

**Report to:** EXECUTIVE CABINET

**Date:** 12 February 2020

**Executive Member:** Cllr Oliver Ryan, Executive Member (Finance & Economic Growth)

**Reporting Officer:** Jayne Traverse, Director of Growth

**Subject:** STALYBRIDGE TOWN CENTRE CHALLENGE

**Report Summary:** This report provides an update on the progress with Stalybridge Town Centre Challenge, including the development of the Strategy and Action Plan and the new governance structure.

This report also updates on the position with regard to external funding and the financial implications of this.

**Recommendations:** That Executive Cabinet:

1. Note the positive achievements to date in producing the strategy and action plan, securing external funding and recent successful events in the town;
2. Note the new governance arrangements for Stalybridge Town Centre Challenge;
3. Accept the Stalybridge Town Centre Challenge Board's Strategy and Action Plan, noting that endorsement of these documents does not commit the Council to resourcing;
4. Approve in principle, subject to the grant offer and conditions, the allocation of up to £1.275m match funding required (as set out in section 4 of the report, and recommendations 5 and 6 below) in order to secure up to £1.275m High Street Heritage Action Zone (HAZ) funding through a bid submitted by 20 December;
5. As part of the match funding requirement, approve an amount of up to £890k be ring fenced from the existing earmarked capital investment pot for the refurbishment of capital assets (paragraph 4.8);
6. Agree to create a one off budget of £75k towards a feasibility study to inform proposals for the Civic Hall to be funded from the Business Rates Pilot Reserve;
7. Note that the bid was submitted by the deadline of 20 December 2019;
8. Approve acceptance of £130k Evergreen Surplus funding, subject the appropriate due diligence being undertaken with regard to the grant offer and conditions;
9. Subject to Cabinet accepting the risks of entering into grant funding agreements (GFA) for HAZ and Evergreen funding, authority is provided for the following:
  - a) Delegated authority provided to the Director of Finance in consultation with the Director of Governance & Pensions to accept and enter into the GFAs on behalf of TMBC
  - b) Delegated authority is provided to the Director of Growth to manage the programme of works associated with the GFAs and to drawdown and incur all expenditure related to delivery obtaining such

governance as required within the Council's financial and legal framework with such on-going performance and reporting will be provided as necessary.

10. Receive further reports on the delivery of the HAZ programme.

**Corporate Plan:**

The development of Stalybridge Town Centre Challenge proposals and Stalybridge funding bids support the objectives of the Corporate Plan for Tameside to be a great place with a vibrant economy.

**Policy Implications:**

In line with policy.

**Financial Implications:  
(Authorised by the statutory  
Section 151 Officer & Chief  
Finance Officer)**

The bid for Heritage Action Zone funding will allow the Council to potentially access secure up to £1.275m of external grant funding to support the development of Stalybridge. However, this funding is conditional on the Council 'matching' the grant support with an equivalent amount of funding, meaning a total investment of up to £2.550m.

The Council does not currently have the full value of the matched funding available, but some existing resources totalling £385k of match funding has already been provisionally identified from existing reserves (£75k), as detailed in paragraph 4.5, revenue budget proposals for 2020/21 to fund a project officer (£180k over the four years 20/21, 21/22, 22/23 and 23/24), and £130k Evergreen Surplus Funding from GMCA acceptance of this grant is included within the recommendations above.

Further clarity is required on the definition of 'match' funding, including whether in-kind contributions can be included, but a commitment from the Council's Capital Programme is likely to be required to secure the full grant, up to a maximum of £890k. This report is asking Executive Cabinet to approve ring fencing an amount of £890k for Stalybridge from the £2.5m earmarked scheme 'Refurbishment of Capital Assets'.

The budget for the capital investment pot will need to be funded from reserves or capital receipts and consideration will need to be given to relative priority of this scheme given the other significant cost pressures and resource shortfalls facing the Council on both the Capital Programme and revenue budgets. A more detailed expenditure plan would be required to enable the Executive Cabinet to assess whether this matched funding investment will meet the organisational priorities along with the business case for this investment

The Capital Programme is currently facing a number of challenges due to cost pressures and a shortfall in the level of capital receipts, and any commitments to this scheme will need to be prioritised alongside the other earmarked and emerging schemes.

