

Market Town Regeneration Fund (MTRF)

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Advising Officers:

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This report relates to a Key Decision

Purpose of this report

1. To seek Executive approval of the Market Town Regeneration Fund (MTRF) Programme.

RECOMMENDATIONS

The Executive is asked to:

1. note the progress on the MTRF programme and MTRF Assessment Panel recommendations;
2. provide approval to enter into the funding agreements with eight Town Councils (Ampthill, Dunstable, Flitwick, Houghton Regis, Leighton Linlade, Potton, Sandy, Shefford), to enable the MTRF scheme to commence and projects to begin delivery;
3. approve the new £1M High Street Improvement Scheme of the MTRF programme being developed by Central Bedfordshire Council (CBC) and delivered by the Town Councils;
4. delegate decision making on individual awards under the High Street Improvement Scheme to the Director of Regeneration and Business, in consultation with the Executive Member for Regeneration and Executive Member for Corporate Resources; and
5. delegate to the Director of Regeneration and Business, in consultation with the Executive Member for Regeneration and Executive Member for Corporate Resources, the ability to re-allocate funding within the MTRF to effectively manage programme spend.

Overview and Scrutiny Comments/Recommendations

2. The MTRF has not been considered by the Sustainable Communities Overview and Scrutiny Committee due to the timings of the meeting cycles. However, prior to the launch of the MTRF programme all ward members in eligible market towns were invited to meetings to find out more about the MTRF as well as being invited to the formal launch of the MTRF programme. The Executive Member for Corporate Resources has been actively involved in the assessment of MTRF bids.

Background

3. In February 2015 Central Bedfordshire Council (CBC) approved £4.25M of capital funding to support an exciting new regeneration programme, the MTRF, with the objective of enhancing our market towns' vibrancy and promoting their wider role in shaping and supporting economic growth, particularly supporting those areas facing pressures of population growth. The priority was those market towns facing opportunities and economic challenges from growth and change. However, we were open to smaller bids from any market town that could demonstrate a strong economic impact of their project proposals.
4. In October 2015 the £4M MTRF bidding round was opened up to Town Councils to submit bids in conjunction with local businesses and the wider community that demonstrated a comprehensive approach to making better places; unlocking barriers to growth and creating economic uplift that improves the quality of local life. These approaches in turn address the need to maintain and create vibrant, attractive places that underpin good growth and address interrelated challenges of accommodating new homes and changes in the economy while nurturing businesses and enhancing civic life.
5. All bids were expected to, as a minimum, match pound for pound the level of investment sought from the MTRF with capital or revenue match funding and meet the published MTRF criteria which included ability to deliver by end March 2018.
6. A total of 11 bids, requesting £5.34M, were submitted by the 29 February 2016 deadline. Bid sizes varied from £0.015M to £1.384M. With match funding totalling £5.73M the total package of bidding activity came to £11.07M.
7. In line with the bid criteria the types of activities included within the bids were:

- **ENABLING GROWTH:** Including key infrastructure improvements; support for regeneration activities; adding value to existing and planned projects
- **SHOP FRONTS AND SCHEMES:** Including shop front and signage improvement; living over the shop schemes; improving retail skills, marketing and visual merchandising; vacant shop initiatives
- **ADJUSTING PLACES:** Including improving public realm; enhancing environmental quality and accessibility; improving the balance of road space use; addressing parking issues; improving transport facilities as well as, lighting and street furniture; restoring and enhancing buildings and other structures
- **NURTURING STREET LIFE:** Including actions to encourage more street activity, such as attractive, vibrant and active markets; night time economy; events, marketing and promotions; best use of cultural, heritage and other assets and their environs; on-street information and way-finding
- **SUPPORTING BUSINESS GROWTH:** Including support for start ups, existing and growing businesses; inward investment, retail, promoting tourism, supporting residents into training and employment
- **WORKING TOGETHER:** Including collaborative partnership approaches that coordinate and enhance the market town offer; opportunities for apprenticeships, work experience or collaborations with local skills and employment providers such as the colleges, university and Jobcentre Plus; community and stakeholder engagement

