

Public Document Pack

Date of meeting	Tuesday, 17th December, 2013
Time	7.00 pm
Venue	Committee Room 1, Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffordshire, ST5 2AG
Contact	Martin Stevens ext 2250

Economic Development and Enterprise Overview and Scrutiny Committee

AGENDA

PART 1 – OPEN AGENDA

- 1 Apologies for Absence**
- 2 DECLARATIONS OF INTEREST**
To receive declarations of interest from Members on items included on the agenda.
- 3 MINUTES OF THE PREVIOUS MEETING** (Pages 1 - 6)
To agree as a correct record the minutes of the meeting held on 4 November 2013.
- 4 ASPIRE BOARD MEMBERSHIP** (Pages 7 - 12)
To consider the proposed changes to the Aspire Board Membership.
- 5 HOUSING CAPITAL PROGRAMME** (Pages 13 - 18)
To consider a report on the Housing Capital Programme, report attached.
- 6 RYECROFT** (Pages 19 - 24)
To consider a scoping report on the Ryecroft Development, report is attached.
- 7 WORK PLAN** (Pages 25 - 26)
To discuss and update the work plan to reflect current scrutiny topics.
- 8 URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972
- 9 PART 2**
- 10 EXCLUSION OF THE PUBLIC**

To resolve that the public be excluded from the meeting during consideration of the Asset Management Strategy, because it is likely that there will be disclosure of exempt information as defined in paragraph 3 in Part 1 of Schedule 12A of the Local Government Act 1972.

11 ASSET MANAGEMENT STRATEGY

(Pages 27 - 70)

To consider the confidential report on the Asset Management Strategy, report attached.

Members: Councillors Miss Baker (Vice-Chair), Cairns, Clarke, Holland, Jones, Loades, Matthews, Olszewski, Stringer (Chair) and Wilkes

PLEASE NOTE: The Council Chamber is fitted with a loop system. In addition, there is a volume button on the base of the microphones. A portable loop system is available for all other rooms upon request.

Members of the Council: If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.

Meeting Quorums :- 16+= 5 Members; 10-15=4 Members; 5-9=3 Members; 5 or less = 2 Members.

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 4th November, 2013

Present:-	Councillor David Stringer – in the Chair
Councillors	Miss Baker, Cairns, Clarke, Jones, Loades, Matthews and Olszewski
Officers	Cllr Terry Turner (Portfolio Holder) Neale Clifton (Executive Director for Regeneration and Development) Guy Benson (Head of Planning Services) Martin Stevens (Democratic Services Officer) Louise Stevenson (Scrutiny Officer)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence from Members of the Committee.

Cllr David Becket and Cllr Tracey Peers sent their apologies to the Committee in their capacity as Members of the HS2 Working Group.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

RESOLVED: That the minutes of the meeting held on 10 September 2013 be confirmed as a correct record.

4. PRELIMINARY DRAFT REPORT FROM THE HS2 WORKING GROUP

The Chairman presented a report from the HS2 Working Group. He stated that the report, subject to the Committee's approval, would be considered by Council on the 27 November 2013. The Working Group had met with Mr Terry Stafford, Community Stakeholder Manager – HS2 and Siobhan Edmund, Stakeholder Advisor – HS2 in the previous week. A summary note had been compiled swiftly in readiness for the Scrutiny Committee, which had been circulated for Members consideration. He was very pleased that the Working Group had been given the opportunity of meeting with representatives from HS2.

Mr Stafford had stressed that no compensation package had been finalised and had tried to convey that the compensation was likely to be better than what had been previously stated. Mr Stafford had suggested two minor factual changes to the report regarding the number of train services in the area and the amount of time taken for a train to slow down into a station and then to regain optimum speed.

The meeting with the representatives of HS2 had not changed the views of the Working Group, which remained to oppose HS2 and to join with other local Councils in opposition.

A Member stated that he thought the report could be enhanced if references were to be included on where some of the evidence had been obtained. In response, the Chairman stated that, Mr Stafford had commented that the report was fair given the evidence that the Committee had considered. The aim of the group had been to compile a simple succinct readable report. He did however take on board that the report could contain some more references as to where some of the information had been obtained and agreed to include an appendix to the report.

A Member stated that an additional recommendation should be added to the report. He believed that there should be some reference to a spur in the North Staffordshire area. There were differing views over whether this additional recommendation should be contained within the report. A Member stated that if a spur was to be recommended then serious thought would have to be given to the location and its impact.

A Member stated that in the outlining villages in the Borough there was a real concern about compensation and damage to property. It was important to develop a compensation plan.

A Member expressed his support for a station at Etruria, on the grounds that it would open up regeneration land in the area.

RECOMMENDATION: That the report and recommendations from the HS2 Working Group be endorsed and be presented to Council on the 27 November 2013.

5. **PORTFOLIO HOLDER QUESTION TIME**

The Chairman invited the Portfolio Holder, Cllr Terry Turner, to give a statement on his current portfolio. The Committee were keen to learn about his objectives for the next six months and to see which areas could potentially benefit from Scrutiny.

The Portfolio Holder stated that the size of his Portfolio was significant and contained almost all of the major Council projects currently planned for the next 3-5 years. When he became Portfolio Holder he realised the importance of setting priorities from the outset. It was clear that the workload of the Directorate was already significant. He was very pleased with the outcome of Keele Golf Centre and the JCB / Blue Planet project. The Ryecroft development was a key priority and part of this work was the relocation of the main Council Offices. He was working with commercial advisors to get the most out of the plan and then they could begin marketing the site. A report would be coming forward for Council's consideration on the 27 November. With regard to the public realm, plans were in place, with works on the market stalls due to commence in the New Year. Work was taking place on branding and making best use of the market. The aim was to make the market the best in North Staffordshire. Work was taking place on the Newcastle Housing Advice Service to find a new provider within a ten percent saving. They had given contractors the flexibility of offering something different if it saved them money.

