

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 10	Page 1 of 12
Report Originator	Alex Jelley Economic Regeneration Manager	<i>Fwd Plan Ref No:</i> A13/038	
Wards Affected	All	12 th February 2014	
Title	SUITE 16 AND ECONOMIC REGENERATION		

Portfolio Holders: Cllr Derek Zanger and Cllr Mark Dearing

1 PURPOSE OF REPORT

- a) To provide a reminder of our approach to Town Centre Regeneration over the last few years
- b) To outline the major successes of that period and why they were achieved
- c) A look forward to the successful completion of those projects currently in the pipeline

2 BACKGROUND INFORMATION

- 2.1 Kettering Borough lies within the South East Midlands, which is predominantly a growth area, and is expected to facilitate growth of some 13,100 homes and 16,200 new jobs by 2021.
- 2.2 Members have made their priorities for infrastructure and jobs-led growth clear – these are the prerequisites of growth. Members have indicated they wish to use the growth agenda to leverage three key and interrelated ambitions for the borough; namely:-
 - ◆ A better offer for our town centres
 - ◆ A better education and training offer
 - ◆ A better employment offer – high grade, higher density jobs
- 2.3 The mutually supportive role of these three aspirations cannot be over-stated. The town centres and the skills base will be persuasive to inward investors. Similarly, high grade employment supports vibrant town centres.
- 2.4 The Council has a vision to create town centres that are **Characterful, Distinctive, and Fun**. This vision has been externally validated by an independent planning inspector, and now sits firmly within our planning policy for Kettering Town Centre.

3 Town Centre Regeneration – a Review

- 3.1 The main purpose of this report is to consider where we have come from, what we have done, and where we are going in terms of the above vision.

BOROUGH OF KETTERING

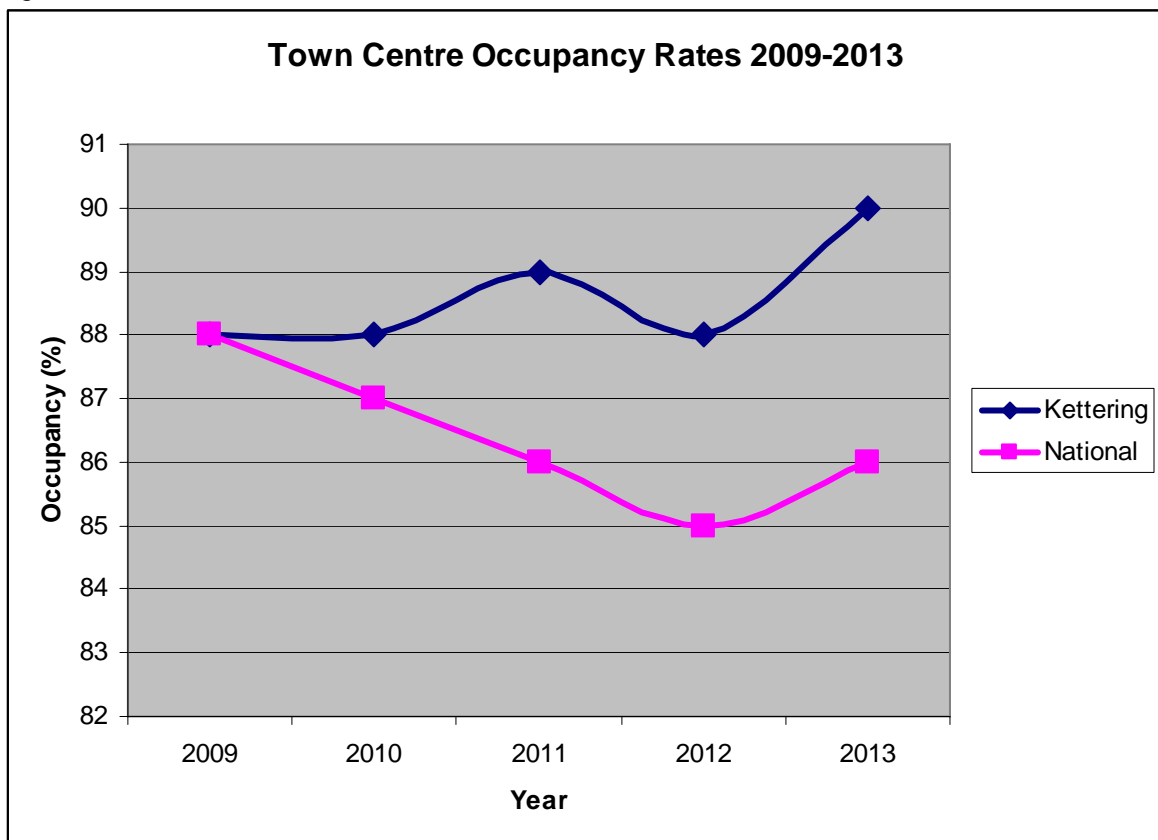
Committee	EXECUTIVE	Item 10	Page 2 of 12
------------------	-----------	------------	-----------------

