

SURREY COUNTY COUNCIL**DEPUTY LEADER AND CABINET MEMBER FOR ECONOMIC PROSPERITY****DATE: 17 MAY 2016****LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR ENVIRONMENT AND INFRASTRUCTURE****SUBJECT: TOWN CENTRE REVITALISATION FUND****SUMMARY OF ISSUE:**

In July 2015 the Leader announced an annual £1m fund, allocated in the Medium Term Financial Plan (MTFP). This fund is to support investment in Surrey's secondary shopping centres with the aim of promoting economic prosperity as well as improving the health and well being of our residents and communities by providing better facilities and an improved retail offer. This is split between two funds:

- The Town Centre Revitalisation Fund (TCRF) which provides for individual proposals of up to £0.35m (dependent upon availability of funding) from district and boroughs to support local centre revitalisation and regeneration initiatives. This fund requires 50% match funding and attracts 75% of the annual £1m.
- The Local Centre Improvement Fund for smaller shopping parades for bids between £5,000 and £30,000 which is being delivered as part of the Community Improvement Fund. This fund attracts 25% of the annual £1m.

The first bid presented has been considered by and received support from the Investment Panel:

Mole Valley Borough Council: Leatherhead Southern Gateway (Church Street)

RECOMMENDATIONS:

It is recommended that the proposed grant funding to Mole Valley District Council of £0.2m in 2016/17 from the Town Centre Revitalisation Fund and as set out in Annex 1 is approved.

REASON FOR RECOMMENDATIONS:

The Council seeks to work with the boroughs and districts to promote economic prosperity for residents. The primary aim of the TCRF is to provide investment to Surrey's secondary town centres (secondary centres in large towns or district and local centres), with the primary aim of supporting economic prosperity in these areas, including business retention and attracting new businesses, improved footfall and dwell time.

Approval of the funding for Mole Valley will provide the level of investment required to successfully complete a high standard public realm project (as identified by the Coast to Capital Strategic Economic Plan) in Church Street, Leatherhead and provides for an initial impetus to the Transform Leatherhead masterplan.

Approval of the funding will also enable the project to proceed within the prescribed

timescale as set out in the bid document in Annex 2

The bid has received the support of the Investment Panel, the Local Committee Chairman (and Local Member) and the officer screening panel.

The project is considered to meet the criteria of the fund and provides sufficient match funding as set out in the Fund Prospectus in Annex 3

The Surrey County Council (SCC) funding will complete the package of funding in order to provide the standard of scheme that meets the objectives of the Local Enterprise Partnership (LEP), without which a lesser standard of public realm project will be achieved.

DETAILS:

1. The TCRF provides for individual proposals of up to £0.35m from district and boroughs addressing local centre revitalisation.
2. The fund was launched in February 2016 following consultation with district and borough economic development officers.
3. Bids are being developed by the districts and boroughs in consultation with the Council and will be presented to the Investment Panel as appropriate. In March 2016 the following bid was presented to the panel for which it received the Panel's support and it is for this application that approval is sought in this report:

Mole Valley: Leatherhead Southern Gateway - Church Street

This project provides for the upgrade of public realm in Church Street, Leatherhead, alongside the establishment of a new "Little" Waitrose food store. This will increase the footfall with a mix of uses and provide an impetus for new private sector investment as part of the Transform Leatherhead masterplan.

The project aims to address Leatherhead's vulnerability to competition from larger nearby centres such as Kingston, Guildford, Epsom and Crawley by:

- i) creating a lively and interesting environment with increased footfall and mix of uses and users and;
- ii) providing public realm enhancements in Church Street which will contribute to and lead on the wider regeneration of the town centre, attracting new private sector investment and jobs and underpin both planned and intended investment in the commercial vitality of the town.

CONSULTATION:

4. Internal consultation has taken place including with the Deputy Leader, the Investment Panel, screening panel officers from finance, economy team, highways as well as with place and sustainability. The Local Committee Chairman who is also the Local Member has been consulted and is supportive of the proposal.

5. External engagement and consultation was led by Mole Valley District Council. Extensive local consultation undertaken as part of the Masterplan process via: paper and on-line surveys; public exhibitions; consultation events with residents, workers, visitors, businesses, major employers and hard-to-reach groups. This was supplemented by the creation of cross County/District Member and community reference groups. The town's retail offer and quality of public realm were amongst the highest priorities identified by this consultation process.
6. Further consultation will be undertaken in early summer with stakeholders to agree the details of the design. An exhibition is planned in April to illustrate the masterplan for Leatherhead and it is intended to include details of the Church Street scheme. A *Transform Leatherhead* Members Steering Group and Stakeholders Group have been consulted on aspects of the master planning and consultation including the proposals for Church Street.

