

Part I – Release to Press

Meeting Executive

Portfolio Area Regeneration

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REGENERATION PROGRAMME DELIVERY UPDATE

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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.

2 RECOMMENDATIONS

That Executive:

- 2.1 Notes the progress of the 'Transforming the Town Centre' regeneration programme, specifically the progress of projects which are being delivered using grant funded Towns Fund allocations provided by the Department for Levelling Up, Housing and Communities (DLUHC).
- 2.2 Authorises the progression of the Cycling and Pedestrian Connectivity (inc. Arts and Heritage Trail) project, approves the high-level budgets attributed to the three workstreams and acknowledges the future collaboration with

- Environment and Economy and the Community Select Committees to support the delivery of these interventions.
- 2.3 Approves the reprofiling of the Towns Fund expenditure profile as shown in the 3rd Quarter capital update report to this Executive, following endorsement from the Stevenage Development Board.

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 The Stevenage Central Framework sets out a clear vision and the scale of opportunity within a regenerated town centre that 'Stevenage was, and should be again, a destination town centre with a combined retail, leisure and residential offer that will meet the needs of our population and attract visitors well into the future. We need to recognise the huge changes that are underway in terms of retailing and what people are seeking in their leisure time. We also need to build on the traditional role our town centre has played in being a meeting place and central hub for our community'. This mixed-use regeneration will create a lasting sustainable legacy in the town, where people can live, work, and socialise within a high-quality built environment fit for the 21st century.
- 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 Towns Fund programme.
- 3.1 As identified above, Stevenage is in a period of significant transformation, with a range of schemes both public and private in the pipeline to create a 21st century new town. This reflects the vision set out by the Stevenage Development Board, and reflected in the Town Investment Plan which is intended to help develop proposals to provide local opportunity and reinvigorate the town. This Town Investment Plan was based around five key themes:
 - Reflecting and reinterpreting our New Town Heritage
 - Embracing sustainable travel
 - Transforming the town centre as a place of opportunity
 - Upskilling and providing opportunities
 - Supercharging the growth of businesses
- 3.2 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

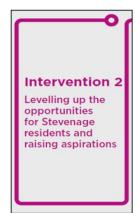
- Fund and subsequently highlight some of the successes which have dovetailed from this investment.
- 3.3 The regeneration programme is now well underway, with a number of projects underway or completed. This includes:
 - Enhancement of spaces in the town centre: The improvement of Market Place, including seating areas and a play trail, the upgrade of Littlewoods Square on Queensway, and the refurbishment of Town Square.
 - Celebrating heritage, creativity and culture: Creating the new 'Event Island Stevenage' in the heart of the town centre.
 - Investment to create a thriving town: The purchase of 2 29 Town Square, the redevelopment of the northern part of Town Square and the creation of the Co Space facility which now is home to up to 300 jobs.
 - The regeneration of Queensway: Partnership with Reef Group and Aviva to regenerate the former M&S store and parts of northern Queensway to create 110 apartments, 7 office spaces and attract new retailers.
 - Creation of a new Bus Interchange: A brand-new, high-quality facility with capacity for additional services.
 - **Enabling development:** Through the acquisition of sites required for the SG1 programme, planning and preparation works, and partnering with Mace to design a high-impact, multi-year SG1 programme to help transform the town centre.
 - Creating capacity for new jobs: This includes enabling the delivery
 of a new European facility for Autolus, the private sector-led
 redevelopment of the Sycamore House building into a life sciences
 centre (100,000 square feet), approval of planning application for a
 mixed life science and commercial regeneration project in the Forum,
 generating c1,800 new jobs; and planning application for the land to
 the north of the GSK site, with potential for the creation of over 4,000
 new jobs.

Developing opportunities and new employment

3.4 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 town centre, supported by the Towns Fund programme, other major bioscience companies have come forward with requirements for space in locations within Stevenage town centre and employment area.

