

**HERITAGE LOTTERY FUND BID FOR WISBECH HIGH STREET –
PROPOSAL FOR COUNTY COUNCIL FINANCIAL SUPPORT**

To: **General Purposes Committee**

Meeting Date: **9th September 2014**

From: **Executive Director: Economy, Transport and the
Environment**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **The purpose of this paper is to:**

- **outline a proposal from Fenland District Council (FDC) to bid for Heritage Lottery Funding (HLF) to improve Wisbech High Street;**
- **seek agreement from Members for the County Council to commit to funding of £200,000 towards the scheme should the bid prove successful.**

Recommendation: **General Purposes Committee is asked to agree:**

that the County Council commit to contributing £200,000 to the Wisbech High Street Heritage Lottery Fund scheme should the current bid being made by Fenland District Council prove successful.

<i>Officer contact:</i>	
Name:	Graham Hughes
Post:	Executive Director
Email:	Graham.hughes@cambridgeshire.gov.uk
Tel:	01223 715664

1. BACKGROUND

- 1.1 Fenland District Council (FDC) are submitting a bid to the Heritage Lottery Fund (HLF) to upgrade the High Street in Wisbech.
- 1.2 Wisbech currently suffers significant deprivation and a higher rate of unemployment than the County average. The town centre, although containing many historic and attractive buildings, needs significant improvement in many areas, not least of all the High Street. Within the High Street, there are many dilapidated buildings and in the past emergency repairs have had to be undertaken to maintain public safety. As a key part of the town, the High Street is in urgent need to attention. Unfortunately though, due to the cost of the required building repairs and the likely economic return from those repairs, the existing owners cannot justify undertaking the works themselves.
- 1.3 The HLF bid if successful amongst other things, will involve providing grants to owners of currently dilapidated buildings to upgrade them. This will enable the buildings to come back into use again, return pride to this important part of Wisbech, create jobs and it is hoped start a virtuous cycle of economic improvements.

2. KEY ISSUES

- 2.1 FDC have led on the preparation of the HLF bid. The proposed scheme is for a total of £4m to be invested improving the High Street in Wisbech. As with most grant funding opportunities, match funding is required to demonstrate local commitment when a bid is being made. In this case, of the total scheme cost of £4m, £2m is being sought from the HLF. The remainder of the scheme cost will come primarily from the owners of the buildings but FDC have also committed £230,000, the Town Council have committed £30,000 and a financial contribution of £200,000 is being sought from the County Council. Widespread support for the bid is essential to maximise its chances of success and FDC believe that support from the County Council as such an important stakeholder will be crucial for the chances of success of the bid.
- 2.2 At this stage, the amount to be spent on each individual building is not known, but professional advice obtained by FDC is clear that the £4m total will be sufficient to undertake all required works. In total, the following properties will be improved: 1, 2-3, 4, 5-6, 9-10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 28-29 and 30 High Street.
- 2.3 Officers have worked closely with FDC to understand the basis on which this contribution of £200,000 from the County Council would be made, the risks involved and any potential to secure a financial return as a result.
- 2.4 Although the building assets will be improved and their value increased as a result of the proposed works, there is little opportunity for the County Council to recover any funding that it makes to the scheme. This therefore effectively needs to be seen as a grant and so the justification for providing it needs to be on a basis other than a financial return.
- 2.5 The one exception to this is if the building owners decide to sell their buildings within the first ten years of completion of the works. In this case, the County

Council and other grant funders could secure back part of their contribution on a sliding scale as follows:

