

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO
FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE**

27 June 2024

Report Title: Town Deal and Future High Street Funds Update

Submitted by: Interim Chief Executive

Portfolios: Portfolio Holders - Finance, Town Centres and Growth

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To update Scrutiny Committee on the Town Deal and Future High Street Funds projects.	
<u>Recommendation</u>	
That 1. Scrutiny Committee notes this report on the delivery of the Town Deal and Future High Street Funds projects.	
<u>Reasons</u>	
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

A contract has been let for public realm works to lower High Street and work commenced on site on 28 May, with completion anticipated in July. 18 fixed stalls

have been removed, leaving 27 fixed stalls which have had new canopies fitted – some have been relocated into more appropriate areas. New, temporary stalls have been ordered and are due to arrive in June. They will be used for markets which require more than the remaining 27 fixed stalls.

The public realm works include resurfacing and the creation of a central landscaped area, as well as a small number of “nipper parking” spaces.

A feasibility study is also in progress for a digital screen, and a planning application will be lodged shortly.

2.1.2 York Place

Capital&Centric have now appointed a demolition / strip out contract for the removal of the building fabric, exposing the framework for future development. This work will commence in late June 2024, in readiness for the build out stages once planning permission is agreed and construction costs are finalised.



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

McCarthy and Stone are due to sign a land acquisition agreement with the Council imminently and will begin preparing the planning application for the new development.

2.1.5 New Hotel

Capital&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 Merrial St and Corporation St.

2.1.6 Aspire Housing

Aspire have agreed with Capital&Centric a site boundary and the works that will be undertaken to develop out residential units.



2.2 Newcastle Town Deal

2.2.1 Midway Car Park

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.

2.2.2 Astley Performing Arts Centre

The Philip Astley CIC opened their doors in March. Work is now looking into Phase 2 within the remodelled York Place

2.2.3 Knutton and Chesterton

Knutton

In September 2023 Aspire Housing submitted a planning application for residential development at the High Street site, this was approved subject to agreement of a S106 agreement at the May 2024 planning committee. <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 Summer 2024 <http://publicaccess.newcastle-staffs.gov.uk/online-applications/PLAN/24/00023/FUL>

Work on the extension to the Enterprise Centre started at the end of April 2024 and is due for completion in October 2024.

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. A planning application has been submitted for this development.

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 and has appointed Dawn Building & Groundworks Ltd for this development. Work started on site in April 2024 and is expected to be complete in late 2024.

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 approved by DLUHC. A grant funding agreement with Aspire is currently in the final stages of development.

2.2.4 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 which have been shared with the Council but require additional work, which we are awaiting.

2.2.5 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.

2.2.6 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.

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

Works have now commenced on the main structure of the building prior to the internal fit out works. Keele in Town is due to launch in October 2024.

2.2.8 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.

2.2.9 Digital infrastructure

A procurement exercise for the works is underway with plans to have the works to be installed by the end of 2024.

2.3 Kidsgrove Town Deal

2.3.1 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.

2.3.2 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.

2.3.3 Canal Pathways

Works are being developed by the Canal and Rover Trust with implementation during 2024.

2.3.4 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.

3. Recommendation

- 3.1 Scrutiny Committee notes the progress made to date and continues to receive 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 £9.54m has been spent at 31 May 2024, as shown below:

Project	Award (£000's)	Spend/Ordered (£000's)	Remaining (£000's)
Ryecroft / Site Preparation	3,756	3,088	668
Multi Story Car Park	3,500	3,500	0
York Place	3,015	2,511	504
Stones Public Realm	321	1	320
Market Stalls	76	57	19
Project Management	380	379	1
Total	11,048	9,536	1,512

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. £14.2m has been received to date of which £2.35m has been spent as shown below:

Project	Award (£000's)	Spend/Ordered (£000's)	Remaining (£000's)
Digital Infrastructure	2,285	29	2,256
Sustainable Public Transport	3,421	65	3,356
Electric Vehicle Charging	400	-	400
Pedestrian Cycle Permeability	950	-	950
Transform Key Gateway Sites	3,810	82	3,728
Astley Centre for Circus	1,810	630	1,180
Digital Society	3,510	662	2,848
Heart into Knutton Village	3,534	298	3,236
Cross Street, Chesterton	2,955	-	2,955
Project Management	925	582	343
Total	23,600	2,348	21,252

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 £13.3m has been received of which £6.85m 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	202	3,436
Shared Services Hub	6,183	156	6,027
Canal Enhancement	420	-	420
Project Management	670	504	166
Total	16,900	6,851	10,049

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.