Sunderland Culture.

5.5 The UKSPF bid to NECA also included an allowance to progress the design of the Glassworks Sunderland project supported through CDF4 to RIBA stage 3 and to provide more detailed and coordinated proposals, including the preparation of and submission of a detailed planning application. The procurement of the consultant team required to deliver the RIBA stage 3 proposals will be led by Sunderland Culture (as the lead applicant and accountable body for Glassworks Sunderland under the CDF grant funding agreement with ACE), with close involvement and support from the Council via a partnership and delivery agreement for the UKSPF funding.

5.6 The forecast costs for the RIBA Stage 3 work are based on quantity surveyor advice from projects of a similar scale, nature and complexity, include appropriate contingencies and an allowance for Council input and are considered to be robust at this stage of the project.

5.7` The outcome of the UKSPF funding bid is due to be determined by NECA in July 2025 and if successful the grant will need to be defrayed by the 2025 / 26 financial year end.

5.8 As the lead applicant and grant recipient for the UKSPF project, the Council will be required to enter into a grant funding agreement with NECA for the full grant allocation. The Council will then enter into a partnership and delivery agreement with Sunderland Culture to passport the relevant part of the UKSPF funding, and associated funding compliance requirements.

5.9 The programme for the above enabling works package assumes that, subject to the funding being approved by NECA, the works will start on site in Autumn 2025 and complete in Spring 2026. The RIBA Stage 3 design work, including the submission of a planning application, will commence in September 2025 and complete by end of March 2026.

5.10 Completing both the enabling works package and RIBA Stage 3 proposals in 2025/26 will represent a significant milestone against the Glassworks Sunderland project approved by ACE.

5.11 Under the ACE grant funding agreement, to enable full delivery of the Glassworks Sunderland project from April 2026 to March 2028, Sunderland Culture will be responsible for the design and delivery of RIBA Stage 4 to 6 works. It is likely that the Council, as the landowner, would be asked to deliver the capital works to the building, on behalf of Sunderland Culture.

5.12 The total capital cost of the Glassworks Sunderland project approved by ACE is estimated to be £7.5m. Approval of the UKSPF funding by NECA would mean that a significant proportion of the funding had been secured, and Sunderland Culture is currently working to identify other opportunities to leverage additional funding and investment.

5.13 As part of the development phase of the ACE project, Sunderland Culture is working with the Council and other key partners and stakeholders to determine the most appropriate operating model for Glassworks Sunderland. The proposed terms of the detailed delivery and operating model, including details of the property arrangements between the Council and Sunderland Culture will be subject to a separate Cabinet report in due course.

5.14 Subject to bridging the funding gap, developing a viable operating model and satisfying the remaining ACE grant conditions, the programme for the delivery of the main phase of Glassworks Sunderland supported by ACE would see works start on site in Autumn 2026.

## 6.0 Biscop House

6.1 Following acquisition of the long leasehold interest in the ground floor unit at Biscop House, the Council appointed Xsite Architects to produce a feasibility study for the fit-out of the unit to support potential meanwhile use and re-activate the frontage onto Coronation Street and Villiers Street.

6.2 As part of the feasibility study, Xsite Architects prepared a schedule of proposed enabling works which included new utility connections, installation of windows and doors, mechanical and electrical services installation, and provision of other basic facilities.

6.3 A budget cost estimate of £0.400m has been produced by the Council's Capital Projects team, and subject to Cabinet approval, it is proposed that the Council will directly procure the contractors and consultants required to deliver the works.

6.4 The Council is currently working with stakeholders to determine an appropriate long-term letting / operating model for the premises that minimises revenue cost exposure and this will be reported to Cabinet for its consideration at a later date.

## 7.0 Reason for Decision

7.1 The creation of a new Sunniside Creative Hub is a key part of the Council's ambition to attract new creative and cultural investment into the Sunniside neighbourhood, supporting the growth of artists and makers, while satisfying the wider social and economic regeneration objectives set out in the Sunniside Place Strategy and the City Plan.

7.2 Securing UKSPF grant funding via NECA will unlock the delivery of essential pre-development design and enabling works to preserve and enhance the former Peter Smith Antiques Building which has been identified as the potential location

for Glassworks Sunderland – a new glassmaking facility that sets out to protect the future of glassmaking in the city and act as the catalyst for the establishment of the Sunniside Creative Hub.

7.3 Entering into a delivery agreement with Sunderland Culture in respect of the UKSPF funded works will help to expedite the preparation of RIBA Stage 3 proposals for the Glassworks Sunderland project supported by ACE and will support the preparation of a business case and implementation plan

7.4 Biscop House forms an important gateway to Villiers Street and is located directly opposite the new Nile and Villiers residential development. The proposed design and enabling works to the ground floor unit will allow its short term activation for meanwhile use and longer term role as a critical part of the Sunniside Creative Hub.

