

Cabinet
Council

12th June 2018
10th July 2018

Name of Cabinet Member

Cabinet Member for Jobs and Regeneration – Councillor J O'Boyle

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

St. Michaels

Title: The Burges Conservation Area Regeneration

Is this a key decision?

Yes

Executive Summary:

In December 2014 Planning Committee approved the Lady Herbert's Garden and Burges Conservation Area Appraisal and Management Plan. Significantly, this appraisal and management plan extended the Lady Herbert's Garden Conservation area to include properties in the Burges, Hales Street and Palmer Lane.

Based on the success of the Far Gosford Street Townscape Heritage Initiative (THI), the Council and its heritage partner, Historic Coventry Trust, were invited to submit an application for funding to develop a THI proposal for the area bounded by Burges, Hales Street and Palmer Lane to complement the recent Heritage Lottery Funded extension to the Transport Museum and refurbishment of the Old Grammar School

In September 2015 the Council in partnership with Historic Coventry Trust submitted a Stage 1 proposed outline scheme for the regeneration of the Burges Conservation Area.

In November 2015 the stage 1 application was considered by the Heritage Lottery Fund Board. The Stage 1 application was successful in securing £172,000 of Heritage Lottery funding (Development Grant) to progress the detail of a stage 2 application. Coventry City Council contributed match funding of £20,000 to provide a total development stage budget of £192,000.

Between February 2016 and June 2017 a professional team was appointed to develop the schemes detailed design, determine costs, secure match funding and produce all the required supporting documents for a Stage 2 application to be submitted.

On the 2 August 2017 the Burges Townscape Heritage Stage 2 application was submitted with the agreement of the Cabinet Member Jobs and Regeneration.

The detailed scheme covers a number of interventions which will enhance the appearance and economic viability of Burges, similar to the model used for Far Gosford Street Regeneration. If successful, the HLF funding (£1,825,000) together with the funding secured from Historic England PSICA fund (£225,000) and match (£1,806,403) will secure capital and revenue funding to deliver the following:-

1. Property improvement grants
2. Public realm improvements
3. Gap site intervention.
4. Community consultation and participation programme

(The area covered by the proposed Townscape Heritage Scheme is in mixed public and private ownership. (See Appendix 1 Townscape Heritage Scheme Plan and Appendix 2 Property ownership plan)

Recommendations:

Cabinet is requested to:-

1. Approve the delivery of the Townscape Heritage Initiative and the Historic England Partnership Scheme in Conservation (PSICA) Scheme.
2. Note the submission of the stage 2 application to the Heritage Lottery Fund, Townscape Heritage for the Burges Regeneration Project for £1,825,000 and the Historic England Partnership Scheme (PSICA) for £225,000.
3. Acknowledge the Historic Coventry Trust contribution of £175,000 towards the Historic England Partnership Scheme (PSICA) funding pot.
4. Approve a local match contribution of £193,166 (Liveability and Growth Fund) from the Council's own funds towards the £3,856,404 Stage 2 budget which will be utilised if the HLF Stage 2 application is successful.
5. Authorise the Council to act as the accountable body for the above grants awards, if successful and to authorise the spend of the HLF grant and other match funding secured (see financial section 5 of this report) to deliver the scheme.
6. Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to enter into the appropriate funding agreements to secure the grant funding packages (if successful)
7. Delegate authority to the Deputy Chief Executive (Place) alongside Procurement Board to agree the most appropriate procurement route for the Townscape Heritage Scheme to be delivered

Cabinet is requested to recommend that Council:

1. Agree (subject to no other funding sources being secured) to underwrite the required gap funding shortfall of £383,704 (as required by Heritage Lottery Fund in order to secure their funding) and to delegate authority to the Deputy Chief Executive (Place) in consultation with Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources to authorise any spend associated with the funding shortfall up to a limit of £383,704.

