

CABINET	DATE: 21 April 2021	ITEM NO. 6
TITLE: Future High Streets Fund – Woolwich Town Centre	WARD(S): Woolwich Common and Woolwich Riverside	
CHIEF OFFICER: Director of Regeneration, Enterprise & Skills	CABINET MEMBER Regeneration & Growth	
LEAD OFFICER: Assistant Director (Regeneration & Property)	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS TIME? Yes	
DECISION CLASSIFICATION: Key Decision Non exempt report and Appendix 3 Exempt Appendix 1 and 2 (exempt by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended))		

I. **Decision Required**

This report makes the following recommendations to the decision-maker:

- I.1 To agree to delegate authority to the Director of Regeneration, Enterprise and Skills to enter into a Memorandum of Understanding ("**MoU**") with the Ministry of Housing, Communities & Local Government ("**MHCLG**") for £17,150,964 to achieve the objectives of the Future High Streets Fund ("**FHSF**") bid for Woolwich town centre.
- I.2 To agree to delegate authority to the Director of Regeneration, Enterprise and Skills to procure service consultants and works contractors, and enter into contracts with third parties to deliver the objectives of the FHSF as set out in the MoU.
- I.3 To note that the MHCLG funding is approved for 2021/22, and that future MHCLG funding is indicative and officers will update Cabinet should the indicative MHCLG funding not be released to the Council.

- 1.4 To agree that the contents of Appendices 1 and 2 to this report be exempt from publication on the grounds that they contain information relating to the financial or business affairs of a particular person (including the authority holding that information) under Paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). To agree that this exempt information contained in the confidential Appendices shall not be released to the press or public.

2. Links to the Royal Greenwich High Level Objectives

- 2.1 This report relates to the Council's agreed high-level objectives as follows:

- **A Healthier Greenwich**
 - Provide for sustainable growth connected by healthy streets and green infrastructure.
- **A Safer Greenwich**
 - Support, unlock and accelerate the regeneration of the town centre to address social issues, and improve resilience and adaptability.
 - Improve experience and sense of place, whilst increasing security to enhance Woolwich's unique identity.
- **A Great Place to Grow Up**
 - Improve accessibility to and within the town centre; to better connect the market and high street with the riverside, the Arsenal and surrounding neighbourhoods.
- **A Cleaner, Greener Greenwich**
 - Improve accessibility to and within the town centre; to better connect the market and high street with the riverside, the Arsenal and surrounding neighbourhoods.
- **Economic Prosperity for All**
 - Increase economic and social activity and integration for existing and future residents.
 - Create new workplace to stimulate the local economic base and provide new job opportunities.
- **A Great Place to Be**
 - Improve accessibility to and within the town centre; to better connect the market and high street with the riverside, the Arsenal and surrounding neighbourhoods.
- **A Strong Vibrant and Well-run Borough**
 - The Council's interventions meet the investment objectives of the FHSF and invest in physical infrastructure, property and the public realm to enable growth and improve the experience for the local community, businesses, residents and visitors.

2.2 The project relates to the FHSF bid which details the Council's ambitious plans to contribute to the renewal and regeneration of Woolwich town centre.

3. **Purpose of Report and Executive Summary**

3.1. This report provides detailed information on the Council's bid to MHCLG for £17,150,964 of support from the Future High Street Fund. The information provided will update Cabinet on the outcome of the bid, deliverables, investment and delegate authority to officers to deliver the FHSF pursuant to a procurement and delivery strategy. This report will also update Cabinet on the anticipated payment profile from MHCLG.

4. **Introduction and Background**

4.1 In 2018, the government launched 'Our Plan for the High Street', which included £675m for a FHSF. The aim of the FHSF is to renew and reshape town centres and high streets in a way that drives growth, improves experience and ensures future sustainability. It will do this by providing funding to successful applicants to support transformative and structural changes to overcome challenges in their area.

4.2 In March 2019, the Council submitted an expression of interest to MHCLG for the FHSF with the focus being on Woolwich town centre.

