

Lancaster City Council | Report Cover Sheet

| | | | |
|---|--|-----------------------|----------------|
| Meeting | Cabinet | Date | 21 April 2020 |
| Title | Morecambe Future High Streets | | |
| Report of | Director of Economic Growth and Regeneration | | |
| Purpose of Report | | | |
| 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 th 2020. | | | |
| Key Decision (Y/N) | Y | Date of Notice | 20.3.20 |
| | | Exempt (Y/N) | N |

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 15th 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.

Climate

Wellbeing & Social Value –

Digital –

Health & Safety

Equality

Community Safety

Details of Consultation

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.

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.

Legal Implications

Legal Services have been consulted and have no further comments.

Financial Implications

Accountable body role – Lancaster City Council has systems in place and experience

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

Other Resource or Risk Implications

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.

Risk of an unsuccessful bid. The development of the programme is still worth pursuing albeit on a smaller scale.

Risk of a loss of momentum from the bid deadline to the decision point.

Risk that we might miss the deadline, which is the reason for this report at this time.

Section 151 Officer's Comments

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.

Monitoring Officer's Comments

The Monitoring Officer can confirm that, in accordance with Part 3 section 7 of the Constitution, Cabinet is able to:-

1. approve any external funding bid that is above the Key Decision threshold and within the Budget & Policy framework; and
2. give approval for the Council to act as the "accountable body".

Contact Officer

Anne Marie Harrison

Tel

Tel: 01524 582308

Email

amharrison@lancaster.gov.uk

Links to Background Papers

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 30th 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 21st 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)

| |
|---|
| Option 1: Submission of the FHSF for Morecambe Bid to MHCLG |
| Advantages: 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. 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. |
| Disadvantages: None specifically at this time as all proposals will be subject to further detailed development and assessment. |
| Risks: No specific risks at this time. Consideration of all risks will be required as part of decision making on detailed proposals. |
| Option 2: Not to submit |
| Advantages: Resources to develop and deliver the programme will not be required. |
| Disadvantages: Lost opportunity to secure major infrastructure funding from Government for beneficial regeneration and change. Potential for the government to request repayment of the £150k funding provided for development of the FHS proposals |
| Risks: 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. |

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.