

**Teignbridge District Council
Full Council
22 February 2022
Part i**

Future High Street Fund - Newton Abbot Market

Purpose of Report

To seek approval for the budget outlined in the accompanying confidential report and the recommended officer delegations.

Recommendation(s)

The Committee RESOLVES to:

- (1) Approve the budget outlined in part II of this report to deliver the project detailed in section 4.
- (2) Delegate authority to the Head of Place and Commercial Services in consultation with the Chief Finance Officer and Portfolio Holder for Economy and Jobs to take such decisions necessary to deliver the project.

Financial Implications

Detailed financial implications are in the part II report as per 5.1 with some funding aspects detailed in the options appraisal in section 3 below.

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Legal Implications

There are no specific legal implications arising out of this report. However, a range of landlord and tenant/lease related issues along with those relating to contracts of

employment will need to be addressed as appropriate to enable project progression.

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Risk Assessment

The risk assessment has been prepared by the project team and consultants and is included in part II.

Environmental/ Climate Change Implications

Environmental implications are outlined in section 5.4

Report Author

Future High Street Fund Project Team

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Executive Member

Cllr Nina Jefferies, Executive Member for Economy and Jobs

Appendices/Background Papers

Appendix 1: Quarterbridge Engagement Report

Appendix 2: Quarterbridge Review of Friends of the Alexandra Business Proposal

Appendix 3: Indicative Plan

Background Papers: Full Council Report dated 22 April 2021.

1. Introduction/Background

The Council's Covid recovery priorities are Jobs, Homes and Climate Change.

The Newton Abbot Markets Regeneration proposal as set out within this report, would directly protect circa 40 jobs within the Market and Food Hall, whilst at the same time growing employment opportunities within the Markets and across the Town, supporting the wider district economy and sustainability aspirations in line with Newton Abbot and Kingsteignton Garden Town Community Status.

The Government's Future High Street Fund (FHSF) was announced in 2019 and sought proposals from Local Authorities that would strengthen town centres, increase footfall and grow sustainable local economies.

In July 2020, the Executive endorsed a bid seeking grant funding to provide a range of interventions across Newton Abbot.

These focused on improving:

- 1) Transport and connectivity: Queen Street and National Cycle Network 2.
- 2) Evening Economy: New 4 Screen Cinema & works to the market hall and Alexandra Cinema.
- 3) Economic Development: Creating a new vision for a Markets Quarter, establishing Newton Abbot as the premier market town in Devon.

Newton Abbot's bid was set in the backdrop of multiple town centre plans:

- Newton Abbot Community Plan 2008
- Newton Abbot Regeneration Study 2010 (Fielden Clegg Bradley)
- Teignbridge Local Plan 2013 - 33
- Newton Abbot Neighbourhood Plan 2016 – 33
- Newton Abbot Masterplan 2018 (LHC Design)
- Teignbridge Council Strategy 2020 – 30
- Future High Street Fund submission
- Newton Abbot and Kingsteignton Garden Community Status
- Teignbridge Covid-19 Jobs Recovery Plan

Following competitive selection the Newton Abbot bid was successful.

Consequently, in April 2021 the Council approved the comprehensive project proposal and the Markets Quarter was agreed, subject to the final business case for funding being prepared and further engagement being carried out with key stakeholders.

This report outlines the work undertaken on the Markets Quarter project following that decision and the proposed business case.

2. Scope and steps taken

A team of expert advisors experienced in Markets, Performance, Architecture and Project Management have been assembled.

The team includes Quarterbridge who are part of the Government's High Street Task Force and operate as specialists in the delivery of market hall projects, Emma Twamley, event and festival director who masterminded the award winning Glas-Denbury Music and Arts Festival, AECOM property consultants and LHC architects.

The project aims were outlined in the Future High Street Bid Submission with the goal of creating Newton Abbot as the premier market town in Devon. Critically, it was explicit that the projects needed to be transformative, sustainable, drive footfall and achieve a minimum cost benefit ratio and land value uplift, in line with Government's appraisal and assessment criteria.

Newton Abbot has a rich 800 year history of being a market town and it is considered vital to the future success of the Town to retain its Historic Market Status and to provide much needed investment in the Market Hall and Alexandra Cinema, which are Grade II listed buildings. To re-establish these important heritage assets at the heart of the Town, the bid provides for a purpose built 4 screen cinema, pedestrian and cycle improvements (in line with the Newton Abbot and Kingsteignton Garden Community Status), in addition to supporting the evolving Cultural Quarter and much needed continued town centre regeneration.

