

EXECUTIVE

25th August 2022

Report Title	Kettering High Street Heritage Action Zone (HSHAZ) – Phase 3
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Lead Member	Councillor David Brackenbury – Executive Member for Growth and Regeneration

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

None

1. Purpose of Report

- 1.1. This report is to inform Members of the work in delivering improvements to Kettering town centre with the support of funding from Historic England's High Street Heritage Action Zone fund. Also, to seek Members agreement to arrangements for the remaining programme, which includes a Phase 3 of the public realm works.

2. Executive Summary

- 2.1. In 2019, Kettering Borough Council was successful in a bid to Historic England for High Street Heritage Action Zone (HSHAZ) funding. As a result, up to £1,985,000 of external funds was identified for investment over a 4 year period.

This funding has been matched by funding from the Council as endorsed by Executive at its meeting on 5th August 2021.

- 2.2. The HSHAZ programme supports project delivery within high street conservation areas. The main objectives of the programme are:
 - To change perceptions of heritage and high streets;
 - To support sustainable economic and cultural growth on and around high streets; and
 - To restore and enhance local historic character.
- 2.3. The Covid-19 pandemic negatively impacted the Council's ability to make progress in the first year of the scheme, as a consequence limited expenditure was made. However, there was a significant increase in planned investment in year two as a result. In year two council officers set a challenging programme for investment in both public realm enhancements and historic building grants. It was a successful year, as having already set challenging targets, the council was also successful in securing additional funds to carry out further public realm improvements with the addition of £150,000 in Summer 2021, and a further £503,631 in Winter 2021/22. In both instances the scheme spends were required to be spent before the end of the financial year.
- 2.4. During this period, with the support of Historic England, the Council also extended the HSHAZ area to enable the scheme to fund the preparation of a study to be undertaken on the Grade II* Listed Sawyer's Almshouses. The extended area also included the historic Manor House Gardens in the town centre.
- 2.5. The Council proposes to reassign some of the funding from within HSHAZ scheme to deliver a Phase 3 of public realm, this being at Gold Street. The funds used will be drawn primarily from funding already allocated for public realm but will also use redirected funds identified for historic buildings grants and funds secured from Section 106 Agreements that would otherwise have been invested in Lower Street.
- 2.6. The estimated cost of the Phase 3 Public Realm works is put at £460,000. The council's contractors have been appointed through the Scape Framework. Project officers and the Procurement Team are working closely to ensure the benefits of the existing delivery arrangements are maintained, to reduce the risk of rising prices and cost of materials as it is considered significant efficiencies can be achieved.
- 2.7. Historic England has endorsed the approach of the reallocation of funds and are keen to retain the current delivery arrangement if possible.

3. Recommendations

- 3.1. It is recommended that the Executive:
- i) Note the content of this report; and
 - ii) Agree to redirect investment in delivering Phase 3 of the plans for public realm into Gold Street, and delegate authority to the Executive Director of Place and Economy to investigate and execute the delivery through the Scape Framework.
- 3.2. Reason for Recommendation: To provide Member awareness and seek agreement to the shaping of investment in the remaining period of the Kettering High Street Heritage Action Zone programme, in particular with regards the Phase 3 public realm works.
- 3.3. Alternative Options Considered: The same spend profile could be retained as was set in the original Stage 2 Programme Design over two years ago. However, circumstances changed during the period of the programme, and fresh priorities emerge. It is important that investment is optimised, whilst still meeting the parameters of the project. Retaining the same spend profile has been considered, but risks of limited impact or unspent funds are considered greater from taking this approach.
- 3.4. The Project Team have been pleased with the standard of workmanship from the team delivering the public realm improvements, and the support it has gained from working through the Scape Framework. It has explored options for retaining the same team and undertaking further procurement through Scape.

