

**REPORT FROM: PLANNING, ECONOMIC DEVELOPMENT AND
REGULATORY SERVICES MANAGER**

TO: POLICY AND RESOURCES COMMITTEE

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HIGH STREETS HERITAGE ACTION ZONES

PURPOSE OF REPORT

To inform the Committee about the Historic England funding for High Street Heritage Action Zones (HSHAZ) and to outline the expression of interest and application process.

To inform Committee of the resources available to generate a bid and to recommend which bid to pursue.

RECOMMENDATIONS

- (1) That Committee note the expression of interest application process and acknowledge the estimate of resources required (staffing and financial) to support bids.
- (2) That Committee agree to develop and submit one HSHAZ Application in Pendle for Barnoldswick Town Centre.
- (3) That Committee agree to support where possible a further EOI to be submitted by Colne Business Improvement District for Colne.
- (4) That a maximum of up to £100,000 be allocated to the Barnoldswick bid and that this is funded by way of a virement from the Brownfield Sites Fund only if a successful HSHAZ bid is approved.
- (5) That funding is offered on the basis that Pendle would be the accountable body for the scheme.
- (6) That the Chief Executive be given delegated authority to agree all other matters relating to the scheme including the management arrangements for it.

REASONS FOR RECOMMENDATIONS

- (1 & 2) Due to the financial and staffing resources required deliver a successful HSHAZ it is

recommended that only one application is submitted by Pendle Council.

- (3) In order for non-Local Authorities to submit an application it must be demonstrated that the scheme has support of the Local Authority.
- (4) In order to provide a capped amount of match funding to support the Barnoldswick bid.
- (5) In order to ensure that an appropriate financial management arrangement is in place to support the bid.
- (6) The organization of the bid, its management structure and how it would be run on a day to day basis need to be agreed as part of the bid and no proposals are presently available on these issues.

ISSUE

High Streets Heritage Action Zones – Background

1. In Autumn 2018, the Chancellor announced a new Future High Streets Fund, with £675m being allocated to support the renewal and reshaping of town centres and high streets in a way that improves experience, drives growth and ensures their future sustainability. As part of that fund £40m has been allocated to Historic England for work to support historic high streets.
2. The High Streets Heritage Action Zones (“HSHAZ”) programme is a place-based scheme designed to secure lasting improvements to historic high streets and the communities who use them. The scheme would support sustainable economic and cultural growth on and around high streets and restore and enhance local historic character, making the high street a more attractive, engaging and vibrant place for people to live, work and play. HSHAZs will do this through physical works to buildings, including repair, reinstatement of lost features and conversion to new uses including residential. They can improve shared spaces, create cultural opportunities through learning about the history of the high street and its importance to local communities.
3. Under the programme grants of between £250,000 and £2m can be applied for, to set up a four-year partnership commencing in April 2020. The list of what is eligible for spend is attached at Appendix 1.
4. The financing of each scheme is intended to be 50% grant and 50% from matched funding. The bid guidance indicates that a higher percentage of funding could be given if a need can be demonstrated. It is to be noted, though, that the amount of funding secured as match will form part of the value-for-money assessment that bids will be assessed on. In making decisions relating to partner contribution, consideration will be given to the in-kind (i.e. non-cash) contribution of partners. The greater the grant rate therefore the less value for money would be demonstrated in the scheme and hence the less likely it would be for a bid to succeed. Achieving match funding is therefore a key objective for any bid.

Who can apply for funding?

5. Under this programme, Historic England will fund applications from not-for-profit organisations (e.g. local authorities, charitable trusts, or other public sector organisations) and partnerships led by not-for-profit organisations who can demonstrate capacity to deliver. It is expected that applicants will work with a range of partners in delivering a HSHAZ scheme. Applications are accepted from non-Local Authorities, but in this case there must be evidence of their support for the scheme from the local authority.

