

## **Hambleton District Council**

**Report To:** Cabinet

**Date:** 7 July 2020

**Subject:** **Future High Streets Fund**

**Portfolio Holder:** Economic Development and Finance  
Councillor P R Wilkinson

**Wards Affected:** All Wards

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### **1.0 Purpose and Background**

- 1.1 This report seeks approval for the Future High Streets Fund (FHSF) Business Case for Northallerton to be submitted to the Ministry of Housing Communities and Local Government (MHCLG). The Business Case must be submitted to the Ministry of Housing Communities and Local Government by 30 July 2020 and successful bids will be announced at the end of September.
- 1.2 In March 2019 the Council submitted an Expression of Interest to the Future High Streets Fund and in August 2019 Hambleton was successfully shortlisted as one of 101 towns in England invited to develop a full Business Case to bid for funding from the £1 billion pot.
- 1.3 The Future High Streets Fund is part of the Government's 'Our Plan for the High Street' and will provide co-funding towards capital projects that bring transformative change. The fund is to help the implementation of bold new visions to transform town centres and make them fit for the future.
- 1.4 Future High Streets Fund projects must fall into the following themes:
- Investment in physical infrastructure
  - Acquisition and assembly of land including making improvements to the public realm
  - Improvements to transport access, traffic flow and circulation in the area
  - Supporting change of use including (where appropriate) housing delivery and densification
  - Supporting adaptation of the high street in response to changing technology
- 1.5 The Business Case for Northallerton seeks to address the key challenges currently facing the High Street which are likely to be further exacerbated as a result of the Covid-19 pandemic. These include:-
- reliance on traditional retail as an attractor
  - no discernible leisure circuit
  - limited evening economy and leisure offer

- no event space on the High Street
- congested and car dominated High Street
- lack of a social hub
- high proportion of over 65s and a growing gap with the 18-35 population
- competitive threats from out of town retail outlets
- Northallerton's heritage is hidden

1.6 The Business Case focuses on the High Street and adjacent areas of the town centre that present areas of opportunity for high quality redevelopment and maximising use of the currently underutilised east west links. There is a focus on re-thinking the role of Northallerton town centre as a social, leisure and enterprise hub, building on its role as a traditional shopping and service centre. Creating opportunities for more creative and dynamic, cultural and leisure uses in the town centre, together with an improved night-time economy, will serve to broadening its appeal to a younger demography.

### Proposed schemes

1.7 Details of the proposed schemes are summarised below.

Treadmills Phase 2	Leisure and digital led mixed use development comprising cinema, restaurants, cafes, and a post 18 education hub to provide a cultural asset at the heart of the town centre to drive footfall, increase dwell time and linked trips and stimulate the evening economy.
Town Centre Living	Repurposing of long term empty spaces above shops on the High Street, to form affordable residential units, improve upper floors and their appearance, bring more people into the town centre and provide starter accommodation for young professionals. The project will also act as a demonstrator project to stimulate further private sector investment in the High Street.
Artisan Yard	Purchase of land and buildings to create an "artisan craft yard" creating an inviting pedestrian route and a vibrant space with small grow on units for high tech and creative enterprises. Small eateries and local artisan food and drink businesses will be brought together around a courtyard and outdoor seating area.
Town Centre Public Realm	To provide a high quality and flexible events space on the High Street to create a focal point to increase footfall and dwell time and improve accessibility for pedestrians.

## 2.0 Link to Council Priorities

- 2.1 The Future High Street Fund Business Case supports the Council's priority of driving economic vitality; specifically supporting the development of Northallerton as a Vibrant Market Town supporting the future sustainability of the High Street.

## 3.0 Risk Assessment

### 3.1 Risk in not approving the recommendations

Risk	Implication	Prob	Imp.	Total	Preventative Action	Net Prob	Net Impact	Net total
Reputational Risk to the Council	Council may be criticised if the opportunity to secure significant investment is missed	5	4	20	Approve the Business Case	2	3	6

### 3.2 Risk in approving the recommendations

Risk	Implication	Prob	Imp.	Total	Preventative Action	Net Prob	Net Impact	Net total
The Council is unable to deliver the proposed schemes	Economic impacts and community benefits are not realised	3	4	12	Effective engagement with key stakeholders from the beginning of the schemes	2	2	4
Some projects fail due to financial risks	Negative publicity for the Council	3	4	12	Monitor projects closely	3	2	6

The risk of not agreeing with the recommendations outweighs the risk of agreeing with the recommendations. It is therefore considered acceptable to approve the recommendations.

## 4.0 Financial Implications

- 4.1 The Business Case has a total expected capital project cost of £15.4m and is asking for Future High Street funding of £7.1m. Co-funding will be provided by the private sector and the public sector, including Hambleton District Council and the York and North Yorkshire Local Enterprise Partnership. It should be noted that the capital expenditure is still being finalised and the funding to be provided by private and public sector of £8.3m may marginally change.

- 4.2 In terms of additional capital expenditure to be funded by the Council, this is estimated at £2.4m. This will be funded either from borrowing where the finance costs are estimated at £0.106m and will be included in the revenue budget for 2021/22 or alternatively the Council's reserves will also be considered. The 10 year financial strategy is currently under review due to the associate costs and loss of income from the Covid-19 pandemic and the finance costs of this project or use of reserves will also be incorporated; it is recognised that this investment will support the recovery of the local economy in future years attracting local jobs, increased footfall on the High Street and providing new opportunities in the local area.
- 4.3 A further report will be provided to Cabinet when the capital expenditure, revenue streams, operational costs and financing costs are refined.

## **5.0 Legal Implications**

- 5.1 If successful the Council will enter into a Grant Funding Agreement with the Ministry of Housing Communities and Local Government. Each scheme that is delivered through the Future High Streets Fund must adhere to a set of terms and conditions. This ensures the grant is spent correctly, that any legal requirements are met and that the grant is properly publicised and closely monitored.

## **6.0 Equality/Diversity Issues**

- 6.1 Equality and diversity issues have been considered however there are no issues associated with this report.

## **7.0 Recommendation**

- 7.1 That Cabinet approves and recommends to Council that:-
- (1) the Future High Streets Fund Business Case for Northallerton is submitted to the Ministry of Housing Communities and Local Government; and
  - (2) a report be brought to Cabinet on the finalised capital and revenue costs.

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**Background papers:** Future High Streets Fund Business Case - Northallerton

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