

AGENDA ITEM

REPORT TO CABINET

18 FEBRUARY 2021

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION/KEY DECISION

Regeneration & Housing – Lead Cabinet Member - Councillor Nigel Cooke

RESHAPING OUR TOWN CENTRES

SUMMARY

The Council has an ambitious programme to invest across all of its town centres and the impact of the pandemic only continues to accelerate the challenges town centres across the country face. For many years the Council has recognised the importance of a diverse and vibrant town centre offer and this report provides Cabinet with an update on planned investment opportunities across all six of the Borough's town centres. This follows on from Cabinet's October meeting where it approved the development of masterplans for each town centre. The pace of development across each of the town centres has varied due to their complexity and ownership structures. The Council has previously allocated £3M within the Medium Term Financial Plan to support investment in town centres and this report sets out a programme of interventions across Ingleby Barwick, Norton and Yarm from within that funding.

Cabinet gave approval to explore opportunities for investment in Billingham Town Centre that included looking at ownership structures and joint ventures with the current owner, St Modwen. This report provides an update on the findings of the business case development and sets out a recommendation for the next steps to see development opportunities in Billingham become one step closer to a reality.

Thornaby is part of the Government's Town Deal Programme and this report provides an update on Thornaby's Town Investment Plan and the opportunity for the Council to support further investment in Thornaby directly.

Finally, the report notes the Government's offer from the Future High Streets Fund and the challenges that presents in terms of the original request of Government and how these challenges can be met and provides an update on the redevelopment proposals for the Castlegate site.

REASONS FOR RECOMMENDATION(S)/DECISION(S)

Each of the recommendations in this report require Cabinet to consider an approval to facilitate investment going forward in each town centre and, if approved, provides the necessary mechanisms to take development forward.

RECOMMENDATIONS

Billingham

1. Subject to approval of the Medium Term Financial Plan, Cabinet approve the principle of acquisition of Billingham Town Centre as the most effective means of ensuring meaningful redevelopment of the centre and note that a decision on the sum for the final acquisition

and any associated works will be brought back to Cabinet at a future meeting once full due diligence on financial, legal and condition elements amongst others have been concluded.

Ingleby Barwick, Norton and Yarm

2. Cabinet approve the final masterplans for Ingleby Barwick, Norton and Yarm as described in paragraphs 16-25 and 42-48 and the allocation of previously approved funding of £3M from the 2020/21 Medium Term Financial Plan for the delivery of this programme. Approval of final scheme detail, cost and subsequent financial allocations to individual schemes and interventions is delegated to the Director of Town Centres Investment in consultation with Cabinet Member for Regeneration & Housing

Stockton

3. Cabinet note the in principle offer of £16,543,812 as opposed to original request of £24million from the Government's Future High Streets Fund to support delivery of the redevelopment of the Castlegate Centre site and note the implications on the Council's Medium Term Financial Plan that will be considered by Council on 24 February 2021.
4. Cabinet note the implications of receipt of £16.5m funding on the development and delivery of the masterplan for the Castlegate shopping centre site as set out in paragraphs 30-31 and subject to approval of the Medium Term Financial Plan, approve £5million to address the shortfall in govt funding
5. Cabinet agree that the acquisition of the remaining interests in the Castlegate Centre will facilitate the carrying out of the development, redevelopment or improvement on or in relation to the land and that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the area.
6. Cabinet approve the use of the Council's Compulsory Purchase powers under section 226(1)(a) of the Town and Country Planning Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) to acquire all necessary interests in the Castlegate Shopping Centre and the adjacent area required for the implementation of the redevelopment of the Castlegate Centre site.
7. Cabinet approve the use of all actions necessary in accordance with the serving of Requisitions for Information, the making of the CPO, the representation of the Council in relation to any Inquiry, the confirmation of the CPO, the actions necessary following the confirmation of the CPO either by the authority or the Secretary of State, and consequent orders or actions including the service of Notices to Treat or the making of a General Vesting Declaration, and all other notices, orders or actions required to give effect to the authorisation to acquire the land compulsorily.
8. Cabinet note the potential impact of Castlegate Centre demolition on key stakeholders within the town centre such as transport providers and Market Traders and that an active engagement plan will commence from March 2021.

