

# Report to the Economic Development and Enterprise Overview and Scrutiny Committee

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## Progress report on Newcastle and Kidsgrove Town Centre Partnerships



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### Introduction

The Scrutiny Committee have requested a review of the Newcastle and Kidsgrove Town Centre Partnership's Business Plans.

### Background

The Council Plan identifies that 'the town centres within the borough play a vital role in providing employment, local services and entertainment for residents and visitors. The challenge is to ensure each centre remains sustainable and safe in ever-changing economic and social conditions. In order for the Council to facilitate economic growth there is a need to work with other agencies and partnerships. It is critically important too that any such partnerships keep the town centres as safe as possible and that crime is kept at a low level'. One of the key delivery mechanisms are the Town Centre Partnerships.

In March 2012, Cabinet agreed to the Council becoming a director of the Newcastle town centre partnership company and authorised officers to take the necessary steps to facilitate this. In July 2012 Cabinet agreed to the preferred model and formalisation of the TCP as a Community Interest Group (CIC). The TCP is now legally established and has been operating for 18 months as a CIC, with an independent Town Centres Manager.

In September 2012, Cabinet agreed to the Council becoming a Director of Kidsgrove TCP, this was followed by Cabinet approving the allocation of funding in October 2013.

### Questions to be Addressed

#### Prioritisation of NBC officer resources to deliver economic development

The Newcastle TCP Business Plan 2014 has 5 key objectives:

- Develop strategic partnerships
- Improve marketing, communication and promotions
- Improve safety and security
- Improve economic viability and inward investment
- Improve access and the environment

Kidsgrove TCP Business Plan has 7 key objectives:

- Marketing the area to raise awareness and increase footfall
- Increase engagement with the KTCCIC
- Kidsgrove Waterfront Project
- Enhancing the attractiveness and safety of the area
- Development of a Transport hub
- Explore changes to Market Street traffic flow
- Explore external funding opportunities

Members may wish to consider these key objectives and to identify which ones the Council wishes to support as a priority with the resources available.

#### Value for money

Scrutiny may wish to consider if the partnership approach is delivering value for money.

The Newcastle Business Plan identifies the need to use performance indicators to gauge the impact of the partnership's activities on the town centre:

- A footfall monitoring camera was installed in June to monitor town centre usage which will allow the partnership to monitor local trends and to compare with regional trends.
- Vacancy rate is assessed every 6 months to show performance of the town businesses. (This mirrors the performance indicator in the Council Plan quarterly monitoring)
- Trading figures are being requested from pilot town centre businesses and anonymised to show how footfall relates into spend. Going forward this performance indicator needs to be mainstreamed.

Clearly these indicators are not simply influenced by the activities of the partnership however they will provide the partnership with valuable comparative data each year.

The NTCP has also taken on activities such as the Christmas Lights Switch-on event and the Jazz and Blues Festival which were previously undertaken by the Council's Communications Team. As the partnership develops it is envisaged that they will be able to effectively operate events with the support of local businesses. Whilst the Council has provided core funding for the Jazz and Blues Festival the partnership has been able to attract sponsorship for many events and has regular media coverage on Radio Stoke and in Junction 15 and the Sentinel. The event had 75 performances in a range of town centre venues; there were lots of positive feedback from venues and visitors, including a resident comment on the Council's Corporate Compliments system.

Additionally the NTCP has taken leadership of other town centre events that were previously organised and managed by the Council. The NTCP's events programme has evolved significantly. One example being that the NTCP operated a 3 day Lymelight festival using £1500 of TCP core funding, this was matched with sponsorship and private business income to give a total budget of £4,250. In addition to this many hours of support were volunteered to help organise and run the event.

NTCP has also been able to use this partnership approach to successfully secure Arts Council England funding to run The Homecoming event on 28<sup>th</sup> June. A grant of £15,000 has been secured with £1,000 contribution from the Council and £500 from Staffordshire University, together with programme sponsorship from the New Vic theatre and Appetite. This performance based modern circus event will see 6 performers in various locations in the town centre.

The Kidsgrove TCP is seeking to increase the economic development potential of Kidsgrove including linking into events organised by the Town Council. For example the Wild West and Victorian Christmas Market are now well attended events, however until the partnership was

established local businesses were not well linked in. Through the partnership there is therefore an aim to ensure that businesses participate and benefit from a collective approach, for example the retailers participated in Christmas and Easter shopping challenges, giving out stickers which children collected to enter into a prize draw sponsored by local businesses. Work is also being undertaken to develop a website to promote the town centre offering and to improve links to generate more canal-related trade.