The Portfolio Holder stated that there were some problems which need to be resolved with the private rented sector, particularly on some estates where there was a concentration of properties of this tenure. This was not an easy task as some people had stopped reporting anti-social behaviour to the Police. Stoke-on-Trent City

Council had introduced a landlord licensing scheme. He had started exploring the possibility of the Council having their own landlord licensing scheme and was trying to encourage improved working between various agencies.

The Portfolio Holder stated that a significant piece of work was taking place on the Asset Management Strategy. Careful consideration was being given to what the Council should retain as an asset and what it should dispose of. The Council needed to generate capital receipts. The Asset Management Strategy was intended to be received by the Scrutiny Committee as part of its work programme. Selling land was not necessarily a quick process and often the Council would have to go through a consultation process.

The Portfolio Holder stated that a report on the process for preparing a new Local Plan would be received by Cabinet in December. There was clearly a decision to be made on whether the Council should join in collaboration with Stoke-on-Trent City Council. The Portfolio Holder advised that it was important to be mindful that all of the projects currently underway were taking place at a time when the Council were looking to make budget reductions. He suggested three areas for scrutiny in the future which included Ryecroft, Private Sector Landlord Initiatives and the two Town Centre Partnerships.

The Chair invited the Committee to ask questions on the Portfolio Holders statement. A Member asked if it would be possible to have a drawing of the vision of the Ryecroft development available at the Council meeting on the 27 November. In response the Portfolio Holder stated that a drawing would not be available but there would be an outline business case presented for moving out of Civic Offices. The principle objective was to ensure a robust business case and the rest would follow in time. In response to a question from a Member about the nature of the Ryecroft development, the Portfolio Holder confirmed that it was intended to be retail led with a major food outlet to provide anchorage to any scheme.

A Member asked whether the Council still had a private landlord accreditation scheme. The Portfolio Holder confirmed that the Council did have the scheme but it relied on the private landlord registering. In reality it was the good landlords which registered with the scheme. A landlord licensing scheme would be compulsory where a fee would be payable and the income generated would be used to employ staff to administer the scheme. It was however a difficult scheme to setup because certain conditions had to be demonstrated. Evidence had to be available to justify the scheme in case of a legal challenge by a private landlord. When the Council had kept a log their data showed considerable more crime and anti-social behaviour than the Police data for the same area. He encouraged Members to keep a log of crime in their areas and suggested that this could potentially be co-ordinated through the LAP. A Member stated that one of the problems with Police data was that they appeared to have multiple definitions for Anti-Social behaviour. The Executive Director for Regeneration and Development stated that there was an obvious cost implication to the compilation of data and evidence to justify a landlord licensing scheme. He suggested that Scrutiny could potentially look at the item in the future.

A Member in reference to the Asset Management Strategy asked for a complete record of all assets owned by the Council to be brought to the Scrutiny Committee in the future including the expected capital that could be obtained and the future and potential use of the asset. In response the Executive Director for Regeneration and Development stated that certain information regarding the assets would have to be held in exempt session. It was important to note that some assets were seen as a liability and therefore were only valued at £1.00. This burden of assets was an area

which potentially the Scrutiny Committee could focus. The Portfolio Holder stated that the authority should continue to look at their assets on a consistent basis, keeping them under constant review. Cllr Loades proposed, that during the Scrutiny meeting when the Asset Management Strategy would be discussed, that the Committee should consider the establishment of a Task and Finish Group.

A Member stated that skills needed to be improved within the Borough, which was essential for economic development. He believed this to be a high priority and the Council should link in with the LEP. He understood that funds were available from the European Union, it was important that the Council did not lose out through bad timing. In response the Portfolio Holder stated that improving skills was part of the economic strategy and the Council was engaging with the LEP and Newcastle College. Equipping people with transferable business skills was important. He was pleased with the apprenticeship campaign the Council had helped run.

A Member encouraged the Portfolio Holder to resolve the Local Plan as soon as possible, as it was causing concern for rural residents.

The Chair stated that Portfolio Holder Question Time had been particularly useful because the Committee had been able to learn about areas for potential future Scrutiny and to learn about the early development of projects coming forward. He thanked the Portfolio Holder for his contribution.

6. NEWCASTLE AND KIDSGROVE TOWN CENTRE PARTNERSHIPS

The Chairman stated that the Portfolio Holder, Cllr Terry Tuner, was the Council's representative on the Newcastle Town Centre Partnership Board. He invited the Portfolio Holder to update the Committee on the latest position of the Newcastle and Kidsgrove Town Centre Partnerships. He described the composition of the Newcastle Town Centre Partnership board as a great success. The Board comprised of a range of very capable people all of which were voluntary Members.

The amount of events held in the last twelve months represented an immediate success. The Dragon's Den event had been particularly well received. The long-term aim of the Newcastle Town Centre Partnership was to achieve self-sufficiency. Work was currently taking place on developing a medium-term financial strategy. A key task was to convince people in the Town that it was worth their while paying a levy to keep the Town Centre Partnership in place. The Partnership were encouraging students from Keele to come into the Town. The night time economy was another key issue where work was taking place. Another initiative making progress was the purple flag scheme. A Film Festival would be held shortly and this year the Christmas lights switch on event would be at a weekend linked to a series of activities.

The Portfolio Holder stated that he believed the Kidsgrove Town Centre Partnership to be a positive idea. The main focus of the partnership at the present time was to stem the flow of business closures in the Kidsgrove area. The aim was to also make the Kidsgrove Town Centre Partnership self sufficient. He believed the partnership was being successful. Whilst there were currently no figures and statistics, there would be in the future. The board of the Kidsgrove Partnership was smaller at five Members but was likely to increase over the coming months. The Kidsgrove Town Centre Partnership was officially a CIC with its own Bank Account.

