

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

**Cabinet
23 March 2022**

Report Title: York Place – Contract Award

Submitted by: Executive Director Commercial Development and Economic Growth

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: Town

Purpose of the Report

To award a contract to the successful bidder (bidder 'C') following a competitive tendering exercise with the Pagabo procurement framework, for support to review options, submit any necessary statutory applications and work with the Council on the future of York Place. .

Recommendation

That Cabinet

- 1. Notes the progress made on the York Place project, made through the Future High Street Fund grant monies.**
- 2. Authorises the Executive Director – Commercial Development and Economic Growth, in consultation with the Portfolio Holder, Finance, Town Centres and Growth to take such actions and enter such agreements with the successful bidder for support to review redevelopment options, submit any necessary statutory planning applications and work with the Council on the future of a redeveloped York Place.**
- 3. Authorises the Executive Director – Commercial Development and Economic Growth, in consultation with the Portfolio Holder, Finance, Town Centres and Growth to take such actions and enter such agreements for the appointment of consultants to assist in the development of the final designs and business cases for the development.**

Reasons

The Council has secured £11m from DLUHC (Department of Levelling up and Housing Communities) from the Future High Street Fund for the redevelopment of the Council owned Ryecroft site and further improvements to the Town Centre, including York Place.

The Council has recently acquired York Place and it is appropriate to review redevelopment options and plan for the next stage of investment in this project.

This project will be another step in the key Town Centre developments that are planned through the Future High Street Fund and Town Deal grant monies.

1. **Background**

- 1.1 In December 2020 MHCLG (now DLUHC) confirmed to the Council that its Future High Street Fund business case submission had been successful and that £11,048,260.00 was approved for Newcastle town centre. In January 2021 the Council submitted confirmation of its acceptance of the grant and detailed that the funding would be used to secure the demolition of the former Civic Offices, design and build a new multi storey car park, procure York Place and undertake public realm works.
- 1.2 In April 2021 the Council agreed to accept the grant offer and subsequently funding agreements have been signed and the first tranche of the grants have been released in accordance with the submitted cash flow for the programme of works.
- 1.3 The first phase of the Future High Street Fund funded works at Ryecroft are underway, with demolition of the old Civic Office building, due for completion in May 2022; and appointment of a contractor to work with the Council on design and build of a new multi storey car park.

2. **Update**

- 2.1 Since the April 2021 Cabinet there has been significant progress on the programme of works, as listed below:
 - Dedicated project management resources have joined the Council to manage the projects in the programme with a view to delivering the schemes to time and cost.
 - In July 2021, a demolition contract was awarded to Willmott Dixon, through the Procurement Hub framework, to undertake the asbestos removal and demolition of the former Civic Centre on the Ryecroft site, to establish a building platform for subsequent developments.
 - Discussions have continued with Staffordshire County Council with a view to release their ownership of the former Sainsbury's site to the Council, giving total control of the site to the Council.
 - Discussions have progressed with a third party (Aspire) partner with a view to new headquarter building and an adjacent residential development on the site.
 - In December 2021, a contract was awarded to Morgan Sindall for design and development of a new multi storey car park at Ryecroft.
 - In December 2021, Cabinet resolved that necessary actions should be undertaken to purchase York Place / Astley Walk shopping centre.

3. **Proposal**

- 3.1 It is proposed that Council enter into an Project Services Agreement with the successful bidder, through a competitive tendering exercise with the Pagabo procurement framework, to:
 - review redevelopment options for York Place, including the preparation of appraisals and business cases
 - prepare & submit any necessary statutory planning applications
 - Provide advice and support to the Council on developing a commercially viable plan for York Place consistent with the FHSF Bid.
 - Appoint consultancy team to produce final design and business cases
 - Complete this work within an estimated eighteen-month period.

4. **Reasons for Proposed Solution**

4.1 Following an initial request and receipt of three expressions of interest from providers listed on the Pagabo framework a further competition was undertaken and the outcome of submissions scored and moderated resulting in the following scoring:

	Bidder 'A'	Bidder 'B'	Bidder 'C'
Moderated Quality Score:	72.60	69.60	79.00
Commercial (Cost) Score:	19.71	19.65	20.00
Total:	92.31	89.25	99.00

4.2 The decision to will enable the project to progress as per the programme agreed with Government and the Future High Street Fund awards and commitments.

4.3 To use this Government funding opportunity to support delivery of Council Plan objectives.

4.4 To uplift the status of Newcastle town centre as the heart of economic, social and community life in the Borough.

5. **Options Considered**

5.1 Due to time constraints with funding it was decided to pursue a procurement option that allowed for a range of specialist services to be provided through one framework. The Pagabo Framework was chosen as the preferred framework for this procurement exercise as it offered a combination of the lowest overhead and profit percentage fees as well as a very good list of potential contractors with good and recent relevant experience with regeneration projects in town centre settings.

5.2 York Place was chosen for inclusion in the Future High Street Fund programme as it occupies a strategically important location between the Ryecroft site and the wider town centre and it presented challenges in terms of its overall appearance, level of occupancy and state of repair.

6. **Legal and Statutory Implications**

6.1 Section 2(1) of the Local Government Act 2000 permits local authorities to do anything they consider likely to promote or improve the economic, social and environmental well-being of their area. That would include actions to deliver the Future High Street Fund programme for Newcastle town centre.

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 indicative pre-construction contract value (based on a day rate tender sum + Fee %) is within the allocated budget funded through the Future High Street Fund funding.

8.2 In addition to the above, subject to the delegated authority above, fees will need to be spent for design consultancy services. These will also be funded through the Future High Street Fund funding as above.

9. **Major Risks**

9.1 By competitively procuring a contractor through a recognised Framework the Council seeks to minimise some of the risks associated with the procurement.

10. **UN Sustainable Development Goals (UNSDG)**

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. Further this project is intended to enable the redevelopment of a underused retail complex that is in a poor state of repair and currently blocks good connectivity between the Ryecroft site and Ironmarket / High Street, bringing with it sustainability improvements, regeneration and economic benefits as well as In that respect, the project supports the realisation of the following UNSDG objectives:-



11. **Key Decision Information**

11.1 This is not a Key Decision

12. **Earlier Cabinet/Committee Resolutions**

12.1 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).

12.3 July 2020, Cabinet concerning approval for submission of bid into MHCLG (now DLUHC).

12.4 April 2021 Cabinet accepting FHSF Grant monies and grant conditions.

12.5 December 2021 Cabinet purchase of York place Newcastle under Lyme.

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 Future High Street Fund Submission July 2020.