

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM
REPORT TO CABINET

7 November 2023

Report Title: Newcastle Town Deal – Projects in Knutton

Submitted by: Deputy Chief Executive

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: Knutton

<u>Purpose of the Report</u>	<u>Key Decision</u> YES <input checked="" type="checkbox"/> <input type="checkbox"/>
<p>To set out progress with delivery of Town Deal funded projects in Knutton and to enable decisions to take forward delivery of the Knutton element of Newcastle Town Deal.</p>	
<p><u>Recommendation</u></p> <p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Note the progress on the delivery of Knutton Village Masterplan. 2. Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to complete the disposal of land in Knutton village at High Street as indicated in Appendix B to Aspire Housing for the purposes of building new housing within the village. 3. Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to complete the disposal of land at Knutton village as indicated in Appendix C to Staffordshire County Council to enable the expansion of Newcastle Enterprise Centre. 4. Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to develop proposals for a new Village Hall at Knutton on land adjacent to the Aspire site, as indicated on Appendix D and to submit a planning application. 5. Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth to seek expressions of interest from organisations interested in undertaking 	

management of a new Village Hall in Knutton and to complete any such agreements required to enable the lease or management of the new Village Hall to be agreed.

Reasons

To enable delivery of Priority Two of the Council Plan as it relates to Knutton.

To enable delivery of the Knutton Village Masterplan.

To enable delivery of the Knutton element of the Newcastle Town Deal Investment Plan.

1. Background

1.1 For a number of years, the Council has been working with its partners Aspire Housing and Staffordshire County Council to develop and deliver the Knutton Village Masterplan “Putting the Heart into Knutton Village”. This masterplan, which was funded by One Public Estate, sets out proposals for a range of interventions in and around Knutton village, including new housing development together with improving community, business, and leisure infrastructure for the village. Cabinet has considered the Knutton Village Masterplan at several previous meetings, including, 2018, authorisation for the Masterplan to proceed; 2020, authorising the Masterplan for consultation; and 2021, considering the results of the public consultation, and approving amendments arising from this.

1.2 The Knutton Village Masterplan has been consulted on with residents on several occasions, including a workshop with ward councillors and key groups during development of the initial proposals, and a wider community consultation during the shaping of the masterplan where local people were invited to express views on:

- what they liked / didn’t like about the proposals,
- what they thought could be improved,
- what were thought to be the priorities for investment in the Knutton area.

Elements that were to be included in the Town Deal business case were also re-confirmed with members of the community prior to its submission.

1.3 Considerations and amendments resulting from the consultation relating to the site at High Street included:

- a. The location of a new community facility / village hall. This was initially proposed to be located at the Wammy as a co-location with a football

club to gain an anchor tenant for the facility. Residents felt this was too far away from the village centre.

- b. A revised location of a new community facility / village hall at High Street, with provision of play facilities alongside it. Residents expressed a preference for the play facilities to be retained and improved at the Acacia Avenue edge of the High Street site rather than being relocated to High Street.

1.4 Delivery of the masterplan aspirations will rely on a combination of funding sources according to what aspect is being delivered. However, investment into delivering the Knutton Village masterplan was included as a project within the Newcastle Town Deal Investment Plan, which was approved by Government in June 2021. The Town Deal Board then had 12 months to develop a more detailed Business Case containing project proposals for delivery in Knutton. The Business case was submitted for government approval in June 2022 and was approved for delivery in July 2022.

1.5 This report primarily concerns delivery of project elements within the Town Deal Business Case for Knutton - Putting the Heart back into Knutton Village that are centred on land at High Street.

2. **Issues**

2.1 The principal project elements of the Town Deal project are:

- a. Construction of a Football Changing Room at the Wammy, this was considered by Cabinet at its June 2023 meeting.
- b. Delivery of housing within the village.
- c. Expansion of Newcastle Enterprise Centre
- d. Provision of a new village hall following the closure of the old community centre in the spring of 2020

2.2 The tender for the Wammy Changing Rooms was accepted in June 2023 but shortly afterwards the selected contractor withdrew from the process citing cost and resourcing issues. Officers are looking into alternatives as well as working with the original contractor to see if they could stand by their original price. Discussions are currently ongoing to agree a tender cost and programme that is acceptable to all parties. If necessary, a further report on this matter will be brought to Cabinet in the future.

