PRIDE of place

THE FINAL ASSESSMENT OF THE GRAINGER TOWN PROJECT

BY FRED ROBINSON

ST CHAD’S COLLEGE, UNIVERSITY OF DURHAM

NEWCASTLE UPON TYNE

www.newcastle.gov.uk
THE GRAINGER TOWN PROJECT
EXTERNAL EVALUATION 2003

EXECUTIVE SUMMARY

1. This report presents the findings from an independent, external evaluation of the Grainger Town Project, undertaken by Professor Fred Robinson of St Chad’s College, University of Durham. The report assesses the achievements of the Project over the past six years; discusses the succession arrangements for sustaining regeneration in the future; and highlights the factors which have contributed to the Project’s success.

2. The Grainger Town Project was established in 1997 to promote and support the comprehensive regeneration of the historic centre of Newcastle upon Tyne. For many years, the area had experienced economic decline and physical decay, and the distinctive architectural heritage of the Grainger buildings was under threat. Consequently, in 1996, English Partnerships, Newcastle City Council and English Heritage drew up proposals for a major regeneration scheme which was developed by consultants EDAW as the Grainger Town Regeneration Strategy. That Strategy formed the basis for a successful bid for SRB (Single Regeneration Budget) funding to support the Grainger Town Project, a six year scheme which started in 1997 and ended in March 2003.

3. The Grainger Town Project brought together funding from several public sources, including SRB (£11.006m), a major commitment of £25m from English Partnerships (subsequently One NorthEast), and funding from the City Council, English Heritage, the Heritage Lottery Fund and other sources. A key aim was to use funding to leverage private sector investment, encouraging the private sector to invest and arrest decline and decay. It was a comprehensive strategy, linking to broader themes of economic, social and cultural development. The vision was to make Grainger Town ‘a dynamic and competitive location’, with a ‘high quality environment’, a place with a ‘reputation for excellence’. Focused on leisure, culture and the arts, retailing, housing and entrepreneurial activity.

4. The Grainger Town Partnership, constituted as a company limited by guarantee, was set up to oversee delivery of the Project. The Partnership Board - which remains in operation until the end of 2003 - has 20 members, including representatives from the City Council, public agencies, the private sector and local residents. Business and Residents Forums were also established, together with advisory Panels concerned with particular aspects of the programme. The Project had a Delivery Team of officers, based within the area, responsible for implementing the scheme.

5. From the start, the Partnership worked to build confidence in the area, demonstrating commitment to change and to an ‘ethos of quality’. High quality improvements to the public realm helped to generate confidence and the Partnership developed strong relationships with the private sector. Refurbishment schemes, supported by the Project, were implemented, bringing buildings back into use for retailing, leisure, offices and residential accommodation. Major schemes were undertaken, such as the re-use of the former Binn’s store for retailer T.J. Hughes and ‘The Gate’ cinema/cinema/development. Litterly, the regeneration programme has also emphasised art and cultural initiatives, including public art, creative lightening and new facilities for Dance City and the Sage Gateshead. Over the past six years, the property market has steadily strengthened, Grainger Town has acquired a very positive reputation and the Partnership’s successes have been acknowledged by awards for good practice and effective regeneration.

6. The Project’s performance as measured by the achievement of outputs has been good, especially in relation to physical regeneration and private sector investment. Private sector investment by March 2003 reached over £140m, almost double the original target of £74m. 121 buildings have been brought back into use, compared with a target of 70. The targets for jobs created and housing completions have not yet been reached, but it is expected that these targets will be attained when outstanding projects, still underway, are completed. By 2006, it is forecast that private sector investment will have reached £190m and public sector funding will amount to £43m, so that total investment will be around £240m.

7. The economic revival of Grainger Town is reflected in the growth of retail and office rental values. Retail rentals have increased significantly in the northern part of the area, from £24 per sq ft in 1997 to £44 per sq ft in 2001. There is strong demand for residential accommodation, with housing now being provided for sale as well as for rent.

8. Much has been achieved, but some problems remain to be tackled. The Grainger Market, in the heart of the area, needs considerable investment. In addition, there remains much empty office space in Gosforth/Collingwood Street, the Newgate Shopping Centre needs to be rejuvenated, and Stowell Street, Newcastle’s China Town, needs to be reinvigorated. Traffic problems and conflicts also have yet to be resolved.

9. The Partnership drew up a Forward Strategy setting out arrangements after the end of the six year SRB scheme in March 2003. The Forward Strategy includes arrangements for completing ongoing projects, the maintenance of public realm improvements and public art works, and administrative and monitoring issues. The whole forward planning has been effective. Responsibility for ensuring implementation of projects has passed to City Council officers working with One NorthEast, and a Charter was agreed with the Council detailing maintenance arrangements. It is expected that the Partnership Board will be disbanded in December 2003 and the City Centre Panel will then oversee regeneration, both in Grainger Town and in the rest of the city centre. But the City Centre Panel, set up by the Council, has only a limited role and influence; it does not have the resources and therefore the credibility or focus which enabled the Grainger Town Partnership to be so effective. To maintain the momentum of regeneration in Grainger Town will require the development of suitable structures and relationships, together with the provision of funding.

10. The Grainger Town Partnership is widely regarded as a demonstration of ‘what works’. The key ingredients of its success have been:
   - Real partnership, with the agencies and individuals involved sharing a common purpose and sense of ownership of the project.
   - Strong partnership between the Project and the private sector; the private sector trusted and felt supported by the Grainger Town Partnership.
   - Personal commitment of Board members, staff and people involved with the Forums and Panels. Also continuity of involvement: the Chair, Vice Chair and Project Director stayed for the lifetime of the Project.
   - Confidence was nurtured by high profile, public realm improvements and the promotion of the area, its heritage and regeneration, all with a strong emphasis on an ‘ethos of quality’.
   - Substantial funding, drawing together resources from several agencies, gave the Project credibility and clout. The potentially undermining decision which ruled out gap funding was handled carefully and productively.
   - The Project benefited from a favourable economic context; it went with the grain of wider economic and social trends and connected well with a rising property market.

11. The Partnership revitalised the area and did much to save its threatened architectural heritage. The achievements of the last six years need to be maintained and secured, and further regeneration has to be encouraged and supported in Grainger Town.
I.  INTRODUCTION

1.1 The Grainger Town Project was established in 1997 to promote and support the comprehensive regeneration of the historic centre of Newcastle upon Tyne. Over the past six years, much has been achieved. The economic and physical decline of the area has not just been arrested but reversed, and a real renaissance is now well underway. This report reviews and evaluates what has been achieved, considers how it has been achieved and how the momentum of regeneration needs to be sustained in the future.

1.2 This evaluation comes at the end of a very important stage in the regeneration of Grainger Town. The Grainger Town Project was set up as a six-year scheme supported from the Single Regeneration Budget and that funding ended in March 2003. At the same time, the Delivery Team of officers was disbanded, although the Partnership Board will continue until December 2003. It is therefore a good time to take stock of the situation. However, it should be stressed that regeneration is not complete; it needs to continue and is continuing. In fact, some substantial public funding, from One NorthEast, remains to be spent and some important projects have still to be undertaken. This evaluation thus serves as an assessment at the conclusion of the SRB scheme but also can help inform the development and delivery of regeneration in Grainger Town now and in the future.

