

Meeting Executive
Portfolio Area Regeneration
Date 12 October 2023



TOWNS FUND – PROGRAMME DELIVERY UPDATE

NON KEY DECISION

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1 PURPOSE

- 1.1 This report aims to provide an update on to the projects within the Government’s Towns Fund programme being delivered by Stevenage Borough Council and Stevenage Development Board partners. The Council, acting as the Accountable Body for the delivery of Towns Fund, is required to provide formal updates to the Executive under DLUHC guidelines.

2 RECOMMENDATIONS

That Executive notes the endorsement from the Stevenage Development Board on the following recommendations, and:

- 2.1 Notes the progress of the ‘Transforming the Town Centre’ regeneration programme, specifically the DLUHC grant funded Towns Fund projects.
- 2.2 Notes the progress made and early-stage consultation with regarding the New Towns Heritage Centre and Museum.
- 2.3 Authorises delegated authority to the Strategic Director (TP) to procurement of design services via procurement framework for the Station Gateway and

Central Core West Major Opportunities Areas (MOA), noting the work undertaken thus far.

- 2.4** Notes the amends to the 2023/24 spend profile, in line with official DLUHC guidelines (3.30-4.3).

3 BACKGROUND

- 3.1** The Future Town Future Council (FTFC) Programme identifies the regeneration of the Town Centre as the top priority for Stevenage Borough Council. This will have long lasting benefits for residents, businesses, and visitors.

- 3.2** To support this priority, the Stevenage Town Investment Plan was developed following invitation from the Government in 2019, and Stevenage was successfully awarded £37.5 million of funding through the Department of Levelling-Up, Housing and Communities (DLUHC) Towns Fund programme. Each of the 9 projects included in this programme required Green Book Business Cases to be developed which were successfully approved by the Executive, following endorsement from the Stevenage Development Board, in 2021/22. This report seeks to provide an update on the delivery of Towns Fund and subsequently highlight some of the successes which have dovetailed from this investment.

Skills, Enterprise & Life Sciences

- 3.3** Stevenage is situated centrally within the UK Innovation Corridor (UKIC), part of a dynamic cluster connecting London to Cambridge which supports an economy worth £189 billion, 2.8 million jobs, out-performs the Oxford to Cambridge Arc and is now Britain's Fastest Growing Region. Stevenage is already home to a world-leading life science cluster, including more than 40 life science companies and the Cell and Gene Therapy Catapult. Following the recent move of Autolus into the Marshgate Biotech project, support by the Towns Fund programme, other major bioscience companies have come forward with requirements for space in locations within Stevenage town centre.
- 3.4** In response, two private sector led schemes have come forward to create a significant supply of life sciences laboratory space in the town centre and on an adjacent fringe location, where over half a million square feet of laboratory space is now to be developed. One is The Forum, a significant mixed-use development on the Forum buildings and car park which will deliver over 400,000 sqft of laboratory and research office facilities, over 60,000 sqft of retail space. Planning permission was issued in June 2023.
- 3.5** In addition, UBS Asset Management and Reef have announced development of a major new campus for life science firms in Stevenage and provide up to 1.4 million square feet of lab and office facilities, space for up to 5,000 new jobs, alongside GSK's existing Global R&D centre and the Stevenage Bioscience Catalyst, the leading location for advanced therapeutics in the UK.
- 3.6** The level of investment that in being seen in Stevenage continues to highlight the need to provide opportunities for our residents to upskill and be a part of

the significant Life Science investment the town is experiencing. Skills, STEM and enterprise remain a key theme of the Towns Fund programme, with two projects directly supporting these aspirations. One project being the Stevenage Innovation and Technology Centre (SITEC), which saw Phase 1 delivered in partnership with North Herts College and Hertfordshire LEP. SITEC aims to provide a space for local people to the skills and knowledge needed for success in the many STEM businesses in the area. Phase 1 of SITEC repurposed space at NHC including refurbished laboratory space and state of the art industry equipment.

- 3.7** Building upon these aspirations, Mission 44 approach the Council last year to discuss their interest in funding a project to support Stevenage's young people (heard at Executive February 2023). The establishment of a partnership consisting of the Council, Mission 44, NHC, UoH and Hertfordshire LEP developed the Pioneering Young STEM Futures programme which launched in September 2023. The vision to create the right environment so that Stevenage's disadvantaged Young People have equal access as their peers to Stevenage's STEM careers.
- 3.8** These partnerships and ambitions for growing and nurturing the STEM and Life Science sector in Stevenage is demonstrated through the progress above.

