NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S
REPORT TO
ECONOMY AND PLACE SCRUTINY COMMITTEE

18th March 2024

Report Title: **Town Deal and Future High Street Funds Update**

Submitted by: **Deputy Chief Executive**

Portfolios: **Portfolio Holders - Finance, Town Centres and Growth**

Ward(s) affected: **All**

Purpose of the Report	**Key Decision** Yes ☐ No ☒
To update Scrutiny Committee on the Town Deal and Future High Street Funds projects.	

Recommendation

That

1. **Scrutiny Committee notes this report on the delivery of the Town Deal and Future High Street Funds projects.**

Reasons

To update the Scrutiny Committee on the progress with the various projects that are being funded or part funded through the two Town Deals – Newcastle and Kidsgrove, and the Future High Street Funds for Newcastle Town Centre.

1. Background

1.1 As reported to previous Scrutiny meetings, the Council has secured Future High Street Funding and Town Deal Funds for the redevelopment of several key regeneration sites across the Town Centre and the wider Borough.

2. Updates

2.1 Future High Street Fund

Work has been continuing in the development of the schemes for the past couple of years, and the current position regarding each is as follows:

2.1.1 Market improvements

Replacement of the fabric tops to the existing market stalls is in progress and a planning application has been submitted for the relocation / removal of some of

the stalls along the bottom end of High Street to create spaces for new removable stall and remove the under-utilised fixed stalls that have become obsolete. The new removable stalls will also be placed at the top end of the market nearer to the Guildhall. The planning application also includes public realm work to create a performance / market spill-over space, along with 'nipper parking' for quick, click and collect customers in the town, who only need up to 20 minutes of parking. Tender packages are prepared for sending out upon receipt of planning permission (Funding £397k).

2.1.2 York Place

Capital&Centric have now been appointed to develop the scheme upto a planning permission application with costs for the construction phase. These will be ready in September 2024.

Part strip out works – asbestos, windows, walls etc will begin from march onwards to expose the concrete frame in readiness for the main rebuild / redevelopment works to commence.

The design is at the early stages, but the current proposals forecast the provision of 47 modern apartments for young professionals, down sizers and families with the following room mix:

- 17,222sq.ft. of commercial space
- 24 one bed apartments
- 23 two bed apartments
- Resident amenity space will be provided in the Midway development and will be made available for residents of this building.
- Astley Performing Arts Centre is due to relocate from its existing smaller facility on Merrial Street to a larger unit within the new development.

Discussions have been continuing with Joules Brewery for the live music venue adjacent to The Bulls Head Pub and Capital&Centric have been investigating how this element of the scheme can be incorporated. Previous Cabinet approval gave authority to sell a parcel of land to Joules Brewery for the independent development of the music venue. It is essential that the Joules Brewery initiative works as part of the development as a whole and is consistent with the design values overall.

Funding £3m but anticipated to bring in a Capital receipt upon completion of the project).

Ryecroft

2.1.3 Castle Car Park

Construction has now commenced on this project with completion due in late November 2024. (Funding £12m (£3.50m from FSHF)).

2.1.4 McCarthy and Stone Residential Development

An revised area to that previously reported has now been agreed with McCarthy and Stone behind the Alice Charity former church building for a 50 unit, over 55 year old residential facility. Planning permission will be submitted shortly with an anticipated start on site target date of mid 2024. (Capital receipt to be obtained for the land sale).

2.1.5 New Hotel

Capital and Centric are continuing their design feasibility works for the whole Ryecroft site which will include the new Hotel build, which is now anticipated to be developed on the corner of Merriel St and Corporation St. For full details see section below on Capital&Centric.

2.1.6 Aspire Housing

We are continuing to work with Aspire to establish a site boundary for them to develop out residential units. It is anticipated that this will be the area of the Ryecroft site to the right of the new Car Park. For full details see section below on Capital&Centric. (Capital receipt to be obtained for the land sale).

2.2 Capital and Centric and Regeneration Projects

2.2.1 Capital&Centric have now been appointed to develop the scheme upto a planning permission application with costs for the construction phase. These will be ready in November 2024.

