

AGENDA ITEM

REPORT TO CABINET

24 JUNE 2021

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET INFORMATION ITEM

Regeneration & Housing – Lead Cabinet Member – Councillor Nigel Cooke

LEVELLING UP – STOCKTON-ON-TEES

SUMMARY

This report provides Cabinet with an update on the Council's proposals to bid into Government's levelling up agenda announced as part of the 3rd March 2021 budget by the Chancellor of the Exchequer. The main themes of the Government's levelling up agenda include town centres, transport and heritage. The ongoing investment programme by the Council across all six of its town centres provides the ideal opportunity to align Government funding opportunities from the levelling up agenda to the Council's existing ambitions for its town centres.

The levelling up agenda allows Local Authorities to make bids for each Parliamentary Constituency area and this report is for Cabinet to note the detail of proposals that have been submitted for the Constituency areas of Stockton North and Stockton South.

REASONS FOR PRODUCING THIS REPORT

The information provided within this report is for Cabinet to note the detail of the two bids submitted for the Parliamentary Constituencies of Stockton North and Stockton South to the Government for round 1 of the Levelling Up Fund.

The report also notes that negotiations are underway to agree a price for the acquisition of Billingham town centre and that a detailed due diligence process is ongoing around the building condition, financial and legal implications of the asset to inform the terms of acquisition.

DETAIL

Levelling Up Fund

1. On Wednesday 3 March 2021 the Chancellor of the Exchequer announced in his budget speech that the Government will be making available £4.8bn of funding to support the levelling up agenda. Subsequent to this a prospectus was launched containing details of the fund which confirmed that there would be several funding rounds available for Councils to bid against. It is anticipated that future rounds which will release funding beyond the first £600M could be opened in late 2021 or early 2022 but this is not yet confirmed.

2. In terms of round 1 the Government have provisionally allocated £600M to support schemes that are able to commit to financial spend within the current 2021/22 financial year and that already have well developed business cases in line with the Treasury's Green Book assessment framework. The deadline for submission of round 1 bids was Friday 18 June 2021.
3. Within the levelling up prospectus Local Authority areas have been placed into category 1, 2, or 3 with category 1 representing places with the highest levels of identified need. Bids from category 1 areas, which include Stockton on Tees, will be given preference for funding. Each Local Authority in a category 1 area will be allocated £125K of development funding from the Government to enable detailed Treasury business cases to be developed. Stockton-on-Tees Borough Council will receive this development funding although no detail on its allocation across the two Parliamentary Constituencies or when it will be received has been made available to date.
4. There are three central themes to the levelling up fund for which bids must be aligned to and these are transport, culture and town centre regeneration. Within these themes a maximum of 3 complimentary projects can be included. The Council already has well developed plans for its six town centres and longstanding ambitions to enhance sustainable travel activities and enrich visitor experiences at its cultural assets. There is clear alignment with the Council's existing ambitions and the opportunity for levelling up funding, which needed to be fully explored to ensure the Borough of Stockton-on-Tees maximises the availability of Government funding to support investment at a local level. For this reason, the Council was well placed to make a bid into round 1 funding for both Parliamentary Constituencies of Stockton North and Stockton South and in each case will be bidding to the maximum of £20M.
5. Local Authorities can bid up to a maximum of £20M per constituency area and there is a requirement for Local Authorities to provide a 10% local contribution to this overall figure. The two bids for Stockton North and Stockton South were submitted on Friday 18 June 2021 and were developed in full consultation with the MP for Stockton North and MP for Stockton South respectively. Following detailed assessment, a decision on the outcome of the bids is expected in Autumn 2021.

Stockton North

6. The overarching vision for Billingham Town Centre is to create a vibrant, modern town centre for the future that safeguards its traditional retail function and creates quality of place through new spaces, diversification of uses and high quality new infrastructure in the heart of the town centre.
7. Since the last report to Cabinet in February 2021, which granted approval to the principle of acquiring the freehold of Billingham town centre, work has been underway to carry out a full due diligence process around the building condition, financial and legal implications of the asset. The due diligence process included full building condition surveys, structural surveys and other intrusive inspections to ensure all future costs in respect of maintenance and repair are properly accounted for in the business case for acquisition. The Council has made provision for the purchase of Billingham Town Centre within its Medium Term Financial Plan and this allocation will be identified as leverage towards Government funding from the levelling up fund.
8. The due diligence process is ongoing along with detailed negotiations to agree a purchase price that reflects the value of the centre if the Council is to acquire in its current condition. A further report will be brought back to Cabinet to set out the terms of the purchase once agreed between both parties however it remains a Council commitment to take back control of key town centre assets such as Billingham town centre as a means of controlling and guiding the long-term development of the centre. Upon acquisition the Council's initial

priority will be to implement essential repair and remedial works as identified through the building condition surveys.