Thornaby

9. Cabinet note the progress made on the Thornaby Town Investment Plan as detailed in paragraph 38 and subject to approval of the Medium Term Financial Plan approve £5million to support interventions in line with detail in paragraph 40
10. Cabinet approve the recommendations set out in the exempt Appendix E to this report

General

11. Cabinet note the intention to publish a 'Prospectus' for each of The Borough's town centres as set out in paragraph 52 and delegate final amendments and future updates to the Director of Town Centres Investment and Cabinet Member for Regeneration & Housing.

DETAIL

Billingham

12. Following the report to Cabinet in October 2020 where approval was given to develop a full business case for large scale investment opportunities in Billingham Town Centre, work has been underway to identify the most appropriate route to deliver the priorities identified in the Let's Talk About Our Towns programme.
13. Detailed discussions with St Modwen, the owners of Billingham Town Centre, have taken place over recent months. The outcome of those discussions is that whilst various partnership and funding models were under consideration to enable redevelopment to Billingham Town Centre it was concluded that most appropriate and advantageous means of securing significant redevelopment of Billingham Town Centre is for the Council to acquire the freehold of the centre.
14. This approach ensures the Council's ability to control the long term development of the centre, unhindered by competing priorities brought about by a partnership structure or joint venture and supports the established principle of taking back control of key town centre assets as a means of controlling and guiding future development.
15. Approval is sought as to the principle of acquiring the freehold of the town centre with a view to undertaking a full due diligence process around the value of the centre including full condition surveys, structural surveys and other intrusive inspections to ensure any future costs in respect of maintenance and repair are properly accounted for in an acquisition sum with a view to bringing forward a further report to a future Cabinet meeting to approve a final figure for acquisition. As part of the ongoing process the Council has commissioned Knight Frank to undertake due diligence and in a separate exercise KPMG have been appointed to do a final financial due diligence overview.

Ingleby Barwick

16. Building on the findings of the 'Let's Talk About Our Towns' programme and the successful opening of the new £14m Ingleby Barwick Leisure Centre, the focus of development work has been on exploring opportunities for enhanced green space and opportunities to encourage more active lifestyles for young people in outdoor settings.
17. To that end a masterplan for the enhancement of Romano Park has been developed and the preliminary design process is underway. The masterplan identifies key areas for improving legibility and accessibility across the park and focuses upon improvements to the existing activity area and works to the nature reserve as priority interventions as well as reviewing the option to provide a catering area within the park.
18. The masterplan also explores opportunities for investment where the Council has control of land assets and has identified land to the south of All Saints Academy as the prime location to create an additional activity area within Romano Park. To deliver this proposal, the Council is progressing appropriation of the land from Education land to Public Open Space, approval of which requires evidence that the land has not been used by a school or academy for any purpose for at least 10 years and that the land is not required for its current designated purpose. Legal advice has been sought to advise on the specific

legislation and due process needed to secure the land appropriation. The site is shown at **Appendix A**.

19. The next steps for progressing delivery of the masterplan will be to commence engagement with the two Academies and four primary schools within Ingleby Barwick to seek input on the design of the activity areas within Romano Park. The findings of this engagement will be central to shaping the design and use of the activity areas to ensure they meet the needs and aspirations of young people. Detailed design work will be undertaken following the engagement process and improvement works to Romano Park are expected to commence in summer 2021.