- 3.5 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 square feet of retail space. Outline planning permission was issued in June 2023 and the scheme is being promoted by UBS Asset Management and Reef.
- 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.
- 3.7 The level of investment that in being seen in Stevenage continues to highlight the need to provide opportunities for our residents to acquire new skills and benefit from the growing sectors and opportunities in the town. Skills and enterprise remain a key theme of the Towns Fund programme, with two projects directly providing this initiative.
- 3.8 A core aspiration of the Town Investment Plan were the three interventions:







3.9 Faced with pockets of deprivation across the town, lower levels of attainment and lower levels of qualifications than neighbouring areas and the national average, and with resident earnings being on average lower than that of incommuters, some residents are not being afforded the opportunity to benefit from the opportunities which are likely to become available. This can be viewed in the table below.

Earnings – median annual earnings							
	St		evenage	Herts			
Residents		£29,100		£35,450			
In-commuters		£35,500		£32,730			
Pupil attainment							
Pupil	attainme	nt					
Pupil	attainme Stevenage		Herts	England			
Pupil KS1			Herts 78.3%	England 75.6%			
	Stevenage						

- 3.10 As it stands, this change to the labour market poses a challenge. To address this challenge and to extend opportunity for the local community, the Council has adopted the new 'Stevenage Works' Skills Framework.
- 3.11 In February 2024, Executive approved this enhanced approach to skills, jobs and opportunity, working together with partners to help ensure Stevenage is an exemplar in securing outstanding opportunities for local people. A summary of the Framework is provided below:



3.12 This is a unique opportunity to deliver on the strategy to create opportunities for Stevenage residents. There is a significant skills shortage in Hertfordshire for engineering sector, emerging green skills required for transport and construction sector. Engineering and technology roles are predicted to grow in all UK regions between now and 2030 and beyond, faster than other occupations.

Towns Fund Project Progress Report and Community Engagement

3.13 The delivery of the regeneration programme has continued during 2023/24 making progress to achieve the outcomes set out in the Town Investment

Plan. A recent report by the National Audit Office (November 2023) highlighted of the total £10.6bn Government Levelling Up funding packages, £0.9bn has been spent by local partners and made a series of recommendations to enhance oversight of the funds and impact of the funds. The report noted that 'projects are happening at a time when there is pressure on public finances because of the impact of the COVID-19 pandemic, the energy and cost of living crisis and sudden interest rate rises'.

- 3.14 In Stevenage, work to deliver against the Stevenage Town Investment Plan is well underway, preparation to ensure full delivery of allocated funding and impact. The Towns Fund programme was established through the engagement with residents, community groups, businesses and key stakeholders.
- 3.15 This year the programme has completed three extensive community engagement activities, which are discussed in further detail below. Regular and meaningful engagement with the community around projects is central to the programme, and the council is committed to a town centre that communities, businesses and visitors can continue to be proud of. The town centre is an asset for everyone to enjoy and it is critical that this is shaped in collaboration between all stakeholders, recognised the assets that make the town special.
- 3.16 A full summary of project delivery from across the Regeneration Programme and Towns Fund and beyond can be found in **Appendix A.**

Cycling & Pedestrian Connectivity (incl. Arts & Heritage Trail)

- 3.17 In August 2023 three new pieces of artwork on the walls of the underpass located at the Broadhall Way roundabout were unveiled. The installations were designed to encourage active travel and utilise the 45km of cycleway that Stevenage offers. The project was funded through the Towns Fund allocation to Cycling and Pedestrian Connectivity (Arts and Heritage trail) and was delivered in partnership with Hertfordshire County Council to create this colourful welcoming pathway to key areas within the town.
- 3.18 Most recently, engagement has commenced with community groups in relation to the next set of underpass artworks for the town, the community were asked to choose the next three themes to be art worked. At the time of writing the survey is still underway and due to close on Friday 8 March although over 400 responses have already been received. Further engagement on future artworks is planned and we look forward to working with the community on designs for these.

Diversification of Retail

3.19 Event Island Stevenage is a new green space that offers a multi-purpose and informal play area with a variety of activities. The impact of the space has been well received, growing the Town Centre event schedule through joined up work planning across departments. A number of exciting events have already taken place on Event Island since it launched. These include Children's Playday, Halloween activities, Barrio Fiesta and the well-attended Christmas lights switch on 2023.

