

Cabinet 6th December 2016	 TOWER HAMLETS
Report of: Aman Dalvi, Corporate Director of Development and Renewal	Classification: Unrestricted
Update report ‘Publish area profiles demonstrating commercial concentrations as destinations’ and ‘Proposal for choice of pilot Town centre(s) project’	

Lead Member	Councillor Joshua Peck, Cabinet Member for Work and Economic Growth
Originating Officer(s)	Melanie Aust, Business and Town Centre Manager
Wards affected	All Wards
Key Decision?	No
Community Plan Theme	A fair and prosperous community

Executive Summary

- 1.1 This report updates on progress and presents recommendations with regard to 2 key actions in the Forward Plan for 2016/17 namely:
- ‘Publish area profiles demonstrating commercial concentrations as destinations’
- And
- ‘Proposal for choice of pilot Town centre(s) project’.
- 1.2 It has been recognised that town centres and high streets in Tower Hamlets face a range of complex challenges – but also some significant opportunities. A wide range of Council services have the potential to affect either directly or indirectly on the success of centres.
- 1.3 The approach adopted in the development and delivery of the ‘Thriving High Streets’ project is rooted in a clear and robust analysis of the causes and effects of these challenges, which identifies how town centres and their businesses and communities are best able to capture the opportunities that exist, and which is driven by a collaborative approach across the Council and with delivery partners.
- 1.4 The key drivers for the delivery of the Thriving High Streets project, which contains the Area profiles and the choice of pilot town centre(s) project as key deliverables, are as follows:

- The Mayor's manifesto commitment to improve the Borough's town centres.
 - The need for a broad understanding of what makes a successful town centre, which takes into account their multiple social, economic and civic functions
 - The need for strategic co-ordination of Council delivery in town centres to ensure that it is joined up and contributes positively to their success and prosperity
 - The recommendations of the Overview and Scrutiny Panel review of town centres (April 2015).
- 1.5 The report updates on progress in developing Area Profiles for 9 District Centres, indicating that further information is required to complete these profiles. It indicates that these profiles, when completed will form the basis of a performance management framework which will be used to assess the current state of health of centres.
- 1.6 Proposals are made on the expenditure of the revenue and capital resources associated with the Thriving High Streets funding in respect of pilot activities to test out interventions aimed at improving the success of centres.

Recommendations

The Mayor in Cabinet is recommended to

- 1) Note the contents of the draft Area Profiles and key findings (see Appendix 1) and that the performance matrix for all town centres is made available for consideration when available.
- 2) Delegate authority to the Corporate Director Development and Renewal to oversee the completion of these Area Profiles, including the development of the performance matrix and the delivery of digital maps for all Town centres as part of the #Shoptowerhamlets retail promotion project being delivered in November/December 2016.
- 3) Agree to the establishment of local partnerships in identified town centres: – building on the Business Forum in Bethnal Green, the regeneration activity in Whitechapel and developing new partnerships in Roman Road West and Watney Market. These partnerships will take ownership of developing the vision and offer in town centres and of monitoring performance in achieving this vision and the objectives.
- 4) Agree that the pilot proposals identified in 4.2 in respect of revenue funding and 4.3 in respect of capital funding are agreed in principle for the identified town centres.
- 5) Request officers to identify and align complementary projects such as improving Wi-Fi access in town centres, developing cultural trails and potential match funding to maximise the impact of the pilot programme.

- 6) Agree that specific elements of revenue and capital work identified commence – including any procurement activity and/or commissioning activity required, working in partnership with other Council departments and external stakeholders.