A Member stated that they believed there should be figures and statistics in place. It was important to have these to be able to accurately assess how well the

partnerships were performing. In response the Portfolio Holder stated that it was important to convince the businesses within both Towns that the Partnerships were worthwhile to ensure their future sustainability.

A Member stated that the partnerships should focus on providing activities for families in the early evening to attract them to the town. He stressed the importance of the Council working with the Town Centre Partnership to help promote them. The Portfolio Holder agreed that it was important to attract young families to the Towns. He also believed that marketing was important. He emphasised that the partnerships relied on volunteers who were only able to give some of their time.

In response to a question from a Member about rolling out the concept to other areas within the Borough, the Portfolio Holder responded that the Council had decided to focus on two areas. If these were to become a long-term success then consideration would be given to further partnerships in other areas in the future.

A Member asked the Portfolio Holder if he had any figures on business closures in Kingsgrove since the partnership had formed. The Portfolio Holder said he would endeavour to obtain the data.

A Member asked what the Newcastle Town Centre Partnership was doing to encourage small shops in the Town. In response the Portfolio Holder stated that the Dragon's Den event had actually led to two new shops being taken up. There were other initiatives being undertaken. The Council were currently looking at how business rates were calculated as they were causing an issue for some small businesses. The Chairman asked what could be done to help businesses that were struggling in the Town. The Executive Director for Regeneration and Development stated that there were discussions about forming a business support framework but there was currently no funding. Another project was the concept of having a sponsor to give advice to businesses.

7. WORK PLAN

The Work Plan was considered. The Chairman referred to the items that had been raised during the Portfolio Holder Question Time and undertook to work with the Scrutiny Officer to schedule them appropriately.

8. URGENT BUSINESS

There was no urgent business within the meaning of Section 100(B) 4 of the Local Government Act.

COUNCILLOR DAVID STRINGER
Chair

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Report to the Economic Development and Enterprise Overview and Scrutiny Committee

17th December 2013

Review of the Aspire Housing Board composition



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Introduction

The Council has had representation on the Aspire Housing Board since the transfer of the housing stock in 2000.

In 2007 the Council supported the restructure of the Aspire Board; constitutionally, this enables the Council to nominate three Board members to act in the interests of the Company. The articles of association of Aspire Housing provide the Council with a block one third of the votes cast at any general meeting of the company. For any vote to be carried there has to be a minimum 75% majority vote of the members.

In 2010 the Council asked to change the way we nominate to the Board to allow for changes within the Aspire year to enable changes to be made when political control changed.

Aspire Housing have reviewed the operation of the Board and are proposing changes involving the make up of the representatives, it is therefore appropriate that the Council considers these proposals to enable the current representatives to vote on the matter.

Background

Aspire Housing has evolved in the years since the stock was transferred from NBC in 2000. The Aspire Group of companies has been established to provide support to the residents of North Staffordshire with a focus maintained on the Borough of Newcastle under Lyme. At the core of the organisation remains Aspire Housing. Over £110m has been invested in the housing stock since transfer and the range of housing options available has been widened. By way of example, the award winning extra care facility at Millrise was established to meet a different type of housing need in Newcastle.

Supporting the wider regeneration needs of the area, PM Training joined the Aspire Group in 2008. PM Training provides new work opportunities to 16 - 18 year olds in Newcastle and the wider North Staffordshire area through apprenticeships, pre-apprenticeship study programmes, traineeships, vocational training and industry work experience.

In 2010 The Realise Foundation - a unique regeneration charity - was created to release the full potential of people and communities in North Staffordshire. This is achieved through the creation of opportunities for young people to get skilled work, the support of life-long learning and through environmental initiatives to create vibrant, attractive neighbourhoods.

Aspire Housing will soon be launching its corporate strategy for the period between 2014 and 2019. The strategy contains ambitious plans to build on the strong foundations already in place through further growth in the housing stock and the provision of more support to the residents of Newcastle. For example, the new strategy contains a commitment to provide employment or training opportunities to all 19-24 year olds living in an Aspire owned property.

To ensure that Aspire should be well placed to deliver on its new Corporate Strategy, an external Board Effectiveness Survey was undertaken in 2013. Although positive about performance to date, this also identified a number of areas where the existing governance structures could be strengthened to leave Aspire positioned to face future challenges. Among the recommendations was a suggestion that the composition of the Housing Board could be strengthened.

Questions to be Addressed

Scrutiny members are asked to consider the information provided in this report to decide if to recommend to Cabinet the changes to the composition of the Board as set out in the table below:-

Current Composition	Proposed Composition
5 Independent Non-Executives	6 Independent Non-Executives
3 Customers	1 Customer 1 Co-opted Customer (development role)
3 Councillors	1 Councillor
The MD, Aspire Housing	The MD Aspire Housing

The Board will reduce in size from 12 to 9, with an additional space for an Independent Non-Executive. In terms of board size, this is considered best practice. The change in the composition of the Board will not affect the Council 33% vote which can be used on key issues at the AGM whereby 75% vote is required.

The benefits of retaining a strong working relationship with NBC as a key delivery partner are recognised by Aspire. To this effect, Aspire will propose new ways of working which allow for a wider engagement with NBC as a whole. By way of example, it is planned to have an open day on an annual basis which all Councillors would be invited to attend. This will provide the opportunity for Councillors to engage with Aspire's work with their constituents and give the opportunity to raise any questions that they may have.

It is also intended to introduce remuneration for the newly reconstituted Board. There are a number of reasons why remuneration is being introduced:-

- The creation of a “psychological contract” between the company and the Directors, generally improving attendance levels and allowing for more effective performance management and improving the professionalism of the board
- The ability to attract a wider range of candidates – ensuring that the board is comprised of the most qualified and able individuals
- The increasing demands placed on directors, many of whom currently forsake a day’s holiday or pay to attend meetings and away days – in other words it promotes economic diversity, giving members an opportunity to serve who might otherwise be unable to do so

Whilst NBC approval is not required for the introduction of remuneration, it is considered appropriate to reference this change within this paper. The provision of remuneration has been approved by the Aspire Housing Board previously and the power to do so is written in to the Aspire Housing rules.

