

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

SEPTEMBER 14 2017

**REPORT OF SENIOR
MANAGEMENT TEAM**

CABINET DECISION

Regeneration and Housing – Lead Cabinet Member – Councillor Nigel Cooke

TOWN CENTRES UPDATE

1. Summary

This report updates on the progress of regeneration, economic development and infrastructure projects across the Borough's town centres. The report contains details of major projects in Stockton town centre, progress on initiatives to support retail and business growth, economic development projects and business support along with details of works in Yarm, Norton, Billingham and Thornaby, town centres.

It also seeks approval to draw down funding which has been previously allocated in the Council's Medium Term Financial Plan to support the ongoing site assembly, property acquisition and infrastructure enhancements where appropriate to facilitate continued regeneration and growth.

2. Recommendations

1. Members note the continued positive impact and contribution to borough wide economic growth of infrastructure and economic development projects across town centres.
2. Members note the production promotional literature for Stockton Town Centre
3. Agree to draw down £3.975m from funds allocated for infrastructure and investment in the Borough in the 2017/18 Medium Term Financial Plan (MTFP) to support further investment, infrastructure enhancement and property acquisition to facilitate the ongoing regeneration of the Borough's town centres as set out in paragraphs 41-50.

3. Reasons for the Recommendation(s)/Decision(s)

Improving the economic performance of Stockton Town Centre is a key priority for the Council. Delivery of the projects and interventions identified within this report will play a key role in achieving improved economic performance and changed perceptions of Stockton town centre.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and,

if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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SUMMARY

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RECOMMENDATIONS

1. Members note the continued positive impact and contribution to borough wide economic growth of infrastructure and economic development projects across town centres.
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DETAIL

Background

1. Cabinet have been presented with annual update reports on the Borough's town centres from 2013. The reports set out progress made on Stockton High Street public realm and infrastructure along with a broad range of projects, aimed at improving the economic performance of Stockton town centre alongside updates on developments and investments across the rest of the Borough's town centres.

Stockton Town Centre

2. Since the last update to Cabinet in February 2016, the boroughs town centres have continued to benefit from investment and new developments, supporting economic growth and providing employment opportunities which are detailed in the body of this report.

3. The **Stockton Flyer** is a major artistic installation at the heart of the High Street. The automaton was unveiled in June 2016 as part of the national celebrations of the 90th birthday of HM The Queen. The Flyer emerges daily from the plinth on the northern section of the High Street, often attracting crowds providing a point of interest and attraction for visitors to the town centre.
4. Proposals for the delivery of a **Hampton by Hilton Hotel** on the North Shore gateway site continue apace. At the time of writing, formal contractual negotiations on the construction contract are being finalised. Work on constructing the hotel is expected to begin in October with a view to completion in winter 2018. Work has already begun on the demolition of the former Kwik Fit garage on Church Road to accommodate the hotel development.
5. Following an extensive period of project development and liaison with funding partners, operating companies and the property owner, confirmation of Heritage Lottery Funding for the redevelopment of **The Globe** was received on 12th July, quickly followed by confirmation that Ambassador Theatre Group (ATG) have been selected as operating partner. Work will begin on site in autumn 2017 with completion scheduled for winter 2018 and opening in spring 2019
6. The redevelopment of the **Georgian Theatre** was completed in March 2017. The project utilised Heritage Lottery grant funding to combine the redevelopment of the ground and first floors of the Georgian Theatre and former Courtyard Hotel to form a much improved 300-capacity music venue, destination bar and offices. The improvements have enabled the venue capacity to increase and attract more high profile artists.
7. The Georgian theatre is just one of a number of attractions in the increasingly popular **Cultural Quarter** alongside new micro pub Hope and Union and cocktail bar the Nuthatch which sit alongside the already popular Wasps Nest pub providing a high quality evening and leisure offer in quirky surroundings.
8. The growth in popularity of micro pubs seen in the Cultural Quarter has been mirrored across the town centre with eleven new pubs and bars opening in the last 18 months signifying a growing level of investor confidence and highlighting the increasing popularity and attraction of Stockton High town centre to new visitors.
9. This growth in the leisure sector forms part of a wider increase in investor confidence across the town centre with 44 new businesses opening in the last 18 months, the vast majority of which are independent. The Council's business support team continue to play an important role in supporting new businesses through advice, signposting to other services and provision of small scale grants which all contributes towards helping businesses establish themselves in the town centre.
10. Stockton **Enterprise Arcade** continues to provide affordable space, for people looking to start a new retail business in Stockton Town Centre. Since April 2016, the Enterprise Arcade has welcomed 11 new tenants, of which 5 are still in the building. This brings the overall total of businesses to have gone through the Enterprise Arcade model since opening in 2011 to 62.
11. In the past 12 months, two businesses, Drake The Bookshop and Expressions Re-born Babies have left the Enterprise Arcade to take up vacant units in the town centre. There are currently eight businesses trading independently in units across the town centre who started out in the Enterprise Arcade.
12. The repurposing of Durham University Queens Campus into an **International Study Centre** (ISC) has created a dynamic situation in respect of a fluctuating student population over the