1.3 This evaluation has been undertaken by Professor Fred Robinson of St Chad's College, University of Durham and builds on the Interim Evaluation he produced in conjunction with colleagues at Northumbria University, in Autumn 2001. The Interim Evaluation reviewed and acknowledged the Project’s achievements over its first four years of operation and provided a basis for determining remaining priorities and planning the Forward Strategy. The present report brings the account up to date, at the end of the six-year scheme. It highlights lessons to be learnt and discusses how regeneration is to be sustained in the future. The evaluation, based on documentary sources and interviews, meets the requirements of One NorthEast which oversees SRB, as set out in Government guidance, but is aimed at all the partner agencies and, indeed, the wider community.

2.  INITIAL DEVELOPMENT OF THE GRAINGER TOWN PROJECT

2.1 The Grainger Town Project area comprises the historic core of Newcastle city centre. The Project area of about 90 acres (35 hectares) extends from Grey’s Monument and the Grainger Market in the north to Central Station in the south; the western boundary is Blenheim Street, and Pilgrim Street bounds the area to the east (Fig. 1). A substantial part of the area was built by the developer Richard Grainger in the 1830s and 1840s and much of this impressive ‘Tyneside Classical’ architecture has survived. There are also medieval churches, a varied mix of old and new buildings and remnants of the city walls. 244 (40%) of the 640 buildings in the area are Listed as ‘buildings of special architectural or historic interest’, and 12% of these have Grade 1 listed status.

2.2 The area experienced economic and physical decline over many years. Retailing declined as the city’s retail centre shifted northwards to the new Eldon Square development. That decline continued into the mid 1990s, culminating in the closure of Bunn department store in 1995. In the 1980s and 1990s, office functions also moved out to new business parks and the Quayside. By the mid 1990s, Grainger Town had a million square feet of empty office floor space. In 1992, 47% of the area’s Listed buildings were in such a poor state that they were deemed by English Heritage to be ‘at risk’ and a further 29% were considered ‘vulnerable’. Grainger Town had an atmosphere of decline, with important historic buildings underused and decaying and the streetscape, the ‘public realm’, in a poor, degraded condition.

2.3 In the late 1970s and in the 1980s, limited attempts had been made to tackle some of these problems through the Urban Programme, the ‘Grey Street Renaissance’ promoted by The Newcastle Initiative, and some grant support for property refurbishment from English Heritage, the City Council, and the City Grant regime. But these piecemeal initiatives were insufficient to halt decline and were narrowly focused on conserving buildings.
2.4 In 1992, the City Council, English Heritage and the Department of the Environment jointly commissioned The Grainger Town Study which set out a strategy based principally on physical regeneration. Subsequently, a six-year Conservation Area Partnership (CAP) scheme was set up by English Heritage and the City Council to provide grants for building repairs and conservation. In 1995, a small three-year SRB scheme was also started which provided grant aid for converting the upper floors of properties for residential use, the Living Over the Shops Scheme (LOTS). In addition, English Partnerships supported a few property schemes in the area, notably the redevelopment of St Nicholas Buildings, creating new office space behind a retained façade. However, progress was very patchy and limited, resources were evidently inadequate and these initiatives failed to tackle underlying problems of economic decline.

2.5 Consequently, in 1996, English Partnerships, the City Council and English Heritage began to draw up a broader, more comprehensive strategy, which was then further developed by consultants EDAW. The resulting Grainger Town Regeneration Strategy - which has formed the basis for the Grainger Town Project - stressed the fundamental importance of economic development and revival to support investment in the area's physical heritage. The EDAW strategy had six strategic objectives, concerned with business development and enterprise; property development and environmental investment; access to opportunity for unemployed inner city residents; housing; environmental improvement; and the management, marketing and promotion of the area, including arts, culture and tourism. The strategy recognised the need to strengthen and develop the retailing, office, leisure and housing functions of the area and to capitalise on its distinctiveness, environment and heritage. And it was a strategy which, through subsequent implementation, has generally proved to have been right for Grainger Town.

2.6 The Grainger Town Strategy formed the basis for a bid for a six-year SRB programme (1997-2003), which was approved in December 1996 by Government Office North East. It is important to note, however, that the decision to bid for a six-year programme was conditioned by the limitations of SRB. In fact, in the Strategy, the consultants expected that regeneration would take longer; it was considered that the regeneration of Grainger Town will take at least ten years to reach a point at which significant public sector resources are no longer required.

3. VISION AND OBJECTIVES

3.1 A comprehensive, holistic approach to the regeneration of Grainger Town necessarily required the involvement of a range of key agencies and interests. In particular, the Project was conceived as a way of bringing together funding from several public sector sources; a total of £60m of public money was initially committed. In addition to £11.000m from SRB, English Partnerships made a major commitment of £25m to supporting property investment, and English Heritage, the City Council and, subsequently, the Heritage Lottery Fund have also provided funding. These agencies, together with businesses and residents, were also represented on the Partnership Board established to manage the scheme.

3.2 The aspirations of the Grainger Town Project were expressed in its vision statement, which was virtually identical to the vision expressed in the EDAW Strategy, but later included added reference to the importance of retailing and housing. The aim is that, by 2006, Grainger Town will have become:

- a dynamic and competitive location in the heart of the city Grainger Town will develop its role in the regional economy within a high quality environment appropriate to a major European Regional Capital. Its reputation for excellence will be focused on leisure, culture and the arts, retailing, housing and entrepreneurial activity. Grainger Town will become a distinctive place, a safe and attractive location to work, live and visit.

3.3 Physical regeneration - investment in buildings and also on improvements to the public realm - formed the core activity of the Project and much of the expenditure has been devoted to these elements. The Grainger Town Project was concerned particularly with encouraging property owners to invest in their buildings and arrest decay and decline, with support from public funding. But, in line with the EDAW Strategy, the Project also had other ‘regeneration themes’ expressed as SRB Strategic Objectives. These included enhancing employment prospects, economic development, environmental improvement, better housing conditions, initiatives of benefit to ethnic minorities, and crime and public safety (Fig 2). All these elements were seen, from the start, as essential in relation to realising the vision for the future.

3.4 During the first year of operation (financial year 1997/98) staff were appointed to the Delivery Team and office systems were set up. The objectives of the Project were more clearly defined by drawing up the SRB Delivery Plan and also a Business Plan which was concerned with the contribution to be made by English Partnerships. Relatively modest expenditure was programmed for the first year, but the Project took over responsibility for administering the third and final year of the previous small-scale SRB programme which had piloted LOTS schemes, and it was able to approve further, similar projects under the new SRB programme.

3.5 As at the start of the second year, 1998/99, the Delivery Team moved from temporary accommodation in the Civic Team moved from temporary accommodation in the Civic Centre to offices in the heart of the area, Central Exchange Buildings in Grainger Street, close to Grey’s Monument. A number of LOTS schemes were undertaken and renovation was underway at several buildings, notably the former Bank of England on Grey Street, the old Union Rooms (vacant since 1974 and decaying), Temple Buildings in Bath Lane, and the former Central Post Office. A relatively small section of the former Binn’s store, fronting on Market Street, was redeveloped and plans were put forward by Land Securities for ‘The Gate’, a new cinema and leisure development on Newgate Street, the Partnership assisted land assembly for the scheme. There were signs of revival, but that revival needed to be nurtured and developed. The Partnership felt it was particularly important to instil confidence by investment in high quality public realm improvements and commissioned consultants Gillespie to produce an overall design treatment. The first phase of that public realm work, around Grey’s Monument, began in February 1999 and provided a high profile demonstration of the Partnership’s approach and commitment to an ‘ethos of quality’.