4. Report Background

- 4.1. Kettering town centre, like many areas, has been facing the challenge of a changing town centre environment. Although town centres are still important shopping places, they are also increasingly important places for people to live, work and enjoy leisure time. In recognition of these universal challenges, in May 2019 Historic England launched a £95 million fund named High Streets Heritage Action Zone (HSHAZ).
- 4.2. The High Street HAZ programme enables local authorities to bid for funding through a competitive process. The primary purpose of the fund is to support historic high streets and town centres in conservation areas through physical improvements, community engagement and cultural activities. Any funding awarded through HSHAZ must be match funded by the Council and would seek to leverage further investment from the private sector.
- 4.3. In 2019, Historic England announced that Kettering was one of 69 towns nationally that had been successful in its bid. Kettering Borough Council

followed this with the development and approval of a Stage 2 Programme Design, to receive an external funding amount of up to £1,985,000 over the four years of the programme.

4.4. The HSHAZ programme provides funding to support project delivery within high street conservation areas. The main objectives of the programme are:

- To change perceptions of heritage and high streets;
- To support sustainable economic and cultural growth on and around high streets; and
- To restore and enhance local historic character.

4.5. Delivery runs for a maximum of four years, which started in April 2020, as such the scheme is currently in its third year. There has clearly been some disruption in the early period of the project due to the Covid-19 pandemic, however last year can be described as having been a very successful year in terms of investment and delivery.

4.6. The Kettering HSHAZ programme includes support in the following themes:

a. Kettering Heritage Action Zone

The HSHAZ was required to focus on the commercial conservation area within the town centre, this defines the area that is eligible for inclusion within the planned works and grant schemes over the four-year programme. A requirement of the programme was to identify key priority areas within the Zone, this is to ensure a sequenced programme can be financially profiled, as well as recognise 'hotspot' areas requiring more focused attention. However, it was recognised that this did not preclude other areas across the HSHAZ area from being eligible for funding support. The priority areas confirmed reflect the feedback received from stakeholders, members of the public, assessment conducted by Kettering Borough Council planners, and were defined in consultation with a Lead Officer at Historic England.

b. HSHAZ Project Management

A new resource was built into the period of the programme. This role was to manage and lead the Kettering HSHAZ programme and draw upon additional retained consultancy including specialist architectural resource to inform and support schemes. They work closely with the planners based at the Kettering area office and have presented regularly to the Kettering HSHAZ Project Board and the Programme Board, who monitor the grant schemes.

c. Kettering HSHAZ Programme Board

The Board consists of officers and Members of North Northamptonshire Council, and representatives from the Cultural Consortium, Community Expert Group and Historic England. The board is responsible for monitoring and evaluating relevant HSHAZ grant schemes and ensuring continuity between the HSHAZ capital schemes and future cultural programme. The Programme

Board is informed by the HSHAZ Project Manager. The Board has met less frequently over the last 9 months or so, in part due to the success of the Kettering scheme in agreeing an ambitious programme of spend, but also securing additional funds conditional on delivery within the 2021/22 financial year. To ensure Members of the Board are up to date with the programme, tours and other updates have been provided to continue their involvement in the scheme.

d. Community Engagement

The approach taken with regards community engagement has followed a desire to build ongoing meaningful place-based engagement, focused on a regenerative approach; Engagement, Participation, Partnership and Leadership, via a variety of activities including: stakeholder workshops, information & consultation events, community portal, community champions, engagement with key groups.

e. Shopfront / frontage improvement grant scheme

A grant scheme with guidance made available aimed at property owners, the scheme uses a refreshed version of the former Borough Council's Shopfront Improvement Design Supplementary Planning Document.

f. Residential / Alternative Conversion grant scheme

A grant scheme which encourages investment requests for capital spend towards upper floor residential conversion and/or alternative uses.

