



<u>Committee and Date</u>	<u>Item</u>
Cabinet 27 th February 2019	
	<u>Public</u>

FUTURE HIGH STREETS FUND

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1. Summary

- 1.1 As part of the Autumn Statement, Government announced 'Our plan for the High Street'. Following this on 26th December 2018 the Ministry of Housing, Communities and Local Government (MHCLG) announced the Future High Streets Fund, a £675 million fund to support high streets to adapt, transform and meet the changing expectations and functions of high streets; not just to survive, but to thrive.
- 1.2 The Government has issued a prospectus and supplementary guidance to support this fund which involves a first round (due by 22nd March 2019) and a future second round expected to be opened in 2020. MHCLG are expecting the fund to be highly subscribed to and due to a high volume of enquiries and interest including from Shropshire Council, Government have issued further guidance on the number of bids that Local Authorities are able to submit. Shropshire is eligible to submit two bids into this first round of funding. The prospectus sets out that there is likely to be a further call for proposals in 2020, the details of which will follow.
- 1.3 The objective 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**.
- 1.4 The Government's aim is to co-fund projects and places that have already started to formulate a vision for the future of their town centres. They are expecting bids to be in the region of £5 -10 million and not exceeding £25 million and be co-funded by either public or private sector investment.
- 1.5 In order to consider the number of towns across the County which expressed initial interest in being put forward, a short proposal form was produced based on the criteria set out in the prospectus for the High Streets fund and a process to objectively consider these was put in place. Officers asked for proposals to be returned to the Council for consideration by a majority independent panel. The panel consisted of the Executive Director of Place for Shropshire Council, Director of the Marches Local Enterprise Partnership and the Chair of Shropshire Business Board.

- 1.6 Three of Shropshire's Towns submitted proposals; Oswestry, Shrewsbury and Whitchurch. Oswestry and Shrewsbury have shown a preference to be considered for the first round of funding and Whitchurch for the second.
- 1.7 The Panel met on 15th February 2019, reviewed and scored the proposals that were submitted and concluded that both the Shrewsbury and Oswestry bids should proceed as first round bids and be worked up in collaboration with the Town Councils, Local Elected Members and Business Improvement Districts. Whitchurch showed a preference to be looked at for the second round of funding in 2020 and the panel supported their bid.
- 1.8 Officers will continue to work closely with MHCLG on 'Our plan for the High Street' and the emerging information and guidance; and the implications of this for Shropshire and its many market towns.

2. Recommendations

1. That Cabinet agrees to support both Shrewsbury and Oswestry's proposals to be progressed to formulate full and robust bids for the first round submission.
2. That delegated authority be given to the Executive Director of Place in consultation with the Portfolio Holders for Economic Growth to submit two bids to Government for the 22nd March 2019 deadline.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 There is a significant opportunity for Shropshire Council to submit two bids to the Future High Street Fund, to access a share of the £675 million that has been allocated to support transformational projects to support towns and high streets. This is aligned with the Council's own aspirations for economic growth as outlined in the Economic Growth Strategy and equally recognising both similar and different challenges and opportunities facing Shropshire's diverse market towns and high streets within them.
- 3.2 To give the Council the greatest potential for success, it will be important to ensure that both bids meet the eligibility criteria of the fund and are truly transformational in their proposals. This will be done through the preparation of the full bids.
- 3.3 Shropshire Council could decide not to submit any bid for this funding and therefore not maximise the opportunity to lever in significant additional Government Funding which can help to deliver against the Economic Growth Strategy and local economic growth strategies. There is a reputational risk for the Council of not taking an opportunity to bid to Central Government and how this will be perceived within Shropshire by communities and stakeholders and externally with organisations and departments such as the LEP and MHCLG.

3.4 An alternative option would be that Shropshire Council could choose to submit only one bid which it felt met the criteria and eligibility of the fund best and is more likely to be successful in securing the funding available. The Council would not be taking the opportunity to submit two bids for two town centres that is now open to it based on the guidance issued by Government. Again, this could lead to a reputational risk for the Council and loss of potential investment in a key market town.

4. Financial Implications

- 4.1 The prospectus states that: *projects be co-funded by public and private sector additions and this will be taken into consideration as part of the assessment of projects. We will expect an element of co-funding, either on a project basis or to deliver a local area's wider strategy for the high street. This co-funding could either be public (e.g. from local areas' own budgets) or private finance (e.g. co-financing housing infrastructure).*
- 4.2 Proposals have been asked to highlight potential match funding available to support the aspirations set out in the bid. Officers will now need to work with both Shrewsbury and Oswestry areas to understand further their ask from Government and any potential ask of Shropshire Council.
- 4.3 As part of the Shrewsbury Big Town Plan work, Shrewsbury Town Council, Shropshire Council and the Business Improvement District have each agreed to contribute £50,000 each year for the next three years, with a total budget of £450k to move the Big Town Plan from vision into delivery. There is opportunity through this proposal to explore further collaboration with the BID and Town Council on new funding and resource opportunities.
- 4.4 In Oswestry, Shropshire Council has provisionally secured up to £9.3m of Housing Infrastructure Fund to support and enable the development and delivery of housing in Oswestry. There is an opportunity now to explore collaboration with the BID and Town Council regarding match funding opportunities aligning resources across the 3 organisations as well as exploring further funding opportunities and resources.
- 4.5 At this stage there is no requirement for additional resources from Shropshire Council. Further work will be undertaken and discussed with the Section 151 officer prior to submission.