Supporting Information

To deliver on the plans set out within the new strategy, a number of challenges will need to be overcome:-

- The need for a more diversified range of support and accommodation - the proportion of single households is growing over time and the demographics of the population in the Borough are changing with a growing elderly population. To cater for this, Aspire will need to provide a range of affordable products and service choices tailored to individual needs.
- The housing sector is going through an unprecedented period of change. This includes reduced central grant support, very significant changes to the rent structures and the Welfare Reform programme. Aspire has already invested heavily to support Newcastle residents who have been adversely impacted by the changes. Whilst this has undoubtedly supported customers through a difficult period, the challenges remain.
- To support future growth plans, additional funding will need to be sought. Whilst Aspire has the capacity to borrow more money, new financial products may need to be considered, with some housing providers choosing bonds and other means of financing.

To manage these challenges the skill sets required on the Aspire Housing Board are becoming more diverse and more demanding – including specific competencies and experience in finance, health, housing, development, customer service and more.

The current Housing Board size of 12 is considered 'heavy' in the context of effective governance, and given that 50% of the Board is recruited from a relatively narrow range of candidates (3 Customers and 3 Councillors) it is more difficult to recruit for specific skills and experience under such constraints. Further, the uncertainties of the electoral cycle test the tenures of Local Authority nominees.

Newcastle Borough Council's ability to influence Aspire has never been determined by the number of its nominees to the Housing Board - the Transfer Agreement provides strong assurances - and additionally, a Council nominee occupies a seat on Aspire's Group Board.

For these reasons a change to the composition of the Housing Board is proposed as outlined in the next section of this report. The changes proposed will leave the Board better placed to hold Aspire to account for the delivery of the 2014-2019 strategy

The strategy has at its heart the following 4 key priorities to benefit the residents of Newcastle-under-Lyme:-

1. Providing more homes for more customers with a greater diversity of needs and aspirations
2. Delivering a great service experience
3. Helping customers and neighbourhoods prosper
4. Continuing to ensure the organisation is sustainable in the long term

Invited Partners/Stakeholders/Residents

Aspire Housing have been invited to the Scrutiny meeting to outline the proposals and to take questions from Scrutiny Members.

Constraints

The activities of the company are regulated by the Homes and Communities Agency. There are no constraints on the Council considering the proposals.

Conclusions

The change in the composition of the Board will not affect the Council 33% vote which can be used on key issues at the AGM whereby 75% vote is required.

To amend the composition of the Aspire Housing Board it is necessary to introduce a new set of rules, being the governing document for the organisation. This will require the holding of an EGM, where NBC will be required to approve the revised document. The EGM is expected to be held in March 2014.

It is recommended that the Scrutiny recommends to Cabinet to provide in principal support the changes outlined.

Relevant Portfolio Holder(s)

Economic Development, Regeneration and Town Centres

Local Ward Member (if applicable)

Not applicable Aspire Housing own and manage properties across the Borough.

Background Materials

The Aspire Housing Board Rules of Association are available on request.

Appendices

None.

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Report to the Economic Development and Enterprise Overview and Scrutiny Committee

17th December 2013

Housing Capital Programme 2014/15



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Introduction

The Council considers the Housing Capital Programme every year to ensure that our housing investment priorities are up to date. With limited funding available from national funding streams it is appropriate for the Council to continue using the New Homes Bonus for housing purposes.

This report outlines the key options for housing investment in the forthcoming year on the proposed housing programme to deliver our strategic housing priorities and to support our most vulnerable residents.

Background

The Council has a housing capital programme to deliver the Council's priorities as set out in the Housing Strategy and associated Housing Renewal Assistance Policy, Energy Efficiency and Climate Change Strategy and Empty Homes Strategy. The current 2013/14 programme is funded by the New Homes Bonus and central government grant to support Disabled Facilities Grants (DFGs).

The New Homes Bonus was established in 2011 by the Government to be a powerful, simple and transparent incentive for housing growth and is a key part of the Government's national strategy for housing growth. It is based on the council tax of additional homes and those brought back into use, with a premium amount for affordable homes, and paid for the following six years. The bonus payment calculation allocates 80% to the Borough Council and 20% to the County Council. It ensures that those local authorities which promote and welcome growth can share in the economic benefits, and build the communities in which people want to live and work.

The Council has received the first three year's New Homes Bonus payments and the provisional allocation for next year is £1,273,000. This report outlines how next year's funding can be used to support the Council's key priorities. In considering suitable ways to utilise the New Homes Bonus it is appropriate to take into account the Council's overall financial position. Whilst the New Homes Bonus is not ring-fenced it is intended to support the development of new homes (and housing-related initiatives in general) and therefore it is appropriate that the Council considers the extent to which the funding should be utilised to support the Council's housing priorities.

Questions to be Addressed

Scrutiny members are asked to consider the information provided in this report to make recommendations to Cabinet on the Housing Capital Programme.

Resource allocation

The provisional New Homes Bonus allocation for 2014/15 is £1,273,000. In previous years the Council has considered allocating half of the funding to the capital programme and half to support the day to day operation of the service.

Members may wish to consider the objectives of the NHB funding alongside the corporate capital and revenue requirements. The Corporate Capital Programme Review Group considered the broad principles of the housing capital programme in the context of the wider corporate requirements and recommended that £515,000 of the New Homes Bonus should be allocated to the Housing Capital Programme.

The Council may also consider support for delivery of the Housing Strategy objectives by considering the allocation of land to be disposed of for delivering affordable housing.

Priority Investment Areas

In order to meet residents' needs the Council invests in a range of housing schemes through the Housing Capital Programme. There are a number of important schemes delivered as part of the Housing Strategy and Housing Renewal Assistance Policy which require housing capital finance.

