

REPORT TO CABINET

12 MARCH 2026

REPORT OF CORPORATE
MANAGEMENT TEAM

KEY DECISION

Regeneration and Housing - Lead Cabinet Member – Councillor Richard Eglington

LEVELLING UP FUND – YARM PUBLIC REALM

Summary

This report provides a progress update on the Round 1 Levelling Up Fund programme of interventions along with a summary of the public engagement undertaken to inform whether the Council should proceed with the Yarm High Street public realm proposals as presented to the public in May 2025. In response to the majority 'no' vote that was received, the report sets out a series of options to inform a decision on next steps for use of the remaining approved budget for Yarm High Street.

Reasons for Recommendation(s)/Decision(s)

To inform a decision on next steps for use of the remaining approved budget for Yarm High Street.

Recommendations

1. Cabinet to note the findings of the public engagement undertaken in relation to the Yarm High Street public realm scheme.
2. Cabinet to consider options for the future use of the allocated budget for Yarm High Street and agree a preferred option for its use.
3. Cabinet to consider options presented in relation to the removal and replacement of two fishing pontoons on True Lovers Walk and decide upon the most appropriate course of action regarding their future provision.

Detail

1. This report provides a summary update of all Levelling Up Fund (LUF) interventions before focusing specifically upon the Yarm High Street public realm element of the programme.

Background

Levelling Up Fund (LUF) Round 1 Programme

2. The approved LUF programme was developed in response to the publication of LUF Round 1 application in 2021 with the objectives of delivering major proposals in Yarm and Eaglescliffe under the priority themes of Transport, Culture and Town Centre Regeneration.
3. The bid focussed on delivery of improvements to cultural facilities in, and enhancements to, Preston Park Museum and Grounds (PPMG), redevelopment of Yarm Town Hall and public realm enhancements on Yarm High Street and delivery of cycleway connections in Yarm and Eaglescliffe.
4. In March 2023, Cabinet noted that work had been underway to develop a greater level of understanding on the scope, cost and deliverability of the agreed interventions and approved a funding profile to reflect the proposed interventions across Yarm High Street, PPMG and Cycleway infrastructure.
5. Since then, work has been underway to deliver a range of interventions at PPMG, with completion of the Spence Building in September 2025, a remodelled cafe and new toilets, additional parking and improvements to the Aviary and playground. A planning application for the demolition and redevelopment of South Lodge was submitted in January 2026.
6. Work to create an improved cycle link along Durham Lane to connect key employment sites and surrounding residential areas commenced in January 2026 and are on programme to complete in September 2026. The route will be comprised of segregated cycle routes, shared route, and new crossing facilities between Elton Interchange and Cleasby Way junction, extending to the new western access to Eaglescliffe Station.

Background

Yarm High Street

7. The programme of works for Yarm High Street, as set out in the LUF Round 1 bid was focussed on a public realm scheme and the redevelopment of Yarm Town Hall, in partnership with Yarm Town Council, to bring the building back into use as visitor attraction and to replace the public toilets that were displaced because of the works. The redevelopment of Yarm Town Hall was completed in September 2023 and new public toilets, located at Yarm Library opened in November 2022.

8. To help shape the public realm element of the High Street intervention and to gain insights into understand local priorities and opportunities, two periods of public consultation were undertaken in 2022.
9. The first period of consultation was undertaken in August 2022, for a period of three weeks. The consultation was promoted widely on social media and local media. Staffed engagement events were held in Yarm Library, and an online consultation form was available on the Council's website.
10. The results, published in October 2022, demonstrated that the top five improvements identified were: improving footpaths, reducing street clutter, adding more planting, improving connections and accessibility to the River Tees and providing more seating and places to rest. The findings from the initial public consultation were analysed and used to shape and develop a package of concept designs for Yarm High Street.
11. Concept designs were presented for a second round of consultation in December 2022 for a period of 4 weeks. Consultation provided the opportunity for members of the public to share their views through in-person consultation events held in Yarm Library and an online consultation form.
12. The proposals included new paving along the High Street, new landscaping, seating areas and improved public spaces, de-cluttering of pavements, new cycle parking as well as potential enhancements to the River Tees and Snaiths Field Playground.
13. The results published in January 2023 showed that 69 per cent of respondents agreed that the locations of proposed works were in the most appropriate places on the High Street, 64 per cent of respondents agreed that the proposals identified the right mix and type of improvements and 53 per cent of respondents said they would be accepting of the small loss of some parking spaces to deliver the scheme.
14. In response to public feedback received at this stage, which identified that enhancing spaces beyond Yarm High Street was a local priority, schemes to improve connections to and along the River Tees and upgrading the existing playground at Snaith's Field were developed.
15. The first phase of works focused on resurfacing the existing footpath and repairing root damage along True Lovers Walk, which were completed in September 2025, successfully improving access along walkways.
16. In response to feedback received, the scope of improvements to True Lovers Walk was broadened to consider two existing fishing pontoons located along the route.
17. A visual ground-level inspection of the pontoons was undertaken in autumn 2024, which found the pontoons to be in poor condition and their structural integrity compromised. Both structures were subsequently closed to the public.
18. Following the inspections an officer recommendation to remove the existing pontoons emerged, on the basis that their deteriorating condition, public safety concerns, ongoing

