

SURREY COUNTY COUNCIL**DEPUTY LEADER AND CABINET MEMBER FOR ECONOMIC PROSPERITY****DATE: 8 JUNE 2016****LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR ENVIRONMENT AND INFRASTRUCTURE****SUBJECT: TOWN CENTRE REVITALISATION FUND – RECOMMENDATIONS FOR APPROVAL****SUMMARY OF ISSUE:**

In July 2015 the Leader of the Council 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.

This report seeks approval from the Deputy Leader and Cabinet Member for Economic Prosperity for two bids to the Town Centre Revitalisation Fund. These bids, detailed below, have been considered by and received support from the Investment Panel:

- a) Elmbridge Borough Council: Extension to Elmbridge Civic Improvement Fund (ECIF)
- b) Spelthorne Borough Council: Supporting Spelthorne Secondary Shopping Areas

RECOMMENDATIONS:

It is recommended that the Deputy Leader and Cabinet Member for Economic Prosperity:

- i. approves the proposed grant funding of £50,000 to Elmbridge Borough from the Town Centre Revitalisation Fund for 2016/17 as set out in Annex 1; and
- ii. approves the proposed grant funding of £101,102 to Spelthorne Borough Council from the Town Centre Revitalisation Fund for 2016/17 as set out in Annex 1.

REASON FOR RECOMMENDATIONS:

The Council seeks to work with the boroughs and districts to promote economic prosperity for residents. The primary aim of the Town Centre Revitalisation Fund (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.

a) Elmbridge Borough Council: Extension to Elmbridge Civic Improvement Fund (ECIF)

Approval of this bid will enable an already established and proven local grant scheme to continue to support local businesses in Elmbridge, increasing benefit to the local economy, enhancing the attractiveness of shopping centres and attracting people to use local businesses. The ECIF extension project will be specifically targeted towards town centre shop front and streetscape improvements.

Elmbridge Borough Council have expressed a wish to continue this programme for a further two years (2016-17 and 2017-18) with a funding request of £50,000 in each year (match funded). Based upon the evaluation of value for money against successful bids in 2016-17, further consideration will be given to the allocation of further funding in following years.

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

The projects are considered to meet the criteria of the fund and provide sufficient match funding as set out in the Fund Prospectus in Annex 2

b) Spelthorne Borough Council: Supporting Spelthorne Secondary Shopping Areas

Approval of this bid will provide for much needed investment in local shopping areas where there has been a lack of investment in past years, some of which are in areas of deprivation and are failing to meet the needs of the local community. Maintaining the role of smaller centres and parades in serving their local neighbourhood is a priority within the Local Plan.

The bid has received the support of the Investment Panel, the Local Committee Chairman and divisional members and the officer screening panel

The projects are considered to meet the criteria of the fund and provide sufficient match funding as set out in the Fund Prospectus in Annex 2.

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 May 2016 the following bids were presented to the panel for which they received the Panel's support and it is for these applications that approval is sought in this report:

a) Elmbridge Borough Council: Extension to Elmbridge Civic Improvement Fund (ECIF)

The Elmbridge Civic Improvement Fund (ECIF) was set up in 2009 to support local businesses. The fund supports the Elmbridge Local Plan and Enterprise Elmbridge Action Plan by helping to unlock investment in town centre businesses, retailers and town centre environment. It is a match funding grant scheme (grants are available for up to 90% of eligible costs) intended to fund projects within Elmbridge that benefit the local economy by:

- Improving the vitality and viability of new businesses taking on vacant premises;
- supporting existing retailers looking to attract new trade; and
- improving the attractiveness and accessibility of local town centres.

Eligible bids will include, but not be limited to:

- Improvements to shop fronts and signage;
- street furniture and street scene improvements; and
- improvements to the use and appearance of empty shops.

As an established programme ECIF has a strong delivery record and project infrastructure led by Elmbridge Borough Council with an existing grants administrator in place, project management processes, marketing materials and networks into the local business community to continue to deliver positive outcomes across the programme. Over its six year existence the fund has provided in excess of £1.2m to local businesses and has supported 209 projects averaging 34 per year.

b) Spelthorne Borough Council: Supporting Spelthorne Secondary Shopping Areas

This bid is part of a wider project to tackle some of the key challenges facing the retail sector within the Borough, specifically those locations situated outside of the main town of Staines-upon-Thames, by structuring a series of interventions over a four year period. The overall aim is to maintain and enhance the role of Spelthorne's secondary shopping centres, Ashford, Shepperton and Sunbury Cross as well as supporting the role of the smaller parades in serving their local neighbourhoods.

This initial bid for funding in 2016-17 focuses on four smaller local shopping parades which are considered to be in areas of deprivation, have received little or no investment in recent years and are struggling to meet the needs of their local communities:

- Stanwell: Clare Road Parade
- Sunbury: Groveley Road Shopping Parade
- Ashford: Woodlands Parade

- Staines upon Thames: Edinburgh Drive

These parades will receive general upgrades to include signage, paving/pathways, street furniture, refresh/implement parking bays and associated road markings to create clearly defined parking areas. Note: The Borough is liaising with the Parking Team to ascertain status of any parking review that may impact on this element. These improvements will increase the environmental quality of these areas, attracting local visitors, increasing footfall and spending as well as providing the community focus needed for local residents.

CONSULTATION:

4. Internal consultation has taken place in relation to both of these projects including with the Deputy Leader, the Investment Panel, screening panel officers from Finance, Economy team, Local Highways as well as Place and Sustainability. Consultation has also included both the Chief Executive and Deputy Chief Executive at Spelthorne Borough Council.