coming years. The ISC expect to take in over 400 students in year one providing a year round student presence in and around the town centre and a range of activities have been undertaken to help welcome and familiarise new students with facilities and services.

13. The former **Swallow Hotel** continues to benefit from a consent for change of use to student accommodation and the Council continues to provide support, where possible, to expedite redevelopment of the building.
14. Options for the long term redevelopment of the **Victoria** are currently being reviewed. Detailed proposals for the future of the site will be set out within a detailed report to Cabinet.
15. In order to support proposals for the Globe theatre and provide better quality accommodation for existing services within the town centre, the former Cordell building, 159 High street and the former Burtons retail unit 147 High Street have been acquired.
16. The Central Stockton **Townscape Heritage Initiative** (THI) ended this year. Funded by £1.7million Heritage Lottery Funding (HLF) along with Monies from the Council and former the former Regional Development Agency, One North East, the scheme levered in over £1million additional private/public sector match funding to being vacant floorspace back into use across seven historic buildings.
17. In January 2017, the Council secured £2million HLF for a further Townscape Heritage scheme for the northern part of the High Street and Norton Road. The project is currently in 'development phase' as more detailed proposals for target properties are developed and costed. Subject to HLF approval of Delivery Phase proposals, property freeholders will be able to apply for individual grants from late 2018 to March 202.
18. The town centre continues to be a focal point for **events and specialist markets** with the successful hosting of the national cycling championships in summer 2016 attracting a large number of visitors. Other regular events and markets alongside new events such as 'Stockton Stages' continue to prove to be a successful means of attracting new visitors to the town centre, contributing to economic growth and raising the profile of the town centre and town centre businesses.
19. The ever popular **SIRF** attracted a large number of visitors to the many performances on show as well as reaching a much wider audience this year through the introduction of SIRF promo events hosted across the boroughs town centres which were well received and well attended.
20. Following a majority vote to form a **Business Improvement District** (BID) in May 2016 within Stockton Town Centre, a new company was formed in October 2016 to take forward the agreed BID Business Plan. With an active Board and a BID Manager in place, the company has been working on 5 key themes for development across the headings Confident, Co-ordinated, Competitive, Customer-friendly and Convenient. The annual budget of circa £200K is drawn from over 400 eligible levy payers within the boundary, contributing 1.5% of their Rateable Value to the BID. The BID will be operational for a 5 year term (up to 2021) at which point the businesses can decide to vote on renewing the BID.
21. In the short time since formation, much has been achieved. The BID has delivered a series of successful events in the High Street with the aim of boosting footfall and increasing sales – these include a 'Strictly Valentine's' tea dance, 'Stockton in the Spotlight' Fashion Show as well as co-delivering the popular Sci-Fi 'Kapow!' event alongside the Council. The BID has partnered with the Police and the Council to increase the number of full time, dedicated town Community Safety Officers (CSOs) from two to four and has led on recent campaigns to promote the availability of affordable town centre parking.

22. A 'Power Partnership' campaign aimed at reducing utility bills for town centre businesses has been developed with 73 businesses accessing savings on their utility bills via the scheme. marketing materials for food and drink businesses and the Traditional Market have also been produced along with a town tour 'The Peculiar Past of Stockton' and the recent High Street beach 'Stockton by the Sea'
23. Development on **North Shore** continues to progress with work underway on phase three of the popular Vivo housing development. Phase one and two of Vivo is almost fully sold and phase three will see the total number of homes on the site exceed 200 in the next three years. Work is underway on a further development which will see the delivery of workspace that will provide space for business within Fusion Hive to expand and to enable new businesses to locate on North shore befitting from the sites Enterprise Zone status. An initial expression of interest for ERDF funding to support the development has been submitted.
24. All of the positive work und investment undertaken as set out above was reflected in Stockton winning the Rising Star category of the **Great British High Street Awards** in 2016. To reflect that success and to capture all of the above activity, a promotional document titled '**A Rising Star The Changing Face of Stockton**' has been produced. The document describes work undertaken to date across the town centre and provides a glimpse of aspirations for future development and investment.