2.3 The masterplan covered proposals for housing development in the wider village context, some of which were to be taken forward through other funding means. Town Deal funding was proposed to contribute to two sites, both of which have been previously cleared for redevelopment:

- the former recreation centre site at High Street,
- the former clinic site adjacent to the mini roundabouts at the junction with Milehouse Lane.

- 2.4 This report is specifically concerned with the development of the former recreation centre site on High Street, and adjacent Council land holdings, as set out in Appendix A. This plan, extracted from the residential development proposals, illustrates the indicative layout of the housing proposals, adjacent to the grey hatched area which is proposed as the location for the new village hall, and to the rear of that the proposed extension of the Enterprise Centre next to the existing buildings on that site.
- 2.5 The masterplan recommendations for the High Street site included new, quality residential units, new green space with children's play facilities, new community centre, an uplift to the Enterprise Centre frontage and attractive landscaping along High Street. In developing proposals for the High Street site, the three key partners have endeavoured to reflect these aspirations, whilst creating good links between the Acacia Avenue and High Street areas and creating a village feel to any new housing development proposed.
- 2.6 As can be seen from Appendix A partners are now able to move forward with the comprehensive redevelopment of the High Street sites for housing, enterprise centre expansion and community facilities, including re-provision of a play area.

Housing

- 2.7 In line with the Masterplan aspirations, the Council has been working with Aspire Housing to develop a scheme for the housing element of the High Street site, with the development occupying the site edged in red in Appendix B, attached. The development arm of Aspire Housing, Durata Developments, has now submitted a planning application to transform the site with 54 residential units, new landscaping, improved connectivity between Acacia Avenue and High Street and an improved play area. The planning application, reference 23/00771/FUL, is anticipated to be considered by Planning committee at its December meeting.
- 2.8 The development proposed by Aspire Housing is to provide new, high-quality housing that meets the needs of the local area with the design of houses to reflect the characteristics from the surrounding area. Green space and an improved children's play area near to Acacia Avenue are incorporated into the design. Town Deal funding is proposed to be used to assist Aspire in dealing with the abnormal costs of brownfield land reclamation to enable the housing development to proceed.
- 2.9 To enable this development to proceed the Council therefore needs to undertake the transaction with Aspire Housing:
- 2.10 **Sale to Aspire Housing** - of 5.9 acres (2.3 hectares) of land in the Council's ownership as indicated in Appendix B. As part of the Knutton Masterplan Development partners commissioned Bruton Knowles to provide an independent valuation of this land to inform the terms of its disposal for development. This valuation took into account the estimated capital value of the completed development, estimated construction costs, all associated

fees and abnormal costs from which an estimated land value was calculated.

- 2.11 As with any development, the site value is influenced by the number, type, and tenure of properties being built, and as such the Bruton Knowles valuation provides an approximate value around which partners will negotiate.
- 2.12 There are significant abnormal costs associated with the redevelopment of the site. In line with the Cabinet resolution of October 2022, concerning delivery of projects within Newcastle Town Deal, Town Deal monies are earmarked to fund the ground remediation and associated works. Further abnormal costs such as the installation of a new substation and pumping station and attenuation works which are being funded by Aspire are reflected in a reduction in the land value.