**Legal Implications:  
(Authorised by the Borough  
Solicitor)**

The Council will need to comply with any conditions agreed as part of the Grant Funding Agreement.

The Civic Hall and Art Gallery are listed buildings so any proposed works affecting these will need to comply with the Planning (Listed Buildings and Conservation Areas) Act 1990. In exercising any delegations the Director must comply with the legal framework for

making and recording of those delegations.

**Risk Management:**

Risks associated with the project are set out at section 5.

**Access to Information:**

The report is to be considered in public.

**Background Information:**

The background papers relating to this report can be inspected by contacting Nicola Turner



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## 1. INTRODUCTION

- 1.1 Stalybridge was selected as Tameside's focus for the GM Mayor's Town Centre Challenge in 2018. Initial work to plan and progress the delivery of Stalybridge's Town Centre Challenge has been co-ordinated by the Stalybridge Town Centre Challenge (STCC) Board, a working group including representatives of the local community, supported by the Council.
- 1.2 A consultation and engagement process was held during October 2018, to test the views of the local community against the aspirations of the Board. Engagement activity generated considerable public interest through survey responses and attendance at a drop in event. A detailed report of the consultation is available [here](#).
- 1.3 Consultants Cushman & Wakefield were commissioned to work with STCC Board to develop a vision for Stalybridge, building on the results of the public consultation and the input of the Board.
- 1.4 External funding to deliver on the ambitions for Stalybridge has been secured in principle, subject to contract and appropriate approvals, for High Street Heritage Action Zone (HAZ) funding through Historic England and Evergreen Surplus funding through GMCA.

## 2. STRATEGY & ACTION PLAN

- 2.1 The Stalybridge Town Centre Challenge and Action Plan (attached at **Appendix 1**) sets out the STCC Board's aspirations for Stalybridge and their proposed actions. This document was approved at the meeting of the STCC Board on 25 July 2019, subject to final amendments which have now been made. This document is an important stage in the development of the vision for the town centre and even in draft form has already proved valuable in expressing the aspirations and plans for Stalybridge in bidding for funding.
- 2.2 The Action Plan is subsequently being reviewed in detail by Council officers in order to produce a delivery plan which has proper regard to Council policy and resources.
- 2.3 A summary of the actions and achievements to date against key priorities within the Action Plan is attached (**Appendix 2**) and illustrates the significant activity that in progress.

## 3. GOVERNANCE

- 3.1 To date, Stalybridge Town Centre Challenge has been led and co-ordinated by the STCC Board, a working group of local representatives, supported by the Council. As the Town Centre Challenge moves from a 'visioning' stage to implementation, the next phase of work will require a robust governance structure to be put in place.
- 3.2 This is essential in order to ensure that the project and public monies are managed in a transparent and accountable way, that appropriate legal and financial processes are adhered to, that any conflicts of interests clearly addressed, and that the project and individuals involved with it are protected from the risks of challenge.
- 3.3 The current governance and the work of the Board members have been invaluable in developing and progressing the project to this stage. It will be important that current Board members continue to be involved as part of the new governance structure. The Board approved the proposed governance arrangements at its last meeting on 25 July.
- 3.4 The revised governance structure proposed is comprised of a Strategic Panel of elected members, advised and supported by a Stakeholder Advisory Group, which will involve local

stakeholders, and an Officer Group, which will ensure input from specialist Council officers who will facilitate delivery.

- 3.5 Terms of reference for the Strategic Panel, Stakeholder Advisory Group and Officer Group, including objectives, methods of working, membership and structure can be found [here](#). These have been designed to ensure clear lines of responsibility and communication between the panel and groups. The Strategic Panel will prepare an Annual Report for the Council's Executive Cabinet and any interim actions requiring Council decisions will be referred to the Executive Cabinet by the Executive Member as per Council processes.