maintenance and unknown structural defects below the water line made the pontoons a financial and legal liability to the Council. The cost for removing both pontoons was estimated at approximately £20,000.

19. Works to upgrade Snaith's Field playground were completed in October 2025. The installation of new play equipment, provision of new seating and resurfacing works to the existing footpath have made the location more accessible, which has been well received by users of the park.
20. In May 2025, proposals for a series of improvements to the public spaces on Yarm High Street, developed in response to the two periods of public consultation were presented.
21. Following publication of the scheme in May 2025 some concerns were raised regarding the appearance of the proposed planters and a revised design was undertaken to incorporate a more subtle and refined finish to the planter material, in keeping with the character of the High Street. Furthermore, a commitment was made at Cabinet in July 2025 to assess the cost of re-providing pontoons in the current locations.
22. Despite these refinements to the scheme, a variety of representations were made to the Council throughout summer and autumn of 2025 in opposition to the proposed scheme, culminating in an instruction to pause the planned start of works whilst further public engagement took place to make sure any interventions reflected local views.

Yarm High Street Public Engagement - December 2025

23. Local people were invited to share their views on the proposed improvements to Yarm High Street over a 4 week period ending in early January 2026 under the banner of 'Yarm High Street - You Decide'. In-person engagement events were held in Yarm Library as well as an online form that was available on the Council's website.
24. The purpose of the engagement was to understand public views on whether the Council should proceed with the proposed scheme and from the 1,564 responses received, results showed that 225 (14 per cent) respondents agreed that Yes - the Council should proceed with the scheme as proposed whilst 1339 (86 per cent) people expressed a view that No – the Council should not proceed with the scheme as proposed.
25. A full summary of the engagement results can be found at Appendix 1.

Next Steps

26. As the recent engagement process produced an 86 per cent 'No' response as to whether the Council should proceed with the scheme as proposed, a decision is sought on next steps for use of the remaining approved budget.
27. As per the report to Cabinet in March 2023, the approved budget for the Yarm High Street element of the LUF programme was £4,600,000 to support interventions including a public realm scheme, redevelopment of Yarm Town Hall, relocation of public toilets, improvements to Snaiths Field and enhanced access to the River Tees.

28. The £4.6m was made up of £1m Council funding (from the previously approved £3million from the MTFP in 2020/21 for investment in interventions in Ingleby Barwick, Norton and Yarm), £3.5m LUF and £100k Yarm Town Council funding. To date c.£2.25m has been spent or committed leaving a balance of c.£2.35m made up of c.£950k Council co-funding and c.£1.4m LUF.
29. The Levelling Up Fund is currently administered opposite MHCLG under the Government's Regeneration Funding Simplification Programme – Local Regeneration Fund (LRF).
30. The Local Regeneration Fund simplifies capital funding by consolidating the Levelling Up Fund, Town Deals, Future High Streets Fund and Pathfinders Pilot into a single funding pot. The LRF programme attempts to provide a greater flexibility and allows for more local control, enabling local authorities to make decisions about moving funding between projects, cancelling and creating new projects.
31. Taking the flexibilities afforded by the Local Regeneration Fund into account, alongside the remaining c.£2.35m budget, a range of uses for the funding can be considered. The make-up of the remaining budget (LUF and SBC funding) allows for potentially more than one alternative use as the remaining budget could be considered as a single sum or separate budget strands by funding source.
32. To aid deliberation on potential next steps, a range of alternative courses of action are set out below. The options are by no means exhaustive, rather an attempt to categorise the potential alternatives within the existing LRF remit, options outside of the LRF remit and potential to split the funding by source.