1. REASONS FOR THE DECISIONS

- 1.1 The Thriving High Streets project was approved by the Greater London Authority (GLA) in 2015 to be funded from the top-sliced New Homes Bonus funding. The key deliverables of the project include the appointment of the Town Centre team (completed in June 2016), the completion of a Town Centre Strategy (consultancy support procured in July 2016 and Strategy due to be submitted for approval in March 2017), the development of Area Profiles (underway) and the delivery of a pilot programme of activity (to be agreed and procured as required following approval of this report).
- 1.2 Funding for the project is, therefore, subject to the contractual agreement with the GLA (as funding body) that the Council signed in August 2016. Approval of this report and its recommendations will ensure that funds are expended and key deliverables achieved in accordance with this agreement.
- 1.3 The revenue and capital funding associated with the project totals £2.3m. This now requires the formal approval of the Council to meet its Financial Regulations.

2. ALTERNATIVE OPTIONS

- 2.1 Consideration has been given to the scope of the pilot activity and how it should be expended. In order to maximise impact across all key town centres it is proposed that 7 District Centres should benefit from revenue supported activities. For the capital expenditure it is proposed that 3 of 9 areas should be prioritised, where there has not been significant capital spend to date. This should help to develop specific tailored responses to locally identified needs rather than a 'one size fits all' approach across the borough.

3. DETAILS OF REPORT

- 3.1 In December 2014, a report was submitted to MAB which set out the proposed context for a project then entitled 'Healthy High streets'. The approved recommendations were as follows:
 - The development of a detailed analysis of the health of town centres and High streets in the Borough to ensure that there is a clear understanding of

the challenges faced by centres in the Borough to inform the design of regeneration interventions and on-going service delivery.

- The development of pilot activity to provide focused implementation of the policy and its recommended key strategic actions in centres.
- The development of a Healthy High streets policy – which is now being delivered as a Town Centre Strategy, which reflects the full breadth of the role of centres.
- The establishment of a Steering Group to oversee implementation of policy and delivery of the pilot initiatives.

3.2 A bid was submitted and approved by the Greater London Authority for the top-sliced NHB funding totaling £2.3m in 2015, which has commenced delivery in 2016 and will be completed in 2018/19.

3.3 This project, which is now retitled 'Thriving High streets' to capture the revised focus of the project on the developing successful town centres, is being delivered in accordance with the GLA funding agreement.

3.4 The policy and delivery context is:

- The Portas Review (2012) – 3 pilots areas were identified in 2012 where the key aim was the promotion of healthy food – Watney Market, Chrisp Street and Roman Road.
- High Street Innovation Fund (2012) – Chrisp Street Market received £100,000 from this funding
- Grimsey Review (2013) – Review called for town centres to be planned as complete community hubs, with retail being only one element involved.
- London Policy framework: the GLA
- London Policy framework – London Council's Streets Ahead
- Local policy framework – LBTH planning policy
- Brick Lane Audit 2014, scoping undertaken by the Brick Lane Officers Working Group
- Roman Road Audit 2014, Roman Road Town centre Manager and associated projects (S106 funded)
- Retail Capacity Study, Retail Strategy and proposals for the Whitechapel Market all completed in 2016
- Carter Jonas Retail Capacity Study – building the evidence base for the Local Plan across all District Centres.

3.5 The Town Centre Strategy has now been procured and the Association of Town Centre Managers (ATCM) and the Retail Group have been appointed to undertake this work. Area Profiles are now being developed for all 9 District Centres in the Borough. This will enable the robust assessment of performance against ATCM key indicators. This report updates on progress in developing these Area Profiles and proposals to pilot a comprehensive range of interventions aimed at improving performance across all the Borough's town centres.

