

TRAFFORD COUNCIL

DELEGATED EXECUTIVE MEMBER DECISION REPORT

Report to: Executive Member for Housing and Regeneration
Date: 1 June 2020
Report for: Decision
Report of: Corporate Director Place

Report Title

Stretford Future High Streets Fund Submission

Summary

Securing the successful regeneration of Stretford Town Centre has been a long-standing priority for the Council. The Town Centre has been identified as being in need of public intervention to support its regeneration as it currently fails to meet the needs and aspirations of the local community.

In July 2019 the Council's Expression of Interest (EoI) for Stretford Town Centre was successful in securing Future High Streets Fund (FHSF) revenue funding of £150,000 from the Ministry of Housing and Local Government (MHCLG) to develop a full business case for capital investment in the Town Centre.

The full business case has been prepared in accordance with detailed MHCLG guidance and informed by the feedback from public consultation events to date. The deadline for submission of the full business case to MHCLG is 5 June 2020. The enabling infrastructure for which funding is being sought via FHSF will help to unlock the transformation of Stretford Town Centre.

Recommendation(s)

It is recommended that the Executive Member for Housing and Regeneration:

- (i) Approves submission of the full business case for Stretford Town Centre to MHCLG by 5 June 2020.
- (ii) Delegates authority to the Corporate Director of Place to make any amendments to the full business case prior to final submission as necessary.
- (iii) Agrees to classify this decision as urgent and exempt from call-in to enable the Council to meet the MHCLG submission deadline.

Contact person for access to background papers and further information:

Name: Mike Reed (Strategic Growth Manager)
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Background Papers: None

Appendix 1: Future High Streets Fund Full Business Case – Stretford Town Centre

Appendix 2: Future High Streets Fund Appendices – Stretford Town Centre

Implications:

Relationship to Policy Framework/Corporate Priorities	The Future High Streets Fund (FHSF) Full Business Case for Stretford Town Centre will support the delivery of the Council's Corporate Plan (2019), including the priorities Building Quality, Affordable and Social Housing, Health and Wellbeing, and Successful and Thriving Places. Furthermore the proposals within the business case are consistent with and inform the development of the emerging Stretford Area Action Plan (AAP). Delivery of the proposals will also support the Council's strategy for recovery from COVID-19.
Relationship to GM Policy or Strategy Framework	At a GM level the Stretford FHSF bid will support the growth ambitions articulated within the emerging Greater Manchester Spatial Framework (GMSF) and the GM Strategy. Specific proposals will be developed in the context of the GM 2040 Transport Strategy, GM Congestion Plan, and Made to Move walking and cycling plan to identify improvements tackling traffic congestion, promote sustainable modes of travel and better integrate transport and new developments.
Financial	If the bid is successful then separate reports will be brought back to Executive with the detailed business case for each phase of development and the detailed funding strategy.
Legal Implications:	Legal Services will support the AAP process and will need to review the funding agreement.
Equality/Diversity Implications	An Equalities Impact Assessment has been carried out. This has concluded that there would be a neutral impact on protected groups from these proposals. Further assessments will be completed as part of the process to prepare the detailed proposals for delivery.
Sustainability Implications	New development will be carried out in accordance with the Council's sustainability principles. The proposals will help deliver the Council's climate change / low carbon agenda and the GM Environment Plan though supporting better use of the existing land resource and promoting development in sustainable urban locations.
Resource Implications e.g. Staffing / ICT / Assets	Existing staff resources are in place to support delivery of the proposals via the Council and the existing JV with Bruntwood.
Risk Management Implications	The preparation and delivery of the FHSF proposals are supported by a risk plan setting out the key risks to delivery and proposed mitigation measures.
Health & Wellbeing Implications	None as a consequence of this report.
Health and Safety Implications	None as a consequence of this report.