Other Project Progress 2022-23

- 3.9** 2022-23 has been full of achievements for Stevenage, building upon the work set out in the Town Investment Plan. Under the Diversification of Retail project, Event Island Stevenage began construction on the old bus station site, opening to the public in October 2022, utilising a mix of Towns Fund allocation and support from UKSPF. Event Island Stevenage is a new green space that offers a multi-purpose and informal play area with a variety of activities. The ambition to deliver a temporary space to generate activity for local communities to use and enjoy, a place to dwell and contribute positively to urban life. The impact of the space has been greatly received, growing the Town Centre event schedule through joined up planning across a number of council departments.
- 3.10** In May 2022, work began on the new Railway North Multi-Storey Car Park (MSCP), opening to the public in May 2023. The project doubled the available car parking provision with 622 spaces, with spaces for electric vehicle charging and blue badge spaces split across all levels plus secure cycling parking for 80 bikes. External metal facades incorporate images highlighting the achievements of Stevenage in the fields of science and technology and celebrating that the heart of a town lies in its people.
- 3.11** A full wrap up of project delivery from Towns Fund and beyond can be found in Appendix A.

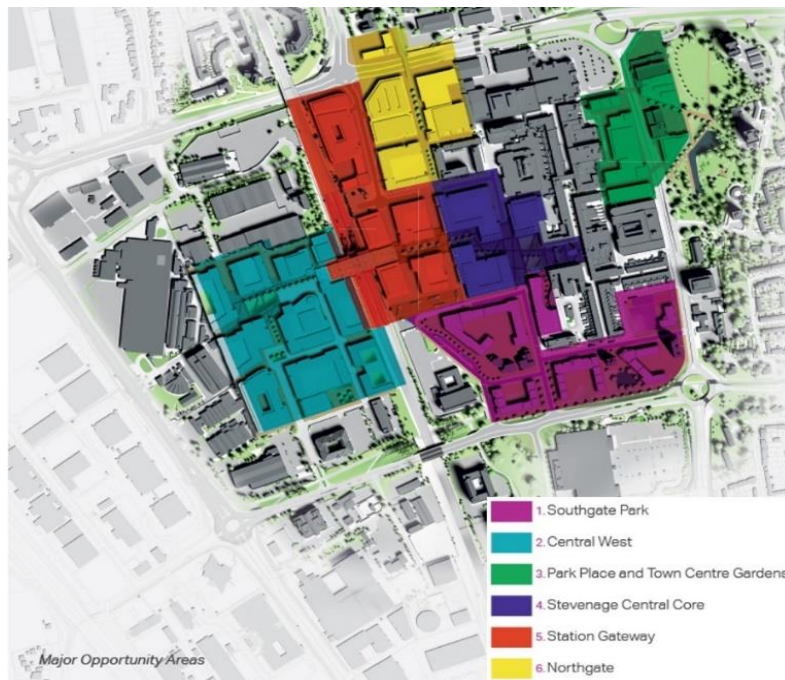
Station Gateway

- 3.12** Under the Station Gateway project within Towns Fund, significant progress has been made with the completion of the new MSCP in May 2023, as noted above. The new MSCP begins releasing surface level car parking which begins to unlock the wider Station Gateway and Central West Major

Opportunity Areas (MOA), as noted in Stevenage Central Framework (SCF) (2015):

“Station Gateway MOA is the key to stimulating the demand for office space in Stevenage Central. Lytton Way is proposed to be reconfigured and the land released used to provide development sites close to Stevenage Station. It is essential to create development sites alongside the potential to construct a new station building in response to growing demand as the station develops its role as a key hub Station on the East Coast Mainline. Available development sites and a modern rail gateway into Stevenage Central are essential pre-requisites to create a market for commercial development.”

3.13 Stevenage Central – Major Opportunity Areas graphic



3.14 From the SCF (2015), each MOA highlights proposed uses and development capacity. The Station Gateway MOA highlights opportunities for a new rail station, new bus station and MSCP (already delivered), high-quality and mixed-use blocks to include retail, residential and office space, and hotel provision. A total site of 6.6ha.

3.15 There is funding available from Towns Fund (£500k) to continue the master-planning and enabling work, in which this report seeks approval from the Executive to continue. The Council’s Planning Policy team has been developing an Area Action Plan for the Station Gateway Area over the past two years, and the funding for master planning will support the next phase of work to plan how the area can develop over the next decade. There has been positive engagement with a landowners and government agencies over recent months to support this moving forward. It is a prime time to continue master-planning this next phase of regeneration as the Sports & Leisure Hub project progresses, including future options for an eventual use of the Arts & Leisure Centre site, and building the case to government for an improved rail station. It is important to note Officers will continue to look at opportunities to work with partners to progress, but this is a long term ambition with no

assumptions being made at this stage in connection to the Station and Lytton Way as these early stage discussions progress.

