

**CABINET**  
**5 SEPTEMBER 2019**

**FUTURE HIGH STREETS FUND BID**

1. Summary

- 1.1 This is a Key Decision as the Council could incur expenditure or savings beyond the threshold agreed by the Council.
- 1.2 This report provides Cabinet with details of the Future High Streets Fund bid and sets out the next stage of the bid process.
- 1.3 The Ministry of Housing, Communities & Local Government (MHCLG) is looking for 'shovel ready' schemes as part of the bidding process. They have now advised that to be considered as 'shovel ready', the scheme would need to have planning in place. In order to progress the Co-op project so that it can form a central part of the Council's bid, the developer for this project now needs to push forward with the planning application. The developer would normally wait until any viability issues with the scheme have been addressed before submitting a planning application. Therefore, the Council will need to underwrite the planning fees to the sum of £1.4m to mitigate the developer's risk in the event that the scheme is unable to proceed.

2. RECOMMENDATIONS

- 2.1 That progress on the Future High Streets Fund bid, be noted.
- 2.2 That the Council underwrites the planning application fee(s), in the sum of £1.4m, in respect of the Co-op scheme, in the event that the scheme does not proceed.

3. Background and Discussion

- 3.1. High streets and town centres lie at the heart of local communities and local economies, but the way people shop and the way that communities use their high streets and town centres is changing.
- 3.2. There has been a significant growth of online shopping which has had a big effect on high streets. There is also a mismatch between the supply of existing space and the demand for different types of space in town centres. Those high streets with a wide choice of retail services, alongside residential, office space and leisure facilities, are proving to be more successful compared to those that rely on traditional retail.
- 3.3. The Government is committed to helping local high streets evolve and adapt to these changes. The Government wants to see thriving places created where communities feel engaged, and vibrant town centres where people live, shop, use services and spend their leisure time.
- 3.4. In the latter part of 2018, the Government announced a new £675m Future High Streets Fund to help local areas to prepare long-term strategies for their high streets and town centres.

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- 3.5. The first stage of the application process called for bidding authorities to come forward with Expressions of Interest by 22 March 2019, setting out their challenges and strategic approach to regenerating town centres.
- 3.6. The Council submitted an Expression of Interest in line with the deadline and this is shown at Appendix A.
- 3.7. The Council's Expression of Interest sets out the challenges faced by Dartford Town Centre:
- An excess of retail capacity – the town centre has high vacancy rates and an excess of smaller units that are unattractive to the modern retail sector, whilst at the same time, the town centre is on the doorstep of very strong competition from Bluewater and other larger neighbouring town centres;
  - Limited local purchasing power – there is a strong retail dependency on local residents with relatively limited disposable incomes;
  - Limited non-retail uses – the town centre is over-dependent on retail as the driver of footfall. Commercial leisure opportunities are limited and the main concentrations of employment are outside the town centre;
  - Viability challenges for new developments – there are significant viability constraints in bringing forward schemes that would seek to 'repurpose' the town centre for alternative uses;
  - Environmental and accessibility constraints – the town centre can become highly congested with drivers seeking to avoid the A2 and M25/A282 approaching the Dartford Crossing.
- 3.8. The Expression of Interest also recognised that the town centre has the potential to take advantage of the significant opportunities presented by the area's growing population: if the town centre's offer is diversified and the retail dependency is reduced, there is a growing pool of potential demand to help the town centre thrive.
- 3.9. The Expression of Interest focussed initially on the development of the Co-op site. Muse Developments Limited has been appointed as the Council's development partner for the Co-op scheme [Cabinet: 22.01.15: Min. No.103 and 17/08/17: Managing Director delegated authority]. The Co-op scheme aims to repurpose surplus former retail capacity for alternative uses. It is proposed to deliver 140 new homes (including affordable housing), a 6-8 screen cinema and hotel and a comprehensive food and beverage offer. The scheme also includes the provision of a new health hub to support the town centre's growing population. The health hub will provide an integrated health and wellbeing facility reducing demand on acute care. The Co-op scheme will help drive footfall to the town, bring new and existing residents together in the town centre and improve the local public service offer.

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- 3.10. The Council has received notification that its Expression of Interest has been selected to go forward to the next assessment stage. This stage involves the development of a full business case. The draft business case is due to be submitted to MHCLG in November 2019.
- 3.11. The Government is looking for 'shovel ready' schemes that can progress quickly. The Co-op scheme is well developed with detailed designs already in place. However, it has now been clarified that 'shovel ready' schemes are expected to have planning permission in place. There are a number of viability issues with the Co-op scheme and health hub, which the Council is currently working with Muse and the NHS Dartford, Gravesham and Swanley Clinical Commissioning Group to address. Were the Council to be successful in this bid, the funding received will likely go a long way to bridge the current funding gap. Normally, Muse would look to ensure the scheme is viable before submitting its planning application. However, in order to have a strong chance of the Council's Future High Streets Fund bid being successful, the planning application needs to be progressed in advance of the viability issues being fully addressed. This will require the Council to underwrite the planning application fees to the sum of £1.4m, to protect Muse, in the event that the Co-op scheme does not go ahead.

4. Relationship to the Corporate Plan

To ensure that regeneration in Dartford is sustainable and of benefit to all of our communities

5. Financial, legal, staffing and other implications and risk assessments\*

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| Financial Implications      | In order to push ahead with the Future High Streets Fund bid for the Co-op scheme as a 'shovel ready' scheme, the Council will need to underwrite the planning application fees to the sum of £1.4m. If the Co-op scheme does not proceed, then these fees will be met from the New Homes Bonus monies. If the scheme does proceed, then these fees will be met by Muse. |
| Legal Implications          | None   |
| Public Sector Equality Duty | None   |
| Crime and Disorder Duty     | None   |
| Staffing Implications       | None   |
| Administrative Implications | None   |
| Risk Assessment             | Were the Council to be successful in its bid, the funding received is likely to go a long way to ensure that the Co-op scheme is viable. However, if not successful, there is a risk that the  |

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|  | scheme will not go ahead. In this event, the Council will bear the cost of the planning application fees to the sum of £1.4m. |
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6. Details of Exempt Information Category

Not applicable

7. Appendices

Appendix A – Future High Streets Fund – Expression of Interest

**BACKGROUND PAPERS**

| <u>Documents consulted</u> | <u>Date /<br/>File Ref</u> | <u>Report Author</u>           | <u>Section and<br/>Directorate</u>              | <u>Exempt<br/>Information<br/>Category</u> |
|----------------------------|----------------------------|--------------------------------|---|--|
|                            |                            | Sarah Martin<br>(01322) 344302 | Strategic<br>Director<br>(Internal<br>Services) |  |