From the Council's perspective both partnerships need to continually attract the support of the local businesses who have a financial interest in ensuring that the towns remain vibrant. On the other side the local businesses themselves need to decide how they will participate and the extent to which they are prepared to offer special products or discounts tied into the events and promotions that are organised by the partnerships.

### Sustainability

All companies need to have plans in place to direct how they will continue to operate within the financial resources available. The Newcastle and Kidsgrove TCP's are very different in size and nature, it is therefore not surprising that they currently have different approaches to the medium term financial planning.

NTCP has made a positive statement that they wish to establish a Business Improvement District (BID) to help create a sustainable future which responds to the town centre business's needs.

A BID is based upon a defined area within which rate-paying businesses decide on new improvements to help transform their area and fund them via a levy. A series of surveys will be carried out to determine what improvements businesses in the area would like to make, as well as to discover why people visit the area, what would encourage them to visit more and stay longer.

The idea is that improvements would be made using the funding from the levy if the majority of ratepayers in a designated area approve them through a vote. This enables businesses to have a direct role in deciding what improvements should be made in their local area. The vote is open to business rate payers within the defined area - if a majority of those who vote, both by number and by rateable value, approve the proposal, the levy becomes mandatory on all defined ratepayers and is treated as a statutory debt. The BID can consider if to exclude businesses whose rateable value falls below a certain threshold. Businesses will vote on how much money they want to pay towards the BID. On average this levy is usually between 1 and 2% of the rateable value. A 1% levy in the area could possibly generate around £100,000 per annum which would be ring-fenced to make and manage the improvements that businesses have voted for. The NTCP aims to have a ballot on the BID in March 2015.

The BID will deliver the changes and improvements that businesses in the area identify; these might include a wide range of activities and events which help to drive customer visits and encourage longer stays. However it is important to remember that the BID will not replace the existing services provided by the Borough Council. After five years, the businesses will re-vote on whether they want the BID to continue and what they want to improve over the next five years.

KTCP is operating on a much smaller scale with no direct employees or regular committed expenditure. It is therefore feasible that the partnership can continue with sponsorship and they may consider some type of membership scheme as part of their medium term financial approach.

## **Outcomes**

The two TCP's are independent bodies of which the Council are members. As such it could be considered appropriate for Scrutiny to consider their Business Plans to assess the ways in which the Council should be supporting them to deliver economic growth in the most effective ways.

Members of the Scrutiny Committee are therefore asked to note progress and to direct any comments for the TCP's via the Council's Board representatives.

## **Supporting Information**

The two Business Plans are attached for information.

## **Invited Partners/Stakeholders/Residents**

The Council's representative on the Newcastle TCP is Cllr Turner and Cllr Bates is the representative on the Kidsgrove TCP.

## **Constraints**

The level of financial support for the TCP's is limited alongside the officer resources, specifically within the Regeneration and Economic Development Team. The Business Development Officer allocates 1 day a week to both TCP's. Additionally other officers provide more project-specific support.

In July 2012 the Council allocated £30,000 to the Newcastle TCP to recognise that the new partnership and the delivery model needed to be supported to establish itself and that it would be appropriate to allocate funding for at least a further two years. As the TCP was established in December 2012 the Council allocated £10,000 for 2012/13, £30,000 was given in 2013/14 and £30,000 in 2014/15. The TCP's Medium Term Financial Plan supported by the Portfolio Holder is budgeting for £22,500 in 2015/16. It is important to note that the Council enabled the NTCP to secure £100,000 funding through a s106 agreement and has an annual contribution of £10,000 for up to ten years.

In October 2013 the Council allocated £10,000 to the Kidsgrove TCP to assist in the delivery of the partnership, specifically this prioritised the development of a website and small scale activities within the emerging action plan.

## **Conclusions**

Both TCP's have been successfully established with Boards comprising the Council and local businesses. The Business Plans have been written taking into account the priorities of local representatives and the resources available.

## **Relevant Portfolio Holder(s)**

Economic Development, Planning & Town Centres

## **Appendices**

Newcastle TCP Business Plan and Kidsgrove TCP Business Plan