

Cabinet – 13th September 2006

Report of the Director of the Urban Environment

Economic Regeneration Activities

Purpose of Report

1. To seek approvals from the Cabinet for:
 - a) A proposed Townscape Heritage Initiative(THI) for Dudley Town Centre.
 - b) A regeneration Strategy for Local Centres.
2. To update the Cabinet of progress in respect of a strategy for submission of bids to the Heritage Lottery Fund (HLF) and a proposed delivery vehicle for the Dudley Area Development Framework

Background

3. The overarching objective underpinning the Council's Economic Regeneration agenda is to promote the general prosperity and well being of the Borough to achieve a fairer society. The Council is also seeking to exploit the Borough's natural, historical and social assets to attract more people to live, work and invest in the area. The Council's Economic Regeneration aims are clearly linked to the Community and Council priorities and a range of regional and sub regional strategies that influence and impact on local issues.
4. These aims and strategies, the means by which the Council delivers them, and recent achievements, are set out in detail in a separate document entitled 'Economic Regeneration in Dudley Borough: A review of progress'. Copies of this document have been placed in the Members' Room.
5. Against the background of the above activity, consideration by Cabinet of a number of specific issues is requested as set out below:
6. **The Dudley Area Development Framework Delivery Vehicle** - The Dudley Town Centre Area Development Framework (ADF) presents a vision, development strategy and illustrative development framework plan to guide residents, businesses, developers, investors and the Council in shaping the future of Dudley town centre. The guidance provides a framework to manage, guide and target change and inspire action to drive forward the process of rejuvenating Dudley town centre.

7. On the 15th March 2006 Cabinet authorised the appointment of consultants King Sturge Financial Services to develop options for the overall implementation of the ADF in the most effective manner.
8. A cross-directorate working group of officers has been working since April 2006 with King Sturge Financial Services Consultancy in order to:
 - confirm the Council's objectives for the regeneration of Dudley Town Centre;
 - conduct an assessment of the Council's property portfolio;
 - prepare an options analysis including development of a preferred financial model;
 - prepare a draft strategy for initial approval; and
 - prepare an outline business case/plan;
 - co-ordinate this work with that of Public Sector Plc, dealt with elsewhere on this agenda.
9. This stage of the work is intended to produce a proposed strategy for implementing the Dudley ADF by way of a delivery vehicle similar to that developed by King Sturge for the East Midlands Development Agency and further details will be reported to Cabinet in due course.
10. In the current proposed revisions to the Regional Spatial Strategy set out in the Black Country Study document (May 2006), Dudley town centre is given a new role in the region (p25+26):

“Dudley will continue to perform an important role as a non-strategic centre in the Black Country. Dudley's future renaissance will be founded upon the town centre's unique tourism and culture assets and major residential development. All future development will seek to maintain and enhance the existing general character of the centre as a key contributor to the Black Country tourism role and an important focus for quality housing.”
11. Dudley Council is committed to developing Dudley town centre as the civic centre of the Borough as stated above, which will include the rationalisation of Dudley Council's office accommodation.
12. **Dudley Town Centre Townscape Heritage Initiative (THI)** – The THI is a Heritage Lottery Fund (HLF) grant-giving programme to assist in the repair and regeneration of the historic environment within conservation areas in towns and cities. Its aims include:
 - to use built heritage as a stimulant for economic regeneration;
 - to contribute to the sustainability of local economies; and
 - to support the communities that live and work in each project area, for example, by bringing vacant floor space in historic buildings back into use, whether for public, commercial or residential functions, or by making a historic area more attractive as a location for business or as a tourist destination.
13. Bidding for THI funding is a 2 Stage process, and in response to a Stage 1 bid submitted by the Council in May 2005, the HLF has agreed in principle to offer a grant of £1.95m towards a proposed Dudley Town Centre Conservation Area THI “Common Fund” which would be set up to deliver the THI. In addition to the HLF approving the

Council's Stage 1 bid, it also offered the Council a £25,000 Development Grant towards the cost of production of the Stage 2 bid.

