



**Committee:** CABINET

**Date:** THURSDAY, 30 APRIL 2020

**Time:** 6.00 P.M.

**PLEASE NOTE: THIS WILL BE A 'VIRTUAL MEETING', A LINK TO WHICH WILL BE AVAILABLE ON LANCASTER CITY COUNCIL'S WEBSITE AT LEAST 24 HOURS BEFORE THE MEETING**

## A G E N D A

1. Apologies

2. Minutes

To receive as a correct record the minutes of Cabinet held on Tuesday, 11 February 2020 (previously circulated).

*Please note the meetings scheduled for 17 March 2020 and 21 April 2020 were cancelled due to social distancing advice in view of the coronavirus pandemic.*

3. Items of Urgent Business Authorised by the Leader (Pages 3 - 15)

The Leader has authorised two items of urgent business for consideration at this meeting: Coronavirus Business Support and Funding for Vulnerable People. The reports were published on 30 April 2020.

4. Declarations of Interest

To receive declarations by Councillors of interests in respect of items on this Agenda.

Councillors are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Councillors should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Councillors are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. Public Speaking

To consider any such requests received in accordance with the approved procedure.

Reports from Overview and Scrutiny

None

Reports

6. Morecambe Future High Streets (Pages 16 - 22)

**(Cabinet Members with Special Responsibility Councillors Lewis & Hamilton-Cox)**

Report of Director for Economic Growth & Regeneration (this report was marked 'to follow' and was published on 29 April 2020)

**ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

Councillors Erica Lewis (Chair), Kevin Frea (Vice-Chair), Dave Brookes, Tim Hamilton-Cox, Janice Hanson, Caroline Jackson, Jean Parr, John Reynolds, Alistair Sinclair, Anne Whitehead and Tablet

**(ii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

**(iii) Apologies**

Please contact Democratic Support, telephone 582170, or alternatively email [democraticsupport@lancaster.gov.uk](mailto:democraticsupport@lancaster.gov.uk).

KIERAN KEANE,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER, LA1 1PJ

Published on Wednesday 22 April , 2020.

## Lancaster City Council | Report Cover Sheet

<b>Meeting</b>	Cabinet	<b>Date</b>	30 April 2020
<b>Title</b>	Coronavirus Business Support Measures		
<b>Report of</b>	Director of Economic Growth and Regeneration		
<b>Purpose of Report</b>			
To propose a package of business support measures to help local businesses recover from the impact of the coronavirus crisis and to initiate rebuilding of the local economy.			
<b>Key Decision (N)</b>	<b>N</b>	<b>Date of Notice</b>	<b>N/A</b>
		<b>Exempt (Y/N)</b>	<b>N</b>

### Report Summary

This report outlines a number of business support measures for Cabinet's discussion and consideration, using the council's previously agreed £1m business support funding.

### Recommendations of Councillor Tim Hamilton Cox

It is recommended that:

- 1) **The broad framework for the council's support measures is approved in order to help local businesses survive the coronavirus crisis and assist as many as possible to go on to recovery and increased resilience**
- 2) **The initial financial allocations are approved but that a review of these is undertaken later in 2020 to take account of emerging business needs**
- 3) **To enable progress and ensure help is available to businesses quickly, delegations for distribution of the funds are approved as follows:**
  - **Up to £50k – Director for Economic Growth and Regeneration to decide after consulting with relevant portfolio holder or most suitable Cabinet member**
  - **£50 - £150k – Individual Cabinet Member**
  - **>£150k – Cabinet**

### Relationship to Policy Framework

#### Council Plan – Ambitions

- **A Thriving and Prosperous Economy**  
Create strong conditions for growth so that businesses thrive and jobs are created  
With our partners, deliver major regeneration and infrastructure projects  
Support development of new skills and improved prospects for our residents  
Ensure that growth is good for all, and increased wealth benefits our local communities
- **Clean, Green and Safe Neighbourhoods**  
Use innovation, technology and partnership with others to help improve the efficiency of services, improve customer satisfaction and reduce our impact on the environment

#### Corporate priorities

<b>Climate Action</b> Taking action to reduce the effects of climate change on our district	
<b>Community Wealth-Building</b> Building a sustainable and just local economy that benefits people and organisations	
<b>Community Engagement</b> Drawing on the wealth of skills and knowledge in the community and working in partnership	
<b>Conclusion of Impact Assessment(s) where applicable</b> – It is anticipated that a range of outcomes will be achieved but these are not clear at this early stage.	
<b>Climate</b>	<b>Wellbeing &amp; Social Value –</b>
<b>Digital –</b>	<b>Health &amp; Safety</b>
<b>Equality</b>	<b>Community Safety</b>
<b>Details of Consultation</b>	
<b>Legal Implications</b> There are no direct legal implications as a result of this report.	
<b>Financial Implications</b> There are no direct financial implications as a result of this report as the £1m funding has already been agreed by Council.	
<b>Other Resource or Risk Implications</b> Delivery of this programme will be a key priority for the business and skills team and may displace some other “business as usual” activities. The potential interim requirement for internal capacity to help manage enquiries and signposting has been highlighted in the report. Other resource is being provided by partners.	
<b>Section 151 Officer’s Comments</b> The S 151 Officer has been consulted and has no further comments	
<b>Monitoring Officer’s Comments</b> The Monitoring Officer has been consulted and has no further comments	
<b>Contact Officer</b>	Anne Marie Harrison
<b>Tel</b>	Tel: 01524 582308
<b>Email</b>	amharrison@lancaster.gov.uk
<b>Links to Background Papers</b>	