Retain Funding in Yarm High Street / LUF Round 1 boundary

- Remove Council co-funding into Council reserves (£950k)
- Develop alternative scheme on Yarm High Street.
- Develop alternative scheme in Yarm and Eaglescliffe area.
- Utilise LUF to offset borrowing (approved at Council in February 2025) c£950k to deliver Aviary, Stockton & Darlington Railway heritage feature and Central Area.
- Explore increased scope of interventions in PPMG beyond planned programme.
- Retain LUF money (c£1.4m) for alternative scheme in Yarm and Eaglescliffe area (including High Street)

Reallocate some or all funding from Yarm / LUF Round 1 boundary to interventions across the Borough

- Remove Council co-funding into Council reserves
- Hold LUF funding for a period of time as contingency across LRF programme.
- Identify and develop a new project to allocate some or all LUF funding.
- Allocate to an existing project elsewhere in the Borough

Pontoons

33. Following the commitment to revisit the principle of removing the fishing pontoons, made at Cabinet in July 2025, further evaluation, including a dive inspection, has since been undertaken to establish the cost and deliverability of removing and replacing the two existing wooden pontoons.
34. The estimated cost of removing the existing pontoons and replacing with a modern standard, similar sized structure using composite and steel materials to provide improved durability and a longer service life would be approximately £135,000.
35. A decision on replacing the pontoons would be subject to securing the necessary permits and consents along with a detailed risk assessment to ensure they meet the Council's statutory duties and are safe for public use.
36. Cabinet is therefore asked to consider whether to proceed with the removal of the pontoons only, or the removal and installation of new pontoons.
37. Given the condition of the pontoons, in either scenario they must be removed which is estimated at £20,000. The cost of removal and installation of the pontoons, if instructed, will be deducted from the remaining allocated funding of £2.35m as set out in paragraph 28.

Community Impact and Equality and Poverty Impact Assessment

38. Proposals in this report have been the subject of an Equality & Poverty Impact Assessment, which will be developed further once Cabinet have taken a decision on a preferred alternative use for the remaining funding.

Corporate Parenting Implications

39. There are no corporate parenting implications in this report.

Financial Implications

40. The funding referenced above of £2.35m is within the approved Capital Programme. The specific financial impact would be determined by the solution chosen. Up to £950,000 of the Council revenue funding referenced could be utilised to support the revenue MTFP and/or reserves position. The £1.4m LUF monies can be re-prioritised under the flexibility provided by the Local Regeneration Fund (this all-encompassing fund covers what were previously referenced as Future High Street Fund, Town Deal and Levelling Up Funds). If Cabinet's preferred option is to utilise some of the LUF funding for offsetting prudential borrowing, the remaining LUF budget for reuse would be circa c£450K
41. Any financial changes to the capital programme would be reflected in a subsequent quarterly MTFP update to Cabinet.

Legal Implications

42. The MHCLG's technical guidance on the flexibility of the Local Regeneration Fund provides
43. "We are giving local authorities greater ability to make decisions locally about moving funding between projects in their funding portfolio. Local authorities should consider how they can use this increased flexibility to invest more effectively, whether that is pooling funding in the same area, redeploying funding to different priorities or making changes to existing projects to expedite delivery and maximise their impact".

and further that

44. "We no longer require local authorities to seek approval from MHCLG for any changes to project activities and/or spend profiles as long as the following conditions are met:
- all MHCLG funding is spent by end March 2028
 - all project activity contributes to one or more Government Missions, and in particular economic growth outputs and outcomes as described in the simplified monitoring framework
 - consideration is given to the areas and communities that originally stood to benefit from the funding
 - the portfolio of projects continues to offer VFM - the S.151 Officer (or equivalent) must confirm this is the case
 - MHCLG spend is on activity that falls entirely within the administrative boundaries of the local authority (although this should not restrict collaborations with other local authorities)
 - does not require additional in-year funding above the yearly MHCLG allocation
 - the total MHCLG grant is not exceeded
45. As long as the conditions already mentioned above are met, changes could include:
- amendments to the scope of existing projects, cancellation of existing projects and creation of new projects
 - amendments to project outputs and outcomes
 - amendments to project spending profiles

Risk Assessment

45. A detailed risk assessment of the preferred option will be undertaken in line with the Council project governance and risk assessment criteria.

Wards Affected and Consultation with Ward/Councillors (refer to Concordat for Communication and Consultation with Members)

Eaglescliffe East, Eaglescliffe West and Yarm Wards

Background Papers

Report to Cabinet March 2023, Report to Cabinet July 2025

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