

**CABINET MEETING – 14<sup>th</sup> March 2024**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Sunniside Regeneration Update and Sunniside Place Strategy

**Author(s):**

Report of the Executive Director of City Development

**Purpose of Report:**

To provide an update on the regeneration of Sunniside and seek approval for the launch of the Sunniside Place Strategy.

**Description of Decision:**

Cabinet is recommended to:

- i) Note the progress update provided in the report in relation to the regeneration of the Sunniside area.
- ii) Approve the launch of the Sunniside Place Strategy and authorise the Executive Director of City Development in consultation with the Leader of the Council, the Portfolio Holder for Dynamic City, and the Director of Finance, to procure all necessary resources to implement the delivery plan included in the Sunniside Place Strategy (including where relevant the extension and variation of existing appointments), subject to the terms as set out in this report.

**Is the decision consistent with the Budget/Policy Framework? Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

Sunniside is an area of real potential and is the beating heart of Sunderland's creative economy. It has however suffered from a cycle of failing employment and economic activity, rising crime and anti-social behaviour, depopulation, and physical decay. To address these challenges and allow Sunniside fulfil its incredible potential as a liveable, creative neighbourhood within the urban core there needs to be a clear strategy and action plan for social and economic growth.

The Sunniside Place Strategy is an overarching framework that provides a clear direction and vision to inform the required actions needed to bring about positive change and secure long-term stewardship by the people who live, work, and play in the area.

The Sunniside Place Strategy will act as an evidence base to attract future investment and guide future development, property use, and service provision to ensure they are aligned with the Council's regeneration objectives and satisfy the needs and ambitions of local residents and stakeholders.

**Alternative options to be considered and recommended to be rejected:**

The alternative option is not to approve the launch of the Place Strategy. The Place Strategy is however key to driving the ongoing regeneration activity in Sunnyside as well as providing a robust basis for decision making and supporting external funding bids. Without an approved strategy there would be a lack of clear vision and coordination of future activity. This option is therefore recommended to be rejected.

**Impacts analysed;**

**Equality**  **Privacy**  **Sustainability**  **Crime and Disorder**

**Is the Decision consistent with the Council's co-operative values?** **Yes**

**Is this a "Key Decision" as defined in the Constitution?** **Yes**

**Is it included in the 28 day Notice of Decisions?** **Yes**

**SUNNISIDE REGENERATION UPDATE AND SUNNISIDE PLACE STRATEGY****Report of the Executive Director of City Development****1. Purpose of the Report**

- 1.1 To seek approval of the Sunnyside Place Strategy and provide an update on the regeneration of Sunnyside.

**2. Description of Decision**

- 2.1 Cabinet is recommended to:

- i) Note the progress update provided in the report in relation to the regeneration of the Sunnyside area.
- iii) Approve the launch of the Sunnyside Place Strategy and authorise the Executive Director of City Development in consultation with the Leader of the Council, the Portfolio Holder for Dynamic City, and the Director of Finance, to procure all necessary resources to implement the delivery plan included in the Sunnyside Place Strategy (including where relevant the extension and variation of existing appointments), subject to the terms as set out in this report.

**3. Background**

- 3.1 Sunnyside is an area of real potential: it arguably has the city's greatest concentration of beautiful streets and historic buildings, is home to many longstanding and loyal businesses and residents and is the beating heart of Sunderland's creative economy. The potential for Sunnyside to be a neighbourhood for enterprise, creativity and cultural life has long been recognised by the Council, the community, and stakeholders.
- 3.2 It has however, suffered from a cycle of falling employment and economic activity, rising crime and environmental degradation, attendant population loss and physical decay. Since the late 1990's, cycles of investment have sought to halt and reverse this decline, seeking to realise the potential of the area as a distinct and vibrant part of the city centre. These interventions have had varying levels of success and there are still a variety of challenges that continue to present a risk to social and economic growth.
- 3.4 Sunnyside is still seen by many citizens as a 'problem' a place of high levels of crime and antisocial behaviour, and of physical dereliction. That's partly reality and partly perception, but what is clear is that for the city centre to prosper as the City Plan seeks, Sunnyside needs to fulfil its incredible potential as a liveable, creative neighbourhood within the urban core.
- 3.5 In Autumn 2022, following a competitive bidding process, the Council was named as one of 13 priority places which was successfully awarded grant funding from the Partnerships for People and Place Pilot (PfPP) administered by the Department for Levelling Up, Homes and Communities (DLUHC). The funding was aimed at

