

Matter which the Chairman has decided is urgent by reason of the need to consider town centres recovery measures in Barry, Cowbridge, Llantwit Major and Penarth because of the COVID-19 pandemic.

Meeting of:	Cabinet
Date of Meeting:	Monday, 21 September 2020
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Town Centres Recovery Measures
Purpose of Report:	To grant delegated authority to support COVID -19 recovery measures required in our town centres and associated budget management arrangements.
Report Owner:	Deputy Leader and Cabinet Member for Education and Regeneration
Responsible Officer:	Head of Regeneration and Planning
Elected Member and Officer Consultation:	Ward Members - refer to paragraph 2.6 of the report Legal - Committee Reports Operational Manager - Regeneration Finance - Capital Accountant (Regeneration and Planning)
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> • In June of this year, the Welsh Government asked the Cardiff Capital Region (CCR) Local Authorities to consider re-purposing elements of the Targeted Regeneration Investment (TRI), Thematic Grants Programme 2020/21 budget allocation to allow a much greater degree of flexibility in adapting to the changes required in town centres because of the COVID-19 pandemic. • Up to £3.5m of the 2020/21 budget allocation is available and may be used by the CCR Local Authorities to deliver measures which support the recovery of town centres. • The Council will prioritise its share of this investment in the following town and district centre shopping areas (as defined in the Vale of Glamorgan Local Development Plan 2011 - 2026): <p style="text-align: center;">High Street/Broad Street, Barry Town Centre; Holton Road, Barry Town Centre; Cowbridge Town Centre;</p> 	

Llantwit Major Town Centre; and,
Penarth Town Centre.

- In August of this year, urban design consultants were commissioned by the Council to prepare an audit report and undertake concept design work for the above-mentioned shopping areas. The objectives of the project are to:
 - facilitate trade and economic recovery;
 - enable and encourage the public to visit our town centres safely and with confidence;
 - enhance the aesthetics of the area; and,
 - make a lasting positive impact.
- Recommendation 1 will allow the Council to negotiate and agree any variations to the terms of the Service Level Agreement regarding the Targeted Regeneration Investment, Thematic Grants Programme for South East Wales (Cardiff Capital Region), to re-purpose funds to deliver measures to support the recovery of town centres. Recommendation 2 will allow the required legal documentation to vary the terms of the Service Level Agreement to be prepared, completed and executed.
- Recommendations 3-7 (inclusive) will enable the effective governance and administration of the re-purposed funds; and, facilitate future investment and development opportunities, which support the recovery of our town centres.
- Recommendation 8 is required due to the changes required in our town centres because of the pandemic and the need to review the criteria for support on a regular basis to ensure that they reflect any new Welsh Government guidance.

Recommendations

- 1.** That delegated authority be granted to the Head of Regeneration and Planning, in consultation with the Deputy Leader and Cabinet Member for Education and Regeneration, the Head of Finance / Section 151 Officer and the Monitoring Officer / Head of Legal and Democratic Services, to undertake all necessary actions to negotiate and agree any variations to the terms of the Service Level Agreement regarding the Targeted Regeneration Investment, Thematic Grants Programme for South East Wales (Cardiff Capital Region) required to allow the Council to re-purpose funds to deliver measures to support the recovery of town centres.
- 2.** That delegated authority be granted to the Monitoring Officer / Head of Legal and Democratic Services to prepare, complete and execute the required legal documentation to vary the terms of the Service Level Agreement regarding the Targeted Regeneration Investment, Thematic Grants Programme for South East Wales (Cardiff Capital Region).
- 3.** That delegated authority be granted to the Head of Regeneration and Planning, in consultation with the Deputy Leader and Cabinet Member for Education and Regeneration, the Head of Finance / Section 151 Officer and the Monitoring Officer / Head of Legal and Democratic Services, to approve the use of the re-purposed Targeted Regeneration Investment, Thematic Grants Programme for the year 2020/21.
- 4.** That delegated authority be granted to the Head of Finance / Section 151 Officer, in consultation with the Deputy Leader and Cabinet Member for Education and Regeneration and the Head of Regeneration and Planning to make additions, deletions or transfers to or from the Targeted Regeneration Investment, Thematic Grants Programme for the year 2020/21, as appropriate.
- 5.** That delegated authority be granted to the Monitoring Officer / Head of Legal and Democratic Services to prepare, complete and execute the required legal documentation with third party grant applicants where required.
- 6.** That the Head of Regeneration and Planning in conjunction with the Head of Finance / Section 151 Officer and the Monitoring Officer / Head of Legal and Democratic Services be authorised to negotiate terms and conditions for the appointment of third-party suppliers/providers where required.
- 7.** That the Monitoring Officer / Head of Legal and Democratic Services in conjunction with the Head of Finance / Section 151 Officer be authorised to prepare, complete and execute the required legal documentation to enable third-party suppliers/providers to be appointed where required.
- 8.** That the use of Article 14.14.2(ii) of the Council's Constitution (urgent decision procedure) be authorised in respect of the above recommendations.