## 1.0 Introduction

- 1.1 As the Coronavirus lock down took effect the council responded quickly to the needs of businesses in the district. Arrangements were quickly in place to deal with thousands of enquiries and to provide information, advice and support in a wide range of pressing situations. Equally, the distribution of government grants began extremely quickly and the council took positive steps to ensure businesses could access funds as quickly as possible.
- 1.2 To date, the council has received over 5,000 business enquiries and distributed £22m in grants to 2000 businesses. Many of these businesses are requesting further information, advice and support and are likely to continue a relationship with the council and its business support partners into the future. During the period of the

crisis, common concerns of businesses are, of course, cash flow and financial management but also digital developments. It is too early to see what other trends will emerge and certainly some businesses aren't clear about what they need at this stage, although others adapting quickly. Early signs are that many businesses are already thinking ahead.

- 1.3 The council has been very aware that many businesses were falling through the gaps in terms of the early government support grants and loans. Very recent government announcements regarding additional provision suggests that there will be relatively few businesses that are unable to access any financial help at all. Nevertheless, the majority of businesses face significant challenges and there is no doubt that some will be lost.
- 1.4 The council is actively engaging with businesses as well as its business support partners and has focused on, initially, providing the immediate crisis support, which is still ongoing. Quickly following this, and recognising that rebuilding the economy will take place over a much longer period of time, planning has begun to ensure the many needs of businesses, to underpin their survival, recovery and resilience, can be met in the medium term.
- 1.5 The Business Support Pathway, attached at Appendix A, outlines an overall approach to safeguarding and rebuilding the economy by:
  - Providing information, advice and support for all businesses that need it
  - Providing most support free of charge
  - Helping businesses to recover from the immediate impact of the current crisis
  - Helping businesses to plan for the future in terms of viability, resilience and adaptability
  - Building on the good joint arrangements between business support partners in the district
  - Providing a limited number of small grants for businesses that have fallen through the gaps of other funding but where support could assist recovery
  - Encouraging Community Wealthbuilding activities in local businesses
  - Encouraging green business practices
  - Supporting the development of new local businesses, products and services
- 1.6 For clarity, the approach detailed here is focused on helping business to survive now but also to adapt and develop in order to recover from the crisis and remain resilient in the future. The Pathway does not focus on emergency crisis funding as council funding is limited, demand would be very high and the government has largely provided for emergency support. Some grant funding is included for those businesses that have been unable to access other funding support at all and linked to business recovery and resilience, research and development and to projects that benefit a number of local businesses, such as digital and workspace. The intention is that it will be clear what the council's funds will achieve.

## 2.0 Proposals

2.1 The proposed approach is outlined below with some explanation of the thinking behind the Business Support Pathway and other measures

### **Business Enquiries and Information – All businesses (Internal resources)**

- All businesses that need help can ask for it and will be entitled to an initial first contact, relevant information and signposting.

### **Business advice and support – All businesses (limited potential additional costs to the Council)**

- Following that some businesses will need/ want a diagnostic session. Growth Lancashire will do this for us and it will be a mini version of the full diagnostic that is generally available. As far as possible Growth Lancashire will do this within existing resources. **If demand is high, there may be an additional cost to us**, tbc, but it will be free to businesses.
- Business advice and support requirements will vary. Between all of the partners, the overall support is very good and includes some very current requirements around digital, financial planning and so on. We will endeavour to ensure that advice and support is also free to businesses.
- Re advice and support, **there are some potential costs to the Council**. This includes covering out of pocket costs for non salaried advisors and business development specialists who have offered to help. During the crisis, we suggest offering them a nominal fee to help to make it feasible for them to support the programme. We also anticipate costs to the Council to bring in support for environmental assessments and Green Energy Plans, which we would like to encourage. Other organisations are offering business support provided by their own salaried staff at no charge.

### **Plans, Actions and Pledges – All businesses (Delivered through business support resources)**

- Once businesses have had support, we should see them benefitting from very simple Recovery and Resilience Plans plus Green Business Plans reflecting the needs of their businesses.

### **Grants – Small, local businesses not eligible for mainstream government grants, including new start ups and existing businesses developing new products and services (Costs of grants and funds for collective business projects)**

- Any potential small grants to businesses would be conditional on the above simple plans, which should provide assurance that any funds will help the business to recover, become more resilient and greener. New start ups may benefit from research or development funding.
- We have the opportunity ask for CWB pledges and Social Value outcomes, agreeing what these would mean in practice. Small steps might be best rather than promoting wholesale complex change. Potential values of grants need to be determined and

also whether any co-financing from the business is required. Ideally, this should all be as simple and uncluttered as possible with 1 page documents etc.

- There is the potential for hardship grants, if members are supportive. However, following the government’s announcement of small business loans this week, the numbers of businesses not eligible for any government support at all may be very low indeed. Some kind of assessment would be necessary to establish need, so this unlikely to be funding that would be quick and easy to access. However, it would be feasible to link any hardship grants to other business support in order to try to secure business survival and recovery.
- Rent relief could be offered to the council’s own tenants against certain criteria, for example, where they are small businesses and are badly affected by coronavirus

**Community wealth building, skills, employment and collective business projects**

- Separately, there is the potential for CWB business projects that benefit a number of businesses/ enterprises e.g. creation of shared workspaces, broadband connectivity, digital platforms, collective marketing initiatives. These would also need to be assessed against agreed criteria.