4. OVERVIEW OF IMPLEMENTATION, 1997-2003

4.1 Following approval of the SRB bid in December 1996, the City Council and other key partners established the Grainger Town Partnership to oversee delivery of the Project. The Partnership was set up as a company limited by guarantee and has a Board of Directors representing a range of agencies, funds and interests. The Board, which will remain in operation until the end of 2003 - has 20 members and is made up of six City Councillors, six people nominated by other public agencies, six from the private sector and two residents. The City Council is the ‘accountable body’, accountable to One NorthEast (previously to Government Office North East) for ensuring the SRB programme is delivered and for safeguarding expenditure of public money.

4.2During the first year of operation (financial year 1997-98) staff were appointed to the Delivery Team and office systems were set up. The objectives of the Project were more clearly defined by drawing up the SRB Delivery Plan and also a Business Plan which was concerned with the contribution to be made by English Partnerships. Relatively modest expenditure was programmed for the first year, but the Project took over responsibility for administering the third and final year of the previous small-scale SRB programme which had piloted LOTS schemes, and it was able to approve further, similar projects under the new SRB programme.

4.3 As at the start of the second year, 1998/99, the Delivery Team moved from temporary accommodation in the Civic Centre to offices in the heart of the area, Central Exchange Buildings in Grainger Street, close to Grey’s Monument. A number of LOTS schemes were undertaken and renovation was underway at several buildings, notably the former Bank of England on Grey Street, the old Union Rooms (vacant since 1974 and decaying), Temple Buildings in Bath Lane, and the former Central Post Office. A relatively small section of the former Binn’s store, fronting on Market Street, was redeveloped and plans were put forward by Land Securities for ‘The Gate’, a new cinema and leisure development on Newgate Street, the Partnership assisted land assembly for the scheme. There were signs of revival, but that revival needed to be nurtured and developed. The Partnership felt it was particularly important to instil confidence by investment in high quality public realm improvements and commissioned consultants Gillespie to produce an overall design treatment. The first phase of that public realm work, around Grey’s Monument, began in February 1999 and provided a high profile demonstration of the Partnership’s approach and commitment to an ‘ethos of quality’.
4.4 During the second year, the Partnership sought to establish a strong presence and identity, develop its approach, plan for the future, and create structures to support the Project’s activities. Crucially, the approach involved developing relationships with property owners, encouraging them to recognize the area’s potential and commit investment. Relationships between the Partnership and the private sector began to be developed and the Partnership effectively presented itself as strongly committed to the area, concerned to promote change and anxious to secure high quality development. It also created mechanisms to foster dialogue and accountability by setting up Business and Residents Forums; both Forums nominated people to serve on the Partnership Board. In addition, Advisory Panels were set up to advise the Board on Urban Design issues and Arts and Culture and to consider grant applications to the Business Support Fund and Cultural Support Fund. These Panels enabled the Partnership to benefit from a wider range of expertise and experience.

4.5 The first two years were mainly concerned with establishing the Grainger Town Project, developing processes, identifying and supporting specific projects and commissioning consultancy studies. In the third year (1999/2000) that preliminary work began to produce significant results, and market confidence was growing. Some refurbishments were completed, at the former Wengers store, for example (now Yates’ Wine Lodge). Housing associations carried out conversions of upper floors, providing new flats in the area. Demolition of the Newgate House office block began, to make way for ‘The Gate’ development. Proposals were also brought forward for future schemes, notably Miller Homes’ development at Pudding Chare, and a preferred developer was selected for the large-scale mixed-use redevelopment at East St James’ Boulevard. Further public realm improvements were undertaken in the area adjacent to the Theatre Royal and a grant scheme for shop-front improvements was set up. To highlight and clarify the Partnership’s approach to conservation and aesthetics, a ‘heritage handbook’ for Grainger Town, Inventing in Quality, was commissioned from the URBED Consultancy (published in June 2000).

4.6 In December 1999, serious problems emerged concerning funding from English Partnerships. English Partnerships had pledged £25m to the Grainger Town Project for the ‘gap-funding’ of private sector property schemes under the Partnership Investment Programme. This is a grant scheme to subsidize the gap between a developer’s costs and the value of a completed project. But the European Commission ruled that such subsidies contravened EU regulations on state aid, so this mechanism could no longer be used. Fortunately, existing commitments could be honoured and the £13m already committed to schemes in Grainger Town was secure. The Partnership could not, however, agree further financial support of this kind and it proved to be a long time before uncertainty would be resolved about whether the outstanding balance, of £9m, would still be available to the Project.

4.7 During the fourth year, 2000/01, it became clear that Grainger Town was undergoing real revival, and that sense of change boosted the confidence of the private sector and also the Partnership. In the centre of the area, work started on major refurbishment of the large Binns store for retailer T J Hughes. In Newgate Street, enabling works got underway for ‘The Gate’ development. And, after years of inaction, culminating in the City Council’s use of Compulsory Purchase powers, work began on the extensive rehabilitation of 2-12 Grey Street, a well-known and prominent decaying building. Several housing schemes for rent also started, at Muriot House, Victoria Buildings and the upper floors of the Skipton Building Society building. At Pudding Chare, Miller Homes began work on the first major new residential development in Grainger Town built for sale - symbolic of increasing confidence in the property market. In November 2002, the twelve storey Westgate House office block, a brutal and much disliked 1960s building near the Central Station, was acquired by One North East and earmarked for eventual demolition to be followed by redevelopment of the site. In addition, many smaller projects were completed or underway, including conservation works assisted from the Heritage Economic Regeneration Scheme and several shop-front improvements.

4.8 Further public realm works were undertaken, at St Nicholas Street and Bath Lane and Grainger Town’s main landmark, Grey’s Monument, was cleaned and repaired. Throughout the area, street signs were replaced, adding ‘Grainger Town’ after street names. This relatively small initiative served to emphasize identity, building on the re-branding of the area as ‘Grainger Town’ in the mid-1990s. During the Project’s fourth year there was an increasing emphasis on art and culture, now seen as a vital component of the area’s regeneration. Proposals for public art features and the lighting of historic buildings were developed in association with consultants Public Arts Wakefield. The ongoing programme of cultural events received continuing support from the Partnership. Grainger Town was also seen as important in relation to the Newcastle-Gateshead bid for the status of European Capital of Culture in 2008.

4.9 During 2001/02, the fifth year, the Partnership became increasingly focused on the need to complete the programme and plan for the future, after the end of the SRB scheme. A Forward Strategy was drawn up which identified priorities for the remaining lifetime of the Project and for the period 2003-5, based on the expectation that the remaining funding from the One North East (English Partnerships) original allocation of £25m would be made available.

4.10 Further progress was made on the restoration and reconstruction of key buildings. Some schemes were completed, such as the conversion of the upper floors of Central Exchange Buildings for residential use, providing 17 luxury apartments which quickly sold. A major new office scheme on Grey Street, the reconstruction of Lloyd’s Court, commenced. More shop-front improvements were undertaken and the last of the inappropriate 1960s shop canopies was removed from the Grainger facades, reinforcing architectural integrity and consistency. As in previous years, further public realm works were undertaken, notably in the lower parts of Grainger Street. The economic development of the area was also continued, assisted with grant support from the Grainger Town Business Support Fund.

