



Ministry of Housing,
Communities &
Local Government

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Government**

2 Marsham Street
SW1P 4DF

29 December 2020

Dear local authority,

As you will have seen in the letter from MHCLG Ministers, I am pleased to confirm that you have been made an in-principle funding offer from the Future High Streets Fund , enabling you to deliver a much-needed boost to your high street at this challenging time. The Fund was heavily oversubscribed, however as you submitted a strong business case, that met the gateway criteria and demonstrated value for money, we are offering you up to 69% of your original ask.

This funding offer is subject to updating your proposal to reflect the funding envelope. I appreciate that you may need to scale back your bid to fit with the offer, if additional co-funding cannot be identified. We have designed a streamlined process so that you can adapt your plans quickly and get delivery underway soon. We are also offering you £5,000, enabling you to buy in any consultancy help that you may need; and will provide a dedicated FHSF contact throughout this process to support and advise as needed.

The purpose of this letter is to set out the timeline and approach. To ensure this update can be done at speed, we ask that you complete a short online form and spreadsheet which will look very similar to the clarifications exercise. I can reassure you that you will not need to amend the business case documents. The online form and spreadsheet will seek confirmation on how the new funding envelope will be allocated and key updates that flow from it including a revised BCR.

In the event you decide to scale back your bid, deliverability must be the key consideration in deciding how to scale back your bid and, if relevant, which projects to take forward.

If you do not believe a revision is feasible, please contact the FHSF team (futurehighstreets@communities.gov.uk) by **Friday 15 January 2021**.

We encourage you to submit your plans in January if you are able to. Recognising however that you will need to hold discussions with relevant stakeholders to agree the revisions through your usual local authority governance processes, we are allowing up to two-months with a final deadline of **Friday 26 February 2021 at 23.59**. Where we receive revised plans in January, our aim is to confirm funding before the end of February, and for those plans that are submitted in February, our aim is to confirm funding before the end of March.

Information must be sent using [this form](#) and attached spreadsheet, with approval from your relevant SRO and Section 151 Officer. We have separately attached the full list of questions included in the form. Please note any revised calculations on BCR need to be consistent with the [Green Book](#) , [MHCLG guidance](#) and the attached FAQs and Business Case Guidance.

The Future High Streets Fund team will be holding webinars on **Friday 8 January** (3-4PM) and **Monday 11 January** (1030-1130AM). We intend to record these sessions but please let us know if this will be an issue for you. This will be an opportunity to talk through the form and spreadsheet and for you to pose any questions to the team. You can sign-up for the webinars on [Eventbrite](#). We encourage you to send questions to the team at futurehighstreets@communities.gov.uk ahead of the webinar. For those who cannot make either date, we will share the recorded webinars. We will also circulate a list of frequently asked questions following these sessions.

In order to modify your proposal, you may wish to engage with any consultants who supported you in preparing your original business case. As outlined above we are offering revenue grants of £5,000 to cover relevant expenses. If you wish to take forward this offer, please email futurehighstreets@communities.gov.uk by **Friday 15 January**.

I am aware that this competition has taken some time to conclude, and I would like to thank you for the work that has gone in and your patience. I look forward to receiving your revised proposals and the commencement of the delivery phase in 2021/22.

Best wishes,

A handwritten signature in black ink that reads "Steven Greenwood". The signature is written in a cursive style with a large, stylized initial 'S' and a distinct 'G'.

Steven Greenwood
Deputy Director
Cities and Local Growth Unit

Annex: Revising business cases

There are five areas that local authorities need to address which mirrors the information requested in the online form and spreadsheet.

1. Gateway criteria and minimum BCR

All revised business cases need to demonstrate the following:

- **Evidence of co-funding** – update Table 2 of the [spending profile worksheet](#). If you have had any changes co-funding since the clarifications exercise, this will be picked up through questions in the [online form](#).
- **Spending profile does not go beyond the end of the Fund** – built into Tables 2, 3 and 4 of [spending profile worksheet](#).
- **Spend on beautification does not exceed 5% of the revised ask** – built into Table 4 of the [spending profile worksheet](#).
- **Only capital costs are charged to the fund** - addressed through [online form](#).
- **Central BCR of at least 2:1 but can be 1.5:1** if the business case demonstrates a strong strategic case and significant non-monetised benefits.

2. Scaling back or eliminating projects

To address the shortfall in your original capital ask, you may decide to scale back existing projects or eliminate some projects. You will need to provide details of these decisions and the significance of this for your strategic vision and deliverability in the relevant sections of the [online form](#) and *update Table 1 of the [spending profile worksheet](#)*.

3. Co-funding: New sources of income

In the event you can make up some or all of the shortfall in the FHSF ask through new public and/or private co-funding, this will need to be noted in Table 1 of the [spend profile worksheet](#) and the relevant section of the [online form](#).

Where you are providing information about new co-funding in the [online form](#), there must be: a) a clear link between what the co-funding is being spent on and the projects that form part of the FHSF bid; and b) evidence of committed co-funding (e.g. publicly available documents/ letters with details of the funding) which can be uploaded to your [online form](#).

To note further information on co-funding can be found in the Business Case Guidance p8, FAQs p16, and Draft Business Case Feedback p3 and p13. To summarise co-funding can be:

- funding previously spent in support of projects that are the subject of the business case dating back to a maximum of **25 November 2015**; and/or
- funding that has been committed to be spent on the Future High Streets Fund bid.

4. BCR: Presentation of central BCR

The central BCR is key to our VfM assessment.¹ As a reminder, only the monetised impacts based on Green Book, Green Book Supplementary and Departmental guidance should feature in the Central BCR. The benefit categories should be consistent with your previous clarification submission. The numerator of the Central BCR is the present value of these permitted monetised benefits, less any private sector costs. The denominator is the present value of all public sector costs of the investment (i.e. the revised FHSF funding ask, local authority co-funding and any other public sector grant), after taking into account optimism bias.

We encourage all places to review their calculation, particularly in light of any changes to co-funding, scaling back projects and/or eliminating projects. A revised central BCR in the format set out within the [VfM spreadsheet](#) must be completed. Where relevant, the [online form](#) also needs to be updated with a description of how benefits have changed.

5. Revised capital ask is equal or less than 69% of original ask

We can only provide funding of up to 69% of your original ask. There is a built-in formula in Table 1 of the [spending profile worksheet](#) to ensure this threshold is not exceeded.

¹ The Central BCR is a ratio of the present value of monetizable benefits to the present value of monetizable costs. We do not require places to submit an updated Adjusted BCR. For more information regarding BCRs please see Section 2 of MHCLG guidance.