

**REPORT TO:** Executive Board

**DATE:** 21 February 2019

**REPORTING OFFICER:** Strategic Director, Enterprise, Community Resources

**PORTFOLIO:** Physical Environment

**SUBJECT:** Town Centres & Funding

**WARD(S)** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to advise Members on recent announcements concerning Town Centre funding. The report makes an assessment of the funding criteria and seek approval from Members to submit bids for funding to the appropriate funding bodies, as outlined in section 4.4. of the report.

**2.0 RECOMMENDATION: That Members approve the proposals set out in sections 4 and 7 of the report and confirm their preferred approach.**

## **3.0 SUPPORTING INFORMATION**

3.1 Two major town centre funding streams were announced recently.

In November 2018 the Liverpool City Region Combined Authority (CA) launched its ***Strategic Investment Fund***. £6m has been allocated by the CA to the six Local Authorities to support their town centres

3.2 On 26<sup>th</sup> December 2018, the Government launched the ***Future High Streets Fund***. A summary of the criteria and background to these funds is outlined below

3.3 **A. Future High Streets Fund (FHSF) - £675m – Deadline for Round 1 Expressions Of Interest 22 March 2019**

### **1. Context**

This is a central part of Government's *Our Plan for the High Street* initiative (launched in 2018) that includes:

- cut in business rates by up to a third for a wide range of retail properties for two years
- consultation on planning reform to make it simpler to create more homes, jobs and choice in town centres
- creation of a *High Streets Task Force* to support local leadership
- strengthening community assets, including restoration of historic buildings that make high streets special, supporting community groups to use empty properties and providing business rates relief for public toilets and local newspapers

FHFS provides co-funding towards *innovative capital projects* that bring transformative change (around transport, housing delivery and public services) and support wider economic growth.

### 3.4 **2. Objectives**

The focus 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”.

In the first bidding round - Local authorities (LAs) will be expected to:

- define the specific challenges faced by their high streets
- set out their overarching strategic ambition for what the high street or town centre should become
- set out what needs to be done to make this possible

The guidance states that FHSF will not accept bids covering town centre areas that are not facing significant challenges. Proposals should cover high streets/town centres as defined as areas that:

- exhibit high levels of social and economic activity
- contain a variety of uses and functions
- act as important service centres for extensive catchment populations. Small parades of shops of purely neighbourhood significance are not regarded as high streets or town centres for purposes of this fund.

Identified local need for investment should fall under the following themes:

- Investment in physical infrastructure;
- Acquisition and assembly of land including to support new housing, workspaces and 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 adaptation of the high street in response to

changing technology.

### 3. Process

3.5 Two bidding rounds are planned. Round 2 will be announced in due course but will not open before 2020.

Round 1 aims to co-fund projects and places that have *already started to formulate a vision* for the future of their town centres. Proposals should comprise a single, transformative submission covering one high street or town centre in their area. This may comprise more than one intervention.

The application process is in two stages.

- **Phase 1** - Expressions of Interest (deadline **22 March 2019**) setting out challenges and strategic approach to regenerating town centres based on FHFS criteria. This phase concerns identifying places to work with, and will not have regard to specific schemes included in submitted proposals when assessing bids. Shortlisted bids will be announced in summer 2019.

NB: EOIs will be sifted on the basis of their responses to three key themes – i) defining the place; ii) setting out the challenges; iii) strategic ambition. Further guidance on the scoring criteria and weighting for EOIs will be published before end of January 2019.

- **Phase 2** – Shortlisted places are invited (with some revenue funding) to develop a full business case - high street strategy shall include specific project plans (deadline late 2019/early 2020). Projects which are '*shovel ready*' may be fast-tracked for funding.

£55m (8%) of the Fund is allocated to the Department for Digital, Culture, Media and Sport to support the regeneration of '*heritage*' high streets.

### **B. Town Centre Commission Funding (TCCF) - £1m - Deadline March 2019**

3.6 **1. Context**

This is a programme within the Liverpool City Region's Strategic Investment Fund (SIF). The Town Centre Commission is described as 'an expert-led study into sustainable models for LCR town centres and options to improve services and amenities, and to use

them to improve social value in LCR town centres'. Funding proposals are limited to one town centre per local authority (unless by exception).

TCCF is designed to focus on people and the way they use town and district centres. It is a programme intended to improve local participation, wellbeing and inclusivity; it is not a property programme in the first instance. Follow-on property investment may result from the Commission and the Fund. TCCF is aimed at increasing footfall in town centres for '*non-retail*' reasons. Hence, potential projects could look at community, social, well-being, culture, health and sport.

