

ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 17th September, 2012

Present:- Councillor Ian Matthews – in the Chair
Councillors Miss Baker, Cairns, Fear, Holland, Olszewski, Mrs Peers, Studd, Taylor.M and Wilkes

1. APOLOGIES

Apologies were received from Councillor Lawton.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the meeting held on 21 June 2012 and 28 June 2012 be agreed as a correct record.

4. TOWN CENTRE INITIATIVES FOR VACANT SHOPS

The Committee received an update regarding the meeting of the Chair and vice-Chair of the Committee with Officers on 6 September 2012 to consider town centre initiatives for empty shops.

There were a lot of initiatives in place that Members were not aware of. It was felt that marketing empty units had the potential for improvement; they were currently put on the website and a board placed in their window. Members felt that the Council needed to be proactive and adventurous, and that innovative ways to attract business people were required. Members considered that the Strategic Investment Framework (SIF) was a good piece of work, but noted it was out of date and had been overtaken by events. Officers advised that the SIF was three years old and was a series of arguments putting forward a case for investment in the town. Although the funding bodies were no longer in existence, the SIF helped to give a joined up view of taking the town forward, and the new Town Centre Partnership could source from it.

Members had not been aware that there were units available for rent in Merrial Street for £6,000 per annum with no business rates, and considered this very good value for money. The Committee considered whether any business should be accepted if they showed an interest in a vacant property. Officers considered it probable that the Property section would not refuse a business as not acceptable use, as the Council did not have that luxury in the current economic climate. It was felt that there needed to be a balance of working out how to get to where the Council wanted to be in the long term, whilst in the short term taking opportunities as they present themselves. It was considered that a strategic plan was needed for the future.

There was consideration of 'pop up' shops and Members felt they needed to be of high quality, as they could be a deterrent for other investors if they were not. It was

noted that John Lewis had a 'pop up' in Exeter which had been opened as a new store would not be ready in time for Christmas, and Members questioned whether John Lewis might come to Newcastle town centre. 'Pop up' shops were considered positively, as a way for specialist shops to trial their enterprises and test their viability.

Members felt that identifying a niche to make Newcastle distinctive from neighbouring town centres was the way forward. The Portfolio Holder for Planning, Regeneration and Town Centres Development affirmed that the Council would be pushing for upmarket businesses. Members suggested that boutiques and independent shops could be Newcastle's niche. The Chair requested that the Cabinet member and Officers take the Committee's comments away for consideration.

RESOLVED: (a) That the information be received.

(b) That the Portfolio Holder for Planning, Regeneration and Town Centres Development and Officers consider the Committee comments.

5. **TOWN CENTRE PARTNERSHIPS DEVELOPMENT - 2ND ROUND PORTAS PILOT BID**

The Committee received an update note regarding Town Centre Partnership Development and the Second Round Portas Pilot Bid. Due to the level of response received, a £5.5 million support package had been created, which would be open to the 392 areas that applied to become Portas Pilots but were unsuccessful. There would be options for bidding into funds.

The first meeting of the Town Centre Partnership had taken place, although the Partnership was yet to be formally constituted. The Partnership would be split into a number of themes, with each theme group championed by a member of the board. The scope of the group was being investigated, along with performance indicators, targets and best practice. Tasks would be broken down to become more achievable. A website would soon be available which would be smart phone compatible, empty shops would be available for start up businesses and there would be specialist markets. There would also be a 'pop-up emporium' on 27 October 2012 as part of 'Paint the Town Pink'.

Queries regarding the structure and funding of the Town Centre Partnership had been raised at full Council the previous week, and Members questioned whether these had been addressed. Officers had not received the queries, but it was possible the Executive Director, Regeneration and Development had received them. Members felt that the structure of the Town Centre Partnership was good, and it was probable that the question raised at full Council was whether it was being done legally. As a Community Interest Company the Town Centre Partnership could not be Council led, and less than 20% of the members could be appointed by the Council.

Members questioned how events such as 'Paint the Town Pink' would be publicised. The individual organising 'Paint the Town Pink' had organised many similar events, they had their own publicity methods and would be using social media amongst other measures to promote the event. The Communications Department would also be publicising the event. Members considered this the right course to take and Officers concurred that the Pink Week was very exciting.