2.2.2 Capital&Centric have developed a revised master plan for the site which incorporates all of the constituent parts, namely:-

- The new Castle Car Park
- The McCarthy and Stone residential scheme
- A hotel including Capital&Centric commercial proposals below

- The Aspire Housing residential scheme

2.2.3 Further development of the design is required, but the current proposals suggested by Capital&Centric includes:

- Circa 10,000 sq.ft. of commercial space
- 36 houses
- 110 key hotel with associated amenity area

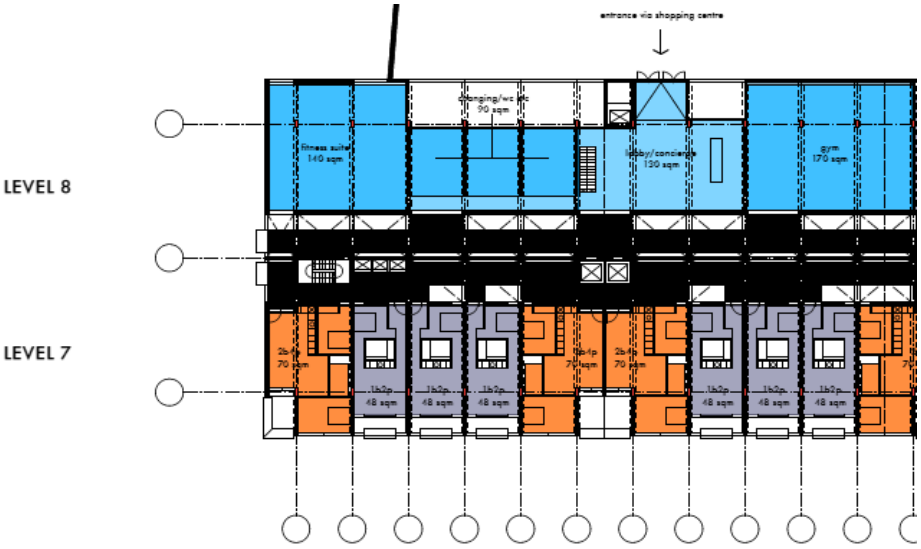
2.3 Newcastle Town Deal

Midway Car Park

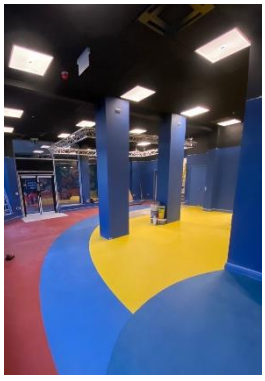
2.3.1 Since their appointment in November 2023 Capital&Centric have been developing plans for the re-development of the Midway structure, based around the principle of retaining the concrete frame and floors and re-engineering the structure for residential purposes. This not only saves all the embodied carbon in the concrete frame, but also creates both time and cost savings for the development, whilst also creating an architecturally aspirational development.

2.3.2 The design is at the early stages, but the current forecasted development would deliver 106 modern apartments for young professionals, down sizers and families broken down as follows:

- 60 one bed apartments
- 44 two bed apartments
- 2 three bed apartments
- Extensive shared facilities including a gym, residents lounge and private dining. It is expected that the facilities at Midway will be used by residents on the other projects being delivered by Capital&Centric in the town.



2.3.2 Astley Performing Arts Centre

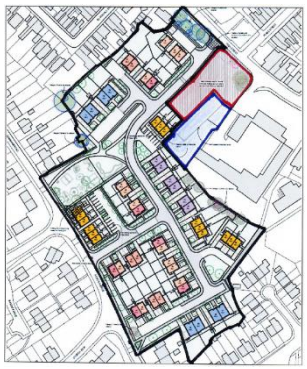


Refurbishment of the Merrial Street building is complete and The Philip Astley CIC have now taken control of the building and opened their doors in Mid-February. That will complete phase 1 delivery of this project with phase 2 due to commence in 2025. (Funding £1.81m)

2.3.3 Knutton and Chesterton

Knutton

In September 2023 Aspire Housing submitted a planning application for residential development at the High Street site, this is due to be considered in early 2024. http://publicaccess.newcastle-staffs.gov.uk/online-applications/PLAN/23/00771/FUL



An application for the former community centre site was submitted in January 2024. This is due to be considered in Spring 2024 http://publicaccess.newcastle-staffs.gov.uk/online-applications/PLAN/24/00023/FUL

Work is scheduled to start on site in March 2024 for the extension to the Enterprise Centre.