**Financial allocations**

2.2 At this stage, business needs are only just beginning to emerge but over the months to come, as analytics become available, needs will become clearer. At this time and indicatively, financial allocations against the various broad elements of business support could be made as outlined in the table below. It is proposed that a review of the indicative allocations is undertaken towards the end of 2020, in the context of better understood business needs at that time.

Item	Indicative Costs (£'s)
Enquiries capacity, diagnostics support, specialist business support	200,000
Development of Recovery and Resilience Plans	
Development of Green Business Action Plans	
Survival, recovery and resilience grants	400,000
CWB projects	150,000
Rent relief (small business council tenants)	150,000
Business events, training, workshops, support networks	100,000
<b>Total</b>	<b>1,000,000</b>

2.3 As can be seen in this report, the business support measures are built upon a number of principles that can easily be translated into eligibility criteria with an emphasis on assisting businesses wherever reasonable and possible.

2.4 If Cabinet supports this overall approach, officers will be in a position to develop management arrangements and business processes required to deliver the overall programme.

**Decision making**

- 2.5 There is a need for progress now and, as we move forwards, it will be equally important that business support is agile and responsive to business needs. In order to facilitate this, it is proposed that decision making for distribution of the business support funds is as follows :-
- Up to £50k – Director for Economic Growth and Regeneration shall decide after consulting with relevant portfolio holder or most suitable Cabinet member
  - £50 -£150k – Individual Cabinet Member decision required
  - >£150k – Cabinet decision required
- 2.6 An interim evaluation towards the end of 2020 will allow Cabinet to review progress, trends and feedback at that time, as well as consider priorities in the context of better understood business needs

**4.0 Options and Options Analysis (including risk assessment)**

<b>Option 1: Approve the proposed business support measures</b>
<p><b>Advantages:</b>                  This will allow business support services to be provided quickly and flexibly in line with business needs                  Short, medium and long term positive impact on the local economy                  Opportunities to deliver CWB, green and social value outcomes</p>
<p><b>Disadvantages:</b>                  The council’s resources would be under less pressure.                  Other than that, no obvious disadvantages as the overall approach is designed to adapt to needs</p>
<p><b>Risks:</b> No obvious risks</p>
<b>Option 2: Do not approve the proposed business support measures</b>
<p><b>Advantages:</b>                  The council will save on the costs of providing business measures</p>
<p><b>Disadvantages:</b>                  Loss of opportunity to protect the local economy                  Council resources will be less under pressure</p>
<p><b>Risks:</b>                  Risks to businesses in the district will not be reduced</p>

**4. Officer Preferred Option (and comments)**

4.1. The Officer preferred option is Option 1 on the basis that the business support programme can be in place very quickly and is flexible enough to adapt to business needs going forwards.



# Coronavirus Business Survival, Recovery and Resilience Pathway

## BUSINESS ENQUIRIES & INFORMATION

- Available to all businesses
- Enquiries coming in directly to the council and via referrals from partners
- Signposting to business information, diagnostic, advice and support

## BUSINESS DIAGNOSTICS

- Growth Lancashire to provide to all businesses, as required
- Some businesses will know exactly what they need, others will be seeking guidance

## BUSINESS ADVICE & SUPPORT

- Available to all businesses, particularly small, local, social economy, worker owned businesses and start ups
- Business development - Start up support - Funding - Coaching and mentoring - Digital - Financial planning and investment - Imports and exports - New markets - New products and services - Marketing - Productivity - Skills and training - Management and leadership - Environmental assessments and green business delivery plans - Other

## BUSINESS PARTNERS

- Lancaster and Morecambe College - Lancaster University Mgt School - Lancaster University Enterprise and Innovation - University of Cumbria - Growth Lancashire - FSB - Chamber - BID's - ESTA - Digital Lancashire - Banks - Local professional services - Local business/ enterprise support services - Environmental improvement services

