

Scrutiny Committee – 2 July 2013

7. High Street Innovation Funding

Exec. Portfolio Holders: Cllr Tony Fife, Yeovil Vision & Community Safety
Cllr Angie Singleton, Market Towns

Assistant Directors Kim Close & Helen Rutter, Communities

Service Managers: Kim Close, Area Development Manager (South)
Andrew Gillespie, Area Development Manager (West)

Lead Officers: As above

Contact Details: Yeovil Vision:
kim.close@southsomerset.gov.uk or 01935 462708
Market Towns Investment Group (MTIG):
andrew.gillespie@southsomerset.gov.uk or 01460 260426

Purpose of the reports

To provide members with an update report on the use, or proposed use, of the High Street Innovation Funding given to the Market Towns Investment Group (MTIG) and Yeovil Vision. The report is given in two sections, the first part is for Yeovil Vision (pages 1 to 13 of the agenda) and the second part for MTIG (pages 14 to 38 of the agenda).

Actions required

That members note and comment on the report.

YEOVIL VISION

Purpose of report

To update the Scrutiny Committee on the allocation of the £33,333 High Street Innovation Fund for Yeovil Town Centre. This report also informs the committee of the use of the £10k allocation made to the Yeovil Town Team from the Mary Portas fund.

Background: The High Street Innovation Fund

In December 2011 Mary Portas published a review into the future of High Streets and made 28 recommendations. The Government's formal response to the Portas Review was published by the Department for Communities and Local Government on 30 March 2012, "*High streets at the heart of our communities: The Government's response to the Mary Portas Review*".

On the 29th March 2012 South Somerset District Council learned that it would be the recipient of £100,000 from the High Street Innovation Funding (HSIF) from the Department for Communities and Local Government (DCLG), of which £33,333 has been allocated to the Yeovil Vision Board with the remainder going to the Market Towns Investment Group in order to ensure that it is used effectively for its intended purpose.

The outline purpose of the HSIF funding is for Councils to look at ways to help reduce empty properties on the High Street.

In October 2012 Yeovil Vision Board agreed to consider "bids" for the funding which meet one or more of the following criteria. Preference will be given to projects and initiatives which attract additional funding to maximise value.

- Support business rate discounts for new start-ups in empty property
- Work with landlords to encourage them to contribute also
- Develop a 3-way support package for new business on High Streets
- Address underlying causes of empty property
- Match demand of consumers and communities
- “Meanwhile uses” such as new community projects/community enterprises to stimulate new footfall
- Local skills/social enterprises developing apprenticeships to train young people in shop fitting/refurbishment.

Background: Mary Portas Town Team Funding

The Yeovil Town Team submitted a bid for the Portas Pilot scheme, launched in February 2012, from which 12 selected towns would benefit from up to £100,000 each to trial the suggestions in her review and showcase how Town Teams could make a positive difference to struggling High Streets. This was a nationwide scheme and over 300 submissions were received, but unfortunately Yeovil’s bid was unsuccessful.

The Yeovil Town Team was informed later in 2012 that the government had allocated each of the unsuccessful bids £10k to be held by the relevant local authority. In the case of SSDC the money was held by the Yeovil Vision, ring fenced, for the Yeovil Town Team.

Details of funding HSIF allocations made by the Yeovil Vision Board

Culture on our High Street

On the 19th October 2012 the Yeovil Vision Board considered a report entitled ‘Culture on our High street’ (appendix A) which detailed a proposal to use arts based activities within the town centre to increase footfall and enhance the visitor experience. The board agreed to allocate £5k from the HSIF towards overall project costs (cash and in kind) of £101,700, subject to the project attracting additional funding from the Arts Council England of £28,520.

Alongside the award to Town Teams as part of a national partnership with the DCLG, the Arts Council England (ACE) has been working with some of the successful Portas Pilots, offering £10,000 towards projects that maximise the potential for culture and the arts to deliver imaginative and innovative approaches to the revitalisation of town centres. The allocation in the south west region has been undersubscribed, ACE (SW) therefore offered funding to SSDC to deliver an arts based project and as a result we have engaged artist, Simon Lee Dicker, who is working with students from Yeovil College on a temporary arts installation in shop windows across the town centre. ACE has also requested that the Yeovil project will be presented as a case study for their website, therefore gaining national profile for the town.

