

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – 24 SEPTEMBER 2019**

Title of report	<b>FUTURE HIGH STREETS FUND BUSINESS CASE DEVELOPMENT</b>
Key Decision	<p>a) Financial Yes</p> <p>b) Community Yes</p>
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Purpose of report	<ul style="list-style-type: none"> <li>To request Cabinet approval for expenditure of grant and existing budgets of up to £150,000 from Ministry of Housing Communities and Local Government to develop the Future High Streets Fund business case</li> <li>To request Cabinet approval to enter into a contract with WYG to develop the Future High Streets Fund business case</li> </ul>
Reason for Decision	<ul style="list-style-type: none"> <li>Cabinet approval is required to enter into a contract with a supplier for amounts over £100,000 spent within a single 12 month period.</li> </ul>
Council Priorities	<ul style="list-style-type: none"> <li>Supporting Coalville to be a more vibrant, family-friendly town</li> <li>Our communities are safe, healthy and connected</li> <li>Local people live in high quality, affordable homes</li> <li>Supporting businesses and helping people into local jobs</li> <li>Developing a clean and green district</li> </ul>
Implications:  Financial/Staff	<p>North West Leicestershire District Council has been allocated up to £150,000 from the Ministry of Housing, Communities &amp; Local Government for the Future High Streets Fund business case development.</p>
Link to relevant CAT	None

Risk Management	The business case development will be funded by an external grant and existing internal budgets.
Equalities Impact Screening	Not applicable
Human Rights	None
Transformational Government	Working with other public and private partners to deliver a better deal for Coalville and maximising investment to build confidence in the town and community.
Comments of Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	Report is satisfactory
Comments of Deputy Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	<a href="#">Prince's Foundation Regeneration Strategy for Coalville (2009)</a> <a href="#">Four Squares and Streets Investment Plan (2010)</a> <a href="#">Future High Streets Fund Shortlist</a> <a href="#">Future High Streets Fund Extended Shortlist</a> <a href="#">Coalville Town Centre Boundary</a> <a href="#">Business Case Guidance</a>
Recommendations	<p><b>THAT CABINET:</b></p> <ol style="list-style-type: none"> <li><b>1. APPROVES EXPENDITURE OF UP TO £150,000 OF GRANT FUNDING AND EXISTING BUDGETS TO DEVELOP A FULL BUSINESS CASE FOR SUBMISSION TO FUTURE HIGH STREETS FUND</b></li> <li><b>2. DELEGATES AUTHORITY TO STRATEGIC DIRECTOR OF PLACE TO FINALISE NEGOTIATIONS AND AWARD A CONTRACT TO WYG CONSULTANTS UP TO A VALUE OF £150,000 FOR DEVELOPMENT OF FULL BUSINESS CASE FOR FUTURE HIGH STREETS FUND</b></li> </ol>

## **1.0 CONTEXT**

- 1.1** The Future High Streets Fund (FHSF) is a £675 million capital and revenue grant fund to be allocated to local authorities on a competitive basis. It aims to provide infrastructure investment to help renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability. The recently announced £3.6 billion Towns Fund included an additional £325 million for the FHSF, taking the overall Fund to £1 billion. Individual applicants are invited to bid for up to £25,000,000 capital funding. There may also be the opportunity to seek limited funding for projects that are ready to begin immediately and officers are liaising with The Ministry of Housing, Communities & Local Government (MHCLG) to explore opportunities.

The MHCLG expects Future High Streets Fund investment to 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

- 1.2** A Stage 1 Expression of Interest (EOI) for Coalville to the FHSF was submitted in March 2019. In summary, the EOI set out our vision to renew and reshape Coalville town centre in a way that improves experience, drives growth and ensures future sustainability. The aim is to work with partners to help make Coalville a more desirable destination for those living in and around the town. We want to work with partners to further develop a vibrant, clean and green environment in Coalville to support the town to become more family friendly, and a destination of choice for visitors and businesses.