## PLANS, ACTIONS, PLEDGES

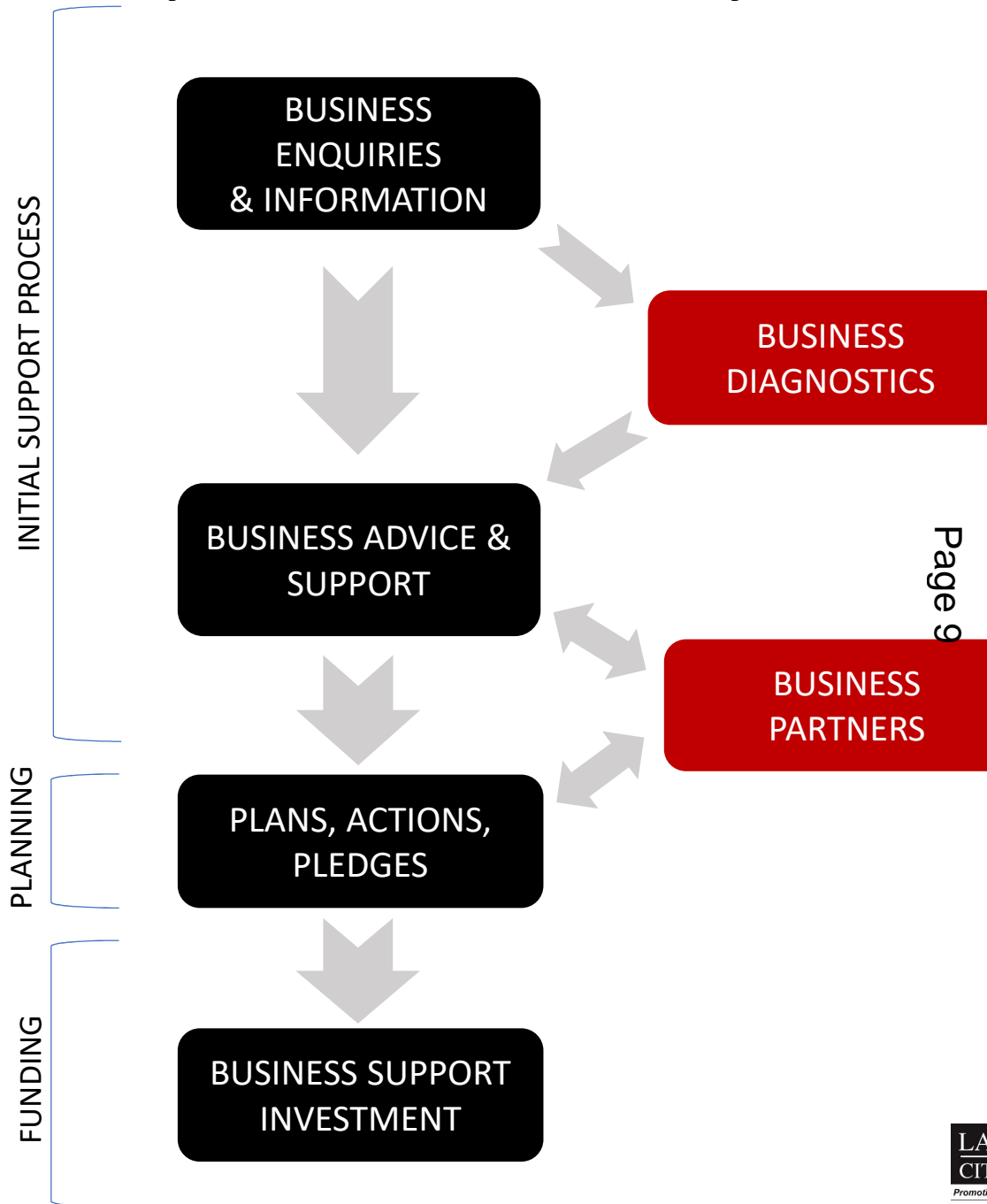
- Business Recovery and Resilience Plans
- Green Action Plans
- CWB and Social Value Pledges

## BUSINESS SUPPORT INVESTMENT

For small, local businesses not eligible for government grants. Requirement to deliver CWB, Climate Change Action and Social Value.

Small grants to contribute to:

- delivery of Survival, Recovery and Resilience Plans
- delivery of Green Action Plans
- development grants for new start ups, products and services
- funds to support projects benefitting groups of CWB businesses



## Lancaster City Council | Report Cover Sheet

<b>Meeting</b>	Cabinet	<b>Date</b>	30 <sup>th</sup> April 2020
<b>Title</b>	Allocation of funding to support vulnerable people		
<b>Report of</b>	Director of Communities and Environment		
<b>Purpose of Report</b>			
To seek agreement for the principles for allocating the funding to support vulnerable people agreed by Council (18 <sup>th</sup> March 2020) as part of its COVID-19 pandemic response			
<b>Key Decision (Y/N)</b>	<b>N</b>	<b>Date of Notice</b>	<b>Exempt (Y/N)</b> <b>N</b>

### Report Summary

The report sets out the current approach and performance of the Council's delivery of emergency services to our most vulnerable. It proposes a set of guiding principles for allocation of the funding. It sets out the expected future context of the emergency and proposes how the funding should be best allocated.

### Recommendations of Councillor Lewis

1. That principles for allocation of the funding as set out in the report are agreed
2. That the outline proposal for allocation of the funding is agreed

### Relationship to Policy Framework

#### Ambition- An Inclusive and Prosperous Local Economy

- Using our finance to benefit local communities

#### Ambition- Health and Happy Communities

- Supporting wellbeing and ensuring local communities are engaged, involved and connected
- Addressing health and income inequality, food and fuel poverty, mental health needs, and loneliness
- Focused on early-intervention approaches and involving our communities in service design and delivery

**Conclusion of Impact Assessment(s) where applicable** – The impacts of the funding allocations will be consistent with the policy framework.

<b>Climate</b>	<b>Wellbeing &amp; Social Value –</b>
<b>Digital</b>	<b>Health &amp; Safety</b>
<b>Equality</b>	<b>Community Safety</b>

<b>Details of Consultation</b>	
Ongoing consultation is taking place via regular meetings with Elected Members, Community reps, Parish/ Town Councils, and voluntary sector partners	
<b>Legal Implications</b>	
Legal Services have been consulted and have no further comments.	
<b>Financial Implications</b>	
The funding has already been agreed by Full Council. This report sets out the principles of allocation.  All expenditure will be closely monitored and be available to Members at regular intervals, in addition to the Council's usual monitoring arrangements.	
<b>Other Resource or Risk Implications</b>	
None identified at this stage	
<b>Section 151 Officer's Comments</b>	
The Section 151 Officer has been consulted and has no further comments.	
<b>Monitoring Officer's Comments</b>	
The Monitoring Officer has been consulted and has no further comments to make.	
<b>Contact Officer</b>	Mark Davies
<b>Tel</b>	Tel: 01524 582401
<b>Email</b>	mdavies@lancaster.gov.uk
<b>Links to Background Papers</b>	

