

Lancaster City Council | Report Cover Sheet

| | | | | | |
|--|--|-----------------------|------------|---------------------|----------|
| Meeting | Executive Decision to be taken by the Portfolio Holder for Sustainable Economic Prosperity | Date | 20.7.20 | | |
| Title | Lancaster High Streets Heritage Action Zone | | | | |
| Report of | Director for Economic Growth and Regeneration | | | | |
| Purpose of the Report | | | | | |
| To provide a brief update on the Lancaster High Streets Heritage Action Zone and gain approval for the project as an approved scheme within the capital programme. | | | | | |
| Key Decision (Y/N) | N | Date of Notice | N/A | Exempt (Y/N) | N |

Report Summary

In December 2018, the Ministry of Housing, Communities and Local Government (MCHLG) announced the Future High Streets Fund, a £675M fund to support the renewal and reshaping of town centres in a way that improves experiences, supports growth and ensures future sustainability. As part of this, £95M was allocated to Historic England for work to support historic high streets in conservation areas.

The High Streets Heritage Action Zone (HSHAZ) programme is a nationwide and place-based initiative designed to secure lasting improvements to our historic high streets for the communities that use them. The funding seeks to support sustainable economic and cultural growth to make historic town centres attractive and engaging places for people to live, work and visit.

Following an earlier successful Expression of Interest and subsequent submission of a detailed Programme Design proposal to Historic England, in March 2020, a decision was taken by the Leader of the Council through an Individual Cabinet Member Decision to support a High Streets Heritage Action Zone for Lancaster. This decision included endorsing the council's proposed financial investment to the project and provided delegated powers to the Director for Economic Growth and Regeneration to enter into an agreement.

In April, the council was notified under embargo that the application to Historic England had been successful and a contract was duly entered into to receive a contribution of £1.15M to deliver the £2.875M programme.

While the project has all formal approvals in place it remains within the capital programme's development pool. The council's governance arrangements require all capital schemes in the development pool to gain support from the Capital Strategy Group prior to any project becoming an approved scheme in the capital programme.

With the endorsement of Capital Strategy Group now in place, approval of the Lancaster High Streets Heritage Action Zone as an approved scheme in the capital programme is sought in order to commence the project. Any delay with such approval will have negative implications for the delivery of the building grants element of the programme.

Recommendations of Councillor(s)

That:

- The Lancaster High Streets Heritage Action Zone be accepted as an approved scheme within the capital programme and the General Fund Capital Programme be updated accordingly.

Relationship to Policy Framework

The HSHAZ supports the implementation of a number of strategic plans and policies, including the Council Plan 2018-2022; the Lancaster District Local Plan (e.g. SO1, SO4 and EN3); the Lancaster District Highways and Transport Masterplan and Movement Strategy; Canal Quarter emerging Strategic Regeneration Framework; emerging Lancaster City Centre Surface Water Management Action Plan; and the Lancaster Place Story.

Conclusion of Impact Assessment(s), where applicable

| | |
|----------|--------------------------|
| Climate | Wellbeing & Social Value |
| Digital | Health & Safety |
| Equality | Community Safety |

No formal impact assessments have been carried out but the High Streets HAZ can positively support many of these through interventions which focus on the repair and re-use of buildings and making changes to the public realm that support improved access, including for sustainable travel modes.

Details of Consultation

Capital Strategy Group (CSG) have now been consulted on the proposals and have provided their endorsement for the Lancaster High Streets Heritage Action Zone to be accepted as an approved scheme in the capital programme. Complementary to this, CSG also endorsed their support for a project for St John's Church, North Road to be identified in the development pool of capital projects.

Legal Implications

Legal Services have already provided input on the Grant Agreement with Historic England which was confirmed to be in a satisfactory form. Further consultation with Legal Services will be required in respect of any other contractual arrangement or subsequent grant funding agreements to third parties. The appointment of external contractors will need to comply with the Council's contract procedure rules and procurement requirements.

Financial Implications

The Capital Programme agreed by Council on 26 February 2020 includes provision of £1,150k programmed over the four years 2020/21-2023/24 in respect of the Lancaster Heritage Action Zone. An Individual Cabinet Member Decision was taken on 20 March 2020 agreeing to underwrite £546,125 of unsecured partner contributions from the Council's reserves should this be necessary. These decisions have been further consulted on by Capital Strategy Group and their endorsement has been received. An amount of £500k in respect of a project for St John's Church remains in the development pool of capital projects subject to a full business case being approved.

Other Resource or Risk Implications

| | |
|--|--|
| Section 151 Officer's Comments | |
| The s151 Officer has been consulted and has no comments to make in addition to those outlined within the financial implication section of this report. | |
| Monitoring Officer's Comments | |
| The Monitoring Officer has no further comments to make. | |
| Contact Officer | Kate Smith / Julian Inman |
| Tel | 01525 582337 |
| Email | kmsmith@lancaster.gov.uk |
| Links to Background Papers | |
| Individual Cabinet Member Decision – 20 th March 2020, Item 1 - https://committeeadmin.lancaster.gov.uk/ieListDocuments.aspx?CId=616&MId=7623&Ver=4 . | |

