

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO THE ECONOMY ENVIRONMENT & PLACE OVERVIEW AND SCRUTINY COMMITTEE**

17 December 2019

Report Title: Town Centres Funding Update

Submitted by: Regeneration Manager

Portfolios: Finance and Efficiency

Ward(s) affected: All but primarily those surround Newcastle and Kidsgrove Town Centres

Purpose of the Report

To update on progress and key deadlines with Future High Street Fund and Town Deal

Recommendation

- 1 That Members note the progress with and deadlines for the future High Street Fund bid and welcome this positive opportunity to attract investment for the benefit of the town centres.
- 2 That Members note the requirements of the Town Deal and the development process and deadlines to be met to develop a Town Investment Plans and Town Deal Boards.
- 3 That Members note the need for the Council to engage external support to meet the specified deadlines for submission

Reasons

It is appropriate that members of the Scrutiny Committee are aware of the bidding processes and are engaged in the development of the funding bids as appropriate.

1. **Background**

- 1.1 Members will be aware that The Borough of Newcastle-under-Lyme has the opportunity to benefit from two Government funding opportunities, the Future High Street Fund and The Towns Fund. An overview of these opportunities has previously been given in reports to Cabinet for the October 2019 (Future High Street Fund) and December 2019 (Town Deal) meetings.
- 1.2 These opportunities are a significant and exciting opportunity to bring economic benefit to those people who live and work in the Borough.
- 1.3 The phase one bid for the Future High Street Fund project focused on the Ryecroft area of Newcastle town centre as the prime opportunity to create a positive change for the town centre. This was successful and the Council's bid has progressed to phase two. Due to the short timescale for submission of a phase two bid, and the technical expertise needed to submit a comprehensive and compelling submission it has been necessary to procure external support for this work. Following a competitive procurement process a partnership led by Peter Brett Associates has been appointed. They will lead on completing an options appraisal for the site and developing a business case for investment which will be submitted to MHCLG. A prime consideration in the completion of this work is consideration of how the Ryecroft site can support the wider health of the town centre as it evolves within the changing High Street environment.

- 1.4 The Town Fund has a different focus. The two that are proposed for the Borough are based around the town centres of Newcastle and Kidsgrove, however they also cover the surrounding area and seek opportunities around the themes of:
- Urban regeneration, planning and land use;
 - Skills and enterprise infrastructure;
 - Connectivity

Following the initial announcement that the Council would be invited to bid for these two Town Deals a more detailed Prospectus was published on 1 November 2019.

2. **Issues**

- 2.1 Due to sensitivities in the period prior to the general election on 12th December 2019 MHCLG has delayed some elements of activity relating to these two funding opportunities however in view of the challenging deadlines for these two pieces of work Officers have continued preparations in order to hit the deadlines that have been set.

Future High Street Fund

- 2.2 The key deadlines for the Future High Street Fund phase 2 bid published by MHCLG are:
- Early First Draft Business Case Submission 15 March 2020 (feedback from MHCLG on this is expected in May 2020)
 - Full Business Case Submission 30 June 2020
 - Announcement of successful places Autumn 2020.
- 2.3 To be successful the bid will have to show that there is a realistic and achievable development scheme for the Ryecroft site that meets the assessment criteria of the Future High Street Fund. In order to reach a technical assessment stage the bid has to demonstrate that it:
- Addresses market failure;
 - Delivers investment;
 - Meets the spending timescale; and
 - Demonstrates co-funding for the scheme.
- Accordingly it is likely that a substantial amount of the work to develop this funding bid will be commercially sensitive whilst the market is tested and potential interested parties are approached.
- 2.4 MHCLG is clear that the bidding process is a competitive process and there is no guarantee that bids will be successful. Additionally, some bids may not receive the full amount requested therefore bidding authorities are expected to list within their bid a prioritised order of investment.