4.3 In July 2019, the Council were successful in progressing to the business case development phase of the FHSF and appointed consultants to support the development of the full capital investment business case and architects to support the Council in the developing and overarching strategy and vision for Woolwich.

4.4 In March 2020, the Council submitted the draft business case. Comments were then provided by MHCLG and the final business case was submitted in July 2020. Additional clarification on co-funding was then submitted on October 2020. On 26th December, MHCLG announced that the Council had been provisionally awarded £17,150,964. The Council bid close to the maximum allowance of £25m and had to submit additional information to MHCLG about how the Council would reduce the bid down to £17,150,964 whilst not affecting deliverability or the economic outcomes in the business model attached to the bid. With the necessary support of the MP, Leader and Cabinet Member a trimmed bid was submitted to MHCLG at the end of February 2021. The FHSF was initially intended as a four-year programme,

with funding needing to be spent by the end of March 2024. Clearly given the end date has now not moved the £17,150,964 will need to be spent within three years.

- 4.5 Woolwich town centre and the main high street (Powis Street) have huge potential. Together with key forthcoming developments at the Royal Arsenal, Crossrail, Woolwich Works, Spray Street/Woolwich Exchange and a new leisure centre at Viscount House the components are there for a major continued revival in the fortunes of the town centre. The identified interventions as part of the FHSF are designed to knit these areas together whilst, at the same time, seeking to act as a catalyst for further investment in Powis Street and the area around the Old Town Hall. Members should note that these proposals sit alongside and complement the heritage focussed Heritage Action Zone (HAZ) interventions for which the Council secured £1.7m of Historic England funding for Woolwich.
- 4.6 The proposed interventions within the FHSF bid have been carefully selected to bring social and economic activity to the town centre and transform Woolwich into a sustainable, resilient hub for growth, health, social inclusion and prosperity. The interventions target three key areas – Powis Street, Beresford Square and the Old Town Hall. New public realm infrastructure, market pavilion, leisure facilities and new business workspaces will be created to make a destination for employers, employees, residents, community groups, students and visitors.
- 4.7 Further details of the objectives of the FHSF are set out in:
- (a) Appendix 1 - We Made That – Original Vision document for Woolwich Town Centre Future High Street Fund Submission; and
 - (b) Appendix 2 - We Made That – Revised Vision document for Woolwich Town Centre Future High Street Fund Submission; and
 - (c) a brief description of the main objectives are set out below for ease of reference:

Powis Street

- 4.8 In order to regenerate Powis Street, the Council intends to remodel the public realm, decluttering the street, creating better places to socialise and shop and provide an improved canvas from which to view the historic buildings. This is to ensure Powis Street continues to be a viable trading area alongside the newer retail and leisure uses to the east around Spray Street and the Royal Arsenal.

- 4.9 These works will attract shoppers wishing to spend time and money in the town centre by improving accessibility, diversifying the offer for shoppers, and creating areas to dwell in an attractive and well-designed space.
- 4.10 The Powis Street improvements and interventions will act as a catalyst for British Land, L&G and other major landowners to further invest in their retail, residential and office developments in the area and improve the public realm.

Beresford Square

- 4.11 The existing public square is currently an open expanse of granite with no defined areas, spaces to dwell or attractive features. The square's importance lies in the fact it is the key gateway to the town centre, Powis Street, the new Spray Street Quarter and multiple transport interchanges.
- 4.12 The triangular space adjacent to the gatehouse and bus stops is poorly designed and used as a thoroughfare from the local bus stops to the town centre. The area is cluttered with street furniture and poor planting.
- 4.13 The Council plans to transform the square and its surroundings by reshaping the existing granite expanse, into a regulated public square with seating, greening and a performance space to attract visitors, residents, workers and members of the local community. New semi-permanent market stalls will be provided in the triangular pavilion site for local businesses to trade from.
- 4.14 The Council are working in partnership with the property owners of the historic Gatehouse with the intention to provide a focal point and attraction. The new Elizabeth Line station entrance will be used as a thoroughfare to the Royal Arsenal Riverside and the new Elizabeth Line station, potentially incorporating a ground floor café to serve passing commuters and visitors. Lighting and enhancements to the building will attract visitors and create a secure evening environment, which will attract users to the square in the evening.
- 4.15 A new performance space will be created in front of the Gatehouse to bring additional purpose to the square, with the Gatehouse being the backdrop for creative and cultural performances from local groups and musicians to buskers during market days.
- 4.16 The proposals for Greens End includes a new temporary workspace to re-purpose a small parcel of TfL's surplus land adjacent to the entrance to the DLR. TfL is supportive of the Council's proposals and the employment use will enrich the offer in this location and would add to place-making objectives.