2. Authorise the addition of £2,688,871 to the capital programme and £295,000 to revenue budgets subject to approval of the Townscape Heritage Lottery Bid and match funding and further authorise applications to other funding providers to secure the final funding package for delivery stage

Council is recommended to:

1. Agree (subject to no other funding sources being secured) to underwrite the required gap funding shortfall of £383,704 (as required by Heritage Lottery Fund in order to secure their funding) and to delegate authority to the Deputy Chief Executive (Place) in consultation with Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources to authorise any spend associated with the funding shortfall up to a limit of £383,704
2. Authorise the addition of £2,688,871 to the capital programme and £295,000 to revenue budgets subject to approval of the Townscape Heritage Lottery Bid and match funding and further authorise applications to other funding providers to secure the final funding package for delivery stage

List of Appendices included:

Appendix 1 – Townscape Heritage Scheme Plan
Appendix 2 – Ownership Plan

Background papers

None

Other useful documents:

Lady Herbert's Garden & the Burges Conservation Area Appraisal
Burges Conservation Management Plan – Adopted as supplementary planning guidance at Planning Committee on the 10 May 2018
Heritage Framework Agreement – Cabinet Report 28th November 2017 & Council 5th December 2017
Architects RIBA Stage 3 Report

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 10th July 2018

Report title: Burges Conservation Area Regeneration

1. Context (or background)

- 1.1 The Townscape Heritage Project focuses on the Burges Conservation Area that was given Conservation Area status in December 2014 following an expansion of the Lady Herbert's Garden originally designated in 1969.
- 1.2 This area has been chosen for restoration / regeneration because it is one of the city centre's last surviving historic areas with buildings and streets of medieval origin with later 19th century additions. Burges is also home to a number of locally listed buildings. There has been recent public realm investment in the vicinity. Burges, Hales Street and Palmer Lane area would also benefit greatly from investment in the buildings, public realm and by seeking to address and develop gap sites. Together, these improvements would improve the area and provide the incentive for others to invest.
- 1.3 The area has considerable potential boosted by its location next to the Transport Museum and close to the Cathedral Quarter and the Heritage Lottery Funding restored St John's Hospital/ Grammar School.
- 1.4 Based on the success of the Far Gosford Street THI scheme the Council and its heritage partners were invited to submit an application to develop a further THI scheme. The application has been submitted and retrospective approval is sought for the Council to act as the accountable body and contributor to the delivery of the scheme.

2. Options considered and recommended proposal

- 2.1 There is only one real option to consider, whether to support the application submitted or withdraw it.
- 2.2 Option one - withdraw the application and do not sign the funding agreement / do nothing – this could lead to further decline and deterioration of the area.
- 2.3 Option two - support the Heritage Lottery Townscape stage 2 application and the Historic England PSICA application and commit £193,166 (Liveability & Growth Fund) from the Council's budget to secure a successful Stage 2 application for £1,825,000 of Heritage funding. This collective delivery stage budget is £3,856,403 (as detailed within the financial section of this report. This budget will bring about the following interventions to regenerate and uplift the Burges & Hales Street part of the Burges Conservation Area :-

1. **Restoration of buildings historic fabric including the building repairs and reinstatement of architectural detail** – Grants will be provided to restore the historic properties located in Burges and Hales Street. Repair and reinstatement work will be carried out to existing historic building fabric and unsympathetic alterations will be removed. New work, will include the restoration and installation of high-quality shop fronts with designs sympathetic to the existing historic buildings, reinstatement of timber sash windows, clay roof tiles, chimneys, cast iron rainwater goods etc.
2. **Gap site / infill developments**– Sites at the rear of Hales Street fronting Palmer Lane have been identified for potential small retail development opportunity. The schemes will complement the new space around the public realm and create new shop fronts along Palmer Lane. It is intended that it will create a new active frontage linking Burges, the River Sherbourne and Palmer Lane to the city centre.

3. **Public realm improvements and improvements to the exposed area of the River Sherbourne (Palmers Lane)** – At the Heart of the Burges area is the city’s “forgotten River”, culverted through most of the city, it makes a brief appearance in Palmer Lane, set against the original historical medieval buildings. The opening of the River Sherbourne onto a new public space will form the main focus of the public realm project. .
4. **A public participation and stakeholder “Activity Action Plan”** - Includes a budget for a programme of public participation. A range of activities have been developed to engage a wider audience and raise awareness of the Conservation Area and its Heritage.