3.20 Officers are considering options for the remainder of this funding allocation, utilising principles set out in the Grimsey Review, and the Stevenage Central Framework. Aligned with the project aim of facilitating the diversification of the town centre, to use leisure, culture, experience, food and beverage and events programme to create a vibrant resident and visitor experience.

New Towns Heritage Centre

- 3.21 Arts and culture, and the heritage of the town, is celebrated at Stevenage Museum. It is a valued community space, and through the Towns Fund programme funding has been secured to expand the offer as part of a new community and public service Hub, to celebrate the rich history of the town and New Town Heritage more broadly.
- 3.22 In Summer 2023 a survey was opened up to the local community around the relocation of the museum as part of longer-term transformation proposals within the town. Almost 300 people completed the survey, providing important feedback as the team looks to further celebrate and expand the museum so that the rich history of the town can continue to be told.
- 3.23 Unsurprisingly, the museum is well loved by the community and is friendly and welcoming with informative and educational displays. However, some comments reflect that the venue is small and dark, and hard to find. This engagement has highlighted a range of aspirations from those who responded, and positive support for options to see the museum relocated to a more central location with different opening hours, and improved facilities including a café and better toilet facilities, including accessible toilets. Work continues on the museum relocation project, alongside plans to bring forward the community and public service Hub.

Sports and Leisure Hub

- 3.24 In October 2023, Executive authorised the Sports and Leisure Hub project to appoint Morgan Sindall to progress the designs for the new facility. The proposed new facility will bring sports, swimming, leisure and well-being provisions all together under one roof.
- 3.25 The project team are continuing to work though feasibility options and viability work with Morgan Sindall and anticipate entering the contract with Morgan Sindall in Quarter 1 2024/5.
- 3.26 Whilst the project team continues mobilise and prepare to enter the contract. It is vital that the new facilities are designed to meet the needs of the town and its communities, and the approach has been to commence with an early-stage survey for residents in November 2023. The council asked communities to share what they would like to see in the new facility, bringing together all under one roof the sports and swimming facilities, currently provided at Stevenage Arts & Leisure Centre, and Stevenage Swimming Centre. Over 400 responses were received. Key feedback included respondents commenting that they would like to see a modern building in an accessible location, with adequate parking including blue badge spaces, and bicycle parking. There were requests for a café, space for lane swimming and wellbeing as a key focus. This is a facility for the local community and the survey is the start of an extensive period of co-production to work together on a building with something for everyone.

- 3.27 Stevenage has a history of celebrating arts and culture and we are proud of the theatre and what it offers, and the council is committed to retaining a theatre within Stevenage Town Centre. Reflecting upon the feedback from residents, the theatre will not be moving to the new facility, and it will continue to operate as normal during the development and after the delivery of the new Sports & Leisure Hub.
- 3.28 Officers continue to engage with Morgan Sindall and HCC to explore the different delivery scenarios which encompass the ethos of the project but embed the resident feedback, whilst ensuring that there is a continuity of youth service provided at Bowes Lyon.
- 3.29 Further detail on the results from the resident feedback survey can be viewed in **Appendix B**.

Gunnels Wood Road

3.30 The purpose of the Gunnels Wood Road Infrastructure Improvements project is to support the unlocking of development land and carry out preparatory works in the undertaking of transport improvements to the current gyratory. Partnership engagement and close working continues with Reef Group regarding the development of this scheme to coincide and enhance the expansion of the GSK site.

Station Gateway Enabling works

3.31 In October 2023, Executive gave delegated authority to explore the procurement of design services via a framework for the Station Gateway and Central Core West Major Opportunity Areas (MOA). This has been successfully carried out with a Design Services Management Agreement (DSMA) being signed in January 2024 with Muse Places, A workplan has been agreed which looks to provide a robust masterplan of the MOAs in the next 12 months.