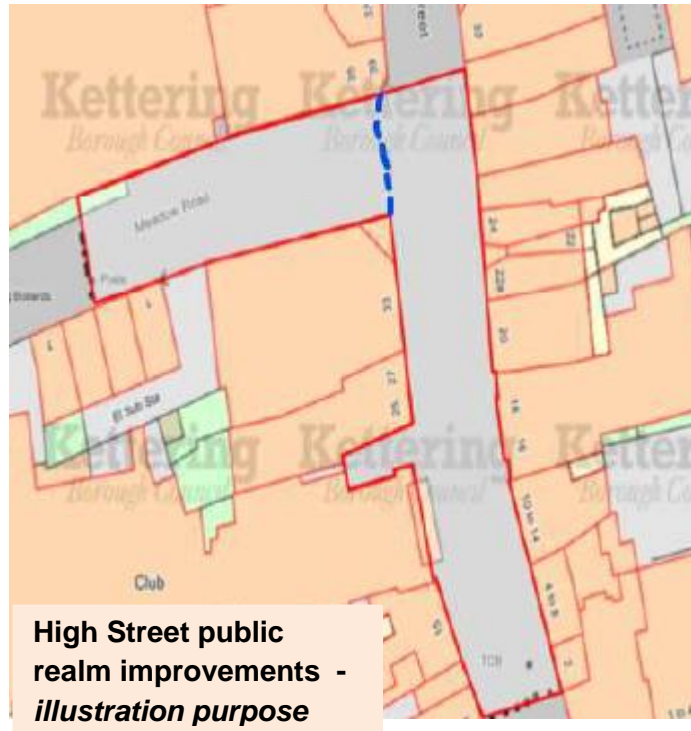
g. Historic Building Improvement grant scheme

A grant scheme which encourages investment requests for structural improvements from commercial property owners within the HSHAZ area. This scheme is focusing on key buildings which have been identified following more detailed analysis. Buildings include the Listed Royal Hotel in Market Place, and the former Burton's Menswear store in High Street, this was once an historic public house.

h. Public Realm and Street Scene improvements

Public realm works are being funded from the HSHAZ scheme, although there are significant limitations to the level of funding support eligible via this programme. However, Historic England has recognised that improvements are integral to the success of the Kettering HSHAZ scheme. This funding has delivered, or plans delivery on the following:

- a. Phase 1 - the continuation of the existing style of public realm found in Market Place, from the Market Place into the High Street to the edge of McDonalds and down Meadow Road (**see Map 1 below**); together with gateway improvements to the pedestrianised area at the top of Gold Street and in Lower Street;



