

NORTH DEVON COUNCIL

Minutes of a meeting of NORTH DEVON COUNCIL held at Virtual - Online meeting on Wednesday, 17th February, 2021 at 6.30 pm

PRESENT: Members:

Councillor Worden (Leader)

Councillors Barker, Bulled, Bushell, Cann, Chesters, Crabb, Davis, Davies, Fowler, Gubb, Henderson, Hunt, Jenkins, Knight, Lofthouse, Ley, Luggar, Mack, Mackie, Orange, Patrinos, Pearson, Phillips, Prowse, Roome, Saxby, D. Spear, L. Spear, Topham, Tucker, Walker, Yabsley and York

Officers:

Chief Executive, Head of Resources, Senior Solicitor/Monitoring Officer, Regeneration Manager, Senior Economic Development Officer, Senior Regeneration Officer, Estates Officer, Estates Officer and Customer and Corporate Services Manager

193. APPOINTMENT OF CHAIR

In the absence of the Chair, the Vice-Chair advised that her internet connection was intermittent and would not be able to undertake the role of Chair for this meeting. Therefore, a vote was taken to appoint a Chair. Councillor Worden moved that Councillor Prowse be Chair for this meeting, this was seconded by Councillor Yabsley.

RESOLVED that Councillor Prowse be appointed Chair for this meeting.

194. VIRTUAL MEETINGS PROCEDURE - BRIEFING AND ETIQUETTE

The Corporate and Community Services Officer outlined the virtual meeting etiquette and procedures and confirmed the Members, Officers and Guest in attendance.

195. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Biederman, Leaver, Lovering and Wilkinson.

196. DECLARATIONS OF INTEREST

The following declarations of interest were made:

Councillor Orange - Personal interest in the item of Future

High Street Fund, as was a member of the Barnstaple Youth House Trust in the capacity of an Outside Body appointee

Councillor York -

Personal interest in the item of Future High Street Fund, as was a Trustee of the Barnstaple Youth House Trust

197. EXCLUSION OF PUBLIC AND PRESS AND RESTRICTION OF DOCUMENTS

RESOLVED that,

- (a) Under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 Schedule 12A of the Act (as amended from time to time), namely information relating to the financial or business affairs of any particular person (including the authority holding the information);
- (b) All documents and reports relating to the item be confirmed as “Not for Publication”.

198. FUTURE HIGH STREET FUND

Council considered a report by the Head of Resources and the Regeneration Manager regarding Future High Street Fund, (circulated previously).

The Regeneration Manager gave Members a presentation as follows:

- The Future High Street Fund was a Central Government scheme, administered by the Ministry of Housing Communities and Local Government (MHCLG) aimed at renewing and reshaping High Streets
- North Devon Council submitted their bid for funding in July 2020. The bid consisted of four inter-related projects; the Pannier Market/Guildhall and Former abattoir, the acquisition and rejuvenation of 36/37a Boutport Street, the access and reconfiguration of Queen Street/Bear Street car park and the pedestrianisation of (10am – 4pm) and public realm improvements to Butchers Row and Cross Street
- On Boxing day 2020 North Devon Council learned they had been awarded over £6.50 million, which equated to 69% of the amount applied for
- MHCLG awarded a further £5,000 to pay for consultants to help look at what could be achieved with the lower amount offered
- In total five options were modelled in consultation with Inner Circle Consulting

- North Devon Council had until 26th February 2021 to respond with how the bid had been adapted to account for the funding awarded or to identify where additional funding would be sourced

The Head of Resources then explained to Members the financial modelling of the five options:

- Across the five options the old abattoir site was no longer part of the model, however, the scheme would be designed so as not to preclude this development coming forwards at a later date, the improvement works to the Pannier Market in options two and three allowed for this saving and showed reduced borrowing, options four and five showed this saving as additional contingency fund for the Pannier Market
- Options two, three and four would not include the public realm improvements and would be a missed opportunity
- Option five was the preferred model despite showing a higher borrowing cost to the Council
- The improvement of the public realm would improve visitor experiences and would ensure return visits to the area which would not only benefit the town of Barnstaple but the whole of North Devon
- Looking for a quick and/or the biggest revenue gain would not be of benefit in the medium to longer term
- Any potential increased business rates income had not been included in the figures in the report
- The assets acquired would grow in value for the Council over the longer term
- The figures in the modelling had been looked at very closely and were very prudent, other teams across the authority such as the Property team and the Economic Development team had looked at the models produced by the external consultants to input their thoughts