The vision is for the Markets Quarter to serve the widest possible catchment across the Town. Newton Abbot is benefitting from a programme of specific funding awards of up to £100m to improve infrastructure and the vibrancy of the Town.

The vision has been established through several stages of planning, consultation and engagement with key stakeholders, including Newton Abbot Town Council, over a 12 year period. The detail of which was presented to the Council in April 2021 as part of the approval process.

To further inform the delivery of the project, several groups of users have been identified:

Stakeholders and Engagement:

Food Hall and Market Tenants

Indoor Market Traders

Performance, Theatre, Arts and Cultural Community Groups

A series of engagement sessions have been held with the above groups, along with online surveys. The resulting comments, aspirations and suggestions fed into the working business case. Overall there has been significant support from market traders, tenants and the wider arts, community and cultural groups.

Through this and previous work, the need has been established for the emerging Markets Quarter plans which will deliver a flexible multi-use space. This approach will serve the widest possible demographic, providing employment opportunities, social and community facilities to support the wider economy. A summary of the engagement is enclosed in appendix 1.

The Council is committed to the Markets Quarter and consideration of the options are set out below:

3. Options considered

Following the Council's decision in April 2021 and the subsequent Future High Streets Funding award, the following options have been reviewed.

3.1: Do nothing:

The opportunity that the £9m Future High Streets Fund package presents is invaluable to Newton Abbot. The growth of the Town, the seismic shift in the way town centres are used across the country and the effects of Covid19 are all continuing to affect how people work, live and use town centres. The core heart of the District must evolve and diversify to survive. The Market Hall and Alexandra Cinema buildings date back to the 1800's, but have undergone a number of changes and alterations throughout their lifetimes, many of which have been unsympathetic to the original design and purpose and investment is required to ensure their survival.

The opportunity to support existing local trade, provide space for new businesses while supporting and growing the evening, arts, community and cultural elements is considered vital.

Further financial implications of a do nothing approach are outlined in part II.

In view of the opportunity available and financial implications, do nothing is not recommended.

3.2: Theatre Proposal

The Alexandra has operated as a cinema and been leased by the same operator for 70+ years, with the theatre space being used for 3 weeks per year by Newton Abbot District Musical Comedy Society (NADMACs).

In 2018/19, consideration was given by the Council for the potential future options of the Alexandra building, subject to delivery of a new build cinema to enable the relocation of the existing leaseholder. Through the appointment of an external consultant, a business case was prepared with input from NADMAC representatives. However, this option could not be progressed because the financial and business case would not support delivery of the new build cinema without upfront subsidy and ongoing financial support.

There has however been a clear message from the Friends of the Alexandra Theatre (FoTAT) and associated NADMACs that their desire is to see the building converted back to a full-time working Theatre and community hub, subject to the relocation of the Cinema (which is also widely recognised as an important cultural asset to the Town). However, it should be noted that the Cinema's relocation can only be achieved through the grant funding support received through the Future High Street Fund award, and the award forms part of a comprehensive package of regeneration works as set out in 3.3 below.

In 2021, a number of sessions were held directly with representatives from FoTAT and NADMACs to discuss how those group's aspirations could be fed into the overarching vision for the Markets Quarter, whilst achieving the need for the buildings to serve the Town (in the broadest sense) through driving the growth of retail, local trading, footfall, arts, community, culture and the daytime and evening economy, activity and experience.

On this basis a Memorandum of Understanding was proposed which outlined, within the parameters of the funding requirements, how FoTAT and NADMACs wishes could be captured and developed. However, this offer was deemed not acceptable to either group.

Of their own accord FoTAT subsequently submitted a proposal to Councillors' for the group to lease the building, converting it back into a theatre and community hub to operate throughout the year.

It should be noted that FoTAT and NADMACs have no legal rights to the Alexandra building.

While the proposal to let the building separately for a theatre was not part of the approval proposal this option has been considered by the Council's consultant, Quarterbridge, who reviewed the situation in the context of the Future High Streets Fund appraisal and assessment criteria, and the vision that the Council seeks to achieve with this valuable Town Centre asset.