RESOLVED: That the information be received.

6. **NEWCASTLE TOWN CENTRE PUBLIC REALM PROJECT**

The Committee considered a report requesting a sub group of the Committee be convened to review progress with the public realm project and to discuss decisions that would shortly have to be made on the delivery of the project.

The Committee agreed that a small working group be set up to report back at a future date. It was agreed that Councillor Miss Baker, Councillor Cairns and Councillor Holland would form the working group.

RESOLVED: (a) That the information be received.

(b) That a working group as detailed above meet and report back to the Committee at a future date.

7. **THE DRAFT EMPTY HOMES STRATEGY**

The Committee considered a report regarding the Draft Empty Homes Strategy which was being consulted upon. The report outlined the main aims and objectives of the strategy and highlighted ways the Council may seek to utilise to tackle empty homes in the Borough.

700 homes in the Borough had been empty for more than six months and the strategy would address this problem and encourage bringing these properties back into use. There were problems getting some property owners to cooperate and time and effort were required to identify the owners of some properties. There would be more investment, with Compulsory Purchase Order funding coming from the Council. The majority of empty properties were within the town centre, Wolstanton and Cross Heath. There were initiatives in Wolstanton to address the empty home problem.

Members questioned whether the majority of empty homes within the Borough were privately owned, and Officers confirmed that this was the case with approximately 80% being privately owned. The remainder were social housing. Officers considered it probable that most of these would be Aspire properties and most of them would have been vacant for less than six months. It was questioned whether there was a risk that money would be wasted by moving forward with enforcement action and then being unable to claw money back. There were safeguards in place such as tribunals to recoup money and the sale of a property would bring a return on investment, although the Council would have to spend money first. There was concern amongst Members regarding finances and what steps the Council would take to recoup its investment. For example a property could have been empty for a significant amount of time, leading to structural problems that the Council would have to correct. With the property market being flat, there could be a big bill for the Council if caution was not taken. There were numerous tactics the Council could employ to encourage owners to improve their empty properties and it was expected that only a small number of cases would result in Compulsory Purchase Orders. As part of the strategy, where significant financial resources were required or compulsory purchase/enforced sale were recommended by Officers, the case would be reported to the Public Protection Committee or the Portfolio Holder for authorisation.

Members questioned how many long term empty properties had problematic ownership and whether it was a major problem. Officers confirmed that the numbers for problematic ownership were small. Officers were questioned regarding how many

of the properties that had been empty for more than two years they would consider taking action on. Only one property had been subject to a Compulsory Purchase Order and for the majority the prospect of a CPO was sufficient. Eighty properties each year were being brought back into use without a CPO, and if there was to be a CPO it would need to be considered by the Public Protection Committee first.

Members questioned the differences between the old strategy and the new strategy. The old strategy was based much more upon voluntary action whereas the new strategy would enable Officers to use the powers available to them. Members questioned whether housing associations or private landlords had been approached to buy empty properties as there were derelict properties in the area that people were willing to take on. It needed to be ascertained why people were keeping certain properties on, for example properties bought by parents for students that were kept on after the student had left university. Officers asked for Members views to be submitted to them before November.

The Portfolio Holder for Regeneration, Planning and Town Centres Development asked the Committee whether the Cabinet should investigate the council tax situation for empty properties. The Committee agreed that there should be a suggestion to Cabinet that this be considered.

RESOLVED: That the information be received.

8. **THE FORMER ST. GILES AND ST. GEORGES**

The Committee considered a report regarding the options available to the Council to bring forward the refurbishment and re-use of the former St. Giles and St. Georges School building in Newcastle town centre. There were five options available which the Committee were asked to give consideration to. There was an indicative cost of an estimated £388,700 for a light touch refurbishment of the building to bring it back into use.

Members asked for clarification as to whether option 'E' for housing on the site would entail conversion/refurbishment or demolition. Members considered that both options were possible, but realistically it would be demolition if housing was recommended for the site. The Chair notified the Committee that a letter had been received from Newcastle-under-Lyme Civic Society recommending that the building should not be demolished and its historic elements should be incorporated into any development plans. Members considered that the Civic Society's views should be taken note of.

