

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
REGENERATION TEAM	PLANNING COMMITTEE	13 TH NOVEMBER 2019	6

FUTURE HIGH STREET FUND: KIRKHAM

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

Planning Committee resolved at its meeting of 13 February 2019 to put forward a bid into the Government's initiative known as the Future High Street Fund (FHSF), both the main part of the Fund and that aspect relating to heritage restoration and promotion (Heritage Action Zone - HAZ). The bid for the main High Street element proved to be successful in that the Council has now been shortlisted and invited to develop a fully detailed business case for final submission by the 30th June 2020. The full business case will need to be very detailed and well considered to ensure that it is comprehensive in all aspects, meeting the guidance of the Prospectus and objectives of the fund.

An initial grant of £75,000 has been awarded to this Council to commission suitably qualified consultants to draw together, alongside the Regeneration Team, a fully detailed business case to a brief drawn together by the Team (Appendix 2). The initial £75,000 has been confirmed, with the second allocation of £75,000 expected to be confirmed in early 2020. If the second allocation is not granted the value of the capital scheme will be reduced to the value of the initial allocation, such that only expenditure that will be met by the total grant allocation will be committed.

The scope of the brief to support the development of the strategy and business case is placed before Planning Committee for approval. In addition, the more detailed scope of the development of the Heritage Action Zone is now set out in the report.

Whilst the bidding process remains competitive a well detailed case with prospects for implementation should put the Council in a good position to receive funding support.

RECOMMENDATION

1. That Committee approves the broad approach to the development of the Future High Street Fund Business Case, which will also form part of a longer term regeneration strategy for the town centre, to be developed. Full details of individual components of the scheme will be brought forward to Committee for consideration as appropriate in due course. (Appendix 1)
2. That Committee agrees and adopts the Future High Street Consultants Brief for the purposes of engaging the appropriate consultants and as a basis for the outcomes directly inputting into the detailed business case. (Appendix 2)
3. That Committee approves the approach as set out in the report for the compilation of the Heritage Action Zone Programme subject to the detailed proposals being brought forward in due course, as appropriate.

(Appendix 3)

4. That Committee agrees to the formation of a Project Board to assist in the delivery of the initiatives should they be successful and that the matter of member inclusion be considered in due course.
5. That the Committee approve a request to the Finance and Democracy Committee for an addition to the Capital Programme in the total sum of £150,000 (£75,000 in 2019/20 and £75,000 in 2020/21) in respect of the Kirkham Future High Street Fund Scheme, to be met in full by a central government grant for this purpose (The initial £75,000 has been confirmed, with the second allocation of £75,000 expected to be confirmed in early 2020. If the second allocation is not granted the value of the capital scheme will be reduced to the value of the initial allocation, such that only expenditure that will be met by the total grant allocation will be committed).
6. That, subject to approval by the Finance and Democracy Committee as at 5 above, the Committee authorises the use of the grant received by the Ministry of Housing, Communities and Local Government (or as subsequently agreed) for the purposes of commissioning the appropriate consultants to assist with the preparation of the fully development Business Case in respect of the Future High street Fund bid for Kirkham

SUMMARY OF PREVIOUS DECISIONS

On 13 February 2019, Planning Committee RESOLVED that:

1. Kirkham town centre be put forward as a potential bid for the 2019 round of the Future High Streets Fund.
2. That officers be authorised to develop an expression of interest for Kirkham town centre.
3. That officers be authorised to seek partners and opportunities to co-fund the selected project.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	√
Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	√
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	√
Promoting Fylde as a great destination to visit (A Great Place to Visit)	√

REPORT

BACKGROUND

1. The Future High Street Fund (FHSF) is a national initiative launched by the H.M. Government in October 2018. Initially, the fund was £675m with a smaller part of that, some £42m, to be directed at the Heritage Action Zone initiative (HAZ), for the revitalisation of town centres that have historic value. The Prospectus set out the aims of the fund, its objectives and eligibility criteria. The FHSF is a competitive process.
2. Planning Committee resolved to apply to the fund for schemes within Kirkham and following that decision, officers drew together an 'Expression of Interest', which was submitted within the prescribed timescale. The announcement early in 2019 of 50 'shortlisted' towns did not include Kirkham although the Council, in receiving feedback, was encouraged to bid again in 2020 (Round 2).