5. Background

- 5.1 The Autumn Budget set out Governments Plan for the High Street, which included:
- cutting business rates by a third for up to 90% of retail properties for two years, to provide upfront support for high streets;
 - supporting the transformation of the high street, by creating a £675 million Future High Streets Fund to help local areas make their high streets and town centres fit for the future;
 - consulting on planning reform to make it simpler to create more homes, jobs and choice in town centres, and trialling a register of empty shops;
 - setting up a High Streets Task Force which will support local leadership with expert advice on helping local high streets to adapt and thrive; and

- strengthening community assets, including the restoration of the historic buildings that make our high streets special, supporting community groups to use empty properties and providing business rates relief for public toilets and local newspapers

- 5.2 The Future High Streets Fund forms a central part of this Plan. It will support places by co-funding transformative, structural changes to overcome challenges in their area and encourage wider economic growth within local areas, delivering investment and growth across regions in England to support the Industrial Strategy.
- 5.3 It is worthy of note that £55 million of the Future High Streets Fund has been allocated by 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 as residential buildings, new work spaces or cultural venues, supported by the Architectural Heritage Fund. Further details of this will be announced in due course and officers will work closely to understand the details and opportunities that this may offer.
- 5.4 In the first phase of the Future High Streets Fund, local authorities are being asked to define the specific challenges faced by the chosen high streets, to set out the overarching strategic ambition for what the high street or town centre should become and what needs to be done to make this possible.
- 5.5 MHCLG have set out the areas where they would expect any identified need for investment to fall under:
- 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
- 5.6 The prospectus states that: *Experience has shown that local areas need support, investment and guidance to help them meet these structural changes. To date many places have not been able to keep up with the speed of change to the detriment of town centres. We know that a shotgun approach of light touch interventions is not the solution for town centres facing large structural issues. Instead effective strategic thinking and masterplanning is needed, with local areas able to work across public and private sector organisations including local businesses, driven by strong local leadership.*

Local authorities should still ensure that they are prioritising the town centres in their area where challenges are significant and where funding has the potential to have the greatest impact. Bidding authorities should note that we are expecting a high volume of Expressions of Interest into the fund and therefore we may take into account factors such as ensuring a geographical spread of impact and wider economic considerations when assessing bids.

Process and Panel outcomes

- 5.7 Town and Parish Councils were invited to submit proposals which meet the objectives of the fund. Three proposals were received from Oswestry, Shrewsbury and Whitchurch.
- 5.8 A majority independent panel comprising the Executive Director of Place for Shropshire Council, the Director of the Marches Local Enterprise Partnership and Chair of Shropshire Business Board has assessed the proposals.
- 5.9 The panel assessed Shrewsbury's proposal and it was recommended that this goes forward to the first round. A suggested area of focus was for the proposal to enhance and clarify the ambition and narrative for Shrewsbury. The panel recognises there was support from wider partners and there have been various independent successes that can be built upon.
- 5.10 The panel assessed the Oswestry proposal and recommends that this goes forward to the first round. The panel concluded that this was a well written proposal which gave an authentic picture of Oswestry. However, it will be important to expand the detail to capture and enable a focus on a bigger vision for the town. There is some good creative thinking on using new environmental technology in the town.
- 5.11 The panel recommended that both Shrewsbury and Oswestry proposals are in a position to be progressed and worked up in partnership with the Town Councils, Local Elected Members and Business Improvement Districts into robust bids to be submitted to MHCLG on the 22nd March 2019.
- 5.12 The panel also noted that Whitchurch would like to be considered for the second round of funding in 2020. The panel recommends that this should progress forward to work up a stronger proposal. The panel is very pleased that Whitchurch will be building towards a submission for the next round and recognises that developing a BID in Whitchurch would strongly help encourage the engagement of the local businesses in the development of the submission.
- 5.13 The panel also noted that other towns may be in a better position to submit a proposal in 2020 and this is an opportunity for these towns to work collectively to focus on a vision, articulate the challenges and the projects to support this in advance of a further call.
- 5.14 **Timeline**
- December 2018: Phase 1 opens and Expressions of Interest are invited
 - 22 March 2019: deadline for Expressions of Interest to be submitted to MHCLG
 - Summer 2019: announcement from MHCLG 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
 - 2020: Second round of applications opens

6. Conclusions

- 6.1 A robust and transparent process of reviewing proposals from towns across Shropshire has been undertaken. The outcome of the panel review has identified two proposals to be taken forward for submission to MHCLG at the end of March and this forms the basis of the officer recommendation in this report.
- 6.2 There is a further opportunity for Shropshire in 2020 to look at other towns, as well as Whitchurch who have already submitted a proposal for round 2, which may be eligible for the second round of Future High Streets Fund (awaiting further information from MHCLG). Shropshire will continue to work with MHCLG on emerging guidance and information in relation to the 'Our plan for the High Street' and opportunities that this might provide to support our many towns and high streets.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Future High Street Fund Prospectus:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767749/Future_High_Streets_Fund_prospectus.pdf

Supplementary Guidance:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/777121/FHS_Fund_Supplementary_guidance_for_biddingAuthorities.pdf

Cabinet Member Cllr Peter Nutting and Cllr Steve Charmley

Local Members

Shrewsbury

Councillors Peter Adams, Dean Carroll, Nat Green, Kevin Pardy, Ioan Jones, Julian Dean, Ted Clarke, Pam Moseley, Hannah Fraser, David Vasmer, Alan Mosley, Peter Nutting, Nic Laurens, Jane McKenzie, Keith Roberts, Tony Parsons, Harry Taylor

Oswestry

Councillors Vince Hunt, Paul Milner, Clare Aspinall and John Price

Whitchurch

Councillors Peggy Mullock, Thomas Biggins and Gerald Dakin

Appendices

None