The following schemes may be considered as priority housing schemes to assist the most vulnerable residents in the Borough during 2014/15:

- The Council has a statutory duty to provide **Disabled Facilitates Grants** to eligible applicants and due to the increasing elderly population and national policies to enable people to live independently in their own home; the demand on mandatory DFGs remains high. At the time of writing this report the Government's DFG grant award has not been made and it is anticipated to be known in February 2014. It is anticipated that this Government grant will be similar to current levels at £514,000. Should the Council consider allocating £350,000 this would create a DFG programme of £864,000. It is important to note that the current programme for 2013/14 was for £998,000 based on additional grant being awarded by the Government in December 2012 and used by the Council to take into account outstanding need. As at the beginning of November the Council had spent £370,000 on completed DFGs, had works in progress on adaptations valuing £152,000 and referrals valued at £290,000. It is therefore likely that over November to March that the remaining budget will be required. It is considered appropriate that the Council sets the 2014/15 budget to deliver the anticipated level of adaptations to meet customer needs.
- **Emergency Repair Assistance** to help home owners on a low income or in receipt of a means tested benefit to address serious risk to their health, safety and wellbeing arising from the condition of their home. This may be for emergency repairs to heating and hot water, provision of heating, addressing dangerous electric installations or leaks and dampness. Grants are for a maximum of £5,000 and are repayable if the property is sold within five years. Such grants are a vital part of keeping vulnerable residents safe, warm and well especially through the winter. Additionally they are an invest to save measure preventing disrepair and ill health escalating. By restricting support to those in greatest need particularly over the winter months an allocation of £50,000 may be considered appropriate.
- Continue supporting a **Home Improvement Agency** to assist vulnerable residents

to maintain their independence and continue living safely in their own homes. The Revival Agency based at Staffordshire Housing Association helps the Council to deliver the disabled facilities grants and home loans service as well as helping with issues such as affordable warmth. The majority of the clients are elderly and /or disabled who find it difficult arranging for repairs to be carried out themselves. The Agency relies on funding made up from grants from local authorities, the parent Housing Association, Staffordshire County Council and client's own funds. The Council currently provides a grant of £26,000 to Revival together with fees related to individual property grants. In July 2013 the Council agreed to work in partnership with the County Council and other district Councils to procure new Home Improvement Agency services. At the time of writing this report the tender documents have been issued and it is anticipated that the new contract which will be based on fees alone will be operational within the next financial year. It is therefore recommended that the Council extends the current Service Level Agreement with Revival until the new County Commissioned service is in operation. An allocation of £13,000 is recommended.

Optional schemes

The following schemes may be considered as optional housing schemes to assist the vulnerable residents in the Borough during 2014/15:

- **Emergency Repair Assistance** to help all vulnerable people regardless of the time of year, so for instance heating would be repaired over the summer months. An additional allocation of £30,000 may be considered appropriate to assist an additional 6 vulnerable residents.
- The Council has produced a statutory report The Home Energy Conservation Act (HECA) Progress Report 2013-2015 outlining practicable, cost effective plans which are likely to result in significant improvements in the energy efficiency of homes in the borough and a reduction in fuel poverty by promoting and supporting key government programmes such as Green Deal and Energy Company Obligation (ECO). At the time of writing this report there has been much discussion within the energy sector about the impact of the ECO levy and the extent to which energy companies will increase customers energy bills to meet the levy. It is anticipated that in the Autumn statement due on 5th December the Government will announce how they intend to fund the energy efficiency schemes and whether this will be through a energy levy or taxation. With regard to the Green Deal there has been a low take up nationally and therefore DECC have sought bids for projects to deliver energy efficiency measures. The Council has joined two partnerships to submit bids, to consider areas designated by the Government as Carbon Saving Community areas. Together with Stoke City Council and Cheshire West Council a bid has been made focussed on the urban areas which could include Galleys Bank, Butt Lane, Knutton, Chesterton, as well as wards with substantial numbers of solid wall terraced homes including Wolstanton/May Bank and possibly Town. The Council is also part of a bid with Marches Energy Agency which includes all the Staffordshire District Councils focussing on rural parishes which could include Audley and Madeley. At the time of writing this report the partnerships are providing DECC with additional information in response to their clarification questions. It is unlikely that the outcome of the DECC bids will be known by this meeting, if any decision is made then a verbal update will be given at the meeting. The aim is that urban area energy efficiency measures will be delivered by a new ECO brokerage organisation which it is hoped will be in place by April 2014. The Council, Stoke City and Cheshire West Councils have committed to establish a local agency which will deliver a "one stop shop" approach. This **Energy Advice Service** will provide focussed marketing and promotion securing Energy Company Obligation funding

and manage this and Green Deal across the North Staffordshire region and West Cheshire. A tendering exercise led by Cheshire West is in progress. It is proposed to allocate £20,000 in addition to the £60,000 allocated in 2013/14 which will be carried forward to deliver the new service.

