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EXECUTIVE

14 March 2019

SUPPLEMENTARY AGENDA

PART 1

**9A. URGENT PART I BUSINESS – URGENT ITEM: FUTURE HIGH STREET FUND
– EXPRESSION OF INTEREST**

To consider a report accepted by the Chair as urgent in respect of the Future High Street Fund – Expression of Interest.

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Meeting EXECUTIVE
Portfolio Area Environment and Regeneration
Date: 14th March 2019



TITLE OF REPORT: URGENT ITEM - FUTURE HIGH STREET FUND- EXPRESSION OF INTEREST

KEY DECISION

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1 PURPOSE

- 1.1 To inform Executive of the “Future High Streets Fund” and to seek approval to submit an Expression of Interest based on the Stevenage Central Framework.
- 1.2 The Leader has accepted that is an urgent item and cannot wait until the following meeting of the Executive because the deadline for expressions of interest regarding the Future High Street Fund must be submitted to the Ministry of Housing, Communities and Local Government (MHCLG) by 22 March 2019.

2 RECOMMENDATIONS

It is recommended that:

- 2.1 Executive note the bid process and guidance issued by MHCLG.
- 2.2 Executive endorse the submission of an Expression of Interest based on the Stevenage Central Framework and its associated evidence base.

- 2.3 Delegated authority be given to the Strategic Director (TP), in consultation with the Executive Member for Environment and Regeneration, to agree a letter of support on behalf of Executive, to be submitted with the Expression of Interest.

3 BACKGROUND

Future High Street Fund

- 3.1 At the budget on 29th October 2018 it was announced that as part of ‘Our plan for the high street’ there would be £675 million of central government funding available for authorities to bid for, with the aspiration of supporting high streets across the country to change to counter the challenges that they face in this current economic and digital climate. ¹
- 3.2 The call for proposals for this fund was officially launched on 26th December 2018 with the objective to “*renew and reshape town centres and high streets in a way that improves experience, drives growth and ensure future sustainability*”². This fund acknowledges real shifts in retail and consumer patterns, the exponential growth of online shopping, the increasing vacancy rate in ‘bricks and mortar’ shops, the increasing vacancy rates across the country. The report also notes that traditional retail-led centres with less commercial, office, leisure or residential space may be more exposed to these changes times.
- 3.3 The fund will work in a two phase application process. The first phase is an Expression of Interest; this will be assessing places on the need for funding, nature of the challenge the area faces, and the vision for the future of the town centre. The second phase is the development and submission of a business case to receive the capital funding.
- 3.4 It was made clear in the prospectus that the fund aims to “*co fund projects and places that have already started to formulate a vision for the future of their town centres*”.³
- 3.5 The prospectus continues to describe the Expression of Interest stage “*as the first phase concerns identifying places to work with*’ however ‘*we will not have regard to specific schemes included in submitted proposals when assessing bids*”⁴.
- 3.6 If successful the second phase of the application process the local authority will receive revenue funding to support developing project proposals. This will then be submitted and the capital funding decision will be based on project plans and business cases. ⁵
- 3.7 It is important to note that the prospectus mentions that schemes that are ‘shovel ready’ could receive funding earlier.

¹ House of Commons. Housing, communities and Local Government Committee: High Streets and town centres 2030 p17

² Future High Street Fund: Call for proposals p9

³ Future High Street Fund: Call for proposals p9

⁴ Future High Street Fund prospectus: Call for proposals p9

⁵ Future High street fund: Call for proposals p9

3.8 The Expression of Interest deadline is the 22nd March 2019. Figure 1 displays the timeline of the bid process.

Summer 2019	Announcement on places moving to Phase 2
Late 2019	First round of final business cases to be submitted
Spring 2020	All remaining final business cases to be submitted
<i>Not before 2020</i>	<i>Second round of applications opens</i>

3.9 Although the fund can contribute up to £25 million to a successful bid, it is suggested that within the region of £5-10 million per town centre is more likely to be the upper limit of allocations.