demonstrating how more coordinated working between local and central government, local communities and stakeholders could improve local outcomes.

- 3.6 The Council received £238,000 to support its PfPP pilot proposal which comprised two core elements:
- the creation of a regeneration board to facilitate and oversee the city centre regeneration programme and unlock strategic grant funding and investment, and
  - the production of a Place Strategy for the Sunnyside neighbourhood that could identify innovative ways of working and establish a strategic long-term partnership approach to investment and regeneration.
- 3.7 In December 2022, following a competitive procurement process, the Council appointed Town Dev Ltd (Town) and Create Streets to coordinate the production of the Sunnyside Place Strategy.
- 3.8 To deliver this strategic document, Town and Create Streets embarked on an initial programme of community and stakeholder engagement to allow it to build an in depth understanding of Sunnyside and its challenges and opportunities. This process included a place making workshop which was held in January 2023 and was attended by local residents, key stakeholders and elected members, alongside Council and central government representatives.
- 3.9 In 2022 the Council's Economic Prosperity Scrutiny Committee undertook a study to determine the challenges facing Sunnyside and published a report on the Committee's findings. The findings of this study have informed the preparation of the Place Strategy.
- 3.10 In May 2023 Town and Create Streets published a Place Analysis Report (Appendix 1) which summarised the findings of the first phase of regeneration and research and set out the objectives that should underpin a strategy for long-term sustainable change in the neighbourhood and the development of a 10-year action and delivery plan. These objectives were based upon input from the community and key stakeholders; data and research; and a spatial analysis of the attributes of the area and likely or potential areas of change.
- 3.11 The Place Analysis report identified four key areas of activity that have the potential to drive positive change in Sunnyside - creative industries; music; food, drink, and hospitality; and social enterprise. To gather intelligence and ensure the challenges and opportunities for each of these areas were fully understood, sector development plans were commissioned to advise future action plans.
- 3.12 Working groups were also established to develop business case material that will define potential interventions and help secure to secure investment in events and activation, property, and housing, and deliver effective change.
- 3.13 Over the course of 2023 Town and Create Streets worked with over 100 stakeholders in the community and across the city to gather intelligence on Sunnyside - how it works and the barriers to its growth and improvement. This generated vital input into what has become a collective action plan for change that will be delivered through the collective efforts of the Council, community, and partners.

## **4. Current Interventions and Achievements**

4.1 Recent investments and initiatives, some of which have been commissioned through the PfPP pilot and the preparation of the Sunnyside Place Strategy, have seen the public and private sectors working together to deliver positive change. These initiatives include:

- i) Heritage Action Zone - The redevelopment of Mackies Corner and the restoration of 170-175 High Street West, which is now home to PopRecs and the Sunshine Cooperative, has breathed new life into the area and restored key historic buildings.
- ii) SAIL – Sunderland Altogether Improving Lives – is a city centre partnership between Northumbria Police, the Council, Sunderland Business Improvement District (BID) and other support services. The team of dedicated staff is funded by the Northumbria Violence Reduction Unit to work with young people to divert them away from offending. In the first year of operation the partnership has driven big falls in crime and anti-social behaviour across the city centre and specifically the Sunnyside area.
- iii) Events & Activations – The Business Improvement District has secured additional funding to develop and deliver a programme of events and activities in Sunnyside, including food markets. The Future Walls street-art project is engaging local artists and creatives and bringing a programme of artwork to the walls of Sunnyside.
- iv) Property Acquisition and Disposal – To drive positive change in Sunnyside the Council has made several strategic acquisitions including the former Sunnyside Leisure development and Joplings House, it has also completed several carefully considered disposals including the Norfolk Hotel, the Place, and adjacent properties at West Sunnyside, which are supporting the growth of cultural and creative industries within the Sunnyside area. Through active asset management the Council will influence the future development and regeneration strategy, ensure the right uses and right operators are in the right places, and unlock third-party investment to maximise intervention, impact, and long-term sustainability.