- a) Elmbridge Borough Council: Extension to Elmbridge Civic Improvement Fund (ECIF)

The ECIF extension application has been signed off by the Leader of Elmbridge Borough Council and the Portfolio holder for Community Development. Councillors have been consulted with an update paper on the Enterprise Elmbridge Action Plan received by Cabinet on 13 January 2016.

A wide range of local stakeholders have been consulted on the Elmbridge Civic Improvement Fund including:

- Elmbridge Business Network
- Surrey Chambers of Commerce, Federation of Small Business
- Local Esher, Cobham, Walton, Weybridge, Molesey, Claygate & Thames Ditton business associations

Strong support was received from all the local business groups across the area.

- b) Spelthorne Borough Council: Supporting Spelthorne Secondary Shopping Areas

Consultation led by the Borough has taken place with the Cabinet Member for Economic Development as well as the Leader of the Council. External engagement has included retailers from the four shopping parades who have supported the proposals, along with Local Chambers and Business Forums.

RISK MANAGEMENT AND IMPLICATIONS:

5. The following risks have been identified and assessed:

- a) Elmbridge Borough Council: Extension to Elmbridge Civic Improvement Fund (ECIF)

Risk	Mitigation
Insufficient awards to complete expenditure in timeframe: In 2015/16 it has supported 44 projects.	This is an established and proven fund with brand presence. Over its six year existence the fund has supported 209 projects averaging 34 per year. Established business networks provide promotional avenues.
Fund insufficiently well managed leading to misallocation of funds:	EBC have an established and successful admin/management process in place as well as strong qualifying criteria (found in the Application Guidance Notes Annex 3). Any allocation of SCC funding will also be subject to the TCIF criteria as set out in the Fund Prospectus, Annex 2). EBC are able to provide regular updates as to the allocation of funding and will provide an end or year report as part of the evaluation process.
ECIF overspend	SCC Funding Agreement to be implemented which ensures that any additional costs incurred will be the responsibility of Elmbridge BC. (Any SCC funding of ECIF projects will be limited to the allocated annual total of £50,000)
Visibility/identity of SCC funding	SCC will work with EBC to ensure that projects supported by SCC funding will have appropriate communications/ media support – eg EBC have suggested that each successful project will have an accompanying press release.

b) Spelthorne Borough Council: Supporting Spelthorne Secondary Shopping Areas

Investment in year one is designed to improve the physical landscape and image of some of the most tired shopping parades and then enhance the vitality of the local area from both an economic and social perspective. The parades selected have been chosen to give the biggest return on the investment so that the money spent is used most effectively in achieving the desired aims in the first year.

Risk	Mitigation
Initial quoted costs may increase at tender stage.	Costs provided by a current contracted supplier and are indicative for bid purposes, a full tender process will be undertaken in line with public sector procurement rules
Possible overspend, unforeseen costs.	SCC Funding Agreement to be implemented to ensure that any additional costs incurred will be the responsibility of Spelthorne BC.

Financial and Value for Money Implications

6. Annex 1 sets out the financial implication of these two bids for 2016-17.
7. Both requests for SCC funding (£50,000 for Elmbridge and £101,102 for Spelthorne) are within the maximum fund allocation available for each authority of up to £350,000 and is well within the overall 2016-17 approved capital budget. Match funding has been secured from Elmbridge Borough Council and Spelthorne Borough Council for each of their projects. Final confirmation of this match funding will be required prior to the signing of any Funding Agreements.

Section 151 Officer Commentary

8. The Section 151 Officer supports the recommendations to allocate funding to both of these projects:

Elmbridge BC – Extension to the EICF

Spelthorne BC – Supporting Spelthorne’s Secondary Shopping Areas

These projects, together with the wider TCRF, have been reviewed by the Council’s Investment Panel.

9. The contribution of £151,102 will be met from the approved capital budget, and will be subject to Funding Agreements between parties to enable the funds to be correctly managed.

Legal Implications – Monitoring Officer

10. 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.
11. 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

12. An Equalities Impact Assessment (EIA) has not been carried out for the purposes of the TCR. The primary aim of the fund is to support economic prosperity in 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.

Both of the bids presented in this report provide for improved facilities and access with no specific impact on any one group. However, each local authority will consider impacts of design/applications throughout the implementation of each of their projects.

Public Health implications

13. Whilst there is not likely to be a significant impact on the health and well being of the population, it is envisaged that projects will contribute to improved general health and wellbeing of Surrey's residents and communities by improving access to local shopping facilities and providing the local community focus cohesion recognised as having positive impact on people's lives.

Climate change/carbon emissions implications

14. Neither of these projects have a significant impact on carbon emissions. However, it is worth noting that by improving local shopping facilities and providing more a better mix of retail offer and accessibility for local residents then this provides greater opportunity for less car travel to other areas of the Borough and participation in more active travel such as walking and cycling.

WHAT HAPPENS NEXT:

15. Should the Deputy Leader on 8 June 2016 agree the recommendations, the process would proceed as follows:
 - a. decision communicated to both Elmbridge and Spelthorne Borough Councils and work to put in place funding agreement;
 - b. put in place reporting arrangements to track project delivery;
 - c. work with each council 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

Roberto Tambini, Chief Executive, Spelthorne Borough Council

Terry Collier, Deputy Chief Executive, Spelthorne Borough Council

Tony Orzieri, Finance Manager

Kevin Lloyd, Senior Policy Manager

Richard Bolton, Local Highways Group Manager

Annexes:

Annex 1 – TCRF Funding June 2016

Annex 2 – Fund Prospectus

Annex 3 - ECIF Application Guidance Notes

Sources/background papers:

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