- 3.16** Officers propose use of an approved procurement framework, subject to procurement, legal and commercial review, to procure design services and engage with relevant local partners through the design process.

New Towns Heritage Centre & Stevenage Museum

- 3.17** The New Towns Heritage Centre & Museum project within the programme, includes the provision of a new museum and cultural facility that celebrates the New Towns movement and the important history of the people of Stevenage. This will include modern exhibits that utilise technology, enriches people's understanding of the New Towns movement nationally, and creates an accessible and diverse facility that enriches cultural experiences for as many residents as possible. The facility will be delivered as part of the Public Sector Hub in the town centre, creating a real cultural and community hub with integration with a food and beverage offer, the library, and pop-up spaces and events.
- 3.18** Through the development of this business case, the new facility benefitted from a significant body of work carried out by the Council's Community Select Committee in 2021 including site visits and both informal and formal meetings. The aim was to give cross-party representation of Members the opportunity to help shape the early thinking around the project. The work resulted in five main recommendations, these and a full summary can be found in Appendix C.
- 3.19** In addition to Member engagement, a series of engagement focus groups were carried out with a wide range of stakeholders including regular visitors and volunteers of the current Museum, public sector and community partners, business owners and other leading organisations. They discussed:
- Current and future audiences.
 - Barriers to engagement.
 - The current museum – what works and what does not.
 - The new facility.
 - Potential ways of working together.
 - Physical infrastructure.
 - The most important elements to take forward.
- 3.20** The full findings of these meetings can be viewed in Appendix B, however the essence of the finds is that the new facility should be:
- “A community asset based on the ground floor of the new building, with additional staff and resources to tell the story of Stevenage contextualised by the story New Towns. The community stakeholders want the spaces to be interactive, co-created, developed and delivery in collaboration with the local community and embodying the pioneering spirit of Stevenage.”*

- 3.21** 'The heart of a town lies in its people' is the motto on Stevenage's coat of arms; a phrase that was recounted a number of times in the consultation as the guiding principle for how Stevenage Museum is currently delivered and how it should be delivered in its new home in the centre of its town.
- 3.22** Building upon the work mentioned above, throughout June and into early July 2023, an early-stage consultation survey was carried out to understand what residents and visitors expect from their new Museum. Key messaging included:
- The Stevenage Museum is a key feature of Stevenage town centre. Showcasing the history of the town, along with a programme of events for all the family, the Museum is a much-loved community space that celebrates the arts, culture, and history of the UK's first New Town. It needs to be given a 'centrepiece' setting, celebrated, and expanded for the future so that we can continue to tell our story.
 - Under current plans, the Museum will be relocated to the Hub, a one-stop location for public services overlooking a new garden square. As early works on the design of this Hub begin, this is an ideal opportunity to recognise how The Museum should be integrated, and what our local residents and businesses expect from a relocated Museum.
 - This is the start of an extensive consultation period for people to have their say on how they would like to see the Museum positioned.
 - We want this new space to be an even better focal point to celebrate the arts and culture of our town, allowing us to better celebrate our heritage. We are the UK's first new town and throughout our regeneration we have sought to embed our heritage, arts, and culture into the wider programme. The Museum project sits at the epicentre of this.
- 3.23** 293 responses were received from the survey (available on both paper and online) which hosted both qualitative and quantitative questions, a summary of the key responses are below. A full report has been provided to the architects currently working on The Hub to ensure the early feedback can be incorporated to design.
- What would encourage you to visit? A more central locations, more exhibition and activity/event space, different opening hours.
 - Top 3 facilities? Café, toilets, and rentable space for the community.
 - Top 3 activities & events? Family friendly, educational, and interactive experiences.



3.24 As noted in 4.2, the new facility is to be included as part of the Public Sector Hub, being delivered at part of SG1 with developers Mace. The Hub is currently in early design stages, in which a team of architects have been appointed by Mace. They are working closely with all stakeholders including the Council, community and voluntary services, Hertfordshire County Council, and a multitude of health services. It is envisioned the Executive will receive a full update at the next project gateway decision, following the conclusion of RIBA stages 1 and 2.

3.25 Alongside the practical design and stakeholder management, the Council are actively exploring business case funding options to support the delivery of the project.