#### 4. FUNDING UPDATE

##### High Streets Heritage Action Zone (HAZ)

- 4.1 While designation of Stalybridge for the GM Mayor's Town Centre Challenge has raised the profile of the town centre, this did not bring any specific funding. Funding opportunities have therefore been pursued to enable the delivery of priority actions.
- 4.2 An expression of interest for Stalybridge was submitted to the High Streets Heritage Action Zone (HAZ) initiative launched by Historic England. The HAZ initiative is designed to deliver physical improvements and cultural activities to revive and regenerate high streets and restore local historic character. The bid for Stalybridge drew on the priorities expressed through the draft Strategy and Action Plan, matched against the criteria for HAZ funding. In outline, this proposed a Heritage Walk from the Railway Station to the Heritage Quarter, improving and animating the street scene and route, repurposing the Civic Hall, including a food venue as an option, and carrying out repairs and improvements to the Astley Cheetham Art Gallery, securing the fabric of the building and improving exhibition space and facilities. A project officer post for the 4 year duration of the project is also proposed and is a requirement of the funding.
- 4.3 In September 2019 it was announced that Stalybridge will be one of 69 high streets benefiting from a share of a £95 million fund over a 4 year programme. The next steps involved working with Historic England to design and develop the programme for Stalybridge. This has determined the level of grant requested, and the match funding required. There will also be an opportunity in the New Year for a Stalybridge Cultural Consortium to bid for funding from a separate pot towards a programme of public art, events and performances.
- 4.4 The original bid submitted to Historic England was for £1.7m HAZ grant; this was reduced at the request of Historic England to a bid for £1.277m HAZ grant. Historic England have indicated that they expect the Council to contribute 50% of the total project cost ie. the same amount as the HAZ grant. The final submitted bid requests £1.275m HAZ grant.

##### Project Summary:

Title	Expression of interest	Final bid
Heritage Walk	£1,104,156	£1,104,156
Market Street studies	£0	£140,000
Repairs to Civic Hall Roof	£550,000	£550,000
Civic Hall Feasibility	£100,000	£100,000

Internal re-purposing	£215,844	£100,000
Astley Cheetham Gallery	£160,000	£0
Shop front grant scheme	£200,000	£335,844
Project Officer Post	£180,000	£180,000
Community Engagement	£40,000	£40,000
<b>Total</b>	<b>£2,550,000</b>	<b>£2,550,000</b>

- 4.5 Match funding of £385k has already been provisionally identified as follows. Bids have been included in the 2020/21 revenue budget process for a Stalybridge project officer (£180k over four years) and a £75k feasibility study for the Civic Hall (to be funded from the Business Rates pilot reserve) and £130k Evergreen Surplus funding has been included. This leaves a match funding gap of up to £890k.

#### Match Funding Summary:

Match Funding Source	£000s
Stalybridge Project Officer – Four Years (Revenue Budget proposals for 2020/21)	180
Civic Hall Feasibility Study (Funded from business rates pilot reserve)	75
Evergreen Surplus funding	130
Balance of match funding to be identified	890
<b>Total Match Funding Requirement</b>	<b>1,275</b>

- 4.6 The focus of the proposed works to the streetscape and Civic Hall is to deliver priority actions within the Stalybridge Strategy and Action Plan, and to meet the funding criteria. Within these parameters, the priority is to use funding for works which will improve the financial sustainability of these areas, by carrying out capital works which will reduce maintenance and running costs, or address identified need for significant repair works, and to make improvements which will generate increased income, over time. For example, the recent survey of the Civic Hall suggested a budget requirement of approximately £150k plus professional fees for interim essential repairs to the roof or approximately £400-500k plus professional fees for a more comprehensive and longer term solution. In addition the draft bid includes proposals for a programme of cultural events and promotion as part of the HAZ.
- 4.7 The proposed repurposing of (part of) the Civic Hall, as a food hall as a potential option, is a relatively speculative proposal. Similar offers have been successfully developed elsewhere (such as the Market Hall in Altrincham, the Mackie Mayor in the Northern Quarter and the Produce Hall in Stockport) and the response to events such as the Artisan Craft Market, annual Beer Festival and Royal Exchange pop up theatre suggests that there is a demand for active use of this space. Funding for feasibility, as above, has been included in the current Council budget proposals and will be urgently required to scope the capital works required and the potential business model, which would be expected to have initial revenue implications before generating income, based on the experience of similar food hall operations as above.
- 4.8 The Capital Programme currently includes an earmarked sum of £2.5m for the 'Refurbishment of Capital Assets' which could be utilised to contribute to this project, where

