

AGENDA ITEM

REPORT TO CABINET

15 OCTOBER 2020

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION/KEY DECISION

Regeneration & Housing - Lead Cabinet Member – Councillor Nigel Cooke

INVESTING IN OUR TOWN CENTRES

SUMMARY

This report provides an update on progress with transformational change across the Borough's six town centres. In February 2020 Cabinet approved a vision for Stockton town centre which focused on the reduction of retail space and the redevelopment of the Castlegate site linking the High Street to the River and providing the opportunity for commercial development which was considered by Cabinet alongside the Council's accommodation review which identified the need for two new modern low carbon buildings in Stockton and Billingham to replace the costly, inefficient ten existing administrative buildings.

The Council has remained committed to investment across all town centres in the Borough and in January 2020 concluded the consultation programme 'let's talk about our towns'. Over the past seven months the Covid-19 pandemic has had an unprecedented impact on the lives of residents across the Borough and the country and the world. As well as the devastating health impacts the damage to the economy has also been unprecedented and the vulnerable viability of town centres before the pandemic is now more challenging than ever.

Recognising the economic challenges, the Council remains committed to investment across its town centres and strengthening its resolve to ensure they have a vibrancy for future generations. This report sets out the opportunities for investment across the six town centres and outlines the next steps including some early opportunities.

REASONS FOR RECOMMENDATION(S)/DECISION(S)

The ongoing commitment by Council to invest in its town centres has been strengthened further by the impact of the pandemic and decisive investment action is the only response to ensure they have a sustainable, low carbon future. The recommendations will allow further detailed work to be undertaken to ensure robust investment proposals can be brought back to Cabinet for recommendation to Council in the coming months.

RECOMMENDATIONS

1. Cabinet note the consultation responses from 'Lets Talk about our Towns', which concluded in January 2020 and delegate the forward engagement strategy for each Town to the Director of Town Centres Investment in consultation with the Cabinet Member for Regeneration and Housing.

2. Cabinet approve the emerging priorities for the Thornaby Town Investment Plan (as detailed in paragraph 21) and delegate final approval of a final submission document to the Director of Town Centres Investment in consultation with the Cabinet Member for Regeneration and Housing.
3. Cabinet approve use of £750,000 Towns Fund funding to support delivery of priorities identified for inclusion within the Thornaby Town Investment Plan.
4. Cabinet approve the recommendation as set out in paragraph 2 of **Appendix A**.
5. Cabinet approve the principle of developing a masterplan for Billingham and full business case that will explore large scale commercial investment opportunities with the owners of the Centre, St Modwen, including routes to delivery, shareholding and joint venture opportunities. The outcome of the business case will be presented to Cabinet in early 2021.
6. Cabinet agree to receive masterplans at a future meeting in early 2021, which will include development proposals for:
 - Billingham
 - Ingleby Barwick
 - Norton
 - Stockton
 - Thornaby (Town Investment Plan update)
 - Yarm
7. Cabinet approve the allocation of up to £250,000 of the resources allocated to Town Centres Investment approved in the Council's Medium Term Financial for the development of masterplan and business case developments detailed within in recommendation 6.

DETAIL

1. In the report considered by Cabinet in February 2020 the focus was set on Stockton Town Centre as development proposals were further advanced and had been accelerated by the opportunity to bid into the Government's Future High Streets Fund programme. As the vision for Stockton Town Centre was approved by Cabinet results from the Let's Talk About Our Towns consultation had just concluded and was being assessed for an update to Cabinet in Spring of 2020 to ensure momentum of investment commitment across the Borough. The impact of the Covid-19 pandemic has seen an unprecedented impact on the community's health and that of the local economy. As the Council focused its resources on the response to the pandemic, naturally the momentum of the response to the consultation undertaken and development of ideas had slowed. The impact of the pandemic has only strengthened the need for swift intervention to ensure the long-term sustainable future of our town centres. Leading retailers quote that the switch to online shopping has been brought forward 5-10 years as a result of the pandemic which further highlights the Council's vision that retail offerings in town centres needs to be consolidated and/or complimented with other uses such as town centre living, diversity of businesses, culture and leisure activities. The role of independent retailers, local centres serving local communities remains at the heart of vibrant town centres.
2. The Let's Talk About Our Towns Programme generated over 1,600 responses across the five towns, excluding Stockton that had a separate consultation exercise in 2019. This report looks at each town, the response to the consultation and the opportunities for investment that are emerging as a result, working with the local community, Elected Members and private investors alike. The report also looks at progress made against Government funding opportunities such as the Future High Streets Fund and the Town Deal Fund for Thornaby. In the 2021/2021 Medium Term Financial Plan approved by

Council in February 2020 the Council also allocated additional resources to support investment across all town centres.