14. On the 14th December 2005 Cabinet authorised the Director of the Urban Environment to enter into a contract with the HLF to accept the Development Grant and to submit a Stage 2 bid in respect of the Townscape Heritage Initiative for Dudley Town Centre.
15. The Conservation Studio, who are heritage consultants, were appointed to advise Dudley Council in the preparation of a stage 2 bid to the HLF following a competitive tender process which took place in March/ April 2006.
16. An Officer Project team has been working with The Conservation Studio to prepare detailed proposals with a view to submitting the Stage 2 bid by December 2006. These proposals include:
 - assessment of match funding opportunities required for the Common Fund;
 - surveys and cost estimates of eligible properties and improvements;
 - preparation of a Training Plan, Conservation Area Management Plan and Action Plan;
 - consultation with town centre stakeholders, property owners, and Central Dudley Area Committee; and
 - incorporation of property valuations prepared by the District Valuer.
17. The Council will be required to secure match funding of at least £2,000,000 in due course if the bid is to be considered for acceptance by the HLF and must also be supported by a Conservation Area Management Plan. Potential contributions to this match funding are currently being investigated from Advantage West Midlands (through the Regeneration Zone) and other sources. It is recommended that the Director of the Urban Environment be authorised to prepare and submit a bid to Advantage West Midlands for match funding to contribute to the 'Common Fund'.
18. If the HLF approve the Stage 2 bid it is proposed that the Director of the Urban Environment be authorised to accept the HLF grant and in liaison with the Director of Law and Property, enter into a grant contract with the HLF.
19. The THI is proposed to operate on the basis of the Council administering, issuing and monitoring a grant scheme to property owners by drawing on the 'Common Fund'. Applicants will apply for grant assistance based on predetermined eligible criteria and percentage grant rate. It is therefore proposed that the Director of the Urban Environment in consultation with the Cabinet Member for Regeneration be authorised to prepare such criteria, conduct negotiations with applicants and issue grants accordingly.
20. If funding is received from the HLF it is predicted the Dudley Townscape Heritage Initiative (THI) project will start in 2007 and run until 2012. The THI could bring around £8 million investment to Dudley town centre over the next 5 years. A THI officer will be appointed specifically to deliver this project.
21. If successful, improvements from the THI project will include:
 - repair of occupied historic buildings;
 - repair and conversion of empty or underused historic buildings;

- restoration of historic buildings' architectural features; and
- educational initiatives and conservation training to ensure that the historic environment will continue to be maintained and protected when the THI project ends.

22. **District and Local Centres Regeneration** - One of the Borough's greatest assets is its network of diverse town and local centres, which have evolved from the villages and settlements which formed the Black Country and each has its own distinctive character and range of attractions. Each centre has had to respond to dramatic change over the last 20 years, including far reaching changes in people's lifestyles and new and evolving patterns of shopping, accessibility and investment.
23. Policy CR1 of the Council's adopted Unitary Development Plan (UDP) identifies a hierarchy of 20 centres in the Borough. These are subject to the policies in the Centres and Retail chapter which are designed to secure the long term regeneration and development of all the Borough's centres.
24. Resources were secured by the Directorate of the Urban Environment in 2005/06 to address local centres within the new planning system and a Project Development Officer, whose remit includes local centres, took up post in December 2005. However it is not feasible to address issues in all the 16 centres concurrently and it is therefore necessary to prioritise in a fair and transparent way those with the greatest need and that can be addressed within the resources available.
25. A review of the District and Local Centres was undertaken in February 2006 which addressed the local and national policy context, undertook an individual analysis of each of the centres highlighting specific issues and a summary of the key issues, with an evaluation of performance against some basic criteria. The criteria used were vacancy levels, retail representation in the protected frontage, diversity of uses and traffic congestion.
26. Section 3 of that report is attached as Appendix 1 to this report and provides a summary of the findings and the evaluation based on a point scoring system. Tables 18 and 19 show the evaluation and summary of the points scored. From this analysis the 6 centres that require the most concentrated intervention are Shell Corner, Cradley/Windmill Hill, Pensnett, **Brierley Hill High Street, Lye** and Quarry Bank. It is these centres that require regeneration plans to prevent further decline.
27. **Brierley Hill** is already being addressed by the existing Town Centres team. An Action Plan for **Lye** was produced in 2004 through the old UDP process and the new Project Development Officer is now reviewing progress and seeking to revive delivery of the plan with the Lye and Wollescote Partnership, local traders and the Neighbourhood Management Team .It is therefore proposed to focus on developing regeneration improvement plans in the other 4 centres at Shell Corner, Cradley/Windmill Hill, Pensnett, and Quarry Bank
28. The remaining 4 centres will be the priority for the development of regeneration plans over the next 2 years. They will be detailed implementation plans to deliver action in accordance with the current Planning, Council Plan, Economic Strategy and Community Strategy policies.

29. Whilst these 4 centres are seen as the priority, this does not mean that the remaining centres will be neglected. The 6 centres at Amblecote, Sedgley, Upper Gornal, Wordsley, Gornal Wood and Netherton still have issues that need to be addressed..
30. It is therefore proposed that Cabinet approve the priorities shown in Table 19 of appendix 1 and that the centres at Shell Corner, Cradley/Windmill Hill, Pensnett, and Quarry Bank are the priority in the preparation of appropriate regeneration plans.
31. **Heritage Lottery Fund applications** - Grant funding is available to the Council from the Heritage Lottery Fund (HLF) for a range of projects, primarily from the Townscape Heritage Initiative, Heritage and Parks for People programmes. .
32. Advisors from the HLF have recently advised officers that the Council needs to effectively prioritise those projects for which it may seek grant assistance. In addition, the developing aspirations of stakeholders (for example Friends of the Parks groups) for bids to be prepared and submitted, and the finite resources available to the Council for the preparation and match funding of bids, means that it would now be prudent to seek the adoption of a strategy for prioritisation of funding bids.
33. A report will be submitted to a future meeting of Cabinet which outlines the proposed strategy for submission of bids to the HLF.