Reasons for Recommendations

1. To allow the Council to agree any variations to the terms of the Service Level Agreement.
2. To prepare, complete and execute the required legal documentation to vary the Service Level Agreement.
3. To approve the use of the re-purposed funds for COVID -19 recovery measures in our town centres.
4. To enable the Targeted Regeneration Investment, Thematic Grants Programme capital allocation for the year 2020/21 to be managed effectively and to allow project preparation work to either continue or commence and, in doing so contribute to the delivery of COVID -19 recovery measures in our town centres.
5. To prepare, complete and execute the required legal documentation with third party grant applicants where required.
6. To allow project preparation work to either continue or commence and, in doing so contribute to the delivery of future investment and development opportunities in our town centres.
7. To prepare, complete and execute the required legal documentation with third-party suppliers/providers where required.
8. In recognition of the urgent need to support on-going and emerging COVID -19 recovery measures required in our town centres because of the pandemic.

1. Background

- 1.1 Cabinet, 29th July 2019 (minute C65 refers) resolved to grant delegated authority to the Head of Regeneration and Planning, in consultation with the Deputy Leader and Cabinet Member for Education and Regeneration, the Head of Finance / Section 151 Officer and the Monitoring Officer / Head of Legal and Democratic Services, to undertake all necessary actions to agree the terms of the Service Level Agreement (SLA) regarding the Targeted Regeneration Investment (TRI), Thematic Grants Programme for South East Wales for the years 2019/20 and 2020/21. The SLA (prepared by the Lead Authority, Rhondda Cynon Taff) was duly completed on 25th October 2019.
- 1.2 In June of this year, the Welsh Government asked the Cardiff Capital Region (CCR) Local Authorities to consider re-purposing elements of the 2020/21 budget allocation to allow a much greater degree of flexibility in adapting to the changes required in town centres because of the COVID-19 pandemic. Following this exercise, the Lead Authority was issued with a Variation to Award of Funding letter by Welsh Government, dated 15th July 2020. At the same time Welsh Government also published a guidance note (Criteria for Delivery) for Local Authorities to consider. The above-mentioned letter confirms that up to £3.5m of the 2020/21 budget allocation is available and may be used by the CCR Local Authorities to deliver measures which support the recovery of town centres. The letter also confirms that Local Authorities can choose to deliver the Covid-19 recovery measures in priority locations outside of the agreed areas identified in

the SLA, where there is a clear need and opportunity. Barry is the only settlement in the Vale of Glamorgan, which is identified in the existing SLA as an agreed area for TRI investment. Any newly chosen locations should be either town or district centre locations.

- 1.3** Cabinet, 3rd February 2020 (minute C211 refers), resolved to recommend to Council that the Project Fund be re-designated and that £496k be used to create a new reserve called the Capital Economic Regeneration reserve. Council, 26th February 2020 (minute 710 refers) resolved to approve this change. Cabinet, 7th September 2020 (minute C322 refers) resolved to recommend to Council that the Managing Director and the Head of Finance, in consultation with the Cabinet Member for Performance and Resources, be given delegated authority to make additions, deletions or transfers to or from the Capital Programme in relation to the Capital Economic Regeneration reserve. Council, 21st September 2020 will consider this proposal.

2. Key Issues for Consideration

- 2.1** The Lead Authority is currently drafting amendments to the SLA and it is understood that this document will be circulated for comments in the next few days. It is expected that the document will continue to reflect the need to have a collaborative and consistent regional approach whilst allowing a degree of flexibility for particular local needs to achieve maximum impact. The salient points to consider in respect of the amended SLA are outlined in this report in paragraph 1.2 (the Variation to Award of Funding letter); paragraphs 4.1 - 4.3 inclusive (financial details and methodology for sharing the £3.5m); and, paragraphs 4.5 - 4.6 inclusive (legal requirements).
- 2.2** Recommendations 1 and 2 will allow the Council to re-purpose funds to deliver measures to support the recovery of town centres by undertaking all necessary actions to negotiate and agree any variations to the terms of the SLA (Recommendation 1); and, by allowing the required legal documentation to vary the terms of the SLA to be prepared, completed and executed (Recommendation 2). Recommendations 3-7 (inclusive) will enable the effective governance and administration of the re-purposed funds; and, facilitate future investment and development opportunities, which support the recovery of our town centres. Recommendation 8 is required due to the changes required in our town centres because of the pandemic and the need to review the criteria for support on a regular basis to ensure that they reflect any new Welsh Government guidance.
- 2.3** Considering the above-mentioned letter, the Council will prioritise investment in the following town and district centre shopping areas (as defined in the Vale of Glamorgan Local Development Plan 2011 - 2026):
- High Street/Broad Street, Barry Town Centre;
 - Holton Road, Barry Town Centre;
 - Cowbridge Town Centre;
 - Llantwit Major Town Centre; and,

- Penarth Town Centre.