Billingham

3. The consultation in Billingham Town Centre generated 311 responses as well as face to face engagement with local Elected Members, Town Council and business representatives. From the responses 80% of those were from people who live in Billingham and over 50% of them primarily use the town centre for shopping. 85% were people who visit Billingham at least once per week. Those under 16 were not represented in the consultation and almost half of respondees were aged 41 to 65. During the next steps of developing opportunities for Billingham it is clear that further engagement with young people is a clear priority. The consultation document identified potential opportunities to improve links to John Whitehead Park and investment opportunities in the current West Precinct area which also highlighted the requirement for new Council office accommodation. Improvements to West Precinct scored particularly highly along with comments relating to the desire for more shops, community facilities and activities for older and younger people.
4. Billingham Town Centre is in the ownership of St Modwen who are an international private developer and asset manager. The approach to the consultation and the results from it have been shared with St Modwen who for some time have been looking at the most appropriate opportunities for investment in Billingham and fully recognise that the West Precinct area remains its greatest challenge in the current economic climate. Over the past three months the Council has engaged actively with St Modwen as they begin to look at opportunities for investment. As a result there is an emerging opportunity to look at proposals which look at the consolidation and reconfiguration of some of the retail offer, the opportunity to bring back into use town centre living and the development of the Council's new office accommodation requirements. As the Council is committed to investment in new accommodation in Billingham there is an opportunity to work with St Modwen on their investment plans that are in development and see how we can work more closely together and in partnership to bring forward large scale investment into Billingham. This report is therefore seeking Cabinet's approval to formalise this dialogue and explore, in more detail, masterplan options and a robust business case for how to work with St Modwen to realise a vision for Billingham and particularly the West Precinct area that will underpin its sustainability in the longer term.

Ingleby Barwick

5. The consultation in Ingleby Barwick generated 462 responses with 94% of those respondees living in the town. One in three said that they used Ingleby Barwick for shopping and 97% of those visit more than one per week. All age ranges were represented in the consultation although those under 16 accounted for only 1% with over half being aged 41 to 65. The key messages from the consultation focused around the need for more leisure and community facilities, more parks and gardens scored particularly highly as did activities for younger people. There was little desire for more housing and better space for events and markets attracted a neutral response.
6. The recent opening of the Council funded £14M leisure facility will have had a significant impact on the facilities available to the local community, albeit capacity is limited currently due to Covid restrictions. The response in both membership take up, public tours and social media has seen an overwhelming positive response to the facilities role within the community.
7. Reflecting on the consultation it is a desire for enhanced green space and the opportunity to build in more facilities for young people in outdoor settings provides a strong opportunity to explore investment, particularly where the Council has control of land assets. Enhancement of greenspace and the encouragement of active lifestyles remains a key

focus. The opportunity to work with private investors in Ingleby remains a desire to help realise the benefit of their assets particularly as the core of Ingleby town centre strengthens with the leisure facility adding to the retail heart. Cabinet are asked to support the development of a masterplan for green space interventions and that a fully costed scheme is identified and developed for consideration by Cabinet with a recommendation to Council in the coming months.

Norton

8. The consultation in Norton generated 285 responses with more than 80% of those living in Norton and over half of those use it for shopping. Nine out of ten visit Norton at least once per week. Again, those under 16 were not represented and again the age range 41 to 65 counted for almost half. Over recent years Norton has seen a real growth in the food and beverage market and continues to have a growing evening economy as well as a successful range of independent and chain retail operators. The pressure on traffic and car parking has been a natural consequence of this growth and it was not unexpected to see that improvements to car parking provision scored particularly highly among priorities along with support to local businesses. There was little desire for more housing or more commercial facilities. Over the past year the Council has strengthened its support to businesses in Norton with an officer working closely with the Business Forum to help understand their needs so that the Council's objectives can align as closely as possible.
9. Opportunities to improve car parking and traffic flow are constrained by its unique character and layout but nevertheless there are some considerations that can be developed to help improve the current situation. Investment in public realm areas could help create more flexible spaces that can be used in different ways for car parking, events and other leisure activities. The duck pond at Norton is a very popular destination and the opportunity to continue to enhance this historic area could also be considered. Cabinet are asked to support the development of a masterplan that will include proposals to help improve car parking layouts, traffic flow, improved public realm and events space including the duck pond area and that a detailed programme of interventions will be presented to Cabinet for recommendation to Council in the coming months.
10. Additional information relating to Norton is provided in exempt Appendix A.