- 3.6 The development of Area Profiles helps to establish the current 'state of health' in the Borough's town centres. The development of a performance management framework will enable a regular assessment of progress against a range of key indicators and the ability to assess the impact of Council activity and involvement.
- 3.7 A Town Centre Strategy Working Group is being brought together to ensure that relevant officers from across the Council are able to oversee the development and delivery of the Town Centre Strategy, the Area Profiles and the pilot programme of activity in town centre/s.
- 3.8 Area profiles have been developed to pull together existing evidence from audits and local experience of the Council's District Centres. This included the evaluation of the Portas pilot activity in Roman Road and Chrisp Street. Audits undertaken in Roman Road and Brick Lane. It will capture the evaluation of Roman Road Town Centre Manager project when this is completed.
- 3.9 This shows the current condition of the Borough's Town centres and their key characteristics. A synopsis of the findings is included at Appendix 1. They highlight performance against specific indicators in the ATCM's national performance framework for town centres as follows:
- 1. People and footfall**
Footfall; Geographical catchment; Access; Car parking; Community spirit
 - 2. Diversity and vitality**
Retail offer; Culture and leisure; Events; Reported crime; Markets
 - 3. Consumer and Business Perception**
Business confidence; Town centre visitor satisfaction; Visitor experience satisfaction; Attractiveness; Crime and safety perceptions
 - 4. Economic characteristics**
Retail sales; Partnership working; Charity shops; Vacant units
- 3.10 There are still some gaps in information around areas such as footfall counts, crime hotspots, business and visitor satisfaction surveys. These gaps are now being filled with support from a number of partner organisations, including the Roman Road Trust, Bethnal Green Business Forum and ATCM/the Retail Group.
- 3.11 The completed output of the Area Profiles will be the creation of a performance rating matrix for the 9 District Centres. This will be attached to the Cabinet report when it has been completed. It is proposed that this matrix will be updated at the end of the project to show progress over the 3 year lifetime of the pilot programme.

- 3.12 During this work we have identified the following:
- Bromley-by-Bow** is the smallest District Centre in the Borough with only 5 businesses around the Tesco superstore and it is not really operating as a District Centre
- Crossharbour** contains only 17 businesses and does not operate as a District Centre. There are redevelopment proposals being developed around the Asda supermarket and this area should be reconsidered in due course.
- Chrisp Street** redevelopment proposals include the market and retail units. Feasibility funding for this is included within the Poplar Riverside Housing Zone initiative.
- Brick Lane** is being taken forward as a separate initiative due to the national and international status of this major visitor attraction in the Borough. S106 funding is currently being sought to take this regeneration project going.
- Roman Road East** is part of a S106 funded project which supports the Roman Road Town Centre Manager and associated projects. This project completes in March 2017. An evaluation study has now been commissioned to determine the way forward for this town centre. Roman Road Trust is now operating as a focal point for business engagement in the area.
- Whitechapel** is part of a major regeneration area and various feasibility studies have been undertaken to identify the opportunities and challenges facing this area. GLA High Street funding is being used to develop new workspace and S106 funding has supported the team and feasibility work.
- Bethnal Green** has not been funded to date. Oxford House has helped to establish a Business Forum for this area.
- Roman Road West** has not been part of a funded scheme. There would be a role for Roman Road Trust in overseeing activity in this area.
- Watney Market** has not been part of a funded scheme. It was identified for inclusion in the Portas pilot and a small pilot was undertaken with a new stall in the market. There is no business focused partnership in this area currently.

- 3.13 From this analysis the following proposals are made with regard to the pilot programme.

The following areas are not included in the pilot programme:

Canary Wharf – This major District Centre is not part of this proposal
Bromley-by-Bow and **Crossharbour** not really operating as District Centres (see Appendix 1 for further information).

There will be limited inclusion of:

Chrisp Street
Brick Lane
Roman Road East
Whitechapel

These District Centres will be fully included:

Bethnal Green
Roman Road West
Watney Market

- 3.14 Work is currently underway to identify any S106 funds or other relevant funding sources available to match fund the NHB funding to increase the impact of the proposed capital element of this programme in the identified areas. There is also alignment with proposed projects e.g. wi fi in town centres, cultural trails to improve the business/visitor experience in town centres.