- Bringing **empty properties** back into use is a priority for the Council and residents affected by living next to empty properties the Council could consider allocating funding to bringing empty homes back into use. Some Local Authorities continue to support giving small scale grants to owners of empty homes to bring them back into use. As part of the Council's adoption of the Empty Homes Strategy 2013-18 the Council moved to an approach of providing encouragement and support to owners of empty homes to bring them back into use and using appropriate enforcement action to bring empty homes back into use. This could be backed up by offering small loans to owners to help with disrepair issues that prevent occupation. This will have a positive impact on the blight caused by empty homes, help increase housing availability, plus homes brought back into use contribute to the new homes bonus so this could create additional income. Funding of £20,000 could be used to assist bringing 4 homes back into use.
- The **Accredited Landlords** scheme has been very successful and landlords pay a 2 year membership fee. Officers recommend that the Council continues to be part of the North Staffs scheme with the majority of the costs met from membership fees. It is recognised that many vulnerable people live in private rented accommodation and landlords should be supported to offer good accommodation; in the past, a small capital grants fund has incentivised owners to implement improvements to a good standard. Whilst this is the case, it is recognised that the provision of safe accommodation is the legal responsibility of the landlord and should unsafe accommodation be provided then the Council can take enforcement action in order to ensure that defects are repaired. It is therefore recommended that the Council continues to take enforcement action against serious disrepair but also considers utilising match funding grants to encourage landlords to meet better standards in line with good licensing principles. An allocation of £32,000 would enable match funding support of £2,000 for the return to use of 16 homes.
- The current economic climate continues to bring challenges to households in meeting the financial costs of their current home with some households facing repossession, the Council needs to support the strategic housing enabling role to provide additional **affordable homes** that meet the needs of the community. The Council has previously utilised capital funding in the Housing Capital Programme to kick start development or match fund schemes. Schemes have included Lymebrook at Lower Milehouse and Beasley Place, Chesterton. The allocation of a modest level of capital could enable the Council to support "at-risk" schemes or another initiative could be to consider support for the development of a site capable of holding one or two properties. Due to competing Council priorities it is however not recommended to allocate funding but to direct Registered Providers to the Homes and Communities Agency and to discuss with Registered Providers the development potential on Council sites as part of the Assets Management Strategy. It is proposed to allocate up to £100,000 of land assets to support the delivery of affordable housing. In addition it is intended that a similar approach should be considered for the current financial year to avoid the need for committing the approved allocation of £65,000 for such purposes. Going forward the Council may wish to see the active disposal of assets including land to facilitate the delivery of affordable housing.

- It is important that the Council is able to develop strategies and policies based on evidenced local needs. The last Housing Market Assessment and Stock Condition Survey was produced in 2008 and it is accepted that these are valid for 5 years. The Council could therefore consider commissioning new studies, however with limited financial resources it is worth considering to what extent the studies and updated policies will deliver outcomes if the resources to actual schemes are unlikely to increase greatly. The Strategic Housing Market Assessment could be considered as more important than the Stock Condition Survey as this contributes to the affordable housing policies and the development of the Local Plan. The need for this is therefore to be considered as part of the development of the Local Plan and indicatively £15,000 of the Housing Research revenue is allocated to this for 2014/15. Members could however allocate funding for this from the Housing Capital Programme and could consider allocating £50,000 for a Stock Condition Survey.

Scrutiny recommended allocations

The table below shows potential schemes for 2014/15 utilising the planned £515,000 from the New Homes Bonus together with £100,000 valued land to be disposed of for delivering affordable housing, to give a total investment of £615,000.

Scrutiny members are asked to recommend allocations for Cabinet consideration:

Scheme	2013/14 NHB funding for the Housing Capital Programme £000s	Potential 2014/15 Funding for the Housing Capital Programme £000s	Scrutiny Recommended 2014/15 Funding for the Housing Capital Programme £000s
Priority Schemes			
DFGs Match funded the Government grant of £514,000 to make a total budget of £864,000 in 2014/15.	350	350	
Health and Safety	50	50	
Home Improvement Agency	40	13	
Optional Schemes			
Additional support for Health and Safety		30	
Energy Efficiency measures through the Energy Service Provider	60	20	
Empty Homes	30	20	
Accredited and Licensed Landlords Support	5	32	
Affordable housing	65*	100*	
Stock Condition Survey	0	0	
Total	600	615	

*To allocate land assets up to the value of £165,000 to assist in the delivery of affordable housing (including the 2013/14 allocation).

Outcomes

The housing capital programme will assist the Council in meeting its statutory duties to disabled residents and to households living in unsafe homes.

The housing capital programme will fund the assistance in the Housing Renewal Assistance Policy adopted by the Council in accordance with the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and enable the Council to meet its statutory obligations in the Home Energy Conservation Act 1995

Supporting Information

Covered above.

Invited Partners/Stakeholders/Residents

Several aspects of the housing programme are delivered with the support of the Home Improvement Agency; Revival. The Council is working in partnership with neighbouring Councils to take forward the energy efficiency schemes, this includes the Energy Advice Service procurement and bids to DECC for funding for energy efficiency measures.

Constraints

It is normal practice for the Cabinet to consider and adopt the Housing Capital Programme at the January meeting in line with the Council's overall budget setting process. It is therefore hoped that the Scrutiny Members can consider this report and make recommendations at the December Scrutiny meeting.

Conclusions

That the Scrutiny members make recommendations on the proposed allocations outlined above.

Relevant Portfolio Holder(s)

Economic Development, Regeneration and Town Centres

Local Ward Member (if applicable)

Not applicable support to vulnerable residents is provided across the Borough.

Background Materials

None.

Appendices

None.

Classification: NULBC UNCLASSIFIED

REPORT TO THE ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

17TH DECEMBER 2013

THE RYECROFT RETAIL-LED REGENERATION AND RE-DEVELOPMENT SCHEME

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1. Introduction

1.1 At its meeting on 27th November, the Council considered and approved a report on the 'Proposed retail-led regeneration and redevelopment of land at Ryecroft comprising sites of the former Sainsburys supermarket and the Civic Offices'.

1.2 The purpose of the report was to update Members on actions and next steps required to secure a retail-led redevelopment of the Ryecroft site and seek approval for a number of key actions necessary to take this forward including the demolition of the former Sainsbury's building, approval in principle for officers to work with those of the County Council to prepare a full business case for the relocation of the Civic Offices and to proceed with the formal marketing of the Ryecroft scheme for retail development.

2. Background

2.1 The report to Council has been informed by a series of reports containing expert advice from planning consultancy and urban designers Broadway Malyan and commercial property advisers Cushman and Wakefield. Together these have evaluated the prospects for Newcastle Town Centre in the context of:

- its particular qualities as a place,
- the role the town plays within the sub-region,
- planning policy
- trends in modern retailing
- development opportunities available in the town
- development appraisals of those opportunities, and
- what might be done to create 'the step change' necessary to turn around the town centre's fortunes.