Town Deal

- 2.5 The key deadlines for the Town Deal Investment Proposals are set out in the Towns Fund Prospectus and are:
- Submission of a Readiness Checklist on 19 December 2019
 - Town Deal Boards to have been convened and the boundaries of the Town Deal areas published by the end of January 2020
 - Further guidance on the development of Town Deal Investment Plans published by MHCLG in early 2020.
 - Town Investment Plans produced in Summer 2020
 - Town Deals agreed 2020-21
- 2.6 The Towns Fund process is a two part process, part one is capacity funding to put the structures and vision in place to move to the next stage of agreeing a deal. Part two of the process is for places to use their locally owned and developed Town Investment Plan to put together a business case and apply for funding for interventions. So whilst the investment opportunity from MHCLG is up to £25 million per town, the final level of intervention will depend on the projects and interventions that are put forward for support.

- 2.7 There are a number of issues to be considered quickly in order to progress from this initial stage to development of the Investment Plans. Key to this will be the establishment of the Town Board for each of the towns by the end of January 2020. The Board membership must include public, private and voluntary sector representation. As the Board will be responsible for shaping the proposals for the area, it is essential that the governance and operation is effective.
- 2.8 In pursuit of the Town Deal's aim of creating a step change in economic performance MHCLG expects that a significant amount of co-funding will be levered in to match the Town Deal funding bid over the life of the Town Investment Plan. Potential sources of co-funding will need to be identified in the Town Investment Plan.
- 2.9 Development of the Town Deal investment proposals is expected to be a consultative process that will engage local communities, business and investors, local anchor institutions and public sector bodies in its development. MHCLG has developed the #MyTown social media presence to support this consultation.

3. Proposal

- 3.1 That Members note the progress with and deadlines for the future High Street Fund bid and welcome this positive opportunity to attract investment for the benefit of the town centre.
- 3.2 That Members note the requirements of the Town Deal and the development process and deadlines to be met to develop a Town Investment Plan and Town Deal Board.
- 3.3 That Members note the need for the Council to engage external support to meet the specified deadlines for submission.

4. Reasons for Proposed Solution

- 4.1 To ensure that the Council maximises the opportunity for investment through these funding opportunities and works with partners to deliver economic benefit to the Borough.

5. Options Considered

- 5.1 If the Council wants to produce successful bids for these funding opportunities then it needs to follow the required processes to meet the bid requirements. In order to do this it must use external support to develop the bids and in the case of Town Deal work in partnership to ensure local ownership of the Town Investment Plans.

6. Legal and Statutory Implications

- 6.1 The Local Government Act 2000 gives local authorities the powers to promote the economic, social and environmental well-being of their area.

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 Council has received £150,000 grant funding to support development of the funding bid and business case for the Future High Street Fund. The grant has been made under Section 31 of the Local Government Act 2003 and a grant award letter has been received.
- 8.2 The Council has been allocated £335,048 capacity funding to develop the two Town Deals. This comprises £173,029 for Newcastle Town and £162,019 for Kidsgrove Town. This funding will be

paid via a Section 31 grant to the Council, to support the development of a Town Deal Board and development of an Investment Plans for each of the areas.

9. Major Risks

9.1 The significant risk is the opportunity lost to the Borough if these funding bids do not produce a successful result.

10. Sustainability and Climate Change Implications

10.1 There are no implications at this stage. This would be considered on a project by project basis as each proposal is developed.

11. Key Decision Information

11.1 The funding proposals cover a number of wards in the Borough

11.2 At this stage the Council is using MHCLG capacity funding to develop the funding bids however as the funding proposals are developed the Council's contribution would be considered on a case by case basis.

12. Earlier Cabinet/Committee Resolutions

12.1 Cabinet 16th October 2019

12.2 Cabinet 4th December 2019

13. List of Appendices

13.1 None

14. Background papers

14.1 Town Deal Cabinet Report 4th December 2019

14.2 Future High Street Fund Cabinet Report 16th October 2019

14.3 Information on the Future High Street Fund is available at:
<https://www.gov.uk/government/publications/future-high-streets-fund/future-high-street-fund>

14.4 The Towns Fund Prospectus is available at: <https://www.gov.uk/government/publications/towns-fund-prospectus>