

South Kesteven District Council Report to Rural and Communities Overview and Scrutiny Committee: 11th October 2023

Appendix A – Report as originally presented to Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Finance and Economic Overview and Scrutiny Committee

19 September 2023

Report of Councillor Richard Cleaver,
Leader of South Kesteven District Council

Grantham High Street Heritage Action Zone Programme Update - September 2023

Report Author

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Purpose of Report

This report provides an update on the progress of the High Street Heritage Action Zone shopfront regeneration programme, aimed at helping unlock the heritage potential of the town and assist in economic recovery within Grantham Town Centre.

Recommendation

That the Finance and Economic Overview and Scrutiny Committee:

1. Recommends this update report is shared with the Rural and Communities Overview and Scrutiny Committee who have shop front designs and funding as part of their remit.

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2. Agrees to receive a further update in six months' time on the progress associated with the closure of the Grantham High Street Heritage Action Zone Programme.
3. Is invited to share any comments they may have on this report with the programme board.

Decision Information

Does the report contain any No
exempt or confidential
information not for publication?

What are the relevant corporate Growth and our economy
priorities?

Which wards are impacted? Grantham St Wulfram's Ward

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The total allocation for the High Street Heritage Action Zone programme in the 2023/24 financial year is £280,106 of which £213,093 is allocated to capital projects, and £67,013 is allocated to revenue.
- 1.2 The allocation comprises of £125,475 in grant funding from Historic England and £154,711 in match funding from South Kesteven District Council.
- 1.3 Within this financial year, South Kesteven District Council's match contribution will exceed the grant value received from Historic England. This is due to permitted underpayments in previous years which Historic England have agreed in previous years to maximise grant drawdown.
- 1.4 Services and materials relating to capital projects are procured and commissioned directly by the grant recipient. They must follow Historic England's procurement requirements and provide evidence of this.

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- 1.5 A grant clawback clause applies if a property which has received a grant is sold, otherwise disposed of, or significantly changed within three years of the final grant payment.

Richard Wyles s151 Officer

Legal and Governance

- 1.6 The programme is overseen by the combined Future High Street Fund and High Street Heritage Action Zone Project Board (the Board), which includes Councillors, Senior Officers and Historic England.
- 1.7 Programme spend up to £200,000 is assessed by the Board which provides a recommendation for approval or otherwise by the relevant senior officer through their existing delegated powers.
- 1.8 Programme spend of more than £200,000 is assessed by the Board and referred to Cabinet for recommendation to Historic England for approval.
- 1.9 Any project grant which results in a contribution from Historic England of £50,000 or more is referred to Historic England for formal approval.

Completed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

Risk and Mitigation

- 1.10 A risk register has been produced for the programme and can be found at **Appendix B**.
- 1.11 Under the grant conditions imposed by the Treasury, it is not possible for grant funding to be rolled forwards into future financial years. As such, any underspend is lost.
- 1.12 The most significant risk to the programme is the timescales for project delivery, as projects must complete prior 31 March 2024 to receive funding. This is exacerbated by the requirement, in most instances, to use specialist contractors; and the number of other similar regeneration projects taking place nationally.

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- 1.13 Materials shortages, particularly steel and hardwoods usually sourced from eastern Europe, also impact the delivery timetable for projects. As mitigation projects must be fully tendered before applicants are able to submit a full application.
- 1.14 As with any works on a historic building, timescales may also be impacted by unexpected discoveries, such as structural issues identified during the course of works.

Health and Safety

Contractors are responsible for maintaining appropriate health and safety on site and must comply with all the relevant legislation. South Kesteven District Council is responsible for ensuring that appointed contractors provide evidence of Health and Safety competencies and supporting documents, including risk assessments safe systems of work and other relevant documents, as well as implementing contractor monitoring to provide assurance that works are undertaken in a safe and responsible manner.

Diversity and Inclusion

- 1.15 Eligibility for the grant schemes is limited by the terms of the funding agreement with Historic England.
- 1.16 Properties must be located on High Street, Westgate, the Market Place or Watergate, (with a priority on Westgate and Marketplace) and must have been built prior to 1939.
- 1.17 Applicants must have the legal ability to accept the grant funding, typically the property owner. Tenants with full maintaining leases may apply but must do so with the written permission of the property owner.

Is an Equality Impact Assessment required?

No

Climate Change

- 1.18 The programme encourages the retention of as much original material as possible. While this is primarily to maintain the historic fabric of buildings, it also prevents unnecessary use of new resources.

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- 1.19 Traditional building methods are often lower carbon options than their modern counterparts, for example the use of lime-based mortars and renders generates less CO₂ than the equivalent volumes of cement-based products.
- 1.20 The scheme acknowledges the amount of embodied carbon within historic buildings, and ultimately supports bring vacant or underutilised properties back in to use, reducing the requirement for new build properties.

