

## EXECUTIVE BOARD – 21 JULY 2015

|  |  |                           |   |
|--|--|---------------------------|---|
| <b>Subject:</b>  | Carrington Street Area Townscape Heritage Project - Approval to proceed with the Heritage Lottery Fund (HLF) Stage Two Bid   |                           |   |
| <b>Corporate Director(s)/ Director(s):</b>   | David Bishop, Deputy Chief Executive/Corporate Director for Development and Growth   |                           |   |
| <b>Portfolio Holder(s):</b>  | Councillor Nick McDonald, Portfolio Holder for Jobs, Growth and Transport  |                           |   |
| <b>Report author and contact details:</b>  | Helen Wallace – Project Manager, Major Programmes<br>0115 87 64965<br><a href="mailto:Helen.wallace@nottinghamcity.gov.uk">Helen.wallace@nottinghamcity.gov.uk</a> |                           |   |
| <b>Key Decision</b>  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | <b>Subject to call-in</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                     |
| <b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision   |  |                           | <input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital |
| Significant impact on communities living or working in two or more wards in the City   |  |                           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                     |
| <b>Total value of the decision:</b> £1,472,800   |  |                           |   |
| <b>Wards affected:</b> Bridge  | <b>Date of consultation with Portfolio Holder(s):</b> 18 June 2015   |                           |   |
| <b>Relevant Council Plan Strategic Priority:</b>   |  |                           |   |
| Cutting unemployment by a quarter  |  |                           | <input type="checkbox"/>  |
| Cut crime and anti-social behaviour  |  |                           | <input type="checkbox"/>  |
| Ensure more school leavers get a job, training or further education than any other City  |  |                           | <input checked="" type="checkbox"/>   |
| Your neighbourhood as clean as the City Centre   |  |                           | <input type="checkbox"/>  |
| Help keep your energy bills down   |  |                           | <input type="checkbox"/>  |
| Good access to public transport  |  |                           | <input type="checkbox"/>  |
| Nottingham has a good mix of housing   |  |                           | <input type="checkbox"/>  |
| Nottingham is a good place to do business, invest and create jobs  |  |                           | <input checked="" type="checkbox"/>   |
| Nottingham offers a wide range of leisure activities, parks and sporting events  |  |                           | <input checked="" type="checkbox"/>   |
| Support early intervention activities  |  |                           | <input type="checkbox"/>  |
| Deliver effective, value for money services to our citizens  |  |                           | <input type="checkbox"/>  |
| <b>Summary of issues (including benefits to citizens/service users):</b>   |  |                           |   |
| The HLF has set aside Townscape Heritage (TH) Funding to help communities to improve the built historic environment of conservation areas that are in need of investment.  |  |                           |   |
| Following a successful Stage One Bid to the HLF in February 2014, Nottingham City Council secured the sum of £34,500 for the development of the Carrington Street Area Townscape Heritage Project.   |  |                           |   |
| The Portfolio Holder decision dated 10 October 2014 (1687) authorised the acceptance of the funding and agreed to the HLF Round 2 Bid being worked up for submission in August 2015.   |  |                           |   |
| Prior to the submission of the HLF Round 2 Bid in August 2015, the City Council is required to commit the match funding detailed within this report (Appendix D).  |  |                           |   |
| <b>Exempt information:</b>   |  |                           |   |
| None   |  |                           |   |
| <b>Recommendation(s):</b>  |  |                           |   |
| 1. To approve the submission of the Stage Two Heritage Lottery Fund (HLF) bid to seek funding to the value of £682,450 and delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth to accept the grant, if successful.                              |  |                           |   |
| 2. To agree to the City Council providing match funding of £373,375 (Appendix D) to be managed through the identified funding (paragraph 4.1), noting that further approval will be sought for between 25% and 40% match funding contributions if grant assistance is taken up for capital |  |                           |   |

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| works to buildings owned by the City Council.   |
| 3. To delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth, in consultation with the Portfolio Holder for Jobs, Growth and Transport, to approve grants up to the value of £200,000 for capital works on buildings within the designated area (Appendix A). |
| 4. To delegate authority to the Head of Development Management to approve spend and enter into any contracts that relate to the activities outlined within the activity statement attached (Appendix B).  |
| 5. To approve the budget of £131,000 to appoint a TH Project Manager, as outlined within Appendix E, noting that a separate staffing decision will be taken to establish the posts.   |