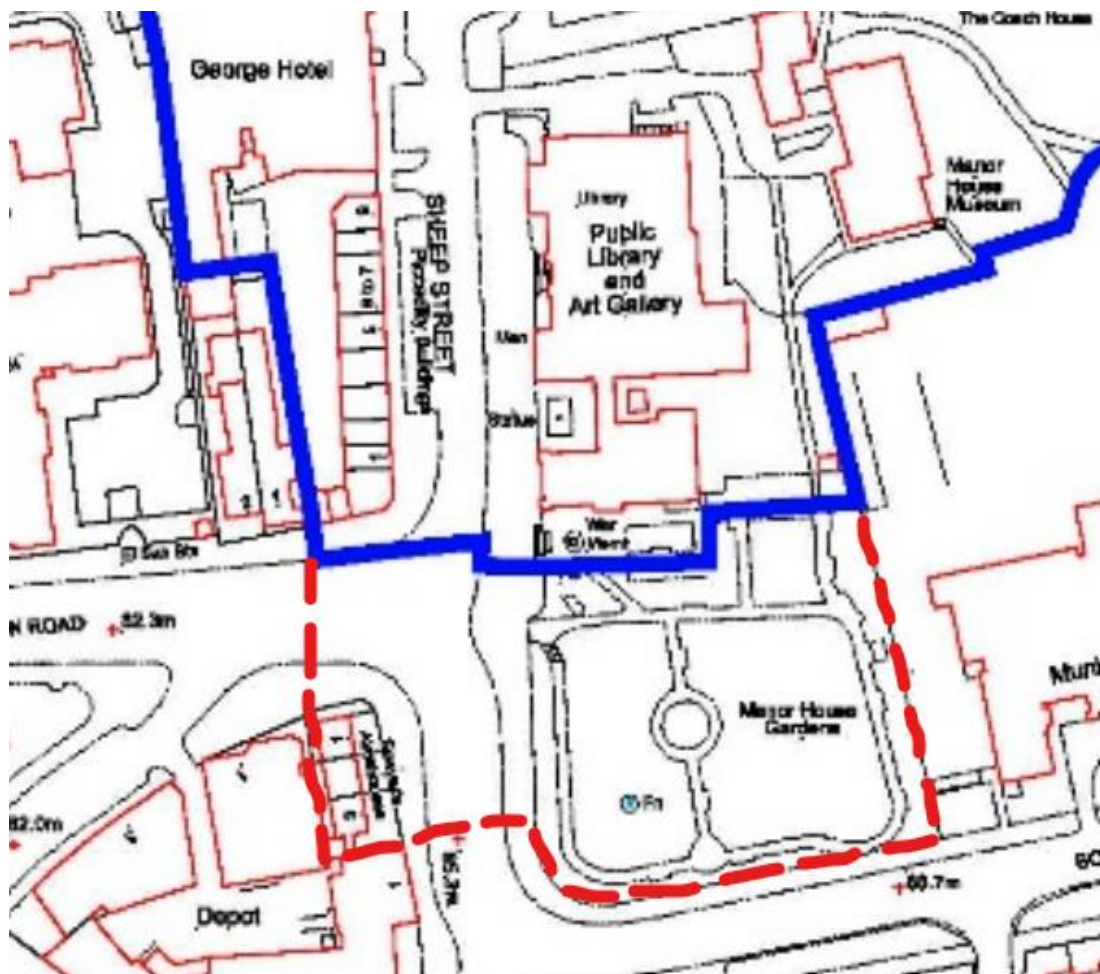
- b. Phase 2 - will extend the area of investment in public realm further north in High Street, between Dryland Street and Crispin Place, repeating the same style of surface and furniture materials in place at Phase 1, High Street and Meadow Road.
 - c. Phase 3 – is expected to be the final work undertaken utilising the High Street HAZ funds. More will be provided on the plans for this investment later in this report.
- 4.7. Detailed scheme designs have been prepared for the Council by its lead designers, Influence, and delivered by Balfour Beatty and their sub-contractors Kelbec. The main contractor appointment was made under the Scape Civil Engineering framework.
- 4.8. Although having agreed a programme of spend for the High Street HAZ funds, it's been important to keep this under review. It has also been of significant value the Council being active and responsive in its programme, especially when building a reputation and confidence amongst its partners in delivering on projects, to budget and agreed timescales. The Council has been fortunate in securing two additional sums of funding for projects, in part by demonstrating to Historic England that it can meet any conditions of the additional investment. In both instances the grants were in full, not requiring match funding from the authority or the private sector.
- 4.9. The first was for £150,000 to provide for the refurbishment of granite cobbles in West Street. The second is for the extension of public realm works to High Street (referred to as phase 2) amounting to £503,631.

- 4.10. Shopfront improvement, building improvement and building conversion schemes have been, and continue to be carried out in the HSHAZ area, reliant upon meeting specific criteria and with match funding from property owners.
- 4.11. The Council has also worked with Historic England in extending the High Street HAZ boundary after the Chief Executive of the Almshouses Association expressed concern that the Sawyer's Almshouses in Bowling Green Road may have fallen into a state of disrepair. A photograph of the building in question is provided below to help with the building's identity.



Sawyer's Almshouses, Sheep Street, Kettering

- 4.12. It was agreed to formally extend the area to include Sawyer's Almshouses, and also the Manor House Gardens opposite as an area of historic public garden space serving the town. Please see the plan below. Both meet characteristics expected to be found in the High Street HAZ area and fall within the Kettering Town Centre Conservation Area. A plan showing the extended area is provided below. A detailed survey of the Almshouses has been funded by HSHAZ.



