

Title of Report	COALVILLE REGENERATION	
Presented by	Councillor Richard Blunt Leader of the Council	
Background Papers	Future High Street Fund Cabinet Paper – March 2020	Public Report: Yes
	Coalville Regeneration – Paper To Community Scrutiny Committee 10th February 2021	Key Decision: No
Financial Implications	It is intended to use existing budget resources wherever possible to support delivery of the Coalville regeneration projects. Opportunities will also be explored to attract grant from a broad range of sources to assist with delivery. A Financial provision of £3m is included in the proposed council General Fund Capital Programme budget, (which at the time of writing this report is due for consideration at Council on 23 February 2021) between 2021 and 2023	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	Legal Services have supported the preparation of Coalville Regeneration projects contained within the Future High Streets Fund Bid. Ongoing delivery of the regeneration projects as discussed in this report will require continued support by the internal Legal Team. Some external specialist assistance may be required.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	Delivery of the Coalville regeneration projects contained within this report will form part of the future workload of the Economic Development and Regeneration Team. Delivery will also require support from Leicestershire County Council and Private Sector landowners.	
	Signed off by the Deputy Head of Paid Service:	
Purpose of Report	To inform Cabinet of the outcome of the Coalville Future High Streets Fund bid made to MHCLG, identify lessons learnt and seek support for the ongoing delivery of regeneration in the town based around the projects and approaches outlined in the report.	
Reason for Decision	The Regeneration of Coalville is a priority in the Corporate Business Plan.	
Recommendations	THAT CABINET: <ol style="list-style-type: none"> 1. NOTE THE OUTCOME OF THE COALVILLE FUTURE HIGH STREETS FUND BID 2. NOTE THE COMMUNITY SCRUTINY COMMITTEE’S COMMENTS OUTLINED BELOW 	

	3. NOTE THE FINANCIAL PROVISION OF £3M IN THE GENERAL FUND CAPITAL PROGRAMME BUDGET TO SUPPORT THE ONGOING REGENERATION OF COALVILLE AS SET OUT IN THIS REPORT
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1.0 Introduction

- 1.1 The Future High Streets Fund (FHSF) was a £1 billion capital and revenue grant fund to be allocated to local authorities on a competitive basis. The FHSF aimed 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.
- 1.2 Towns were invited to bid for up to £25,000,000 of capital funding and the Ministry of Housing, Communities & Local Government (MHCLG) expected 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
- 1.3 Coalville's FHSF bid was submitted to MHCLG at the end of June 2020 having been prepared by a team comprising NWLDC Officers and an experienced team of multidisciplinary consultants from WYG, Thomas Lister (Land and property development advisors) and Development Economics (economic analysts). Funding for consultancy was provided by MHCLG. The bid sought grant support of roughly £18m towards a programme of interventions with a combined total cost of circa £60m. This report was presented to Community Scrutiny Committee on 10 February 2021 and the committee were invited to feed back their views for Cabinet to consider.
- 1.4 The key points raised by the committee are summarised as follows:
- Members were disappointed with the outcome of the unsuccessful bid but appreciated the efforts made to put forward a strong bid application.
 - Members gave support for the continued work on the regeneration of Coalville as set out in the report.
 - Community Scrutiny Committee agreed to note the outcome of the Future High Streets Fund bid for Coalville.

2.0 Outcome Of The Bid And MHCLG Feedback

- 2.1 At the point of submission (June 2020) MHCLG indicated that decisions on which bids had been successful in the competitive process would be announced in Autumn 2020. As it transpired, Civil Servants were unable to sift all applications as quickly as anticipated and found the need to seek supplementary information from all bidders in September 2020. The additional information requested for the Coalville bid was provided in accordance with the deadline set.

- 2.2 The outcome of the bidding process was announced by the Minister on 26 December 2020. A total of 101 bids were received with 72 being successful. Unfortunately, Coalville was not included in the list of successful bids.
- 2.3 Unsuccessful bids were offered the opportunity of a feedback session shortly after the Ministerial announcement was made. As a result of queries raised during its first session, the Coalville bid team received two feedback sessions with the second session enabling Civil Servants to provide responses to queries raised earlier by NWLDC Officers.
- 2.4 The key points from the feedback sessions were as follows:
- The Coalville bid cleared the first stage of appraisal which comprised four “gateway” questions (pass/ fail questions)
 - At the second stage of appraisal, Government were seeking to ensure that the benefits that would accrue from their investment would offer good value for money (BCR) [Benefit Cost Ratio – the value of economic, social and health benefits to be derived when set against the investment of public funds required to deliver them]. It was at this stage that the Coalville bid fell.
- 2.5 The BCR calculation applied by Government was to treat itself as a funder of last resort. Private sector contributions identified within bids were deducted from the value of the economic, social and health benefits of the projects in order to determine the benefits that could be attributed to any Government funding. The Coalville bid had a larger than average proportion of private funding, reducing the BCR to below the FHSF threshold for bids to proceed to the final stage of assessment. A number of competitor bids are also understood to have fallen at this stage.
- 2.6 In feedback discussions, the Coalville bid team of officers and independent consultants argued that, whilst the Coalville bid did indeed contain a large proportion of private sector funding, this was not yet fully committed and should be considered “dependant” upon the provision of government grant support. MHCLG recognised this argument but declined to apply it in the context of the FHSF methodology.

