



21ST MARCH 2019

CABINET

AGENDA ITEM (11)

FUTURE HIGH STREETS FUND

Accountable Member	Councillor NJW Parsons Deputy Leader and Cabinet Member for Forward Planning
Accountable Officer	James Brain Forward Planning Manager 01285 623000 james.brain@cotswold.gov.uk
Purpose of Report	To approve the Council's Expression of Interest submission in respect of the Future High Streets Fund initiative
Recommendations	<p>(a) That the Expression of Interest (set out at Exempt Appendix A) be approved for submission to the Ministry of Housing, Communities and Local Government;</p> <p>(b) that the Head of Paid Service be given delegated authority, in consultation with the Deputy Leader and Lead Member for Forward Planning, to agree any minor amendments necessary to the Expression of Interest.</p>
Reason(s) for Recommendation(s)	To promote Cotswold District's market towns as a place to invest. The funding would support and complement the committed investment of the Council and others in Cirencester.
Ward(s) Affected	Cirencester wards
Key Decision	No
Recommendation to Council	No
Financial Implications	<p>If the Council's expression of interest successfully moves to phase two, the Council will be required to undertake a detailed business case using the HM Treasury Green Book appraisal methodology. The government expects the full business case development phase to take 6 to 12 months.</p> <p>Phase two authorities will receive (a yet to be disclosed) element of revenue funding from government to support the development of their high street strategies and the business cases for their proposed projects. The High Streets Task Force, once established, will also provide support to places in developing their cases; and some support will be available from within the Ministry of Housing, Communities and Local Government. However, the prospectus does not provide details of expected revenue funding.</p>

Legal and Human Rights Implications	Bidding authorities are not required to publish their expressions of interest. MHCLG reserves the right to deem the business case as non-compliant if this is not adhered to.
Environmental and Sustainability Implications	The EOI Proposal would support the delivery of the Cirencester Town Centre Strategy (Cotswold District Local Plan 2011 to 2031 - Policy S3)
Human Resource Implications	See Financial implications
Key Risks	There are no obligations or risks to the Council at this stage. However, should the Council be successful and move to stage two, it will need to consider the financial implications noted above.
Equalities Impact Assessment	None

Related Decisions	None
Background Documents	(i) Future High Streets Fund: prospectus (ii) Future High Streets Fund: supplementary guidance for bidding authorities
Appendices	Exempt Appendix A - CDC Expression of Interest Appendix B - Letter from Moreton in Marsh Town Council Appendix C - Cirencester Town Centre Allocations and Opportunity Areas

Options for Joint Working	The Council has entered into a Memorandum of Understanding with Cirencester Town Council in relation to Local Plan matters, including the Cirencester Master Plan and the Cirencester Neighbourhood Plan
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Performance Management Follow Up	Implement Cabinet decision(s)
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<p>Background</p> <p>1. <u>The Future High Streets Fund</u></p> <p>1.1 The UK government is committed to helping local high streets evolve and adapt to a wider range of changes. It has announced several projects and initiatives to deliver its "Plan for the High Street". These include:</p> <ul style="list-style-type: none"> • Cutting business rates for small retailers for a period of 2 years; • Future High Streets Fund - £675 million; • Consulting on planning reforms;

- Setting up a High Street Task Force - a web resource which is expected to be announced shortly; and
- strengthening community assets, supporting community groups to use empty properties and providing business rates relief for public toilets and local newspapers.

1.2 This paper focusses exclusively on the Future High Streets Fund. The purpose of the Fund is to:

“Renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability.”

2. How does the Fund work?

2.1 There will be two rounds of the fund, both with a two-phase application process. The government will therefore open applications to the fund twice. The two phase approach recognises that local authorities are likely to be at different stages in drafting their town centre strategies and those that do not have current strategies should not be disadvantaged.

2.2 The fund will work as follows:

- Phase 1 of application process: An Expression of Interest stage where the government will assess places on the need for funding, the nature of the challenge and the vision for the future of the town centre.
- Phase 2 of application process: for those who pass to Phase 2, there will be an amount of revenue funding available to work up project proposals. Funding decisions will be based on project plans and business cases.
- In the first round of the Fund, projects which are ‘shovel-ready’ may be fast-tracked for funding.
- An announcement will be made on the second round of the Fund in due course.

2.3 Expressions of interest will be assessed against criteria set out within the prospectus and application form. Criteria are weighted, with questions 2.1 and 3.1 receiving 30% of the scores respectively.

2.4 The Government expects to make an announcement in summer 2019 on which places will move forward to Phase 2. Projects are expected to be co-funded by the public (e.g. from local areas’ own budgets) and/or the private sector or private finance (e.g. co-financing housing infrastructure).

2.5 The Fund will contribute up to a maximum of £25 million to each successful place. However, the Government expects to see a range of project sizes coming forward, many of which are in the region of £5-10 million per town centre.

2.6 £55 million of the fund has been allocated to the Department for Digital, Culture, Media and Sport to support the regeneration of heritage high streets. This has two elements:

- helping to restore historic high street properties through Historic England, and
- equipping communities with their own resources to put historic buildings back into economic use - for example, residential buildings, new work spaces or cultural venues, supported by the Architectural Heritage Fund.