Proposed extension to the High Street HAZ boundary shown in red

- 4.13. The indicative total funds identified for Kettering High Street HAZ initially amounted to just under £4 million, the majority of which was identified for capital projects, namely shopfront and building improvement grants, and public realm enhancements. This rose to circa £4,150,000 with Historic England's additional grant commitment for West Street, and then circa £4,650,000 as a result of the additional grant secured in delivering phase 2 of the public realm works earlier this calendar year.
- 4.14. As the High Street HAZ scheme has evolved over the last few years, the need to reassess priorities for investment has changed too. It is also important to ensure the Council is optimising the available budget, whilst it is still available.

Public Realm Phase 3 - Extension of Gold Street

- 4.15. Although the take up of historic buildings grants has been healthy, the HSHAZ Project Team is mindful that there may be greater certainty and benefit from investing additional funds into further public realm enhancements, which have brought with them a marked improvement in the historic character of the town centre, accessibility and increased footfall. An area has been identified to the south of the works already undertaken in Gold Street, this is being referred to as Public Realm Phase 3.

- 4.16. A clear justification for investing in this area right now is that a number of shopfront works, and repairs have been undertaken in this part of Gold Street. Investing in public realm will complement the work on the shopfronts, elevating the appearance and investment already made. In addition, this area is a prime High Street location, the potential benefits and likely increase in investment and footfall will likely grow even more as a result.
- 4.17. Funding to support this investment is proposed to be sourced from within the HSHAZ scheme budget, this means adjusting the focus from some other themes. One such area is to redirect a small contribution from the budget that would otherwise be directed towards shopfront grants. Time to attract applications from property owners, and the match funding they would contribute, is running tighter. It is still possible this element of the budget could be invested in full but, there is a risk that applications don't come in or a delay in contractors carrying out the works, which would take this outside of the spend window of the scheme. Any underspend would be returned to Historic England.
- 4.18. It is also proposed to reallocate a contribution that would otherwise have been directed towards a minor scheme at the gateway in Lower Street, instead to Phase 3. This contribution is from Section 106 Agreements identified for Kettering town centre improvements. The change in location retains the funding for the same purpose, so won't be in contravention of the legal agreements. The perceived benefits from investing these funds in a scheme in Gold Street are considered to be far greater. The balance of the funding is sourced from contributions already allocated in the scheme budget for public realm works.
- 4.19. The estimated cost of the Phase 3 Public Realm works is put at £460,000. The Council's contractors, Balfour Beatty, appointed through the Scape Framework have costed a designed-up scheme for the Council. Project officers and the Procurement Team are working closely to ensure we realise the benefits of existing delivery arrangements on site to reduce the risk of rising prices and cost of materials as it is considered significant efficiencies can be achieved.
- 4.20. Historic England has endorsed the approach of the reallocation of funds and are keen to retain the current delivery arrangement if possible as they reaffirm their confidence in the Council and its project team on site.
- 4.21. Members are asked to agree the Project Team's plans to deliver a phase 3 of public realm enhancements in Gold Street, and the strategy in procuring a team to carry out delivery with efficiency of investment using public funding at the centre of decisions.

5. Issues and Choices

- 5.1. Officers have worked closely with Historic England on the agreed programme of projects throughout the period of the HSHAZ investment, in particular those associated with building and shopfront grants, and public realm enhancements. It is this collective understanding of the Kettering HSHAZ schemes and managing and directing the funds to ensure the greatest impact that helps alert the team to risks and opportunities with the scheme as a whole. The

partnership has also led to success in attracting additional funds to assist in carry out further works on the project, and to do so within a very tight timeframe.