New workspace will be created and made available for local businesses, emerging small and medium enterprises. It is envisaged that these new workspaces will drive the uptake of a new co-working space, which will be occupied and supported by a highly experienced workspace operator.

- 4.17 The proposed interventions are designed to bring life and activity to Beresford Square to reflect its historic purpose as a centre of trade and commerce in Woolwich. Introducing a day and night time economy into the square will bring people together, increase spending, boost the local economy, improve security and create a space for creative and cultural activation.

The Old Town Hall

- 4.18 The Council plans to repurpose the Old Town Hall in partnership with a workspace operator to encourage emerging industries, technology and creative enterprises into the area. This will help bring new employers and workspace into the town centre, acting as a catalyst for growth.
- 4.19 The proposed intervention will help ensure that local and displaced businesses have a flexible space to thrive and grow. The FHSF will allow the Council to encourage further investment in Woolwich from the private sector and support growth in the surrounding area for mixed-use developments that provide workspace.

5. Available Options

5.1 Option 1

To agree to the Council entering into a MoU with MHCLG to progress with the FHSF scheme for Woolwich town centre, and delegate authority to the Director of Regeneration, Enterprise and Skills to procure service consultants, works contractors, and enter into contracts with third parties to deliver the objectives of the FHSF as set out in the MoU.

5.2 Option 2

To not agree to the above option, which would result in the Council not receiving £17,150,964 from MHCLG to regenerate Woolwich town centre.

6. Preferred Option

- 6.1 The preferred option is option 1, to agree to the Council entering into a MoU with MHCLG to progress with the FHSF scheme.

7 Reasons for Recommendations

7.1 The proposed investment will provide strong economic benefits by bringing a combination of vacant land and existing buildings into more productive commercial use. The interventions will benefit the town centre by improving the public realm and surrounding land values. The project will also contribute towards improved perceptions of the town centre, helping to improve wellbeing by contributing towards a reduction in crime, improvement in air quality, active transport and enhancing community cohesion by widening the diversity of uses in the town centre and increasing the amenities available within the local community.

8. Consultation Results

8.1 Online engagement took place in May/June 2020, and members of the public were able to view the Council's proposals and provide their views on those by completing a questionnaire. A total of 1,146 responses were received, and as a result of this, the Council received letters of support from local community, voluntary and faith-based organisations. The feedback on the consultation exercise is included at Appendix 3 of this report.

8.2 Major landowners and other key stakeholders in Woolwich (e.g. MP Matthew Pennycook, the GLA, British Land, Berkeley Homes, St Modwen, Legal & General, Greenwich Enterprise Board and TfL) were fully supportive of the Council's FHSF proposals and are very keen to work in partnership with the Council to support the delivery of the FHSF projects.

9. Next Steps: Communication and Implementation of the Decision

9.1 MHCLG released an official announcement on the provisional funding offered to the Council on 26th December 2020. MHCLG confirmed the funding to the Council in March 2021.

9.2 MHCLG have issued a non-legally binding MoU to the Council which sets out the terms and conditions relating to the funding. The MoU contains the following key provisions:

- Paragraph 1.1 – the MoU applies to FY 2021/22 only;
- Paragraph 3.1 – funding for 2022/23 and 2023/24 is subject to the outcome of the "Spending Review" (which is not defined);
- Paragraph 4.2 – Payments will be made to the Council annually, towards the beginning of each financial year;

- Paragraph 4.5 – MHCLG has the right to adjust or withhold payments if there are significant concerns over delivery; and
- Paragraph 5.1 and 5.4 – MHCLG expects to amend the MoU to cover future years of the project by February 2022 and if one is not put in place, this MOU will continue to apply.

