

Report to:	Economic Growth and Development Overview and Scrutiny Committee	
Date:	3 September 2019	
Title:	Vitality of High Streets Inquiry	
Portfolio Area:	Culture, Economy and Planning	
Divisions Affected:	All	
Relevant Scrutiny Committee: Economic Growth and Development		
Authors, Roles and Contact Details:	Glenn Caplin, Service Director for Economic Growth Emily Kent, Head of Economy, Skills and Culture David Rodda, Economic Growth Manager and Lynne Davey, Democratic and Governance Officer	
Approval and clearance obtained:	Y / N	
For Cabinet and delegated executive decisions only		
Key decision? (\geq £500k in value or significant effect on communities in two or more electoral divisions)	N	
Published in advance on Cabinet Work Programme?	Y	
Urgency Procedure(s) used if 'N' to Work Programme?	N	
Date next steps can be taken		

Recommendation to Economic Growth and Development Overview and Scrutiny Committee

1. That **the Economic Growth and Development Overview and Scrutiny Committee** endorses the Vitality of High Street Inquiry report and recommendations contained within, or suggests changes as appropriate.
2. That the **Economic Growth and Development Overview and Scrutiny Committee** recommends to **Cabinet** that the Vitality of High Street Inquiry report and recommendations be approved

1 Executive Summary

- 1.1 Cornwall's high streets, once dominated by retail shops, are changing fast in response to changing shopping habits, new lifestyles and working patterns. We are not alone; this is a national, indeed international, trend. Our settlement pattern is made up of one small City and an unusually large number of dispersed market towns and most are facing huge change on their high streets, with traditional retail in decline as a new 'digital industrial revolution' changes the way people shop and spend their time. The changes faced on Cornwall's high streets are not unusual in the UK, but they are exacerbated by additional economic challenges faced in Cornwall, including lower than average pay, geographical remoteness and the seasonality of tourism. This change is leading to an increase in the number of empty shops and an increase in the number of charity shops which in turn is leading to reduced foot fall in most of our towns, especially in those that are not in tourism "hot spots".
- 1.2 At the 27 November 2018 meeting of the Economic Growth and Development Overview and Scrutiny Committee it was recognised that changing purchasing patterns and reductions in footfall was having a negative impact on the vitality of high streets and Town Vitality in Cornwall. The Committee noted that some changes in national policy had been made by Government to address these issues and agreed to set up an Inquiry Panel to look at key changes to include economic growth and planning barriers and to speak to expert witnesses.
- 1.3 Councillors Ellenbroek, Frost, Dwelly, Frost and La Broy were appointed to the Inquiry Panel, with Councillor Dwelly as Lead Member. Terms of reference are set out in Section 4 of the Final Report, Appendix 1.
- 1.4 The Inquiry Panel undertook three inquiry days, received significant evidence from local and national expert witnesses and took account of national publications and reports (Section 10 of the Final Report) which supported a number of observations that were then developed into a series of evidenced based recommendations detailed in the Final Report, attached as Appendix 1.

2 Purpose of Report

The Committee is asked to receive the Inquiry Panels final report and endorse its recommendations to Cabinet which are as follows:

Recommendation 1: Cornwall Council to ensure that High Street vitality is made a key priority of the Council and the Local Enterprise Partnership by:

- (i) Publishing a **High Street Vitality Delivery Plan and town vitality index** based on the principles of the Grimsey Review 2 report.

- (ii) Urging the **Local Enterprise Partnership (LEP) to prioritise place shaping and high street vitality** with published deliverable objectives.
- (iii) Working with the **LEP to develop training and skills programmes that help workers and businesses** located on high streets adapt to the new skills needed for future high street employment, particularly digital skills targeted, but not exclusively, at retail employment.
- (iv) **Continuing the work of the Vitality of High Street Panel** so that it can informally monitor the implementation of the recommendations and provide regular monitoring reports to the Economic Growth and Development Overview and Scrutiny Committee up to the end of the Council administration.

Recommendation 2: Significant resources be dedicated by Cornwall Council to support high street vitality by:

- (i) **Launching a Cornwall High Streets Fund (of up to £4 million).** This could make available contributions of amounts (perhaps up to £250,000) of catalyst funding to towns with “significant high streets” who successfully make the case for this support. Towns could be encouraged to form cross-sector “town teams” to develop coherent plans for their high streets which can be assessed by Cornwall Council for value and deliverability.
- (ii) Establishing a **dedicated high street/town centre vitality workstream in the Cornwall Investment Programme** that can be accessed by commercially viable projects that deliver the programme’s necessary rate of return.
- (iii) Increasing the Council’s use of **Compulsory Purchase Orders** to target the most significant/strategic buildings and land that are negatively impacting high street vitality.
- (iv) Creating an **evergreen loan fund** of at least £1m to offer interest free loans to businesses which take on empty shops on high streets.

