

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Cabinet
08 July 2020

Report Title: Newcastle Town Centre Future High Street Fund Submission

Submitted by: Executive Director – Commercial Development and Economic Growth

Portfolios: Corporate and Service Improvement, and Partnerships

Ward(s) affected: Town

Purpose of the Report

To set out the key elements of the Newcastle Town Centre Future High Street Fund submission and seek Cabinet approval for submission of the funding bid to the Ministry of Housing Communities and Local Government.

Recommendation

- 1. That Cabinet notes and approves the key elements of the Future High Street Fund Business Case submission.**
- 2. That the Executive Director Commercial Development and Economic Growth is authorised to work with the Leader of the Council to approve the finalised detail of the Future High Street Fund Business Case bid prior to its submission to Ministry of Housing Communities and Local Government.**
- 3. At the point that Covid-19 measures allow, further public and stakeholder engagement is undertaken to build on the initial consultation that was undertaken in March 2020.**

Reasons

To pursue a healthy future for Newcastle town centre as the heart of economic and community life in the Borough whilst ensuring that funding opportunities are maximised in achieving Council Plan objectives.

1. Background

- 1.1** In December 2018 the Ministry of Housing Communities and Local Government (MHCLG) announced the Future High Street Fund opportunity. This opportunity recognised that High Streets and town centres lie at the heart of communities and local economies, creating jobs, nurturing small businesses and injecting billions of pounds into the economy. The Fund recognised that many High Streets and town centres faced challenges, including the switch to online shopping and the need to consider the function of town centres as more than purely retail centres to include, leisure opportunities, living, access to services and the opportunity for community interaction.
- 1.2** The Council responded by submitting a bid for Newcastle town centre. The stage one bid an 'expression of interest' stage set out some of the challenges faced by Newcastle town centre, including:

- a. A very small residential population within the town centre core;
 - b. Competition from other centres in North Staffordshire, both in-town and out of town and leisure shopping destinations;
 - c. Poor connectivity with the surrounding residential areas;
 - d. The challenge of online shopping;
 - e. Rising vacancy rates in the town centre and decline of the street market which had become the focus of efforts to reenergise it;
 - f. The challenge presented by the empty Ryecroft site where the retail scheme originally envisaged for the site is no longer appropriate.
 - g. The need to create an attractive destination for residents and visitors to the town capitalising on the attractive architecture and welcoming ambience of the town.
- 1.3 The stage one bid focussed on the opportunity of the Ryecroft site. This key strategic site had been assembled to take advantage of previous proposals for a retail and student living scheme that had received planning consent but ultimately in view of shifting retail property market conditions had not progressed to development.
- 1.4 In August 2019, the Council was invited to progress to stage two of the Future High Street Fund bidding process with the submission of a Business Case for Newcastle town centre. The Business Case is to be submitted in line with MHCLG published guidance that sets out the requirements and framework of the information to be submitted, following a five stage business case process.
- 1.5 To support development of the detailed Business Case for a phase two submission the Council received a grant made under Section 31 of the Local Government Act 2003 to bring in additional capacity to develop the bid. In October 2019 Cabinet approved the procurement of consultancy support for this. Following a competitive procurement process, Peter Brett Associates (Now Stantec (UK)) was appointed to support development of the phase two bid and since then officers have been working with Stantec to develop the bid in line with MHCLG guidelines.

2. **Issues**

- 2.1 The Future High Street Fund presents a significant opportunity for investment in Newcastle town centre with which to drive an uplift in its status as an economic, community and social hub for residents, visitors and those who work in the town centre.
- 2.2 Following further consultation with MHCLG in support of developing the submission for Newcastle town centre the scope and vision of the stage two bid has been widened and lifted to encompass the core of the town centre including:
- a. The Ryecroft site as a key strategic anchor for the town with a mix of employment and residential uses and a new modern and efficient multi storey car park that caters for the future of more environmentally friendly vehicles complemented by new public space and more direct pedestrian connections to the residential areas at the North of the town centre.
 - b. Creation of a series of linked plazas and public spaces with attractive pedestrian and cycle routes connecting the Ryecroft area with the heart of the town and the revitalised market using the public spaces to encourage people to dwell and enjoy the ambience of the town centre.
 - c. Complementing an improved offer from the street market, to open up space for visiting markets and events and potential creation of a pocket park in the heart of the town.