In September 2023, the Borough Council authorised officers to develop plans for a village hall at High Street in Knutton to planning application stage. It is vital however that interest is attracted in forming a committee to run the village hall if this development is to progress.

The Council was successful in securing Football Foundation funding toward development of football changing rooms at the Wammy. The Council has re-tendered for a contractor to build the changing rooms as is currently in the process of making an appointment for this project. (Funding £3.534m)

Cross Street Chesterton

Aspire Housing are continuing to deliver the earlier housing phases of this development. Town Deal funding was requested for the later phases of delivery however it has been necessary to review outputs attributable to each funding provider to ensure the correct outputs are being attributed to each funding source. The Council has worked with Aspire to finalise a Project Adjustment Request in respect of the project outputs which has been submitted to DLUHC and is currently under consideration. (Funding £2.955m)

2.3.4 Zanzibar Enterprise Units

These are to be Council owned small enterprise units to rent to small and developing businesses on North Street. Aspire and Morgan Sindall have been working on a design for the residential units and the enterprise units and we are awaiting the finalisation of this work and will update next time. The development is due to start on site in 2024 with a planned completion date in late 2025. (Funding £2.81m)

2.3.5 Walking and Cycling Provision

Works for these schemes has begun through Staffordshire County Council with cycling improvements implemented along George Street, at Gallowstree Roundabout and works will commence along Barracks Road in 2024. (Funding £950k)

2.3.6 Sustainable Travel

Work continues with the travel information totems as reported last meeting, whilst the team at Keele University are progressing plans for the new bus entrance with the aim of it being opened for the start of the 2024/25 academic year. As a result of plans for the new bus entrance, First Potteries Ltd are working with the University to put on a new X25 service between Newcastle town centre and the University. This is planned to be introduced in September 2024 for the start of the new academic year. Further development work is to be done on proposals for the new circular bus route before it can be commissioned for operation. (Funding £3.421m)

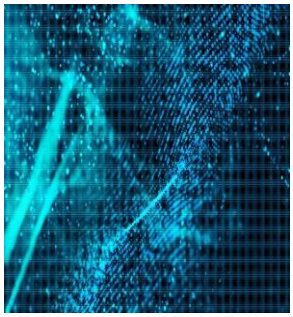
2.3.7 Digital Society – 53 Iron Market (Keele in Town)

The demolition contractor has now completed the strip out of the building and we are awaiting an update on when the fit-out contractor will commence works. Further information sessions with local businesses and residents are planned for 2024 and Keele in Town is due to launch in October 2024. (Funding £3.51m).

2.3.8 EV Charging Points

Construction of the new Castle Car Park commenced in earnest in January 2024 with the car park and new EV charging points opening in autumn 2024. The procurement of a partner for operation of the EV charging points has concluded and the supplier, installer and maintenance partner is working with Morgan Sindall around construction details so that they are in place ready for opening of the car park. (Funding £400k).

2.3.9 Digital infrastructure



A report with proposals for delivery of this project was discussed at a Town Deal Board meeting on the 14th February and it was agreed that the Council will now undertake a procurement exercise for the works to be installed by the end of 2024. A Cabinet report to authorise the procurement will be submitted to Cabinet on the 19th March 2024. (Funding £2.285m)

2.4 Kidsgrove Town Deal

2.4.1 Chatterley Valley

Work is continuing with the land owner and the end user for the Plot D unit and a further update will be provided at the next meeting.

Works to the highway / entrance works to the new site continue and are due to be complete in the summer of 2024.

2.4.2 Kidsgrove Train Station works

As reported previously there is currently an issue with the costs of car park underpinning due to mine works underground, which are being worked through. Network Rail are looking into costs and scope of works required and there is a suggestion that the HS2 cancellation will result in funds being transferred to this

issue. We are awaiting feedback on several fronts before the scheme can progress. (Funding £3.85m)

2.4.3 Canal Pathways

Works are being developed by the Canal and Rover Trust with implementation during 2024. (Funding £420k)

2.4.4 Shared Service Hub

A site for the development has now been selected alongside the station in Kidsgrove – the Dales Garage and adjacent Car Park sites. Plans are being drawn to provide a new facility for Dales Garage and create the space for the Shared Hub. As with the Station car park the works / scope / costs are being affected by the underpinning due to mine works below the site – these are currently being surveyed.