0-6 years: Up to 100%

6-7 years: Up to 80%

7-8 years: Up to 60%

8-9 years: Up to 40%

9-10 years: Up to 20%

- 2.6 After the 10 year period, all proceeds from sales would go to the landowners and so after that point, the Council would not be able to recoup any investment.
- 2.7 Notwithstanding this point, officers have considered whether there are other ways in which the investment could be made that would reduce risks to the Council and give the potential to achieve a financial return.
- 2.8 One option would be to consider Compulsory Purchase Order (CPO) as a means of gaining control of the buildings as an asset in return for investing in the scheme. Officers have worked with FDC to assess the potential for this and this has demonstrated that this is not an option for the following reasons:
- CPO is usually used as an option of last resort when landowners refuse to cooperate with improvement plans. In this instance the owners of the buildings are keen and willing to participate so it is unlikely that one of the key tests to secure CPO could be met;
 - If the CPO route were followed, the HLF funding would not be available given the timescales involved;
 - If the CPO route were adopted, the current investment planned by the building owners would need to be made by the Councils, assuming they acquired the buildings by this route thus increasing significantly the financial exposure;
 - The actual value of the asset created at the end of this process is unclear and in the long run this may still not give a financial return and increase the risk significantly.
- 2.9 For all of these reasons, the CPO route is not considered to be an appropriate alternative to bring about the required improvements to the High Street.
- 2.10 Officers have also considered if there is a potential for the investment to provide a return for the Council through increased Business Rates, part of which the Councils retain directly. Although there will be some uplift in Business Rates when the scheme is completed as derelict buildings will be reused and some new accommodation will be created, the likely increase will be small and in itself, would not repay for a very long time the proposed public sector investment.
- 2.11 Although there will not be a direct financial return to the Council if this bid is supported financially, the potential overall benefits from the scheme are significant. The contributions from the public sector will lever in almost ten times their amount from the private sector and the HLF to be invested in Wisbech. This investment would have the potential to transform the fortunes

of the area by bringing life and pride back into the High Street. By improving the attractiveness of the area, it is hoped that more shoppers will choose to stay in Wisbech and that will help to improve the economy and create jobs. So whilst it may not be possible to get a financial return in the strict sense of the word, the social and wider economic benefits are expected to be very significant. Supporting the bid would also be consistent with the recent unanimously passed Council Motion to close the gap between our most advantaged and most deprived communities.

- 2.12 On this basis, it is recommended that Members agree to the County Council contributing £200,000 to the cost of the scheme should the HLF bid be successful.

3 FUNDING

- 3.1 There is no specific funding available to support this contribution. The works are of a capital nature and it is therefore recommended that should the General Purposes Committee accept the recommendation to support the scheme the Council's contribution should be an addition to the capital programme that is being considered within the September Service Committees.
- 3.2 The addition of this programme will place additional pressure on the capital financing target that the Council has set but the revenue consequences of £17,000 are not a material addition.

4 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

The scheme will help to make Wisbech a more attractive place to shop and as a result, create jobs in the area. It is hoped that this with other measures, such as plans through the Wisbech 2020 vision will lead to the economic revival of the town.

4.2 Helping people live healthy and independent lives

The scheme will make Wisbech a more attractive place to live, work and shop. This will mean that people will have less need to travel to facilities they need and increase the overall economic wellbeing of the town.

4.3 Supporting and protecting vulnerable people

It is hoped that the scheme will help to create jobs and prosperity that will benefit those most in need.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

The County Council is being asked to commit £200,000 to the scheme should it be successful. There will be no financial return from this and so it will need to be seen on the basis of a grant to improve the social and economic wellbeing of the town.

5.2 Statutory, Risk and Legal Implications

There are no statutory and legal implications from the Council's proposed approach to this proposal. In terms of risk, the main issue is that the investment is unlikely to be recovered but as demonstrated above, this will be compensated for by the improvements to the economy and wellbeing of the town.

5.3 Equality and Diversity Implications

There are no significant implications under this heading.

5.4 Engagement and Consultation Implications

There are no significant implications under this heading.

5.5 Localism and Local Member Involvement

The District and Town Council are supporting this bid and it was raised with local Members and stakeholders at the recent Wisbech 2020 Vision workshop.

5.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
HLF bid from FDC	B301, Castle Court