

Meeting:	Cabinet
Meeting date:	Thursday 23 July 2020
Title of report:	Heritage Action Zone - Leominster
Report by:	Cabinet member environment, economy and skills

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Wards affected

Leominster East; Leominster North & Rural; Leominster South; Leominster West;

Purpose

To approve expenditure and deliver activities as detailed in the Leominster Heritage Action Zone Delivery Plan.

Recommendation(s)

That:

- (a) The council enters into a funding agreement with The Historic Buildings and Monuments Commission for England (HBMCE) to deliver the Heritage Action Zone Programme in Leominster as per the Delivery Plan with an anticipated total budget of**

£3.6m from the capital programme (£1.8 of which is match funded) and £1.8m from HBMCE;

- (b) The Director of Economy and Place, in consultation with Section 151 Officer, be authorised to take all operational decisions necessary to secure the funding agreement between the Herefordshire Council and The Historic Buildings and Monuments Commission for England;**
- (c) The Director of Economy and Place be authorised to sign all sub grant agreements (for the building grants) to grant recipients and take day to day operational decisions, including any variations to any sub grant agreements;**
- (d) The Director for Economy and Place, in consultation with Section 151 Officer, and approved by Cabinet Member for Economy, Environment and skills and Cabinet Member for Infrastructure and Transport, be authorised to sign any programme changes which may include identifying new projects in light of Covid19;**
- (e) Section 151 Officer agrees that the Council provide forward funding grant payments to grant recipients up to a cumulative maximum of £500k over any quarterly period, pending drawn down of funds from the Historic Buildings and Monuments Commission for England.**

Alternative options

1. Do nothing – the council is not statutorily obliged to deliver this programme. Not delivering the programme would mean that the council would not have to incur up to £1.8m of capital expenditure to match fund the programme activities. This option has been discounted as it would mean the council would not receive £1.8m of external funding to deliver regeneration activity within the county that will bring economic benefit and investment. There are no alternative sources of funding to deliver this programme and deliver this activity.
2. Reject the grant off from HBMCE and operate the scheme using only the Herefordshire Council match funding allocation. A capital funding budget allocation was approved at Council to use £1.8m council match should a successful Delivery Plan be agreed. £1.65m of this match is to be used for public realm and road improvements in Leominster town centre, including Corn Square, which are complementary to the other projects within the Heritage Action Zone Delivery Plan.
3. Operate the scheme but not forward fund grant claims from secondary grant recipients ahead of receiving monies from HBMCE. This approach has been ruled out with previous grant schemes in order to minimise the financial risk to applicants. When applying for grants, the capital items/works only commence once the grant has been offered. Applicants have to fund the costs themselves prior to having any grant monies reimbursed. The majority of secondary grant applicants cannot afford to wait before having the grant monies reimbursed, and is often the reason they are not able to carry out works without the support of grant funding.

Key considerations

4. The High Streets Heritage Action Zones (HAZ) Programme is a nationwide initiative designed to secure lasting improvements to historic high streets for communities who use them. The scheme is funded by the Ministry of Housing, Communities and Local Government and run by Historic England.
5. Herefordshire Council has worked closely with Leominster Town Council in the development and submission of the Delivery Plan which forms the basis of the High Streets Action Zone for Leominster. The expression of interest included a request for £2m from Historic England, however, due to the high number of applications received, the final award to Leominster was £1.8m.
6. The Programme has at its goal making the high street a more attractive, engaging a vibrant place for people to live, work and spend time. The HAZ will achieve this through three complementary strands: (a) undertaking physical works to buildings, including repair, reinstating lost features, supporting the conversion of historic buildings for new uses and improvement of shared spaces (b) facilitating cultural activities and events celebrating the history of the high street and its importance to local communities over the generations and, crucially, (c) giving local communities a key role in deciding what improvements they would to see on their high street and what sort of place they want it to be.
7. Whilst high streets were once the focus for local commerce and for local communities, where businesses congregated and thrived, they are now facing significant challenges due to out of town retail parks, online shopping and most recently, complete closure due to Covid19.
8. In response to all but the latter challenge, HAZ is responding to these pressures by making high streets more successful by using heritage as a catalyst for wider economic and social regeneration.
9. Interventions eligible within the programme include repair and restoration of historic buildings and vacant or underutilised heritage and public realm assets, addressing changing consumer demands by using local historic character to differentiate the high street from competitors by providing unique and memorable experiences, create and facilitate new employment and training opportunities, stimulate new private investment in mixed commercial, leisure and residential and community uses.
10. On 13 September 2019, Historic England confirmed to the council that the Expression of Interest previously submitted for Leominster High Street was successful and an in principle agreement was given, subject to a successful Delivery Plan. The Delivery Plan was submitted on 10 December 2019 and the council received confirmation on 3 April 2020 that this was successful and grant funding of £1.8m from Historic England (currently embargoed) had been awarded.
11. The aims and The HAZ scheme aligns closely with the Herefordshire Council's County Plan 2020-2024. The HAZ programme is at its very heart about working in partnership and engaging communities to have a say in shaping their local high streets. The County Plan places arts and culture at the centre of its plans for Herefordshire and recognises the value heritage and creativity bring through generating income. One of the three main strands of the HAZ programme is facilitating cultural activities and events, celebrating the history of the high street and its importance to local communities.
12. The HSHAZ also complements Leominster Town Council's Corporate Plan 2019-2022, which states "Creating and underpinning a sense of place for the town, whilst improving