Members were of the opinion that further money would be required in addition to the £388,700 indicative cost for the light touch refurbishment. Options were limited and it should be realistically considered to demolish the building. There was a shortage of housing, but the only option for the building would be apartments and this was not viable due to the current apartment market struggling. Officers did emphasise that due to the building being situated in a Conservation Area there would be no clearance for demolition until the site plans for a new building had been approved.

There was consideration by Members that the Borough Museum was situated in the wrong place and would be much better positioned in a town centre location. It was felt that the current site of the Museum in The Brampton was a more marketable site and would be a more desirable place to live. Members were of the opinion that relocating the Museum would increase tourism and footfall in the town centre and considered that moving the museum seemed a logical plan, although the Committee

had been advised previously that the idea was not viable. The current market value of the St. Giles and St. Georges building was requested by Members and it was felt that more information was required, as the Committee were being asked to consider selling the site without knowing the current market value.

Members suggested an indoor market could be established in the building as there was access from the bus station and the Queen's Gardens. An indoor market would encourage people to visit the bottom part of the town and Members felt the potential increase in footfall should be investigated. The indoor market suggestion was thought to be bold and interesting by other Members who felt that an indoor market would bring employment to the town centre. It was considered that market research would be required to ascertain if the public would use an indoor market, as the nature of markets had changed and it may not be a viable option. It was noted that the building was entirely flat and suitable for disabled access. Members considered that thought would need to be given to what type of market there should be if it was a viable option and a niche market would be preferable than a mixture of different types of stalls. Members requested an indicative cost for converting the building into an indoor market.

Members considered the important issue for them to consider was whether to recommend to Cabinet that the building be cleared or not. The Town Centre Supplementary Planning Document was in place, which meant that any replacement building would need to be in a similar form to the cleared building, and the Council could defend any replacement. It would be preferable not to clear the site but there were ongoing costs for the Council and if a developer were to come forward with suitable plans, then demolition should be considered. Members questioned if it had been ascertained whether there would be any interest in the site should it be cleared. Officers had not explored this previously, but would investigate should the Committee give a steer in that direction. Members would prefer Cabinet to seek options, but could not rule out demolition. More information was required before the Committee could offer a preferred option.

Members considered the structure should be retained if possible, as it had scale and feeling, although it was not a listed building. Options needed to be kept open and more research was required before a decision could be made. Scrutiny could look at the issue again once figures had been obtained for the cost of the museum and indoor market proposals. There was a request from Members that the public be consulted upon about what they would like to see happen to the building.

The Portfolio Holder acknowledged the new suggestions for the site and advised that the new ideas would be introduced to Cabinet. The Portfolio Holder was warming to the idea of relocating the museum, but considered that it could be cost prohibitive. With regard to the indoor market suggestion, a niche market would need to be investigated, but it was noted that markets were experiencing problems. It was considered that the costing information requested by the Committee needed to be ready for Cabinet to consider. The Portfolio Holder agreed with Members that there should be public consultation regarding the issue.

RESOLVED: (a) That the information be received.

(b) That the suggestion of the establishment of an indoor market be forwarded to Cabinet for consideration.

(c) That costs be ascertained for the indoor market and museum suggestions.

(d) That it be recommended that public consultation be undertaken regarding options for the site.

(e) That an indication of the likely value of a cleared site be ascertained.

(f) That more information is required before scrutiny can offer a preferred option.

9. **THE MANAGEMENT AND OPERATION OF CAR PARKING IN NEWCASTLE TOWN CENTRE**

There was consideration of a scrutiny brief regarding the management and operation of car parking in Newcastle Town Centre. Members considered that the present system needed to be changed and there should be a multi-pronged attack to revitalise the town centre. Mary Portas had recommended free parking as an important component to regenerating town centres. Members themselves parked outside of the town centre as having the change required for the parking machines was a problem. 'Pay on foot' was considered the way forward. Vue cinema was the only car park in Newcastle that offered 'pay on foot' parking, and the Council did not own this car park. The present parking options were hurrying people in the town and it was felt that 'pay on foot' had to be offered to encourage people to stay in the town for longer. 'Pay on exit' was also considered a positive way to encourage people to stay in the town longer.