1.0 Background

- 1.1 The Future High Streets Fund (FSHF) was launched by the Ministry of Housing, Communities and Local Government (MHCLG) in December 2018. It is designed to support and fund local areas' plans to make their high streets and town centres fit for the future. This is to be achieved by providing co-funding towards capital projects that bring transformative change. The Fund will contribute up to a maximum of £25 million to each successful place, however, it is expected that a range of project sizes will come forward.
- 1.2 The objective of the Fund is to support the regeneration of town centres through innovative proposals relating to transport, housing delivery and public services. There are five themes set out for investment:
- Investment in physical infrastructure;
 - Acquisition and assembly of land including making improvements to the public realm;
 - Improvements to transport access, traffic flow and circulation;
 - Supporting change of use including housing delivery and densification; and
 - Supporting adaptation of the high street in response to changing technology.
- 1.3 The Council's expression of interest (EoI) to the FSHF for Stretford Town Centre was shortlisted in July 2019 for the next stage.
- 1.4 MHCLG feedback on draft business case in January 2020 noted a strong strategic case for Stretford with robust delivery strategy identified through the JV. The full business case will need to articulate a clear ask for investment.

2.0 Stretford Town Centre

- 2.1 Securing the successful regeneration of Stretford Town Centre has been a long-standing priority for the Council. In January 2018 the Council approved the Refreshed Stretford Masterplan to provide its strategy for the transformation of Stretford. Despite the work delivered to date, significant challenges remain, including a high vacancy rate, limited diversity of uses and the loss of several major retailers in recent years.
- 2.2 Stretford Mall continues to dominate the 'core' of the Town Centre, providing an inward facing shopping centre and a form of development unsuitable for modern requirements. Whilst a number of important assets exist in and around the Town Centre and the Mall, the existing infrastructure and highways serve to hamper on-foot accessibility to the Mall and wider Town Centre from the main residential areas of Stretford. The nature of the Mall is such that Stretford currently lacks a traditional 'High Street' that is open and easily accessible by residents. The Mall remains the central focus of the town and the architecture has changed little since the late 60s with blank concrete facades that are uninviting, unappealing, inflexible and unsuitable for modern retail and high street uses. Whilst the previous ownership had invested to modernise the Mall (including £2m to deliver a new food store in 2014), foot flow in the Mall and Town Centre have continued to decline such that visitor numbers fell 18% between 2017 and 2018.
- 2.3 Previous attempts to deliver the regeneration of the Town Centre have been hampered due to a lack of control of strategically important sites, most notably the Stretford Mall site. In order to acquire the Stretford Mall site and gain control of this

key asset in the Town Centre a joint venture arrangement (JV) has been established between the Council and Bruntwood on a 50:50 basis and on commercial terms. The JV arrangements will provide the basis of a delivery mechanism for development at the Stretford Mall site and adjoining areas as set out within the full business case submission.

- 2.4 Given the scale of the challenges that exist in the Town Centre at present there is a need for significant infrastructure and enabling investment at an early stage to unlock the full potential of the opportunities that exist and act as a catalyst for wider investment and development. The funding that the Council will request via the FHSF to help support these infrastructure improvements will unlock the full potential of the town, building upon the proactive steps taken by the Council to date and delivering the core objectives for the regeneration of Stretford.
- 2.5 The Council has invested significant resources to bring about change in Stretford Town Centre demonstrating commitment to its regeneration. However, it needs additional support to help unlock the potential of the Town Centre through the Future High Streets Fund which will be the public intervention which will help to fully 'kickstart' the regeneration of the town centre area.
- 2.6 The Council is committed to involving the local community in the development of proposals for Stretford Town Centre. Following acquisition of the Stretford Mall site by the JV, a public consultation event was held on 11 November 2019 to provide an opportunity for local people and groups to share their thoughts about the priorities for the Town Centre and how they would like to see the Mall improved. A further consultation session was held on 25 January 2020 to outline feedback from the first event, and provide further opportunities for local people and groups to share ideas that can shape the future of Stretford. Both these events were extremely well attended. A further engagement event outlining potential options for the first phases of development informed by the feedback received to date was due to be held on 21 March 2020 but was cancelled due to the COVID-19 outbreak. Due to the requirement for submission of the full business case by 5 June 2020 an emerging 'preferred option' has been prepared with the caveat that further consultation will take place when circumstances allow with the preferred option refined following this feedback.
- 2.7 To ensure the delivery of a comprehensive transformation of the Town Centre rather than a series of piecemeal interventions an Area Action Plan (AAP) will be produced for Stretford. This will ensure that the scale of development and change proposed for the area is positively managed and guided by a robust planning framework. Securing effective place making, sustainable development and increased affordability will be at the heart of the AAP and ensure that future developments contribute towards and deliver the overall vision and strategic objectives for the Town Centre. The proposals in the full business case have been prepared in the context of the emerging AAP.