So that there is additional benefit to some of our neighbouring market towns, both locally and countywide, it was requested that part of the grant would cover the costs for a seminar to look at good practice and learning from other parts of the country. This is being developed as a partnership between SSDC, Taunton Deane Borough Council, The Somerset Towns Forum and the Arts Council and will take place at the Deane House in June 2013.

In developing the arts project in the town centre practical issues have become apparent. The high level of Business rates on shops in certain parts of the town centre make it far too costly for temporary use, especially where there is no income generated to offset the charge and, even with light touch creative interventions to the properties, many of the agents are less than supportive in allowing shops to be used, this is especially the case where the landlords are remote or multinational organisations. Although in Yeovil the management of the

Quedam Centre are always happy to contribute empty shops rent free for meanwhile use. Unfortunately, this still leaves the, often sizeable, business rate liability to be met by the project and this has proved to be an insurmountable barrier in many cases.

While a draft for the original project, as presented to the Board, has been developed, the additional funding has provided an opportunity to learn from the experience of other towns and trial an arts project in Yeovil; this will help us test the response from the community and produce a critical evaluation that can inform the next project and strengthen the application to the Arts Council. It is anticipated that the application will be submitted during the summer. If successful, the £5k from the HSIF will be drawn down in the autumn, towards a project that will bring further national level arts and cultural activity to Yeovil town centre.

The Yeovil Town Loyalty Card (Mary Portas Town Team Funding)

On the 19th October the Yeovil Vision board considered a verbal report from David Mills, the Chair of the Yeovil Town Team, seeking a commitment of £10k from the ring fenced Town Team Mary Portas funding, to go towards the Yeovil Town Loyalty Card. At this time the Board made an in principle commitment subject to a full report at the next meeting.

On the 13th March 2013 the Yeovil Vision Board met to consider a report submitted by the Yeovil Town Team for a total allocation of £20k towards the Yeovil Town Loyalty Card being £10k from the Town Team Mary Portas funding for Town Teams and £10 k from the HSIF.

Research, such as the Ekosgen Economic Appraisal of Yeovil has indicated that there are significant issues around poor perception of the town which need to be addressed. The aim of the Loyalty Card Project is to increase the footfall and spend in the town centre, and to enable proactive and positive promotion of Yeovil as part of a multi-media promotions campaign

The progress of the project is monitored at each Yeovil Vision Board meeting. The Yeovil Loyalty card project is also being carefully monitored by the Yeovil Town Team. A number of success measures will be used including:

- The take up rate of offers (on going work is done with businesses to ensure that their offers attract the maximum interest from shoppers)
- Satisfaction from the participating businesses
- The number of registrations for the card.

It is important to note that the Loyalty Card Scheme is one of a range of initiatives being undertaken by the Yeovil Town Team to promote the Town Centre. The Area South Committee and the Yeovil Vision are committed to supporting and developing the Yeovil Town Team as this is seen as a key element in the regeneration of Yeovil High Street.

Support for Start-up businesses in the town centre

In a paper setting out the strategic direction for the Yeovil Vision in March 2011, a clear commitment was made to pursuing the concept of a retail incubator project in Yeovil Town Centre. Research has been undertaken over the past 12 months, seeking working examples of such a project in other areas. A full report on the feasibility of such a project and potential alternative models of achieving the same objectives is currently being prepared and will be presented at the next Yeovil Vision Board meeting.

Conclusion

The Yeovil Vision Board will continue to monitor the progress of the Loyalty card project. It will seek to ensure that the 'Culture in Our High-street' Project attracts ACE funding and progresses. In addition it is intended to develop a proposal for the Board to consider, which includes a range of measures to support start-up businesses in Yeovil town centre. It is essential to the Yeovil Vision Board members this one off funding to support the town centre is used as wisely as possible for the maximum benefit of the town.