Expansion of Newcastle Enterprise Centre

- 2.13 Staffordshire County Council has operated Newcastle Enterprise Centre on Knutton High Street for 35 years. There has been a long-held aspiration by the County Council to expand the workspace available, but no viable proposals have been previously forthcoming that would enable payback of borrowing within Staffordshire County Council's accepted timeline. Expansion of the Enterprise Centre will bring new employment opportunities in the village and also provide subsequent economic benefits to surrounding businesses from consequential spend in the local area. A Town Deal grant for Knutton Enterprise Centre will bridge the viability gap of expanding the Enterprise Centre and is in line with the previous Cabinet resolution of October 2022 concerning delivery of projects within Newcastle Town Deal. This delivers both the employment and economic benefits set out in the Knutton Village Masterplan and The Town Deal Business Case.
- 2.14 The County Council has been working with both Council officers and Aspire Housing to agree the layout arrangement of the additional workspace. Enabling creation of an additional 4,500 sq. ft of workspace will require circa 0.37 acres (0.15 hectares) of land from the adjacent former recreation centre site currently in the Council's ownership. This is indicated in Appendix C. This requires the sale of land from the Borough Council to the County Council to enable the development to proceed.
- 2.15 Planning consent has been granted for the extension of the Enterprise Centre. Application reference 23/00138/FUL.
- 2.16 The figure agreed with Staffordshire County Council for the sale of this land is in line with the valuation by Bruton Knowles and is set out in Confidential Appendix E.

Construction of a new village hall

- 2.17 One of the aspirations of the Knutton Village Masterplan is to provide new community facilities in the village and to improve the frontage of High Street and increase activity. At the time of developing the original Masterplan proposals, a community centre was operational at a site adjacent to the mini roundabouts at Lower Milehouse Lane. This had to closed in the spring of 2020 due to safety concerns around the condition of the building. The consultation clearly reflected a desire from the community for a better quality and more intensively used community facility to be available. Whilst the Council, through Town Deal investment, can facilitate development of a new village hall, the extent to which it is used is outside of the control of the Council and will depend on the level of engagement from the local community and proactive management of any facility that is provided.
- 2.18 Reflecting the consultation response for a new facility at the heart of the village, a new village hall is therefore proposed at High Street. This proposal was well received during community consultation on the proposals for Knutton Village. The proposed area where the village hall will be located is indicated in Annex D. A new village hall of approximately 250 sqm would require 25 parking spaces to be provided. An area of 0.4 acres (0.2 hectares) is therefore proposed to accommodate the village hall and associated car parking.
- 2.19 To enable the running of the village hall to be sustainable from both an environmental and a financial perspective it is proposed that use of sustainable / renewable energy sources will be used alongside a thermally efficient building design to reduce the impact of the building. It is therefore proposed that designs for the new village hall are developed and a planning application is submitted for approval.
- 2.20 To enable the village hall to embed in the local community and ensure its longer-term success it will be necessary to identify a group or organisation willing to take on management of the facility. It is therefore proposed that expressions of interest are sought with a view to running the village hall for the benefit of the Knutton community.
- 2.21 Construction of the village hall and associated infrastructure is to be wholly funded from the Knutton allocation of Newcastle Town Deal funding.
- 2.22 This report seeks approval to develop the scheme up to obtaining a planning permission only. Subject to securing an end user / leaseholder for the facility a further report will be presented requesting permission to enter into a construction contract for the facility to be built out and handed over to the end user / leaseholder.

3. Recommendation

- 3.1 That progress on the delivery of Knutton Village Masterplan is noted.

- 3.2 Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to complete the disposal of land in Knutton village at High Street as indicated in Appendix B to Aspire Housing for the purposes of building new housing within the village.
- 3.3 Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to complete the disposal of land at Knutton village as indicated in Appendix C to Staffordshire County Council to enable the expansion of Newcastle Enterprise Centre.
- 3.4 Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to develop proposals for a new Village Hall at Knutton on land adjacent to the Aspire site, as indicated on Appendix D and to submit a planning application.
- 3.5 Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth to seek expressions of interest from organisations interested in undertaking management of a new Village Hall in Knutton and to complete any such agreements required to enable the lease or management of the new Village Hall to be agreed.

4. **Reasons**

- 4.1 To enable delivery of commitments within the Council Plan 2022 – 2026, Priority Two A successful, Sustainable and Growing Borough.
- 4.2 To enable delivery of priorities identified in the Knutton Village masterplan.
- 4.3 To enable delivery of agreed projects within the Knutton element of Newcastle Town Deal Investment Plan.