4.11 The difficulties which the Partnership had encountered with the EU ruling on gap funding were not resolved; it remained unclear whether a replacement scheme would be introduced by the Government. However, the release of resources from that funding regime enabled the Partnership to invest more in arts and culture. More public arts works were commissioned and the Partnership agreed to offer financial support towards a proposed new studio building for the Dance City project and the acquisition and development of the Wards building accommodating the Waygood Gallery and artist studios.

4.12 Much effort was devoted to working on proposals for the major outstanding scheme at East St James’ Boulevard, comprising flats, an hotel, Dance City, a multi-storey car park and the refurbishment of shop-fronts on Westmorland Road. This is a complex scheme and involves substantial financial commitment (£9.8m) from the City Council, which includes over £5m investment in the car park development. Another important scheme, for redevelopment of the Westgate House and the adjacent Norwich Union House site, also involved much effort by the Partnership in trying to agree and take forward proposals with the developer, Centreland.

4.13 The progress of regeneration in Grainger Town over five years had reached the point where the area’s renaissance was recognized and acknowledged, not just locally but also nationally, and it was widely considered to be an example of successful regeneration and best practice. In 2001, the Project received the RIBA Best Practice Award for ‘Excellence in Regeneration’, followed by the RTPI English Partnerships’ commendation for Planning for Urban Regeneration, 2001.

4.14 In the final year, 2002/03, the Partnership had to ensure that remaining resources were committed, outstanding projects agreed, and that arrangements were made to secure and sustain regeneration in the future. It was particularly important to secure agreement on those schemes funded by One North East which would need to continue after March 2003. One North East said these schemes would have to be contractually committed, ideally on site, by March 2003, apart from some of the developments at the East St James’ Boulevard development which had to await confirmation of a Compulsory Purchase Order (CPO). All the funding from One North East has to be delayed by March 2005.

4.15 During the final year, two important projects were completed. The new TJ Hughes store in the former Binns building opened in October 2002 and the Gate cinema and leisure complex opened the following month. Both provided a very strong demonstration of change and regeneration in the area. The Lloyd’s Court development and other schemes were well underway. The Partnership was also able to extend the provision of grants for shop-front improvements as a result of savings from other projects – these grants have proved popular and have made an impact, restoring the integrity of facades. Altogether, £364,000 has
been allocated for shop front improvements and 29 shopfronts have been upgraded. But there was slow progress on the rehabilitation scheme and hotel development at 2–12 Grey Street, a scheme which has proved difficult and has constantly been under review by the Partnership Board. It is now expected to be completed in 2004. There was also a late start to the housing scheme on the redeveloped Canon Cinema site in Westgate Road, which will provide 31 new residential units, and various planning and legal issues held up the start of the Westgate House/Norwich Union House demolition and redevelopment. The large scale East St James’s Boulevard development required a CPO for part of the site, a Public Inquiry was held in February 2003 and the CPO was confirmed in June 2003, enabling the full scheme to go ahead.

4.16 Further public realm improvements were carried out, primarily in the southern parts of Grainger Town near Central Station. The final phases of the public realm programme were underway in early 2003. Replacement of pavements was complemented by the installation of high quality street furniture. Substantial environmental improvements were also due to start at Charlotte Square, where the central garden area is being redesigned to enhance this fine, but somewhat neglected, eighteenth century square.

4.17 Much attention was given to completing the public arts programme. Outside St Mary’s Cathedral, a statue of the late Cardinal Basil Hume was completed, set within a memorial garden, and several pieces of public art were commissioned for various locations across Grainger Town. The Partnership also invested in a creative lighting scheme to floodlight several buildings in the central part of the area, and also two churches and St Mary’s Cathedral. In Stowell Street, Newcastle’s ‘Cluny’, the Partnership agreed to offer funding towards a traditional Chinese Arch to help strengthen the image of that area.

4.18 To publicise the achievements of the Grainger Town Project, the Partnership organised an International Heritage Conference, held in Newcastle in July 2002. This gave international recognition to the work of the Project and recognised the effectiveness of its approach to the regeneration of an historic city centre. A new international network organisation, initiated by the Project and supported by the European Association of Historic Towns and Regions, was launched at the conference. This network, called INNERHIT, brings together cities involved in heritage-led regeneration and further serves to promote Grainger Town as an example of good practice.

4.19 In the first four years, arrangements were put in place to maintain and sustain regeneration in Grainger Town. The Council had decided that the Delivery Team would be disbanded at the end of the SRB programme in March 2003, although the Partnership Board would remain in existence until its AGM in December 2003. As part of the Forward Plan, the Partnership reached agreement with the City Council concerning the Council’s specific responsibilities to maintain the Project’s investment, notably in relation to the public realm and public art. From April 2003, the City Council, working with One NorthEast, assumed responsibility for the delivery of the Grainger Town Project’s remaining schemes, many of which should be completed by the end of 2003, although some are expected to continue until at least 2005.

5. Outputs and Outcomes

5.1 In common with other SRB schemes, output targets were set at the start of the Grainger Town Project and specified in the initial Delivery Plan. Progress in attaining those target outputs is an important measure of the performance of the Project, but the wider outcomes or impacts also need to be evaluated to provide a more complete assessment.

5.2 Figures for the Project’s eight key outputs are presented in Table 1. This shows the original ‘lifetime’ targets, the actual cumulative outputs achieved by the end of March 2003, and the forecast cumulative outputs expected to be achieved by March 2006. Because there is an ‘over-thing’ of some schemes beyond March 2003, the Partnership has agreed with One NorthEast that output monitoring will continue and the final measure of the Project’s outputs is, therefore, at March 2006. Our consideration of outputs actually achieved by March 2003 is, consequently, an interim assessment and it is necessary to take into account also future expected outputs.

5.3 The most striking aspect of the output figures is the high degree of success in physical regeneration, backed by very substantial private sector investment. At the start of the Grainger Town Project, it was forecast that £74m of private investment would be attracted to the area by the end of the Project’s lifetime in March 2003. In the event, this has been substantially exceeded, with private investment reaching over £145m by March 2003, almost double the target figure. The completion of remaining developments, principally the East St James’s Boulevard scheme, is expected to increase that to a total of over £190m private sector investment by March 2006.

5.4 The figures for private investment and outputs relate to schemes and activities which the Project has supported in various ways. Many building schemes were supported by financial assistance, through the former gap funding regime, for example, while some did not require funding, but developers were assisted by Project staff to develop suitable proposals, assemble sites and so on. Altogether, 121 buildings were improved and brought back into use by March 2003 with the support of the Project, well in excess of the target of 70. Over 80,000m² of new or improved floorspace had been developed, compared with a target of 74,000m², and this is expected to rise to over 123,000m² by 2006. About half the new or improved commercial floorspace is in Listed properties.

5.5 So far housing outputs are well below target, with 289 housing units completed by March 2003, against a target of 522. However, it is expected that the target will be reached and exceeded by 2006, following completion of 161 residential units at the East St James’s Boulevard site, and residential developments at the Westgate House/Norwich Union House site, on the former Canon Cinema site and in Clayton Street/Grainger Street.

5.6 The Project almost achieved the target outputs for construction job weeks by 2003 and, again, this will increase in future as a result of the outstanding developments. The output of training weeks has not been achieved (5080 by March 2003, compared with a lifetime target of 5415) and this is the only target which the Partnership does not expect to achieve, even by 2006.