Stockton

11. Since Cabinet approved the vision for Stockton Town Centre and Council approved the resource allocation to facilitate the retail consolidation and commercial development opportunity progress has continued well despite the pandemic. There has been significant activity and engagement with retailers in both Castlegate and Wellington Square as they assess the impact of the pandemic on their business and work with the Council to look at the best options for their sustainable future. Undoubtedly the negative aspect of this has seen some smaller businesses and national chains consolidate their interests. The successful move of Poundland and its clothing arm Pep & Co into the former New Look store on the High Street has set the tone for the momentum as retailers begin to plan for their long-term futures in Stockton. Numerous discussions with significant retailers continue however remain commercially sensitive and these will emerge in the coming months.
12. In June 2020 the Council submitted the final stage of its Future High Streets Fund bid to the Government to help secure resources to match local investment by the Council and the Tees Valley Combined Authority to realise the vision for Stockton. The outcome of this bid is not yet known but we are hopeful for a positive decision before the end of 2020. In the meantime, work to consider improvements to Wellington Square and in particular the opportunities to shelter from the weather are beginning to be developed. As plans to demolish the Castlegate draw nearer, work to look at car parking capacity and location

across the town centre is also beginning. Cabinet are asked to support the development of options for a canopy arrangement and car parking demand and the fully developed schemes will be presented to Cabinet for recommendation to Council in the coming months.

13. Works to complete the restoration of The Globe continue apace and remain on track for completion in April 2021 and the recent announcement of Paloma Faith to perform there in October 2021 is just the first of the high-profile programme brought to the Globe by Ambassador Theatre Group. The Hampton by Hilton Hotel had an incredibly successful first year's trading and the pandemic clearly had an impact on the start of its second year the hotel has remained open for key workers and this has helped underpin its continued operation with occupancy levels far exceeding that of most hotels across the country. With The Globe near completion and the hotel now anchored as a valuable economic asset within the town this demonstrates the Council's long term commitment to delivering long term transformational change.

Thornaby

14. In September 2019 the Government announced a £3.5BN programme for Town Deal Funds for 101 towns across the country. Thornaby was identified within this programme by the Government and each of these towns are eligible for up to £25M of investment funding to support transformational change across the town as a whole. Within the Government guidance there is a requirement for each town to form a Town Deal Board which is to be made up from all tiers of local government, MPs, business representatives, the Voluntary Sector, education providers and other key stakeholders.
15. In February 2020 Thornaby's Town Deal Board met for the first time led by its appointed Chair, Mark White OBE DL, who is also the Chair of Governors at Education Training Collective group of colleges. In the initial stages of the work of the Town Deal Board was to identify priorities for Thornaby that met local need and were aligned to the guidance document which included place based transformation, skills development and connectivity.
16. As the consultation Let's Talk About Our Towns had concluded in January 2020 this provided an ideal baseline together with local knowledge from Town Deal Board members to discuss, form and agree priorities for the Town Deal. The consultation received 349 responses with 89% of them living in Thornaby and 50% using it primarily for shopping, 97% stated that they used Thornaby more than once per week, again those under 16 were not represented in the consultation and the predominance was 41 to 65 year olds. More activities for younger and older people scored particularly highly along with more shops and community facilities. There was a strong theme emerging around the Golden Eagle and Phoenix House and the desire to see a better quality of environment in that part of the town centre.
17. Using the consultation and detailed knowledge of Town Deal Board members a meeting of the Town Deal Board in July took the opportunity to agree priorities which would then be reflected in an emerging Town Investment Plan (TIP) for Thornaby
18. The Town Investment Plan is the first phase of Government's Town Deal application process and the initial priorities of the Town Investment Plan are required to be submitted to Government by 31st October so that they can be assessed against Treasury spending requirements and the objectives of the fund.
19. If the TIP is approved, Heads of Terms on a Town Deal, reflecting the priorities of the TIP will be agreed between Government and The Council as accountable body which in turn forms the basis of a of a full business case that must be produced over a twelve month period, setting out, in detail, how interventions will be funded and delivered.

20. At its July meeting and again reaffirmed at its September meeting the Town Deal Board endorsed the following priorities:
 - Tackle long term vacant properties in town centre to enable new development and change of use.
 - Support to enhance the delivery of skills training for Thornaby residents, linked to further education provision.
 - New footpath and cycle infrastructure linking station, college, town centre and key residential areas and employment sites.
 - Addressing poor quality housing in North Thornaby.
21. Cabinet are asked to approve the priorities identified for the Thornaby Town Investment Plan and note the work of the Board to date
22. During the period of the pandemic the Government wrote to all Town Deals and advised it would be allocating one off resources to support accelerated activity. Thornaby was to be allocated £750,000 as a result, and this money was received from the Government in September 2020 and must be spent by March 31st 2021.
23. As a requirement of the funding, the Council was asked to confirm that monies could be spent on capital schemes which align with the intervention framework of the Towns Fund. It is therefore proposed the £750,000 be utilised to support delivery of interventions in line with the priorities identified by Thornaby Town Deal Board which are included within the final version of the Thornaby Town Investment Plan.