3.0 **Full Business Case**

- 3.1 A full business case for £17.6m FHSF investment has been prepared in accordance with detailed MHCLG guidance and provides a breakdown of the enabling infrastructure required to unlock wider redevelopment of the Town Centre. Whilst the final preferred option will be informed by further public consultation on current restrictions are lifted, the full business case is focused on the redevelopment of the Mall, the Lacy Street site, and public realm improvements at Kingsway and Chester Road. The specific interventions are as follows:

- Creation of extended 'High Street' along King Street
- Reconfiguration of Chester Road Entrance to Mall
- Reconfiguration of the Barton Road / Kingsway junction
- Reconfiguration and re-landscaping of Kingsway
- Pedestrian/cyclist upgrade at Chester Road
- Works to unlock Lacy Street for development

3.2 The full business case sets out the strategic, economic, commercial, financial and management case for intervention and investment.

The Strategic Case

3.3 The strategic case sets out the proposals will successfully meet the overall objectives of the FHSF. Stretford Town Centre identified by the Council as failing to meet the needs or aspirations of the community and is in a cycle of decline consistent with the issues the FHSF seeks to address. Town Centre vacancy rates in Stretford are 26.4%, compared to 9.3% Trafford average and 10.3% national average. Loss of major retail tenants in the Mall has created large vacant units and under-utilised spaces. In October 2019 the Council and Bruntwood established a JV to acquire Stretford Mall to deliver the regeneration of this site to provide the basis for the creation of a renewed and reshaped Town Centre. This supports a whole town centre approach, with community engagement at its heart, underpinned by a robust strategic framework and effective delivery arrangements. An Area Action Plan (AAP) for Stretford is also being prepared to give a robust planning framework.

The Financial Case

3.4 The financial case includes details on the financial profile of the preferred option can be delivered successfully as part of a viable scheme. This is supported by a financial profile incorporating the total FHSF funding ask of £17.6m for enabling infrastructure and co-funding provided via site acquisition costs to date and proposed JV investment in the future development.

The Economic Case

3.5 The economic case includes an appraisal of options and a robust assessment of the predicted costs/ benefits of the project. This is used for the overall value for money assessment. Four high level options considered for the purposes of the business case assessment:

- Do-nothing: assumes no FHSF grant but small amount of enabling works to help unlock the first phase of development.
- Do-minimum: delivers some of the identified works, at a total cost of c£13m for enabling infrastructure, unlocking the first three phases of development.
- Do-medium: delivers the entirety of the costed works, at a total cost of c£17m for enabling infrastructure unlocking five phases of development.
- Do-maximum: greater quantum of development and additional infrastructure works at a total cost of £24m for enabling infrastructure.

- 3.6 A value for money assessment has been prepared using a bespoke economic model, following HMT Green Book and MHCLG business case guidance. The assessment demonstrates that the preferred option represents good value for money, with an initial BCR of 2.0 and an adjusted BCR of 2.5.

The Commercial Case

- 3.7 The commercial case to sets out how the works can be effectively delivered and are commercially feasible. The market analysis completed underlines the fact that there is real need for intervention in order to help drive interest and investment into the town centre. Retail analysis shows the continued challenge to attract interest from prospective businesses in taking up leases inside the Mall despite some success in attracting operator to units with a visible external frontage. Housing analysis shows consistent housing demand in Stretford with increasing demand supported by strong transport links. An addendum to the full business case includes details of the processes in place to monitor market demand and make necessary adjustments to reflect any impacts following COVID-19 and the wider strategy for economic recovery.
- 3.8 The existing joint venture with Bruntwood is in place, has completed the acquisition of the Stretford Mall site and will be responsible for the majority of the planned redevelopment. Council has significant experience in regenerating Town Centres in collaboration with public and private sector partners. Bruntwood have a strong track record in developing and managing properties and effective partnership working. An initial governance structure has been agreed to progress the development.