Projects highlighted in the EOI included:

- Reconfiguration of the Belvoir Shopping Centre
- Improving the quality of the public realm and townscape including greening
- Repurposing of existing sites including realisation of opportunities for residential development
- Delivery of a cinema
- Accessibility including cycle and pedestrian routes
- Digital promotion of the town centre

- 1.3** The FHSF received over 300 applications with only 50 locations being invited to progress to the next phase of the Fund, which is full business case development. A further 50 locations were added to the shortlist on 26 August 2019 following the Fund increase to £1 billion. Coalville is the only location in Leicestershire to be successful in either of the two shortlists.

- 1.4** In the business case development phase local authorities are being provided with support from Government to develop their final capital business cases. This support takes the form of grant funding towards the costs associated with business case development, and the provision of a delivery manager from within MHCLG who will act as a source of information and a critical friend to bidding authorities. Delivery managers will provide challenge to bidders as they progress their chosen schemes in their identified place. This assistance is intended to enable authorities to develop schemes of the highest quality with genuinely transformational impacts; it is not about simply choosing those authorities that are the best at writing bids.
- 1.5** Up to £150,000 is being made available to North West Leicestershire District Council by MHCLG to assist with the development of a full business case, which will be our Stage 2 submission. The Council has already been informed by MHCLG that it will receive a minimum grant of £100,000 for the development of the business case, with the opportunity for the Council to make a request for the grant to be extended to £150,000. The grant will be paid to the Council under section 31 of the Local Government Act 2003. Should FHSF grant funding of only £100,000 be available further funding of up to £50,000 is available through the Council's approved Growth Fund budget.
- 1.6** FHSF guidance states that the allocation can be used to engage consultants to assist with the preparation of the business case and to this end we will engage WYG using the Crown Commercial Services framework. Use of this pre-procured framework for appointing WYG ensures compliance with the Council's Contract Procedure Rules and procurement legislation. WYG will draw on additional professional expertise as required. Other direct consultancy support may be required as the business case development progresses in particular to ensure that a shared vision for Coalville is created in partnership with stakeholders.
- 1.7** The allocation will be spent on developing the business case for submission to the FHSF and will include site assessments, property valuations, commercial market information, expertise to undertake the Green book assessment, evidence of market failure, design work and quantity surveying.

## **2.0 TIMESCALES**

- 2.1** MHCLG have set an extremely tight turnaround time for submission of the final business case with a deadline of 28 February 2020. A draft business case must be submitted by 15 November 2019.

## **3.0 THE BUSINESS CASE**

- 3.1** The FHSF have stated that the business case must mirror the five-case business case model as set out in the published HM Treasury Green Book to include information relating to
- a) **Strategic case:** setting out the rationale for activity and the objectives of the proposal. It will be used to assess the extent to which proposals successfully meet the overall objectives of the fund.

- b) **Economic case:** including an appraisal of a number of options and a robust assessment of the predicted costs/ benefits of the project. This is used to assess the overall value for money of projects.
- c) **Commercial case:** setting out the delivery model including procurement and commercial arrangements that are needed to implement the project. This is used to assess whether the proposal can be effectively delivered and is commercially feasible.
- d) **Financial case:** Including details on the costs of the project demonstrating that the preferred option can be delivered successfully within the funding available.
- e) **Management case:** setting out the planning and practical arrangements for implementing the project, including any risks and monitoring and evaluation. It is used to assess if the proposal is practically deliverable.

**3.2** The five-case business case model is reflected in weighted criteria that will be applied to the assessment of business cases.

<b>Assessment criteria</b>	<b>Weighting %</b>
Value for Money (economic case)	50%
Strategic fit of projects (strategic case)	20%
Deliverability (commercial, financial and management cases)	30%

#### **4.0 ENGAGEMENT**

**4.1** A communication strategy has been developed to ensure that there is adequate engagement with elected members and the public. This includes opportunities to discuss the FHSF bid at a special Coalville ward member meeting on 10 October 2019.

#### **5.0 COALVILLE REGENERATION FRAMEWORK**

**5.1** The allocation of funding for the business case from MHCLG will be used to develop the full business case for submission to the FHSF. Should our bid be unsuccessful the due diligence work, market assessment, options assessment, viability and delivery analysis, site appraisals and delivery strategy work will be used to inform the proposed Coalville Regeneration Framework.