9. Billingham Town Centre is located in Billingham Central Ward which is the 11th most deprived ward in the Borough (out of 26) and among the 20% most deprived neighbourhoods in the country. The town centre as a whole faces a number of challenges, not least the combination of changing retail trends and oversupply of floorspace within the town centre which has created a structural imbalance in the supply of retail floorspace versus demand from potential occupiers resulting in a vacancy rate of 17.1%.
10. The impact of the Covid-19 pandemic is continuing to accelerate the challenges that town centres across the country face to make high streets fit for purpose and it is widely recognised that to unlock transformational change in Billingham town centre, a number of physical infrastructure interventions are required.
11. Levelling Up funding will therefore be utilised to address the structural imbalance and physical condition of the centre by exploring options for mixed use redevelopment and high quality infrastructure, public realm and green spaces that improve accessibility within the town centre as well as connectivity to surrounding open space.
12. The West Precinct site is considered to be key to achieving long term sustainable change and due to the extent of remedial works required and the associated costs, redevelopment of this area should be explored as this presents a significant opportunity to both encourage investment and deliver wider regeneration benefits in Billingham.
13. This approach provides the once in a generation opportunity to reshape and repurpose the town centre and will stimulate change through the provision of modern, fit for purpose accommodation that encourages and diversifies uses, attracts private sector investment and increases footfall. The Council will act as a catalytic anchor tenant in this respect through the development of c.20,000 sq ft council building to retain a presence in the town centre.

Stockton South

14. These interventions seek to secure the long-term sustainability and vitality of Yarm and Eaglescliffe as an attractive, accessible and diverse location for residents and visitors from across the local area, sub region and further afield.

Yarm High Street

15. It is proposed to deliver a package of enhancements to the existing paved areas that will include new paving and seating to help support opportunities for outdoor seating/dining and promote diversification of uses on the High Street. This would reduce the primary reliance on retail as a driver for footfall as well as reintroduce more greenery and spaces for young people and provide dedicated cycle storage.
16. The redevelopment of a listed 18th Century town hall into a circa 900sq ft visitor centre and community learning space incorporating gallery and display space, educational installations and new public toilets, will also increase footfall on the High Street and attract new visitors to the town. The Council has approved resources as part of its town centre investment programme to support investment in Yarm and this will be identified as leverage to secure funding from the levelling up fund.

Preston Park and Museum

17. Located in Eaglescliffe two miles from Yarm High Street, Preston Park and Museum is a 19th century stately home which has been converted into a Museum and Park Grounds.

The facility attracts around 500,000 visits per annum making it the leading tourist attraction in the Tees Valley. It is proposed that investment is made in the creation of a regionally significant exhibition and gallery extension to the museum, which will enable people across the region to access the same cultural opportunities as those living in other parts of the country. This will be achieved through the creation of a facility capable of hosting and storing precious pieces and nationally and internationally significant exhibits. The delivery of the exhibition space will be supplemented by improvements to access, connectivity to other communities and amenity infrastructure within the park that will include new café and toilet provision, improved car parking and bring new uses to the former aviary.

18. Developments at Preston Park will also contribute significantly to the image and identity of the Borough and wider Tees Valley by shaping and changing outward perceptions of the area. The development has been specifically created to set the attraction apart from other regional facilities, creating a unique and special experience that opens up previously hard to access cultural opportunities for residents in the region.

Connecting Yarm

19. This project will deliver modern cycle infrastructure that will connect key employment sites and surrounding residential areas with the key facilities and attractions of Yarm High Street and Preston Hall. An improved cycle link will be created between Preston Hall and Yarm High Street to encourage greater use of cycling thereby reducing reliance on car travel, reducing congestion and making it easier for nearby communities to reach key cultural, employment and leisure assets. The proposal would deliver circa 9km of new cycle infrastructure for the benefit of residents and visitors to the Borough.

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