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 The proposals for the TH area have the potential to not only improve the physical appearance of buildings in the area, but also support the regeneration of this economically disadvantaged historic area for the benefit of local residents, workers and visitors.
- 1.2 The buildings in the TH area (Appendix A) are currently in need of investment and improvement. This TH grant scheme would act to encourage property owners to carry out work to restore the heritage character of their buildings. Both the City Council and private owners have expressed strong interest in grant funding at an anticipated rate of between 60% and 75% of any eligible capital works.
- 1.3 Prior to the submission of the Stage Two HLF bid, the City Council needs to agree match funding for the project, as outlined in Section 4 and Appendix D of this report. If the Stage Two bid is successful it will be necessary to recruit dedicated staff to project manage and deliver the project over a 5 year period.
- 1.4 The City Council is anticipating taking forward investment and improvements of its properties in the TH area. Private owners are expected to respond likewise. Discussions have confirmed that the grant would be comfortably spent on the basis of current expressions of interest.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 Following a successful bid to the HLF, in February 2014, Nottingham City Council was awarded a development grant of £34,500 for the purpose of the Carrington Street Area TH Project.
- 2.2 The Portfolio Holder decision dated 10 October 2014 (1687) authorised the acceptance of the funding and agreed to the HLF Round 2 Bid being worked up for submission in August 2015.
- 2.3 This led to the appointment of a TH Consultant who has worked alongside City Council officers to progress the project to the HLF Stage Two submission.
- 2.4 The proposals were developed with the repair and reinstatement of architectural features in mind, and it was deemed necessary to undertake condition surveys and cost estimates to allow the calculations of grants and understand priorities and phasing (Appendix C).
- 2.5 Sample surveys have been undertaken on 9 of the properties in the designated grant area (Appendix A), the outcome of which has been applied to the remaining

properties, and has been used to calculate the estimated cost of works and the grants available (Appendix C).

- 2.6 The initial consultation with owners and tenants, including City Council Property colleagues, has identified an interest in carrying out works with grant funding. Any applications for capital works submitted by the City Council will require further approval for match funding prior to submission of a grant application.
- 2.7 In addition to the repair and reinstatement of architectural features of buildings in the area, the project will also deliver a number of activities (Appendix B) that will enable visitors and residents to engage with the history and elegant architecture of the area and provide training opportunities in traditional skills and the development of digital resources. A consultation event was held in June 2015, during which time citizens and visitors provided positive feedback to the proposals for the area.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Not submitting the Stage Two HLF bid for the purpose of the development of the TH Project was rejected as the City Council have already passed the first round and failure to submit would prevent an award of £682,450 grant funding from the HLF.

### **4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 The financial implications of the scheme proposed in this report may be summarised as follows:

|   | £                |
|---|------------------|
| <b>Capital</b>  |                  |
| Works to properties in TH area                                | 1,270,100        |
| <b>Revenue</b>  |                  |
| Running costs (over 5 years)                                  | 202,700          |
| <b>TOTAL COST</b>   | <b>1,472,800</b> |
|   |                  |
| <b>Financed by:</b>   |                  |
| HLF Grant   | 682,450          |
| Property owners match contribution                            | 416,975          |
| Good to Great resources                                       | 50,000           |
| Existing Development Management Revenue Budget (over 5 years) | 323,375          |
|   | <b>1,472,800</b> |

- 4.2 The total scheme cost will be £1.473m of which the Council will be able to drawdown £0.682m of grant from the HLF, subject to adhering to the funding conditions. This scheme will need to be included in the refreshed capital programme.
- 4.3 If the Council progress with schemes for grant funding under this TH scheme then a 25% match contribution as a property owner of buildings would be required. This would be subject to further approval as outlined in recommendation 2.

- 4.4 The revenue expenditure will be met from existing Development Management budgets and an approved carry forward as a result of overachieved planning income in 2014/2015. Timing differences will need to be managed through reserves.
- 4.5 In order to avoid claw back of grant due to non-compliance to the HLF's grant funding conditions, the project manager will need to put in place appropriate monitoring and reporting processes. Recommendation 5 seeks approval for the budget for a project manager and administrator. A separate staffing decision will be taken to approve the establishment of the posts and the contracts of employment will need to be consistent with the project timescales.

## **5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

- 5.1 Any match funding required for grant works to buildings that are owned by the City Council will be subject to a further approval. Any such grant works, if approved, will assist in improving both the frontages of properties and restoring and protecting the historical architectural features of these buildings
- 5.2 The procurement team will support the client with any procurement exercises that need to be carried out and therefore supports the recommendations set out in this report.
- 5.3 The contract with the HLF will contain grant conditions which the City Council must ensure it can comply with; these are likely to include claw back provisions. Any grant awards must include appropriate provisions to ensure it can recover funding it has provided, where the recipient causes the City Council to repay the grants to the HLF.
- 5.4 The City Council must ensure any grants it awards are not state aid. Based on the information set out in the report this can be done by requiring recipients to make a de minimis declaration. If the recipient is unable to do so the City Council must consider whether an exemption applies such as the Heritage exemption under the General Block Exemption Regulation (GBER).
- 5.5 To mitigate the risks of claw back the City Council should ensure any procurement is undertaken in compliance with applicable procurement regulations.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 The activity statement (Appendix B) identifies a number of specialist training activities and opportunities for local people.
- 6.2 The project will allow local people to shape, deliver and participate in a number of activities and events that will improve their skills and confidence.

## **7 REGARD TO THE NHS CONSTITUTION**

- 7.1 N/A

## 8 **EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

## 9 **LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 None

## 10 **PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 Delegated Decision 10 October 2014 (1687) – Authorisation to accept and spend Heritage Lottery Fund Development Grant for Carrington Area Street Townscape Heritage Scheme and appoint consultant

## 11 **OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

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