

CABINET

DATE	03/11/2021
REPORT OF	Councillor Philip Jackson, Leader of the Council
RESPONSIBLE OFFICER	Sharon Wroot Executive Director for Environment, Economy and Resources
SUBJECT	Towns Fund Programme – St James House
STATUS	Open
FORWARD PLAN REF NO.	CB11/21/04

CONTRIBUTION TO OUR AIMS

The project sits within the Town Investment Plan (TIP) and will contribute to the Council's 'Stronger Economy' and 'Stronger Communities' as the plan is fully aligned to the Local Plan and the Grimsby Town Centre Masterplan (2020). The project complements and enhances other regeneration activities in Grimsby Town Centre and will promote increased activity in the town centre through the provision of additional quality business space.

EXECUTIVE SUMMARY

St James House is one of the six Grimsby town centre projects which form Grimsby's Towns Fund as identified in the TIP. E-factor Group Limited (E-Factor) have an opportunity to acquire this currently vacant building and, subject to planning, retrofit and renovate to create quality business space for offices, retail & leisure space, workshops, and other business led events which will attract footfall into the town centre. Without the intervention of grant funding, this project would not be a viable proposition, even for a not-for-profit company.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the submission of a summary business case to Department for Levelling Up, Housing & Communities (DLUHC) (formerly Ministry of Housing, Communities and Local Government) for the St James House project.
2. Authorises the Executive Director for Environment, Economy and Resources, in consultation with the Leader of the Council, and on behalf of the Greater Grimsby Board to take all actions necessary, including
 - Acceptance of £1.5m of grant funding from the DLUHC, (or such other sum as may be awarded) to support the St James House project.
 - Defrayal of the grant to E-Factor towards the acquisition of St James House.
 - Carry out any ancillary activity in support of the above recommendations.

REASONS FOR DECISION

To facilitate the acquisition and renovation of St James House by E-Factor to bring St James House back into use and provide alternative business accommodation in the town centre.

1. BACKGROUND AND ISSUES

- 1.1 Grimsby's Town Centre Masterplan (2020), having been subject to an extensive public engagement exercise, provided the strategic direction for selecting the TIP projects.
- 1.2 On 3rd March 2021 government announced a funding offer to Grimsby of £20.9m of Towns Fund to deliver the projects set out in the TIP. Heads of Terms were issued which asked Grimsby to choose which of its projects it wished to progress in view of the reduced funding offer.
- 1.3 On 16th June 2021, Cabinet approved the revised project proposals be submitted to MHCLG as part of the Full Business Case, which included the revised TIP projects, one of which is to bring St James House back into use.
- 1.4 The Minster, St James House, St James Square, Cartergate, the train station and Freshney Place form the heart of the town centre. The Masterplan identified that there is a need to diversify the range of land uses in this part of the town centre, including the introduction of leisure uses and additional commercial space.
- 1.5 St James Square, a key heritage quarter of the town, and one of the only public squares in the town today, offers an area of open space for people to enjoy and has benefitted from recent investment to further enhance it. This has provided a catalyst for the redevelopment of St James House, bringing an important building back into use.
- 1.6 In addition, proposals for a new mixture of food/leisure and entertainment uses in Freshney Place through the Future High Streets Fund will drive activity and footfall to the heart of the town centre.
- 1.7 The successful Cartergate office development has highlighted the potential for new town centre commercial accommodation and St James House offers this opportunity, including the potential redevelopment of the ground floor which will attract a diverse range of uses.
- 1.8 The project, subject to planning, would not only bring back into use the upper floors for additional office space, but would also seek to redevelop the ground floor of the building, currently an open space of archways, to create space for retail, workshops, and creative space.
- 1.9 If approved, the conversion of the ground floor open arches would improve the overall feeling of safety for pedestrians, an important element of enhancing the permeability of the town centre and creating connections between St James and the River Freshney.