## 1.0 Introduction

- 1.1 On 18<sup>th</sup> March 2020 Council agreed to make £1,000,000 available to support vulnerable people during the COVID-19 pandemic. The proposal was that the money was 'to provide support to our most vulnerable residents. This will be allocated by the Council and will support coordinated effort with our many voluntary partners and community group'
- 1.2 Although the Council had already recognised this the Government later made clear that Local Authorities would be expected to support the most vulnerable during the crisis.
- 1.3 The purpose of this report to seek Cabinet's direction on the principles of the allocation of the funding

## 2.0 Current Position

- 2.1 In accord with the Government direction the Council set up a Lancaster District Community Hub

2.2 Main activities of this are-

- **Provision of food parcels (with Morecambe Bay Foodbank).** To April 28<sup>th</sup> 7,953 parcels have been delivered to 3,458 households.
- **Identifying and contacting vulnerable people to ensure their basic needs are being met.** To April 28<sup>th</sup> 6,269 calls have been made to residents. 1,428 welfare visits have taken place. 2,302 follow up calls have been made. 13,289 calls have been received and 3,277 emails have been replied to.
- **Coordination of volunteers and community, voluntary and Parish Council sector.** CVS have received applications from over 700 volunteers. To coordinate this there is a soon to be launched Lancaster District Support Line (with Hope Church and CVS) which is an electronic referral system that matches a request for help to an appropriate volunteer.

2.3 Other work to date includes-

- Letter sent to all households in district outlining various sources of help.
- All rough sleepers into accommodation by 30<sup>th</sup> March.
- Home Improvement Agency assisting with hospital discharge.
- Interactive GIS map of local businesses and other support services available on website.
- Supported CVS urgent response fund.
- Writing to all our council tenants offering support at start of pandemic. Contacting them again over the next week as a welfare check.
- Customer services relocated to a new Lancaster District Community Hub acting as the single contact line for residents requiring assistance or advice. Extended opening hours to weekends and now to 8am -8pm weekdays.
- Targeting of specific information to potentially vulnerable groups with key messages distributed by health, county and voluntary sector colleagues. To date, Gypsy and Traveller community, new parents, families via all schools.

### 3.0 Principles for Allocating the funding

3.1 The item that will consume the most spend is the food distribution project with Morecambe Bay Foodbank. This is now up and running. Expenditure on infrastructure and food is being incurred. Donations from the public and organisations are also being received. Ensuring our most vulnerable have food is obviously essential.

3.2 The remit for this funding as agreed by Council suggests that a variety of initiatives at different levels could also be supported, including developing and delivering projects and services in partnership with other groups at a more localised or targeted level to meet specific community needs.

- 3.3 Regular dialogue with VCSE partners over the last few weeks has helped inform a set of principles for allocation of the funding.
- 3.4 It is proposed that the following principles be used as a starting point to guide the council's decision-making in allocating the funding (although these may be refined and developed going forward):
- Supporting our residents' physical needs or helping them return to their homes after hospital.
  - Supporting our residents' emotional and wellbeing needs.
  - Supporting our residents in adapting to the pandemic and its consequences.
  - Supporting our residents in times of hardship.
  - Supporting the work linked to ensuring residents have access to food and medicine.
  - Supporting our residents in managing during the lockdown.
  - Supporting vulnerable young people.
  - Supporting our residents in proactive action to reduce crime, domestic abuse and hate crime.
  - Maintaining and developing useful connections among our communities.
  - Supporting our communities in the recovery of the pandemic.
  - Building the capacity of VCSE organisations, community groups and volunteers to successfully deliver the above.
- 3.5 As the pandemic has developed it is clear that without significant and sustained intervention the impacts on the most vulnerable will be severe, and result in a widening of inequality.
- 3.6 The emergency itself is like a slowly rising tide. The transition from the emergency phase to a 'recovery' phase will be protracted.
- 3.7 In this case agreement of what successful recovery looks like is important. The Council, in its priorities, is committed to reducing inequality. Therefore recovery cannot be considered successful if all it does is return our most vulnerable, and many more, to the position they were in before the crisis.
- 3.8 In this situation what is actually required is metamorphosis rather than recovery.
- 3.9 Work is currently taking place to start to develop a plan for how this may take place. What is already very clear is that the emergency work being undertaken in the Lancaster District Community Hub will need to continue taking place for many months.
- 3.10 At this point much of the resource for direct Council activities is being provided by reallocation of existing staff, buildings etc. As the Council gradually 're-opens' these staff, buildings etc will be required elsewhere.
- 3.11 The emergency and impact require consideration of how best to deliver the Council's agreed priorities in the future and how to support that with an appropriate budgetary framework. In the short -term the ability to utilise part of this funding in the planning for the future will be invaluable.

**4.0 Outline Proposals for Allocation**

4.1 It is of note that since the start of the emergency other sources of funding are available for community groups, partners etc. These include the CVS fund and Lancashire Community Foundation.

