

## **HIGH PEAK BOROUGH COUNCIL**

### **Report to Economy and Growth Select Committee 10<sup>th</sup> March 2020**

<b>TITLE:</b>	<b>Buxton Future High Street Fund Initiative</b>
<b>EXECUTIVE COUNCILLOR:</b>	<b>Councillor Greenhalgh - Executive Councillor for Regeneration, Tourism and Leisure</b>
<b>CONTACT OFFICER:</b>	<b>Sarah Porru – Head of Regeneration</b>
<b>WARDS INVOLVED:</b>	<b>Buxton Central</b>

#### **1. Reason for the Report**

- 1.1 This report is to update Members on Future High Street Fund initiative and to set out next steps

#### **2 Executive Summary**

- 2.1 A Town Centre Investment Programme was approved in February 2019. The programme outlined proposals to support the development of high streets and town centres, and recommended submission of funding bids (including the Future High Streets Fund, Heritage Lottery Fund and Highways England Designated Fund) to support delivery.
- 2.2 The report identified that The Ministry of Housing, Communities and Local Government have made provision for a new town centre funding including a £675 million Future High Streets Fund (later uplifted to £1bn) to help diversity High Street areas and a Heritage Action Zone fund to help restore historic high street properties and help find new economic uses for these properties.
- 2.3 The Government permitted only one Future High Street bid and one Heritage Action Zone application from each local authority and have made clear that they will not accept bids covering town centre areas that are not facing significant challenges primarily identified as those having a higher rate of retail vacancies than the national average. Having presented the criteria, and considered the challenges and opportunities presented by each of the High Peak towns, the primary shopping area of Buxton was approved by Members as best placed to be the focus of both submissions and would benefit most from programme.
- 2.4 An expression of interest was made to the Government's Future High Streets Fund (FHSF) in March 2019 and was approved in July 2019.

- 2.5 Lambert Smith Hampton were appointed as lead consultant following a competitive tender process to qualifying businesses on the HCA framework in September 2019 and have to date undertaken the following elements of work:
- Desktop analysis & Policy context,
  - Commercial assessment, property market review, demand and investor analysis
  - Townscape examination
  - Transport & pedestrian movement analysis and broadband capacity
  - Stakeholder Consultation
  - Development of emerging option
  - Secondary consultation on emerging option with a range of statutory consultees and prospective investors
  - Early draft business case
  - Public consultation
- 2.6 Over 800 people were engaged with the public consultation events and 460 formal responses were received. Of which: 67% broadly positive; 18% neutral (not indicated); and 15% negative. 65% said more likely to visit Buxton town centre if implemented; Further details of the responses can be found at Appendix A
- 2.7 Although publically, the government has said that each town can apply for £25m, the guidance has made clear that the expected contribution from Government is likely to be between £5m-£10m. It is expected that this funding would leverage significant levels of co-investment.
- 2.8 The final business case will need to be submitted on 30<sup>th</sup> April.

### 3. **How this report links to Corporate Priorities**

- 3.1 Initiatives have the potential to help deliver the following aims of the Corporate Plan:  
(Aim 3)
- Protect and create jobs by supporting economic growth, development and regeneration
  - Thriving and flourishing town centres and high streets