## **2. Objectives**

- 3.7
- Up to £1 million for each local authority outside Liverpool City Council.
  - Up to £1 million for Liverpool City Council.

Each place's set of interventions must together adhere to SIF principles, including Value for Money. An element of the funding will be released for pre-development funding and to fund the Commission described above. A guiding principle for funding is a 50/50 capital/revenue split. Funding can be used to pilot new ideas.

Business Cases/Action Plan will need to be prepared by March 2019. Funding must be fully spent by December 2020.

The TCCF aims to:

- gather and analyse evidence relating to town centre vitality and viability
- implement activities recommended by the Commission
- encourage local, inclusive and regenerative patronage of town centres by empowering our residents to participate in their daily life and improvement
- prepare for long-term investment in identified areas, including long-term property investment
- work alongside other investment in economic opportunities within the city region
- create town centres which people want to use by creating vibrant, safe and welcoming environments
- 'green' our town centres and support the health and wellbeing of our citizens

## **3. Process**

- 3.8
- Each Local Authority will need to agree its target town centre in advance with the CA.

The CA will have regard for each LA's Local Plan in considering its proposal. The ideal town centre will be a recognised town centre in a

current Local Plan and form part of the LA's medium to long-term Economic and Investment Plan, for which the Fund can signpost and prepare for greater investment.

It is proposed that each LA will collaborate with the CA on selecting interventions to be funded. Interventions should be supported by the Commission's findings and the LA should set out a clear vision of the place's purpose and audience.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 The funding streams identified above are focused on revitalising town centres, but the funds differ in scale and focus. The FHFS looks to support large scale physical transformation projects with bids being on average £5m up to a maximum of £25m. The TCCF is predominantly orientated towards people and communities, with a maximum grant of £1m.
- 4.2 Halton has three town centres, Halton Lea, Runcorn and Widnes and this presents some challenges in determining how funding might be allocated. Both funds emphasise the need for a strategic approach which demonstrates a significant economic impact on an area.
- 4.3 The chances of submitting successful bids will be improved if there are 'oven-ready' bids that can be submitted within a relatively short timeframe. In this regard, Halton Lea and Runcorn Station Quarter benefit from the fact that vision documents and Masterplans have been produced for these centres, thereby making it easier for the Council to submit a bid for these areas. In the past, there have been some tentative discussions with property owners regarding alternative end uses in the town centre, but considerable work would be required to develop this into a worked up funding proposal.
- 4.4 Taking into account the funding criteria, the main priorities of the Council, resources and capacity available, as well as the funding deadlines, Members are requested to agree the following approach:
- 1) An Expression of Interest for Runcorn Station Quarter including Runcorn Town Centre is submitted to the FHFS scheme. In terms of capacity, we would ask our recently appointed development partner to lead on this work with input from the Council.
  - 2) A Thematic' bid of £1m is submitted to the TCCF to cover Halton Lea.
  - 3) Further proposals are developed for Widnes which could be funded using the Environment Fund.

4.5 Regarding (2), the types of schemes to be funded might include the continuation of the Youth Zone, Community Shop and development of a Roof Top Garden in Halton Lea.

4.6 Regarding (3) there are some environmental improvements within the public realm that could be introduced to maintain and enhance a strong town centre offer in Widnes.

4.7 There are some risks associated with taking the approach outlined above and these are summarised in section 7 of the report.

## **5.0 OTHER/FINANCIAL IMPLICATIONS**

5.1 Undoubtedly, matching funding will be required to support the bids. However, the guidance does not stipulate the level required and refers to 'co-financing'. The Council's existing capital programme could be a useful source of matching funding. The team is also exploring other funding pots such as the (transport-led) transforming cities fund.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 Successful bids will have a positive impact on a wide range of the Council's priorities because of the investment in the borough both in terms of improvements to the place, but supporting services that promote our community's participation in our town centres.

## **7.0 RISK ANALYSIS**

7.1 There is a risk that if the Council submits too many Expressions of Interest to the FHFS, then the response from funders might be that the Council has not been focused and strategic enough in determining a set of town centre priorities. Therefore, it is proposed that a bid around Runcorn and Runcorn Station Quarter would be the Council's priority. Further discussions will be needed with the Combined Authority Investment Team to determine whether the approach proposed in section 4 would be acceptable.

## **8.0 LIST OF BACKGROUND PAPERS UNER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.