3.0 Lessons Learnt

- 3.1 It is important to draw out any lessons learnt from the FHSF bidding process, to build on the experience, and inform and maximise future bidding opportunities. There have been a number of benefits from being involved in the initial stages of the Future High Street Fund bidding process:
- The council now benefits from much closer engagement and involvement with Officers within the Department For Business, Energy and Industrial Strategy (BEIS).
 - Relationships between the private sector partners and NWLDC are strong and persisting and from recent conversations appear likely to result in a number of projects contained within the FHSF bid progressing without grant support.
 - The council has a greater understanding of the benefit cost ratio assessments.
 - There has been a strengthening of understanding with Leicestershire County Council on key infrastructure aspirations for the town centre.
 - Government have a greater awareness of Coalville and particularly its regeneration opportunities and growth potential. This has already led to increased contact from other agencies such as Homes England who are wanting to look more closely at how the town fits with their agendas

- 3.2 Each funding bid process is different, so it is not as easy to transfer all learning from the FHSF bidding process to the next funding regime that becomes available, as the criteria and assessment may differ. However, the relationship and understanding built up at each stage of the FHSF process with MHCLG officials and BEIS will help inform further business case developments and create even stronger bids.
- 3.3 In addition to the above, the Council is also hoping to obtain copies of successful FHSF bids to identify any areas where adopting similar approaches might be possible (albeit recognising that bids are usually structured in a way which is specific to the circumstances of a locality)
- 3.4 The following bullet points summarise initial learning.
- Where permissible and before submitting funding bids, the Council should seek to engage even more intensively with grant regime administrators to obtain detailed written clarification of how specific aspects of the bid would be scored.
 - In particular, it is important to better understand the breakdown of the metrics of individual projects into core cost, minimum grant required, outputs, outcomes, impacts and follow on investment. This information will allow future bids to better reflect the assessment criteria of the funding body.
 - The competitive bid process includes a risk of 'putting all your eggs in one basket'. The Council may wish to mitigate risk by spreading projects in a programme across funding regimes.
 - We are confident that we utilised credible and experienced external consultants and specialist economic advisers, to prepare the Coalville Bid and indeed we understand that these consultants were involved with other bids both successful and unsuccessful. It may however be helpful for future bids to identify additional 'critical friend' support to check and challenge and identifying (if possible) any areas of potential competitive concern or ambiguity within the bid document. It is not clear however that this would have changed the outcome of the FHSF bid and external checking was involved in that process.

4.0 Where Next

- 4.1 Whilst it is disappointing that the Coalville FHSF bid was unsuccessful, it should be recognised that public sector funding would only have provided 30% of the gross cost of implementing all the projects outlined in the bid. 70% of the required funding was planned to come from the private sector. Prior to submission of the FHSF bid, Officers recognised that the programme was a competitive process and that the Coalville bid might not be successful. Resource was invested into exploring alternative means of development to ensure continuity for regeneration work and to fulfil the corporate priority to regenerate Coalville. We believe this risk management approach has been justified.
- 4.2 Conversations held with private sector partners since the result of the FHSF bid has been known, have shown the depth of relationships that have been built, and that we have a number of projects, primarily private sector funded, which are poised for implementation. Action should be taken by the Council to re-affirm the priority of regeneration in the town and to enable developers to implement their planned investments. By following this approach, it is considered that the private sector developer confidence will be bolstered, allowing them to make investment decisions which will allow the following to be achieved:

Deliverable (No Public Funding Required)

- A Bowling Alley
- The new vehicular access to the Belvoir Shopping Centre
- Refurbishment and reuse of the former Coop Department Store as a retail space

- Up to 80 new houses on the former needle factory site at Wolsey Road
- Public Realm improvements to the Belvoir Shopping Centre.

Deliverable (Limited Public Funding Required)

- Remaining land at Wolsey Road and eastern part of Urban Forest Park accessed and opened up for development.
- Mantle Lane aesthetic improvements.

