

Meeting Council
Portfolio Area Environment and Regeneration
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TRANSFORMING OUR TOWN CENTRE PROGRAMME UPDATE AND TOWNS FUND DECISION MAKING

KEY DECISION

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1 PURPOSE

- 1.1 Transformation of the Town Centre is a top priority for the Council and forms a key pillar of the Council's "Future Town Future Council" Corporate Plan. There is now an extensive programme of activity in place, utilising funding from multiple sources, delivering new homes, jobs, shops, restaurants and cafes, public spaces, and cultural facilities. The wide-ranging programme has benefits for all of the residents of the town. The Executive report at Appendix 1 provides a summary of the current programme, and a further briefing for all Members was provided on 30 September 2021 to give a comprehensive progress report. Council is asked to note the progress of the programme.

- 1.2 A significant part of the regeneration programme is the delivery of projects that are part-funded by Towns Fund. In 2020, the Stevenage Development Board was established, and developed a Town Investment Plan for submission to government. In March 2021, the submission was awarded up to £37.5m of funding. The Council is the Accountable Body for the fund, and is required to oversee and sign-off business cases for each of the nine projects that have been allocated funding. Officers have developed a proposed approach for the review and approval of relevant Business Cases. This is attached in the Executive report at Appendix 1 and a summary provided in this report. This approach has been considered by the Executive and the Overview and Scrutiny Committee, and is presented to Council for approval.
- 1.3 Members are invited to note the key requirements and obligations for the Council as Accountable Body and the steps to be taken review and approve business cases ahead of the Ministry of Housing, Communities and Local Government releasing project funding to the Accountable Body (the Council). Appendix 1 also notes that a number of the business cases are for projects to be developed and implemented by the Council, and sets out the anticipated future decision points for larger-scale projects within the Town Investment Plan.

2 RECOMMENDATIONS

That Council:

- 2.1 Note the progress of the regeneration programme.
- 2.2 Note the progress of Town's Fund programme to date, including the obligations of the Council as the Accountable Body for the Town's Fund.
- 2.3 Note and approve the creation of an Officer Panel to support the discharge the Council's obligations as Accountable Body.
- 2.4 Delegate the review and approval of Business Cases to the Executive.
- 2.5 Note that there will be future decision points for a number of Council-sponsored projects, in accordance with the Council's Constitution, following approval of the Towns Fund Business Cases and release of funding by MHCLG.
- 2.6 Note the inclusion of the £37.5 million within the Council's Capital Strategy, noting that this is aligned with the Head' of Terms agreement with MHCLG. Authorisation for Council match funding will be reserved until the relevant Business Case is approved.

3 BACKGROUND

Town Centre Transformation

- 3.1 The transformation of the town centre is the top priority for Stevenage residents, businesses, and for Stevenage Borough Council as highlighted within the Future Town Future Council (FTFC) Programme. An extensive regeneration programme to deliver the transformation has been underway since 2015. A summary of this programme of activity is included within Appendix 1, the report provided to Executive.

Town Deal programme

- 3.2 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns.
- 3.3 As part of the Towns Fund, each eligible town was required to put in place cross-organisational leadership via a Towns Fund Board, to ensure broad representation from businesses, skills and education providers, investors, community representation and cross-public sector support.
- 3.4 In Stevenage, this saw the formation of a new, independent Stevenage Development Board. Following a recruitment process managed by Hertfordshire County Council and approved by the Ministry for Housing, Communities and Local Government, an independent Chair was appointed (Adrian Hawkins OBE), and the new Development Board (the Board) was formed in March 2020, working to shape a Town Investment Plan to help develop proposals to provide local opportunity and reinvigorate the town.
- 3.5 This Town Investment Plan set out proposals to create an exemplar 21st Century New Town, maximising the opportunities within local economy (including capitalising on the Life Sciences opportunity) to meet the needs of local people, attracting visitors and investment and revitalising the town.
- 3.6 As part of the national Budget announcements in March 2021, funding was allocated to 45 Towns. Stevenage achieved the joint highest allocation in this funding round, with an award of £37.5m for its Town Investment Plan.
- 3.7 On 15 July 2021, the Ministry of Housing Communities and Local Government (MHCLG, since restyled as Levelling Up, Housing and Communities) provided Grant Confirmation, allocating funding for the Stevenage Investment Plan over a five year period – subject to approval of business cases by the Accountable Body (Stevenage Borough Council) and Government conditions.
- 3.8 In working on the next stage of detailed preparation, the Stevenage Development Board will work proactively to support high quality business cases that align with the Town Investment Plan.
- 3.9 This process also sets out a clear role for Stevenage Borough Council as the Accountable Body for the allocation of funding for Towns Fund projects, and