4.2 The Sunnyside Place Strategy will recognise this ongoing activity and the future action plan will identify further interventions that can build on the success achieved to date.

## **5. Strategy and Action Plan**

5.1 In August 2023 Town and Create Streets presented its draft Sunnyside Place Strategy and Delivery Plan which provides the first holistic review of the neighbourhood, including its identity, culture, businesses, residents, physical environment, social dynamics, housing market and development potential complemented by a strategic long term delivery plan that integrates ideas for physical change with a programme for economic and social development.

5.2 Over the last 6 months Town and Create Streets has been re-engaging local residents and key stakeholders to refine the draft document and has produced the final version of the Sunnyside Place Strategy which is attached in Appendix 2.

- 5.3 The purpose of the Sunnyside Place Strategy is to accelerate the delivery of change and guide and lead the regeneration of Sunnyside over the next ten years through creation of a clear vision and establishment of a pragmatic action plan that will allow decision-making and interventions to be prioritised and coordinated across partners.
- 5.4 The development of the Sunnyside Place Strategy has called on a wide-reaching stakeholder group to build a picture of Sunnyside now, determine the plans people already have, the opportunities in the area and the factors that limit its success as a place where people can live well, work successfully, and invest with confidence. This has resulted in a Place Strategy that is broad in its approach - looking to quality of place, economic development, property development, housing policy, policing, public health services, communications, and the environment, all to play a part in bringing about change.
- 5.5 The Sunnyside Place Strategy recommends five key approaches:
- i) Develop a Strong Sense of Purpose – by delivering actions that will change perceptions of the area.
  - ii) Create a Safe Neighbourhood - meeting the challenges of the area that frustrate positive and sustained change.
  - iii) Activate the Neighbourhood – by bringing activity and life to the streets that grows a population of residents, workers, and visitors.
  - iv) Intensify uses and build the population - by building a denser population of residents and workers and a higher concentration of uses in Sunnyside.
  - v) Cooperative Stewardship - by building a community with the agency to continue the change.
- 5.6 A detailed action plan has been prepared and included within the Sunnyside Place Strategy to ensure a robust approach to the prioritisation and coordination of actions going forward. The actions are broken down into strategic early interventions, and those that are short, medium, and long-term activities, prioritised on the grounds of impact and deliverability. A Steering Group comprising local stakeholders, elected members and Council officers will be established to support the previously established working groups to deliver the action plan.
- 5.7 Subject to the approval of the Strategy, it is proposed that the following key activities are undertaken over the next 12 to 18 months:
- a) Building awareness of Sunnyside through strategic projects, including the development and delivery of a place identity programme.
  - b) Delivery of a Sunnyside wayfinding project – a creative project working with local artists to develop signage around the key gateways of Sunnyside that bring an appropriate identity to the Sunnyside area, in keeping with the vision of a creative pioneering neighbourhood.
  - c) Establish the Sunnyside Steering Group – the Group will guide the delivery of the action plan.

d) Preparation of area development plans – these plans will guide future development and interventions in key areas of Sunnyside and provide the information for future investment bids.