Recommendation 3: Establish resource and capacity to lead on High Street Vitality through:

- (i) Establishing a dedicated **Cornwall Council High Street Vitality Team** led by the Economic Growth Service and supported by all relevant Cornwall Council services.
- (ii) Actively supporting the BIDs’ proposed new **Cornwall High Street Vitality Network** which could also include chambers, town councils and emerging ‘town teams’ as network members.

- (iii) Helping towns that wish to **support high street vitality with events** by offering them a paid Council service to work together with towns to devise annual event plans to reduce red tape (and reduce the costs to towns of applying for each event separately).
- (iv) Promoting **management hubs and new shared community facilities** in high streets by working with local partners to improve quality of life and reduce crime and anti-social behaviour. Enable facilities for young people and to include access to appropriate services. Expand health related services and deliver appropriate facilities for older people using high streets.

Recommendation 4: Planning and regulatory powers be used to:

- (i) Actively support towns by **creating informal planning frameworks** for towns that most need them.
- (ii) Ensure future **planning policy for town centres moves away from outmoded zoning of A1/A2 retail space** and instead prioritises high street vitality with more mixed use.
- (iii) Actively plan to replace **'holes on the high street'** as occupiers depart, requiring high quality design standards when shops are converted to other uses.
- (iv) Explore targeted offers of **business rates relief to businesses which actively support community uses** which generate vitality.
- (v) Make formal requests to Government through the Devolution Deal process for Cornwall to **pilot higher business rate charges** on high street properties left empty for long periods and on new out of town retail/B1 developments that could drain economic activity from the town centre.

Recommendation 5: Link high street vitality with culture and creative industries by:

- (i) Helping **creative industries to re-brand high streets**, including shop fronts, planning and public realm. Prioritise support for bids to arts, culture and heritage funds that can be used to help high streets.
- (ii) Facilitating the **role creative industries can play**. Connect possible direct investment in town teams (as set out above) with bids to fund such as Arts Council and Heritage Lottery.
- (iii) Understanding and maximising the **impact of culture on enhancing the attractiveness and viability of town centres**. Link high street vitality work with emerging culture compacts for towns.

Recommendation 6: Direct delivery of housing in town centres, on and near high streets should be prioritised to both support High Street Vitality and tackle climate change by:

- (i) **Delivering more housing in town centres** directly and through planning/grants.
- (ii) **Using the Investment Programme and other financial resources to purchase suitable sites** to deliver high quality homes on those parts of high streets and town centres that need to diversify.

Recommendation 7: Transport and other connectivity investment should give greater priority to High Street Vitality by:

- (i) **Increasing the proportion of overall investment** earmarked for high street vitality, with spending reported annually and ensure that pedestrian-friendly schemes such as “shared space” layouts in town centres be maintained to original design, specification and supported by appropriate ongoing investment. (Policy 26 in the services’ Connecting Cornwall Local Transport Plan).
- (ii) **Investing in electric charging points** in Cornwall Council car parks to encourage electric vehicle users to spend time/money in town centres as numbers grow.
- (iii) **Widely promoting the new resident multi-use season batch tickets**, encouraging workers and residents to park in Council car parks affordably rather than in residential streets.
- (iv) **Actively promoting public transport options** including the new half hour train service making all public transport options as affordable as possible.

3 Benefits for Customers/Residents

3.1 The Inquiry process has enabled a wide range of evidence to be gathered from a varied range of sources including national publications and a number of private and public sector witnesses.

3.2 The Inquiry Panels’ recommendations informed by the evidence they received and focus on actions that Cornwall Council can implement that would support high streets in Cornwall rather than to focus too heavily on national issues. Although the Inquiry was strategic the Panel was of the view that the recommendations, if implemented, would be

useful for all towns both large and small. However, the panel also recognised that each town in Cornwall may require a different set of interventions and are at different stages in their “place” making processes so are not suggesting a “one sized fits all” model.

- 3.3 For customers and residents there is significant evidence from the inquiry to demonstrate that improving the vibrancy of towns and high streets will help to deliver improved experiences, employment opportunities and overall satisfaction levels as well as reducing crime and anti-social behaviour.