requires the Council to undertake assurance assessments, review and approval of business cases to draw down funding for projects within the Town Investment Plan.

- 3.10 To secure the allocated Towns Fund package, all business cases must be complete and signed-off by the Accountable Body, with the accompanying project summary sheets submitted to MHCLG by 24 March 2022.
- 3.11 As the Council will also be the lead delivery organisation for a number of projects, additional development of the business cases, detailed plans, planning applications (where relevant), will require further decision making in future years in accordance with the Council's Constitution.

Review and comments of the Executive (15 September)

- 3.12 The report at Appendix 1 was presented to the Council's Executive in September and approved, with one changed recommendation: *"To note that all Business Cases will be prepared for submission to the Ministry of Housing Communities & Local Government (MHCLG) by 24 March 2022. A report will be prepared for a meeting of Full Council confirming the approval of Business Cases for submission to the MHCLG with delegated authority to the Executive."*
- 3.13 Executive noted that this programme is based upon some challenging timescales and the Leader requested officers to identify some dates for additional Executive meetings to consider the Business Cases.
- 3.14 Members of the Executive posed a number of questions in relation to the capacity and resources needed to support and deliver this programme. Officers confirmed that external professional support had also been engaged. Other Council Teams (particularly Planning and Finance colleagues) would also be assisting in the process.
- 3.15 Officers confirmed that correspondence from the MHCLG indicated that successful Town Fund bidders should receive an upfront payment of 5% of the total Towns Fund award. For Stevenage this was estimated to be £1.875M, to assist with the development of Business Cases and the implementation of projects. This sum had yet to be received at the point of Executive, but has now been received.
- 3.16 Executive noted that the Stevenage Development Board would be required to endorse Business Cases before they were considered by the Executive. A Chair's Panel, comprising of officers, external experts (including the Development Board Theme Lead for each project) and Members, would be established to vet the draft Business Cases before submission to the Development Board and Executive. Officers also confirmed that the timing of any further planning approvals for projects would vary dependent on the size and complexity of each scheme. Some projects (such as the Marshgate Science Innovation Centre) already benefitted from having planning permission in place.

- 3.17 The Leader asked the Chief Executive to invite the Chairman of the Stevenage Development Board to future Executive meetings where Town Deal Business Cases were being considered, and to further enhance planned communications activities.

Review and comments of the Overview and Scrutiny Committee (22 September)

- 3.18 The report at Appendix 1 was considered by the Overview and Scrutiny Committee (22 September 2021).
- 3.19 Members raised a number of questions, firstly seeking confirmation around the geographic area covered by the Town Deal. Officers confirmed that the projects are concentrated in the town centre, but that there may be some areas of flexibility. Members also asked for confirmation regarding the status of the Stevenage Development Board, and how the Council is represented on this. Officers confirmed Member representation on the Board, the approval process used by MHCLG in respect of securing an independent Chair of the Board, and that a report confirming the steps to be taken to establish a Board had been previously reported to the Executive.
- 3.20 Members expressed interest in remaining engaged with projects, sharing ideas for meanwhile use projects, and on specific projects such as walking / cycling, and leisure. Officers confirmed every Business Case would be thoroughly scrutinised and considered by the Executive and Overview and Scrutiny Committee, and at later stages of the project development, full Council. In addition, it was noted that the Community Select Committee was looking closely at the New Town Heritage Centre, and significant preparation had been conducted on a business case for new and enhanced leisure facilities. Members sought information on other projects beyond the scope of this project, including the opportunities to redevelop locations such as the Oval and Marymead shops.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 Having secured an allocation of £37.5m funding, Stevenage Borough Council, Stevenage Development Board and local partners are required to work through comprehensive business case development and assurance processes to enable drawdown of funding.
- 4.2 These requirements are set out by MHCLG as part of their Stage 2 guidance of the Towns Fund. Stage 2 of the Town's Fund process focusses on the development of business cases for each of the projects, and is required to be complete before 24th March 2022.
- 4.3 This stage of activity is to ensure local partners work with government to demonstrate the feasibility, viability and value for money of their projects. This includes:
- Developing and submitting the Town Deal Summary Document