4.2 An outline of the proposed allocation is set out below-

<b>Proposal</b>	<b>Comment</b>	<b>Amount</b>
Funding of food distribution partnership	It is expected this will be required for a sustained period. To date £90,000 has been spent	£600,000
Allocate an amount for proposals that come forward that cannot be funded from elsewhere but meet the principles outlined above	Already some of these have come forward these include -  Funding of bereavement counselling Funding of additional CAB staffing Funding to support home education of vulnerable children  As these come it is recommended they are approved via officer delegation, in consultation with Cabinet Member(s)	£100,000
Supporting the transition from the emergency phase to the 'recovery' phase	There will be a need to continue contacting and supporting vulnerable people for a sustained period.  There will be a need to support the wider impacts on our most vulnerable people.  There will be a need to support the work of our partners and communities  Further details will be brought forward as plans are developed	£300,000

**4.0 Options and Options Analysis (including risk assessment)**

<b>Option 1:</b> Agree the principles and outline proposals for allocation set out in the report
<b>Advantages:</b> Based on the most up to date knowledge, government guidance and developed following extensive consultation.
<b>Disadvantages:</b> None specifically at this time

<b>Risks:</b> No specific risks at this time.
<b>Option 2:</b> <b>Recommend different principles and outline proposals for allocation</b>
<b>Advantages:</b> None identified
<b>Disadvantages:</b> Deviation from current strategy, government guidance and consultation
<b>Risks:</b> Officer time allocated to dealing with the emergency is used developing further proposals.

**4. Officer Preferred Option (and comments)**

4.1 The officer-preferred option is Option 1

## Lancaster City Council | Report Cover Sheet

<b>Meeting</b>	Cabinet	<b>Date</b>	21 April 2020		
<b>Title</b>	Morecambe Future High Streets				
<b>Report of</b>	Director of Economic Growth and Regeneration				
<b>Purpose of Report</b>					
To request authority for the Director of Economic Growth and Regeneration to submit the Future High Street Fund for Morecambe full business case to the MHCLG by April 30 <sup>th</sup> 2020.					
<b>Key Decision (Y/N)</b>	<b>Y</b>	<b>Date of Notice</b>	<b>20.3.20</b>	<b>Exempt (Y/N)</b>	<b>N</b>

### Report Summary

Lancaster City Council is developing an ambitious Future High Streets (FHS) bid for Morecambe town centre, with support from key local stakeholders from the business and community sectors.

The council is working to develop a range of proposals that meet government criteria and deliver aspirations and benefits for Morecambe with the objective of submitting a full Treasury Green Book business case by 15<sup>th</sup> May 2020. The business case is intended to support the council's FHS bid for up to £25m to act as a catalyst for the long-term transformation of Morecambe and further public and private sector investment into the future.

The council has made budgetary provision for potential co-financing towards the overall programme of regeneration for Morecambe. This investment supports the case to government but will also depend on a strong business case, deliverability and value for money. If the bid is successful, the council will need to consider a number of further key decisions as elements of the overall programme are developed in detail.

The FHSF is about delivering structural change fitting to the Morecambe Area Action Plan to make central Morecambe better as a place for people to enjoy and as a place for business and trade. It is about making places, driving footfall and transforming the conditions for investment.

At the time of writing this report details of the FHS business case are still being developed and the work involved, which is technical and complex, will continue until very close to the deadline. In addition, members should be aware that if the FHS bid were successful, all development proposals would be subject to further consultation, planning and assessment.

To ensure the FHS bid can be submitted in time, this report now requests formal authority to submit the FHS business case, with delegation to the Director for Economic Growth and Regeneration to sign off the final business case document in consultation with S151 and Monitoring Officers.

### Recommendations of Councillor Tim Hamilton Cox

- 1) In accordance with Rule 6.15 of the Financial Procedure Rules Cabinet gives approval for the Director for Economic Growth & Regeneration to make a bid to the MHCLG for access to the Future High Street Fund**



- 2) The fund provides an opportunity for the Council to access for external Government funding of up to £25m for Morecambe and should the bid be successful a report will be brought back to Cabinet to seek acceptance of the offer of funding
- 3) Should any successful bid for access to the FHS funding be accepted, that the council takes the role of Accountable Body for the FHS funding and spending programme
- 4) Any future projects wishing to access the funding will be subject to the Council's executive governance procedures

**Relationship to Policy Framework**

Lancaster District Local Plan and the Morecambe Area Action Plan.

**Council Plan – Ambitions**

- **A Thriving and Prosperous Economy**  
 Create strong conditions for growth so that businesses thrive and jobs are created  
 With our partners, deliver major regeneration and infrastructure projects  
 Support development of new skills and improved prospects for our residents  
 Ensure that growth is good for all, and increased wealth benefits our local communities
- **Clean, Green and Safe Neighbourhoods**  
 Deliver, work in partnership and influence to make our district's neighbourhoods, parks, beaches and open space clean, well-maintained and safe  
 Work towards key parks and public spaces becoming financially self-sustaining  
 Use innovation, technology and partnership with others to help improve the efficiency of services, improve customer satisfaction and reduce our impact on the environment
- **Healthy and Happy Communities**  
 Work with others to address health inequality, food and fuel poverty, mental health, loneliness  
 Enhance community cohesion  
 Improve access to arts and leisure, meaningful work, public open space, quality housing  
 Protect and improve health focussing on early intervention and involving our communities in service design and delivery

**Corporate priorities**

**Climate Action**

Taking action to reduce the effects of climate change on our district

**Community Wealth-Building**

Building a sustainable and just local economy that benefits people and organisations

**Community Engagement**

Drawing on the wealth of skills and knowledge in the community and working in partnership

**Conclusion of Impact Assessment(s) where applicable** – All investment interventions proposed at this outline stage in project preparation are consistent with the Policy Framework. Impacts cannot yet be fully assessed but members will have opportunity to assure fit to the Policy Framework as proposals are worked up.

