

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO CABINET**

**16 October 2019**

**Report Title:** Future High Street Fund

**Submitted by:** Head of Housing, Regeneration and Assets

**Portfolios:** Corporate and Service Improvement, People and Partnerships

**Ward(s) affected:** Town

**Purpose of the Report**

To outline that the Council has been successful in progressing the Future High Streets Fund to Business Case Development Phase and to agree the procurement of external support to complete this business case.

**Recommendation**

- 1) That the Executive Director (Resources and Support Services) in conjunction with the Portfolio Holder for Finance and Efficiency is authorised to procure consultancy support for the development of the Business Case for the next stage of the Future High Streets Fund project.
- 2) That Cabinet consider a report on the Business Case before submission on 30th April 2020.
- 3) That the call in procedure shall not apply as the decision being taken by cabinet is urgent and the delay caused by the call in process would seriously prejudice the Council's or public's interests. (A signed copy of the waiver notice is held on file and an unsigned copy is appended to the report).

**Reasons**

It is appropriate that Cabinet are aware that the Council has been successful in progressing the Future High Street Fund bid to Business Case Development Phase as this is such a significant opportunity for the Council as part of our Corporate priorities. As the Government have indicated the allocation of funding and tight timescales for the project it is important that Cabinet gives approval to Officers in conjunction with the Portfolio Holder to progress.

1. **Background**

- 1.1 Earlier in the year the Ministry of Housing, Communities and Local Government (MHCLG) announced the Future High Streets Fund (FHSF) and the Council made a bid for Newcastle Town Centre, based on the increasing void rates for empty commercial units and the opportunity that the Ryecroft site presents.
- 1.2 At this stage the bidding round was for revenue funding to assist with plan development, therefore the Council bid for:-
  - £180,000 for a master planning exercise which would involve securing commercial advice in respect of the type and strength of potential development interest in the site.
  - £90,000 for project capacity to enable a suitably qualified project manager to drive the delivery of the master plan.
  - £150,000 for a detailed survey of the old Civic Offices to analyse the structure to establish the extent of asbestos and the preferred option for treatment so the building can be safely demolished with no risk to the contractor or the public.

1.3 Our key local partners supporting our Bid are Keele University, Newcastle and Stafford College Group; the Business Improvement District; Support Staffordshire and Staffordshire County Council to name just a few. They are totally supportive of the Council's efforts and the need to bring forward the redevelopment of the Ryecroft site.

## 2. **Issues**

2.1 On 27th August 2019 the Council received confirmation from the MHCLG that the Council had been successful in progressing our FHSF application to the Business Case Development Phase.

2.2 The business case will need to be developed in line with the HM Treasury guidance in the form of a five-case business case, including information on:

- Strategic Case: setting out the rationale for activity and objectives of the proposal. It will be used to assess the extent to which proposals could successfully meet the overall objectives of the fund.
- Economic Case: including an appraisal of a number of options and a robust assessment of the predicted costs/ benefits of the project. This is used to assess whether the proposal can be effectively delivered and is commercially feasible.
- Commercial case: setting out the delivery model including procurement and commercial arrangement that are needed to implement the project. This is used to assess whether the proposal can be effectively delivered and is commercially feasible.
- Financial case: including details on the costs of the project demonstrating that the preferred option can be delivered successfully. It will be assessed to determine the overall impact of the project on the public sector budget.
- Management case: setting out the planning and practical arrangements for implementing the project, including any risks and monitoring and evaluation. It is used to assess if the proposal is practically deliverable.

2.3 The MHCLG will be allocating a Delivery Manager to be the Council's key point of contact and they will be contacting the Council in September to discuss the Council's plans.

## 3. **Proposal**

3 The Council does not have the necessary capacity to develop a full business case therefore it is proposed to procure external support.

## 4. **Reasons for Proposed Solution**

4.1 Progressing to the Business case development stage does not guarantee any capital funding as this is a competitive process with more authorities participating than can ultimately receive capital funding. It is therefore crucial that the Council expedites the commissioning of external support to ensure that the Council can meet the MHCLG deadlines.

## 5. **Options Considered**

5.1 The MHCLG Delivery Manager expects the Council to arrange an inception meeting as soon as practically possible, but by the end of October at the latest. The Council has a choice whether to appoint external support or develop the business case with in house resources. Any external support is expected to participate in the Inception meeting. As part of the MHCLG letter of confirmation of the Council's bid progressing to the next stage the MHCLG have highlighted that local authorities intending to engage consultants should begin the process of selection as quick as possible and ensure there is no conflict of interest with other local authority commissions.

## 6. **Legal and Statutory Implications**

6.1 The Council's financial regulations and standing orders set out that services over £50,000 should be competitively procured through a tender process. Due to the tight timescales officers have

commenced investigations to secure external support with the business case development. Officers have commenced a review of the ESPO 664-17 Consultancy Service Framework which contains Lot 8g (Regeneration & Regional Development), of the 10 providers it may be that 4 providers could be suitable. A direct award could be made through this framework.

## 7. **Equality Impact Assessment**

7.1 The nature of the project is intended to seek benefits for all residents of the Borough.

## 8. **Financial and Resource Implications**

8.1 The government has confirmed that up to £150,000 will be offered as support for the development of the business case. The grant will be made under Section 31 of the Local Government Act 2003 and the funding will need to be spent in line with the grant award letter which is expected shortly.

8.2 The Council has previously allocated up to £47,000 and the County Council allocated £23,000 to support master planning.

## 9. **Major Risks**

9.1 There is a risk that if the Council went to open procurement that the Council would not be able to secure a suitably qualified consultancy able to deliver within the Government timescales. The confirmation letter from the MHCLG highlights the potential conflict of interest in appointing consultants who may also be working for other local authorities; the Council would need to take appropriate action to mitigate against these risks.

## 10. **Sustainability and Climate Change Implications**

10.1 There are no implications at this stage.

## 11. **Key Decision Information**

11.1 This is a key decision as it involves the expenditure of more than £50,000.

## 12. **Earlier Cabinet/Committee Resolutions**

12.1 Economy Environment and Place Scrutiny Committee on 14th March 2019 highlighted that the Council was working with partners to secure external funding.

12.2 Cabinet agreed to 7th November 2018:

1. That officers of the Borough Council, in liaison with the Portfolio Holder and in partnership with Staffordshire County Council, be authorised to take all necessary steps to commission an expert commercial assessment and high level masterplan for the Ryecroft site to reflect the present economic and development climate.
2. That the budget for this work is set at up to £70,000 and would be split with Staffordshire County Council and apportioned on a roughly 65 / 35% basis, the larger share being borne by the Borough Council.
3. That a sum of up to £47,000 is approved to cover the Borough Council's share of the cost of this work.
4. That, subject to any necessary consents from interested parties, officers be authorised to promote the accessible parts of the Ryecroft site (mainly the former Sainsbury's site) for the purposes of enabling short-term events.
5. That officers report back the outcome of this commission to Cabinet in the first instance for Cabinet to consider making recommendations for review by the relevant Scrutiny Committee prior to a final decision about any alternative form of development being made by full Council.

## 13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 The Ministry of Housing, Communities and Local Government Future High Streets Fund Business Case Guidance is available on request from the Regeneration Team.