

Title: Future High Streets Fund update

Lead Officer: Martin O'Neill

Portfolio Holder: Councillor Liam Bartlett

Wards of the District directly affected: Brunswick, Clarendon, Willes

<b>Approvals required</b>	<b>Date</b>	<b>Name</b>
<b>Portfolio Holder</b>	17/1/2023	Liam Bartlett
<b>Finance</b>	17/1/2023	Andrew Rollins
<b>Legal Services</b>	16/1/2023	Ross Chambers
<b>Chief Executive</b>	17/1/2023	Chris Elliott
<b>Head of Service(s)</b>	17/1/2023	Philip Clarke
<b>Section 151 Officer</b>	17/1/2023	Andrew Rollins
<b>Monitoring Officer</b>	17/1/2023	Andrew Jones
<b>Leadership Co-ordination Group</b>	9/1/2023	Chris Elliott
<b>Final decision by this Committee or rec to another Cttee / Council?</b>	Yes	
<b>Contrary to Policy / Budget framework?</b>	No	
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>	Yes, Confidential Appendix 2	
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>	Yes – Notice of Exemption published 30/01/2023	
<b>Accessibility Checked?</b>	Yes	

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## Summary

The report presents an update on the projects being funded by the Future High Streets Fund (FHSF). There is also a confidential element in respect of one of those project sites.

## Recommendation(s)

- (1) That Cabinet notes the progress being made in respect of the projects being funded through the FHSF.
  - (2) That Cabinet agrees the approach being taken in respect of the particular element of the project outlined in confidential appendix 2
  - (3) That authority is delegated to the Chief Executive in consultation with the Group Leaders, the relevant Portfolio Holder, and the S151 Officer to progress the proposals as set out in confidential appendix 2.
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## 1 Reasons for the Recommendations

- 1.1 Members will recall that Warwick District Council was successful in its bid to the FHSF in 2020. The total amount of funding awarded amounted to £10.015million. The deadline to utilise this funding is 31<sup>st</sup> March 2024. This report provides Members with an update as to progress against the projects included in the funding bid.
- 1.2 As well as the FHSF, there is also co-funding from private investment and Warwick District Council for some of the projects with FHSF. It should be noted that only the FHSF must be utilised by the above date. If projects are still being developed beyond that date, the co-funding can still be utilised.
- 1.3 **The FHSF projects**
  - 1.3.1 **Sustainable Movement** – this project is designed to deliver new East/West cycle routes through Leamington Spa town centre. Officers are working closely with colleagues at the County Council on the design of this scheme, in conjunction with the upcoming Mini Holland proposals. The Mini-Holland scheme is a Government backed Active Travel initiative designed to invite proposals for new or improved cycleways and footways. Warwickshire County Council was successful in securing £1.4million to develop a study and produce a report to be submitted to Government. If selected, the Government will award additional funding to bring forward the Mini-Holland scheme. At a recent meeting with the County Council team officers clarified the level of funding available through the FHSF for the East/West route. County colleagues have undertaken to provide detailed designs in the coming weeks to enable this project to commence by the summer. The funding allocated from FHSF for this project is £506,000 with co-funding through CIL in the amount of £0.5million. Officers are confident that the FHSF element of this funding will be fully spent by the deadline to utilise the funding.
  - 1.3.2 **Spencer Yard** – works have commenced on this site and this is now well advanced. The completion of the works is due in July 2023 and as such, all of the FHSF funding will have been utilised by that date. Tenants have been secured for the URC, the Old Dole Office and the former Nursery. COGENT is a well-established marketing agency and SEA Institute is a global leader in creative media education. These two tenants will occupy the majority of the

Spencer Yard development and in turn will bring a significant amount of economic and educational benefits to the town centre as well as new jobs and advanced training facilities. The total amount of funding that has been allocated to Spencer Yard from FHSF is £1.5million with private sector co-funding of £3.6million from the Council's development partner CDP.