9.3 The MoU is not legally binding, nor is the funding post 2021/22 guaranteed, and the Government will approve in November of each proceeding year the amount which will be paid to the Council in the following financial year. The MoU does however anticipate Government funding as set out below:

Year	Amount (£)
2021/22:	3,480,687 (guaranteed)
2022/23:	7,014,044 (to be confirmed)
2023/24:	6,656,233 (to be confirmed)

9.4 Cabinet are requested to note the funding profile and its non-guaranteed status from 2022/23 onwards. This funding profile is set against the Council's need to enter into contracts with third parties to deliver the objectives of the FHSF. Given this funding profile, the Council intends to programme its contracts with third parties carefully to minimise its exposure to pay contracts with third parties when it has not received confirmation of a guarantee of funding from MHCLG.

9.5 Notwithstanding the above practical steps which will be taken to limit the Council's financial commitment to third parties when there is no back to back commitment from MHLG, it is important to note that the Council may still be required to cover a shortfall in funding from MHCLG. The nature of the FHSF objectives requires spend over multiple financial years, and once work has commenced on a project then that project will need to be completed to meet the expectations of residents, taxpayers, and local businesses.

9.6 The Council will develop, in partnership with MHCLG, a detailed tender specification for the discrete service and works packages to procure a Design and Implementation Team to deliver the project workstreams for Beresford Square, Greens End Corner, Gateways, Gatehouse and Powis Street public realm improvements as indicated in the FHSF funding submission. These procurements will be carried out in accordance with the Public Contracts Regulations 2015 and the Council's constitution.

9.7 The Council will procure works contractors to complete the works to achieve the objectives of the FHSF for Woolwich town centre. The works will be project managed by the commissioned Design and Implementation

teams and the Council. These procurements will be carried out in accordance with the Public Contracts Regulations 2015, and the Council's constitution.

- 9.8 The Council will develop a detailed tender specification to procure an architect to facilitate the delivery of capital works to repurpose the Old Town Hall in partnership with a workspace operator to encourage emerging industries, technology and creative enterprises into the area.
- 9.9 The Council will start negotiations with TfL on lease arrangements and approvals for the works on the Greens End site to facilitate the redevelopment of these sites.

10. **Cross-Cutting Issues and Implications**

Issue	Implications	Sign-off
<p>Legal including Human Rights Act</p>	<p>The Council has the power pursuant to section 1 of the Localism Act 2011 and section 111 of the Local Government Act 1972 to enter into the MoU relating to the FHSF with MHCLG.</p> <p>The Council will ensure that the procurement of service and works contracts to deliver the FHSF are conducted in accordance with the Public Contracts Regulations 2015 and the Council's Contract Standing Orders.</p> <p>A legal review of the terms of the MoU has been undertaken for the Council to ensure that the Council's interests are protected.</p> <p>Under the Responsibility for Functions section of the Constitution, the Cabinet has the power to approve that the Council enters into the MoU with MHCLG and agree the recommendations in paragraph 1 of this report.</p> <p>The report author should consult with the Legal Department regarding the finalising and execution of the MoU.</p>	<p>Diana Barrett, Assistant Head of legal Services (Property and Regeneration) 30/03/2021</p>