RISK MANAGEMENT AND IMPLICATIONS:

7. The following risks have been identified and assessed:

Risk	Mitigation
Risk of cost overrun due to proposals currently being based on cost estimates	Cost schedule includes 10% contingencies and 10% risk allocation. Any overrun of costs will be the responsibility of Mole Valley District Council as stated in the terms and conditions within the Funding Agreement.
LEP is agreed in principle, subject to legal agreement.	Funding from the LEP has been allocated for spending in 2016/17. In the unlikely event of this money not being awarded, SCC will work with Mole Valley District Council to identify alternative options within the project scope and in line with the funding agreement.
Public acceptability – SCC being associated with an unpopular scheme	Early design has taken account of previous consultations and scheme being designed to accommodate future changes in the way the street is used.

Financial and Value for Money Implications

8. The total cost of the project is £805,350. Of this £200,000 is required from the TCRF for 2016-17 with no further funding requested beyond this period. This sum is within the maximum fund amount available for each authority of up to £350,000 and is well within the overall 2016-17 approved capital budget. Match funding of £605,350 has been secured, subject to legal agreements as illustrated in Annex 1. This match funding has provided the opportunity for funding from a variety of sources. SCC funding will enable higher quality public realm to be implemented creating the environment necessary to attract and retain visitors as well as encourage private investment.

Section 151 Officer Commentary

9. The Section 151 Officer supports the proposed contribution to the Leatherhead Southern Gateway project which will help to enhance the economic prosperity of the area. The project, and the wider TCRF, have been scrutinised by the Council's Investment Panel.
10. The contribution of £0.2m will be met from the approved capital budget and will be subject to a Funding Agreement between the two councils to ensure the funds are correctly managed.

Legal Implications – Monitoring Officer

11. By virtue of the general power of competence in Section 1 of the Localism Act 2011, the Council has the ability to do anything for the benefit of the authority, its area or persons resident or present in its area. As the proposed grant is being made to another local authority there are no state aid implications.
12. The provision of grant funding under the Town Centre Revitalisation Fund is contingent upon the receiving organisation entering into a grant agreement with the Council. This agreement contains a variety of terms and conditions to protect the use of the grant monies. These terms and conditions include provisions enabling the repayment, claw-back or withholding of the grant monies should agreed milestones or objectives not be met.

Equalities and Diversity

13. An Equality Impact Assessment (EIA) has not been carried out for the purposes of the TCRF. The primary aim of the fund is to support economic prosperity to secondary towns. However, it is also envisaged that projects will improve the general health and wellbeing of Surrey's residents and communities by encouraging physical activity, assisting vulnerable groups and supporting independent living.
14. The Leatherhead project will improve public realm and quality of the environment. The project will provide opportunities to improve the facilities for cyclists, declutter the street and include good seating whilst quality footways will make the street safer and more pleasant to use. The scheme will enable footways to be widened facilitating more activity on the street. As such there will be no adverse impacts on any one group. However, further consideration will be given to access as the design stage progresses in consultation with the Mole Valley Access Group. The Transform Leatherhead Strategy will also be integrated into the Local Plan which will be subject to the usual EIA analysis.

Climate change/carbon emissions implications

15. The aim of the Leatherhead project is to increase footfall by improving the quality of the environment, providing a mix of users and improving access. There is a risk of increased carbon emissions as a result of more visitors if these visitors are car drivers. However, this is likely to be insignificant as the focus of the funding is for public realm improvements which encourage greater pedestrian flow, and pedestrian linger time. Decluttering the street and the inclusion of good seating and quality footways will make the street

safer and more pleasant to use. The scheme will enable footways to be widened facilitating more activity on the street. Extra cycle parking will offer further opportunities for cyclists in addition to the present facilities.

WHAT HAPPENS NEXT:

16. Should the Deputy Leader on 11 May 2016 agree the recommendations, the process would proceed as follows:
17. Leatherhead Church Street Investment:
 - a. decision communicated to Mole Valley and work to put in place funding agreement
 - b. put in place reporting arrangements to track project delivery
 - c. work with Mole Valley to communicate the project implementation and benefits.
20. Town Centre Revitalisation Fund:
 - a. Work is ongoing with the Surrey boroughs and districts to develop proposals for consideration by Investment Panel. Bids that fit with the fund criteria and achieve value for money will be brought to the Deputy Leader for decision.

Contact Officer:

Lesley Harding, Place & Sustainability Group Manager, 020 8541 8091

Consulted:

Investment Panel

Peter Martin, Deputy Leader and Cabinet Member for Economic Prosperity

Tim Hall, Mole Valley Local Committee Chairman – Divisional Member

Tony Orzieri, Finance Manager

Kevin Lloyd, Senior Policy Manager

Richard Bolton, Local Highways Group Manager

Annexes:

Annex 1 - Town Centre Revitalisation Fund Recommendation for Decision

Annex 2 – Mole Valley: Leatherhead Southern Gateway Project Application Bid document

Annex 2 - Appendix 1 – Church Street Design Concept

Annex 3 – Fund Prospectus

Sources/background papers:

- No background papers were used in the preparation of this report.

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