

Hambleton District Council

Report To: Cabinet

Date: 5 October 2021

Subject: **Northallerton High Street Heritage Action Zone Update**

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: All Wards

1.0 Purpose of the Report

- 1.1 This report provides an overview of the funding secured through Historic England's heritage led regeneration programmes. It also seeks approval for additional Council funding towards the implementation of the Northallerton High Street Heritage Action Zone following a delay to the implementation and requirement to update the funding and spend profile.
- 1.2 In December 2019 the Council submitted a Programme Delivery Plan to Historic England for the delivery of a High Street Heritage Action Zone in Northallerton . It was approved in April 2020, with Hambleton being awarded the full £386,480 requested for a 4-year programme to March 2024. The formal announcement and funding agreement was delayed until later in the year by Historic England due to the COVID 19 pandemic.
- 1.3 The original Programme Delivery Plan financial summary is outlined in the table below.

Funding	Value
Historic England	386,480
York & North Yorkshire Local Enterprise Partnership (Y&NYLEP)	156,015
Private sector	116,015
Northallerton BID	10,000
Hambleton District Council	35,930
Hambleton District Council (in-kind officer time)	68,520
Total Programme Value	772,960

- 1.4 The Northallerton Heritage Action Zone Officer was appointed by the Council and commenced work in January 2021. Detailed work began in earnest and the programme has now evolved. Funding challenges have emerged and decisions now need to be made on how to move forward with the programme. The report will describe the options for Members to consider and the risks associated with these.

2.0 Links to Council Priorities

- 2.1 The Northallerton High Street Heritage Action Zone Scheme continues to support the Council's priority of driving economic vitality; specifically supporting the development of Northallerton as a Vibrant Market Town and supporting the future viability of the High Street through work to strengthen and revive the town's heritage. The scheme is also included in the Council's Economic Response and Recovery Plan.

3.0 Issues and Options for Member Consideration.

- 3.1 Delays to the start of the programme linked to COVID 19, subsequent appointment of the Heritage Action Zone Officer combined with complex land ownership issues encountered, has meant that some of the original match funding available from the LEP and the private sector is no longer available in 2021/22 and beyond. This results in a shortfall in match funding of £104,800 from LEP and £59,700 from the private sector.
- 3.2 Several changes to the original scheme costs have been made to reflect a reduced number of forecasted applications, increased costs to some elements and new Dynamic Pop-Up Exhibitions. These changes include utilising the 20% contingency for the scheme. The programme changes are summarised below:

Original	Scheme	Proposed
£200,000	Shopfront Improvement scheme	£150,000
£37,600	Living over the Shop Feasibility Study	£37,600
£131,000	Ginnels Refurbishment	£171,930
£100,000	Augmented Reality Historical Trail and App	£160,000
£20,000	HCA skills project	£20,000
	NEW Dynamic Pop-Up Exhibitions	£55,420
£95,840	Capital Contingency @ 20%	£0
£120,000	Recruited HAZ officer	£91,270
£68,520	Existing Internal Staff Time	£86,740
£772,960	Total Programme Value	£772,960

- 3.3 If Members are minded to deliver this amended programme that broadly meets the original criteria then additional Council support will be required to meet the shortfall of funding outlined above. This means that an additional £120,000 will be required from Council resources as well as some increased officer support. This could be minimised by some additional external funding of £27,710 which has been applied for from Community Renewal Funding.
- 3.4 Another option is for the Council to scale back the Heritage Action Zone to reflect the new level of external funds and not provide any additional monies. This would potentially result in the loss of a corresponding amount of Heritage England funding leaving the scheme with £239,000 less funding. This would severely reduce the scheme with no Reality Heritage Trail being produced.

4.0 Risks Assessment

4.1 Risk in not approving the recommendations.

Risk	Implication	Prob	Imp.	Total	Preventative Action	Net Prob	Net Impact	Net total
Full programme will not be delivered or abandoned altogether	A number of projects would be unable to proceed Economic impacts and community benefits are not realised	5	4	20	Approve the increased budget	2	2	4
Reputational Risk to the Council	Scheme has been well publicised and there is a delivery expectation	4	4	16	Approve the increased budget	2	3	6

4.2 Risk in approving the recommendations

Risk	Implication	Prob	Imp.	Total	Preventative Action	Net Prob	Net Impact	Net total
Further cost pressures and reductions in external funding increase the demand for additional Council resources	Further pressure on Council resources and poor value for money	3	4	12	Strong project management and continuing effective engagement with key stakeholders Monitor project delivery closely	2	2	4

4.3 The original concept that the Heritage Action Zone for Northallerton identified projects that will positively contribute to the Council priority of driving economic vitality remains true. The revised scenario requires £120,000 allocation from the approved Capital Programme. Reducing the programme to the revised level of funding, will not deliver the impacts that the Council want in its Economic Recovery and Response Plan. Reducing the plan may jeopardise the whole project and still require a substantial additional investment of Council funds of £81,000. The merits of the continuing the programme at the original scale will deliver the benefits originally envisaged in submitting the bid. Therefore on balance it is recommended that Cabinet consider adding £120,000 to the programme to deliver the revised programme set out in paragraph 3.2.

5.0 Financial Implications

- 5.1 An additional £120,000 is required to deliver this revised scheme. Members had identified funding in the 2021/22 Capital Programme for Northallerton Complementary Schemes and this can be met from within that pot. There will be a net zero impact on the approved Council funding.
- 5.2 The revised funding to meet the programme is detailed in the table below:

Original	Funding	Proposed
£386,480	Historic England	£386,480
£156,015	York & North Yorkshire Local Enterprise Partnership (Y&NYLEP)	£51,200
£116,015	Private sector	£56,300
£10,000	Northallerton BID	£10,000
£35,930	Hambleton District Council	£154,530
£68,520	Hambleton District Council (in-kind officer time)	£86,740
£0	Community Renewal Funding	£27,710
£772,960	Total Programme Value	£772,960

6.0 Legal Implications

- 6.1 A funding agreement has been signed with Historic England to ensure that the grant funding is spent correctly and any legal requirements, publicity and monitoring are met. The grant funding is claimed from Historic England on a quarterly basis following receipt of acceptable financial and monitoring information. If Members agree to the recommendations, this funding agreement remains in place.

7.0 Equality/Diversity Issues

- 7.1 Equality and diversity issues have been considered however there are no issues associated with this report.

8.0 Recommendations

- 8.1 That Cabinet:-
- (1) approves the changes to Northallerton High Street Heritage Action Zone and the associated funding; and
 - (2) approves and recommends to Council an increase of £120,000 to the scheme and agree to funding being vired from the Northallerton Complementary Schemes budget.

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Background papers: None
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