3.10 The types of projects expected may fall under the following themes:

- Investment in physical infrastructure
- Acquisition and assembly of land including making improvements to the public realm
- Improvements to transport access, traffic flow and circulation in the area
- Supporting change of use including (where appropriate housing delivery and densification
- Supporting adaption of the high street in response to changing technology

3.11 Finally, in the eligibility section of the prospectus, it states, “we will not accept bids covering town centre areas that are not facing significant challenges⁶”. This is important for any authority formulating a bid and it would be important for any bid to consider comparison against the criteria in 3.13 – vacancy rates, level of decline, perception, and the mix of uses in the area.

3.12 The Expression of Interest is assessed on six scored areas as outlined in the Future High Streets Fund - Supplementary guidance for bidding authorities.⁷ This is summarised in the table below:

⁶ Future High Street Fund: Call for proposals p 12

⁷ Future High Street Fund: Supplementary guidance for bidding authorities p5-9

3.13

Section 1	Weighting	Comment
1.2 Population and links to wider economic area	10%	Demonstrate that the town centre area is an important centre serving the wider population.
Section 2		
2.1 Challenges	30%	Provide evidence that the town centre area is facing challenges cited in Future High streets fund, for example high levels of vacancy, town centre decline, poor perception from residents, reduction in commercial spaces.
2.2 Rational for selecting town centre area	5%	If you have more than one town centre specify why this was selected.
Section 3		
3.1 Town centre vision and ambition for change	30%	Set out their vision for the town with supporting evidence of how this vision will help to address the challenges that have been identified. Include evidence of partnership working and strong local leadership.
3.2 Engagement and alignment of vision	10%	Evidence how town centre vision aligns with wider strategic plans including funding streams any other complementary works across local authority and wider region.
3.3 Support for town centre vision	15%	Must demonstrate with evidence that they have undertaken and gained support from the groups below: <ul style="list-style-type: none"> • Local Enterprise Partnerships • Mayoral and non-Mayoral Combined Authorities • Other tiers of local government in the area • Business Improvement Districts • Private sector • Community groups <i>(Letters of support to be provided as evidence)</i>

3.14 Further to the announcement of the fund, SBC have attended a support and advice meeting organised by Hertfordshire County Council (Lead Officer Patsy Dell, Assistant Director of Strategic Planning, Infrastructure and Economy) the Local Enterprise Partnership (Lead officer Adam Wood, Head

of Infrastructure and Regeneration) and officers from districts across the county who are also preparing to write and submit bids.

- 3.15 It was recognised that some authorities maybe be in more advanced positions for this round of funding due to delivery of schemes (Watford, Welwyn and Hatfield, Stevenage), whereas others currently do not have a vision/ masterplan for their town.

Stevenage Regeneration

- 3.16 The regeneration of the Town Centre is a top priority for Stevenage's residents, businesses, and for Stevenage Borough Council as highlighted within the Future Town Future Council (FTFC) Programme.
- 3.17 The Council worked closely with its partners including Hertfordshire County Council, Hertfordshire Chamber Of Commerce and Industry, Hertfordshire Local Enterprise Partnership and Homes England to develop the Stevenage Central Framework ("the Framework") which was approved by Executive on 24 July 2015.
- 3.18 The Framework has been used as the basis for the development of planning policy including the Local Plan and sets out a clear vision and the scale of opportunity within an improved town centre.
- 3.19 The Framework set the vision to reinvigorate the centre of Stevenage and ensure that it represents the aspirations of its people and makes provision for the opportunities they seek. The overall vision is to reimagine the town centre, with a range of facilities for people to enjoy, including cultural facilities, places to eat and drink, high quality public realm, celebrating the heritage of the town, creating new and quality homes and office spaces, and improving the retail experience. The Framework identified that the 6 Major Opportunity Areas in the town centre could deliver over 30,000m² of new retail, 60,000m² of new office and over 3000 new homes.
- 3.20 The Council and its partners have been proactive in bringing forward the regeneration of the town centre, initiating a range of projects and through enabling activities such as planning advice to private led developments. Key areas of regeneration activity that have completed in the last two years or are currently underway include:
- **Vision and funding:** Agreement of Stevenage Central Framework by Stevenage Borough Council and local partners, benefitting from £15m Growth Deal 1 funding. A successful bid was made for Growth Deal 3 funding (£19m) in 2016-2017, and Hertfordshire LEP are awaiting this funding.
 - **Public realm:** Completion of public realm works in Littlewood Square and Forum Square.
 - **Market Place:** Completion of new play-trail and high quality public realm in Market Place.
 - **Way finding:** Implementation of new way finding signage which recognises the history and heritage of the town as well as providing accessible and engaging information.