Application Process

6. There are two stages to the HSHAZ application process:
7. Stage One: Expression of Interest (EOI), the deadline for submitting EOI is 12th July 2019. This is a competitive process and the guidance to support that is attached at Appendix 2 – Assessment Criteria.
8. There is a relatively short window in which bids need to be submitted. Within that time bids need to have engaged actively with partners, details of the scheme to be worked up, including indicative costings, and a mechanism for running the scheme with partners must be agreed. The bid guidance talks about the need to have a genuine commitment to determining and reflecting the needs and aspirations of local people.
9. Clearly a significant challenge within this is to show in the bid where the match funding will come from with a minimum threshold of match of £250,000 being needed.
10. Stage Two: Programme Design (non-competitive). If our EOI application is successful we would then be invited to develop a full Programme Design, which will focus on the production of a high-quality, detailed programme design specifying how it is envisaged delivery of the vision presented in the EOI.

Potential Pendle Bids

11. Pendle Council have received requests for support in developing and submitting EOI from two Pendle towns, Barnoldswick and Colne. The request for Colne is informally from Colne Business Improvement District but this needs to be confirmed by its Management Board.
12. A formal request to support an EOI has been received from the West Craven Area Committee. At the last meeting of the West Craven Area Committee the following resolution was passed:

“That the Chief Executive and Planning, Economic Development and Regulatory Services Manager be asked to expedite work on identifying funding that could be put towards the £150,000 shortfall for a HSHAZ bid in respect of Barnoldswick Town Centre, and that the bid be pursued as soon as possible.”

The Schemes

13. Details of each potential bid will have to be worked up. Whilst full scheme details will be developed at any phase 2 stage, the bids require details of eligible works to be included as well as estimated total costs. The costs, whilst estimated, will need to have to be based on reasonable assumptions about the nature of the work to be undertaken and the costs for that. Given EOIs have to be submitted by 12th July 2019, the timescales for preparation of a good quality Bid with the best chances of success are extremely tight.
14. The position in Barnoldswick is clearer at this moment than in Colne. West Craven Area Committee currently have an advanced scheme to redevelop the town square, with some match funding for the project already in place. The scheme would need to be widened to include other works and, as part of the bid, it has to be demonstrated what the impact would be and what longer term legacy would result. The town centre is in a conservation area so would be in a location that the fund is seeking to improve.

15. It is less clear what the scheme in Colne would consist of and what buildings and other infrastructure would be involved. A large area of the town centre is in a conservation area but not all of it. Any bid would need to concentrate on sites within the conservation area.
16. It is also worth noting that, given the amount of funding available, the likelihood of Pendle securing two successful bids from the HSHAZ Programme is considered to be remote.

Funding

17. Although some sources of funding have been identified for Barnoldswick, which could be used as match, the information we have presently is that both prospective bids are considerably short of funding to reach the £250,000 minimum for a bid. That is unless a grant intervention rate of less than 50% match would be approved - which is unlikely.
18. There is circa £100k that has been identified (from a range of sources) and committed towards the scheme in Barnoldswick with a further funding potentially available from Barnoldswick Town Council. This is still significantly short of the minimum £250k that is required. This is also assuming that the total cost of the scheme is £500k, as clearly the higher the cost of the overall scheme the more match funding would be needed.
19. There are no known sources of match funding for Colne currently and given this, were the Council to support this financially the costs to the Council would be higher than for the Barnoldswick scheme which has some identified resources behind it.
20. The financial situation of the Council was discussed at the last Policy & Resources Committee. Bringing new capital schemes forward of this scale is not sustainable given future funding forecasts unless a decision is taken to deallocate funding from other sources. As the Barnoldswick scheme is broadly identified, has some match funding in place requiring less support from the Council, this would appear to represent the best financial option of the two potential schemes.
21. As there is no identifiable capital available from central funds to support the scheme, that is not already committed, it is recommended that a maximum of £100,000 is deallocated from the Brownfield Sites Fund to contribute to the scheme. That should be on the proviso that other funding is actively pursued to reduce the amount to a minimum. The commitment should also be on the basis of a successful bid being secured.

Resourcing the development of a Bid

22. As indicated above, the timescales for the development of a good quality bid are tight, with bids due in by 12th July. Applications will require substantial financial and staffing resources to develop and deliver. It is estimated that each application will take a minimum of 20 officer days to complete. Staff have current commitments and workloads that need to be undertaken as well as allocating resources to undertake the preparation work for a potential bid(s). Looking at the work involved, the short timeframe and the staff available we would only have capacity to support a single bid. Even then, as required by the Bid, it will require input from a range of partners to
23. There is capacity to offer some resource to a second bid but that would mainly be in the form of advice and guidance but not as authors.