1. Introduction

- 1.1. The High Streets Heritage Action Zone programme is part of the Government's Future High Streets programme launched in December 2018. Following a two-stage application process, Historic England advised under embargo in April 2020 that Lancaster had been successful in its bidding. This embargo has now been released only for discrete local communication prior to a national announcement in due course.
- 1.2. Cabinet were briefed on the project on 3rd March and it was due to be discussed at the Cabinet session on 17th March. Due to the emerging Covid-19 situation, Cabinet did not formally meet and the item was referred for decision by the Leader of the Council.
- 1.3. The Individual Cabinet Member Decision of 20 March 2020 (Minute 1) endorsed the proposal to accept a £1.15M offer from Historic England towards the project; to make a city council match contribution of £1.15M as per the Capital Programme 2021/22 - 2023/24 agreed by Council on 26 February 2020 (Minute 137); to underwrite £546,125 of unsecured partner contributions from the Council's Reserves pending further work by officers to secure the co-funding; endorsed in principle a £500,000 contribution towards the St John's Church capital project subject to a full business case being approved by Capital Strategy Group; and delegated authority to the Director for Economic Growth and Regeneration to enter into an agreement/s with Historic England and act in the role of accountable body for the High Streets HAZ and any future Cultural Programme funding. Full details of the decision can be found here: <https://committeeadmin.lancaster.gov.uk/ieListDocuments.aspx?CId=616&MId=7623&Ver=4>.
- 1.4. A grant agreement was subsequently offered by Historic England and co-signed by the Director of Economic Growth and Regeneration and the S151 Officer.

2. Proposal Details

- 2.1. The project remains in the development pool of capital projects as per Appendix A of the Capital Programme Report made to full Council on 26 February 2020 (Minute 137). The project needs to be an approved scheme in the capital programme in order to commence. To achieve this requires the full project business case to be endorsed by Capital Strategy Group (CSG) as well as the decision to be agreed at an executive level of the council.
- 2.2. At its meeting on 8th July, the non-executive Capital Strategy Group provided their endorsement for the Lancaster High Streets Heritage Action Zone. This included the identification of up to £1,696,125 in the capital programme to support the project. This budget includes £1,150,000 in a direct contribution to match that of Historic England's and a further £546,125 to underwrite indicative co-funding from Lancashire County Council and Lancaster Business Improvement District from Council Reserves.
- 2.3. CSG recommended that a decision is taken via a further Individual Cabinet Member Decision to fully accept the project as an approved scheme within the capital programme and enable the High Streets HAZ to commence as soon as possible. The Monitoring Officer has advised that this is not a key decision as the substantive decisions were made on behalf of Cabinet in March 2020.
- 2.4. Complementary to the High Streets HAZ, CSG also endorsed the in-principle executive decision to support a project to St John's Church, North Road and recommended that it be identified as a separate development pool project. A fully worked up business case for this will be reported to CSG in due course, likely in 2021/22.

3. Options and Options Analysis (including risk assessment)

Option 1: Reject the Lancaster High Streets HAZ as an approved scheme within the capital programme.

Advantages: The council does not need to make a capital contribution.

Disadvantages: This would be contrary to the executive decision made on 20th March 2020 and effectively would require the council to withdraw its contractual acceptance for a High Streets Heritage Action Zone. Specific disadvantages of this would include: loss of co-funding from Historic England and Lancaster University; loss of prospective co-funding from Lancashire County Council and Lancaster Business Improvement District; loss of private investment by third-party building owners; loss of potential cross-benefits with other Lancaster regeneration activity; and loss of complementary activity around training, skills and the cultural programme.

Risks: The on-going and future deterioration of the built environment, including listed buildings, in the High Streets HAZ area. In mitigation, the council can continue to use its statutory planning powers to address issues of amenity relating to untidy land or buildings but can offer no support or incentive to deliver repairs or improvements. Likewise with the public realm, officers can continue to promote the area for improvement but has no means of instigating change beyond the established planning and transport policy positions.

Historic England and other heritage partners may question the council's commitment to the city's built heritage. In mitigation, officers can continue to respond to heritage and conservation matters through the statutory routes but this option presents a much-reduced opportunity to support the preservation and enhancement of the Lancaster Conservation Area.

Option 2: Accept the Lancaster High Streets HAZ as an approved scheme within the capital programme.

Advantages: The decision supports the executive decision taken on 20th March and subsequent acceptance of a grant offer from Historic England of £1.15M.

Disadvantages: The council makes a capital commitment for a £1.15M contribution over four years and underwrites £546,125 of co-funding relating mainly to public realm works.

Risks: 1. That the underwritten High Streets HAZ co-funding cannot be acquired. Officers will mitigate this by continuing to work with Lancashire County Council, Lancaster BID and through any other external funding routes. Officers will incur some costs in developing a public realm proposal but will report back to CSG prior to any request to Cabinet to commit to capital works with use of funding from Reserves.

2. That demand for the programme is lacking, particularly due to the circumstances relating to Covid-19. Despite only limited communications with third-parties, there is already interest in the building grants scheme, including one key project developed as part of the bidding process and ready to start, and much support from partners to deliver change to the highway / public realm. The High Streets HAZ will be delivered over a period of four years offering time for demand and grant schemes to develop. A targeted approach will be reviewed periodically to maximise take-up.

4. Officer Preferred Option (and comments)

- 4.1. The officer preferred option is Option 2. This decision, via an Individual Cabinet Member Decision, will enable the Lancaster High Streets Heritage Action Zone to commence which will support delivery at the earliest opportunity.