<b>Climate</b>	<b>Wellbeing &amp; Social Value –</b>
<b>Digital –</b>	<b>Health &amp; Safety</b>
<b>Equality</b>	<b>Community Safety</b>

<b>Details of Consultation</b>	
<p>Within the fixed time- frame for developing the bid and at the time of writing, consultation will take place with a number of key stakeholders including the NHS, the Port to Promenade Coastal Communities Team and with the wider community on-line. Further consultation that is more detailed will take place subject to being awarded the Fund post April 2020.</p> <p>Some early consultation planned for April has had to be delayed due to the coronavirus lock down. However, this will take place as soon as practically possible and safe.</p>	
<b>Legal Implications</b>	
Legal Services have been consulted and have no further comments.	
<b>Financial Implications</b>	
<p>Accountable body role – Lancaster City Council has systems in place and experience</p> <p>Resources – delivery written into the overall development costs, monitoring costs included. The Future High Street Fund will allow the council to progress development of its own sites and premises much sooner than would otherwise be possible</p>	
<b>Other Resource or Risk Implications</b>	
<p>At the time of writing this report, the business case is still being developed and staff time is being dedicated to this, which is a challenge in terms of staff capacity. A successful bid would allow the council to properly resource the programme of work rather than simply draw on existing resources.</p> <p>Risk of an unsuccessful bid. The development of the programme is still worth pursuing albeit on a smaller scale.</p> <p>Risk of a loss of momentum from the bid deadline to the decision point.</p> <p>Risk that we might miss the deadline, which is the reason for this report at this time.</p>	
<b>Section 151 Officer's Comments</b>	
Having consulted with colleagues and having regard to the potential risks and rewards the s151 Officer would support the officer preferred option, subject to formal review and sign off of the Business Case prior to submission.	
<b>Monitoring Officer's Comments</b>	
<p>The Monitoring Officer can confirm that, in accordance with Part 3 section 7 of the Constitution, Cabinet is able to:-</p> <ol style="list-style-type: none"> <li>1. approve any external funding bid that is above the Key Decision threshold and within the Budget &amp; Policy framework; and</li> <li>2. give approval for the Council to act as the “accountable body”.</li> </ol>	
<b>Contact Officer</b>	Anne Marie Harrison
<b>Tel</b>	Tel: 01524 582308
<b>Email</b>	amharrison@lancaster.gov.uk
<b>Links to Background Papers</b>	

## **1.0 Introduction**

- 1.1 Lancaster City Council is developing an ambitious external funding bid for Morecambe town centre, with support from key local stakeholders.
- 1.2 Over 100 towns have been selected to bid against a Treasury Green Book business case for up to £25m per place, with the expectation that most will receive between £10- £15 m. An outline submission was made in January and at the time of writing Lancaster City Council is still awaiting feedback. The date of the submission of the full business case is April 30<sup>th</sup> 2020.
- 1.3 The Future High Streets Fund is a competitive fund available to high streets and town centres that are seeking to combat the decline of the traditional retail environment. The Fund is to be used to develop the infrastructure of town centres so that they can adapt to the changing economic and retail environment. The Fund will not make awards to local areas seeking to expand traditional retailing on their high streets.
- 1.4 The Fund is predominantly available for capital project expenditures such as:
- Improving transport access to town centres.
  - Improving vehicle and pedestrian flow in town centres.
  - Congestion relieving infrastructure.
  - Infrastructure to facilitate new housing and office space.
  - Projects that seek to substitute under-used and persistently vacant retail units into residential units.

## **2.0 Morecambe Area Action Plan**

- 2.1 Lancaster City Council identified central Morecambe as its strategic priority area for regeneration in the 2008 Core Strategy and articulated a regeneration strategy in the Morecambe Area Action Plan adopted in 2014. Preparing the plan involved extensive engagement with the community and formal statutory consultation. The plan identified a number of development opportunity sites, which we can seek to advance as part of the Future High Street Fund scheme.
- 2.2 The Morecambe Area Action Plan 2011-21 (MAAP) further indicated that the high street had continued to decline, giving rise to significant economic and social difficulties, poor image and with few exceptions, very limited private sector investment.
- 2.3 The ask of Government through the Future High Street Fund provides a huge opportunity for specific land and property improvements to be delivered across the town centre, bringing forward transformation of the town by several years, supporting the anticipated Eden Project North and delivering significant economic, social and environmental value.
- 2.4 Lancaster City Council therefore is asking for a capital programme (which it will part co-finance in principle, subject to receipt of the funding) from MHCLG of up to £25m to support the restructuring of central Morecambe as a seaside town fit for the 21<sup>st</sup> Century.
- 2.5 The council has procured a number of specialist consultants to help develop the economic business case, and has also procured Architectural and Quantity

Surveying consultancy to help with the option analysis for each of the proposed projects (see below)

- 2.6 The government requires projects all potential projects to be developed to concept design stage i.e. RIBA Stage 2, and then presented in line with Treasury Green Book 5 Business Case criteria to make the case for funding. The government will then take a view on eligibility of all elements, the strength of the economic business case, evidence of market failure, commercial viability, the overall impact the programme will achieve, financial and management capability and deliverability. At the time of writing this report, the Treasury Green Book 5 business case is still being written.
- 2.7 If the bid is successful, all proposals will need further development to detailed design stage and further detailed assessment against core criteria for the programme. At that stage, as options, details and considerations are clear, the council will have a number of further key decisions to make. It will be important that the case to government and the council remains compelling and that developed proposals can deliver the outcomes both the government and the council will seek.