- Business Case development for all approved projects
- A full list of projects
- Detail of the processes used for business case assurance and approval followed for each project
- Confirmation of actions taken in response to any conditions applied in the agreed Heads of Terms between MHCLG and local partners
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project
- Undertaking Public Sector Equalities Duty analysis
- Approval from the Town Deal Board (the Stevenage Development Board) and Lead Council (Stevenage Borough Council).

4.4 Stevenage Borough Council and Stevenage Development Board are required to conduct project assurance for each individual project. MHCLG expect business cases to include:

- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
- An assessment of value for money, including showing how different types of projects will be compared and assessed.
- A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
- Clearly defined inputs, activities, outputs and anticipated outcomes.
- Appropriate consideration of deliverability and risk along with appropriate mitigating action.

4.5 Each business case should be assured by the Accountable Body (in this case, Stevenage Borough Council), prior to submitting summary documents to MHCLG.

4.6 To support the assurance process, and ensure appropriate separation of interests when the Council is acting as Accountable Body, an Officer Panel ('Chair's Panel') consisting of senior Stevenage Borough Council and partner Officers (a Director, Section151 Officer, Monitoring Officer and potentially Hertfordshire LEP, Hertfordshire Growth Board, Hertfordshire County Council Officers) will be established to ensure business cases meet requirements before being recommended to the Development Board for approval. It is proposed that the following approval route is followed for the submission of business cases to MHCLG:

- Business case developed by Officers and Stevenage Development Board partners

- Review of business cases by a 'Chair's Panel' including key Council Officers to ensure strategic alignment, deliverability, value for money and the ability to implement the Town Investment Plan, as part of the assurance process
- Approval of the business case by Stevenage Development Board
- Business case to be approved by Stevenage Borough Council Executive Committee and considered by Overview and Scrutiny Committee, as the 'Accountable Body'
- Summary of the business case to be submitted to MHCLG to access funding.

4.7 Under the Council's Constitution, Executive has the authority to approve the business cases under £5 million fully external funding, or where the Stevenage Borough Council contribution is less than £500,000 and funding can be identified.

4.8 Some of the Towns Fund projects are above this threshold and will have decisions that require further Council approval at the appropriate point in time. Further information on this is provided in section 4 of Appendix 1.

4.9 Our proposed assurance plan is for each business case to be approved by the Executive prior to submission to MHCLG.

4.10 Where a major business case is seeking to utilise funding within the financial year, an updated version of the business case will be reported to Executive and Council as required.

5 IMPLICATIONS

Financial Implications

5.1 See Executive report at Appendix 1.

Legal Implications

5.2 See Executive report at Appendix 1.

Risk Implications

5.3 See Executive report at Appendix 1.

Policy Implications

5.4 See Executive report at Appendix 1.

Planning Implications

5.5 See Executive report at Appendix 1.

Environmental Implications

5.6 See Executive report at Appendix 1.

Climate Change Implications

5.7 See Executive report at Appendix 1.

Staffing and Accommodation Implications

5.8 See Executive report at Appendix 1.

Human Resources Implications

5.9 See Executive report at Appendix 1.

Equalities and Diversity Implications

5.10 See Executive report at Appendix 1.

APPENDICES

1 REPORT TO EXECUTIVE 15 SEPTEMBER: TRANSFORMING OUR TOWN CENTRE PROGRAMME UPDATE AND TOWNS FUND DECISION MAKING