

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	25 November 2020
<b>Executive Member:</b>	Cllr Oliver Ryan, Executive Member (Finance & Economic Growth)
<b>Reporting Officer:</b>	Jayne Traverse, Director of Growth Gregg Stott, Assistant Director Investment, Development and Housing
<b>Subject:</b>	<b>STALYBRIDGE HIGH STREET HERITAGE ACTION ZONE PROGRAMME – CAPITAL PROGRAMME FUNDING</b>
<b>Report Summary:</b>	On 12 February 2020, Executive Cabinet approved in principle, subject to the grant offer and conditions, the allocation of £1.275m match funding required for the High Street Heritage Action Zone (HSHAZ) Programme. As part of the match-funding requirement, Executive Cabinet also approved funding to be ring fenced from the existing earmarked capital investment pot for the refurbishment of capital assets. Officers have completed the due diligence required on the Grant Funding Agreement with Historic England and have considered the opportunity and assumptions made about the match funding. An approval is now required for £963k to be committed within the Council's Capital Programme as part of the match funding and to note the Grant Fund Agreement is engrossed, ready for execution, subject to the approval of the capital programme budget.
<b>Recommendations:</b>	That Executive Cabinet be recommended to: <ul style="list-style-type: none"> <li>(i) Approve the increased commitment requirement of £963k within the Capital Programme required as match funding for the HSHAZ programme;</li> <li>(ii) Approve the match funding amount of £963k is financed from the Business Rates 100% retention pilot reserve.</li> <li>(iii) Authorise entering into the Grant Funding Agreement as set out in this report.</li> </ul>
<b>Corporate Plan:</b>	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.
<b>Policy Implications:</b>	In line with policy.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	The report provides details of the £1.275 million match funding requirement to support the equivalent grant sum via Historic England for the Stalybridge High Street Heritage Action Zone (HSHAZ) programme. Details were provided in a corresponding report approved by the Executive Cabinet on 12 February 2020.  The aforementioned report stated that a sum of £0.890 million would need to be allocated as match funding via an earmarked sum in the capital programme.  Section 3.3 of the report provides details of the revised sum that now requires approval by Members and for inclusion in the capital programme. The value has increased to £ 0.963 million due to a duplicated assumption regarding the use of match funding to support GMCA Evergreen Surplus (round 1) grant funding in

Stalybridge (Grant allocation of £ 0.130 million). This match funding is not eligible to support the Stalybridge HSHAZ programme.

Members are requested to approve the sum of £ 0.963 million that will be funded from the Business Rates 100% retention pilot reserve. This reserve currently has a balance of £8.6m with existing commitments to the value of £5.2m, leaving an unallocated balance of £3.4m which can be used to fund the £0.963m match funding requirement..

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

As set out in the main body of the report the resolutions being sought are to effect the 'in principle' decision made by Cabinet in February 2020 to enter into an agreement with Historic England for £1.275 million funding on the basis that the Council will provide match funding to the same amount.

As set out in the financial implications since the initial decision was made it has been identified that some of the Council's match funding will have to be allocated from the Council's capital programme. Members therefore need to be content that this funding represents good value for money.

The funding agreement is drafted in accordance with Historic England's usual terms of engagement. The project officers will have to be mindful of the terms of the agreement especially in relation to the spend profile, publicity and management of the grant as failure to manage the grant in accordance with the terms of the agreement could result in the Council having to pay back some or all of the grant provided under the agreement.

Therefore robust management of this project is required as reinforced by the terms of the grant agreement which requires the Council to identify the key post who will be responsible for managing the grant. The draft agreement currently identifies an officer who is about to depart the Council. Therefore this will require amending before it can be signed by the Director. Similarly Section 7 of the agreement will also require amending to reflect the date on which the recommendations in this report are made.

Additionally before the report goes to Cabinet it would be helpful if officers set out in the report which clauses of the contract they were seeking to amend during negotiation (if any) but were unsuccessful with Historic England because of Historic England's desire to have the same agreement with all recipients, and where there may be a risk of non delivery together with what actions are being taken to mitigate and give confidence in ability to deliver and comply with Funding Agreement.

**Risk Management:**

Risks associated with the project are set out at section 4.

**Background Information:**

The background papers relating to this report can be inspected by contacting Patrick Nolan, Head of Major Programmes (Residential).

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## **1. INTRODUCTION**

- 1.1 Stalybridge town centre 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 was co-ordinated by the Stalybridge Town Centre Challenge (STCC) Board and a Stalybridge Town Centre Challenge Action Plan now sets out the aspirations for the town centre.
- 1.2 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 (HSHAZ) funding through Historic England.
- 1.3 On the 12 February 2020, a report with the subject title of 'Stalybridge Town Centre Challenge' was taken to Executive Cabinet to provide an update on the progress with Stalybridge Town Centre Challenge, including the development of the Strategy and Action Plan and the new governance structure. The report also updated on the position with regard to external funding and their financial implications.
- 1.4 Commitment within the Council's Capital Programme is now required following completion of due diligence and negotiation on the Grant Funding Agreement and identification of Council budget.

## **2. GRANT FUNDING AGREEMENT**

- 2.1 Officers have undertaken extensive discussion and negotiation with Historic England's Solicitors and Officers regarding the Grant Funding Agreement. As Historic England are entering into an agreement with multiple authorities, they wish to have a standard agreement with all and so are not in a position to make significant amendments. Any issue arising from a practical point within the agreement will be managed through the delivery process itself.
- 2.2 The Grant Funding Agreement is now engrossed ready for execution, but is subject to the approval of Executive Cabinet to the requirement of/ commitment within the Council's Capital Programme, as outlined in section 3.

## **3. MATCH FUNDING – CAPITAL PROGRAMME**

- 3.1 The Grant Funding Agreement for the HSHAZ programme requires an equivalent match of Council funding, namely £1.275m to provide an overall total programme budget of £2.55m.
- 3.2 The grant is to be expended by 31 March 2024 but the programme spend has been profiled to date in consideration of the estimated project delivery/ timescales. This will be further developed and defined in detail once the HSHAZ Project Officer is in post.
- 3.3 On 12 February 2020, Executive Cabinet approved £890k of funding to be ring fenced from the existing earmarked capital investment pot for the refurbishment of capital assets. The £890k budget earmarked was based on the inclusion of £130k funding from the GMCA Evergreen Surplus (round 1). However, there has been a duplication of assumption made about use of this funding, which is not eligible for supporting the match funding required for the HSHAZ programme. Officers have identified the required match funding, both approved revenue and required capital, which is outlined in the table below.

<b>Match Funding</b>	<b>£k's</b>
Business Rates Pilot Reserve – Allocated To Growth directorate revenue budget in 20/21	75
Town Centre Masterplan – 200k Allocated To Growth directorate revenue budget in 20/21 – 60k allocation for Stalybridge	60
Project Officer – Grade I – Growth directorate revenue budget – recurrent – assumed 1 January 2021 start date	177
<b>Total Revenue</b>	<b>312</b>
Capital request for approval	963
<b>Total Match Funding</b>	<b>1,275</b>

#### **4. RISK**

- 4.1 Whilst a further £73k requirement from the Capital Programme has been identified in addition to the previously earmarked £890k, there could be potential to value engineer the scheme to attempt to deliver this saving over the duration of the programme, however this is not guaranteed as works have not yet been procured. In addition, there is a risk to the security of the whole of the funding from Historic England if the Capital Programme budget of £963k is not approved.

#### **5. RECOMMENDATIONS**

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