2. Background to the Report

- 2.1 Grantham's High Street Heritage Action Zone programme's approach contributes directly to South Kesteven District Council's Corporate Plan (2020-2023) vision which aims to establish South Kesteven as the best district in which to live, work and visit. Local heritage assets help build a sense of local identity and distinctiveness, a sense of history, place and belonging.
- 2.2 As previously reported to both the (then) Culture and Visitor Economy Overview and Scrutiny Committee and Cabinet, the High Street Heritage Action Zone programme is an England-wide funding programme which, alongside the Future High Street Fund, is the result of the Governments' 2018 commitment to support the regeneration of town centres. The £1.25 million Grantham High Street Heritage Action Zone programme is made up of £886,540 from Historic England and £375,660 contribution from the Council.
- 2.3 The four-year programme began in April 2020 and will run until 31 March 2024 and includes capital work projects (shopfront scheme and 'Key Building 'regeneration scheme), as well as funding for community engagement, consultation and legacy planning.
- 2.4 The capital programme supports private owners of properties to complete works to reinstate, restore and maintain historic properties within the targeted areas of Westgate, Market Place and High Street. None of the properties in receipt of grant funding are owned or leased by the Council.
- 2.5 Members have received regular updates on progress. Accordingly, the remainder of this report builds upon the 28 February 2023 report and provides an update on the following five items: (A) Westgate Hall, (B) shopfront regeneration, (C) conservation area management plan (D), trail tale app, and (E) cultural programme.

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Programme Updates

(A) Westgate Hall

- 2.6 The Westgate Hall regeneration project is progressing well, however, there have been some slight delays in the initial delivery schedule as a result of a need to discharge a number of planning conditions with regards to roof treatments before the materials could be ordered.
- 2.7 It is now anticipated the grant aided works will complete in October 2023, following which the property owner and tenant will continue to deliver fit out works.
- 2.8 Following negotiations with Historic England in March 2023, the Council were able to draw down the full value of their grant prior to the end of the 2022/2023 financial year, which ensured no grant funding was lost. To enable this, Historic England agreed the property owner's contribution, along with £63,294 of the Council's contribution could be expended in 2023/2024 financial year.
- 2.9 As a result of the current high construction costs, it is possible the tenant will look to phase the fit out works to enable his operation of the site to begin as soon as possible. The schedule for fit out has not yet been determined.

(B) Shopfront Regeneration

- 2.10 The programme will deliver nine shopfront regeneration projects, which are outlined in the *Table one*.
- 2.11 Should all projects outlined below progress to completion, all funding allocated to the shopfront regeneration element of the High Street Heritage Action Zone will be expended.

Table one: Progress update on the nine shopfront regeneration projects

Project	Total Grant	Percentage of eligible costs grant aided	Status
74 Westgate Kays of Grantham	£32,500	66%	Completed
1 Market Place Prime Comfort	£32,500	45%	Completed
21-22 Market Place	£50,000	57%	Ongoing - Programme running to schedule Project progressing well, works

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			to first floor shopfront are completed and scaffolding and hoarding has been removed. Works to ground floor are ongoing.
17-18 High Street Grantham Pharmacy	£75,000	49%	Ongoing - Programme running to schedule. A grant has been offered to the property for upper floor conversion works through the Future High Street Fund. Both projects are due to complete by March 2024
5 Market Place Lindpet House	£14,463	71%	Completed
68 Westgate Delight Pizza	£25,000	76%	Ongoing - Works to shopfront are completed. Works to first floor oriel window remain. This is currently on hold as the upper floor residential tenant is due to leave the property. Works will commence when property is vacant.
71 High Street AddAction	£79,710	80%	Ongoing, at risk – please see paragraph 2.11. Total costs subject to potential increase.
80/81 Highstreet JP Carpets/ Buckley and Wand	£70,000 (£35,000 per unit)	62%	Pending – Property owners have formally accepted the grant offer, and contractors have been appointed. Start date to be confirmed.

2.12 71 High Street (AddAction) remains an at-risk scheme and is significantly behind schedule. The property owners are aware they will not receive any grant funds until the project is completed, and that the project must complete by 31 March 2024.

2.13 Within the past month the property owner has taken back control of the project from the contractor and are looking at appointing a new contractor to complete the works.

(C) Conservation Area Management Plan

2.14 The initial draft of the Conservation area appraisal and management plan, completed by Heritage Lincolnshire, has been received and is currently with the planning team for initial review.

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- 2.15 Any feedback will be passed back to the consultants for amendments.
- 2.16 Following its completion arrangements will be made for the revised draft to be presented to the relevant Council Committees for consultation.

(D) Trail Tale App

- 2.17 The 'Grantham's Hidden Histories' trail has been completed and launched on the free Trail Tale App in June 2023. It has received positive feedback from users along with press coverage, including featuring on BBC Radio Lincolnshire.
- 2.18 The Heritage Action Zone Project Manager will continue to work with the Council's Visitor Economy and Tourism Officer, as well as the Council's Communications team and other relevant Council Officers, to promote the trail as appropriate.