- 1.3.3 **Town Hall Creative Hub** – FHSF spend has commenced on this project through the procurement of conservation architects to undertake stakeholder consultation and arrive at design options. The design stages have progressed with an expectation that a planning application will be submitted by March 2023. The total FHSF allocation for this project is £951,000 with co-funding from WDC in the amount of £787,000. This funding will be utilised to deliver phase one of the entire development and improvement plans for the Town Hall. Further funding will be sought to deliver future phases which are not part of the FHSF Programme. Phase one includes; improvements to the access to the Town Hall, enhancements to the entrance, reworking the reception area and the ground floor corridors to create a welcoming space for networking and exhibition space. Improvements and enhancements will be made to the staircase leading to the first floor where more exhibition and meeting areas will be created to enable the asset to become the creative Hub as set out in the FHSF bid. These proposals are all subject to relevant planning permissions.
- 1.3.4 **Stoneleigh Arms** – Members may recall that officers were at an advanced stage of negotiation with the Post Office to secure a lease on the Old Post Office building in Leamington Spa. Shortly before the final heads of terms were due to be signed a decision was made by the building owners to withdraw it from the market. As a result, a decision was made to reprofile the FHSF allocation to an alternative site at the Stoneleigh Arms former public house and the Old Schoolhouse to the rear of the Stoneleigh Arms.

As the current condition of both buildings is extremely poor and unsafe, working under a WDC licence, the council's development partner CDP have commenced demolition work to the rear of the Stoneleigh Arms in order that detailed structural survey work can take place. In terms of the future use of these buildings, local engagement has been undertaken and further engagement work (including a planning pre-application submission) will take place in mid-February. Following that, a planning application will be submitted in late March early April with a view to commence work on site in July. The development completion is anticipated for July 2024. Officers are confident that the entire allocation of FHSF will be utilised by 31st of March 2024, by which time approximately 85% of the entire development will have been completed.

Consideration is being given to the potential future uses for the buildings. CDP's architects are due to present officers with options in the near future. There is likely to be an active frontage onto Clemens Street, artists space contained within the new development, a café and possibly a micro-brewery. Overall the building will be a mix of uses to support local creatives and if feasible there may be some office space included which is much in demand in Leamington to support grow on space for the creative sector and games companies. There is also a proposal to introduce a "pocket park" to the rear of the Stoneleigh Arms building to link up with the Old Schoolhouse which is also part of this overall development. A high-level concept plan is attached to illustrate this at appendix 1. Authority has already been delegated to proceed with the development of this site and agree appropriate lease and disposal

arrangements with CDP in a previous report to Cabinet in July 2022.

1.3.5 **Confidential site** – update contained in private and confidential appendix 2.

1.3.6 **Spend Profile** - a summary of the current spend profile against the FHSF allocation is shown at appendix 3.

#### 1.4 **Reasons for recommendations**

1.4.1 The above section of the report along with the confidential appendix provides members with the current position of the projects included in the FHSF programme. Whilst some projects are more advanced than others, it is anticipated that all of the projects will gain significant momentum over the course of the next 12 months.

1.4.2 It is evident that the approach outlined in the confidential appendix is the most challenging and time critical of the entire FHSF programme. It is therefore of vital importance that Members are fully apprised of the current proposals and that, subject to their approval, officers can move swiftly to undertake the further work that is necessary to enable this element of the funding to be spent by the deadline of 31<sup>st</sup> of March 2024.

1.4.3 Furthermore, in order for further progress on this project at the required pace and with a number of critical and time sensitive decisions to be made in the coming weeks, the recommended scheme of delegations is vital at this point for the overall success of the Programme. A further report will be forthcoming later in the year to provide an update to Members on progress on this vital element of the FHSF.

## 2 **Alternative Options**

2.1 In terms of an alternative option, Members could opt not to support the approach being recommended in confidential appendix 2, and furthermore not to grant the scheme of delegations as recommended in this report.

2.2 This option is not recommended by officers as this would carry a substantial risk of not being able to fulfil the options as presented and therefore risking this element of the FHSF programme. This would pose a risk to the funding allocation for this project being spent by the deadline date which in turn would necessitate returning the funds to Central Government.

2.3 If this alternative option is taken, then this further jeopardises the opportunity to regenerate Leamington Spa town centre and lose a prime development opportunity with all of the economic and social benefits that would most likely accompany the redevelopment of the site in question.

## 3 **Legal Implications**

3.1 Officers are working in close collaboration with colleagues from Warwickshire Legal Services across all of the FHSF projects. This will ensure that all relevant legislation, lease and disposal arrangements and all other statutory requirements are being met and the interests of the council are foremost in the decision making process.