Appendices:

- A – Culture on our High Street report
- B – Yeovil Town Team Loyalty Card report
- C – Yeovil Town Team Newsletter

MARKET TOWNS INVESTMENT GROUP (MTIG)

Update on use or proposed use of the High Street Innovation Funding through the Market Towns Investment Group.

Purpose of report

The Scrutiny Committee have asked for information about;

1. The use or proposed use of High Street Innovation Funding to:
 - Support/reduce empty properties on the high street (the stated purpose in the funding award letter).
 - Promote and develop prosperous and diverse high streets and to catalyse innovative local approaches to managing revitalising high streets
2. What is being done or planned to be done to encourage some of the following:
 - Support business rate discounts for new start-ups in empty property
 - Work with landlords to encourage them to contribute too
 - Develop a 3-way support package for new business on High Streets
 - Address underlying causes of empty property
 - Match demand of consumers and communities
 - “Meanwhile uses” such as new community projects/community enterprises to stimulate new footfall
 - Local Skills/social enterprises developing apprenticeships to train young people in shop fitting/refurbishment
3. The HSIF allocation and monitoring processes that have been put in place.

Background

Economic Development Strategy

The use of the High Street innovation Fund is in line with the SSDC Economic Development Strategy (2012 to 2015) “Core Activity” which is to;

“Work with adopted town regeneration schemes and the Market Towns Investment Group (MTIG) to create vibrant town centres and help existing businesses survive and grow.

Aim to keep our towns as sustainable as possible and maximise their self -containment by helping create local opportunities to work. Use all measures to enhance and preserve our town centres”

The Portas Review - An independent review into the future of our high streets

The Mary Portas Review, published in December 2011, gave members of MTIG much encouragement to renew their focus on the future of their Town Centres. The emphasis on a Town Team approach and the development of a shared agenda amongst stakeholders is totally consistent with the practice of community-led planning that MTIG was established to support. MTIG meets 4 times a year and the meeting held in March 2012 was largely taken up with the implications of the Portas review for our Market Towns.

The High Street Innovation Fund (HSIF)

In June 2012 the Council agreed to divide the £100,000 High Street Improvement Fund grant award so that 33,330 was allocated to the Yeovil Vision Board and £66,670 to the Market Towns Investment Group. It was further agreed that the precise draw down mechanism should be agreed at each of these partnerships. This report concerns the arrangements put in place by MTIG.

A planned follow up MTIG workshop in June 2012 was given extra impetus by the SSDC allocation. Guidance as to how it should be used was quickly drawn up and agreed. Further details can be found in the MTIG Portas Programme documents appended to this report.

In November 2012, the District Executive endorsed the current work of the South Somerset Market Towns Investment Group with particular emphasis on the use of the High Street Innovation Fund to benefit community planning work.

Crucially, the high national profile given to the Portas review, the debate it created and the availability of a further funding stream encouraged SSDC, Town Councils, Town Teams and local regeneration groups to press ahead with their plans and ideas to further improve local high streets.

DCLG advice to local authorities in relation to Portas funds states that “*financial management arrangements would normally reflect the nature and size of the fund being administered, and systems put in place should...be **proportionate, light touch and timely.***”

The HSIF is one of a number of funding and support offers that arose from the Portas Review. As unsuccessful bidders for Portas Pilot money, Chard and Wincanton (and Yeovil) Town Teams were granted Town Team Partner status and awarded £10,000 to develop the work of their teams. They also can call on the support and advice of a Town Team Advisor, offered as part of a 2 year support programme run by the Association of Town Centre Managers.

Lucy Ball (ATCM Special Advisor to Town Teams in the SW) was invited to a recent MTIG meeting to share her views and experience of Town Teams in action, and to discuss support for existing and future Town Teams in South Somerset. She was optimistic but realistic about what could be achieved locally from the Portas list of recommendations and what would require further government action at a National level.

The issues and opportunities facing the 11 Market Towns in MTIG membership and the local capacity to address them vary. Each place is different.