The Head of Resources then introduced James Windsor, Inner Circle Consulting who gave a presentation on the benchmark data used for the financial modelling as follows:

- The refurbishment of Altrincham Market was completed in 2014. The project involved a transformation of their historic market into a destination for food stalls, performance artists and artisans
- It had subsequently become a popular wedding venue, private hire and entertainment venue
- An assessment of visitor behaviour undertaken in 2018 found very positive impacts on the market town within just four years
- Shop vacancy rates had dropped from 30% to just over 9% and tourist growth had increased by 28%
- Overall the national trend for visitors to UK towns was down 17% but Altrincham was bucking the trend due to their market
- The town had improved its ranking as best destination by 440 places to 37th in the country according to Harper Dennis Hobbs vitality

survey of 2021

- Frome Independent market was an award winning market which attracted over 80,000 visitors a year. Once a month, independent craftspeople, designers, makers, food producers and vintage traders in the South West take over the high street
- In Abergavenny their market is an historic market hall and old brewery. After a transformation project the town attracts in excess of 150,000 visitors a year to its various weekly markets
- Penzance, whilst not a market town, wanted to increase local residents footfall into the town centre, their transformation project had increased local resident growth by 25%
- The main theme of these different examples was one key point – ‘a curated experience with a very strong emphasis on quality, local provenance and sustainability’
- This has helped to create these towns as destinations and have all enhanced the reputations of their host towns
- The modelling for Barnstaple used three data sources; existing market footfall data, Queen Street and Bear Street car parks footfall and tourism footfall. This information was used to estimate the number of customers attending the renovated market. The model was assessed over a ten year period
- To assess estimated revenue generated at the market historical spend data of £22 spend per customer was used. In addition a control measure was used by applying a percentage of 20% of all visitors actually spending £22

The following replies were given to the questions posed by Members:

- A Benefit Cost Ratio (BCR) of two was needed to satisfy the gateway conditions for MHCLG
- Option four required a similar spend to option five but the public realm enhancements would not be possible and therefore the improvements made would not be as apparent or visible to visitors, in the longer term potentially reducing economic benefits to both the town and the council
- This project was not new it had been worked on for many years and could be seen as a foundation or building block to continue growth in Barnstaple
- It has been found that vibrant town centres require residential units and the development/retention of this at Boutport Street would deliver this
- The museum had undergone a transformation recently, the new leisure centre framework was going up and the success of big events coming to Barnstaple, such as the Tour of Britain bike race had kick started the town’s transformation
- The Town Council, local business’s, visitors and other stakeholders had all been able to give their thoughts and ideas on the future vision for Barnstaple
- The funding from MHCLG had a spend date deadline of March 2024 so this project would not be ten years in the making

- The interest rates on borrowing were at an attractive level currently and this would be fixed for the term of any borrowing made
- In the likelihood of future detrimental events happening it was hard to protect against but as in the current lockdown, due to Covid-19, the income compensation scheme offered by Central Government had been enormously helpful and would be again in the event of a similar event happening
- The intention of borrowing for this project was for regeneration purposes and not borrowing for profit so the risks involved were mitigated
- The financial modelling had been carried out using a 9% yield rate as opposed to occupancy rates
- Building insulation options and energy renewable roofing solutions would be looked at in conjunction with Heritage England, due to the listed status of the buildings, with finer detail reports brought back to Members. This would also include the refurbishment of toilet facilities at the Pannier Market
- The transformation of the Pannier market would increase revenue to the Council
- If agreed the increase to the Council's borrowing requirement (CFR) would increase from the current £17 million to around £21 million
- The visitor experience of arriving into the town by train or bus was very much an aspirational project but did not form part of this Future High Street Fund bid

It was moved by Councillor Prowse and seconded by Councillor Davies that the recommendations in the report be approved.

RESOLVED:

- (a) That options 5a and 5b be submitted to the Ministry of Housing Communities and Local Government delivering the original project as previously submitted together with additional outputs over parts of the scheme,
- (b) That the Capital Programme be varied by £10,944,000 to be funded by external grant of £6,549,000 and through external borrowing of up to £4,395,000, and;
- (c) That the authorised borrowing limit for 2021/22 onwards be increased to £26.5 million.

Chair

The meeting ended at 8.41 pm

NOTE: These minutes will be confirmed as a correct record at the next meeting of Council.

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