4. FUNDING FOR THE THRIVING HIGH STREETS PROJECT

- 4.1 The NHB funding available for the pilot programme is as shown in the table below:

Costs (revenue)	2016/17	2017/18	2018/19	All Years
Project manager	£50,758	£51,773	£52,809	£155,340
Project officer	£41,551	£42,382	£43,230	£127,163
Admin (whole programme %)	£13,947	£16,914	£41,094	£71,955
Street market support initiative	£6,667	£26,667	£26,667	£60,000
Business support and training	£30,469	£121,876	£121,876	£274,220
Targeted enforcement action	£13,889	£55,556	£55,556	£125,000
Town centre events	£13,333	£53,333	£53,333	£120,000
Vacant shops	£17,785	£71,142	£71,142	£160,069
Marketing, branding and communications	£11,111	£44,444	£44,444	£100,000
Town centre audits: baseline and evaluation	£50,000	£0	£50,000	£100,000
All costs (revenue)	£249,510	£484,087	£560,150	£1,293,746

	Total	Total	Total	Total All Years
Costs (capital)	2016/17	2017/18	2018/19	
Public realm and shop fronts	£0	£680,000	£320,000	£1,000,000
All costs (capital)	£0	£680,000	£320,000	£1,000,000

All costs (capital and revenue)	£249,510	£1,164,087	£880,150	£2,293,746
--	-----------------	-------------------	-----------------	-------------------

4.2 **Revenue allocation:** It is proposed that the allocation of revenue funding should be made as follows:

Split between 6 District Centres as shown below:

- Salary costs of key staff and administration
- Town Centre Strategy development will cost £50,000
- Partnership development in 4 District Centres – Bethnal Green, Roman Road West, Watney Market and Whitechapel (undertaken by Town Centre team)
- Piloting new approaches to improve footfall in 4 District Centres – Bethnal Green, Roman Road West, Watney Market and Whitechapel.
- Trialling new approaches to enforcement in 6 District Centres -Bethnal Green, Chrisp Street, Roman Road East and West, Watney Market, Whitechapel and Brick Lane
- Supporting markets in pilot new approaches - Watney Market/Bethnal Green/Roman Road West
- Piloting innovative approaches to vacant units e.g. pop up shops, meanwhile uses, trial trading - Watney Market, Bethnal Green, Roman Road West
- Events programme for all District Centres and creation of digital maps (building on the approved #Shoptowerhamlets project)
- Tailored business support activity provided to all 6 District Centres (working with Enterprise team)
- Marketing and communications programme to promote the initiative in areas identified - across all 6 District Centres
- Audits and evaluation using ATCM key indicators – baseline and final assessments.

4.3 **Capital allocation:** It is proposed that the capital funding will concentrate on, where there has not been major capital investment to date:

Bethnal Green
Roman Road West
Watney Market

- Procurement of consultants to undertake feasibility studies and develop proposals for Shop front Improvements and Public Realm improvements which will include improving the Markets, bringing vacant units back into use, improving shopfronts, wayfinding, signage and cultural links for Bethnal Green, Roman Road West and Watney Market.
- Detailed design of improvements and public realm upgrade in 3 District Centres
- Delivery of programme across the 3 District Centres.

5. KEY OUTCOMES FOR THE THRIVING HIGH STREETS NHB FUNDING

Key outcomes for the NHB funding were included in the approved funding bid as follows:

2000m² new/improved public realm
50 SMEs supported
100 SMEs engaged in town centre activities
6 town centre events held
1 high street/town centre partnership established and/or supported
Improvement in performance of pilot areas against agreed healthy high street indicators
Improved coordination of mainstream service delivery in pilot areas

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 In 2015/16 New Homes Bonus funding for London boroughs was top-sliced in order to fund Local Enterprise Partnership (LEP) priorities via the Greater London Authority (GLA). As a result, Tower Hamlets' New Homes Bonus allocation was reduced by £7 million. Following a bidding process managed by London Councils, the authority was successful in securing this £7 million back and spending plans have been agreed by the GLA.