	<p>Paragraph 1.4 of this report recommends that the contents of Appendices 1 and 2 to this report not be published pursuant to paragraph 3 of Schedule 12A to the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person) (as amended).</p> <p>The information in Appendix 1 and 2 to this report satisfies these criteria and, accordingly, should be agreed to be exempt from publication.</p>	
<p>Finance and other resources</p>	<p>Cabinet are requested to agree that the Council enters into a MoU with the MHCLG in the value of £17,150,964 to achieve the objectives of the Future High Streets Fund, for Woolwich town centre.</p> <p>As set out at paragraph 1.3 and section 9, funding has been confirmed by MHCLG for 2021/22 only, in the value of £3,480,687 – future years funding of £13,670,277 has not been confirmed and determination on this will not be established until the 2021 Spending Review at the earliest, which is anticipated to take place in November 2021.</p> <p>To mitigate against the risk attached to this uncertain security and timing of future year funding approvals from MHCLG, the procurement plan under this programme will need to be robust and closely monitored to ensure it aligns with the actual level of MHCLG confirmed funding and minimises financial exposure to the Council. Delegated award reports will need to demonstrate how each contract has resolved contractual and financial risk to the Council, if future years funding agreement is still outstanding or is removed.</p>	<p>Jason Coniam Accountancy Business Change Manager 30/03/2021</p>

	<p>There is a significant risk to the Council that no further funding is agreed beyond 2021/22. If this was to occur, then a future report will need to be presented to Cabinet to allow Members to resolve the future direction of the programme and any financial implications beyond 2021/22.</p> <p>Proposed works include those to be undertaken on assets which are not within the Council's ownership and as such, the Council may not be entitled to reclaim VAT in respect of those properties. An element of the bid relates to irrecoverable VAT, although the exact amounts required will not be known until detailed site-specific plans are developed.</p> <p>The Council will be required to undertake certain tasks as part of this bid. These would include:</p> <ul style="list-style-type: none"> • programme delivery manager (new - £55,000 p/a) • monitoring and evaluation costs (new - £10,000 p/a) • maintenance of Beresford Square and Powis Street infrastructure (existing). <p>The funding of these additional costs, in the value of £65,000 p/a will be funded from existing revenue resources held with the Regeneration budgets of Directorate Regeneration, Enterprise and Skills.</p>	
Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.	Marie O'Brien – Regeneration Support Officer 30/03/21
Climate Change	To tackle climate change the FHSF project will provide for sustainable growth connected	Marie O'Brien –

	<p>by health streets, green infrastructure, modern building methods and renewable energy options.</p> <p>This will help to improve wellbeing by contributing towards improvement in air quality and active transport, greening opportunities and enhancing community cohesion by widening the diversity of uses in the Town Centre and increasing the amenities available within the local community.</p>	<p>Regeneration Support Officer 30/03/21</p>
Procurement and Social Value	<p>The decision recommended through this Cabinet report have an impact on social value. Contracts awarded will be monitored to deliver social value outcomes listed below:</p> <ul style="list-style-type: none"> • Promote economic prosperity; • Ensure a healthy and safe living environment; • A great place to be. 	<p>Pius Appiah - Senior Procurement Business Partner 30/03/21</p>
Staffing establishment	<p>The Council intends to appoint a new programme manager in order to resource the implementation of the FHSF and complete monitoring and reporting requirements to MHCLG.</p>	<p>Jeremy Smalley, Assistant Director, Regeneration & Property 30/03/21</p>
Risk management	<p>A Risk Register will be monitored by the Project Delivery Team and the Project Board, with a standard agenda at the monthly meetings.</p> <p>All Risks will be recorded and maintained with the Programme Risk Log. Ownership of the Risk Register will remain with the Project Delivery Board and Priority Investment Board.</p>	<p>Jeremy Smalley, Assistant Director, Regeneration & Property 30/03/21</p>
Health and	<p>A new high street, diversified retail offerings,</p>	<p>Marie O'Brien</p>

wellbeing	new leisure opportunities and an attractive well-designed spaces will bring about social integration, especially with stakeholder input. The future public realm improvements will create a more animated space that promotes dwell time and greater opportunities for social integration and cohesion, reducing social isolation.	– Regeneration Support Officer 30/03/21
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11. **Appendices**

- Exempt Appendix 1 - We Made That – Original Vision document for Woolwich Town Centre Future High Street Fund Submission;
- Exempt Appendix 2 - We Made That – Revised Vision document for Woolwich Town Centre Future High Street Fund Submission; and
- Appendix 3 - Responses to the consultation exercise.

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