- 1.10 The proposal will attract a significant amount of private sector investment and create 6,089 sq.ft. of additional floorspace. The Council will deliver the project in conjunction with E-Factor, a not-for-profit organisation who have been successfully managing a portfolio of commercial properties around North East Lincolnshire for over 12 years.

2. NEXT STEPS

- 2.1 Subject to Cabinet approval, officers will submit confirmation of the St James House project to DHULC by the end of November 2021
- 2.2 Funds will be released to E-Factor to support the acquisition of St James House, completion of which is expected by 31st December 2021.

3. RISKS AND OPPORTUNITIES

- 3.1 The funding will support the objectives and opportunities as laid out above which are identified in the Masterplan, Local Plan and Economic Strategy.
- 3.2 A risk of the project is not being able to secure planning approval for the proposed renovations. In mitigation, E-Factor have engaged with the NEL Planning team through the pre-app process and have appointed the services of an architect who will work with the planning team through the process, whilst also engaging with Historic England on design.
- 3.3 A further risk is not attracting enough businesses to make the proposition viable. However, the building will be a newly refurbished, attractive town centre facility and E-factor will seek to generate interest and tenancies prior to completion of the building, a model they have used successfully before. E-factor have an extensive reputation as local and present landlords of choice, and as such have a steady stream of enquiries that can be directed to this building.

4. OTHER OPTIONS CONSIDERED

- 4.1 Do nothing – this option would result in the building remaining vacant and in a deteriorating state in the centre of a newly enhanced public space. In addition, the demand for business accommodation, improved footfall or increased business support would not be achieved.
- 4.2 Do Less – this option considered seeking an alternative location. Although there are several other locations which could accommodate a business centre, there are none on the market of this size located in the town centre, or with the potential to offer such an attractive business location.

5. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 5.1 There are positive reputational implications for the Council resulting from the decision. By supporting the acquisition and refurbishment of St James House the town centre will benefit from a long-term vacant and deteriorating building in a prominent location being brought back into use. The building will create

multi-use spaces for small and creative businesses as well as providing workshop and event spaces which will draw more people to the town.

6. FINANCIAL CONSIDERATIONS

- 6.1 The total amount of Towns Fund allocation is £1.5m, and this will unlock a significant private sector investment. Without the intervention of grant funding this project would not be viable, even for a not-for-profit company.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 The retrofitting of existing buildings, such as bringing St James House back into use, is in alignment with the Government's Clean Growth Agenda.

8. CONSULTATION WITH SCRUTINY

- 8.1 Scrutiny were part of the development process for The Masterplan and the TIP during September/October 2020, and the project will be presented at Scrutiny on 26th October 2021.

9. FINANCIAL IMPLICATIONS

- 9.1 The submission of the business case would potentially unlock £1.5 Million of Towns Fund funding to support the redevelopment of St James House. The project does not require any Council match funding and would support the Council's financial strategy which focuses on the achievement of financial sustainability through economic growth.

10. LEGAL IMPLICATIONS

- 10.1 Cabinet is being asked to support the approach to Department for Levelling Up, Housing & Communities for grant funding in order to facilitate a project identified as being an integral part of the Town's Fund, as identified in the Town Investment Plan. Such matters have been the subject of robust governance and engagement and are clearly consistent with the stated strategic objectives of the Council.
- 10.2 There are no further legal implications immediately arising save to ensure that any conditionality around an award is adhered to.

11. HUMAN RESOURCES IMPLICATIONS

- 11.1 There are no direct HR implications

12. WARD IMPLICATIONS

- 12.1 This project is expected to benefit all wards as the economic benefits resulting from the regeneration of Grimsby town centre will benefit all residents living in North East Lincolnshire.

13. BACKGROUND PAPERS

- 13.1 16th June 2021 - Cabinet
[Cabinet | Democracy \(nelincs.gov.uk\)](#)
- 13.2 Grimsby Town Centre Masterplan
<https://www.nelincs.gov.uk/assets/uploads/2020/12/Grimsby-Masterplan-Report.pdf>

14. CONTACT OFFICER(S)

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