6.2 The approved schemes are designed to encourage local enterprise in the borough, support local businesses and improve employment opportunities for residents. The allocation of £7 million is for a programme of projects as follows:

Project	£
Healthy High streets Pilot Programme - Revenue	1,293,746
Healthy High streets Pilot Programme - Capital	1,000,000
Supply Tower Hamlets	1,321,110
New Enterprise Support	1,215,752
Retail Marketing Support	555,825
Tower Hamlets Growth Sectors	340,161
Working Start - Integrated Employment Programme	978,685
Parental Engagement ILM Programme	315,749
	7,021,028

6.3 The authority will be required to report progress on each of these initiatives to the LEP at regular intervals and release of funding will be linked to agreed milestones.

6.4 This report is concerned with the Healthy High streets pilot programme element which has a budget allocation totalling £2,293,746 of which

£1,000,000 is earmarked for capital projects. The report proposes that the revenue and capital works identified in the table in paragraph 3.8 commence as soon as possible. It should be noted that, in accordance with the council's Financial Regulations, any capital projects must be incorporated into the council's adopted capital programme before expenditure can be incurred.

- 6.5 The capital projects are not programmed to commence until the 2017-18 financial year so approval for inclusion in the capital programme will be sought as part of the budget reports considered by full Council in February 2017 and will be reflected in the development of the council's Capital Strategy. The approval of the Commissioners may also be necessary in relation to any project funding that is allocated to external bodies.

7. LEGAL COMMENTS

- 7.1 This report updates on progress in developing these Area Profiles and proposals to pilot a comprehensive range of interventions aimed at improving performance across all the Borough's town centres.
- 7.2 As to the commencement of revenue and capital works, in accordance with Financial Regulations, any capital projects must be incorporated into the Council's adopted capital programme before expenditure can be incurred. These will therefore have to be incorporated into the Council's Budget Reports.
- 7.3 As to delegation of Authority, the Mayor has the power to delegate any Executive Function, including a key decision, to officers.
- 7.4 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.

8. ONE TOWER HAMLETS CONSIDERATIONS

- 8.1 The recommendations in the report will enable the development and delivery of performance management arrangements for town centres, which are managed and monitored by local partnerships. The Area Profiles that has been developed for 9 District Centres to capture information on the local population and users of the area. The pilot programme of activity will take into consideration the impact on those with young children, disabilities and the elderly in particular. The aim of the regeneration activity is to improve the area and to enable local people, visitors and other users to access and use the facilities offered in town centres effectively. The development of local partnerships will enable local people to get involved in developing the vision for their areas and setting aims and objectives

9. BEST VALUE (BV) IMPLICATIONS

- 9.1 The report proposes that pilot activities should be approved. These will be procured using the Council's agreed procurement processes to ensure that best value is obtained.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The pilot activities include elements that will impact on a greener environment, including public realm improvements. All such activities will be undertaken with due regard to the Council's policies and procedures and with consultation and support of relevant Council officers.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 A risk management plan will be developed for the delivery programme in respect of the pilot projects. This will identify any risks associated with delivery and action required to mitigate the impact of any risks emerging from this analysis.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 The development of proposals for town centres will include an analysis of crime statistics. These will be used to discuss and agree any measures that should be undertaken to reduce Anti-social behaviour and low level crime.

13. SAFEGUARDING IMPLICATIONS

- 13.1 There are no safeguarding implications attaching to this report.

Linked Reports, Appendices and Background Documents

Linked Report

- Briefing Paper for Mayor's Advisory Board 17th December 2014
- Overview and Scrutiny Panel Review of Town Centres – recommendations May 2015

Appendices

- Appendix 1 – Key findings from Area Profiles

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- List any background documents not already in the public domain including officer contact information.
- These must be sent to Democratic Services with the report
- State NONE if none.

Officer contact details for documents:

Melanie Aust, Business and Town Centre Manager, Economic Development
(ext.6580)