5.7 The Project supported business start up and development, primarily through the Grainger Town Business Development Fund, Project North East’s Youth Enterprise Support scheme and Entreat. These initiatives helped create 286 new businesses, well below the target of 1900. However, overall job creation in businesses and developments supported by the Project was below target, at 1066 jobs by March 2003, as against the target figure of 1900. But occupation of Lloyds Court and completion of remaining major schemes, such as 2–12 Grey Street and, notably, the East St James’s Boulevard scheme, should result in a further 800 jobs and therefore the target being exceeded. Moreover, as the Partnership has repeatedly pointed out, only those jobs directly associated with the work of the Project can be claimed and, no doubt, other additional jobs have been created in Grainger Town as a result of the area’s regeneration and general economic revival.

5.8 On the whole, therefore, the Project’s performance as measured by the achievement of outputs has been good. It appears likely that the remaining outputs, forecast to be achieved by 2006, will be delivered, although capital schemes can be affected by delays and consequent slippage. The recent confirmation of the CPO for the East St James’s Boulevard scheme is evidently welcome and means that this major scheme can go ahead, ultimately delivering the forecast outputs.
5.9 Table 2 provides a summary of financial inputs from the public and private sectors. It is expected that public sector investment in the Project will finally amount to £45m and private sector investment is forecast to reach more than £194m by 2006. This takes into account the remaining schemes, but the majority (about three-quarters) of the expenditure has already taken place. Total investment will therefore be around £240m by 2006. In terms of leverage, with £44m public investment and £194m from the private sector, the gearing is 1.14, considerably better than the original forecast made at the start of the Project, of 1.18. Over the course of its lifetime, the value for money of the Project has been enhanced.

5.10 Over the past six years, this investment has produced a fast improvement in the physical condition of Grainger Town, with many buildings refurbished and brought back into use, complemented by a high quality public realm. Buildings in danger of becoming derelict have been restored for retailing, offices, leisure and residential uses. At the start of the Project, English Partnerships identified ‘Priority 1’ sites most in need of action and all have been tackled (Table 3).

5.11 The work of the Project in raising confidence and supporting property owners and developers has been of major importance in bringing forward private sector investment in physical regeneration. In addition, economic revival in Grainger Town has substantially stimulated this investment, generating increased demand in the property market. Strengthening demand is demonstrated by rising values in the key sectors of the area’s property market (Table 4).

5.12 Economic revival is particularly evident in retailing and leisure. The strongest and most noticeable improvement in retailing has been in the area around Grey’s Monument, with new designer stores in Market Street and a higher quality retail offer in the northern section of Grainger Street. In that area, retail rental values have increased by 60% since 1997, well above the national figure of 34% growth. The redevelopment of the former Bens store for T J Hughes has provided an important and large scale new anchor retail outlet and brought back into use a massive block of empty floorspace. Clayton Street, still a rather tatty shopping street, has been transformed through refurbishment, improvements to shop fronts, including the addition of residential conversions of upper floors, but revival in trade and property values has been limited. Rental values in Clayton Street have risen only slowly (about the same as national growth rates) and now amount to only a quarter of the values being achieved near the Monument. In general, Grainger Town has started to win back some of the retail activity it had lost, although the revival is patchy.

5.13 The EDIN Strategy recognised - correctly - that the leisure sector could be a key component of the regeneration of Grainger Town. New pubs and clubs have opened in the area, bringing economic activity, jobs and a sense of vitality. These developments have also rescued important buildings at risk, such as the Union Rooms and the former Wengers department store, both of which have become successful pubs. Public realm improvements undertaken by the Project have provided suitable venues for street cafes, enabling Newcastle to share in a national trend and giving the area the feel of a continental city. In addition, a major new leisure facility, ‘The Gate’, has been developed, comprising a 12-screen cinema and other leisure facilities. This scheme has significantly strengthened the city centre’s leisure provision, highlighting that it offers more than pubs and clubs.

5.14 Grainger Town, and especially Grey Street, was once the North East’s premier office location but it largely succumbed to strong competition from new developments, especially at business parks and on the periphery of the city centre, which are able to meet modern requirements and provide car parking. The Grainger Town Project was unable to reverse this trend, but has helped to retain part of the area as a viable and specialist niche within the Newcastle office market. Office refurbishment has successfully been undertaken and lettings secured at the former Bank of England in Grey Street, at Cross House, and a mix of refurbished and new office space at Lloyds Court on Grey Street. Strong rental growth has been achieved in refurbished offices in Grey Street, so much so that rents are now the same as for modern office space on the edge of the city centre (Table 4). There is evidently demand for city centre office accommodation and both developers and occupiers have become more aware of the potential of ‘heritage’ buildings and perhaps less deterred by the additional problems and challenges of such buildings. However, the market is limited and a number of old office buildings have been converted to other uses, such as leisure and residential, which are experiencing more buoyant demand. There also remains a substantial amount of empty and unmodernised office space in the southern part of Grainger Town, notably in Neville Street and Collingwood Street. These streets have some impressive buildings, but high costs of refurbishment, lack of convenient car parking, inflexible space, poor natural light, traffic noise and fumes, deter potential occupiers and developers.

5.15 After a long period of decline, there is now an upward trend in employment. Businesses have moved into refurbished buildings, the Project has supported the establishment of new businesses and rising confidence has stimulated economic activity. By 2001, total employment in Grainger Town had reached 11,469, a 14% net increase on the 1996 baseline figure of 10,065, and the number of employments in Grainger Town had reached 11,469, a 14% net increase on the 1996 baseline figure of 10,065, and the number of

### TABLE 2 - FINANCIAL INPUTS TO THE GRAINGER TOWN PROJECT

| PUBLIC SECTOR | ENGLISH PARTNERSHIPS/ONE NORTHEAST | £25m originally pledged by EP. Funding responsibility subsequently transferred to the Regional Development Agency. One North East (Land and Property Fund), £1.373m expected by 2003. Expenditure expected to total £22.5m by 3/09. |
| ENGLISH HERITAGE | £0.94m expected by 3/03, principally Conservation Area Partnership and its successor, Heritage Economic Regeneration Scheme (continues to 3/09). |
| NEWCASTLE CITY COUNCIL | £3.22m by 3/03. Includes contributions to public realm works, English Heritage schemes and staff secondments to Project Delivery Team (Council expected to contribute further £9.8m for East St James’ Boulevard scheme). |
| HERITAGE LOTTERY FUND | £0.086m for Grey’s Monument restoration. |
| EUROPEAN COMMISSION (ERDF/ESF) | £0.799m by 3/03. Includes business support and training initiatives. |
| OTHER PUBLIC SECTOR | £0.821m expected by 3/03. |

| PRIVATE SECTOR | Initial target of £74m by 2003. £145.651m investment achieved by 3/03. (£194.884m forecast by 3/2006). |

### TABLE 3 - PROGRESS ON THE ‘PRIORITY 1’ SITES IDENTIFIED BY ENGLISH PARTNERSHIPS

| 1. 2-12 GREY STREET/21 MOSLEY STREET | Refurbishment/reconstruction well underway; expected to be completed in 2004. |
| 2. LLOYDS COURT | Refurbished and new office accommodation completed. |
| 3. OFFICE INVESTMENT PROGRAMME | Several office refurbishments completed and let throughout the area. (Original Block Fund provision for gap funding affected by EC ruling on state aid). |
| 4. CENTRAL POST OFFICE | Completed mixed use development. |
| 5. WESTGATE HOUSE/NORWICH UNION HOUSE | Demolition expected in 2003, followed by redevelopment. |
| 6. PUDDING CHARE & ROYAL COURT YARD | Completed housing for sale at Pudding Chare. Scheme for Royal Court Yard not progressed. |
| 7. GRAINGER STREET/CLAYTON STREET | Residential redevelopment; now on site. |
| 8. EAST ST JAMES’ BOULEVARD | Refurbishment of Cross House offices and PIIE developments in Pink Lane completed. Public realm works underway. |

This document discusses the financial inputs and progress on various priority sites in the Grainger Town Project, highlighting the impact on economic, social, and physical aspects of the area, including retail, leisure, and office developments.
businesses had apparently stabilised (Table 5). Since 2001, both T J Hughes and The Gate have opened, bringing an additional 700 jobs, and the Partnership expects that a further 450 jobs may well still be necessary in lower value, more marginal locations such as Mosley Street/Collingwood Street.