Billingham Town Centre

25. Billingham town centre continues to trade well with the Aldi foodstore which opened in April 2016 now properly established along with revised parking arrangements. A Costa Coffee franchise has also opened increasing the presence of national brands in the centre
26. The leisure and culture offer in Billingham continues to thrive and has been strengthened in recent years with improvements to facilities in John Whitehead Park. The Forum will celebrate its 50th anniversary and plans to mark this occasion will be developed.
27. The Council continues to work with St Modwen, the owners of Billingham town centre, as they continue to grow the retail offer and look to repurpose the West Precinct area along with improvements to signage and branding.
28. The £3.5m Care Ready Housing facility on Kingsway provides popular, modern accommodation for older residents of the Borough in close proximity to town centre services.

Thornaby Town Centre

29. Thornaby town centre is also trading well with low vacancy rates. This strong performance has been supported by the opening of a new Aldi foodstore which was enabled through disposal of land by the Council in 2015.
30. The Mandale housing regeneration scheme recently celebrated its tenth birthday and once again working with development partners plans to mark this milestone are also in development.

Yarm

31. Yarm continues to be a popular destination for both retail and leisure uses with the opening of amongst others Waterstones, Café Nero, Uno Restaurante, Rude Grooming and baby gift store Zibizi adding to the established businesses on the High Street.
32. Following extensive refurbishment, Yarm library reopened in September 2016 providing modern, community facilities on the High Street. The redevelopment of the library also achieved a national profile when it was shortlisted in the 2016 APSE awards.

33. Existing leisure uses and access to the River Tees will be safeguarded following investment from the Environment Agency in improvements to Yarm Wharf. Once complete, the Council will take on a lease for the structure to ensure continued usage and support for leisure businesses on the river Tees.
34. Car parking in Yarm continues to be in strong demand and in recent months the Council has made some minor changes to the restrictions on West Street and Bridge Street that allow greater flexibility between resident permit holders, limited waiting and business permit holders. The Council will continue to provide support to ensure car parking arrangements remain as efficient as possible and where new opportunities exist to improve provision, the Council will work with the key partners involved to realise this.

Norton

35. Norton continues to be a popular location for both retail and the evening and leisure economy evidenced by the opening of bar and restaurant Canteen and Cocktails, Head of Steam, Hydes Bar and JD Wetherspoon pub The Highland Laddie alongside a Costa Coffee, health food deli Neanderthal and the expansion of long established butchers, Blackwells.
36. Work is underway to assess the existing parking and taxi arrangements to ensure a sustainable approach to meeting the transport and pedestrian needs to support existing and further investment in the area.

Ingleby Barwick

37. The growth in the number of houses and residents in Ingleby Barwick continues in line with expectations and the Council has worked to develop key infrastructure and facilities to support that growth.
38. Cabinet are aware of the new leisure centre that is planned for construction which will start on site later in 2017. The facility will include swimming pools, gymnasium, exercise space and a new library.
39. Private investment in a new shopping parade, Sandgate has seen the provision of a number of retail units, café and restaurant, adding to the growth in facilities within Ingleby Barwick
40. The recently completed dualling of Myton Way has improved the flow of traffic and capacity to cope with future growth throughout Ingleby Barwick.

Ongoing Investment

41. The Medium Term Financial Plan report to Cabinet and Council in February 2017 approved funding to support the delivery of the Growth Plan and the Council's ambitions for developing the Borough.
42. Members will recall the report on the Globe in July 2017 when a proportion of the funding was approved. We continue to invest in our area and to take opportunities which often require flexibility and responsiveness. The recent purchase of Belasis Business Park where Council Urgency Powers had to be used is a prime example. Further investment in site assembly, property acquisition and infrastructure enhancements is identified in the paragraphs below. This will require £3.975m of the previously agreed funding to be drawn down.
43. The importance and impact of a high quality environment and public realm has been clearly demonstrated by work carried out on the High Street in recent years. In line with the principles identified within the Councils Urban Design Guide and the wider desire to support town centre businesses and strengthen linkages between the High Street North Shore and

Hampton by Hilton Hotel, proposals for a new public realm scheme on Silver Street and Bishop Street are currently being developed alongside wider improvements to signage across key routes in and around the town centre.