- 5.2. The purpose of this report is, based on identified risk and optimising investment in HSHAZ, to make an amendment to the scheme spend. This will mean redirecting funds for investment on public realm to a phase 3 scheme at Gold Street, directing that investment from a scheme in Lower Street, and utilising a contribution from unspent funds previously allocated towards Historic Buildings grants. The choice is around whether to undertake this change to the planned scheme. There is an identified risk that the take up on Historic Buildings Grants doesn't materialise to the extent of the funds allocated, which could mean the funds allocated for this are unspent, meaning they're returned to Historic England.
- 5.3. Also, the proposed change provides an opportunity to optimise the investment to a greater degree by directing funds to the delivery of public realm in Gold Street, a primary shopping street with significant footfall and having benefitted from private sector investment, attracted by grant funding. This does mean that the gateway scheme in Lower Street will not be delivered however, clear benefits to the all-round HSHAZ investment have been identified.
- 5.4. Progress has been made in confirming Balfour Beatty as the parent contractor, under the Scape Framework, and Kelbec as the subcontractor in delivering the public realm enhancements. Discussions are on-going with procurement for this next stage. There is benefit in retaining the same contractors built upon the work they've achieved to date. Also, if it's found it's not necessary to go to tender, it's adjudged there are savings to be made by carrying the works out as soon as possible, before prices rise further and to avoid additional costs caused by down time on site with the gangs and use/hire of equipment.

6. Next Steps

- 6.1. To agree to the change in focus by investing in a phase 3 of public realm in Gold Street. The HSHAZ Project Team will undertake a focussed consultation, adopting the same techniques as were used when consulting on phases 1 and 2.
- 6.2. To agree an appropriate approach to procuring contractors through the Scape Framework to complete the phase 3 public realm project, whilst ensuring efficiency is maintained in investing the public funding available to the scheme.

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

- 7.1.1. Funding is drawn from both the Council's and Historic England's budgets, the Council's contributions having originally been committed by Kettering Borough Council and subsequently carried forward as a commitment into North

Northamptonshire Council's budget. This consists of match funding as well as support in kind. The additional £150,000 for West Street and £503,631 funding offered by Historic England for public realm works are both full grants, the Council is not required to match fund the offer made. The spend profile will be managed and monitored through the High Street HAZ Board. However, to provide an insight into how the conditions of the spend have been adhered to, i.e. ensuring the additional fund has been claimed (spent) within the previous financial year, the project has been managed to allow a 100% spend on the Historic England grant, rather than a 50:50% split. As a result, the balance will tip with public realm works to be undertaken in this financial year, Historic England having already made contribution in full, the Council will thereby commit a 100% contribution.

7.1.2. The Council's match funding was contractually committed to spend on High Street HAZ within the initial agreement. If the Council decides to vary the spend within the contract, then that can be deemed acceptable. If, however it was to reduce the spend, then this would be a breach of contract. As such, the Council needs to remain committed to its commitment, having secured circa £2.4 million from Historic England and other contributions, alongside the £2.1 million of its own funds and in-kind contributions. Flexibility around how and when funds are invested helps with this spend in a very cost-effective way.

7.1.3. In terms of service transformation, the perception is that investment is having a significant positive impact on the appearance of the area, with an increase in footfall and the expected pride in Kettering town centre. The related effects are increased frequency of visits, extended dwell time, and increased spend and investment in the area.

7.2. Legal and Governance

7.2.1. The Council has agreed to appoint Balfour Beatty to deliver the Phase 3 public realm enhancements through the Scape framework. Project officers and the Council's Procurement Team are working closely to ensure the benefits of the existing delivery arrangements through the Scape Framework are maintained, and the agreement with sub-contractors is in line with procurement rules. The focus is to reduce the risk of rising prices and cost of materials as it is considered significant efficiencies can be achieved, advising on the approach being taken through the Scape Framework, and in the appointment of sub-contractor arrangements on site.

7.2.2. Governance is provided through the HSHAZ Project Team, who meet monthly and includes Dale Dishon as Principal Adviser for Historic England. There is also the HSHAZ Board which the Project Team report to. Membership includes the Council's Executive Members for Growth & Regeneration; and Sport, Leisure, Culture & Tourism; a Member of Kettering Town Council; and representatives from the town centre businesses and voluntary sector. Meetings of the Board were less frequent during over the last 9 months however, it's Members are kept informed on matters through direct contact, site visits/tours, and a Briefing Note will shortly be circulated too.