- 5.8 The Strategy also includes a delivery plan, which will be led by the Council in the initial years to mitigate risk and advance significant early investments and will be overseen by the Sunnyside Steering Group. As the regeneration programme progresses, it will be important to evolve a stewardship model for delivery, building agency in the local community to lead the area on to sustained success by embracing the creative talent, entrepreneurial spirit and determination of the local people which is at the heart of Sunnyside.
- 5.9 Significant investment will need to be secured to drive long term sustainable change in Sunnyside. This will need to be a combination of public and private sector investment that focuses on improvement of critical infrastructure, unlocks strategic development opportunities, attracts business and entrepreneurial investment, and supports long term management and maintenance of the neighbourhood. To date the Council has secured c.£5.4 million of central government grant through the Levelling Up Fund, PfPP, and the UK Shared Prosperity Fund that is being used to fund these actions. This along with £6 million from Historic England, through the Heritage Action Zone, has leveraged c.£20million of private sector investment. Through the establishment of the Transforming Sunderland regeneration board the Council is seeking to attract strategic long term grant funding that supports the implementation of the Sunnyside Place Strategy and underpins social and economic growth.

## **6. Reasons for the Decision**

- 6.1 Sunnyside is an area of real potential and is the beating heart of Sunderland's creative economy. It has however suffered from a cycle of failing employment and economic activity, rising crime and anti-social behaviour, depopulation, and physical decay. To address these challenges and allow Sunnyside fulfil its incredible potential as a liveable, creative neighbourhood within the urban core there needs to be a clear strategy and action plan for social and economic growth.
- 6.2 The Sunnyside Place Strategy is an overarching framework that provides a clear direction and vision to inform the required actions needed to bring about positive change and secure long-term stewardship by the people who live, work, and play in the area.
- 6.3 The Sunnyside Place Strategy will act as an evidence base to attract future investment and guide future development, property use, and service provision to ensure they are aligned with the Council's regeneration objectives and satisfy the needs and ambitions of local residents and stakeholders.

## **7. Alternative Options**

- 7.1 The alternative option is not to approve the launch of the Place Strategy. The Place Strategy is however key to driving the ongoing regeneration activity in Sunnyside as well as providing a robust basis for decision making and supporting external funding bids. Without an approved strategy there would be a lack of clear vision and coordination of future activity. This option is therefore recommended to be rejected.

## **8. Impact Analysis**

- 8.1 An Integrated Impact Assessment has been prepared for the Sunnyside Place Strategy and a copy is attached at Appendix 3. There are no negative impacts arising from the proposed recommendations as the Sunnyside Place Strategy will drive positive change in Sunnyside.

## **9. Other Relevant Considerations / Consultations**

### **9.1 Financial Implications**

- 9.1.1 The cost of the work undertaken to date and the estimated cost of coordinating the implementation of the Sunnyside Place Strategy and delivery of the initial 12 to 18 months of activities identified in the action plan is c. £700,000 and can be funded from a combination of secured external funding through LUF grant and PfPP grant and from the allocation for Scheme Feasibility and Design within the approved Capital Programme. Further funding will need to be identified in support of the delivery of longer-term actions and will be subject to future consideration by Cabinet.
- 9.1.2 The cost of delivering most of the physical interventions will be funded through private sector investment and / or public sector grant funding. The Council and its partners will continue to identify and promote such funding and investment opportunities and seek to secure grant support from cultural, creative and heritage programmes. Appropriate approvals will be sought from Cabinet in relation to any funding to be provided by the Council in support of this delivery.

### **9.2 Legal Implications**

- 9.2.1 The procurement and/or extension of the relevant contract(s) required for the implementation of the Sunnyside Place Strategy and delivery of the proposed action plan will be undertaken in accordance with the Council's Procurement Procedure Rules and where applicable the Public Contracts Regulations 2015.

### **9.3 Policy Implications**

- 9.3.1 The purpose of the Place Strategy is to provide a framework to accelerate the delivery of change in Sunnyside through a clear vision and the coordination of decision-making across partners through an action plan. Whilst not embedded within policy it will be used to guide future investment and development and be a key consideration in the allocation of funding and resources.

## **10. List of Appendices**

[Appendix 1 – Sunnyside Place Analysis Report](#)

[Appendix 2 – Sunnyside Place Strategy](#)

Appendix 3 – Integrated Impact Assessment