Norton

20. The priorities emerging from the 'Let's Talk About Our Towns' consultation in Norton focused around improvements to car parking layouts and traffic flow, proposals for the duck pond and investment in public realm spaces to help create flexible spaces for events, car parking and leisure activities. Since the October 2020 Cabinet meeting, work has been underway to build these priorities into a detailed programme of interventions.
21. With regards to the duck pond proposals, initial design work has identified a programme of repairs to the pond, perimeter path and steps, replacement of the fountain and surface improvements including new seating and feature planters to the plaza corner. The proposals have been developed with consideration to the Village Green designation and detailed design work will be progressed in the coming weeks to ensure works both improve accessibility to the duck pond and complement the surrounding open space.
22. Work has also been underway to develop options for improving car parking, traffic flow and public realm for the benefit of residents, businesses and visitors. Following a high level options analysis, the preferred scheme outlines a number of interventions including resurfacing the existing car park and pedestrian areas at the southern end of the High Street to create a multi-use car park and events space. The proposal also includes repair works to the existing memorial.
23. Traffic flow will be improved through the creation of a northbound one way system along the most southern section of the High Street and accessibility to the High Street will be improved through the creation of wider pedestrian areas and approximately 20 additional car/taxi spaces along this section. These proposals will ensure the Council's established programme of specialist markets and events can be readily extended to Norton through flexible use of the improved public realm spaces and improved pedestrian and vehicular access. A provisional layout for the masterplan is shown at **Appendix B**.
24. Detailed design work and costings will be carried out along with consultation with taxi and bus operators as well as local businesses and stakeholders before the programme of works commences in summer 2021.
25. Dedicated resource has been given to the establishment of a business forum in Norton in the last year. There has been progress in building relationships and growing interest from businesses in being part of the Forum. Work will continue on supporting, where appropriate, development and delivery of priority interventions that align with needs identified by businesses on Norton.

Stockton

Future High Streets Fund and Castlegate Centre Site

26. Members will recall that the Council submitted a bid into the Government's Future High Streets Fund in June 2020 seeking £24million contribution toward the redevelopment of the

Castlegate Centre site. On 26th December it was announced that Stockton had been granted a provisional allocation of just over £16.5million.

27. Clearly this figure fell some way short of what the Council had hoped to receive. However, since the submission in June 2020 a more detailed assessment and refinement of the proposals submitted has been carried out.
28. As a consequence of this exercise, there is now a much greater level of confidence around the deliverability of key elements of the site such as the tunnelling of a section of Riverside Road and realignment of Riverside Road to create a much wider, accessible riverside, flexible green spaces that can be enjoyed by the public on a day to day basis but are capable of hosting large scale events in the heart of the town centre; more spaces and activities for young people all delivered with high quality design and materials throughout.
29. An image showing the emerging masterplan of the transformed Castlegate site reflecting the work undertaken since June and incorporating the key elements above is attached at **Appendix D** and development of this proposal and final elements and details will continue to evolve further in the coming months.
30. Given this more refined stage of assessment, we now have a greater understanding of the deliverability of the component elements of what is a very complex site, circa £2.5-3million of costs accounted for in the Future High Streets Fund submission can now be discounted.
31. The outcome of this is that the overall budget required to deliver the transformed Castlegate Centre site, incorporating the key components detailed in paragraph 27 is circa £37million meaning that the actual shortfall of delivering the site is circa £5M and this will be considered by Full Council as part of the Medium Term Financial Plan.
32. At Cabinet's meeting in February 2020 approval was given to the Council's accommodation strategy which enables the consolidation of ten existing administrative buildings to be consolidated into two new purpose built facilities, one located in Stockton at the southern end of the current Castlegate site (as shown in the approved vision February 2020) and the smaller facility in Billingham Town Centre. The evolving masterplan shown in **Appendix D** do not show the final layout of such a facility but do show the possibilities that can be achieved on that site not only by locating the Council's accommodation but seeking other public and private sector partners to co-locate on a Campus style development. It is well known as part of the Government's levelling up agenda there is a desire to relocate some Government departments and agencies to the North of England. The achievable ambition shown on the masterplan demonstrates that Stockton can be a place of choice for the location of high profile public and private organisations.
33. It is anticipated that an outline planning application with all matters reserved for all of the current Castlegate site will be submitted in March 2021, with more detailed assessment of demolition and delivery undertaken in the following months.
34. Since the last report to Cabinet on town centres in October 2020 retail has endured significant periods of volatility with closure of non-essential retail throughout November and now into the current period of restrictions. This uncertainty has made negotiating alterations to existing leases and agreement on relocations challenging given the pressure on retailers and in some instances the absence of relevant personnel within organisations' property divisions due to furlough.
35. Despite this, progress has been made on reaching agreement on a number of future moves and restructuring of existing leases to enable decant of tenants later in 2021. Although progress has been made on a number of fronts, there remains a small number of businesses within the Castlegate Centre who benefit from long leases that have been reluctant to engage in discussions and as such present a barrier to the Councils ability to

gain vacant possession of the Castlegate Centre which is the first stage in enabling the redevelopment of the site.

