

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S

REPORT TO

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

4TH SEPTEMBER 2025

Report Title: Commercial Strategy Update

Submitted by: Deputy Chief Executive and Service Director for Finance (S151 Officer)

Portfolios: Portfolio Holders - Finance, Town Centres and Growth, and Sustainable Environment

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 delivery of the Commercial Strategy as major projects develop.	
<u>Recommendation</u>	
That:	
1. The Finance Assets and Performance Scrutiny Committee supports the continuation of the current Commercial Strategy approving minor updates and notes progress to date on key projects.	
<u>Reasons</u>	
As previously reported to this Committee the Council has updated the Commercial Strategy for 2025 to 2026 (the original was adopted in October 2019). This report enables the Committee to review the Strategy and outlines the progress to date on the various schemes as a half yearly update.	

1. Background

- 1.1 The Council's Commercial Strategy was adopted by Cabinet in October 2019 and more recently updated and approved by Full Council in February 2025. Officers have reviewed the Strategy and made minor amendments including updating the priority areas (which are outlined below). This report enables Scrutiny Committee to review the strategy and key projects as a half year update, with the normal process being that Cabinet adopts the Strategy as part of the overall financial documentation in January.
- 1.2 Our vision is for Newcastle-under-Lyme to be a sustainable and business-oriented Council that maximises commercial opportunities in order to deliver long-term benefits for residents of the borough and support the Council's Medium Term Financial Strategy. As a Council which adopts a commercial

mind-set across the organisation, we expect staff to think innovatively and deliver services differently. We will use commercial principles to maximise the impact of our assets (whether physical or intangible) to benefit our communities and deliver financial sustainability.

1.3 The primary objective is to use the Council's resources as effectively and efficiently as possible when delivering the Council Plan.

1.4 Achievement of the primary objective will come in part through the following secondary objectives:

- Developing a commercial culture
- Putting sound governance in place – being clear about responsibilities, authorities, processes, templates and funding
- Ensuring there is appropriate performance management in place for commercial initiatives

The overarching aim of this strategy is to deliver a financial return, which contributes to the Council's efficiencies and additional income targets. This will help to safeguard, and develop, frontline services that the Council currently provides and enhance the Council's ability to invest in its place shaping agenda.

1.5 Direct investment in commercial property offers a relatively familiar path as the Council already has a diversified property portfolio including office, retail and industrial assets which currently generates a net annual revenue stream.

1.6 The aim of the strategic asset development programme will be to steer and manage development opportunities from the Council's property asset base so as to deliver capital receipts and improved revenue income streams but at the same time securing the regeneration and economic development objectives of the Council. Examples include acquisition and development of strategic town centre sites, housing and industrial sites within the borough. Developments may be undertaken on a co-investment basis with public, not for profit and private sector partners.

2. Issues

2.1 The following table shows the highest commercial priorities to investigate within the commercial programme.

Priority Area	Description	Impact
Commercial Waste	Developing the Commercial Waste income streams, building on the existing assumptions that form part of the Waste Transformation Programme. Developing	Increase the number of businesses using the council service and improve the level of income generated.

	improved digital interface for customers to manage their waste requirements.	
Light Industrial	Develop and regenerate sites into light industrial units	Increased revenue generation, servicing demand in the local area and supporting economic development
Fees and Charges	Increasing fees and charges that benchmarking has shown to be currently charged at low rates in Staffordshire	Increase in income generated
Investment Opportunities for commercial return	Continue to investigate investment opportunities that will deliver a commercial return and build up our commercial portfolio. Linking where appropriate to external funding opportunities.	Increased revenue generation, servicing demand in the local area and supporting economic development
One Commercial Council	<p>Delivery of digital screen including a small proportion of time dedicated to advertising.</p> <p>Delivery of a pet cremation service to support those in the loss of their loved companion.</p>	<p>Advertising to pay for the running costs of the screen and therefore supporting cultural events and community messaging in Newcastle town centre.</p> <p>Providing a local dedicated service to those who want a personalised memorial option.</p>

2.2 The Council is working a range of projects that could be considered in line with the Commercial Strategy, the following outline the headline project and indicative timescales for more business case / contract information:

2.2.1 Ryecroft (Ryepark)

The Castle Car Park was the first phase with this enabling high quality parking for the town centre.