2.4 In August of this year, urban design consultants were commissioned by the Council to prepare an audit report of the pedestrian experience at the above-mentioned shopping areas, and to prepare concept designs for enhancements in the public realm that will improve the pedestrian experience. The objectives of the project are to:

- facilitate trade and economic recovery;
- enable and encourage the public to visit our town centres safely and with confidence;
- enhance the aesthetics of the area; and,
- make a lasting positive impact.

2.5 The timescales for the project in terms of design, procurement, consultation and delivery (by the end of March 2021) are extremely challenging. In the next few days the consultants are due to present their place overviews and preliminary findings, which will generate two distinct but complementary workstreams, namely quick-win projects to be delivered in 2020/21 financial year; and, a menu of legacy projects looking beyond the short-term. The programme for the quick-win projects is as follows:

- September 2020: complete audit report, identify quick-win schemes and commence concept design work;
- September/October 2020: prioritise quick-win schemes, finalise concept designs and commence detailed design;
- October/November/December 2020: finalise detailed designs and undertake procurement;
- January-March 2021: implementation of COVID -19 recovery measures.

2.6 At this stage of the programme it is expected that the quick-wins will be a blend of small scale off-the-shelf and bespoke projects. A pick and mix approach will be followed for each area based on a menu of options. Local ward members and local resilience forums will be notified and consulted at key stages during the programme.

2.7 The Welsh Government's guidance note (Criteria for Delivery) affords the Council a degree of flexibility to consider local needs arising from this workstream. For example, this could include the provision of third-party grants for the retail and/or hospitality sectors, to achieve maximum impact.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

3.1 This workstream will be delivered through the five ways of working, as set out below:

- Long Term - It is more efficient and sustainable to make the best possible use of our existing town centres.

- Prevention - To prevent issues from escalating the Council will seek to work with businesses in the first instance, offering advice, assistance and options designed to help with the process of recovery.
- Integration - This workstream builds on the work of the previous business support scheme for eligible rateable properties. The Council's cross service client group will meet periodically to support information sharing; to review progress; and, to agree solutions to issues.
- Collaboration - Close working is required with businesses, local interest groups and other key stakeholders over the life of this workstream to align investment plans and maximise the regeneration benefits for our town centres.
- Involvement - This workstream is an opportunity to strengthen existing and develop new internal partnerships with teams and service areas whose work is pertinent to the issue; and, external partnerships with businesses, local interest groups and other key stakeholders.

4. Resources and Legal Considerations

Financial

- 4.1** Under the terms of the existing SLA the Council currently has a budget of £930k for the TRI Thematic Grants Programme, which is profiled for 2020/21 financial year. This is capital funding only. The TRI Thematic Grants are made available up to a maximum intervention rate of 70%, with match funding (minimum of 30%) from the third-party grant recipients.
- 4.2** The re-purposed funding is being made available up to a maximum intervention rate of 80%. The Council has previously indicated to the Lead Authority that it could re-purpose up to £403k of the existing budget. Based on this scenario it is proposed that the Capital Economic Regeneration reserve (subject to Council 21st September 2020) is used as the source of match-funding i.e. 20% / £100,750, for Council led projects. This would give a total funding package of £503,750. However, this proposal is subject to consideration of the amendments to the SLA, particularly in relation to the methodology for distributing the re-purposed funds amongst the CCR Local Authorities. The Lead Authority has recently circulated an operational note which sets out initial thoughts on this matter based on a scenario of sharing the £3.5m equally between all the CCR Local Authorities i.e. £350k per authority giving a total funding package per authority of £437,500. This would require £87,500 match-funding from the Capital Economic Regeneration reserve (subject to Council 21st September 2020). A delegated authority request (Recommendation 4 in this report) will be made when the outcome of the SLA discussions is known to amend the 2020/21 Capital Programme accordingly.
- 4.3** Should the Council opt to use an element of the re-purposed funding to provide third-party grants for the retail and/or hospitality sectors, then the match funding requirement from third-party grant recipients would be 20% (minimum).

Employment

4.4 There are no staffing issues arising from the recommendations in this report.

Legal (Including Equalities)

4.5 In procuring and appointing any contractor and/or external advisor regard must be had as applicable to the Council's Procurement Policy and Guidance. As appropriate, any procurement process will involve the use of the Council's standard terms and conditions of contract or industry standard terms and conditions of contract, which will serve as the basis for any contractual arrangements with third-party suppliers/providers.

4.6 The possible provision of third-party grants for the retail and/or hospitality sectors would be subject to the preparation, completion and execution of the required legal documentation.

5. Background Papers

Cabinet Report, 29th July 2019, Cardiff Capital Region, Targeted Regeneration Investment, Thematic Grants Programme 2019/20-2020/21 (Minute C65 refers).

Cabinet Report, 3rd February 2020, Capital Strategy 2020/21 and Final Capital Proposals 2020/21 to 2024/25 (Minute C211 refers) / Council, 26th February 2020 (Minute 710 refers).

Cabinet, 7th September 2020, Capital Monitoring for the period 1st April 2020 to 31st July 2020 (Minute C322 refers).

Vale of Glamorgan Local Development Plan 2011 - 2026.