## 4 **Financial**

4.1 The entirety of the funding required to deliver the FHSF projects has already been approved by Cabinet and through the award of the FHSF funding. There is also an element of private co-funding from the council's development partner CDP. No additional funding is being requested as part of this report.

## **5 Business Strategy**

- 5.1 Health, Homes, Communities – the projects contained in the overall FHSF Programme are designed to regenerate the South area of the town centre of Leamington Spa. This regeneration will in turn link in with a wider scheme of projects in the same area such as the proposal for the Bath Street improvements. Together these projects will improve the environment both in terms of bringing old disused buildings back into use, increasing footfall in the town centre, increasing jobs and strengthening the local economy. Community benefits will also follow on in terms of a better, safer, cleaner environment for residents and visitors to spend time. Air quality will ultimately improve over time from the FHSF Programme a linking with wider projects such as Bath Street improvements and the Sustainable Movement Network.
- 5.2 Green, Clean, Safe – The success of the application to Future of the High Streets Fund has the potential to bring about environmental improvements in Leamington Town Centre including air quality, more sustainable transport options and improvement to the public realm. The Sustainable Movement Network is designed to bring significant environmental benefits and climate change improvements contributing to the Council's Climate Change ambitions.
- 5.3 Infrastructure, Enterprise, Employment – The FHSF programme will diversify the town centre to support economic sustainability. It will create new active public spaces. The funding will enable new employment and economic growth in the town centre and help to regenerate the south of the town centre, connecting with the north and lead to an improvement in the vibrancy and diversity of the town centre as a result.
- 5.4 Effective Staff – the FHSF programme does not have a direct impact on the effectiveness of staff.
- 5.5 Maintain or Improve Services – the FHSF does not have a direct impact on service improvement or efficiency.
- 5.6 Firm Financial Footing over the Longer Term – The programme will revitalise underused assets, bringing capital investment to the town centre and in turn revitalise the economy and revenue to the Council as a result.

## **6 Environmental/Climate Change Implications**

- 6.1 All of the developments and projects being delivered as part of the FHSF programme will be undertaken using sustainable construction methods and these will be agreed as part of any Development Agreements that are required in respect of each project.
- 6.2 With regards to Spencer Yard a comprehensive energy and sustainability strategy was submitted as part of the planning application. CO2 emissions are proposed to be reduced through a combination of enhanced building fabric standards, low energy LED lighting, mechanical ventilation with heat recovery, low carbon heating via air source heat pumps and on-site electricity generation from roof mounted photovoltaic panels. Sustainable modes of transport are also being encouraged by providing covered cycle storage with showering and changing facilities on-site, improved public realm works including lighting and planting to improve the pedestrian experience, and reducing the number of car parking spaces on site.
- 6.3 The EPC ratings on the Old Dole Office and the Nursery are expected to be A, and C on the URC which is an achievement for a Listed Building.

## **7 Analysis of the effects on Equality**

7.1 Throughout the stakeholder consultation processes held to date on the FHSF projects, the interests of a diverse range of representatives have been sought to ensure the projects are inclusive and take account of equality and the diverse range of future users of these developments.

## **8 Data Protection**

8.1 Not applicable to this report and the FHSF programme.

## **9 Health and Wellbeing**

9.1 The FHSF programme and the projects being delivered as part of this allocation of funding are designed to achieve the regeneration of currently unused and to a large extent dilapidated buildings in the south of Leamington Spa town centre. One of the primary objectives of the programme is to improve the health and well-being of residents and visitors as well as those who work in the town centre by providing usable, modern, sustainable and attractive places in a location that is currently run down and underutilised. As well as the obvious economic benefits these projects will bring to the town centre, it is of prime importance that the health and well-being of all those who utilise them will be improved through the rejuvenation of the built environment in this area of the town centre.

## **10 Risk Assessment**

10.1 As part of the FHSF bid, officers put forward a robust risk management process. This process centres around a comprehensive risk register which is maintained and updated throughout the life of the programme. The latest risk register for FHSF is attached at appendix 4

## **11 Consultation**

11.1 All of the individual projects that form the overall FHSF programme have or will undertake stakeholder consultation to inform decisions being made on these developments. In particular, the consultation is designed and tailored to each individual development site with a view to gaining an informed and inclusive future use of the buildings having due regard to residents, visitors, businesses, and other local stakeholders.

### **Background papers:**

N/A

### **Supporting documents:**

N/A