36. Agents acting on behalf of the Council will continue to seek to negotiate, by agreement, the exit and relocation of tenants from the Castlegate Centre but Given the impasse on, and in some cases absence of, engagement from some businesses, it is recommended that the Council utilises its Compulsory Purchase Powers under the Town and Country Planning Act 1990 to secure vacant possession of the Castlegate Centre in timely fashion.
37. As part of the process for allocating Future High Streets Funds, the Council is required to submit detail of how the funding shortfall from the application to allocation will be addressed by 24 February 2021 with formal grant funding award documentation for £16.5M expected by the end of March 2021. The implications for the Council's Medium Term Financial Plan on this will be at Full Council on 24 February 2021.

Thornaby

38. In December 2020, the Town Investment Plan (TIP) for Thornaby was submitted in line with requirements for stage 1 of the Government's Towns Fund application process. The TIP set out opportunities to bring forward investment in Thornaby in line with the priorities identified through the 'Let's Talk About Our Towns' programme and collaboration with the Thornaby Town Deal Board. The priority interventions included in the TIP seek to:
 - 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.
 - Deliver new footpath and cycle infrastructure linking station, college, town centre and key residential areas and employment sites.
 - Address poor quality housing in North Thornaby.
39. If the TIP is approved, Government will seek to agree a set of 'Heads of Terms' reflecting the priorities within the TIP that will form the basis of a more detailed, full business case to access up to £25M which will be concluded over the following twelve month period. The second stage process requires further detailed input from the Town Deal Board along with additional engagement with the public and stakeholders as project details and interventions are more clearly defined.
40. As the priorities reflected within the TIP show, there are a broad range of opportunities for intervention across Thornaby reflecting local need and priorities supported by the Town Deal Board. It is anticipated that co-funding will be required as we enter the more detailed business case stage of the Towns Fund process as well as for emerging detail from Government on other funds that can be aligned with the aims of town deal and broader needs in Thornaby. It is therefore recommended that £5million be allocated to meet co funding requirements as detailed above. This allocation will have an impact on the Council's Medium Term Financial Plan and this will be considered by Full Council at its meeting on 24 February 2021.
41. Additional information relating to Thornaby is set out in exempt **Appendix E**.

Yarm

42. As Cabinet will recall, the priorities emerging from the 'Let's Talk About our Towns' programme for Yarm 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.

43. The Council has made significant progress on addressing long stay parking provision in Yarm through agreement to lease land to the rear of the High Street with a planning application already submitted and under consideration with a view to the site becoming operational later in 2021.
44. In recent weeks, more detailed work has been undertaken to progress other priority interventions, which includes proposals for the restoration of Yarm Town Hall where it is planned to create a Heritage Centre at ground floor level, and upgrade the committee room at first floor to create a meeting / education resource.
45. To date, structural and asbestos surveys have been undertaken on the building and work has been commissioned to design an outline scheme and produce high level cost estimates. The viability of the scheme would be supported by securing external funding via the Heritage Lottery Fund in addition to financial contributions from the Council and Yarm Town Council.
46. As stated above, potential funding options include the Heritage Lottery Fund, which has a new funding programme opening on 8th February which focuses on building long-term environmental sustainability and would accept funding applications of up to £250,000. The next steps for securing additional funding will be to review the detailed application guidance and eligibility criteria, which will be released in early February, against the priorities of the scheme and to develop a robust funding bid for submission in the coming months. An illustration of the potential scheme is attached at **Appendix C**.
47. Further feasibility work is being carried out to identify the scope and location for an Enterprise Arcade in Yarm, which could also serve as a potential location for new toilet facilities. Alternative options for public toilet provision should the Town Hall scheme proceed are also being explored to ensure continuous provision of public toilet facilities in Yarm High Street, a more detailed update will be provided to Cabinet in due course.
48. The Council has previously committed to support the development of a Business Forums in Yarm and remains committed to working alongside this group to develop and implement, where appropriate, some interventions that reflect local need and priorities.