The Management Case

- 3.9 The management case sets out the planning and practical arrangements for implementing the proposals. The works will be monitored as part of the Council's existing governance and monitoring arrangements. A core delivery team will be responsible for the preparation and updates of regular programme reports, risk register, and procurement plan for review by a Strategic Board.
- 3.10 Once there is confirmation of the scale of funding available from the FHSF, and therefore the quantum of development taking place, an updated project plan will be developed. A monitoring and evaluation framework against a 2020 baseline has been developed as part of the full business case submission to enable the Council to monitor delivery against key identified performance indicators, aligned with the objectives of the project as well as the requirements of the FHSF. Existing provisions are in place to monitor footfall data, vacancy rates and business diversity as required by FHSF.

4.0 Wider Corporate Links

- 4.1 The full business case is consistent with the Council's Corporate Plan (2019) priorities, including Building Quality, Affordable and Social Housing, Health and Wellbeing, and Successful and Thriving Places, and the Trafford Economic and Housing Growth Framework (2018). It is consistent with the adopted Core Strategy and the adopted Trafford Unitary Development Plan and the emerging Local Plan and Stretford AAP. The proposals are also aligned with the principles in the emerging Trafford Design Guide.

- 4.2 The full business case recognises the Council's corporate priority for the delivery of high quality and affordable housing. The supporting financial appraisals have been prepared on the basis that the development includes 10% affordable housing provision. This represents a minimum policy compliant figure for affordable housing as part of the proposed scheme. As more detailed work is progressed, the affordable housing provision will be reviewed as part of individual development phases to determine where higher levels of affordable housing can be delivered.
- 4.3 At a GM level, the proposals support the growth ambitions articulated within the GM Local Industrial Strategy and GM Strategy whilst supporting the urban capacity work, housing and employment numbers for the emerging Greater Manchester Spatial Framework (GMSF). The proposals have been developed in the context of the GM 2040 Transport Strategy, GM Congestion Plan, and Made to Move walking and cycling plan to identify improvements tackling traffic congestion, promote sustainable modes of travel and better integrate transport and new development.
- 4.4 The proposals will also support the Council's recovery planning in response to the impacts of the COVID-19 outbreak and align with the emerging Build Back Better response.

5.0 Other Options

- 5.1 The Council could choose not to submit a full business case to the FHSF. However this would not provide the additional capital investment required to unlock the full potential of Stretford and accelerate the regeneration of the town centre area.
- 5.2 A final preferred option could be determined at this stage for the FHSF submission however this would not give the flexibility required to continue consultation with the local community once existing restrictions relating to the COVID-19 outbreak are relaxed. The Council could choose to submit a different emerging option, however the emerging option presented has been prepared to reflect the consultation feedback received to date.

6.0 Consultation

- 6.1 It is recognised that regular engagement and consultation feedback is essential to identify what is important to the community and partners and to inform the delivery of the proposals for the Stretford area. Significant consultation with the local community over the last five years has provided a robust basis for the development of a shared, sustainable and authentic vision and comprehensive approach to regeneration in the Town Centre.
- 6.2 As noted above the planned consultation events in March 2020 were cancelled due to the COVID-19 outbreak. Therefore the full business case has been prepared based on an emerging option using the feedback received to date and caveated that it will be refined by additional consultation once circumstances allow.

Reasons for Recommendation

Without securing the necessary funds from the Future High Streets Fund to implement the interventions required to unlock the regeneration of Stretford Town Centre, the Council will be unable to start implementing the sustainable reshaping of the Town Centre necessary to adapt it to the requirements for current and future communities.

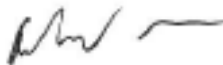
The Executive Member for Housing and Regeneration is asked to approve the submission of the FHSF full business case for Stretford Town Centre to MHCLG by the 5 June 2020 deadline.

Key Decision No

If Key Decision, has 28-day notice been given? NA

Finance Officer Clearance ...GB.....
Legal Officer Clearance ...TR.....

CORPORATE DIRECTOR'S SIGNATURE



Corporate Director Place

To confirm that the Financial and Legal Implications have been considered and the Corporate Director has cleared the report prior to issuing to the Executive Member for decision.