signage and information, is fundamental to developing the tourism economy. Encouraging people to visit and providing incentives for businesses to invest in Leominster to secure the town's economic future." The HSHAZ also supports the first priority identified in the Rural Herefordshire Destination Plan 2018-22: to put the structures in place that develop the assets and image of Herefordshire, strengthen the visitor experience and improve its branding position and market share.

13. Current policies areas which support the aims of the HSHAZ Programme for Leominster include Herefordshire's Economic Vision (Herefordshire Council), Herefordshire's Local Plan Core Strategy (October 2015), Leominster Area Neighbourhood Plan (January 2019), Leominster Transport Strategy (Balfour Beatty Living Places), Herefordshire Council Town Centres Study (Update 2012), Herefordshire Local Housing Market Assessment (2012 Update).
14. The Delivery Plan see Appendix 1 outlines the projects that will form part of the Heritage Action Zone Programme in Leominster.
15. The Delivery Plan has been developed in close consultation with Leominster Town Council and partnership working will be key to the successful delivery of the HAZ Programme. A Steering Group will be formed to manage the delivery of the scheme and will comprise a range of representative groups. The wider community will also be actively involved in the delivery of HAZ and more details can be found in the Statement of Community Engagement section of the Delivery Plan.
16. Herefordshire Council will be the accountable body for the High Streets Heritage Action Zone Programme for Leominster.
17. The day to day administration of the HAZ Programme will be led by a HAZ Project Officer; a new post co-funded by Historic England. This member of staff will be employed by Herefordshire Council, within the Economic Development Team. This post is within the current revenue budget of the Economic Development Team. Herefordshire Council will procure the public realm works in line with its own procurement policy and will issue the secondary grant applications for the property renovation funds.

Community impact

18. Delivery of the HAZ Programme will be a collaborative effort with key stakeholders, local groups and organisations who will all work together to improve and celebrate Leominster's heritage.
19. The HAZ Delivery Plan includes a community engagement section listing the various individuals, groups and organisations who will be key to a successful programme. The Steering Group comprises Herefordshire Council, Leominster Town Council and representatives from a number of key stakeholder groups such as youth, disability, heritage and business. This will ensure that the planning and implementation of the projects take into account the needs and views of all.
20. The programme's main aim is to improve access to Leominster's heritage, to include key historic buildings and make them more accessible to all. Some of the key outputs for the programme include the restoration of 50 heritage assets and key buildings, the removal of six assets from the local heritage at risk register, improved public access into three key buildings, more markets and events, 30 repaired and restored shopfronts; public realm, road surfacing and pedestrian access improvements. In addition the HAZ Programme hopes to increase overnight stays, provide training opportunities, develop a heritage app,

erect heritage plaques, list 34 additional entries into the National Heritage list for England, increase footfall and reduce shop vacancy rates as well as install Wi-Fi and footfall counters at key areas within the town.

21. The improvements to the public realm will include some road resurfacing, improvements to pedestrian areas and works to Corn Square which will take into account accessibility issues.
22. Visitors to the town centre will be better orientated with the help of the heritage app and heritage plaques.
23. The listing enhancement project will provide an opportunity to reassess the town's listed buildings and heritage assets and may highlight additional assets for inclusion in the national register. This work provides opportunities for volunteers to participate in heritage related activities.
24. The enhanced visual landscape and historic character of Leominster is expected to attract more visitors, including local people, especially post Covid19 when people will be wanting to visit towns for their historic character rather than just their retail offer.

