

**Decision Session – Executive Member for
Economic Development & Community
Engagement (Deputy Leader)**

22 March 2019

Future High Streets Fund – Expression of Interest

Summary

1. The Executive Member is asked to note that an Expression of Interest has been submitted to the Future High Street Fund, a central government funding opportunity to tackle the challenges facing town and city centres. The Expression of Interest does not commit the council to proceeding with a full bid or to any funding as successful applicants will be invited to submit a full business case at a later date. This is an information only paper and requires no decision.

Recommendations

2. The Executive Member is asked to note that an Expression of Interest has been submitted to the Future High Streets Fund.

Background

3. In December 2018 the government launched the Future High Street Fund, an opportunity for local authorities to bid for a share of £675m to help respond to the challenges affecting town centres and high streets across the country. Each authority can bid for up to £25m, although it is anticipated most successful bids will be in the region of £10m to £15m, for a single transformative submission that responds to the specific challenges of a high street in their area. The funding is not intended to facilitate surface level public realm improvements or to replicate roles that are already the responsibility of local authorities, but for a bold intervention that helps secure the future sustainability of the high street.

4. The bidding process required the submission of a light touch Expression of Interest by 22 March 2019. Successful authorities will be announced in the summer and will then proceed to full business case submissions. The purpose of the Expression of Interest is to define the high street area for which the funding is being sought, establish the challenges facing that high street, and set out the high level strategy for responding to those challenges.
5. In discussion with key stakeholders it was agreed that the council should submit an Expression of Interest. Whilst at face value York city centre is performing comparatively well there are specific challenges facing the main shopping area, particularly Coney Street, which point to a potential broader market failure. Much of these issues relate to medium to large floor plate retail which are not attractive to the market; the prevalence of distant institutional investors with over-inflated expectations of rents; significant empty spaces above shops; and high property values making local authority intervention challenging.
6. The bid criteria does allow for local authority areas of a certain size to submit multiple bids to ensure that authorities with several town centre areas and market towns do not have to choose between one location. Due to the population size of York we do exceed the threshold that would allow two separate Expressions of Interest to be submitted. However, it was decided that, as a single city authority with only modest high street areas outside of the centre, that we should not look to submit multiple bids for different locations, and that two bids focussed on the city centre would undermine the strength of a single submission that provides a clear response to our unique challenges.

Consultation

7. The challenges set out in paragraph 5 have been agreed in consultation with the York Retail Forum, the York BiD, Make It York, Indie York and the York Retail Taskforce. This process, and a visual depiction of the challenges (with those identified as most pertinent to York in red) are set out in annex 1. In addition to agreeing the challenges York Retail Forum and the BiD ran a stakeholder workshop to consider the fund criteria and develop a proposed response to those challenges. The outcome of this session has helped form the focus of the bid set out in the analysis section below.

8. Whilst the focus of the Expression of Interest is broadly supported by all parties an alternative proposal was also put forward to focus on unlocking empty space above shops for residential development and/or office space. This proposal also had significant merit. However on balance it was felt that it did not respond to the full range of agreed unique challenges facing York and was unlikely to be considered to be sufficiently bold and transformative to secure funding. For the reasons discussed in paragraph 8 it was also decided that we should not submit the alternative proposal as a secondary bid. However, tackling empty spaces above shops does form part of the final Expression of Interest approach, and officers will continue to work with those stakeholders to consider a coordinated approach to this problem outside of the Future High Streets Fund process.

Analysis

9. Having considered the challenges facing York, the bid criteria, and the views of stakeholders it was decided that the Expression of Interest should focus on a multi-layer response to tackling the issues facing Coney Street, with a particular focus on reconnecting with the river:
 - A connection with the river would Improve the local environment, attracting greater footfall and re-establishing the historic relationship with the river
 - It would open up the under-used and neglected spaces behind buildings that currently turn their back on the riverside
 - New river access would encourage property owners to respond by investing and remodelling their retail units to benefit from the dual frontage, matching public investment and making more efficient use of buildings and creating space for York's successful small independent traders
 - New ground floor access could be created to allow empty upper floors to be remodelled for alternative uses such as residential ("living over the shop") and office space
 - Dedicated planning and conservation resource would allow a one stop shop for landlords and developers to support the remodelling of their buildings
 - Allow a separation of uses, with the river-side focused on leisure and residential and Coney Street itself returned to a family shopping environment

10. There are a range of interventions that could deliver the strategy. An ambitious approach could be to acquire a property along Coney Street for demolition to allow a redevelopment creating a new connection with the river and an exemplar to developers of a new mixed use development benefiting from the riverside. Lower intervention approaches would be to use existing access points down to the river to link up with vacant spaces and potential continue existing riverside boardwalks to create a continual route. Which approach is deliverable and viable would be developed at full business case should the Expression of Interest be successful.

Council Plan

11. If successful securing funding would assist in achieving the council plan objectives through the creation of a Prosperous City for All, and the vision to be a council that listens to residents, particularly by ensuring that:
 - Everyone who lives in the city can enjoy its unique heritage and range of activities
 - Visitors, businesses and residents are impressed with the quality of our city
 - Local businesses can thrive
 - We are entrepreneurial, by making the most of commercial activities
 - We engage with our communities, listening to their views and taking them into account

Implications

12. The Expression of Interest has no implications for the council. It is a light touch submission process, and resource will only be committed to developing the full business case if the Expression of Interest is successful. There would be no commitment to proceed to full business case stage if it was decided at a later stage that the council did not want to proceed with a formal bid.

Risk Management

13. To ensure there is no reputational risk to the council key stakeholders have been involved in identifying the challenges and the vision for the Expression of Interest, and to ensure a high quality considered bid has

been prepared. As the application process is light touch and predominantly narrative based it has not required significant officer resource to prepare the bid. Should the bid be successful there will be revenue funding from central government for the preparation of the full business case, and if the decision was taken not to proceed to full business case then there are no consequences for the council.

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Approved

Wards Affected: Guildhall

All

For further information please contact the author of the report

Background Papers:

None

Annexes

Annex 1 – Future High Streets Fund – York’s challenges

List of Abbreviations Used in this Report

None