It is intended that the above work will make a positive contribution to the areas local character and distinctiveness.

- 2.4 It is recommended to support the Heritage Lottery TH Stage 2 application and Historic England application for the Burges Regeneration.
- 2.5 The TH Stage 2 application will be considered by the Heritage Lottery Regional and National Board in June 2018, here a decision will be made as to whether the funding will be allocated to secure the delivery the Project. It is expected that we will be notified in Late June / Early July of the decision made.

3. Results of consultation undertaken

- 3.1 Consultation was carried out as part of the formal adoption process of the Conservation Area appraisal plan.
- 3.2 The following consultation has been carried out during the development stage :-
 - Activity Action Plan Consultation – Online consultation form on Coventry City Council Website to gauge public interest in the activities planned and help prioritise activities based on public and groups interest. In addition consultation was carried out with a range of schools, groups and organisations.
 - Design Consultation – public consultation event held at the Old Grammar School 13 & 14 May 2017
 - Civic Day - 17 June 2017 (part of the Coventry Society Civic Day Event)
 - Letters of support have been received from the following organisations ; Culture Coventry, The BID, businesses, Warwickshire Wildlife Trust, Police, Ego Performing Arts, Western Power, Coventry Society
- 3.3 The feedback and comments from the consultation have been positive welcoming investment into preserving the historic fabric of the area and its overall regeneration.

4. Timetable for implementing this decision

- 4.1 If the recommendation to support is granted the following indicative timetable will be followed :-
 - 4.1.1 The Stage 2 application to Heritage Lottery, Townscape Heritage Fund was submitted on 2 August 2017.

4.1.2 Approval to stage 2 application by the HLF is scheduled for June 2018

4.1.3 Permission to start the delivery stage (if application successful) July 2018 – September 2018

4.1.4 Physical implementation 2018 – 2023

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The report requests approval for a programme with a total revenue and capital cost totalling £3.856m, itemised as follows:

Funding Budget	Capital (£)	Revenue (£)
Repair and reinstatement Conservation work to properties	1,773,007	
Intractable Sites & Gap Sites	707,153	
Opening up of River Sherbourne and associated public realm	882,954	
Staffing		200,000
Publicity & Promotion		15,000
Participation Programme / Activity Plan		80,000
Volunteer Time	30,000	
Inflation	84,258	
Contingency	84,030	
Total	3,561,404	295,000

The Council is proposed as the accountable body for the cash spend element of the works and delivery costs, estimated at £2.984m. The remaining £0.872m is match funding planned to be achieved from a combination of property owner contributions and the delivery body, Historic Coventry Trust. The funding is itemised below.

Funding Source	Total Funding Amount (£)	Project (cash funding)(£)	Match funding contributed externally – Non Cash (£)	Current status
HLF TH	1,825,000	1,825,000		Pending approval of stage 2 application
HE PSICA FUND	225,000	225,000		Approved subject to securing match funding
Local Authority 111 agreement	280,000	280,000		Secured
Liveability (Coventry City Council)	142,966	142,966		Secured
Growth Fund (LEP)	50,200	50,200		Secured
Private Property	197,144		197,144	Secured at grant offer stage in

Owners				delivery
Historic Coventry Trust (HLF TH)	545,388		545,388	Secured at grant offer stage in delivery
Historic Coventry Trust (HE PSICA Fund)	175,000	75,000	100,000	Contribution from Historic Coventry Trust subject to full business case.
Business Improvement District	2,100	2,100		Secured
Volunteer Time	30,000		30,000	To be secured by volunteer involvement (in kind contribution)
Shortfall to be secured	383,704	383,704		To be secured (External future funding applications)
Total	3,856,403	2,983,871	872,532	

The report requests retrospective approval for the submission of a stage 2 application for £1.825m to the Heritage Lottery Townscape Heritage Fund (included above) which was submitted in August 2017. If this is successful, the Council would be required to contribute up to £576,870 towards the projects delivery stage to lever this grant in. This local contribution has been identified from secured resources, Liveability Grant of £142, 966 and & Growth Deal of £50,200k. The additional £383,704k is the amount proposed to be underwritten subject to seeking to secure other funding. A funding strategy has been written which identifies potential sources of funding to mitigate the shortfall.