Yarm

24. Let's Talk About Our Town attracted 288 responses in Yarm and 65% of those lived in Yarm with 49% stating they use Yarm for shopping and 90% have visited within the last week. Again those under 16 were represented but by a small sample and the predominance was 41 to 65. The key messages that emerged included improvement to long stay car parking, better public toilet facilities and more green spaces. There was a specific theme emerging around opportunities to enhance Yarm Town Hall and make better use of the historic building and there was less appetite for more houses or commercial facilities.
25. The Council has remained committed to securing additional long stay car parking and was successful in securing a new site which Cabinet previously approved and the Council is currently working through the legal processes and planning the next stages for its delivery.
26. The Council has recognised the work the business community have done to come together and articulate their voice within Yarm and particularly the formation of the Yarm Business Forum. The Council has worked to support the Business Forum as they develop the Visit Yarm brand and the next stage of their ambition. The next stage will be to support the Business Forum with their governance and membership structures to continue to work closely with them, the Town Council and Ward Councillors to bring a common narrative for the ambition of Yarm.
27. Over the past 12 months the Council has worked very closely with Yarm Town Council to help identify opportunities to improve Yarm Town Centre further and using consultation responses develop an advanced dialogue over emerging priorities. With regard to the Town Hall, the Town Council developed a robust vision to re-purpose its ground floor use to develop a Yarm heritage centre working closely with Preston Hall Museum to showcase Yarm's rich history. The Town Council have invested resources in the development of this idea and have made financial provision to support the project's development and delivery.

Any ongoing revenue commitment to this new facility would be the responsibility of the Town Council.

28. Cabinet are asked to support the development of a masterplan for Yarm that will look at options for key facilities in Yarm outlined above and to continue the partnership with Yarm Town Council to develop the proposal and a business case for development and delivery of the Town Hall project. The Town Council would like the Borough Council to lead that development work and this together with Borough Council proposals that will identify solutions to toilet provision, improved cycle parking and support for enterprise and business, the masterplan will be brought back to Cabinet for recommendation to Council in the coming months.

COMMUNITY IMPACT IMPLICATIONS

29. This report outlines a direction of travel across all six of the Borough's Town Centres and the next stage will be to develop masterplan proposals that will determine community impact. At the next stage of development and as part of any subsequent approvals, the community impact will be assessed accordingly.

CORPORATE PARENTING IMPLICATIONS

30. As part of the next stages of development work, there will be a focus on young people's views as they are currently unrepresented in consultation feedback. Town Centres for the future will be used by the Boroughs young people for decades to come and it is vital that they help to shape the future of our community spaces.

FINANCIAL IMPLICATIONS

31. Regarding recommendation 4 the financial implications are shown at Appendix A
32. The £250,000 referred to at recommendation 7 is available within the Council's approved Medium Term Financial Plan.
33. The Towns Fund accelerated funding is a capital grant from the Ministry of Housing Communities and Local Government and the utilisation of this will have no impact on the Council's Medium Term Financial Plan. This grant must be utilised by 31st March 2021.

LEGAL IMPLICATIONS

34. The Council has a range of powers to invest and borrow, in each case either for purposes relevant to the performance of any of its functions or generally for the prudent management of its financial affairs (sections 1 and 12 of the Local Government Act 2003).
35. The Council may acquire property by agreement located either inside or outside of the borough for the purposes of any of its functions, including investment functions, or otherwise for the benefit, improvement or development of the area (section 120 of the Local Government Act 1972).
36. The Council may take any action (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions, which would again include their investment functions (s111 of the Local Government Act 1972).
37. Part 1 of the Localism Act 2011 provides the Council with a general power of competence. Section 1 (1) of the Act provides that "a local authority has power to do anything that individuals generally may do". This broad power is flexible and can be used as a primary

power for the Council to act or intervene and provides for the ability to work in new and innovative ways.

38. These power may be used collectively to facilitate the immediate intervention that is anticipated to have a positive impact in contributing to economic growth, employment, amenities within the borough and which will in turn will provide a foundation to enable the Council to lead the development of strategies for the future of our town centres.

RISK ASSESSMENT

39. This Town Centres Investment Update is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS

40. All Ward Councillors will be affected by this report as residents from across the Borough access key facilities in our Town Centres. Further detailed engagement will continue as proposals are developed in more detail.

BACKGROUND PAPERS

N/A

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