Works are underway with a planning application submitted and a CIC to manage and operate the facility. (Funding £6.5m)

3. Recommendation

3.1 Scrutiny Committee notes the progress made to date and continues to receives further reports at subsequent meetings.

4. Reasons

4.1 Generating efficiencies and additional income by adopting a more commercial approach is a key in the Council's plans for maintaining financial sustainability in the medium to long term. The Commercial Strategy provides a framework for managing and coordinating commercial activities, it is appropriate that the Council reviews key major projects when they are at an appropriate stage of business planning and contract award.

5. Options Considered

5.1 The Council continues to progress a number of strategies and approaches to ensure that it can maintain a financially sustainable future and deliver the key priorities set out in the Council plan.

6. Legal and Statutory Implications

6.1 The Local Government Act 2000 - powers to promote the economic, social and environmental wellbeing of the Borough.

6.2 The Council will need to make sure that its commercial activities are legally and state aid compliant, including having regard to the Public Sector Duty within the Equality Act 2010, statutory guidance on local authority investments and The Prudential Code for Capital Finance in Local Authorities.

6.3 All commercial projects and investment opportunities will be examined to ensure that they are within the Council's powers and legal implications will be identified on a case-by-case basis.

7. Equality Impact Assessment

7.1 The development of these projects does not create any specific equality impacts.

8. Financial and Resource Implications

8.1 The Council was awarded Future High Streets Fund funding in June 2021 of £11.0m to progress projects to help future economic growth. The full £11.0m has now been received of which £7.0m has been spent at 26 February 2024, as shown below:

Project	**Award (£000's)**	**Spend/Ordered (£000's)**	**Remaining (£000's)**
Ryecroft / Site Preparation	3,756	2,920	836
Multi Story Car Park	3,500	1,399	2,101
York Place	3,015	2,327	688
Stones Public Realm	321	-	321
Market Stalls	76	27	49
Project Management	380	293	87
Total	**11,048**	**6,966**	**4,082**

8.2 £23.6m was awarded to the Council via the Town Deals Fund for Newcastle to enable a vision to improve communications, infrastructure, and connectivity in Newcastle-under-Lyme to become a reality. £15.0m has been received to date of which £1.9m has been spent as shown below:

Project	**Award (£000's)**	**Spend/Ordered (£000's)**	**Remaining (£000's)**
Digital Infrastructure	2,285	12	2,273
Sustainable Public Transport	3,421	-	3,421
Electric Vehicle Charging	400	-	400
Pedestrian Cycle Permeability	950	-	950
Transform Key Gateway Sites	3,810	2	3,808
Astley Centre for Circus	1,810	610	1,200
Digital Society	3,510	515	2,995
Heart into Knutton Village	3,534	215	3,319
Cross Street, Chesterton	2,955	-	2,955
Project Management	925	553	372
Total	**23,600**	**1,907**	**21,693**

8.3 £16.9m has also been awarded via the Town Deals fund for Kidsgrove to enable real and lasting economic benefits to be realised in Kidsgrove and the surrounding area. To date £10.2m has been received of which £6.8m has been spent as shown below:

Project	Award (£000's)	Spend/Ordered (£000's)	Remaining (£000's)
Kidsgrove Sports Centre	2,328	2,328	-
Chatterley Valley West	3,661	3,661	-
Kidsgrove Station	3,638	196	3,442
Shared Services Hub	6,183	126	6,054
Canal Enhancement	420	-	420
Project Management	670	475	195
Total	**16,900**	**6,789**	**10,111**

9. Major Risks & Mitigation

9.1 Management of risk is central to the Council's commercial approach and all potential activities will be assessed with due regard to the risks being taken. This will be in line with the Council's corporate approach to risk management.

10. UN Sustainable Development Goals (UNSDG)

10.1 These projects support the realisation of the following UNSDG objectives:-

11. Key Decision Information

11.1 The plans affect more than 2 wards and any future investments have the potential to have significant financial implications. These will be subject to further reports which may be key decisions.

12. Earlier Cabinet/Committee Resolutions

12.1 None.

13. List of Appendices

13.1 None.

14. Background Papers

14.1 None.