4 Relevant Previous Decisions

- 4.1 On the 27 November 2019 meeting of the Economic Growth and Development Overview and Scrutiny Committee it was resolved to set up a Vitality of High Street Inquiry Panel.

<https://democracy.cornwall.gov.uk/ieListDocuments.aspx?CId=1200andMIId=8370andVer=4>

- 4.2 In November 2011, full Council resolved to work with the LEP to help businesses thrive in Cornwall in order to deliver shared objectives and deliver the best possible outcomes for the people of Cornwall.

- 4.3 In September 2013 Cabinet agreed to approve the Council’s Economy and Culture Strategy. This included many key aims and objectives relevant to the work of the Towns Inquiry Panel including:-

- A confident, resilient Cornwall that is a leader in innovative business and low carbon technologies, increasing self-sufficiency for communities and individuals
- Provide the conditions for business-led growth
- Support innovation and promote a culture of enterprise to increase productivity
- Support business resilience
- Grow high quality creative and cultural industries
- Achieve cultural distinction and be recognised as a leading rural region in this area
- Achieve excellent community and social engagement

- 4.4 The work of the panel will help to contribute to the Cabinet’s aims of; ensuring that everyone can live well and safely together; create more homes and jobs for residents; and protect and enhance the environment. All within a town centre context.

- 4.5 It will also contribute to the Homes for Cornwall, Green and Prosperous Cornwall, Connecting Cornwall, Democratic Cornwall and Strategic Economic Plan Objectives as outlined below.

Cornwall Council’s 2018 – 2022 Business Plan:

Homes for Cornwall

- Bring Empty Properties back into use

Green and Prosperous Cornwall

- Use Council land to create jobs, as part of our plan to secure 38,000 new jobs across Cornwall by 2030
- Ensure people in Cornwall are trained with the skills that current and future employers need
- Invest across Cornwall to create jobs, provide homes and improve lives

Connecting Cornwall

- Give communities more influence over funding to improve roads
- Provide better broadband and mobile connectivity for businesses and people

Democratic Cornwall

- Strengthen local democracy, local decision making and local service delivery

Strategic Economic Plan (Vision 2030):-

Innovation and Creativity

- Every sector of the economy needs innovation and creativity to adapt to market demand.

Productivity Led Growth

- People drive productivity, and productivity is crucial because it has the most influence on standards of living. Boosting productivity is a partnership between the public and private sector

Inclusive Growth

- With low unemployment but a high number of vacancies bringing more people into the economy is vital.

Building Great Careers

- Young people are at the heart of this objective. Without addressing the challenge of providing opportunities to retain talent and deliver progression opportunities within Cornwall it will be impossible to address our long term economic objectives.

Vibrant Communities

- The economy of Cornwall is built around lots of smaller local economies across our rural areas that are often disconnected from each other. By 2030 people from every community will be able to contribute fully to economic life.

Global Presence

- Our economy is made up of many small and micro sized businesses serving local markets. Giving them the skills and confidence to compete nationally and internationally is key.

4.6 In addition the Climate Change motion agreed on the 22 January 2019 is relevant to this work as encouraging more people to live and work in towns may help to reduce commuting.

5 Consultation and Engagement

5.1 The Inquiry Panel received evidence from a number of witnesses, in person, using skype and conference call facilities and in writing and considered national evidence (Section 10 of the final Report attached). The evidence provided has enabled the Panel to gain a better understanding of the issues and to make recommendations with clear rationale for doing so.

6 Financial Implications of the proposed course of action/decision

6.1 The precise financial implications of this report will depend on whether the OSC and Cabinet agree them in full and the scale of any subsequent implementation. It should be recognised therefore that it may not be possible, or even appropriate, to implement all the recommendations at the same time in every town so a phased implementation is likely. The recommendations that have potential financial implications are as follows :-

6.2 Recommendation 2 - The £4m Town Fund – any consideration of the establishment of this fund and its total quantum will need to be considered as part of the budget setting processes and subject to any future recommendation to Cabinet and will therefore be considered during the budget challenge sessions in September. A new pressure of £4m has been included within the budget submissions for the Economic Growth and Development Directorate, however full approval for these proposals will not be finalised until February 2020. Equally non Council sources should also be explored to assist with the ambition outlined in this recommendation.

6.3 Recommendation 2 - The £1m loan fund - In order to deliver the “zero” interest aspiration this will require a combination of funding from a variety of sources. Any Cornwall Council funding will need to be considered as part of the future budget setting processes and will therefore be considered during the challenge sessions in September. No provision is currently included in the budget submissions for the Economic Growth & Development Directorate, but can be highlighted during the on-going challenge and budget discussions. LEP and third party funding will have different processes and should be explored as well. It is expected that a proposal for how this fund will be supported will be included in the November Cabinet report.