SITEC

- 3.32 Science Innovation and Technology Centre (SITEC) project is continuing and explore options for delivery as part of the Towns Fund programme. The SITEC project was allocated £5 million with the summary business case endorsed by Development Board and approved by Executive in March 2022, noting this project was at an earlier stage of development than other schemes but with potential to achieve a significant benefit related to skills provision.
- 3.33 The SITEC project concept has been created in partnership with North Herts College, Stevenage Borough Council, and Hertfordshire Local Enterprise Partnership. The partnership aims to make the most of Stevenage's position in the Golden Triangle of Research and Development between Oxford, Cambridge and London, providing a space for local people to access and learn the skills and knowledge needed for success in the many STEM business in the area.
- 3.34 The first phase of this partnership has been complete at the college (SITEC Phase 1) and opening in March 2023, offering a range of new T level and Apprenticeship qualification across science, engineering, Digital and

- Sustainable technology subjects, and based at North Herts College's Stevenage campus.
- 3.35 At this stage, Officers are working closely with North Hertfordshire College and Stevenage Development Board to develop the next phase of this project. The aspiration remains to create a highly visible, standalone skills centre that could provide a wide variety of courses. The outline business case approved by Executive (March 2022) agreed to explore two different scenarios, investment into North Hertfordshire College's current campus, and a facility in the town centre.
- 3.36 Stevenage Borough Council and North Hertfordshire College are developing the business case for this new facility which will return to Stevenage Development Board and Executive in Quarter 1 2024/25.

Enterprise Centre

- 3.37 The Enterprise Centre project was allocated £4 million from the Towns Fund delivery programme, with a summary business case endorsed by Development Board and approved by Executive in March 2023.
- 3.38 The Enterprise Centre situated in the heart of the town centre to aspires to provide employment space, reactivating underutilised spaces and boosting footfall in the town centre.
- 3.39 Stevenage Development Board requested that Officers continue to explore options regarding delivery of the facility. As this project remains at the conceptual stage, a further report will be provided to Executive to provide a business case and delivery for the project within Quarter 1 2024/25.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 In March 2020, the Stevenage Development Board was established to oversee the development of a Town Deal for Stevenage. The Board's role is to provide strategic leadership and to set out a Town Investment Plan with a clear vision, strategy and delivery proposals in place, which reflect the ambitions of local people. The Board consists of key stakeholders from public sector organisations, private businesses, and not-for-profit organisation, to ensure a diverse range of views are represented.
- 4.2 Monitoring and evaluation are a key aspect to ensure all Towns Fund progress is captured as projects come forward into the delivery phase, ensuring accountability for public funding. Clear guidance has been set by DLUHC which follows mandatory outputs and outcomes set during the Business Case phase via a Monitoring & Evaluation Framework. The programme management team report of these elements bi-yearly, a December return which analyses April-September and a June report for October-March (with an emphasis on the year in its entirety). Each reporting return encompasses expenditure, risk management, outputs/outcomes, programme management and third-party funding. Prior to submission, the expenditure is capital assured by the Council's capital team and when finalised the return is reviewed by the Stevenage Development board.

- 4.3 As the financial year draws to a close there has been a significant amount of enabling work completed which will position the programme in a positive position to continue the work of the Towns Fund programme.
- 4.4 To continue to progress these projects the Development Board have endorsed a package of decisions relating to three of the key projects.

Cycling and Pedestrian Connectivity (inc. Arts and Heritage trail)