works are of a capital nature, such as the Civic Hall. Executive Cabinet is therefore asked to approve an amount of up to £890k be ring fenced from this earmarked pot, for the refurbishment of capital assets in Stalybridge. This capital funding could be applied for the roof replacement works that are required to the Civic Hall at a forecast cost of £550,000. Executive Cabinet will need to determine whether funding from this pot could also be directed at the Heritage Walk and Shop Front Grant Scheme. The Evergreen Funding (paragraph 4.11) has also been included as match funding for this scheme.

- 4.9 Historic England required the development of a final detailed bid through a programme design stage to be submitted in draft by 6<sup>th</sup> December and in final form by 20<sup>th</sup> December. As part of the HAZ scheme, Historic England also require the establishment of an independent Cultural Consortium which will be able to bid into an additional funding pot for cultural activities and events. Further details and guidance on the Cultural Consortium are awaited. The bid has now been submitted, including detailed proposals of scheme works and management, community engagement, cultural and events programme, funding requirement and profiling, including match funding.
- 4.10 Confirmation of funding is expected in February 2020, subject to grant agreement with delivery to take place between April 2020 and March 2024.

### **Evergreen Surplus**

- 4.11 In addition, an application was made for Evergreen Surplus funding for Stalybridge through GMCA, to carry out due diligence and site investigations on key sites and for feasibility work to rationalise surplus retail space for alternative commercial uses. £130,000 Evergreen Surplus funding has now been secured, subject to detailed grant funding agreement (GFA). The proposed match funding is drawn from resources already committed and spent on Stalybridge Town Centre Challenge. Work is in progress to specify and procure proposed investigations and feasibility, pending approval of the GFA.

## **5. RISKS**

- 5.1 There are a number of risks associated with Stalybridge Town Centre Challenge, both at strategic level and project level:
- The raised profile of Stalybridge through the GM Mayoral Town Centre Challenge has raised expectations of regeneration which if not seen to be met within a short timescale may result in reputational damage; this will be mitigated against by communication of progress to date, including external funding secured;
  - Grant funding agreements for both HAZ and Evergreen Surplus funding are expected to include conditions to be met and penalties for not meeting these conditions; these conditions, penalties and risks will be given careful consideration before accepting the grant funding agreements;
  - The proposals for the repurposing of and business model for the Civic Hall are at an early stage of development; the revenue consequences of proposals are currently unknown; this will be mitigated against by carrying out feasibility work on the proposed works and use, and prioritising works which will have enhance the value of the capital asset and enable flexible future use.

## **6. CONCLUSIONS**

- 6.1 Important progress has been achieved by the Stalybridge Town Centre Challenge Board in developing a Strategy and Action Plan to shape future delivery in Stalybridge. Work is already in progress to start delivery and additional funding has been secured to help enable this. It is therefore important that new governance is put in place which combines engagement of Stalybridge stakeholders with robust and transparent governance of public resources.

- 6.2 Intensive work has taken place in order to meet the HAZ deadline of 20 December for final bid submission. While match funding would only be committed once grant funding is formally offered and accepted, it is important to make in principle provision in order to enable a prompt decision in the New Year and commencement of delivery from April 2020.

## **7. RECOMMENDATIONS**

- 7.1 As set out at the front of the report.