8. The outcomes being delivered would be:

- Delivery of elements of Market Town masterplans
- Increase in footfall and retail spend
- Reduction in vacant retail units
- Increase in skills and employment opportunities
- Levering public/ private sector investment
- Improved community and/ or cultural facilities
- Improved infrastructure, including public spaces

Assessment of Bids and Panel Recommendations

9. The MTRF Assessment Panel, chaired by the Director of Regeneration and Business and consisting of specialist officers across CBC and the Executive Member for Corporate Resources reviewed all bids against the published assessment criteria, outlined below. In addition the bids were assessed by an independent external assessor.
10. The assessment criteria were:
 - i. Clear project details – location, initiatives and objectives.
 - ii. Fit with the MTRF – geographic suitability, deliverability within two year timescale, potential for business growth and economic benefit , improvements to quality of place, collaboration and support, fit with CBC priorities.
 - iii. Economic uplift – addressing market failure and/or local challenges unlocking barriers to growth in the area.
 - iv. Measuring success - targets, outputs, baseline data.
 - v. Return on investment – match funding and added value.
 - vi. Delivery – clear milestones and within funding period.
 - vii. Clear risk analysis, governance and evaluation.
 - viii. Collaboration and support - a good level of political and community momentum with evidence of stakeholder engagement, including local businesses.
11. On the 19 April 2016 all Town Councils were advised of the Assessment Panel recommendations to Executive subject to further due diligence work where required. As a result of this further work the MTRF Assessment Panel are making the below recommendations to Executive:
 - i. To partially support eight bids from Ampthill, Dunstable, Flitwick, Houghton Regis, Leighton Linlade, Potton, Sandy and Shefford. This totals a MTRF investment of £2.46M and will lever approximately £2.9M in match funding from Town Councils and local partners. Details on the recommendation for each town can be found in paragraph 12.
 - ii. For CBC to develop an area-wide High Street Improvement Scheme that is delivered by Town Councils. This forms a new strand of £1M investment from the MTRF leveraging over £650K match funding. The High Street Improvement Scheme will fund up to 60% of required works with 40% from private/ other public

sector sources. Seven Town Councils identified some kind of High Street Improvement Scheme within their bid and a number of Town Councils expressed an interest in a Central Bedfordshire wide High Street Scheme being developed and administered by CBC working alongside Town Councils. Details on the High Street Improvement Scheme can be found in paragraph 15.

- iii. To not support three bids from Arlesey, Biggleswade and Stotfold. The bids from Arlesey and Stotfold could not be supported as the activities outlined within the bids did not meet the published criteria of the MTRF bidding round. The bid from Biggleswade Town Council could not be recommended due to the bid being conditional on a CBC asset being released. This asset forms an integral part of future regeneration plans and maximising use of CBC assets within the town.
- iv. To not support a number of common areas identified within several bids. Notably roll out of Wi-Fi in town centres due to significant coverage of 3 and 4G and BT Openzone and investment in new or existing Town Council websites as these were determined to be business as usual.

Town Council Recommendations

12. Below summarises the Assessment Panel recommendations for each town, more detail is available in Appendix 1:

Town Council	MTRF Bid	Recommended MTRF Funding	Recommended Match Funding
Ampthill	£0.074M	£0.042M	£0.064M
Arlesey	£0.099M	-	-
Biggleswade	£1.015M	-	-
Dunstable	£1.384M	£0.610M	£0.935M
Flitwick	£0.945M	£0.920M	£0.920M
Houghton Regis	£0.248M	£0.212M	£0.226M
Leighton Linslade	£0.447M	£0.160M	£0.160M
Potton	£0.470M	£0.098M	£0.098M
Sandy	£0.555M	£0.355M	£0.355M
Shefford	£0.091M	£0.066M	£0.185M
Stotfold	£0.015M	-	-
Total	£5.343M	£2.463M	£2.943M

13. For the schemes recommended above work continues to develop detailed costings and delivery milestones that will feed into the CBC capital business case and funding agreement detailed for each Town Council. The final level of match funding to be provided will be detailed in these agreements, along with how it will be evidenced.