The Quarterbridge review is included in appendix 2. Although the FoTAT business case proposal would in principle support the strategic objectives for the emerging Cultural Quarter within Newton Abbot, a number of those artistic, community and cultural aspirations will be achieved through the Markets Quarter proposal. The strengths, weaknesses, threats and risks outlined in Quarterbridge’s review are set out below:

Strengths	<ul style="list-style-type: none"> • Provides a cultural and creative hub for a local and regional audience • Offers training opportunities through apprenticeships and volunteer work • There is public support for a cultural and performance venue in the town centre • Supports strategic objectives to create a Cultural Quarter within Newton Abbot
Weaknesses	<ul style="list-style-type: none"> • Does not support the future viability of the market • No secured capital funding or route to funding • Does not reach Value for Money and Land Uplift Value requirements associated with the capital funding from the FHSF • Strong likelihood of ongoing revenue deficit • Opening 4 evenings a week and undetermined daytimes may not represent optimum use of this central location
Threats	<ul style="list-style-type: none"> • Income will be insufficient to maintain a Grade II listed building of its size and age • High opportunity cost for the Council and Council Tax Payers, who would lose a commercial asset to support delivery of local services • Will require ongoing subsidy from the Council, at a time when the Council faces a revenue deficit • Market project will not be viable without expanded floorspace
Risks	<ul style="list-style-type: none"> • Scheme may not be financial viable, leading to high opportunity cost • Unsecured grant funding. The scheme requires capital funding in excess of £500k, and ongoing grant funding of £53k over the first 3 years. This is over and above a £5k donation projection in Year 1. If funding cannot be met, the scheme is not viable.

Furthermore, if the proposal is not transformational the Council will not qualify for the Future High Street Funding, risking the regeneration project and the future prosperity of the Town and interlinking Market Hall, Food Hall and Cinema offer.

This would be to the longer term detriment of Newton Abbot as the primary Town Centre within the District and its importance to the wider economy and its overall longer term sustainability.

The evolving Market Quarter plans include temporary provision of theatrical space, but it is worth noting that there are alternative locations within and around Newton Abbot which also contain theatre/staging. Understood to be at the following locations: The Green Rooms, Abbotsbury (which is owned by NADMACs), Bushell Theatre, The Avenue Church, Teign School and in neighbouring Teignmouth the Council delivered the Pavilions. This is a flexibly designed multi-use space which includes a theatre provision and which is now operated by the Community. There is also opportunity and indeed widespread competition, from a large number of established theatres located across South Devon, although some are already at risk of closing or have closed within the last few years.

Based on the Quarterbridge review and financial uncertainty, both in terms of capital required and ongoing liability, together with the potential to delay or jeopardise the Future High Streets Funding, the proposal is not something that can be recommended.

Based on the significant risk, with the requirement for £500k plus capital (with no certainty of how this would be funded), financial reliance on the Council to cover ongoing running costs and the Future High Street Funding award, with delivery of the Markets Quarter and new build Cinema fundamentally jeopardised, this is not an option we can recommend.

4: Proposed Preferred Option Scheme

The recommendation is to create a Markets Quarter which combines the Grade II Listed Buildings, known as the Market Hall and Alexandra Cinema, returning them to their original construction and echoing the original purpose as a flexible multi-use designed space.

The vision for the Markets Quarter is to re-establish the markets at the heart of the community, offering a mixed-use space providing leisure, dining, shopping, artistic, community and cultural opportunities.

This will enable maximum usage and drive footfall to a destination at the heart of the Town and District, which will also develop to see the property operated as a single entity, ensuring its longer term sustainability.

It is proposed that the events and cultural activities can work alongside the retail and food offering to encourage day and evening activity.

The proposal is to:

- Open up the building to remove some of the later unsympathetic additions.
- Removal of the first floor public toilets, which are proposed to be re-provided in the Hall. Opening up the gable end windows, injecting much needed natural light and adding visual appeal into the Hall.
- Opening up the blocked-up windows in the Alexandra, exposing the flanks of the building to Market Street and the Market Square when the cinema is delivered and reactivating the building for day time use.
- Create internal sightlines between the Alexandra and Market Hall.
- Partial removal of the 1970's food hall creating a pedestrian link from the Jolly Farmer into the Market Square and creating a direct access point from the Square into the Market Hall. Once again making visible the heritage façade of the Market Hall.
- Create strong sight lines from the Market Square into the Hall.
- Improve the entrance from Sherborne Road / Market Street / Alexandra Cinema to improve pedestrian flow into the building.

