

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
06 June 2023

Report Title: York Place Development - Award of Demolition Contract

Submitted by: Deputy Chief Executive

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: Town

Purpose of the Report

To seek authority to award a contract for the demolition of the York Place shopping complex as part of the Future High Street Fund Programme of works. The replacement of this tired and under-utilised Town Centre building a critical step to the changing face of the Town Centre for residents, visitors and businesses and the achievement of the Town Centre regeneration plans that have been developed by the Council.

Recommendation

That Cabinet

- 1. Notes the progress made on the York Place project, made through the Future High Street Fund grant funding.**
- 2. Subject to planning permission authorises the Deputy Chief Executive, in consultation with the Portfolio Holder, Finance, Town Centres and Growth, to enter into a contract to Willmott Dixon for the demolition of the existing York Place shopping complex.**

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 acquired York Place and the next step in the Future High Street Fund programme is to demolish the existing structure before the site is redeveloped. The Council is currently seeking planning permission for this and the demolition plans outlined in this report is subject to this permission.

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. York Place was included in the Future High Street Fund Programme as a key project as it occupies a strategically important location between the Ryecroft site and the wider town centre and presents challenges in terms of its overall appearance, low level of occupancy giving a partially abandoned look and feel and overall state of repair. 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, purchase and demolish 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 York Place complex was acquired in March 2022 and shortly after Willmott Dixon were appointed as design and build contractor for the York Place scheme following a procurement exercise using the Pagabo framework. Since then Willmott Dixon have worked with the Council to work up a mixed use scheme for the site and it was submitted for planning in December 2022.

2. **Update**

- 2.1 Since the last Cabinet update in January 2023 the responses have been made to consultations as part of the planning application process and the application will be considered at Planning Committee on 20th June 2023.
- 2.2 The Property Team have continued to work with the existing tenants to ensure that where possible suitable alternative locations are found. It was originally envisaged that the complex would be completely vacated by June 2023 however it is now estimated that the final tenant will not relocate until December 2023/January 2024 therefore the commencement of demolition works are likely to commence in October with the demolition of the final unit to be vacated being towards the end of the contract. The demolition contract will phase the demolition to take into account tenant requirements. This is to ensure that all Future High Street Funding associated with this project is spent before the programme ends in March 2024.
- 2.3 As part of the regeneration plans the Council has supported existing businesses where they have wished to retain a physical trading location to relocate within the town centre. Out of 10 tenants of York Place 6 have either relocated or are in the process of relocating to alternative premises in the town centre.
- 2.4 It has been estimated that the contract sum for the demolition contract will be in the order of £1.2m although exact figure will be determined following confirmation of the relocation date of the final tenant and the resulting programme and phasing of the demolition works. This will be covered by the FHSF and adjustments within budgets. It is anticipated that demolition works will commence in October 2023 and be completed by March 2024.
- 2.5 As previously reported delivery options for the subsequent construction of the new buildings are being reviewed, the Council is currently exploring delivery options including a Joint Venture Company and a further report to Cabinet will be presented recommending the preferred option.
- 2.6 Once the demolition is complete it is planned to create a new commercial and social space, with new restaurant facilities, a leisure / music venue, the new Astley Centre and offices. There will be two buildings on the old footprint of the shopping centre with a large public realm square serving all of the commercial activities and creating a visible link from the Ryecroft developments to the Iron Market and the High Street.

3. **Proposal**

- 3.1 That Cabinet

Notes the progress made on the York Place project, made through the Future High Street Fund grant funding.

Subject to planning permission to authorise the Deputy Chief Executive, in consultation with the Portfolio Holder, Finance, Town Centres and growth, to enter into a contract to Willmott Dixon for the demolition of the existing York Place shopping complex

4. **Reasons for Proposed Solution**

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

5. **Options Considered**

- 5.1 Delivery options for the construction of the new scheme at York Place are continuing to be explored.
- 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 demolition of the existing York Place complex is funded through the Future High Street Fund which has been confirmed and allocated.

- 8.2 Summary table showing Future High Street Funded projects, including the York Place;

FHSF Project	Funding Allocation (£)	Actual/Committed Spend to date (£)	Balance Remaining (£)
Ryecroft / Site Preparation	3,556,191	2,688,466	867,725
Modern MSCP Development	3,500,000	585,062	2,914,938
York Place	3,215,218	1,921,301	1,293,917
Stones Public Realm	321,251	-	321,251
Market Stalls	75,600	-	75,600
Project Management	380,000	197,548	182,452
Total Funding	11,048,260	5,392,377	5,655,883

9. **Major Risks**

- 9.1 The main risk to the project is achieving vacant possession of the site by ensuring that the last remaining tenant is relocated in time for the demolition works to be completed by the end of the Future High Street Programme in March 2024.
- 9.2 The proposed demolition is in a densely occupied town centre location and therefore will require careful management throughout the contract.

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 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.
- 12.6 March 2022 Cabinet award of contract for design and build contractor
- 12.7 January 2023 Cabinet progress report on the York Place project

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 Planning Application reference 22/01079/DEEM3.