7.3. Relevant Policies and Plans

- 7.3.1. Improvements in the town centre are intended to create an attractive and sustainable environment for people to live within and visit. The HSHAZ will restore pride in the historic character of the town centre, providing growth and investment to bring residents and visitors to enjoy the facilities and environment created. This will contribute to the Council's Corporate priority of 'Safe and thriving places' by contributing to the priorities of strengthening the cultural identity of the town, helping town centres respond to changing trends and attracting visitors and inward investment.
- 7.3.2. Investment in the town centre will also support Development Plan policies found in the North Northamptonshire Joint Core Strategy and Kettering Town Centre Area Action Plan. JCS Policy 10: *Provision of Infrastructure*, JCS Policy 2: *Historic Environment* and JCS Policy 12: *Town Centres and Town Centre Uses* all support the efforts of High Street HAZ, endorsing this important and hugely beneficial investment to Kettering town centre.

7.4. Risk

- 7.4.1 The Council, its consultants, and the delivery team are working collaboratively to ensure HSHAZ investment in Kettering town centre is achieved within agreed timescales, and in the most appropriate manner. Ultimately, as the period of the programme progresses, the time available for investing funds reduces. If deadlines for delivery are missed, that part of the funding unspent will need to be returned to Historic England. Officers are working closely to ensure any delays in progress are limited, making choices sufficiently early to ensure the chance for needing to return funds are reduced. The HSHAZ team will be working closely with Finance and senior management colleagues over the coming months to ensure that as the major part of the investment is the Council's own Capital expenditure, it is done so with proper and full governance.

7.5. Consultation

- 7.5.1. Consultation on the original part of the scheme (Phase 1) was undertaken with Members of the team notifying businesses and residents of the works during December 2021. They also provided a Consultation Trailer in High Street/Meadow Road, for a morning to meet with any interested parties to discuss the scheme to be delivered. Electronic communication has been important throughout the scheme design and leaflet drops have also taken place. Discussions have now also taken place with the businesses in the extended area of the scheme for phase 2, similar discussions are planned for phase 3.

7.6. Consideration by Executive Advisory Panel

7.6.1. Members of the Service Delivery, Performance & Customers Executive Advisory Panel met to discuss the contents of this report on 3rd August. The comments made are summarised below:

- there was a healthy challenge around the prioritisation of funding in this area, as match funding must be provided by the local authority;
- it was recognised that this is a part of a wider town centre regeneration plan for Kettering;
- lessons should be learnt to help the Council in accessing other external funding opportunities in the future, and managing those funds effectively to ensure it gets the most out of them;
- this project enhances North Northamptonshire's reputation of delivering on projects; and
- scheme progress provides an opportunity for positive comms on this as a good news story.

7.7. Consideration by Scrutiny

7.7.1. This report or the wider scheme has not been considered by Scrutiny Commission but could do so in the future.

7.8. Equality Implications

7.8.1. An Equalities Screening Assessment has been completed. There are no negative equality impacts identified.

7.9. Climate and Environment Impact

7.9.1. Improvements in the town centre are intended to create an attractive and sustainable environment for people to live and visit, thereby reducing the numbers who need to travel away from the town. Also, the town centre benefits from a broader range of public transport and active travel options, encouraging their use rather than use of the private car. The public realm enhancements have set a target of achieving at least 10% biodiversity net gain, this was achieved through retaining all existing trees and the planting 4+ new trees and the planting of native species or off-site planting in Meadow Road Park. The intention is these targets will continue to be met through phase 3.

7.10. Community Impact

7.10.1. HSHAZ will restore pride in the historic character of the town centre, providing growth and investment to bring residents and visitors to enjoy the facilities and environment created. It will also contribute towards enhancing important historic buildings and Kettering Town Centre Conservation Area.

7.11. **Crime and Disorder Impact**

7.11.1. The investment is prepared in accordance with national planning policy and guidance which seeks to deliver healthy, inclusive, and safe places.

8. Background Papers

8.1. [North Northamptonshire Executive – 5th August 2022](#)

8.2. [North Northamptonshire Executive – 22nd February 2022](#)