- **Park Place:** Private developer completing 202 new homes, modernised retail premises and new public realm.
- **Queensway:** Planning permission granted for conversion of parts of northern Queensway including new retail occupiers, leisure use, office occupiers and new residential units, as part of an initial £50m redevelopment.
- **Brickdale house, Vista Towers, Skyline, Six Hills House, Six Hills House extension:** Completion of new homes and apartments by private developers, largely through use of Permitted Development rights.
- **Matalan site:** Site jointly sold to Guinness Partnership to provide a mixed-use housing and retail development.
- **Stevenage Works:** Skills development and employment package in place to support major building contracts and developments in Stevenage and provide opportunities to local people, working in partnership with builders, Job Centre Plus and North Herts College.
- **Bus Interchange:** Delivery of a new transport interchange to replace the existing outdated and sub-standard facilities of the bus station and provide a modern facility closer to the rail station, enhancing links with other modes of transport.

3.21 In addition, the Council is leading a major scheme, the SG1 development, having appointed Mace as its development partner for this scheme. This brings forward step change in the town centre as set out below. A range of enabling activities are now required to support the delivery of this scheme including:

- Land assembly
- Completion of legal agreements between Mace and SBC
- Preparation of detailed planning application
- Preparing to decant current occupiers from Swingate house and other sites

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 After reviewing the eligibility criteria, the regeneration team appraised which geographical area would be most appropriate for the eligibility of the bid in Stevenage.

4.2 Due to the criteria of the fund, it is recommended to Executive that the Expression of Interest should be based upon the Stevenage Central Framework. The key reasons are:

- A clear established vision and masterplan for the town has been created with Stevenage Central Framework which is accompanied with a delivery model and a wealth of evidence supporting the vision.

- Appropriate Governance and partnership working is already established and functioning to oversee the regeneration of the town centre
- A town centre that has significant challenges that we as a council are beginning to change is contained within the Framework.
- The Framework is Moving in to delivery stage with two developers, Mace and Reef.
- Technical Specialists are already engaged and are ready to mobilise to begin working on the business case phase (were we to be successful).
- Already delivered/ delivering projects on the ground in the town centre. Essentially 'shovel ready'.
- Clear strategies that are aligned with our partners aspirations to create Stevenage as a destination to live, work and play: Future Town, Future Transport, Arts and Culture Strategy.
- Aligned with the growth anticipated by the emerging Local Plan.

4.3 Discussions have been had with the Town Centre Manager, the planning team, SLT, and the LEP and Hertfordshire County Council via regular meetings with regard to submitting the Expression of Interest.

4.4 Overall, it is considered that when compared with the assessment criteria, the Central Framework has the ability to score very highly, and provides an ideal opportunity to deliver the objectives of the Future High Streets Fund, whilst simultaneously accelerating the delivery of the Framework. This is supported by a very strong evidence base, commissioned by Stevenage First and developed over a substantial period by David Lock Associates, to support the Framework.

5 IMPLICATIONS

Financial Implications

5.1 None at this stage. If we are successful we would secure funding to work on detailed proposals, of which will establish if there are financial implications.

Legal Implications

5.2 None at this stage.

Risk Implications

5.3 There are no significant risks at this stage, as the bid will be structured on the existing work of the Framework and its evidence base; if the bid is successful, full project plans will be developed.

5.4 There are no implications for other areas at this stage.

6 BACKGROUND DOCUMENTS

BD1 – House of Commons. Housing, Communities and Local Government Committee Report: High Streets and town centres 2030

BD2 – Future High Street Fund: Call for proposals

BD3 - Future High Street Fund: Supplementary guidance for bidding authorities