44. The proposals will see new paving, street furniture and signage which will create a more flexible space within Silver Street that can accommodate markets and events that will add to the growing attraction of the emerging Cultural Quarter in this part of town. New paving and refinements to existing grassed areas will create a more attractive legible route from the Hampton by Hilton Hotel to the High Street, ensuring easier access to the High Street for visitors to the hotel. Furthermore, the aspiration to improve connections between the riverside and Stockton High Street remains.
45. Ensuring availability and the high quality appearance of properties across the town centre to enable new development, accommodate new uses and support relocation of services and businesses is an important element maintaining a vibrant town centre. To support these activities, resource is required to acquire and or refurbish key target properties and to conclude elements of work within the Townscape Heritage Initiative.
46. Detailed analysis of development opportunities to key properties and sites is also required to help inform future investment decisions and secure inward investment into the town centre along with appropriate signage and promotion of investment opportunities and forthcoming developments.
47. Following approval of the principle of demolition of Corporation Hall at Cabinet in June 2017, work is underway to secure the relevant consents to carry out demolition and reprovide a surface car park for public use. Work is expected to begin on demolition of the building in November 2017.
48. Support for businesses across the borough remains a high priority. The successful introduction of small scale grants for businesses in Stockton town centre has proved to be a valuable means of supporting businesses to establish themselves in the town centre. It is proposed that provision of this support be expanded.
49. As referenced at paragraph 33, taking on responsibility for the ongoing operation of Yarm wharf will provide much needed support for leisure businesses and access for other river users. It is inevitable there will be a small cost to maintain access and maintenance of the structure and Cabinet are asked to consider allocating resource from approved investment funds to support this.
50. Cabinet will be familiar with the pipeline of housing development adjacent to the town centre which is supporting growth and increased activity around the town centre including Victoria, Alma Street and West End Gardens. In contrast some of the housing offer immediately adjacent to the town centre facilitates support to some of the most vulnerable residents. Cabinet are asked to note that work is being developed to look at how resources can be best targeted to support some of those who are most vulnerable and live in parts of the community adjacent to the town centre. Cabinet will receive a full report which explains the current issues and opportunities that exist to help with some of the ongoing outcomes that are generated by a number of circumstances including how the Council delivers support to those who are vulnerable and geographically locked in as a result, which in turn has an impact on the town centre.

COMMUNITY IMPACT IMPLICATIONS

51. This report is not seeking approval for a new policy, strategy or change in delivery of a service.

FINANCIAL IMPLICATIONS

52. In the 2017 Medium Term Financial Plan (MTFP), Council approved funds to develop infrastructure investment in the Borough. Approval is now sought to utilise £3.975m of this to fund the activity set out in paragraphs 41-50.

LEGAL IMPLICATIONS

53. There are no legal implications arising from this report.

RISK ASSESSMENT

54. A Risk Register has been developed for individual projects as part of the Document Control suite and will be monitored and reviewed by the Workstream Steering Groups. Major risks will be reported, on a regular basis, to the Project Board who will have overall control of the Risk Register.

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

Policy Principles:

- **Protecting the vulnerable through targeted intervention** – activities set out within this report will help increase access to employment opportunities and services for all residents of the Borough
- **Promoting equality of opportunity through targeted intervention** – as above
- **Developing strong and healthy communities** – as above
- **Creating economic prosperity** – The key purpose behind interventions described within this report is to contribute and enable an increase in economic growth and prosperity

CORPORATE PARENTING IMPLICATIONS

No corporate parenting implications

CONSULTATION INCLUDING WARD/COUNCILLORS

Leader of the Council, relevant Portfolio Holder.

Name of Contact Officer: Iain Robinson
Post Title: Strategic Development Manager
Telephone No. 01642 526017
Email Address: iain.robinson@stockton.gov.uk

Education related? No

Background Papers

MTFP Cabinet report – February 2017

Ward(s) and Ward Councillors:

All

Property

As detailed in report.