Deliverable (As NWLDC Capital Project)

- The Marlborough Centre purchase and redevelopment.

Note- the delivery of a cinema in Coalville remains a priority, however this sector has seen significant changes in the last year as a result of COVID and further work is needed with the private sector providers before a more detailed proposal can come forward. These discussions have started and whilst at an early stage, our private sector partner is suggesting that a bid to other funding regimes would be their preferred means of unlocking this development.

Not Currently Deliverable

- The proposed public realm improvements to High Street, Memorial Square, Mantle Lane and Belvoir Road .

These are unlikely to be able to proceed at the current time with the funding available, but we will continue to develop these projects to become “small shovel ready initiatives” that can either be used to bid for any future grant programmes that become available or delivered as funding presents.

5.0 Reaffirming The Strategy

5.1 We are seeking to re-position Coalville through sustained regeneration, to create a place in which local people wish to spend more of their disposable income creating prosperity and vibrancy. This in turn will attract visitors, thereby further fuelling the local economy.

5.2 Much has already been done or is ongoing such as:

- The construction of the new leisure centre,
- Creation of Newmarket
- Supporting the building owner to refurbish the Red House
- Creation of new high-quality public realm place at Marlborough Square
- Refurbishment of a range of shopfronts within the principle retailing areas.

5.3 To achieve the Coalville Regeneration objective stated within the council’s Corporate Delivery Plan it will be necessary to:

- Continue to seek implementation of those projects contained within the FHSF bid presented to Cabinet in May 2020, (rebranded as the Coalville Regeneration Strategy) recognising that different types of resource will need to be brought to bear on each to ensure delivery.

- Work to deliver within existing and indicative resource allocations.
- Seek to enhance the quality, pace or scale of delivery by bring in additional funding from a broad range of external funding pots.
- Recognise that the job of regenerating Coalville will not end once the current portfolio of projects is delivered and therefore we will seek to develop new projects and to attract further inward investment to help deliver them.

6.0 FINANCIAL IMPLICATIONS

- 6.1 It is proposed to utilise existing resources and funding wherever possible to support implementation of regeneration in Coalville.
- 6.2 A financial provision of £3m is included in the proposed council General Fund Capital Programme budget (which, at the time of writing this report is due for approval in February 2021) between 2021 and 2023, in recognition of this. This funding and it's profile was originally based on the Marlborough Centre and Public Realm projects included in the Future High Streets bid. Both projects were dependent on the utilisation of internal borrowing that in turn contribute to the forecast external borrowing requirement identified in the council's Treasury Management Strategy in 2022/23.
- 6.3 Any draw down against this provision will be subject to prior presentation of a full business case to Scrutiny and Cabinet, and where the funding ask or profile is different to that included in the budget, a separate report will be delivered Council to seek approval of a revised funding package, in line with the finance procedure rules.
- 6.4 Alternative sources of grant funding to support delivery of projects in the Coalville Regeneration Programme will continue to be pursued to enhance the programme.

7.0 LEGAL

- 7.1 A range of legal support to the Coalville Regeneration Programme is likely to be required covering matters such as property acquisition and disposal, compulsory purchase, State Aid/Subsidy Control and Highways legislation. Legal advice and support will be provided by the in-house legal team and specialist external lawyers where needed.

Policies and other considerations, as appropriate	
Council Priorities:	<p>Relevant Council Priorities:</p> <ul style="list-style-type: none"> - <i>Supporting Coalville to be a more vibrant, family-friendly town</i> - <i>Support for businesses and helping people into local jobs</i> - <i>Developing a clean and green district</i> - <i>Local people live in high quality, affordable homes</i> - <i>Our communities are safe, healthy and connected</i>
Policy Considerations:	<i>None</i>
Safeguarding:	<i>None</i>
Equalities/Diversity:	<i>None Required At This Stage</i>
Customer Impact:	<i>Investment in the regeneration of Coalville may have a positive impact on the well-being of customers living in the town</i>
Economic and Social Impact:	<i>The aim of regeneration is to improve the physical environment of a place in order to create the climate for further private investment to create jobs and wellbeing. Regeneration normally brings about net positive economic and social impacts.</i>
Environment and Climate Change:	<i>All the projects proposed as part of the Regeneration Programme are involved with renewing the built fabric of Coalville. Replacing or refurbishing old structures and infrastructure with new (built to comply to modern energy performance and environmental standards) can be expected to bring positive environmental and Climate Change benefits.</i>
Consultation/Community Engagement:	<i>Individual projects will be subject to community consultation as part of their preparatory processes</i>
Risks:	<i>Any risks arising will be considered as part of business plans for individual projects.</i>
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