The scheme will seek to deliver:

- Flexible space for performance, live music, art/craft groups and public display.
- Retail / Service based units.
- Fixed food Retail Units; for example: farmers market, fresh produce, delicatessen and butchers.
- Pop Up Retail area.
- Fixed Food and Beverage Units with a food court seating design.
- Bar area to support food uses and evening entertainment.

An outline plan is enclosed in appendix 3, which will be refined further during future engagement sessions.

Subject to approval the next steps will involve:

- Develop final scheme plan options, based on the above. This will look to detail and refine the use of space including detail and arrangement of fixed and movable stalls, culture and performance space and ancillary supporting area.
- A series of engagement sessions will be held with all current and potential future users of the building, as the design process develops.
- Working detail and practices established for the operational management of the building to ensure performance and culture can cohabit with the retail elements.
- Prior to planning submission the final scheme will be exhibited in the Town.
- Submit planning pre-application for comment, including heritage statement.
- Progress structural and civils design, based on final scheme plan for detailed cost assessment.
- Produce energy strategy for the building for the provision of heating, water and utilities.
- Regular review of costs against business case and total project budget, established in the April 2021 approval.

Progress and updates for the public will be reported regularly on the Councils website and through regular updates via the Councils media channels.

Programme:

- Stakeholder Engagement: March/April 2022
- Public Display of proposal: May 2022
- Planning Application: May/June 2022
- Planning Determination: October/November 2022
- Food Hall Trader Relocations: Winter 2022
- Scheme Pause while Cinema is constructed (November 22-Feb 24)
- Indoor trader relocation: January 2024
- Construction: January 2024-January 2025

A phased approach has been undertaken in order to consider what opportunity would provide the broadest outputs.

A number of de-risking surveys have been undertaken to establish the fixed constraints so that the parameters could be established and the engagement responses then fed in. These surveys have focussed on: Heritage, comparison with existing indoor markets across the country, ecology, ground investigation, structural, mechanical, electrical and buried services assessments. These form the practical framework for the proposal to develop.

Initial scheme options have been prepared capturing those fixed constraints and opportunities and a business plan prepared.

The financial detail is outlined in part II of this report.

5. Implications, Risk Management and Climate Change Impact

5.1 Financial:

Financial implications are outlined in part II of this report.

5.2 Legal:

Legal Implications are outlined in part II of this report.

5.3 Risks

A risk register is enclosed in part II of this report.

5.4 Environmental/Climate Change Impact

The building fabric, listing and proposed scheme have a significant bearing on the environmental impacts of the project.

The proposal represents a major change in the operation of the building. Currently the food hall and Alexandra are heated via traditional gas fired heating and cooled mechanically. The main market hall is an open unheated/cooled space.

The proposal seeks to introduce heating into the main building and will therefore have a different carbon footprint to the existing arrangement.

The intention is to utilise the most viable and efficient services and equipment to enable the building to be used and minimise scope 1 and 2 emissions. The next stage of work will be to prepare an energy strategy for the project. Where possible, to enable further scope 3 emissions reporting, records of environmental product declarations will be compiled together with records kept of the volume of waste product produced as a result of any demolition.

It should be noted that performance, indoor socialising and eating would not be recommended to take place in an unheated environment. The intention is to utilise heating equipment to heat the 'people' rather than the building and thus make the most efficient use of energy used. There will be no natural gas heating within the building. The proposal is to utilise the existing solar PV array, which services the Market Hall and is located on the roof of Market Walk, to contribute toward the energy usage of the building. The detail of the strategy will be undertaken in the next stages of design.

6. Conclusion

In order to progress the project a cost assessment has been carried out against the high level scheme proposals following the completion of RIBA stage 1 design. This has been used to establish the overall budget for the project and balanced against the business plan outlined in Part II of this report.

The alternative options have been outlined in section 3 of this report. Section 4 details the proposal scheme which is intent to capture the widest possible benefits to the Town while adhering to the aspirations, scope and requirements of the future high streets funding. Section 5 considers the implications, risk management and climate change implications.