Conclusions

24. The report outlines the issues involved in the bid process and what resources there are financially and in terms of staff to pursue a bid(s). In all of the prevailing circumstances it is

recommended that Pendle supports and provides financial and staff resources to pursue one bid and that this is for the town centre of Barnoldswick.

IMPLICATIONS

Policy: None

Financial: The Council does not have the resources to provide a capital amount to fund a bid without de-allocating resources from another scheme. The report recommends that capital is de-allocated from the Brownfield Sites Fund.

Legal: The legal interest would be if Pendle were to become the accountable body for a successful EOI.

Risk Management: As an accountable body Pendle would be responsible for ensuring that the scheme is run properly. We have experience in being an accountable body and have financial procedures in place to be able to undertake the role of the accountable body.

Health and Safety: None

Sustainability: The scheme would help to sustain a town centre in the longer term.

Community Safety: None

Equality and Diversity: None.

APPENDICES

LIST OF BACKGROUND PAPERS

Appendix 1 – Eligible and ineligible costs

Eligible

Physical works including:

- Building repairs
- Reinstating architectural features
- Work to the public realm
- Work to bring vacant buildings or portions of buildings back into use
- Conversion of buildings into alternative uses that better meet the demand of the area
- Good-quality and sympathetic development in gap sites

Activities to help people engage with the heritage, including:

- Community engagement activities
- Capacity building in partner organisations,
- Providing training in traditional conservation skills for contractors and trainees
- Demonstrations of good maintenance techniques for property owners

Work to help you develop and run your scheme, such as:

- Preparation of development briefs / appraisals
- Preparation of Conservation Area Appraisals and Management Plans
- The appointment of project officers to oversee schemes
- Valuations, professional fees, or the costs associated with getting statutory permissions; research and strategic planning work to safeguard the long-term approach to conservation
- Preparation of shop front design guides
- The development of local research projects

Ineligible

- Demolitions
- Building services (except in exceptional circumstances where the state of repair of current building services threatens the historic significance of a building)
- Inappropriate substitute materials
- Conjectural reinstatement
- Maintenance and minor repairs
- Existing local authority staffing costs and any staffing or running costs already in place – for example – legal or other support costs
- Works that are detrimental to the heritage significance of a place

Appendix 2 - Essential Criteria and Supporting Information.

The EoI form captures information about the application so it can be reviewed against the four Essential Criteria:

A. The Place

- The heritage significance of the area, and whether that significance is considered to be at risk. The current status of the area (physical condition, economic and social performance) and the need for investment, including why that investment is required now.
- The opportunity your scheme will address, in terms of how the scheme will seek to use heritage to unlock the area's potential for economic growth, improved wellbeing and community cohesion.

B. Your Proposed High Streets HAZ

- The vision for your scheme, how it relates to and integrates with other improvement and community initiatives, and how it will be delivered.
- The anticipated beneficial impacts your proposed scheme will deliver economically and socially.

C. Partnerships

- The strength of the partnership that will deliver the scheme, in terms of scope of membership, commitment of partners, quality of governance and leadership.

D. Deliverability and Value for Money

- A robust delivery plan for the scheme, assessed in terms of management structure, planning and timetable, security of funding, the existence of complementary and appropriate local development policies and plans and a clear and demonstrable commitment from the lead partner to the four-year life of the scheme and to securing the legacy of the scheme.
- Overall value for money in terms of anticipated scheme outcomes weighed against the amount of grant request and likelihood of the amount of partnership and other leveraged funding.
- The legacy, assessed in terms of how the beneficial impacts of the scheme will be sustained beyond the lifetime of the four-year scheme itself and how those benefits will be secured.

E. Communities and Engagement

- The degree to which local people and other users of the high street are engaged and involved with the content, planning and design of the scheme.
- The degree to which the scheme will encourage more people from all backgrounds to engage with their local heritage.

F. Cultural Programme

- The ability to support the Cultural Programme being designed by Historic England, the National Lottery Heritage Fund and Arts Council England, current engagement with the arts and culture sectors and willingness to support sustaining cultural activity in the future.

A balancing exercise will be undertaken to ensure that programmes reach a wide range of distinctive high streets and an appropriate regional spread. This will assist decisions if interest exceeds what can be funded.