Further to the above additional Historic England PSICA Funding has been secured to the value of £225,000 towards property restoration in Hales Street (1-9). This requires £175,000 of match funding, £100,000 of which has been secured via the Historic Coventry Trust, leaving them a further £75,000 which will be secured through the transfer by way of a lease of the Hales Street properties to Historic Coventry Trust.

As accountable body for the delivery grant, the Council would need to ensure procurement processes are followed, payments processed and claims submitted to the Heritage Lottery Fund, with a back to back grant aid agreements with our third party contributors

The grant of leasehold interest of the historic assets was previously agreed by Cabinet on the 28 November 2018, subject to a full business case for each property being submitted by the Historic Coventry Trust to the Council for approval prior to the formal leasehold transfer of the properties.

5.2 Legal implications

If successful the Council will be accepting a grant of £1,825,000 and £225,000 for the delivery stage work and compliance with any funding criteria and requirements. The Council would be the accountable body for the funding and will be required to comply with all funding conditions from the Funder. The appointment of the Council as Accountable Body will be achieved through a contractual relationship and signature of a funding contract. The appointment to Accountable Body status will enable the Council to be directly and indirectly involved in the delivery of the objectives stated within this report.

It is likely that the Council will be required to enter into an agreement with Heritage Lottery Funding and Historic England to govern the terms and conditions of the grant funding. Legal colleagues are available to advise on and support the completion and signature of the funding contract and ensure that risk to the Council is fully understood and mitigated through appropriate governance. Further, they will offer support in the delivery of the project as and when required by the anticipated project team.

The Council may appoint the external consultants required to carry out the delivery of the Townscape Heritage Scheme. The selection of contractors to undertake the capital works will be carried out in full compliance with the Council's Rules for Contracts and the Public Contract Regulations 2015, either through the use of an established framework or through a compliant procurement exercise where required.

The Historic Coventry Trust and other third party grant applicants will need to be accountable for the grants that they receive and enter into a grant aid agreement to comply with the grant conditions.

Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The success of the Stage 2 application will allow the release of funds to spend on delivering the scheme. The delivery of the overall scheme will regenerate and improve the appearance of the Conservation Area. In addition it will restore property, preserve our heritage, provide better access to the Historic River Sherbourne, create a new improved public realm, develop brownfield land and compliment other Council projects i.e. Transport museum, Old Grammar School, City Centre improvements.

The restoration of this area will also be a positive factor when Coventry is City of Culture in 2021.

6.2 How is risk being managed?

In order to address the shortfall of funding the Council is being requested to underwrite the shortfall in match as highlighted in paragraph 5. A number of external applications will be made to other public funders i.e. Environment Agency etc. to reduce the City Council's commitment.

Risk will be managed by the Council. The main risk is that the Stage 2 application is not approved and the project will not proceed further.

The Council will incur risk as the Accountable body in administering the grant but has a track record of successfully managing external grants delivered with partners

If the £75,000 match funding shortfall is not secured for the PSICA Historic England Grant, properties at 1-9 Hales Street for which it is allocated will not proceed. Negotiations with Historic England are currently being progressed with Officers to agree a solution.

6.3 What is the impact on the organisation?

The project will have the following impact on the organisation:-

The project will generate revenue for staffing

The project proposals include the upgrading and restoration of Council owned land and property.

The organisation will expend £219,066 (Liveability & Growth Fund) on Burges delivery stage as detailed in the financial section of this report, only if the HLF is secured.

6.4 Equalities / EIA

The report recommendations do not affect the Council's policy, provision of any service or its statutory functions. It is not required to undertake an Equality Impact Assessment.

6.5 Implications for (or impact on) the environment

The Project will bring about positive environmental impacts:-

- Restoration of buildings
- Development of brownfield land
- River Sherbourne Improvements
- Reusing reclaimed materials

6.6 Implications for partner organisations?

The project will be delivered in partnership with Historic Coventry Trust.

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