If the HSIF allocation had been divided equally, the available grant would be just over £6,000 for each town. This in itself is not a “game changing” amount of money. However, the HSIF is not the only source of potential funding available to invest in High Street innovation locally. Nor is public investment in High Street Innovation a new activity. Over a number of years and using a variety of support mechanisms and funding streams, markets have been developed, town centre festivals and business events organised, new car parks, paths, thoroughfares and other car free public space created, shop fronts restored, interpretation and shoppers’ “welcome” boards erected.

The MTIG “Portas” Programme

Depending on the deliverability of locally determined priorities, the MTIG Portas Programme was designed to encourage an appropriate and achievable mix of;

- **Community Facelifts** that use a creative / innovative approach to improve a derelict site or empty building located in a prominent part of the town.
- **Meanwhile Uses** that support the temporary occupation of identified empty properties by community groups or new enterprises. For example setting up a pop-up shop for local crafts people or a temporary space where local community groups carry out workshops or drop-in sessions.
- **Rents & Rates Package Incentives**, working with specific local landlords to devise a reduced rent and rate package that encourages new local businesses to set up in specific empty properties
- **Markets** – development of a new regular market or improvements to an existing market. This may be as a pilot making use of an empty property on a temporary basis. Alternatively, this could be to extend and improve an existing market making it more attractive to shoppers and helping to increase footfall within the town centre.
- **Town Image (Branding)** – successful promotion and marketing of a destination requires good brand development which conveys a clear image of the type of experience visitors are likely to have.

Development of MTIG Portas Programme Bids

The full process is outlined in the briefing notes, draft application forms and offer letters attached to this report.

In summary, members of MTIG were given encouragement and support by members of their Area Development Team to put forward innovative projects that

- met one or more of the established Portas Programme criteria,
- were consistent with their wider Local Community Plan objectives and
- were created by a Town Team or using a Town Team approach

Between November 2012 and March 2013, expressions of interest and then full bids were invited.

These full bids were assessed by the MTIG lead officer, Andrew Gillespie and recommendations made to the SSDC Market Towns Portfolio Holder, Cllr Angie Singleton.

The number of projects that have been, will be or may be part funded through the programme are shown in the table below.

11 projects bids have been put forward for funding. No bids were received from South Petherton or Milborne Port. The indicative budget for all these projects is £251,412 with contributions of £131,906 sought through the Portas Programme. This can be achieved through a combination of HSIF and MTIG capital funds.

As their main aim, 4 of these projects seek to establish or improve outdoor markets, 3 to promote meanwhile use/business start-ups in empty shops, 2 to improve car parking facilities and 2 to invest in community facelifts. Most projects also have secondary aims that also meet the Portas Programme objectives.

So far 6 full or conditional grant offers totaling £77,406 have been made and taken up. 1 project in Chard has been completed and the 5 other approved projects are planned to start later this year. The remaining 5 project funding applications were received by the agreed deadline of March 2013, but after assessment were not approved. In all cases, further information or a revised proposal has been requested.

3 of the bids came from Town Teams.

Further specific details of each of these projects can be made available on request.

MTIG Portas Investment Programme

Market Town Area	Details	Amount requested	Amount offered	Due date for Start	Total Project Cost	MTIG %	Notes
Chard	Chard Business Start Ups - (Empty Shop)	£15,584	£15,584	01/07/2012	£20,000	78%	Grant Offer made and accepted
Chard	Town Centre Tree Replacement	£10,992	£10,992	Completed	£11,912	92%	Scheme complete
Crewkerne	Crewkerne Retail Centre - Meanwhile Use (Empty Shop)	£7,500			£15,000	0%	Awaiting further information/revised proposal
Crewkerne	Crewkerne Community Facelift - Arts trail	£2,500			£4,500	0%	Awaiting further information/revised proposal
Iminster	Onward and Upward - Meanwhile use Town Centre Premises	£20,000			£0	0%	Awaiting further information/revised proposal
Langport	Langport Market Development	£25,000	£25,000	31/05/2014	£30,000	83%	Grant Offer made and accepted
Martock	Precinct Improvement Project - Community Retail Space inc. Market	£8,330	£8,330	01/07/2013	£30,000	28%	Grant Offer made and accepted
Bruton	Bruton Visioning - Public Arts project	£12,500			£50,000	0%	Awaiting further information/revised proposal
Castle Cary	Millbrook Gardens Car Park Extension	£12,500	£12,500	31/07/2013	£65,000	19%	Grant Offer made and accepted
Somerton	Somerton Town Centre Car Park Improvements	£5,000	£5,000	31/07/2013	£10,000	50%	Grant Offer made and accepted
Wincanton	Wincanton Market	£12,000			£15,000	0%	Awaiting further information/revised proposal
		£131,906	£77,406		£251,412	31%	

