

AGENDA ITEM 12

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

29 OCTOBER 2014

REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

TOWN CENTRE INVESTMENT MANAGEMENT (TCIM) PILOT

1.0 PURPOSE OF REPORT

- 1.1 For members to consider and approve to proceed with a TCIM Pilot project that looks at developing an asset based approach to managing the town centre.

2.0 RECOMMENDATIONS

- 2.1 **It is recommended that members approve and support the work of the TCIM Pilot project led by the national High Street Forum and Department of Communities and Local Government (DCLG).**

3.0 KEY ISSUES

- 3.1 Developing vibrant high streets and town centres is critical to achieving a strong and sustainable local economy. However, with the growing trend of online retailing and e-commerce, increased competition for growth funding and likely reduction in Leicestershire County Council budgets (including highways/transport) mean that more innovative and joined up interventions are needed at a local level to ensure our town centre can keep attracting people and sustaining investment in assets such as property, public realm and parking over the course of the next administrative term and beyond.
- 3.2 An opportunity has arisen for Melton to become one of four pilots nationally to be selected by the High Street Forum and Department of Communities and Local Government (DCLG) to look at developing an asset based approach to managing the town centre
- 3.3 The pilot is intended to run between January 2015 and March 2015 to feed into Government reviews, with an announcement of pilots provided in the Autumn Statement on 3rd December by the Chancellor of the Exchequer.

3.4 Project Context

Earlier this year the Government launched a new national High Street Forum, which aims to bring together businesses, councils, retailers and property experts to build on the work of the Portas Review and drive forward new ideas and innovative practices. The High Street Forum is co-chaired by Penny Mordaunt MP (Minister for High Street, Town Centres and Markets) and Simon Roberts, Managing Director of Boots UK and Ireland.

Since the implementation of the recommendations in the Portas Review, and the funding that has been made available by Government to town centres since, the emphasis has been on *Facilities Management* (FM) measures: local improvements such as pop-up shops and meanwhile uses of vacant units alongside the work of town teams, BIDs, partnerships etc. These have worked with the town centre's current configuration and while such measures have undoubtedly made a difference it has become apparent that more work is needed to tackle the greater structural issues of empty high street properties and poor occupier line-ups. The solutions required are more likely to move away from Facilities Management into the realms of *Asset Management*.

A Future High Street Forum Task and Finish Group 2 (T&FG2) was established to explore

the impact of an asset managed approach on the performance and service of those High Streets, which need more than facilities management solutions. This type of asset based approach to managing a high street has now been recognised in the report *Beyond Retail*.

3.5 **The TCIM – Town Centre Investment Management Model**

The principle of applying asset management techniques through Town Centre Investment Management (TCIM) - has now been exhaustively tested and debated across a wide cross section of those involved in, and concerned for, the future of our town centres, including, crucially, with the investor community who have otherwise been disinvesting in town centres. A background report is provided in Appendix 1, however it should be noted that the pilot stage is to test and shape possible options that support a TCIM approach.

The TCIM model looks to get investment back into town centres by pooling and maximizing the strengths of town centre assets and managing them in a more joined up way by promoting a better tenant mix, change of use, and resizing of units to attract independent businesses and national brands, which are beneficial to the health of the town centre. Most importantly this is something that works in partnership with a town centre community rather than something that is done to it.

3.6 **TCIM Pilot Scheme and Governance**

A Call for Pilots exercise took place over the summer, resulting in over 300 nominations - a fantastic response with a few towns running campaigns to ensure their town made the list.

A long list was drawn up of 40 town centre nominations including Melton Mowbray and from this a short list of 7 centres in England was drawn from those towns which demonstrated suitability for an asset management approach, had pre-existing local partnership arrangements in place (town team, BID etc), a positive approach to place based investment politically and where they were able to display appropriate executive skills.

Four pilots have been provisionally selected, which are:

- Dartford, Kent
- Weston-super-Mare, Somerset
- Melton Mowbray, Leicestershire
- Stone, Staffordshire

In addition T&FG2 are in discussion with potential pilot projects in London (via GLA) and possibly Wales.

The Pilots will be managed by a team of Project Consultants and guided by High Street Regeneration experts including John Parmiter – Partner of Peter Brett Associates. Pilots will be overseen by a Steering Group selected by FHST T&G2, with the British Property Federation (BPF) acting as secretariat, advisor and project co-ordinator for the Group.

3.7 Project Objectives and Outcomes

This project seeks to test whether it is possible to establish an asset management approach to the conventional High Street, perhaps through a Joint Venture of public and private interests. The Department of Communities and Local Government (DCLG) are keen to understand how such an idea could be implemented and, if successful, whether it would be a feasible approach in dealing with the structural issues facing high streets across the UK.

Better asset management will ensure that an appropriate tenant mix is achieved both in terms of the mix of retailers, leisure as well as employment and residential uses. Greater investment into the tenant mix of the area will help grow the portfolio encouraging local independent businesses to grow whilst also attracting appropriate national brands. Occupation costs can also be controlled to ensure that businesses are given the best opportunity to thrive by keeping rents affordable and sustainable in the short, medium and long term. The public realm (including parking) is also fundamental and will need to be in keeping with the offer of the high street as a whole.

Further details around the TCIM pilot are attached as Appendix 1.

Next Steps

On completion of the pilot project in March 2015 a full evaluation report in conjunction with town centre partners will be brought back to members to consider the options and feasibility of progressing the TCIM model.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The Town Centre is an important Corporate Priority for the Council. This pilot has clear links with the Corporate Plan:

- Support people and businesses through the economic downturn
- Meet the economic needs of the Borough
- Maximise the potential of Melton Mowbray Town centre

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 Funding for the pilot project is being sought from DCLG, any contributions from the Council that are made to the project will be met from existing budgets and in partnership with other key stakeholders such as the BID.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Legal advice will be sought where necessary and any specific legal matters brought to members attention as required.

7.0 COMMUNITY SAFETY

7.1 No safety issues have been identified, should any significant issues arise these will be escalated as appropriate.

8.0 EQUALITIES

8.1 For Town Centre stakeholders and users (shoppers, visitors etc) accessibility will be an important consideration for the TCIM pilot as well as any future development plans. Consultation with local stakeholders will be a key part of the pilot process.

9.0 RISKS

9.1 The Town Centre is subject to certain risks factors, for example, changes in the macro and micro economy, business rate fluctuations and it can also be adversely impacted by extreme weather conditions. A full risk log will be kept and updated as part of the pilot process.

Probability
↓

Very High A				
High B				
Significant C				
Low D		2		
Very Low E		1		
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

→ **Impact**

Risk No.	Description
1	Members do not approve the recommendation
2	The pilot does not realise significant benefits for Melton

10.0 CLIMATE CHANGE

10.1 No major negative impacts regarding climate change have been identified.

11.0 CONSULTATION

11.1 The proposal has been discussed with the Melton Business Improvement District, who are supportive of the Pilot and for Melton Mowbray to be included.

12.0 WARDS AFFECTED

12.1 All including Town Centre

Contact Officer: Harry Rai/ Sarah Stannage
Date: 15/10/2014

Appendices: Appendix 1: TCIM Update on Investment in the High Street

Background Papers: N/A

Reference: X : Committees\REEA\2014.15\29\10\14\HR- TCIM