Capital&Centric are developing plans for the remaining areas on the site. Planning permission has been secured for the Aspire Housing development and the Capital&Centric residential developments. Partners continue to deliver

against the pre-development agreement. Legal agreements are being drafted to award the construction contracts for the main works and discussions are ongoing with Homes England for grant monies to contribute to the scheme costs.

McCarthy and Stone have purchased the area of the site behind the Church with a development of residential development for over 55 year olds. Development is due to start by the end of the year.

2.2.2 York Place Shopping Centre (Astley Place)

Capital&Centric are completed the partial demolition / strip out works to expose the existing concrete frame to be developed into a new commercial and residential development. Capital and Centric have continued to deliver against the pre-development agreements with planning permission for the site now given. Legal agreements are being drafted to award the construction contracts for the main works and discussions are ongoing with Homes England for grant monies to monies to contribute to the scheme costs.

2.2.3 Midway Car Park (Karparc)

Capital&Centric have secured planning permission for the redevelopment of the Midway structure (as with York Place the concrete frame will be retained). Capital and Centric have continued to deliver against the pre-development agreements with planning permission for the site now given. Legal agreements are being drafted to award the construction contracts for the main works and discussions are ongoing with Homes England for grant monies to monies to contribute to the scheme costs.

2.2.4 North Street, Newcastle - Commercial/ Enterprise Units

The former Zanzibar nightclub (Aspire Housing owned) has been demolished. It is intended to be replaced with an Aspire residential development, along with approximately 5 small commercial/enterprise units which the Council will own and manage. Planning permission has been approved for the commercial/enterprise units. Development completion is proposed for March 2027.

2.2.5 Meadows Road, Kidsgrove – Commercial/Enterprise Units

Planning permission is being sought for 3 small commercial/enterprise units on part of a Council owned car park on Meadows Road, Kidsgrove. It is proposed that the development will be completed in Summer 2026. These units will form part of the Council's commercial property portfolio.

2.2.6 Disposal of Town Centre Car Parks

The Council is currently out to consultation in respect of the disposal of car parks at Blackfriars, Newcastle, Bankside/ Garden Street, Newcastle and part of King Street, Newcastle. These car parks are underused and considered surplus since the opening of the new Castle car park. If sold the proposal is that these sites will be development for housing.

2.2.7 Disposal of former toilets, Merrial Street, Newcastle

These disused toilets are currently being marketed for sale. They are situated opposite the McCarthy Stone development site and are considered suitable (subject to planning permission) for a variety of town centre uses.

3. Recommendation

- 3.1 The Finance Assets and Performance Scrutiny Committee supports the continuation of the current Commercial Strategy approving minor updates and notes progress to date on key projects.

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 Commercial Strategy does not create any specific equality impacts.

8. Financial and Resource Implications

- 8.1 As detailed in section 2 of the report, the Council is working a range of projects that could be considered in line with the Commercial Strategy.
- 8.2 Expenditure of up to £2,649,000 to develop the three schemes (Ryecroft, York Place and Midway Car Park) to the end of RIBA Stage 3, and the submission of the requisite planning applications was approved at Full Council on 14 February 2024.

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 This strategy is intended to ensure that the assets held by the Council support the corporate objectives and service needs. In that respect, the project supports the realisation of the following UNSDG objectives:-



11. **One Council**

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council

We will make investment to diversify our income and think entrepreneurially.

One Digital Council



We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

One Sustainable Council



We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle

12. **Key Decision Information**

12.1 The strategy affects more than 2 wards and future investments have the potential to have significant financial implications. This will be subject to further reports which may be key decisions.

13. **Earlier Cabinet/Committee Resolutions**

13.1 Cabinet 16 October 2019 adopted the Commercial Strategy.

13.2 Full Council 12 February 2025 approved the updated Commercial Strategy.

14. **List of Appendices**

14.1 Commercial Strategy 2025 to 2027.

15. **Background Papers**

15.1 None