### 3.0 **Capital Programme**

3.1 Lancaster City Council's Future High Street Fund capital programme has a number of elements and developing projects are built around the aspirations of the Morecambe Area Action Plan, the Coastal Communities Teams and other local partners. Overall, they seek to re-animate Morecambe as a unique coastal town and resort and create economic, social and environmental benefits for the town and the wider area. Essentially these are to:

- Make a welcoming arrival experience for people by reconfiguring land use and redevelopment around the train station.
- Reimagine and redevelop land to make a contemporary heart for Morecambe, to incorporate iconic buildings such as the Winter Gardens and the Platform.
- Develop a new town square around the Arndale area
- Make spaces for start-up and grow on businesses to thrive,
- Make changes to further enliven the seafront recreation offer to attune it to Eden North and improve connectivity to the town centre.
- Provide a broadband pipeline from Lancaster to Morecambe to offer high speed internet to businesses and homes.

3.2 Reflecting the above, key projects include:

- **Destination Morecambe** - a new mixed mode arrival hub with transport connectivity, hotel, orientation and commercial space
- **New contemporary heart** – indoor and outdoor multi purpose and events space, café, restaurant and mixed use commercial space
- **Call for housing** – housing led redevelopment
- **Winter Gardens** – increasing venue capacity and facilities
- **Art Deco revival** – improvement of prominent heritage buildings and spaces
- **Start up, business and creative** - Restoration and re-use of space underutilised town centre heritage space

- **Animated Arndale** – activating traditional shopping with a new town square, market and events space
- **Hyperfast broadband and digital** – Bringing hyperfast broadband to central Morecambe to facilitate business development and growth

- 3.3 As part of the above, the potential of markets of various types in Morecambe is considerable. An interesting mix of indoor and outdoor markets, more traditional markets with others that build on local identity, such as vintage, arts and creative and food and drink could generate footfall, business opportunity and draw in additional footfall to Morecambe as well as serving local needs. An overall markets strategy will be developed to take forward this thinking, working with partners and local traders to ensure the maximum opportunities are captured for our businesses.
- 3.4 Equally, a cultural programme for Morecambe that has the support of all partners and can draw in further external funding, will bring together cultural aspirations and delivery capacity to build on the town's considerable potential as a cultural centre for the north. This is now in development.
- 3.5 Further planning will be needed with partners to ensure that local communities become very much part of Morecambe's development, benefitting from business support, skills development and enhancement of local services.
- 3.6 It is important to note that there are other exciting potential developments in Morecambe that will be beneficial for the town. Many of these, for example those that are entirely commercial, will not satisfy the need for public funding. That does not mean they will not be developed and delivered as part of the overall regeneration of the town, simply that they are not part of the bid for FHS funding.
- 3.7 Should the FHS bid be successful, the Council has considerable experience of managing and delivering large scale regeneration programmes, including the role as accountable body and the arrangements to successfully manage risks such as clawback.
- 3.8 Future High Street funding in combination with the anticipated Eden North development can be transformational for central Morecambe over the next decade. It can for the very first time in its history, have a coherent, well-formed, well-connected town centre. A centre that has disappointed for far too long can emerge as an exciting, distinctive, high quality, vibrant place for all its residents, a unique national and international visitor destination in the lap of breath-taking natural surroundings.
- 3.9 The promenade might be busy on sunny days but this is not the case in the adjacent high street. Visitors are stubbornly resistant to spending their time and money there, even on the windiest and wettest of days. Morecambe's opportunity is to attract, redirect and convert footfall into spending in a town that thrives off a singular competitive advantage for its transformational economic growth; it's internationally acclaimed natural setting.

#### 4.0 Options and Options Analysis (including risk assessment)

<p><b>Option 1:</b> Submission of the FHSF for Morecambe Bid to MHCLG</p>
<p><b>Advantages:</b> In submitting the bid Lancaster City Council can compete for Government funding of up to £25m to support the transformation of Morecambe over a number of years.</p> <p>Promotes a positive approach to Morecambe's development and viability over the next few years, with the potential to help rebuild the economy following the coronavirus crisis.</p>
<p><b>Disadvantages:</b> None specifically at this time as all proposals will be subject to further detailed development and assessment.</p>
<p><b>Risks:</b> No specific risks at this time. Consideration of all risks will be required as part of decision making on detailed proposals.</p>
<p><b>Option 2: Not to submit</b></p>
<p><b>Advantages:</b> Resources to develop and deliver the programme will not be required.</p>
<p><b>Disadvantages:</b> Lost opportunity to secure major infrastructure funding from Government for beneficial regeneration and change.</p> <p>Potential for the government to request repayment of the £150k funding provided for development of the FHS proposals</p>
<p><b>Risks:</b> Significant risk to deliverability of regeneration opportunities, ability to better integrate the town, to create economic, social and environmental impact and reap the full benefits of investment by Eden North.</p>

#### 4. Officer Preferred Option (and comments)

4.1 The officer-preferred option is Option 1 on the basis that the Council can bid for £25m of external funding to act as a catalyst for further investment and development in Morecambe.