(E) Cultural Programme

- 2.19 The High Street Heritage Action Zone Cultural Programme operates separately from the main grant programme. Funding for cultural activities comes from Historic England and the National Lottery Heritage Fund, with support from Arts Council. There is no financial contribution made by the Council.
- 2.20 The project secured £100,000 in funding which must complete by January 2024. The requirement of the funding is for the programme to be devised and delivered by a Cultural Consortium of six local arts and cultural groups. The Council's role is financial management, guidance and evaluation. The delivery of the Cultural programme is continuing well.
- 2.21 Chantry Dance Company successfully delivered two performances of 'Ghost Dances' in April 2023, contemporary dance performances based on the music of Grantham born composer Nicolas Maw. The free 30-minute performances, held in the Guildhall were attended by approximately 140 people across two nights, and an additional 30 people attended workshop sessions designed specifically to engage groups who would not typically take part in arts activities.
- 2.22 Funding has been released to Grantham Museum to allow for the purchase of a 'community cabinet' which will allow local community groups to stage small exhibitions in the Museum, centred on Grantham's history. There has already been interest from several groups including the Masons and potentially the National Trust.
- 2.23 Likewise, the Museum is close to completing their 'Grantham Timeline' project, supported by the Grantham Civic Society.
- 2.24 Every September thousands of volunteers across England organise events to celebrate history and culture. It provides an opportunity for people to see hidden places and try out new experiences, all of which are free to explore. Heritage Open Days 2023 takes place between 8 and 17 September. Grantham Dramatic Society

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are programming further heritage walks to take place across the National Heritage Open Day's weekend in September, as well as developing a 'stationary tour' to bring the contents of the tour to those who are not able to complete the hour-long walking tour of the town.

2.25 Grantham Arts will shortly complete their 'Community Print' project, which engaged with groups including Earlesfield Positive Futures, refugee groups supported by Jubilee Life Centre and a Grantham Nepalese Community Group, to explore Grantham's architecture through the medium of Linocut prints (a printmaking technique). They will commence a community ceramics project later this year, based out of Grantham Museum.

3. Key Considerations

3.1 The programme is currently within its final year of delivery (completing 31 March 2024). All projects for delivery have been identified. Historic England are no longer able to accept alternative projects.

3.2 The Grantham High Street Heritage Action Zone programme has allowed the Council to leverage significant levels of public and private sector funding. £350,000 has been leveraged through the delivery of shopfront regeneration works and the grant aided elements of the Westgate Hall project. If fit out works to Westgate Hall are also considered, it is estimated the value of private sector investment leveraged by the scheme will be in the region of £550,000.

3.3 The scheme has encouraged and permitted property owners in the town centre to invest in their buildings at a time of rapidly rising costs and financial uncertainty.

3.4 Working closely with the Future High Street Fund Programme Manager, and other Officers within the Growth and Culture Directorate, Officers are ensuring the maximum benefit is derived from both the Council's investment and the grant funding.

3.5 The programme has allowed the Council to develop a strong working relationship with town centre property owners and with Historic England as a funder. This has allowed Officers to be somewhat flexible in the identification and development of individual projects (within the context of the programme design), to maximise the benefits of the scheme.

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4. Other Options Considered

- 4.1 Grantham conservation area is currently considered 'at risk' by Historic England. The deterioration of the town centre heritage was of particular concern. As such, Historic England were keen to support the High Street Heritage Action Zone in Grantham. Without this intervention it is likely retail properties within the town centre would continue to deteriorate and historic features and character would continue to be lost.
- 4.2 The scheme has encouraged significant investment from property owners, who otherwise may not have committed to expenditure without the benefit of grant funding to support the viability cost gap of the projects. Therefore, the 'do nothing' option was discounted.

5. Reasons for the Recommendations

- 5.1 The Rural and Communities Overview and Scrutiny Committee has shop front designs and funding as part of their remit. Sharing this update report will allow that Committee to carry out its overall function.
- 5.2 Closure reports serve an important procedural function by presenting findings to all invested parties. Closure reports make it easy to revisit findings and project details should the need arise. The report typically includes vital records of phase information, sign-off documentation, client and management approvals and any changes to the original plan. It is for this reason, agreement is being sought from the Finance and Economic Overview and Scrutiny Committee to receive a further update in six months' time on the progress associated with the closure of the Grantham High Street Heritage Action Zone Programme.

6. Appendices

- 6.1 Appendix B – Programme Risk Register

7. Background Papers

- 7.1 *Update on Heritage Action Zone shop front improvements in Grantham* – Report to Culture and Visitor Economy Overview and Scrutiny Committee, published 28 February 2023 and available online at:

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<https://moderngov.southkesteven.gov.uk/documents/s37009/Update%20on%20Heritage%20Action%20Zone%20shop%20front%20improvements%20in%20Grantham.pdf>

7.2 *Grantham High Street Heritage Action Zone Scheme* – Report to Cabinet, published 12 July 2022 and available online at:

<https://moderngov.southkesteven.gov.uk/mgAi.aspx?ID=28342>