5.16 Another important element in the area’s revival has been an increase in the residential population, as new housing opportunities have been created and living in the city centre has grown in popularity. Since 1996, Grainger Town’s population has increased by 43%, to an estimated 1077 (source: City Council Policy and Research Services). This should increase further - both the East St James Boulevard and Westgate House schemes include residential development. City Centre living (and certainly not just in Grainger Town) is proving particularly attractive for young professional people without children who are seeking good quality accommodation.

5.17 The housing associations - notably the Home Group and Nomad Developments - pioneered the development of residential accommodation in the area, undertaking the conversion of upper floors with financial assistance from the Project, principally through the Lots programme.

5.18 Grainger Town has also become more vibrant through cultural and arts activities. The Project funded a programme of cultural events, including music, theatre and also a video about changes in the area. Public art works have been installed throughout Grainger Town. The chosen strategy has been to have a variety of modest pieces of art across the area, rather than one or two works of international importance - and it is debatable which is the ‘best’ strategy.

5.19 Over a relatively short period of time - just six years - the Grainger Town Project went a long way towards realising the vision which was set for 2006 and it is realistic to expect that, by 2006, that vision will have been more fully achieved. Grainger Town has become a much more ‘dynamic and competitive location’ and has made much progress in creating a ‘high-quality environment’. It is acquiring a reputation for excellence ‘...focused on leisure, culture and the arts, retailing, housing and entrepreneurial activity’. It is no longer characterised by decay and neglect; it has been rescued and its potential is now being realised.

5.20 The Strategic Objectives set for the Project at the start have been pursued and to a large extent achieved. The Project’s performance has been impressive in terms of economic development and physical regeneration, high quality environmental improvements and increasing housing opportunities (although bearing in mind that some housing outputs have still to be delivered). More limited success has been achieved in enhancing the opportunities available to disadvantaged groups. Some training and recruitment projects and other initiatives were undertaken and efforts made to help unemployed people access jobs in construction and new businesses in the area. But the ultimate outcomes are unclear; it is not known, for example, how many new jobs in Grainger Town were filled by those disadvantaged in the labour market. More generally, a key issue for Grainger Town is ensuring that it is not an exclusive or gentrified area but promotes diversity and offers a wide range of accessible opportunities, especially in relation to employment and housing.

5.21 In the Interim Evaluation two years ago we pointed out that regeneration was patchy and that there were still some significant outstanding problems and issues. Over the past two years, some of these have been tackled, in Charlotte Square, for example, environmental improvements are underway. But important problems remain, especially on the periphery of the area, and it is uncertain whether the process of regeneration will ‘ripple out’ strongly enough from the core of the area to bring major change to the periphery. Grainger Town benefited from having the largest Lots programme in the UK. Subsequently, private sector developers have been attracted, and Grainger Town’s cultural and arts base is limited and there remains scope for further activity, better venues and greater diversity. Some of that may be provided through the market, but much also depends on public sector support and the Lots programme. The Lots operation is a case in point, with public funding from the Project and other partners enabling the provision of inexpensive artist studios promoting a diversity and cultural activity which might well have not been otherwise possible - and which probably cannot compete in the rising property market of Grainger Town.

5.22 Ironically, probably the most important outstanding problem is in the vibrant core of the area - the Grainger Market. This key element of the Grainger legacy, a Grade 1 listed building, is in need of substantial investment. The Market is continuing to lose trade and has a very limited, arguably outdated, retail offer. Some restructuring of the retail mix may well be required, but there are valid concerns that this should not mean gentrification and not result in the loss of low cost shopping opportunities. It is also evident that considerable investment is needed to rehabilitate and upgrade the building. So far, the City Council - which owns the Market - has invested £2m, to fund the quality refurbishment of 16 stalls in the main market, refurbishment of the toilet accommodation and demolition of inappropriate island units in the Arcade to create a flexible event space. Work is now underway on the flooring and the Market entrances and access to the roof for maintenance is to be made safer. Consultancy studies have been commissioned and ideas discussed and there is now a Conservation Plan for the Market. The Consort will further invest in the Market, but there is still much more to do to realise the Market’s full potential.

<table>
<thead>
<tr>
<th>TABLE 4 - RENTAL VALUES, 1997-2003</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOCATIONS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1997</strong></td>
<td><strong>2003</strong></td>
</tr>
<tr>
<td>GRAINGER STREET - NORTH OF MARKET STREET</td>
<td></td>
</tr>
<tr>
<td>106% (100)</td>
<td>1721.6 (160)</td>
</tr>
<tr>
<td>CLAYTON STREET 1,2</td>
<td></td>
</tr>
<tr>
<td>322.8 (30)</td>
<td>430.4 (40)</td>
</tr>
<tr>
<td>UK 3</td>
<td></td>
</tr>
<tr>
<td>- ( - )</td>
<td>- ( - )</td>
</tr>
<tr>
<td><strong>RENTS PER SQ. M. ZONE A (RENT PER SQ. FT. IN BRACKETS)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>LOCATIONS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1997</strong></td>
<td><strong>2003</strong></td>
</tr>
<tr>
<td>REFURBISHED OFFICES ON GREY STREET</td>
<td></td>
</tr>
<tr>
<td>113 (10.50)</td>
<td>181.7 (17.50)</td>
</tr>
<tr>
<td>MODERN OFFICES ON THE EDGE OF THE CITY CENTRE</td>
<td></td>
</tr>
<tr>
<td>139 (13)</td>
<td>181.7 (17.50)</td>
</tr>
<tr>
<td>UK 3</td>
<td></td>
</tr>
<tr>
<td>- ( - )</td>
<td>- ( - )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TABLE 5 - EMPLOYMENT CHANGE IN GRAINGER TOWN, 1992-2001</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUSINESSES IN AREA</strong></td>
<td></td>
</tr>
<tr>
<td>1,144</td>
<td>950</td>
</tr>
<tr>
<td><strong>NUMBERS EMPLOYED</strong></td>
<td></td>
</tr>
<tr>
<td>14,682</td>
<td>10,065</td>
</tr>
</tbody>
</table>
5.23 Other important problem areas in Grainger Town include:

- Mosley Street/Collingwood Street - still a big problem of empty and unwelcoming office space. Architecturally important buildings threatened with decay - eg Bolbec Hall and Neville Hall. Part of the problem is that of owners hoping that values will rise as a result of Grainger Town’s regeneration and revival. It is to be hoped that at some point owners will realise to realise values and sell on for development. There are opportunities both for refurbished offices and residential conversions.

Newgate Shopping Centre - a small 1960s shopping mall which has experienced long term decline and has many empty units. Acquired by Chester Properties in 2001, refurbishment commenced, but still much to be done to revitalise this Centre.