Neil Rodgers  
**Executive Director (Place)**

#### **Web Links and Background Papers**

Approval to submit FHSF application for Buxton

#### **Location**

<https://democracy.highpeak.gov.uk/eListDocuments.aspx?CId=317&MIId=1222&Ver=4>

#### **Contact details**

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## 4. Detail

### **Application process and budget**

- 4.1 The Town Centre Investment programme was approved in February 2019. It recommended a series of measures to support town centre investment including the submission of a Future High Street fund application for Buxton.
- 4.2 An expression of interest was made to the Government's Future High Streets Fund (FHSF) in March 2019.  
The criteria for the scheme meant that an expression of interest covering the whole of Buxton would have failed, as the town wide shop vacancy level was below the national rate. An application focused on sub-area facing the most challenge was therefore developed.  
The application was based on:
- deliverability of Station Road adopted Supplementary Planning Guidance (2007);
  - adopted Design & Place-making Strategy (2009);
  - adopted Local Plan (2016);
  - Accelerated Housing Delivery Strategy (2016)
  - D2N2 Strategic Economic Plan (2019-2030)
  - Identified models of good practice for revitalisation of town centres (LGA Grimsey Review) 2017; High Street Report (Timpson report 2018)
  - Draft Buxton Visitor Economy Strategy (march 2019);
  - draft Buxton Town Team travel plan (Feb 2019)
  - emerging OPE Health hub project
  - Economic evidence on shop diversity, vacancy rates, Demographic and economic data, plus complaints/feedback from residents about town centre decline (which contrasted strongly from visitor feedback).
- 4.3 The expression of interest incorporated:
- Multi-storey car park between The Springs Shopping centre and Station Approach including EV & smart parking.
  - New station forecourt (including cycle hire/parking) and pedestrian route (including stairs and lift) directly between Station entrance and The Springs Shopping centre.
  - Re-use of released surface level car parking for: Apartment housing (potentially including retirement uses); Office units; Boutique Cinema, Gym + food outlets; New FE site for Buxton & Leek College; Changing places toilet facilities
  - Grant scheme to address viability gap & support conversion of empty upper floor units to residential
  - Transformational public realm works
- 4.4 Alongside the above, it was acknowledged that the Future High Street project, if successful, would be part of a suite of regeneration projects as part of High Peak Borough Council's corporate priorities for Thriving High Streets. This could include other initiatives both within Buxton and across the district to

support for business start-up, retailers and civic pride alongside support for re-use of heritage and delivery of the visitor economy strategy

- 4.5 The premise of the Expression of Interest was widely endorsed by private, public, voluntary and community sectors, with letters of support received from:
- Derbyshire County Council, Derbyshire Economic Partnership, D2N2 Local Enterprise Partnership, University of Derby, Buxton & Leek College, East Midlands Chamber, Federation of Small Businesses;
  - Buxton Town Team, Vision Buxton and Buxton Civic Association, Buxton Crescent Heritage Trust, High Peak CVS
  - Buxton Crescent Hotel & Thermal Spa; Parkwood Leisure (Buxton Pavilion Gardens) Buxton Opera House; Buxton International Opera Festival; Buxton Pavilion Gardens; Nestlé Waters UK (Buxton Water) and a signed letter from 23 Higher Buxton businesses (acknowledging and supporting application focus on Spring Gardens)

4.6 The Future High Street fund is a two stage fund. It includes an initial revenue fund for selected areas to develop proposals and prepare a business case; and a second, capital fund to implement those proposals. The government has made no guarantee that towns selected for first stage funding will receive second stage capital funding; it remains a competitive process assessed by the submission of the business case against criteria set out in guidance.

4.7 In mid July 2019, Buxton was selected as one of the first 50 towns to receive first stage approval. A grant of £150,000 was offered and the Council committed an additional £30,000 from the Regeneration budget to support the work. The deadline for submission of full business case is 30th April 2020.

4.8 The second stage assessment criteria are outlined below:

7.5 Assessment criteria	Method/weighting
Demonstrate market failure (requires grant funding from Govt)	Pass/fail
Delivers investment (i.e. in physical infrastructure, acquisition, transport improvements, supports change including in housing densification & technologies) not beautification projects.	Pass/fail
Meets spending timescale	Pass/fail
Demonstrates co-funding	Pass/fail
Value for Money (demonstrate benefit cost ratio (BCR) of ideally greater than 2.00)	50% weighting
Strategic fit (including delivering transformational change, local need and local support)	20% weighting
Deliverability (made up of review of commercial, financial & management case including risk management)	30% weighting

4.9 Although publically, the government has said that each town can apply for £25m, the guidance has made clear that the expected contribution from Government is likely to be between £5m-£10m. It is expected that this funding would leverage significant levels of co-investment.

- 4.10 Although the scheme is called 'future high street fund' the government funding cannot actually be spent on supporting or developing retail – the aim of the funding is to diversify the high street away from the shrinking demand for retail space.