3.2 One of the most obvious tests of a town centre’s relative strength is its occupancy rates – and how they compare to the national average. In 2009 Kettering was entirely average in this regard – 12% of our units were vacant. Since then, the national picture has got increasingly worse, with year on year increases in the number of vacant units prior to a slight improvement in the last 12 months. In Kettering, by contrast, there has been an almost steady trend towards less vacancy; as highlighted in Table 1 and Figure 1 below.

Table 1 – Town Centre Occupancy Levels 2009-2013

	2009	2010	2011	2012	2013
Kettering	88%	88%	89%	88%	90%
National	88%	87%	86%	85%%	86%
Difference	0%	1%	3%	3%	4%

Figure 1



3.3 Over the past 4 years, Kettering’s position as improved by 2% when compared against itself or 4% when compared to the national average. This is a significant

Committee	EXECUTIVE	Item 10	Page 3 of 12
------------------	-----------	------------	-----------------

success story for the town centre. We believe that what sets us apart from other towns is the approach we have taken – **Kettering has a strong vision for its town centre**. This vision is enshrined in planning policy and has been externally validated as an imaginative and deliverable plan. But even the best laid plans can get stuck in difficult economic markets. Having a Council that is prepared to make **bold decisions** and think **creatively and innovatively** about new funding sources can make all the difference.

4 What have we succeeded in doing so far?

4.1 We'll begin our review in 2009, though in reality the story starts before then – however, it was 2009 that saw the completion of the Market Place redevelopment. August saw hundreds of people of all ages attend a five-day summer festival to mark the August Bank Holiday, and also the new public space. This was a significant turning point in the fortunes of the town centre, as it marked the change from 'Kettering as the most average town in the country' to 'Kettering – bucking the trend'. In terms of occupancy rates, the national average was 88%, and Kettering town centre followed suit with an identical percentage.

4.2 2009 was also significant as it saw planning permission granted for the Market Place Buildings. The Market Place Buildings were conceived at the end of an economic boom, and were finished in the middle of a double-dip recession. Their delivery, and ultimate success, is a story of how a dynamic and innovative Council was prepared to make bold decisions and stay true to its vision. In April 2009, KBC secured external challenge funding to deliver the project. The funding was won against competition from other towns and other growth areas – if the money has not been brought to Kettering, it would have gone to another town.

4.3 In September 2009 the earth was broken on the development, which should have brought great joy and satisfaction to all concerned. However, it coincided with the cutting of the external challenge funding due to the global economic conditions. It was at this point that Kettering Borough Councillors made the bold decision to continue with the development – funding the gap in finances due to the cut in challenge funding. This was rewarded almost immediately when the Market Place development was recognised twice by the **Royal Town Planning Institute** – '**Best Town Centre Regeneration Project**' and '**Best Overall Project**'.

4.4 2010 saw the commencement of works on site for the Market Place Buildings – students from Brambleside School visited in June 2010 to lend their help with the archaeological investigations. August saw the foundations laid, and the steelworks swiftly followed.



BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 10	Page 4 of 12
------------------	-----------	------------	-----------------

4.5 More recognition came too – with the Market Place winning the **Local Government News Street Design Award for ‘Pedestrian Environment’**, the **Worshipful Company of Mastor Paviers Award**, as well as being shortlisted by the Royal Town Planning Institute and Homes and Communities Agency ‘Quality of Place Award’.

4.6 Prior to his attendance at the Velux 2020 Homes groundbreaking in Rothwell in October, Lord Best also visited the site of the new Market Place restaurants. Whilst Lord Best was impressed with the scheme as a whole, he congratulated KBC on the imagination shown in bringing the scheme forward – with the innovative use of the town centre shop and the **‘You Said, We Did’** approach taken.

4.7 In November 2010, Grant Shapps MP – the then Minister for Housing – visited the site to launch a new government initiative; the New Homes Bonus. Briefly put, the scheme rewards those local authorities that take a positive approach to growth – something that Kettering has already begun to benefit from.



4.8 Occupancy rates in 2010 stood at 88% for Kettering, and 87% for the national average. In this instance, considering the economic climate, standing still should certainly be considered as a success!

4.9 2011 was an exciting year as it brought the completion of the Market Place Buildings – with all of the apartments let by autumn. There was increasing pressure to let the empty restaurant units – but **KBC held firm to our aspirations for the restaurant quarter**. Indeed, the success of the restaurant quarter regeneration played a large part in the purchase of the Newlands Centre by Ellandi in October of 2011. Occupancy Rates in 2011 saw an increase in Kettering to 89% set against a decrease in the national average to 86%.

4.10 Our partnership with Ellandi began before they had even acquired the Newlands indoor shopping centre in Kettering. Having made ourselves available (through the agents for the sale) for meetings with potential occupiers; Ellandi contacted us some 3 months before the deal was finalised and a meeting was set up. *“We met with Kettering Borough Council in advance of buying the Newlands Centre for £32,500,000 and were impressed by not only their vision for the town and attitude, but also their commitment to regeneration that had been shown with their investment in public realm improvements in Market Place and Horsemarket (Mark Robinson, Ellandi).*

4.11 We were keen to **keep the momentum up** following the successful completion of the Market Place Buildings, and Market Place. As such 2012 began with the

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 10	Page 5 of 12
------------------	-----------	------------	-----------------

commencement of the project for the next phase of public realm works – taking the same approach to materials and aesthetics through the pedestrianised part of the town centre (indeed, securing it as a pedestrianised part of the town was a large part of the brief!). This positive attitude towards the town centre, along with the steadfast approach to what we saw filling the vacant restaurant units, when **Prezzo completed an innovative deal** to move into Unit 2. Opening in September of 2012, they have recorded impressive results so far – greatly exceeding their expectations for newly opened establishments.

- 4.12 *“When we came to Kettering and saw the town and understood the borough council’s vision for the town we were **immediately excited by the potential of the area**. Then we saw the unit that Kettering borough council had designed and built and we knew we had to be here. We look forward to a long and fruitful relationship with the town.”* (Eddie Gershon, Prezzo)



- 4.13 Just before they opened, Kettering played host to the Olympic Torch on its tour around the country. Stopping for lunch in the Market Place, the relay team were delighted to see tens of thousands of people out to join in the Olympic spirit! This fed in nicely with the summer celebrations on the Market Place, with hundreds of people enjoying the beach and fountains (along with a great variety of activities for all ages) on a daily basis through the summer.
- 4.14 The second part of what we now know as the double-dip recession hit in 2012, and it is no surprise that occupancy rates were hit as a result. However, Kettering maintained its position of being 3% better than average – securing in investors’ minds that this is **a town with great potential and exciting plans**.