14. Delivery will be monitored on a quarterly basis. Baseline information and monitoring of footfall, vacant units, business surveys and wider measures on the health of Market Towns will be collated to measure the impact of the MTRF programme.

High Street Improvement Scheme

15. Seven Town Councils identified some kind of High Street Improvement scheme within their bid that focused on improving shop fronts, tackling vacant retail units, upper floors and immediate streetscape. The level of detail, scheme development, engagement of businesses and level of investment varied significantly.
16. In response to the above the Assessment Panel has recommended £1M be set aside for the High Street Improvement Scheme of the MTRF in order to deliver a co-ordinated programme with economies of scale achieved by CBC designing the overall programme and undertaking procurement of architects and design and build services for the whole area.
17. The High Street Improvement Scheme will build on national best practice that has been proven to:
 - Reduce commercial vacancy rates
 - Increase inward investment
 - Increase business turnover
 - Increase town centre footfall
 - Create and secure jobs
 - Positively change visitor satisfaction
 - Support independent businesses mitigating the effects of out-of-town shopping
 - Add value by stimulating private investment that would not otherwise be levered in the absence of a scheme
18. Shops and landlords in Market Town will be able to apply for funding through participating Town Councils. Businesses will be required to provide 40% match funding up front, with the remaining 60% cost of works coming from the High Street Improvement Scheme. Individual businesses will be able to access up to £20k, but more may be available in exceptional circumstances, up to £50k if the investment enables the rejuvenation of parades or groups of connecting businesses for maximum impact and those businesses at gateways or key focal points will be given priority. For example, a project costing a total of £33k would require a £13.2k contribution from the business and would attract up to a £19.8k grant from the High Street Improvement Scheme. In an exceptional case if a project cost £83k the contribution from the business would be £33.2k, with up to £49.8K grant from the High Street Improvement Scheme.

19. Town Councils will promote the scheme and engage local businesses to take them through the process. Businesses will complete a simple expression of interest form, which will be screened for fit before the appointed architect works with them to design and cost the improvements that will need addressing. The design contractor will use the 'Design in Central Bedfordshire' guide to develop the brand identity, look and feel of each business; including colour scheme and business language. This will feed into a simple business plan that will set out how the intervention will improve the business and provide additional outputs for the business and town.
20. The business plan will then be assessed by a local town based scoring panel using transparent scoring criteria to determine businesses selected for support and investment. CBC will review all recommendations to ensure affordability within overall funding envelope. Should more bids come forward than can be funded funding will be allocated based on prioritised lists from local scoring panels.
21. CBC will issue a grant agreement to the business and as part of the grant businesses will be expected to feed into our evaluation to measure the success of the scheme. The grant agreement will protect any investment CBC makes and prevent any alterations within a certain period of time period.

Reason for Decision

22. The Council's Executive Arrangements and Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 confirm that key decisions must be taken by the Council's Executive. The value of the MTRF requires Executive approval to agree the MTRF High Street Improvement Scheme and enter into funding agreements with Town Councils.

Council Priorities

23. The MTRF contributes to making Central Bedfordshire a great place to live and work through the specific priorities of "Enhancing Central Bedfordshire" and delivering "Great Resident Services".
24. The MTRF enhances Central Bedfordshire as a great place to live by improving infrastructure, enabling our Market Towns to thrive and prosper, with improved town centres and facilities that maintain and retain the character of Central Bedfordshire that is so cherished by its residents. The MTRF also supports the delivery of great resident services by improving the appearance of our Market Towns.

Corporate Implications

Legal Implications

25. Grant funding agreements with the Town Councils will be required to enable delivery. Such agreements which will be approved by Legal Services will be consistent with the Executive recommendations and based on the content of Town Council's bids and subsequent due diligence work. These agreements will detail the terms of the grant funding, including expenditure evidence, delivery milestones and clawback.
26. Businesses participating in the High Street Improvement element of the MTRF will receive a grant agreement from CBC approved by legal services detailing eligible assets under this grant and the eligible value of the grant for each asset.