5. **Options Considered**

- 5.1 Delivery of a masterplan and subsequent projects within Knutton has been a long-standing aspiration for the Council, stemming from a 2018 proposal within the Asset Management Strategy for the master planning of Knutton village. The projects and proposals set out in this report are in line with work that has been subsequently undertaken by the Council, with its partners and previously approved by Cabinet to deliver improvements within Knutton Village. The proposals enable the development of derelict land within Knutton village, bringing it back into productive use and lever in a substantial amount of funding from both Staffordshire County Council and Aspire Housing (through Durata Developments) and also from other funding sources. Delivery of the proposed projects within this report is the only option to consider if the Council is to deliver on both its own aspirations for the High Street site in Knutton village and for the benefit of the residents of Knutton village.

6. Legal and Statutory Implications

- 6.1 The Local Government Act 1972 (as amended) – Section 123 - the Council has a duty to achieve best consideration when disposing of its assets.
- 6.2 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 Knutton Village Masterplan.
- 6.3 The proposals to enable the delivery of projects within Knutton Village requires the disposal of land currently owned by the Council to enable the developments to proceed.
- 6.4 The land which formed the Knutton Recreation Centre site was acquired from Staffordshire County Council in 1989. The use was restricted to a community recreation centre use. The price paid by Staffordshire County Council to re-acquire a section of the site for the Enterprise Centre takes into consideration this restriction. The land sale to Aspire Housing will require covenant consent from Staffordshire County Council and a sum will be paid to them to reflect this once a purchase price with Aspire has been agreed.
- 6.5 Proposals to build a new village hall on Knutton High Street will require the Council to add an additional asset to its portfolio and eventually to come to an agreement with a management body to take on management of the village hall.
- 6.6 Planning consent has been granted for the extension of Newcastle Enterprise Centre. A planning application has been submitted for residential development at land at High Street, Knutton. This application has not yet been determined.

7. Equality Impact Assessment

- 7.1 No differential impact arises from the proposals contained in this report.
- 7.2 The proposals contained in this report are intended to benefit both the current and prospective residents of Knutton Village.
- 7.3 The proposals open up new employment and business opportunities in a less affluent area of the Borough in an accessible location on Knutton High Street.
- 7.4 The proposals introduce a new community facility in an accessible location on Knutton High Street which will be open to all members of the community to use on an equal basis.

8. Financial and Resource Implications

- 8.1 The proposals require a Town Deal grant to be made to Staffordshire County Council for the expansion of Newcastle Enterprise Centre. This is within the Town Deal allocation for delivery of the Knutton Village Masterplan.
- 8.2 The proposals will generate a capital receipt from the sale of land to Staffordshire County Council to enable the expansion of Newcastle Enterprise Centre.
- 8.3 The proposals require disposal of land to Aspire Housing which is currently under negotiation. This will generate a capital receipt for the Council.
- 8.4 The proposals require a Town Deal grant to be made to Aspire Housing, this is within the Town Deal allocation for delivery of the Knutton Village Masterplan.
- 8.5 Construction of a village hall will add an additional building to the Council's property portfolio. It is intended to seek an external organisation to take on management of the village hall once constructed. Town Deal monies will be committed from the existing Newcastle Town Deal project allocation for Knutton Village to enable construction of the village hall.

Town Deal Monies

- 8.6 The overall Town Deal allocation for Knutton is £3.534 million.
- 8.7 The agreed contribution to Staffordshire County Council for extension of the Enterprise Centre is £1.14 million
- 8.8 To date Aspire Housing has received £156,829 Town Deal monies for development of schemes at High Street, Lower Milehouse Lane and land at Knutton Ex-Servicemen's Club. A further £6,932 has been requested in relation to this phase of work.
- 8.9 For the High Street site a further £573,415 is being proposed in relation to site clearance and preparation, allowance for contamination, allowance for disconnection and removal of services and drainage diversion.
- 8.10 For the lower Milehouse lane site a further £76,600 is proposed in relation to sit clearance and preparation, allowance for disconnection and removal of services and drainage attenuation.
- 8.11 This would take the total Town Deal allocation for Aspire Housing to £813,776.
- 8.12 The indicative town Deal allocation for construction of the Village Hall and associated infrastructure is £1 million.