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 10	Page 6 of 12
------------------	-----------	-------------------	------------------------

- 4.15 Indeed, those exciting plans were subject to public consultation in early 2013 as the public realm project for High Street, Lower Street and Gold Street were outlined in detail. There was some fantastic feedback, which has helped shape the project moving forward. In terms of investors, 2013 saw Ellandi, owners of the Newland Centre, spend a considerable sum on the internal spaces – bringing what was a somewhat dated place to be into something more befitting the 21st Century. This project was part of a wider scheme to improve the look and feel of the centre – which will help to attract new retailers into the town.
- 4.16 KBC was successful with bids for ‘Town Team’ money following the Mary Portas Review – receiving **£10,000** to help with town centre initiatives. We also brought in **£1,200,000** ‘Capacity Funding’ to enable us to continue to facilitate the levels of growth anticipated for the Borough. The **synergistic relationship between the town centre and wider growth aspirations** for the Borough cannot be overstated, so this was wonderful news in our quest to deliver the town centre we want.
- 4.17 Following the success of Prezzo, we were delighted to **welcome Chimichanga to Unit 1** on the Market Place Buildings. Opening in September 2012, the chain has recorded fantastic results so far, and we look forward to an ongoing partnership with them.

4.18



- 4.19 **Small Business Saturday**, held in December of 2013, saw our regular Saturday market (now twice the size of the market prior to us taking the

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 10	Page 7 of 12
------------------	-----------	------------	-----------------

management of them in-house) bolstered further with cheaper stalls and other incentives aimed at showcasing the very best of Kettering's independent scene, while giving support and guidance to anyone thinking about setting up a business for the first time. This initiative, the first we have supported in Kettering, is just the start – with similar events being planned into the calendar. Though it is important to bring in national companies, we should not lose sight of the importance of small and medium sized enterprises. Indeed, many of these smaller businesses played a significant role in the increase in **occupancy rates we saw in 2013 – up to 90% for the first time in Kettering.**

4.20 What we have seen, then, is a steady improvement on how Kettering performs against the national average in this particular method of assessing a town centre's relative strength. The reasons for this improvement are quite clear, when you talk to businesses that have come to the town – it is because Kettering is seen as a town centre very much on the up. KBC's exciting plans, and continued investment in what we have control over, has given the private sector the confidence to invest too.

5 What's coming up...

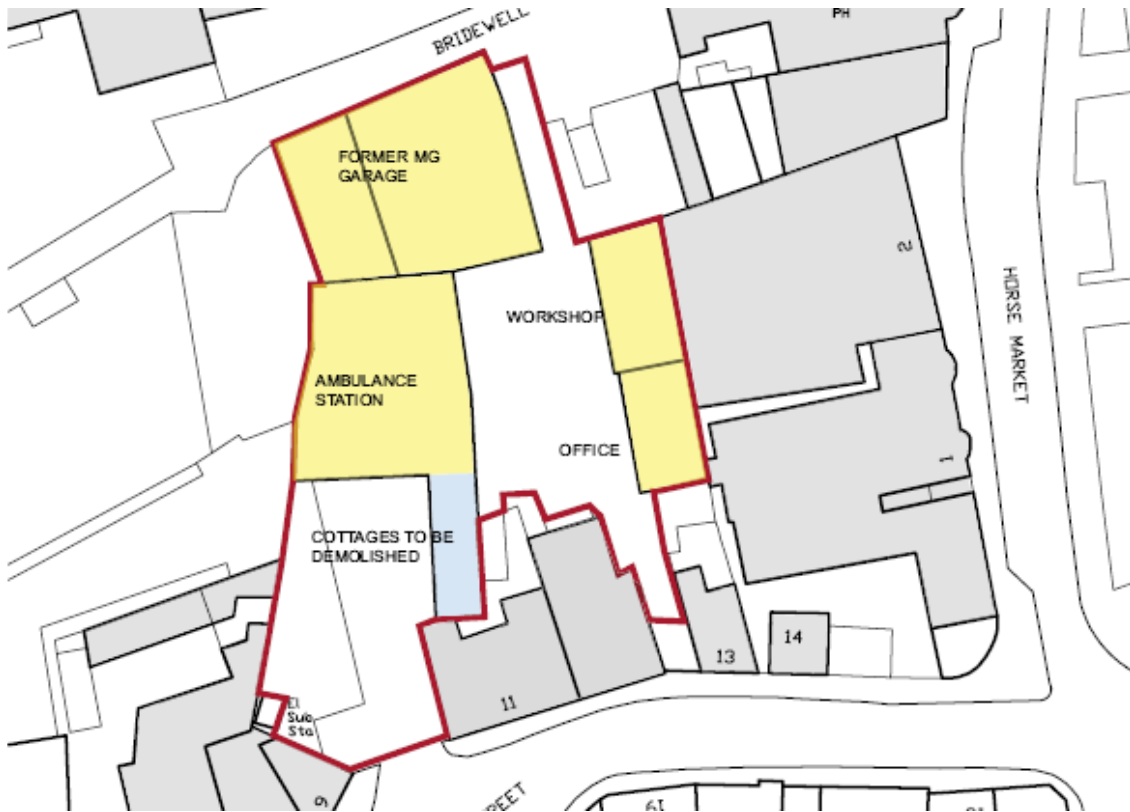
5.1 So where do we go from here? We're not content with the successes we've so far managed to secure. We set out clearly within the Town Centre Area Action Plan how we saw the town centre developing over the next 10-15 years, and we're **on course with those plans**. As previously mentioned, we'll continue to work with our private sector partners on projects such as Newlands Phase 1 (something that will hopefully bring in the sort of national chain retail stores everyone is keen to see return to the town centre)..