Equality duty

25. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
26. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. We do not believe that it will have a detrimental impact on our equality duty but will advance equality of opportunity as the project seeks to enhance the historic fabric of Leominster Town's heritage assets, improving access to all. To improve the road surfaces and public realm to make them more accessible to wheelchair and pushchair users whilst maintaining its historic significance. Furthermore historic buildings will be restored and some will once again be accessible to visit. Interpretation plaques and a heritage app will be developed to enhance the visitor experience to the town centre.
 27. Grants will be offered to secondary grant applicants on their compliance with the eligibility criteria set by The Historic Buildings and Monuments Commission for England. Grant recipients will need to ensure that they have in place all relevant policies in order to deliver their projects.
 28. The public sector equality duty requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due

regard' in our decision making in the design of policies and in the delivery of services. We believe that this project demonstrates that the council takes its Equality duty seriously and our providers will be made aware of their contractual requirements in regards to equality legislation.

29. In addition to the Herefordshire Council and Leominster Town Council being members, the Steering Group will also include members of representative groups such as youth, disability, business and heritage.

Resource implications

30. Provision has been made in the Economic Development budget to make a contribution towards the cost of the HAZ Project Officer post. HE have agreed in their grant offer to provide matched funding towards this post. Following approval, the Project Officer job description will be drawn up and the final salary agreed with Human Resources. This is a fixed term contract up to 31 March 2024. This post will be line managed by the Economic Development Team.
31. The Herefordshire Council match has been included within the capital programme and approval is now sought to release this match to support the HAZ Delivery Programme.
32. Herefordshire Council will run a formal procurement process for the public realm works that form part of the HAZ Programme.
33. In addition to the funding package listed below, £1m private sector match will be spent by external private companies, as renovation and restoration grants will only be given on a % basis. The premises renovation grant will be offered at 50%, requiring 50% private sector match and the historic buildings restoration grant will be offered at 80%, requiring 20% private sector match.
34. Grants will be awarded on an applicant's ability to meet the eligibility criteria as detailed by Historic England. Grants will be made on a defrayal basis on receipt of the required evidence detailed within the secondary grant agreement. The secondary grant recipient must confirm that they are unable to recover VAT as recoverable VAT will not be included. The grant scheme elements will operate on a first come first served basis until all funds are spent. The programme will be promoted to eligible applicants through local press releases and other relevant communication channels.

Capital cost of project	2019/20 £'000	2020/21 £'000	2021/22 £'000	Future Years £'000	Total £'000
Infrastructure Investment & project delivery		170	425	1,708	2,303
Renovation Grant Awards		125	416	756	1,297
TOTAL		295	841	2,464	3,600

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2019/20 £'000	2020/21 £'000	2021/22 £'000	Future Years £'000	Total £'000
<i>Grant</i>		216	532	1,052	1,800
<i>Prudential Borrowing</i>		79	309	1,412	1,800
TOTAL		295	841	2,464	3,600

Revenue budget implications	2019/20	2020/21	2021/22	Future Years	Total
	£'000	£'000	£'000	£'40,000	£'000
<i>Already allocated within the Economic Development budget</i>		40	40	40	120
TOTAL		40	40	40	120

35. The capital budget allocation was approved at Council in February 2020 and provision for £1.8m has been made within the capital budget.

Legal implications

36. The council will be the accountable body for the grant scheme and will enter into a contractual agreement with The Historic Buildings and Monuments Commission for England ("the Commission") to administer the programme.
37. The grant scheme has been established in accordance with sections 57, 77, 79 and 80 of the Planning (Listed Buildings and Conservation Areas) Act 1990 which empower local authorities and the Commission to provide grants and loans and Section 33 of The National Heritage Act 1983 which sets out the duties of the Commission to promote the preservation and enhancement of the character and appearance of conservation areas.
38. The draft funding agreement has been reviewed by legal services and the final form agreement will be subject to a further review by legal services.

39. The main issues have been identified as the risk of grant clawback and the need to deliver in accordance with a Programme Design submitted before the current COVID-19 pandemic. Some of the challenges that have now arisen have been identified in the recently circulated “additional High Street HAZ supplementary guidance”.
40. Grant offers made under the Programme design are made in a standard form which is set out in an Annexe to the Supplement to the Delivery Guidance and subject to any other terms or conditions required by Historic England.