6.4 Recommendation 2 (and 6) – any dedicated workstream in the Investment Programme will need to adhere to the agreed principles that govern this programme, and must demonstrate that it can deliver the necessary returns.

- 6.5 Recommendation 2 - The use of compulsory purchase orders - in itself this can be a fairly expensive process and this cost, alongside the costs associated with any building or land purchased until it is developed, will need to be factored into any individual project business case and considered on a case by case basis.

It is likely that further financial asks for Council support (e.g. match funding, cash flow, etc) on individual projects will be requested which is outside the scope of the panel's recommendations. These will need to be considered on a case by case basis and will need funding sources to be identified and then follow appropriate Council processes and governance in each case.

- 6.6 Recommendation 3 – Establishing a dedicated Cornwall Council High Street Vitality Team and related support to BIDs and other undertakings could place additional pressure on already stretched and limited resources. This may require current commitments to be reprioritised, but until the exact requirements of this resource is known the full impact can't be quantified.
- 6.7 Recommendation 4 - planning frameworks – the scale and scope of this work will vary in each town and will very much depend on the ambition and scale of any proposals that come forward and therefore cannot be costed at this time. In each case dedicated officer time will be required and therefore the work required for each framework will need to be costed and considered on a case by case basis and will need to identify how the work to produce each framework will be funded in each case. Any change to Business rate will need to follow the appropriate governance and process.
- 6.8 Recommendation 6 – any grant provided by the Council will need to be considered on a case by case basis and subject to further reports setting out the full business case which must demonstrate financial viability. Third party grant funding may be available, depending on specific scheme criteria and outcomes.
- 6.9 Recommendations 1 to 7 - Where recommendations suggest that staff resource to help deliver the recommendations will be from existing resources (staffing levels) there needs to be recognition that with little spare capacity the delivery of new priorities may result in the cessation of existing work streams. Therefore careful management of staff time and management of expectations will be required. Service Directors will therefore need to consider re-prioritisation of existing resources in the forward plans if the Cabinet endorse the recommendations at their meeting in November.

7 Legal/Governance Implications of the proposed course of action/decision

- 7.1 The panels report is clear that the activity at town level needs to be driven by local stakeholders with support from CC staff where necessary and appropriate.
- 7.2 There are no immediate direct legal implications arising from this report. However, if the CPO recommendations are endorsed this could lead to significant legal costs which would need to be considered for each project on a case by case basis.

8 Risk Implications of the proposed course of action/decision

- 8.1 Reputational risk to CC for failing to address the issues raised by witnesses to the Inquiry.
- 8.2 Failure to act on the recommendations will compound the technological and economic threat to Cornwall's town centres and their significant contribution to the Cornish economy.
- 8.3 Failure to prepare and capitalise on the opportunity for Government support linked to the evolution of the Local Industrial Strategy and Government initiatives to support town centres.

9 Comprehensive Impact Assessment Implication

- 9.1 This report is not subject to a Comprehensive Impact Assessment (CIA).
- 9.2 Should the recommendations be approved by the OSC a full CIA will be undertaken on each recommendation before the report is presented to Cabinet in November.

10 Options available

- 10.1 Option 1 – The Committee approves the recommendations in full which will result in a significant increase in the levels of direct intervention in Towns and on High Streets in Cornwall.
- 10.2 Option 2 – The Committee approves all the recommendations, subject to any amendments agreed by the Committee at its meeting, which will result in a significant increase in the levels of direct intervention in Towns and on High Streets in Cornwall.
- 10.3 Option 3 – The Committee approves some of the recommendations and rejects others which will result in a moderate increase in the levels of direct intervention in Towns and on High Streets in Cornwall.
- 10.4 Option 4 - The Committee rejects the recommendations (the Do nothing option) which will result in no increase in the levels of direct intervention in Towns and on High Streets in Cornwall and the decline of our high streets will continue.

11 Supporting Information (Appendices)

- 11.1 Appendix 1 - Full Inquiry Panel report and evidence pack

12 Background Papers

- 12.1 None.

13 Approval and clearance

All reports:

Final report sign offs	This report has been cleared by (or mark not required if appropriate)	Date
Governance/Legal	Jane Astbury	20 August 2019
Finance	Geraldine Baker	20/08/19
Equality and Diversity	Not applicable	
Service Director	Emily Kent on behalf of Glenn Caplin	21/08/2019
Strategic Director	Phil Mason	22/8/19