Monitoring - Financial

Applicants for funding are required to supply evidence of expenditure before any grant is released. This condition may be varied if, for example, capital works are to be carried out by SSDC. It is also a requirement that the appropriate members of the Area Development Team are involved and they too can certify the delivery of the scheme or project.

There is no requirement to achieve or evidence a financial rate of return on any grant used to invest in High Street Innovation. Recommendations on the grants made through the Portas Programme require a balanced assessment and judgement of the probable economic, social, and environmental impact of the proposed project based on the information presented.

The final point to make is that anything truly innovative must always carry some risk of failure, but to adopt a risk adverse approach to high street innovation would be self-defeating. As far as practicable, all perceived risks are managed so that they are in proportion with the proposed project and do not stifle ambition.

Monitoring – Outcomes

It is relatively straightforward to monitor direct outcomes in terms of the capital projects that have been or will be completed or the number of town centre meanwhile uses or business start-ups supported.

Monitoring the indirect outcomes across 11 towns is much more complex and challenging. This is done by enquiry based on the expectations of the economic, social and environmental impacts that were anticipated when the project was approved for grant aid.

The causes of high street decline are many, varied and persistent. Successful innovation may make the reduction in footfall less steep even to the point of reversing it, but it is not impossible to prove that changes are the direct result of specific investment. Proxy measures such as the number of remaining empty shops, observed footfall will continue to be used at the same time as local anecdotal evidence about the “health” of the high street.

The need for High Street innovation to “promote and develop prosperous and diverse high streets” at all is a result of current market failure. Even in times of austerity, the sorts of sums we are looking to invest through the HSIF are not beyond the reach of local entrepreneurs. It is about much more than money.

Fundamentally the Portas proposals suggest that local authorities should re-claim their legitimate right to manage and develop the Town Centre as part of the wider public realm and find effective ways to do so, in partnership with others through a Town Team approach.

What we have learned so far

The MTIG Portas Programme is already providing or confirming some valuable lessons and pointers for further action towards this goal.

- Being able to develop the Programme in the way described above over 11 South Somerset towns from June 2012 and to have already awarded £77,406 to 6

viable schemes shows MTIG to be an effective network and coordinating mechanism.

- It also shows that there is ongoing recognition of the importance of doing something practical to attract town centre investment, with some places even establishing new “Town Teams” to do this.
- Not all towns have permanently or indeed any empty shops, but they may still not have the right offer to attract a higher footfall.
- There are significant bureaucratic and non-financial barriers to supporting business start-ups and/or meanwhile uses in empty shops. These could be reduced or simplified. At the moment, it requires tenacity to stay the course.
- Similarly, in practice starting or developing an outdoor market is complex and needs tenacity to see it through.
- Scale is important - in our small towns, some issues arise in small or single figures and most local effort to resolve them is voluntary, unpaid and unique. This can mean that there seems to be insufficient volume or common ground for there to be an enabling policy that shortens the process e.g. “Meanwhile Enterprise Zones” or “Social Enterprise Zones” where a package of support is already agreed and in place.
- Such economy of scale could be achieved across all 11 Market Towns with local agreement if the business case was strong enough.
- Further work by SSDC on the effective promotion and take up of business support is planned. The projects in the MTIG Portas Programme will influence the design of those support packages, to help make them as business friendly as possible.

Appendices:

1. Portas Town Centre Investment Programme Briefing note
 2. Expression of Interest Form
 3. Full Bid form pages 1&2
 4. Draft Offer letter
 5. DCLG Advice
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