Climate and ecological impact

41. A Conservation Area Appraisal is one of eight projects that will be carried out as part of the programme to ensure that any future developments take into account, and protect, the local character of the area.
42. Climate change is a significant risk to heritage. Our historic environment is particularly vulnerable to environmental changes including flooding, extremes of wetting, drying and temperature fluctuation. We will work closely with Historic England through the HAZ Programme and be led by their expertise to ensure that any adaptations to our heritage will take into account the challenges of climate change and, where possible, resilience measures are put in place e.g. being prepared for flooding - adaptation measures such as temporary and demountable structures to protect historic assets from flooding/ extremes of weather.
43. Historic England is also committed to help those who care for historic buildings and places, including owners, local authorities, communities and volunteers. They recognise that the changing climate is already presenting new challenges such as increased and new flood risks, increased and more intense rainfall, and changing flora and fauna (including pests & diseases) and have committed to providing support and information to help us respond to these challenges.
44. Through the HAZ programme we want to engage with the whole community to foster the widest possible sense of ownership of our national inheritance of buildings and places. There are opportunities for wider engagement; for instance, in recording heritage that will be lost and also in assessing the risks and the impacts of climate change. Through the heritage app we have the ability to engage with the wider community and share information on the impacts of climate change to our heritage.
45. Where necessary, Natural England licences will be obtained and Habitat Regulation Assessments will be carried out – including ecological assessments - that include bat and nesting bird surveys. Appropriate measures will be put in place to ensure that compensatory roosts and nests are made available or design works factor in provision for roosts to remain. We will work closely with our colleagues in the Ecology Team to ensure that the natural environment is enhanced at the same time as the built environment.
46. Green infrastructure works will be considered as part of the public realm works and, where possible, designs will include sustainable drainage strips. Therefore, there is the opportunity to balance visual amenity, tree planting and management of surface water all in one.
47. Leominster town falls within the Lugg catchment area and therefore any projects requiring a planning application and/or necessary listed building consent will be subject

to any conditions and mitigations and remain compliant with the Nutrient Management Plan.

48. Ensure that HAZ-funded works improve the overall energy efficiency rating of funded buildings.
49. Consider and minimise the environmental impacts of materials used in HAZ works.
50. We will work closely with Historic England and colleagues in the Conservation and Ecology Team to ensure that any developments and restoration/remedial works carried out as part of the HAZ Programme will aim to achieve the highest possible biodiversity net gain.

Risk management

Risk / opportunity	Mitigation
Delay in drawing down Historic England funds.	Herefordshire Council has underwritten numerous grant programmes in the past and has made a forward funding facility available to enable projects to be paid prior to making claims from the awarding body. Claims are likely to be drawn down once per quarter which is in line with most other funding programmes.
Historic England grants disputed i.e. Herefordshire Council pays out grant for restoration and HE disagree with grant award.	As grants are paid in advance of drawing down HE monies, there may be a dispute about the eligibility of certain payments. Herefordshire has extensive experience in delivering externally funded schemes and will ensure the eligibility is understood and adhered to prior to the secondary grant application being awarded.
Uptake of restoration grants lower than expected	All eligible applicants will be made aware of the grant opportunities when the scheme launches. Relevant promotional avenues will be used, e.g. social media, HC website, mailing lists, Marches Growth Hub website, Leominster Town Council networks etc. to ensure relevant publicity networks are used. Following Covid19 there is uncertainty as to the applicants' ability to match fund but this provides a real opportunity to revitalise the town and provide a financial boost to support the High Street to reopen. The available level of grant contribution is considered appropriate for the programme to be successful and is based on other grant programmes that the council operates.

Disagreement between partners and stakeholders.	Herefordshire Council is well versed in managing multi sectoral partnerships. Different representative groups will be welcomed to bring their experience and skills to the Steering Group and communicate the purposes of the HAZ to their networks, however, their role on the group will be made clear at the outset and in the Terms of Reference.
Environmental impacts, such as inclement weather, delaying the capital projects.	There is a higher risk of losing funding towards the end of the programme if it can't be spent, therefore, the renovation grants will be launched early in the new programme and the public realm works scheduled accordingly.
Council chooses alternative option and does not accept the HE funds.	Whilst the council could still deliver some aspects of the public realm and road surfacing to Leominster, the wider benefits of the project such as the refurbishment of significant historic buildings, town centre Wi-Fi and footfall counters, a heritage based app to help orientate and inform visitors, the shopfront enhancement scheme would not be able to be delivered. These schemes combined, will have a much wider beneficial impact on the town centre and the visitor experience.

51. All risks will be managed at project level.

Consultees

52. Leominster Town Council has been consulted on numerous occasions and have input into the development of the HAZ Delivery Plan submitted to Historic England.
53. The Legal Team were consulted on the draft Funding Agreement and provided comments back to Historic England.
54. A political group consultation has taken place and no issues have been raised or comments received.
55. The portfolio holder for Economy, Environment and Skills was consulted with and views included in the final Delivery Plan.
56. The portfolio holder for Infrastructure and Transport was consulted.

Appendices

None.

Background papers

Leominster High Street Heritage Action Zone Delivery Plan.

Glossary

HAZ – Heritage Action Zone

HBMCE – Historic Buildings and Monuments Commission for England

HE – Historic England