Stowell Street - restaurants in Newcastle’s Chinatown are struggling to compete with newer restaurants and café bars and The Gate has created a barrier blocking the area. A consultancy report by Griffiths Thompson Partnership, commissioned by the Grainger Town Project in 2002, set out a range of improvements which might be undertaken, including a Chinese Arch to provide a gateway to the area. The Arch has received support from the Project and other partners and may provide at least a step forward in reinvigorating the area and its image. But much more needs to be done and it remains to be seen what other improvements are implemented.

There are still a number of typical traffic problems in the area. Wide, busy streets present barriers to pedestrian movement (eg Market Street, Newgate Street). There is conflict between vehicles and pedestrians (also cyclists) - notably the movement of buses through Blakett Street which cuts alongside the pedestrianised Grey’s Monument area.

5.24 Tackling these issues successfully depends on maintaining the momentum of regeneration over the next few years and the active engagement of key public agencies, together with the private sector. Sustaining regeneration also depends on implementing the Project’s Forward Strategy aimed at safeguarding what has been achieved so far and implementing the remaining schemes in the programme.

6. THE FORWARD STRATEGY AND SUCCESS

6.1 During the last two years of the Project, the Grainger Town Partnership developed a coherent Forward Strategy, drawn up by a Steering Group led by the Chair of the Board, who is also the Leader of the City Council. The Forward Strategy evolved, beginning with the formulation of a programme of further schemes to be funded by the Board, and finally, agreeing arrangements for the maintenance of public realm improvements. Initially it was unclear whether the lifetime of the Project, the Partnership and Delivery Team would be extended. Subsequently, the decision was taken effectively to end the Project in its existing form in March 2003 and the Forward Strategy was therefore concerned with planning suitable exit and succession arrangements.

6.2 In July 2001, One NorthEast agreed to make available funding of £5.9m for schemes over the period 2002-05, taking into account the original funding commitment which had been affected by the EU ruling on state aid for gap funding. The Partnership drew up a list of potential schemes, based on consideration of remaining priorities and requirements. Extension of funding to 2005 opened up the possibility of retaining the Partnership and some of the staff in the Delivery Team, but in the event it was decided that the Project should end and that, as from April 2003, the City Council would take over most of the Partnership’s functions and responsibilities. The Partnership continues, however, as a Joint Venture into December 2003, still with the role of monitoring schemes in progress, but it is being superseded by the City Centre Panel convened by the City Council. Council officers in the City Centre Team have now taken on responsibility for the management and delivery of regeneration in Grainger Town, working together with One NorthEast.

6.3 As well as making provision for the delivery of capital schemes running on after March 2003, the Partnership sought succession arrangement for revenue schemes. These were largely struck as part of the project’s employment development officer and training schemes were incorporated into city-wide initiatives. Business support will continue to be offered by One NorthEast Business Service, Project North East and other agencies and it is expected that the City Council will support arts and cultural events in Grainger Town. There will be less focus specifically on Grainger Town but, on the whole, initiatives which the Project funded will continue.

6.4 The Forward Strategy also considered the future of the Panels and Forums set up as part of the Grainger Town Project. It was recognised that some Panels - such as the one for business grants - would no longer have a role and the work of others could simply fit into the activities of existing city centre or city-wide organisations and structures. The Public Art Panel is continuing to meet regularly to oversee the completion of the programme of public art installations which is still underway. As far as the Forums, it was agreed that both the Residents and Business Forums might usefully continue. It is now expected that, next year, the Business Forum will be reconstituted and reconstituted as a ‘City Centre Business Group’ and will advise the City Centre Panel. If there is enough support from residents, the Residents Forum may be continued as a Residents Association.

6.5 A major element of the Forward Strategy is the Grainger Town Charter which is concerned with protecting the Project’s investment in the public realm, including public art works, street furniture and creative lighting schemes. The Partnership was anxious to ensure that the high standards it had set would be maintained and that, for example, the expressed preference for stone paving would be cleaned and repaired and art works and street furniture would not be left to deteriorate. The Charter has a Memorandum of Understanding agreed by the Partnership, the City Council and One NorthEast, which sets out in detail the maintenance responsibilities of the City Council and in particular City Works. Detailed standards and instructions have been specified for cleaning, repair and re-instatement and the Partnership improvements.

6.6 As well as making arrangements for the maintenance of public spaces and features, the Partnership has also sought to safeguard and promote improvements to privately owned properties. A Grainger Town Maintenance Manual has been produced, which sets out planning procedures and detailed guidance on the maintenance of buildings. This is intended to ensure that improvements undertaken with the support of the Project are properly maintained, but it provides guidance for all property owners and occupiers throughout Grainger Town. The aim is to conserve historic buildings and uphold standards, so as to sustain regeneration in the future.

6.7 The transfer of responsibilities to the City Council was well handled and the seamless transfer of responsibilities was particularly helpful that many Council officers in the City Centre Team have worked for the Grainger Town Project in the past. Several Council staff who had been seconded to the Project moved to the City Centre Team in April 2003, bringing with them continuing responsibility for remaining parts of the Grainger Town programme. In effect, these officers act as a successor Delivery Team. Moreover, the transfer had been anticipated and preparations had been made. For example, in the Project’s final year the work programme from the Partnership’s Board meetings were sent to the City Centre Panel for consideration and comment. The City Centre Panel is an advisory group set up by the City Council in 2001 to develop, manage and monitor the Council’s City Centre Action Plan and comment on development proposals and city centre issues. Several members from the Grainger Town Partnership Board serve in the Panel. And, in addition, the transfer of problems no doubt eased by the Partnership’s Chair who, with his other role as Leader of the Council, was in a strong position to clarify relationships between the two agencies.

6.8 In the previous Interim Report we considered the arguments for, and against, the retention of the Partnership and Delivery Team; at that time it was uncertain whether the Project would be closed down in 2003. There were strong arguments in favour of retaining both the Partnership Board and at least some officer capacity. In particular, the Partnership had earned the trust and confidence of property market professionals, developers and businesses. It was seen as pro-active, enabling and supportive, concerned about quality and, of course, very much focused on Grainger Town. On the other hand, there were strong arguments to support the transfer of responsibilities to the City Council. The Council has a wider remit, both geographically and functionally; it is concerned with the planning and development of the whole city centre - indeed, the whole city - and it provides a wide range of public services. It is also democratically accountable and, because it is not a time-limited agency, is able to pursue long-term strategies.

6.9 The Council’s City Centre Team certainly has the capacity to deal with administrative matters it has inherited from the Project, such as the collection of monitoring information and clawback issues. It also has the capacity to manage the outstanding schemes, in conjunction with One NorthEast. The Team is able to take a wider view of Grainger Town, setting its development and regeneration within the context of the City Centre Action Plan, the ‘Going for Growth’ policy and the city-wide Newcastle Plan. In the meantime, the Council does not have the same relationship with property market professionals as the Partnership had, tending to be seen as reactive and concerned to control rather than facilitate development. This could affect confidence and the pace of regeneration.
6.10 There are concerns about the ability and willingness of the Council to maintain the Project's public realm and public art improvements to the high standard set by the Partnership. The Council has city-wide responsibilities and many other problem areas which need support. There is a feeling - not without justification - that Grainger Town no longer should have special treatment and extra resources because there are many other more pressing priorities. The Council has limited experience of maintaining public art and bespoke street furniture, but has signed up to the delivery and funding of the Grainger Town Maintenance Charter, which sets out levels of maintenance and service response requirements. It is unfortunate that maintenance arrangements were not built into the scheme from the start and, furthermore, the Memorandum of Understanding - which is to be monitored by the City Centre Panel - could prove difficult to enforce. However, a working group of Councillors has been set up to ensure implementation of maintenance arrangements and report to the City Centre Panel and individual officers have been allocated responsibility for managing budgets to implement the various requirements of the Charter.