### **Heritage Action Zone**

- 4.11 Simultaneous to the Future High Street Expression of Interest assessment period, in June 2020, there was a call for a single-stage application to establish Heritage Action Zones. This fund has similar objectives to the FHSF in that eligible area had to be town centres facing significant challenge, but funding had to develop the heritage value of the eligible area and so could compliment but not duplicate initiatives with the FHSF expression of interest. The council has been awarded an in principle award of £913,500 under the HAZ scheme. The grant agreement is expected in April 2020
- 4.12 The key deliverables under this scheme include:
- Shop front restoration grants for heritage buildings
  - Grant funding to support viability gaps to bring forward empty heritage properties
  - Offer a complementary face lift scheme to allocate small grants towards modern units to improve colour scheme and signage
  - Community engagement and cultural programme development
  - Explore the restoration and continuation of the missing colonnade around the Cavendish Arcade
  - Heritage interpretation at key visitor entrance points
  - Fund and deliver an education pack for school children.

### **Governance**

- 4.13 The Expression of Interest to FHSF proposed that governance arrangements for the project, if successful, would be the conversion of the Visitor Economy Strategy Board, into a Steering Board of Stakeholders for the Council's Buxton regeneration projects. To this end in August 2019, a revised terms of reference was taken to VES Board together with proposals to extend the membership. The Board declined to change their name as originally proposed but approved the revised terms of reference and membership. (Appendix B)
- 4.14 The Board will also oversee delivery of the HAZ – and in line with HAZ requirements, members of the board will lead community engagement and cultural programme through development of sub groups.

### **Progress to date**

- 4.15 Following appointment of Lambert Smith Hampton (LSH) to prepare masterplan and business case for the Future High Street Fund, the team undertook a baseline analysis to gather together an understanding of the study area, its current situation, and the opportunities that can inform the

FHSF proposals. This included significant in-depth analysis of the factors which would impact on town centre as well as identifying deliverable opportunities and commercial aspirations. Summary of Stage One report (appendix C).

- 4.16 Stakeholder engagement with property owners and tenants was undertaken in parallel with baseline stage. A stakeholder workshop in November 2019 was held with three initial options – to understand preferred scale of intervention and from this a revised option was assessed for viability, practical feasibility, co-investor client engagement.
- 4.17 Wider public consultation took place in January and February 2020 which engaged with over 800 residents, with over 460 formal written responses. It was successful in generating a consensus on the need for change with widespread support for the proposals (more than two-thirds of responses). There was notable support for several specific elements within the proposal including Station link, parking proposals (with re-use of surface level parking) and new Public Square with opened up river. This is important as these are fundamental elements within the proposed strategy and to securing benefit cost ratio outcomes required to secure funding. (Appendix A)
- 4.18 Following completion of the public consultation, the next steps include a review of a number of elements including:
- Expand cycle facilities, e.g. secure cycle stands within Spring Gardens
  - Review the extend of parking at Station
  - Review public art proposals – so that better reflects local character
  - Respond better to local character in the architecture of streets and spaces in the detailed design stage
  - Explore more opportunities to provide sustainability features
  - Seeking to improve disability access on station link
- 4.19 The revised proposals will then be re-appraised for financial viability and FHSF criterion and a final draft Business case will then be prepared. It is worth noting that the emerging masterplan is not proposed to be formally adopted as planning policy, as its primary purpose is to inform the business case for FHSF funding and as a tool to engage longer term with principle co-investors.
- 4.20 Following concerns raised around the effectiveness of the board as currently established the Leader of the Council has asked the Executive Director (Place) to meet with three of the key stakeholders on the board to review the effectiveness of the board and identify any areas for adjustment or improvement.

### **Business Case Submission**

- 4.20 An early draft business case was submitted to government on 15<sup>th</sup> January 2020 in line with funding requirements. The purpose of this was to give early site of draft proposals and outcomes to government. The timescale for

response is 8 weeks and at present we have received no feedback or communication from them.

- 4.21. The early stage business case included an indicative public sector co-investment of approximately £4.7 million to leverage £8.5 million of FHSF government funding & £38 million of private investment. It was suggested that the public co-investment would come from a combination of HPBC, DCC and LEP resources, and capital investment may alter subject to any longer term lease agreements if established. At this point, there has been no financial commitment to this programme from the Council.
- 4.22 A second stage business case is under-development taking on board the latest response from business owners and the community consultation and will also incorporate feedback from government (once received). It must be submitted by 30<sup>th</sup> April 2020.