2.2 It was this advice which led to the Councils' decision to acquire the former Sainsbury's store next to the Civic Offices and the identification of this area of the town (focussed on these two properties) as the basis for a major retail-led investment in the town which could help to bring significantly more people into the town centre and increase the level of footfall and business for the benefit of the wider town centre economy. Some of the key conclusions and recommendations of this work are summarised in the following section.

3. Questions to be addressed by Overview & Scrutiny

- Why is this investment necessary?
- Why has Newcastle declined as a shopping centre?
- Why this site?
- Why is it necessary for the Council to relocate its present offices in order to bring forward this development?
- What will this cost the Council?
- What steps now need to be taken to bring forward this development?
- What are the risks?
- Why is the site of the former St Giles & St Georges School considered to be the best site for the new Civic Hub?
- When would the Hub be built / completed
- When will the retail scheme be built / completed?

3.1 Taking these questions in turn:

- Why is this investment necessary?

3.2 Newcastle town centre is struggling with a shrinking footfall and custom for its businesses (over 90% of potential expenditure from the catchment population is leaking to other nearby centres). Cosmetic improvements and incremental change won't change this fact. Only large scale investment including significant new 'draws' (in the form of anchor stores and retailers not presently based here) will pull people into town who are no longer using it regularly. The main objective is to retain the distinctive market town identity and character that Newcastle town centre has and to claw back local people; it is not intended to create a scale of offer that would compete with the City Centre or seek to rival larger scale regional shopping centres.

- Why has Newcastle declined as a shopping centre?

3.3 Five main reasons:

- the recession (which has affected all or most town centres over the past five or six years) and which means that people generally have less disposable income in any case to spend on comparison goods;
- out of town shopping (most obviously the Trentham Retail Outlet beside Trentham Gardens is a major counter attraction for leisure based retailing and Festival Park is a major counter attraction for more conventional clothing and household goods);
- thirdly, the impact of the modern supermarkets offer which includes a significant range of comparison goods as well as convenience goods, increasingly long opening hours and the on-line ordering / delivery service arrangements;
- fourthly, the loss of many day time office workers from the town centre - e.g. based inside the former Blackburn House, Lancaster Building, Marches House, or Copthall House (again to out of centre locations) who would have provided significant custom for the town's shops and services and;
- lastly, shopping now taking place via the internet.

3.4 While some of these trends are here to stay, people are still drawn to town centres that are attractive and vibrant, as spaces to socialise and interact with the range of goods and services on offer, so the situation is not irrecoverable.

- Why this site?

3.5 It lies within the ring road (essential if the remainder of the town centre is to share in the benefit of increased footfall around the town); it is big enough (there are not many available sites in the town centre which could accommodate a development of the scale required to make the 'step change' necessary to the town's offer and; thirdly it is achievable (because of the scale of the land assembled by the Borough and County Councils - NBC already own the Civic Offices and the two parties jointly acquired the former Sainsbury's store - thereby creating a core site that can be taken to the market).

- Why is it necessary for the Council to relocate its present offices in order to bring forward this development?

3.6 Without the site of the current Civic Offices, the former Sainsbury's site on its own is not big enough to create the scale of development opportunity that would deliver the required step-change in the town centre's retail offer. But equally importantly it would not be well enough linked to the main shopping streets of the town to drive footfall more widely through to the High Street and The Ironmarket; redevelopment of the former Sainsbury's site in isolation could mean that any shops established there could operate in a manner that is completely detached from the core of the town centre.

- What will this cost the Council?

3.7 The Borough Council's contribution to building replacement offices is estimated at up to £9 million (based upon the work undertaken with the County Council to prepare an Outline Business Case). At this stage it is envisaged that this would be funded from short-term borrowing which would be re-paid from the receipt from the sale of the Council's share in the Ryecroft site supplemented as necessary from other capital receipts. With regard to the running costs of the new building it is estimated that this would be about £140,000 p.a. less than the current cost of running the Civic Offices and associated premises at St George's Chambers.

3.8 As part of the decision-making process at the Council meeting last month, approval was given for officers to prepare a full business case for the re-provision of Council Offices; the outcome of the latter will be reported back to Members along with feed back from the developer selection process (for the Ryecroft retail-led regeneration and redevelopment scheme) in order that decisions can be made about whether the scheme proceeds. It is anticipated that the said full business case will provide members with much greater clarity about the likely capital costs of any preferred option along with a more accurate prediction about future running costs.

- What steps need to be taken to bring forward this development?

3.8 Our expert retail property advisors, Cushman and Wakefield, having 'warmed up' prospective developers over the past 6-9 months, will be formally taking the scheme to the market in January 2014 with an advert in the national property press and a development prospectus setting out the Councils' development objectives for the site. This will invite bids in a two stage process (requiring only the short listed developers to go to the expense of working up fully costed schemes and undertake advanced negotiations with prospective anchor tenants). It is intended that the Councils will be in a position to receive and review the short listed submissions by the middle of next year. These will be assessed against a number of pre-agreed criteria such as

scheme content, the calibre of the anchor stores, the developers' (and retailers') level of commitment, record of delivery, design (including linkages to the town's principal shopping thoroughfares), the delivery programme and the financial offer.

3.9 In this process the Borough Council will be working alongside its partners the County Council and be advised by Cushman and Wakefield. As referred to earlier, the outcome of the developer selection process will be reported back to members along with the full business case for re-provision of Civic Offices – at that point members will be able to assess both the financial and non-financial benefits of the proposals.

- What are the risks?

3.10 There are perhaps three principal risks to a successful outcome to the process:

- insufficient developer interest and retail demand;
- our dissatisfaction with the quality of what is being offered (e.g. the occupiers or the scheme design) and;
- a poor financial offer for the Council's interest in the overall Ryecroft site, so making the re-provision of the Civic Offices more costly or unaffordable.