- d. The potential to open up a development opportunity on the current Midway multi storey car park site that creates an opportunity to both address the poor quality pedestrian environment at Midway and to tie into the developing residential area surrounding the multi storey car park.

2.3 The emerging bid sets out the overall vision for improving the function and connectivity of key elements within the town centre that will be developed in stages as funding opportunities emerge.

2.4 In early 2020, the Council commissioned Catherine Ralph of All The Small Things to undertake public consultation on some of the emerging themes within the stage two Future High Street Fund bid. This was in the form of a bespoke two day consultation in the town centre. Members of the public were invited to talk through and respond to questions with the aim of capturing qualitative data. Whilst the results showed broad support for the emerging themes in the Future High Street Fund proposals the consultation process was unfortunately cut short as lockdown measures were introduced. It will therefore be desirable to undertake further public and stakeholder engagement as the stages of delivery are brought forward.

2.5 The submission deadline for the phase two bid was originally set for the end of June 2020. However, in light of the national response to Covid-19 and the role that Local Authorities have undertaken in that response MHCLG extended the opportunity to submit funding bids to the end of July 2020.

3. **Proposal**

- 3.1 That Cabinet notes and approves the key elements of the Future High Street Fund Business Case submission.
- 3.2 That the Executive Director Commercial Development and Economic Growth is authorised to work with the Leader of the Council to approve the finalised detail of the Future High Street Fund Business Case bid prior to its submission to MHCLG.
- 3.3 At the point that Covid-19 measures allow, that further public and stakeholder engagement is undertaken to build on the initial consultation that was undertaken in March 2020.

4. **Reasons for Proposed Solution**

- 4.1 To ensure submission of a Future High Street Fund Business Case submission by the deadline date and maximise the opportunity for investment through the Future High Street Fund.
- 4.2 To use this Government funding opportunity to support delivery of Council Plan objectives.
- 4.3 To uplift the status of Newcastle town centre as the heart of economic, social and community life in the Borough.
- 4.4 To gain support to address the abnormal costs associated with the demolition of the former Civic Offices building at Ryecroft (due to asbestos), without which this site is unlikely to be a viable proposition for development by the private sector on its own.

5. **Options Considered**

5.1 The Future High Street Fund opportunity is significant for Newcastle town centre. To attract the investment on offer the Council needs to submit a funding bid to MHCLG. If this is not done then an opportunity to use this external funding opportunity to support delivery of Council Plan objectives will be missed.

5.2 Should the Council chose not to pursue this funding opportunity then it would be in a position of needing to attract substantial funding from other sources to deliver the key elements proposed in the funding bid. This would not be in line with Council Plan objectives or the powers given to Local Authorities to promote the economic, social and environmental wellbeing of their areas.

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 areas.

7. **Equality Impact Assessment**

7.1 The nature of the project is intended to seek benefits for all people who use the town centre and to support the economic and social health of Newcastle town centre as a destination.

8. **Financial and Resource Implications**

8.1 The Future High Street Funding bid represents the opportunity to attract in the region of £13 million external funding to Newcastle town centre from the Future High Street Fund. It is anticipated that activities proposed in the bid will generate additional funding from other sources such as the private sector.

8.2 It is anticipated that the Council will use some of its land and assets to support delivery of the Future High Street Fund. This may require re-alignment of existing commitments within the Council's capital programme and investment in line with the Council's previously agreed Commercial Investment Strategy.

9. **Major Risks**

9.1 A full programme risk assessment is presented in the detail of the bid.

9.2 Should the bid not be submitted, or be unsuccessful then the risk is that the Council loses an opportunity for significant investment in Newcastle town centre.

10. **Sustainability and Climate Change Implications**

10.1 Newcastle town centre is a highly accessible location, encouraging greater use of its land and assets enhances its role as a centre for services, leisure, retail and living and its connection to local residents.