6.11 The Grainger Town Partnership Board brought together a group of enthusiastic people committed to Grainger Town, people with a shared vision able to direct substantial resources to tackle the area's problems. In its place is the City Centre Panel, also a group of enthusiastic and committed people, but having only, at best, an advisory role, limited financial resources and a remit covering the whole city centre. Moreover, there is confusion about its role and how it connects with other structures and strategies such as the city's city-wide Newcastle Partnership and Plan. Efforts are currently being made to link the Panel with the Newcastle Partnership more effectively and to give it a control and influence over the city's resources. The Panel is not yet embedded within the Council structures and processes. The Panel's influence appears, at present, to be very limited, and it remains to be seen whether it will develop to become strong, effective and credible - and be accorded a meaningful independence. The formulation of a new City Centre Strategy and local Development Framework may provide the Panel with a real opportunity to become better established, with a tangible role. Ultimately, if the successful model of the Grainger Town Project is to be at least partially replicated, the Panel would need to be a partnership with a key role in defining regeneration and developing bids for funding.

6.12 Maintaining the momentum of regeneration in Grainger Town will require access to funding, notably from One NorthEast's Single Programme, managed by the Tyne and Wear Regional Partnership. But it also depends on effective structures able to gain credibility and retain a degree of focus on Grainger Town. Creating those structures, building relationships and successfully bidding for funding are now key challenges for the City Council and the City Centre Panel.

7. ASSESSMENT AND CONCLUSIONS

7.1 This evaluation has pointed to the substantial achievements of the Grainger Town Project. The Partnership has successfully promoted and supported the regeneration of an important historic city centre experiencing serious and long term decline. Confidence in the area has been restored, stimulating investment and new economic activity. New housing opportunities have been provided and the residential population is growing. The Grainger Town Project is widely regarded as a demonstration of what works. It is worth identifying the ingredients of its success and the lessons which might be relevant for other similar regeneration schemes.

7.2 Partnership is a much-overused concept, especially in regeneration, and can be simply rhetoric, not borne out by the reality of relationships. In the case of Grainger Town, however, real partnership was achieved and was a key ingredient of success. The Partnership immediately recognised the need to work together and coordinate their resources and expertise to the Project. There were tensions, notably between the Grainger Town Partnership and the City Council. At times - especially in the earlier years - the Partnership felt that the Council was obstructive and did not contribute enough to the Project, while the Council could feel that the Partnership was too independent and too demanding. There were rivalries, difficulties about roles and responsibilities, and differences of opinion on priorities, for example. Nevertheless, such tensions were managed and the public agencies generally worked well together. Above all, they had a shared view of what the problems were and what solutions were necessary. They subscribed to the original EDAW strategy, had a sense of common purpose and a sense of ownership of the Project.

7.3 As well as the public agencies working together, there was a strong partnership between the Project, the private sector. This was absolutely essential. The private sector is represented on the Partnership Board and those board members have been able to offer the of the business community. In addition, the Partnership established a Business Forum in order to engage in a dialogue with business, especially property owners.

7.4 The Project not only fostered institutional commitment but also personal commitment. Board members saw it as their Project and were an integral part of taking forward the project in seeking its success. Attendance at Board meetings generally good and many board members were prepared to find the time to serve on sub committees and advisory panels. Not only was the board made up of people with considerable expertise and experience, and it also had the benefit of continuity. In particular, the Chair and Vice Chair both served throughout the lifetime of the Project. And other people, not on the board but with expertise in areas such as public art, were invited to join part time and, they too, found the time to do so. The Project also benefited greatly from the competence and commitment of the staff on the Delivery Team who saw themselves as being engaged in a successful and unique initiative which worked out remarkably well, far better than they had expected. The staff appreciated their relative autonomy, the independence of the Project and the sense of personal and collective achievement. The Delivery Team also benefited from continuity, with the Project Directors staying with the Project for the lifetime of the Project. In addition, the Business and Residents Forums added another valuable dimension to the process, not least by ensuring that the 'experts' on the Partnership heard the everyday practical concerns of people living and working in the area.

7.5 We have repeatedly stressed how important it was to build confidence, especially in creating a climate which would stimulate private investment. One of the key confidence-building measures was improvements to the public realm. High quality public realm works were undertaken early on in the Project, giving a clear signal about commitment to changing the area, and these works continued - through six phases - throughout the Project's lifetime. Cashless stone paving, public art and street furniture were expensive (amounting to £4-5 million), but the public investment proved worthwhile in helping to raise stands, generate confidence and produce a much more attractive and inviting environment. Across the whole programme of regeneration, attention to detail and a determination to secure the best design solutions were also crucial elements in raising aspirations and generating confidence. Furthermore, confidence has also been continually nurtured by promoting the identity of the area, its 'ethos of quality', its heritage and its regeneration. High quality publications, success stories in the media, awards for the Project and the International Heritage Conference all helped to create a sense of a distinctive and special place undergoing a process of revival.

7.6 The commitment of substantial public expenditure was, of course, a crucial factor in the success of the Project. By combining the financial resources of several agencies, a critical mass of funding support was made available, eventually amounting to £41 mn. Without that, the Project would probably have been as ineffective as the small-scale initiatives which preceded it. The funding gave the Project credibility and clout and gave the Board power and responsibility. The resulting public aid was difficult and disruptive, and that distinction has been handled carefully by the Partnership to avert the project ending on a note of conflict. But it was fortunate that many of the problems which had already been agreed so gap funding was allowed to proceed. It was also fortunate that, by the time of that decision, the property market had strengthened and was less dependent on subsidy. In the event, which had been earmarked for buildings could usefully be reallocated to environmental improvements and public art, creating more holistic regeneration. Resources could also be redirected to joint venture schemes with the public sector - unaffected by the EU ruling - such as the Wyardsgate Gallery and Dance City.

7.7 The Grainger Town Project was also successful because it was implemented at a favourable time. The economic context, of growth and the expansion of the leisure and retailing sectors, was highly beneficial. It has also been a time when heritage buildings have become more valued and appreciated, and when city living has become fashionable. The Project went with the grain of wider economic and social trends and connected well with a rising property market.

7.8 The Project did what was necessary at the time to revitalise Grainger Town and, above all, save its threatened architectural heritage. Without the Project, there might well have been a degree of revitalisation and, in particular, some developments - such as The Gate - would have gone ahead anyway. But that regeneration would almost certainly have been much more limited, probably only affecting the core of the area, and the public realm would have remained in poor condition. Many buildings would still be unused and decay would have continued.

7.9 The challenge now is to continue the process of regeneration. There are still some important outstanding problems, most notably the Grainger Market, and issues which require attention, such as traffic and transport. Now, it is important to move on from physical regeneration and consider more fully the character and functions of Grainger Town and its role as part of the city centre. There is a need to recognise and address tensions - between residential and leisure functions and between gentrification and diversity. Moreover, while much has been achieved, it should not be taken for granted that regeneration will necessarily continue. The achievements of the last six years need to be maintained and secured, and further regeneration has to be encouraged and supported in Grainger Town.