3. On the 26th August, H.M. Government announced that the fund had been increased by a further £325m. Shortly afterwards, it was announced that the Council would be invited to progress to the next stage for Kirkham (shortlisted) and in doing so, would be asked to make a fully detailed business case. In addition, on the 14th September, it was also announced that the bid for the HAZ had also been successful, again the Council being invited to develop a programme for the delivery of its proposals.
4. The FHSF can be used for a variety of interventions ranging from traffic management to property development, although the thrust of it is aimed at repurposing commercial areas, drawing in new sustainable uses, primarily dealing with long standing vacancy and problematical sites. The detailed bid will look at a range of issues and it will be vital that property interests work alongside the Council for the bid to succeed. The fund will allow authorities to bid for up to £25m, but it is anticipated that most successful bids will be of the £5m - £10m range. The financial 'match funding' for the FHSF bid will be based on private sector investment. The actual bid value for Kirkham is not known at this stage.
5. A fully developed business case will require a great deal of research and the costing of projects and as such, will require elements of expertise in commercial property processes and accounting procedures, that this Council does not readily have in sufficient quantity. This fact is acknowledged by Government and as a result is offering grant assistance to allow local authorities to employ consultant(s) to assist with the development of the case. A detailed brief is now complete (prepared by the Regeneration officers) and will be the subject of the Council's procurement procedures (Appendix 2).
6. As part of the initial Expression of Interest, local authorities were asked to estimate the level of support required. A figure of £75,000 was included, which has now been agreed. However, with the base level of information low, and as the ideas are emerging, a full range of economic and other data would be helpful, allowing for a full economic appraisal and business case to be developed, covering a range of issues as well as longer term planning. To that end, officers have applied to MHCLG for a 'top up' of a further £75,000 which the process allows for. The initial £75,000 has been confirmed, with the second allocation of £75,000 expected to be confirmed in early 2020. If the second allocation is not granted the value of the capital scheme will be reduced to the value of the initial allocation, such that only expenditure that will be met by the total grant allocation will be committed.

THE FHSF AND HAZ PRINCIPLES

7. There is, perhaps understandably, some confusion about the difference between FHSF and HAZ. In fact HAZ is part of the broader FHSF initiative but some £90m of the total £1bn 'pot' was separated out. Whilst the main FHSF is being dealt with and delivered with the Ministry of Housing, Communities and Local Government, the HAZ schemes are delegated to Historic England, who will work with the successful towns on heritage aspects of town centre regeneration. In respect of Kirkham, as matters stand, a further bid will be put into the main FHSF with another put into the HAZ element i.e. into Historic England. The main FHSF can potentially support regeneration initiatives across the town centre, whereas the HAZ is limited to the designated conservation area. However, in developing a strategy the two initiatives should work together each aimed at promoting development in the interests of the town centre as a whole.
8. The FHSF bid requires a full business case to be developed and for this purpose it is proposed to engage appropriate consultants to work as part of the team, whilst the HAZ will be run in house, with the probability of a dedicated project officer being appointed, funded by the scheme.

THE DEVELOPMENT OF THE FHSF

9. The strategy for the FHSF should be tailored to meet the specific needs and opportunities of each town. In most cases, where towns have been shortlisted, there is a recognised issue of decline as evidenced in the initial Expression of Interest. The aim is to revitalise and repurpose town centres based on the premise that retail areas will contract and many buildings will no longer be fit for their original purpose in the long term. Kirkham has a relatively small centre with effectively one principal high street. The strategy of the FHSF, when taken together with the HAZ seeks to repurpose the use of a number of buildings, many of which are currently vacant, assess the scope for commercial re-use, develop potential redundant buildings and sites, enhance the public spaces and undertake architectural enhancements. In addition, the issue of traffic circulation, connections around town, and an enhanced pedestrian ambience in town will be addressed. (Appendix 1) The strategy necessitates a close working relationship with the private sector and any ultimate grant aid offered will have to meet with strict protocols, and a fully demonstrated justification that meets with Treasury rules will also be required.
10. The Strategy is at its general inception stage and the brief as included at appendix 2, whilst very detailed, seeks to set a clear set of requirements and direction of travel for the appointed consultants. The appointment of consultants will be achieved through the Council's procurement policies and their fees funded by the Government grant that has been received, but to which a further 'ask has been made' to increase the scope of the commission now thought necessary and contained within the brief (Paragraph 6 above).
11. An officer of Housing Communities and Local Government has been allocated to a number of projects including Kirkham and an inception meeting is to be held later in November.
12. At this stage, Committee is asked to approve the scope of the consultants brief and authorise the commissioning of the studies to form part of the final bid on the basis that it falls within the level of grant received - currently £75k but potentially increasing to £150k. There are a number of stages related to the development of the bid but the final submission is to be made by the 30th June 2020.

THE DEVELOPEMNT OF THE HAZ

13. This part of the initiative should be seen as being directly related to the FHSF. However, a separate process is in place and the funding aspects quite different. In this case the funding 'pot' associated with HAZ, is to be derived from a number of sources as a means of match funding. In the case of Kirkham this includes, The Borough Council, Town Council, County Council, Section 106 commuted payments over a phased, four year period. In addition, there are to be a number of 'in kind' contributions including the Health Authority and County Council Museum Service. The scheme will involve a series of interventions including public realm and building refurbishments, the potential development of an eco-building craft skills centre and broad public engagement in respect of enhancing heritage appreciation. At the present time, the Regeneration officers are working with an officer from Historic England who is acting as a 'critical friend/advisor' in the development of the programme. The programme 'bid' is required to be submitted by the end of the calendar year and the scheme up and running from April 2020. The full bid value is at present £3.2m although this might not be agreed in total. Nearer the time the full scope of the project will be presented to Planning Committee with the full budget costs identified.