11. **Key Decision Information**

11.1 Activities within the Future High Street Fund bid are within the Town Ward although the benefits will be enjoyed by residents from a wider area of the Borough.

11.2 Should the bid be successful the Council will be re-shaping land within its ownership for a more productive use however this will require some expenditure in line with the Council's previously approved Commercial Investment Strategy.

12. **Earlier Cabinet/Committee Resolutions**

12.1 16 October 2019, Cabinet concerning development of the second stage FHSF bid and procurement of consultancy support.

12.2 December 2019, Economy Environment & Place Overview and Scrutiny Committee
Town Centre Funding Update (information item)

13. **List of Appendices**

13.1 Draft images of projects within the Future High Street Fund bid.

14. **Background Papers**

14.1 None



Development Site 1

Retirement Living with Office/Café & Public Open Space

Site Area: approx 8,000 m²

Office Building

Area: 2,200m² / 23,680ft² (all floors)

Storeys: 2

Description: entrance / cafe / teaching / informal meeting / offices.

Apartment Building

Area: 8,500m² / 91,490ft² (all floors)

Storeys: 4 / 5

Apartments: 75 - 90

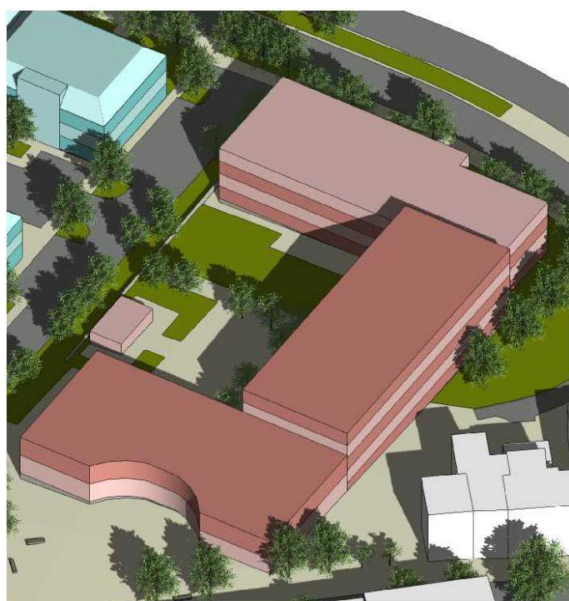
Description: residential with entrance / flexible social space