## 8.0 Alternative Options

8.1 The following alternative options have been considered and rejected:

(v) Not to enter a grant funding agreement with NECA for the UKSPF grant: This would mean the UKSPF Sunniside Creative Hub – Glassworks project and the associated enabling works could not be delivered and would leave a significant gap in the funding required to deliver the Glassworks Sunderland project supported by ACE.

(vi) Not to enter a delivery agreement with Sunderland Culture for the provision of RIBA Stage 3 proposals: This is expected to be a specific funding condition under the proposed UKSPF grant funding agreement with NECA and will help to expedite the delivery of a business case and implementation plan for Glassworks Sunderland. Leadership of this activity by Sunderland Culture is aligned with the expectations of ACE.

(vii) Not to procure the design and enabling works to the Peter Smith Antiques Building: This is likely to result in further decay of the building and would delay the defrayal of the UKSPF grant which is required by end March 2026 and would impact on the subsequent ability to progress delivery of Glassworks Sunderland.

(viii) Not to deliver the design and enabling works for the Biscop House ground floor unit: The unit is currently vacant and boarded up and does not provide any ground floor animation to Coronation Street or Villiers Street. Delivering the works will allow the property to be brought into use, add to the local regeneration impact, and support the delivery of the Nile + Villiers development and the Sunniside Creative Hub.

## 9.0 Relevant Considerations

9.1 Financial Implications

9.1.1 The cost estimate for completing the enabling works to the former Peter Smith Antiques Building and the RIBA Stage 3 proposals for Glassworks Sunderland is £2.405m, and subject to approval by NECA will be fully funded by UKSPF grant without any requirement for additional Council capital.

9.1.2 This investment will support the wider proposals for Glassworks Sunderland, complementing Sunderland Culture's delivery strategy and contributing to the match-funding requirements for the CDF conditionally approved by DCMS. Should Sunderland Culture not be in a position to progress delivery of the CDF grant for any reason the Council will not be required to repay the UKSPF grant to NECA.

9.1.3 The cost estimate for the proposed works to the ground floor unit at Biscop House is £0.400m. This will be funded from the budget for Strategic Acquisitions & Developments within the current approved Capital Programme.

9.1.4 In accordance with the Council's Financial Procedure Rules, the Cabinet may authorise variations to the Capital Programme provided such variations are within available resources and consistent with Council policy. It is proposed that Cabinet authorise the proposed variations.

9.2 Legal Implications

9.2.1 As set out above, the Council will be required to enter into a master grant funding agreement with the NECA in relation to the UKSPF capital grant for the Sunniside Creative Hub – Glassworks project and the associated design and enabling works. This will be in accordance with NECA's standard funding terms for the UKSPF programme. The Council will then subsequently enter into a partnership and delivery agreement with Sunderland Culture Ltd in respect of the funding and delivery of the relevant design work utilising the UKSPF grant. This delivery agreement will need to incorporate all of the NECA UKSPF funding conditions.

In addition, the Council will undertake the procurement of all necessary services and works to deliver the relevant enabling works in accordance with the Council's Procurement Procedure Rules, the NECA funding conditions and where applicable the Procurement Act 2023.

The submission of the UKSPF bid to NECA was accompanied by a full analysis of the funding proposals under the Subsidy Control Act 2022 ("SCA"). In summary, this confirmed that the proposed award of the grant funding by NECA to the Council, and in turn Sunderland Culture, to carry out the pre-development enabling and initial design works to prepare the building for its future redevelopment at a later stage will not constitute a subsidy under the SCA.

9.3 Equalities

9.3.1 An Integrated Impact Assessment has been undertaken. In summary, the findings of the IIA are that there will be no known negative equalities impacts as a result of the proposed capital works. Inclusion will be key to the offer, from the physical design brief to the operation of the building and the range of programme opportunities. Equality and diversity was a key part of the initial design brief at RIBA Stage 2, with an independent access audit to be undertaken at RIBA Stage 3, to further inform the design.

9.3.2 Further consultation on access across the site will be commissioned during the project design and business planning stages. Consultation with diverse user groups will ensure inclusivity and accessibility. Inclusive design will take into account people with: specific mobility, dexterity, sensory, and communication impairments; learning disabilities; continence needs; and people whose mental well-being should be supported by a thoughtfully crafted and managed built and spatial environment.

## 10.0 Appendices

Appendix A - 2024/25 Sunniside Annual Report