9. **Major Risks & Mitigation**

- 9.1 The major risk is in the Council not being able to deliver its aspirations for delivery of agreed actions within the Knutton Village Masterplan. In progressing these proposals, the Council has consulted with the local community on a number of occasions and is working with key partners to lever in additional investment to Knutton village.
- 9.2 External delivery partners have their own risk management plans in place for their respective elements of delivery. An overall risk assessment for Newcastle Town Deal is maintained on the Council's risk management system.
- 9.3 Construction inflation remains a risk for the village hall development until all procurement is complete and a contract price agreed. By competitively procuring through a recognised portal the Council will seek to manage some of the risks of procurement. Cost management through design processes will also be a consideration.
- 9.4 Should the Council be unable to find a suitable tenant to manage the village hall then this development would not be a viable proposition as the Council does not have the resources to manage the village hall directly itself. Early engagement will be undertaken to find prospective tenants for management of the village hall.
- 9.5 Development of all of the elements set out in this report requires the completion of legal agreements with key partners. The Council is working closely with such partners to complete mutually agreeable arrangements.

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

- 10.1 The proposal, by achieving the development of new workspace in a less affluent area of the Borough, which is in existing urban setting contributes towards UNSDG 8 and 9.
- 10.2 The proposal, by providing more homes and community facilities in a local village contributes to UNSDG 11.



11. Key Decision Information

11.1 This report concerns developments in the Knutton Ward

11.2 The proposals contained in this report require the allocation of funds from the Knutton element of Newcastle Town Deal to a value in excess of £1.5 million, as they total £1,877,176 from the Town Deal allocation of £3,534,000, covering the Enterprise Unit and the Aspire allocations.

12. Earlier Cabinet/Committee Resolutions

12.1 18 October 2022 Newcastle Town Deal [Newcastle Town Deal.pdf \(newcastle-staffs.gov.uk\)](#)

12.2 9 June 2021 Knutton masterplan: report on public consultation and proposed amendments to the draft Knutton Masterplan. [Cabinet report on Knutton WYG public consultation June 2021.pdf \(newcastle-staffs.gov.uk\)](#)

12.3 13 January 2021 Newcastle Town Deal, submission of the Investment Plan including Knutton [Newcastle Town Deal.pdf \(newcastle-staffs.gov.uk\)](#)

12.4 11 November 2020 Knutton Masterplan [Knutton Masterplan.pdf \(newcastle-staffs.gov.uk\)](#)

12.5 7 November 2018 One Public Estate – Knutton Master planning Project [1 \(newcastle-staffs.gov.uk\)](#)

12.6 19 September 2018 Asset Management Strategy, proposed master planning at Knutton [1 \(newcastle-staffs.gov.uk\)](#)

13. List of Appendices

13.1 Appendix A Overview of High Street site.

13.2 Appendix B Plan Residential Development Area High Street

13.3 Appendix C Plan Newcastle Enterprise Centre Development Area

13.4 Appendix D Plan Village Hall Development Area.

14. Background Papers

14.1 Knutton Village Masterplan

14.2 Staffordshire County Council planning application for the expansion of Newcastle Enterprise Centre 23/00138/FUL [23/00138/FUL | Proposed west wing workshops \(amended plans received\) | Newcastle Enterprise Centre High Street Knutton Newcastle Under Lyme Staffordshire \(newcastle-staffs.gov.uk\)](#)

14.3 Durata Development planning application for residential development, land at High Street / Acacia Avenue Knutton.23/00771/FUL [23/00771/FUL | Full planning application for a residential development with associated access, internal infrastructure, landscaping and wider works. | Land At High Street / Acacia Avenue Knutton Newcastle Under Lyme Staffordshire ST5 6BX \(newcastle-staffs.gov.uk\)](#)

14.4 Newcastle Town Deal Town Investment Plan

14.5 Putting the Heart into Knutton Village Business Case.