2.7 Further details will be announced in due course.

3. Eligibility

3.1 The government makes clear that it *“will not accept bids covering town centre areas that are not facing significant challenges”*.

3.2 The Expression of Interest (EOI) must cover defined high street or town centre areas that exhibit high levels of social and economic activity, that contain a variety of uses and functions, and that act as important service centres for extensive catchment populations.

3.3 The government expects an EOI to be supported by local stakeholders and proof should be provided. A list of stakeholders is provided in the prospectus. The support of the GFirst LEP has been sought for the Council's EOI.

3.4 The expectation is that bidding local authorities put forward a single, transformative submission covering one high street or town centre in their area. It can comprise more than one project/scheme but, if so, each element will need to be subject to a strong business case.

3.5 Investment ideally should 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; and
- Supporting adaptation of the high street in response to changing technology.

3.6 Funding will not be provided for surface-level projects that only make a difference to the appearance, rather than the use, of the area or those that would not have a long-term impact. MHCLG have also advised that bids that include multiple town centres or projects outside of the town centre (e.g. infrastructure) will not be eligible for funding.

3.7 The maximum number of bids that each local authority is able to submit to the fund has been calculated by comparing each authority's population to the average population across all eligible authorities. The Supplementary Guidance for bidding authorities confirms that Cotswold District Council has been allocated one 'bid space'.

3.8 Officers have raised concerns with MHCLG that a focus on population puts rural areas like Cotswold District, which is similar in size to Worcestershire, at a disadvantage to larger urban towns. Cotswold District contains many town centres and high streets serving large rural communities and tourists, all of which would benefit from additional investment.

4. Assessment Process

4.1 The government will assess the definitions of places and need in an EOI, as well as the level of strategic ambition, before making a decision on the places it takes forward.

4.2 The application form is based around three themes against which places will be selected:

- Defining the place (Geography, centre's catchment and link to wider economy);
- Setting out the challenges (Issues, why funding is need, supporting evidence);
- Strategic ambition (Vision, how will funding support the area, community engagement, other funding streams, alignment with wider strategic plans, capacity to delivery projects).

4.3 The government is not asking for specific scheme proposals at this stage, as it will make a decision on which places to take forward based on the challenges and ambition set out in the applications.

4.4 However, CDC can identify specific schemes if it feels they are "shovel-ready" and would be in a position to receive capital funding in the near future. CDC would need to make this clear and provide further supporting evidence.

4.5 Where the Fund is oversubscribed, the government will take into account factors such as the available profile of the Fund, ensuring a geographical spread of impact, and wider economic considerations. The Secretary of State for Housing, Communities and Local Government will make the final decision on funding.

4.6 All bids have to be submitted electronically to MHCLG no later than 2359 hours on Friday 22nd March 2019.

5. Bid for Funding - Expression of Interest

5.1 Moreton-in-Marsh Town Council submitted a letter to the Council on 1st March, requesting Moreton be selected as the location for the Council's EOI (see **Appendix B**). Fairford Town Council and Cirencester Town Council have also enquired about the fund.

5.2 As previously mentioned, Cotswold District Council has been allocated a maximum of one bid. The Council therefore has to establish which location it should choose, having regard to the criteria.

5.3 The Local Plan provides a useful tool to help establish a suitable location. Policy S3 sets out a Central Area Strategy for Cirencester to guide development in the town centre, the aim of which is to provide an attractive and vibrant place where people can access a good range of local services and shopping.

5.4 Cirencester's retailing and commercial importance far outstrips anywhere else in the District and, given the scale of opportunities available to improve the town centre as well as the bidding rules, Cirencester is the premier location for the purpose of the EOI.

5.5 Recent evidence (via the Cirencester Town Centre Health Check 2018) makes clear that Cirencester is relatively healthy when compared to neighbouring town centres. This is potentially at odds with the government's requirement that bids must cover town centre areas that are facing significant challenges. However, it is argued that all town centres are facing significant challenges, e.g. internet shopping, rents, business rates, etc. and it is better to invest in places that are inherently successful - a point that was made at the recent Cirencester Future's event.

6. Options

6.1 There are several projects within Cirencester that the Council could choose to focus its bid on - these include, but are not limited to:

- Additional decked car parking to release capacity (in addition to the Waterloo Scheme);
- Waterloo Car Park - improving links to the town centre;
- Redevelopment opportunities on sites allocated in the Local Plan (e.g. Old Memorial Hospital, Sheep Street Island, the Brewery, the Forum and Magistrates Court).

6.2 Although the guidance request EOIs to focus on the place rather than projects, the application form asks authorities to explain the town's strategic ambitions and how it will be delivered. It is therefore reasonable and appropriate to refer to projects to help articulate and visualise the vision and ambition of the town.

6.3 Providing additional car parking capacity, including increasing capacity at the Waterloo, is a central pillar of the Local Plan's strategy for the town centre. Car parking is the key that unlocks wider opportunities and it will act a catalyst for wider redevelopment in the town centre. Therefore, opportunities to deliver additional parking and to enhance connectivity through the town centre should be the focus of the EOI.

6.4 The Council's EOI therefore seeks revenue and capital funding for further investigations and advice to support a detailed business case for emerging proposals to improve links between the Waterloo car park and the town centre. Further details and justification can be found in section 3.4 of **Exempt Appendix A**.

(END)