Towns Fund Delivery – Next Steps

3.26 The Towns Fund programme has a spend deadline of March 2026. Great progress has been made on delivery in the last two years, and with 2 and a half financial years remaining officers are actively progressing the remaining projects to achieve this target-date.

3.27 With £9m allocated to skills and enterprise, the next 6 months will see further development of project outline cases to enable confident delivery of spend. Officers continue to engage with Stevenage Development Board to incorporate their ideas to this workstream.

3.28 To support Council’s in delivery, DLUHC has recently introduced a delegated Project Adjustment Request (PAR) process for some of its Levelling Up programmes. Following this announcement, they have updated the Towns Fund PAR guidance and republished some general principles and criteria for places making changes to their projects.

3.29 This guidance includes:

- What constitutes a Project Adjustment Request (PAR)?
- What is out of scope for a PAR?
- What criteria PARs need to meet?
- How are PARs assessed?
- How to Submit PARs

3.30 DLUHC have given Accountable Body’s the power to solely move project funding across years with no change to planned outputs and outcomes and

removed this out of the scope for a PAR. However, should there be any changes required in the future surrounding project outputs, officer's would come back to the Executive for their approval prior to submitting a PAR.

3.31 The full guidance document can be found in Appendix D.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 The Council are looking to utilise the power to move project funding across years for the 2023/24 profile (below, 4.2). The proposal is to shift the funding for both Stevenage Enterprise Centre and SITEC to be achieved in 2024/25. The reason being these projects are officers are continuing to define the delivery mechanisms with partners for the projects in question and having the funds available next financial will place the Council in the best position possible to be delivered.

4.2 The table below summarises the existing funding profile approved by government and the Stevenage Development Board

2023/24 Funding Profile	Total £10,650,000
Stevenage Enterprise Centre	£4,000,000
Gunnels Wood Road Infrastructure	£1,000,000
Station Gateway	£0 (£500k 24/25)
Marshgate	£0
SITEC	£2,000,000
New Towns Heritage Centre & Museum	£500,000
Stevenage Sports & Leisure Hub	£2,100,000
Cycling & Pedestrian Connectivity	£1,000,000
Diversification of Retail	£50,000

4.3 There is no longer the requirement to take this decision through a PAR process, however for transparency, the Stevenage Development Board have fully endorsed the decision (September 2023 Board Meeting) and are asking the Executive to note the change as the accountable body.

4.4 The Towns Fund programme leads have presented these recommendations and the findings to the Development Board and the Chair. The Development

Board have noted the substantial progress of the Towns Fund programme in 2022/3 and endorsed the continuing of the projects.

- 4.5** Stevenage Borough Council are the Accountable Body for the Towns Fund allocation. Therefore, the Executive is asked to consider the recommendations as noted in section 2 to continue the progress of the programme and utilise the Accountable Body powers to reprofile the funding and reflect this within SBC own capital reporting.

IMPLICATIONS

5 Financial Implications

- 5.1.1** There are no financial implications in relation to the moving of funds between financial years. However, it is important to note the delivery of the Towns Fund projects are not solely covered by this funding stream and requires match funding from other third-party avenues and/or the Council. A capital funding strategy is required to further explore all capital pressures Council-wide and further exploration as to the priority of delivery.
- 5.1.2** Members should note that the current Towns Fund conditions require the grant to be fully spent by 31 March 2026.

5.2 Legal Implications

- 5.2.1** The approval process previously set out at Executive and Council (“Transforming our Town Centre progress update and Towns Fund decision making”) has been followed for all Towns Fund business cases. There will be further decision-making gateways required as projects continue to mobilise. There are some projects in which our partners will be directly delivering and the Council solely acting as the accountable body. In preparation for this, Accountable Body Agreements have been drafted and following Legal Services review they will be issued ahead of any funds being transferred.

5.3 Risk Implications

- 5.3.1** Full details of risks relating to each of the Towns Fund projects can be found in their individual business cases. As projects mobilise and enter into delivery, full risk registers are updated.
- 5.3.2** Further work is required on the capital funding strategy for all of the Council’s ambitions and noted above.
- 5.3.3** There is a risk that if schemes are part-funded by Towns Fund, but not delivered in the required timescales (spend by March 2026), unspent funding will have to be returned to government.

APPENDICES

- A Towns Fund Delivery Highlights 2022/23
- B Museum Community Stakeholder Report November 2021
- C Community Select Committee 2021 – New Towns Heritage Centre Recommendations
- D Towns Fund PAR Guidance July 2023