Engagement

49. Alongside the physical investment programmes significant investment continues in working with local business communities and networks that have a role or impact on our town centres. In the last year alone over £70,000 has been awarded in grants to support local town centre businesses. There are countless examples in each town where despite the challenges of the pandemic businesses are finding new and innovative ways to expand or adapt their businesses. One example of this are the market traders on Stockton market who have worked hard to ensure they can adapt to using social media and other digital skills to facilitate click and collect and deliveries.
50. The Council continues to work with businesses in town centres across the Borough to allow them to adapt to a changing retail world. One example is the introduction of a tried and tested web platform ShopAppy.com where retailers can register and list their goods in a commercial market place where the consumer does not have to move between different websites to find what they are looking for. Other interventions include the planned purchase of digital signboards in some town centres to help with legibility and local advertising and the roll out of social media training for businesses that require support in E-commerce. The Council's close working relationship with the Stockton BID and the Business Forums in both Yarm and Norton are building a solid network of support during these challenging times. .

51. From March 2021 onwards a detailed programme of engagement with young people across the Borough will commence to ensure they have a genuine stake not only in the physical development of the Borough's town centres but also how communities will use those spaces in current and future generations. Engagement with the Bright Minds Big Future programme and existing skill networks will be utilised as we develop a broader engagement and look to build curriculum content in as part of that engagement process to ensure young people have a genuine voice in the future of their town centres.
52. To reflect the proposals set out within this report the Council will produce, subject to approval of recommendations in this report, prospectus style documents setting out detail of proposed interventions across all town centres.

COMMUNITY IMPACT IMPLICATIONS

53. Throughout the journey to date and next steps on investment across the Borough's six town centres a programme of ongoing engagement is in place to ensure all areas of the community have access proposals as they develop so that all community needs are considered and understood as investment proposals are developed and delivered out.

CORPORATE PARENTING IMPLICATIONS

54. As part of the town centre investment programme there is an ongoing engagement process and one element of this is focused towards young people and young adults to ensure that town centres remain fit for purpose for current and future generations. As a corporate parent the Council will exhaust all opportunities to engage with as many young people as possible.

FINANCIAL IMPLICATIONS

55. To enable recs in this report, allocation of resources is required which are reflected in the Medium Term Financial Plan 2020/21 and 2021/22

LEGAL IMPLICATIONS

56. The Council will continue to try to acquire the remaining leasehold interests at Castlegate Shopping Centre by agreement, but if agreement cannot be reached a compulsory purchase order may become necessary to achieve the required outcome.
57. Section 226(1)(a) provides that a local authority shall have power to acquire compulsorily any land in their area if the authority think that the acquisition will facilitate the carrying out of the development, redevelopment or improvement on or in relation to the land. The authority must also think that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the area.
58. Any person whose property or lease etc may be acquired under the CPO has 21 days to object to the order. If objections are received the Secretary of State will hold a public inquiry giving those affected a chance to challenge the CPO and the land can then only be acquired if the Secretary of State confirms the order. Compensation is payable to those persons whose interests are acquired by CPO, at open market value.
59. The Council has a power to acquire land or property pursuant to section 120 of the Local Government Act 1972.

RISK ASSESSMENT

60. Reshaping our town centres 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

61. This report covers all six of the Borough's town centres and therefore affects all Elected Members given the communities they represent and how they use town centres. Specific engagement with directly affected wards has taken place and in addition to this all Members seminars are scheduled to keep Members up to date with specific interventions relating to town centres.

BACKGROUND PAPERS

62. Reference should be made to reports considered by the Council's Cabinet on 20 Feb 2020 and 15 October 2020 and the Council's Medium Term Financial Plan considered by Full Council at its meeting on 26 February 2020.

Name of Contact Officer: Richard McGuckin
Post Title: Director of Town Centres Investment
Telephone No. 01642 527028
Email Address: Richard.mcguckin@stockton.gov.uk