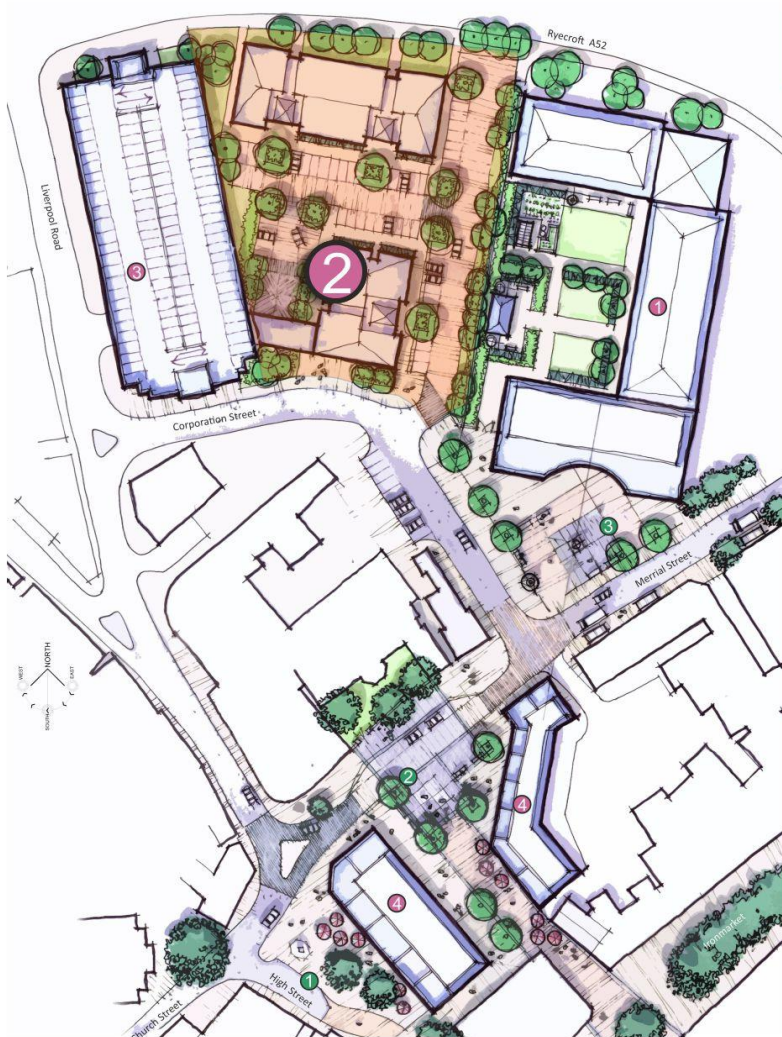
Parking

Undercroft for office + apartments

Spaces: 150

Site area: 8,160m² / 87,830ft²





Development Site 2

Residential with option for flexible community business space
(medium density development)

Site Area: 5,300m²

Gross development all floors 3,100 m²

Storeys: 3

Building Footprint: 1,584 m²

On street parking for 42 cars

Option 1

All units @64 m² per unit

Ground floor: 12 x 2 bedroom units

Remaining 2 floors: 15 units per floor

Total: 42 units

Option 2

Each floor: 7 x 2 bedroom @64 m² per unit + 6 x 3 bedroom @ 96 m² per unit

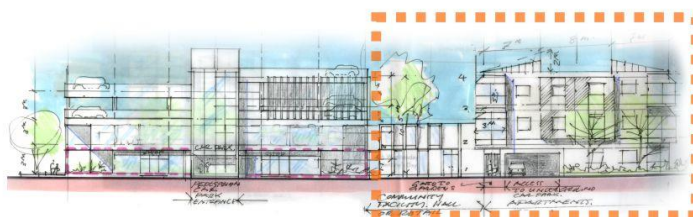
Total: 39 unit

Higher density development scenario

84 no. + Apartments 4no. floors with undercroft parking approx 105 spaces

Lower density development scenario

25 no. town houses with ground level parking



Elevation of car park and residential development from Corporation Street



Development Site 3

512m² Car park with option for flexible community/business space

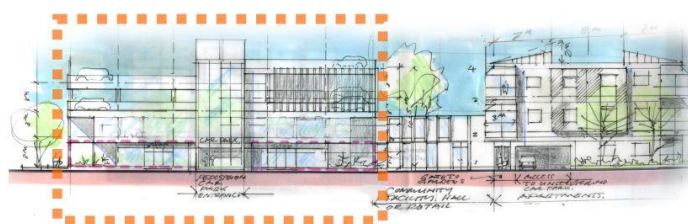
Site Area: approx 4,000 m²

Car park 4 Split level decks (4 floors overall)
with flexible community/business space to ground floor at front (Corporation St. frontage)

Site Area: 3,095 m²

Building Footprint: 2,600 m²

Approx 400 car park spaces
(incl. private spaces for business units)



Elevation of car park and residential development from Corporation Street

Development Site 4

Residential with flexible community business space/retail at ground level

Site Area: approx 3,450 m²

Block A

GF Retail/flexible community/businessspace: 835 m²
 3 Floors Residential
 Apartments: 24
 Gross development all floors: 3,165 m²
 Storeys: 4
 Building Footprint: 835 m²
 Apartment size: approx 55 m² - 70 m²

Block B

GF Retail/flexible community/business space: 665 m²
 3 Floors Residential
 Apartments: up to 33
 Gross development all floors: 2,495 m²
 Storeys: 4
 Building Footprint: 665 m²
 Apartment size: approx 55 m² - 70 m²

Total Units up to 57 units
Gross incl. GF 5,660 m²