BENEFITS OF THE SCHEME

14. Kirkham as the market town of the Borough has, in common with many town centres, seen a decline in business confidence. This has resulted in a high number of vacancies, much reduced footfall and evidence of a lack of investment in its building fabric. Once such decline is visible this can accelerate quickly with long term, unfortunate consequences. With this in mind, there seems to be an appetite amongst the business community and Town Council to work closely with the Council to seek to reverse the fortunes of the town centre. The bids submitted so far have had the support of these

organisations and meetings are to be arranged with the many business/building owners to look at prospective development opportunities. The potential to reuse sites will require commercial analysis and an awareness of the markets and in this regard the consultants will play an invaluable role. If successful in the short to medium term, there is every possibility that the town centre can build on some of its inherent strengths and revitalise itself, which is essential if Kirkham is to benefit by capturing locally disposable spend from its role as a place that is witnessing expansion through housing and other development.

RISKS ASSOCIATED WITH THE SCHEME

15. The two schemes as outlined are government initiatives with the opportunity now presented to assess what actions might be possible to regenerate town centres for the future, seeking longstanding remedies. The size of the fund perhaps best demonstrates the political and economic significance of this national issue. In the absence of such local funding opportunities (which are as yet not confirmed), town centre initiatives would be left to Council activity and private sector investment, which may be adequate in some cases but not in many others. From an economic point of view, a lack of action may accelerate present town centre decline.
16. From a positive point of view, the potential for public funding to support a range of direct interventions and private sector development potentially creates a series of opportunities. The preparatory work will provide a framework for a full understanding of all of the issues relating to the town centre and then to follow a fully researched plan of action. From the FHSF point of view, apart from officer time, the available grant aid will fund most, if not all, of the business case and beyond that, potential grant aid to bring forward development schemes would be invaluable.
17. In respect of the HAZ, the development of the heritage programme is underway with funding contributions as proposed and set out in Appendix 3. In so far as this Council is concerned, the capital contribution is agreed in principle and Section 106 commuted payments subject to legally binding agreements. Prior to the final 'sign off' agreement with Historic England the funding should be secured.
18. As already outlined in the report, the success of the scheme will depend to a large extent of the commitment of the private sector – building and land owners and from that point of view, initial discussions are proving very positive.
19. One of the difficulties of the way the FHSF and HAZ have emerged are the tight timescales presented from notification of 'successes' to the requirement to provide all the material required for the next stage. This is a very short window. However, it is expected that despite the timescales, the next stages of the process will be met.
20. In so far as managing the process is concerned, relevant reports will be presented to Committee as required, including the scope of the projects as they emerge. However, as part of both the FHSF and HAZ it is suggested (and a requirement of HAZ) that a project board be drawn together to drive the project. It will be recalled that there will be a number of organisations involved in the delivery of the various component parts e.g. health and culture. Boards of this type have been established for other regeneration initiatives e.g. lottery projects. It is suggested that this be given due consideration and a proposed structure be brought forward to Committee for further discussion in due course.
21. A presentation of some of this ideas and processes will be made at Committee.

IMPLICATIONS	
Finance	This is essentially an update report with some key decisions as regards the next stages included. This report proposes a request to the Finance and Democracy Committee for an addition to the Capital

	Programme in the total sum of £150,000 (£75,000 in 2019/20 and £75,000 in 2020/21) in respect of the Kirkham Future High Street Scheme, to be met in full by a central government grant for this purpose. The initial £75,000 has been confirmed, with the second allocation of £75,000 expected to be confirmed in early 2020. If the second allocation is not granted the value of the capital scheme will be reduced to the value of the initial allocation, such that only expenditure that will be met by the total grant allocation will be committed.
Legal	None directly. The grant aid is to be used to develop the Business case although this is not to be monitored directly.
Community Safety	None relevant at this stage.
Human Rights and Equalities	The scheme and the consultants brief will seek to equally benefit all users of the town
Sustainability and Environmental Impact	The overall initiative seeks to create a sustainable town centre for the long term.
Health & Safety and Risk Management	None at this stage.

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
<i>Name of document</i>	<i>Date</i>	<i>Where available for inspection</i>

Attached documents

Appendix 1. Map of the defined town centre illustrating the broad range of site and property based potential for partnership development.

Appendix 2 Copy of the Consultants Brief

Appendix 3 Key aspects of the proposed HAZ