Finance

34. The cost of the work being carried out by King Sturge Financial Services in relation to the Dudley Area Development Framework is being met from approved budgets.
35. The anticipated total cost of the THI project is in the region of £8 million, of which the private sector contributions are estimated at £4 million assuming a grant intervention rate of 50%. This includes both capital and revenue costs over the five-year lifetime of the project. The revenue will contribute towards a THI officer and the implementation of a training plan with a specific Heritage focus.
36. HLF has pledged £1.95 million. The total match funding required is at least £2 million over five years. All of the match funding must be secured by the end of year 3. All of the funding must be spent by the end of year 5.
37. A minimum of £150,000 match funding is required in 2007/8. This must be committed when the stage 2 bid is submitted to HLF. Of the £150,000 match funding required, around £40,000 will fund the revenue costs associated with the setting up of the project and appointing a project manager. It is proposed the post will be funded from revenue resources available to the Directorate of the Urban Environment. The remaining £110,000 will be capital and could be met from the sum earmarked in the capital programme for match funding and other urgent priorities. It is anticipated that the HLF contribution in 2007/8 would be a further £150,000.
38. This financial commitment for the first year of the 5 year programme will allow us time to secure additional match funding for the subsequent 4 years. At this point in time no further match funding has been secured, but sources currently being investigated include Advantage West Midlands, The Dudley Area Development Framework Delivery Vehicle, Section 106 contributions, Local Area Agreements, Planning

Delivery Grant and mainstream Council funding, for which budget provision will have to be identified.

39. As referred to in paragraphs 26-28, the main focus of work regarding District & Local Centres, Regeneration over the next few years will be the development of regeneration plans for the four Centres [other than Lye and Brierley Hill High Street] requiring concentrated intervention. This will be delivered by the Project Development Officer using existing budget resources. Any specific proposals arising will need to be the subject of future reports to Cabinet.

Law

40. The Council may do anything which they consider is likely to achieve the promotion or improvement of the economic, social and environmental well-being of their area under section 2 of the Local Government Act 2000. This general power together with other statutory powers including the Town and Country Planning Act 1990 and the Public Health Act 1875 will enable the Council to implement the recommendations contained in the report.

Equality Impact

41. The Economic Regeneration projects that are listed in this report accord with the Council's Equality & Diversity /Policy.
42. All consultation exercises undertaken in connection with these projects have been carried out in accordance with the Dudley Council Consultation Toolkit and draft Statement of Community Involvement, and with particular consideration for the views of children and young people.

Recommendation

43. It is recommended that;

The Dudley Area Development Framework Delivery Vehicle:

- (a) The Cabinet note the progress on the work being undertaken by King Sturge in developing proposals for delivering the Dudley Area Development Framework and an associated business plan.

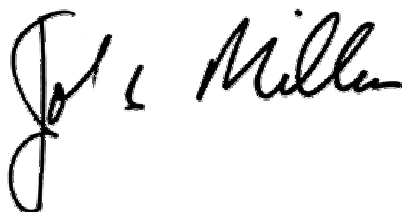
The Dudley Town Centre Townscape Heritage Initiative:

- (b) In the event of the HLF approving the Stage 2 application for grant for the Dudley Townscape Heritage Initiative, the Director of the Urban Environment be authorised to accept the grant and, in liaison with the Director of Law and Property, enter into a grant contract with the HLF.
- (c) The Cabinet support the ongoing work of the Council to secure match funding to complement the Dudley THI 'Common Fund'.

- (d) That the Council be recommended to include the first year's total capital cost of the Dudley town centre THI project in the 2007/8 capital programme at a cost of £110,000.
- (e) The Cabinet authorise the preparation and submission of a bid to Advantage West Midlands (AWM) for match funding to contribute to the 'Common Fund'. It is also recommended that the Cabinet authorise the Director of the Urban Environment signs the applications to AWM for funding and the Director of Law and Property enters into a legal agreement with AWM when the funding is secured.
- (f) The Director of the Urban Environment in consultation with the Cabinet Member for Regeneration be authorised to prepare criteria, conduct negotiations with applicants and issue grants for the Dudley Town Centre Townscape Heritage Initiative.

District and Local Centres Regeneration:

- (g) The Cabinet approve the priorities for the regeneration of the Borough's local centres and the proposal that the centres at Shell Corner, Cradley/Windmill Hill, Pensnett, and Quarry Bank become the priority for the preparation of appropriate regeneration plans.



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List of Background Papers

1. 'Dudley. Sharing Exciting Times. Area Development Framework' (December 2005), Dudley MBC