3.11 Your officer's view is that the best bulwark against the above risks is to employ a highly experienced and capable retail consultancy with which to work and take advice. At this stage it is not possible to design out the above risks. Once bids are received and the strength of interest is seen, we will then be in a position to re-assess as may be necessary.

- Why is the site of the former St Giles & St Georges School considered to be the best site for any re-provision of Civic Offices?

3.12 A number of options have been considered including re-providing the Councils' offices within the Ryecroft site, redeveloping the Library / Police Station site and acquiring and refitting other privately-owned premises in the town centre. An independent study has been undertaken to evaluate these options and the provision of a new building on the site of former St Giles & St Georges School was considered to be the most cost-effective and the most practical option.

- When would the re-provision of Civic Offices be completed (if members agree to proceed with it)?

3.13 It is estimated that it would take between 2.5 to 3 years to deliver replacement Civic Offices. Broadly speaking there would be three key stages in the process.

- First of all it would be necessary to procure specialist consultants to design and seek the necessary approvals for any scheme (as the Council did with Jubilee 2); depending upon the chosen route – i.e. via OJEU or through a Framework Agreement – this overall stage could take about 12 months.
- Secondly, procurement of a building contractor would be required and this could be commenced a few months behind the first stage (running in parallel) and would take about 10 months. Overall the first and second stages would take about 12 to 14 months.
- Realistically it would take around 6 weeks for the two Councils to sign off and commit to proceeding before commencing the third and final stage of construction and fitting out; this would take about 18 to 20 months.

- How long would it take for the retail scheme to be built / completed (on the assumption that the Councils have identified a preferred developer and agreed to proceed)?

3.14 At the time of writing it is impossible to know this with any level of precision or certainty. Nevertheless it is possible to speculate based upon experience and knowledge from other similar schemes.

3.15 During the developer selection process the preferred developer will have worked up a draft scheme to a relatively detailed level and this would form the basis of both the Development Agreement (to be signed off by the three parties) and an application for planning permission. It is anticipated that these two processes would take up to 12 months to complete.

3.16 It is anticipated that the demolition of all buildings and structures on the site would take about 4 to 6 months. The building of the scheme as a whole would probably take about 12 to 18 months plus up to 6 months for fitting out (depending upon occupier's individual requirements). Of course it may be possible and preferable for the developer to build the scheme in two phases (beginning with the former Sainsbury's site). Clearly the outcome of the developer selection process will inform the Council in due course.

4. Outcomes

4.1 The outcomes which could result from a successful scheme are considerable and are expected to comprise:

- 150,000 to 180,000 sq. ft. of new, purpose built retail premises in the town providing space for retailers who presently are choosing not to locate here because of the lack of premises of the right size and configuration.

- 400 to 700 new jobs

- an increase in footfall around the town, so helping existing retailers to increase their own custom base.

- the introduction of one or two new 'anchor' stores into the town (such as a 60,000 sq. ft. small to medium size format department store) which help to attract catchment from further afield.

- new family friendly places to eat

- new fashion stores

- a food store

- a new 750-1000 space car park

- good quality urban design

- good pedestrian linkage to The Ironmarket and the High Street via Merrial Street and Red Lion Square.

5. Supporting information

Report to Council, 27th November 2013 'Proposed retail-led regeneration and redevelopment of land at Ryecroft comprising sites of the former Sainsburys supermarket and the Civic Offices'.

6. Invited partners / stakeholders

It is suggested that Cushman and Wakefield, who have been advising the two Councils on the scheme be invited to address the committee at its meeting on March 12th. (Note: as the company is London based, the Committee may wish to consider bringing forward the time of the meeting to 6.00 p.m?)

7. Relevant Portfolio Holder

Cllr Terry Turner

8. Local Ward Members

Although an investment of this scale is of Borough-wide interest and impact, the two local members (Town Ward) are Councillors Taylor and Mrs Shenton.

SCRUTINY COMMITTEE WORK PLAN



Committee Name:	Economic Development & Enterprise Overview and Scrutiny Committee
Chair:	Cllr David Stringer
Vice-Chair:	Cllr Sophia Baker
Portfolio Holder(s) Covering the Committee's Remit:	Cllr Terry Turner – Economic Development, Regeneration & Town Centres Cllr Mike Stubbs – Finance and Resources
Work Plan Correct As At:	4 December 2013

Date of Meeting	Item	Reason for Undertaking
17 December 2013 (Agenda dispatch 6 December 2013)	ASPIRE Board Membership	For Scrutiny to consider the proposed changes to the Board.
	Housing Capital Programme	An important part of the Borough Council's work is Housing. The Housing Capital Programme is an important component of this function.
	Asset Management	To consider the Asset Management strategy.
	Ryecroft	To consider a scoping report on areas that the Committee could potentially scrutinise with regards to the Ryecroft Development.
12 March 2014 (Agenda dispatch	Annual Review of the Scrutiny Committee's Work	To evaluate and review the work undertaken during 2013/14.

Date of Meeting	Item	Reason for Undertaking
28 February 2014)		
	Ryecroft	Due to economic and development implications for the Borough.
	Broadband	To consider the implementation of the Superfast Staffordshire Broadband project and its impact on the Borough.

Task and Finish Groups:	<ul style="list-style-type: none"> • HS2 Working Group • Town Centre Car Parking
Future Task and Finish Groups:	
Suggestions for Potential Future Items:	<ul style="list-style-type: none"> • Newcastle Economic Development Strategy • Community Infrastructure Levy

REMIT

Economic Development and Enterprise Overview and Scrutiny Committee is responsible for:

- Building Control
- Design and heritage champion
- Economic development
- External regeneration funding
- Housing and homelessness
- Inward investment/marketing
- Land and property (asset management)
- Local Enterprise Partnership
- Planning policy and development control
- Transport strategy and policy (planning)

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