The refurbishment of the Midway made pay on foot more possible as the geometry of the car park meant it would be cost prohibitive to alter the layout of it. Members noted they had used a mobile phone payment system in Hereford and found it a simple and straightforward way to pay for parking. It could be a cheaper alternative or a stop gap to pay on foot payment. Officers questioned if there was a surcharge for the mobile payment option in Hereford; Members could not recall, but if there was one then it was negligible. Members noted they had found Hereford to be a vibrant city and expected it was a result of its parking system. Knutsford had a mobile phone payment system and it was also considered to have a bustling town centre. It was considered by the Committee that older people may not have a phone and the Borough Council needed to offer as many different pay options as possible.

The Committee agreed that a working party would be set up consisting of Councillor Miss Baker, Councillor Mrs Peers, Councillor Studd and Councillor M. Taylor.

RESOLVED: (a) That the information be received.

(b) That a working group be set up to consider car parking in Newcastle Town Centre.

10. **UPDATE ON HS2**

The Committee received an update regarding Government progress with their plans for a High Speed Rail link, the Borough Council's stance with regard to the plans and to update the Committee of the working group's position. The position of the Council had altered slightly to a slightly softer approach. There was not a lot the Council could do without knowing the HS2 route.

Members questioned point 1.6(c) and considered that if there were intermediate stations along the route then it would not be high speed. It would be desirable to see

regional stations fill in capacity on current lines. The Portfolio Holder for Regeneration, Planning and Town Centres Development concurred that if there were a local station then the Borough would need to have good access to it. However, it would be unlikely to see a local station, but there could be a better service to Birmingham.

It was agreed that the working party should continue as it was.

RESOLVED: That the information be received.

(a) Community Infrastructure Levy (CIL)

The Committee received an update report on the progress being made to become a 'charging authority' under the Community Infrastructure Levy (CIL) Regulations 2010. The intention of the update report was to inform the Committee of the stage the Officers were at in the process. Joint viability assessment work with Stoke-on-Trent City Council was due to begin in October. Officers would require a steer from the Committee and an additional meeting might be needed.

Members questioned whether the Borough Council would be charging the same CIL as Stoke-on-Trent City Council. They considered that the Borough Council needed to consider what neighbouring authorities were charging as it could reduce the Council's competitiveness. Officers felt that working with Stoke-on-Trent City Council was beneficial and there would be differential rates in both Stoke-on-Trent and Newcastle. Members were unsure whether differential rates were the correct route to go down. Members also questioned whether the Council were discussing rates with Stafford Borough Council and it was confirmed that this Council and Stafford Borough were aware of each others work.

Members noted a debate regarding Section 106 Agreements that had taken place in Parliament that day; there was uncertainty as to what would happen with different numbers of units, and Members considered that more information was required from Central Government regarding Section 106 Agreements and CILs. Officers confirmed that the Borough Council could set the CIL itself for various developments, including those for one or more houses, and it would be whatever the Joint Viability Assessment determined. With regard to Section 106 Agreements there would be site specific requirements, for example new accesses. Only five Section 106 payments could be pooled together as from April 2014. There was a request from Members that they be updated at a future meeting regarding the varying charges for different sized developments. Officers confirmed that the charges would vary, but that they would pull some information together.

Members considered that CILs would reduce the importance of Section 106 Agreements and there was concern about setting the correct rates for CILs. Officers concurred that CILs would be the main source of funding and that revenue needed to be generated without making developments unviable. It was requested to be kept informed with regard to the issue. It was possible that an additional meeting of the Committee would be required to consider the issue.

RESOLVED: (a) That the information be received.

(b) That Officers provide information regarding the varying charges for different sized developments.

11. **WORK PLAN**

The work plan was considered by the Committee. It was agreed that the work programme was sufficient for the time being.

RESOLVED: That the information be received.

12. **URGENT BUSINESS**

There was no urgent business considered.

COUNCILLOR IAN MATTHEWS
Chair