Financial Implications

27. The total budget for the MTRF is £4.25M for the period 2015/6 to 2017/18. This was approved by Executive and Full Council in February 2015.
28. Subject to Executive approval £2.46M will be allocated to eight Town Councils, with a further £1.0M allocated to the High Street Improvement Scheme. Up to £0.25M is earmarked to cover MTRF project manager, legal services and other specialist support.
29. It is proposed that the remaining £0.54M be held until all capital business cases are developed and signed off to ensure sufficient funding is available, it will be used to cover costs that may be incurred as a result of additional works required through CBC contractors and may be required to provide additional CBC staff resource to support delivery with Town Councils. Any additional funding will be subject to similar matching requirements. The budget breakdown is shown below:

MTRF Budget (£4.25M)	Activity
£2.46M	Funding Agreements to Town Councils
£0.54M	Held pending completion of due diligence work, completion of business cases and/ or need to cover additional CBC contractor works to support scheme implementation. Funding not required will be re-allocated in line with delegations outlined in this paper

£1.0M	High Street Improvement Scheme
£0.25M	Project management, specialist support such as legal

30. The MTRF steering group, chaired by the Director of Regeneration and Business will review programme performance and spend and ensure the programme budget is effectively managed. Following the development of detailed scheme costings and the finalisation of business cases there may be an opportunity to review funding allocated to the High Street Improvement element, or open up the opportunity of a further targeted bidding round.

Procurement Implications

31. All procurement undertaken by Central Bedfordshire Council will be in accordance with the Council's Procurement Rules and the guidance contained in the Council's Procurement Toolkit.
32. All procurement undertaken by Town Councils will be undertaken in compliance with European Union and national legislation.

Equalities Implications

33. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
34. Through the MTRF programme we will ensure the needs of all potential beneficiaries are considered at project design stage in order that the programme is appropriately delivered and provision is responsive to the needs of all communities where relevant.
35. Town centre locations should be designed to be accessible for all modes of travel and buildings themselves should allow level access to cater for all users. Easy access to and circulation within shops is important to everyone, including people who use wheelchairs; those who cannot walk easily, people who are deaf or hard of hearing, people who are blind or visually impaired and to the elderly, children, and people with pushchairs, prams or trolleys.

Risk

36. The effective delivery of the MTRF programme requires us to enforce robust approaches to risk management in order to minimise risks of poor performance, lack of delivery and reputational damage. A risk register will be maintained and have a supporting risk strategy.

Any potential risks in the project will be managed through the project management approach – including the steering group, project sponsor, programme manager and regular reviews of the risk register. Risks will be clearly identified with the appropriate ownership agreed for effective management. The documents will be live and updated regularly. Project management arrangements will include robust scrutiny to ensure expenditure is in accordance with the funding agreements.

Sustainability Implications

37. The MTRF programme will meet the key objectives of CBC's Sustainable Development Policy:
- Social progress that recognises the needs of everyone;
 - Effective protection of the environment;
 - Prudent use of natural resources; and
 - The maintenance of high and stable levels of economic growth and employment.
38. The MTRF programme encourages innovative approaches to growth and development which consider environmental impact.

Human Resources

39. The programme requires the recruitment of 1 full time equivalent (FTE) fixed term member of staff to assist with project management including processing of claims, management of funding agreements and co-ordination of the High Street Improvement Scheme. All other staff involved are existing staff from the Business and Investment service area, Enabling Delivery Team and wider colleagues from Community Services as required on specific schemes.
40. The costs of the 1 new FTE will be met from the MTRF programme. It is estimated that the cost of the project manager including on-costs to March 2018 is approximately £0.05M per annum. Up to £0.25M has been set aside to cover staffing, legal advice and other external expertise to support delivery of programme.

Conclusion and next Steps

41. The MTRF Programme is an exciting new programme that provides significant opportunities to rejuvenate our Market Towns with CBC and Town Councils working together to deliver agreed priorities. By the end of June the intention is to issue funding agreements to Town Councils and to launch the High Street Improvement Scheme.

Appendices

42. Summary of Town Council bids and recommended funding.

Background Papers

43. None.