5.2 This will benefit directly from the Public Realm works we've almost finished designing – with a new Traffic Restriction Order and traffic control system being the first elements to be delivered in summer 2014. Likewise, we're hoping that by improving the bus interchange on Newlands Street in summer 2014 (a project to be paid for using money from s106 agreements), we'll be able to attract investment into that part of the town. What we've learnt from our approach so far, is that public investment into the public realm generates private investment into the private realm. Indeed, the money for improving the public realm is, itself, coming from the private sector in the form of s106 contributions towards town centre improvements – this relationship (between new housing and improvements to the existing town) is an essential part of delivering responsible growth.

5.3 Those of you who have wandered down Market Street recently will have noticed, along with the new bridal wear, interior design and teddy bear shops, a hoarding going up around The Yards development site. We're looking forward to seeing work commence on site shortly – with smaller units for start up retail businesses accompanying office space and an anchor restaurant unit.

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 10	Page 8 of 12
------------------	-----------	-------------------	------------------------



- 5.4 Following the successful works to the stonework and roof of the Corn Exchange, this iconic building should become home to the next addition to our burgeoning restaurant quarter – proving that private investment is beginning to flow into those parts of the town centre we’ve so far been able to invest in.
- 5.5 Our plans of the town centre do not revolve entirely around regeneration projects, however. We’ll be using the ‘Town Team’ money secured from the Mary Portas Review to improve our night time economy, so that we draw people back into the town centre in the evening - something that should help our burgeoning restaurant scene. This project is ongoing, and depends a great deal on the support of a variety of stakeholders. Another project, that involves a great deal of collaboration, is beginning to take shape around the Church of St Peter and St Paul. Though at an early stage, it is yet more evidence of the sense of optimism that now surrounds the town centre.
- 5.6 It is clear, then, that there is a great deal to look forward to – not to mention a huge amount of work ahead! You will, of course, be kept up to date via these reports as we go forward. For now, without resting on our laurels, I hope we can all take great satisfaction in a job well done (so far).

6 POLICY IMPLICATIONS AND USE OF RESOURCES

- 6.1 Members have made their priorities for infrastructure and jobs-led growth clear – these are the prerequisites of growth. Members have indicated they wish to

BOROUGH OF KETTERING

Committee	EXECUTIVE	Item 10	Page 9 of 12
------------------	-----------	------------	-----------------

use the growth agenda to leverage three key and interrelated ambitions for the borough; namely:-

- ◆ A better offer for our town centres
- ◆ A better education and training offer
- ◆ A better employment offer – high grade, higher density jobs

8 RECOMMENDATION

That the Executive Committee:

- a) Endorses the approach to town centre regeneration that we have taken over the last few years
- b) Welcomes the successes we've experienced over that period, and the new faces that have joined our business community in that time
- c) Recognises the importance of the projects currently in the pipeline, and supports the continuation of the methods that have brought such success