- 4.5 Cycling and Pedestrian Connectivity (inc. Arts and Heritage trail) project was listed as an outline business case in 2021 when the Towns Fund allocation was confirmed. It was indicated that this project would encompass a range of projects within this allocation, but all which aligned with the business case parameters and definition.
- 4.6 The project was allocated a total of £3.5 million. Currently circa £430k has already been delivered through the delivery of the Cycle Storage at the new Multi Storey car park, underpass improvements and a small amount of spend relating to further development of the project.
- 4.7 The project focusses on two core element elements; the first is to deliver a heritage and arts trail that creates a quality visitor attraction showcasing the incredible heritage assets and public art across the town, coupled with the installation of new art features to complete the trail. The second element is the delivery of enhanced pedestrian and cycling infrastructure that will link between new developments in the town centre and other growth schemes across with the network, whilst providing a cultural offer as well as an exciting cycling experience through enhancing place pride and identity through art. heritage, community activity and incorporating refreshed activation of key routes. This will achieve a multitude of aims - increasing accessibility and connectivity between places so that mobility is not a barrier to accessing opportunity, increasing levels of health and wellbeing through increased cycling and walking, improving the perception and experience of places across the town centre, and contributing towards climate change. This in turn will unlock direct and indirect local economic benefits.
- 4.8 This project builds on the work that current transport and regeneration schemes have been delivering with the aim of deliver the next phase of cycling and pedestrian improvements alongside these. As per the Stevenage Town Investment Plan submission, the project covers the core central. The summary business case for this project was approved by Executive in March 2022 and can be viewed on the council's website under Council and Democracy.
- 4.9 Some infrastructure outputs linked to this project include:
 - Underpasses improved: 22
 - Length of cycleway improved: 5km
 - Length of pedestrian footpaths: 5km
 - Cultural assets within a heritage trail: 1
- 4.10 The Regeneration Team have appraised a number of project options that align with this business case objective. This included strategic benefit, deliverability, risk, impact, and costs estimates.

4.11 Following an extensive amount of investigation work, research case studies and engagement with key stakeholders and community groups, the project has been defined into the below work streams for delivery with cost envelopes attributed.

Public Realm Connections Budget: £1million	Cycling Improvements and Infrastructure Budget: £1.15m	Arts and Heritage Trail Budget: £1.35m
Pedestrian and Cycling improvements	Cycle Storage at the new MSCP	New Art Installations
Old Town New Town connection	Cycle Hire Scheme	Heritage Trail
New crossing – employment to leisure access	Underpass improvements	

- 4.12 Through soft market engagement on these early-stage concepts, high level cost envelopes have been attributed to each workstream and project. Contingency has been built into the programme to ensure that as the projects develop, if these costings increase then there is capacity within the funding to mitigate any cost pressures.
- 4.13 Under the workstream Cycling Improvements and Infrastructure is a key project the Cycle Hire Scheme.
- 4.14 The Planning Policy team has been working on developing a Cycle Hire Scheme initiative since 2019, commissioning a Feasibility Study to assess the benefits and risks associated with a potential Cycle Hire scheme in Stevenage. This has included, engagement with from Councillors, public engagement events, public consultation and assessment of potential suppliers to deliver a Cycle Hire scheme in the town.
- 4.15 On 7 February 2024, the Executive noted the progress made regarding the Stevenage Cycle Hire Scheme and work undertaken by officers since May 2023 and approved the next steps for the Cycle Hire Scheme to further develop the proposal for a scheme in Stevenage for a period of 4 years.
- 4.16 On 29th February Stevenage Development Board were presented with the high-level cost envelopes allocated against the three workstreams and an update on project progress. Stevenage Development Board endorsed the approach to the Cycling and Pedestrian (inc. Arts and Heritage Trail) and the allocation against each workstream.
- 4.17 The recommendation for Executive is to approve the high-level cost envelopes attributed to each workstream and continue to progress the individual project details in collaboration with Environment and Economy Select Committee in relation to connectivity related projects, and the Community Select Committee in relation to the Arts and Heritage Trail.

5 IMPLICATIONS

Financial Implications

- 5.1 The Department for Levelling Up, Housing and Communities (DLUHC) introduced a delegated Project Adjustment Request (PAR) process for some of its Levelling Up programmes in July 2023. DLUHC have updated the Towns Fund PAR guidance and republished some general principles and criteria for places making changes to their projects, the full guidance was provided to the Executive in the October 2023 Towns Fund progress report.
- 5.2 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
- 5.3 The Council are looking to utilise the power to move project funding across years for 2023/24 (new profile below with changes highlighted, 5.7). The proposal is to shift the funding for New Towns Heritage Centre, Sports & Leisure Hub and Cycling & Pedestrian Connectivity (inc. Arts & Heritage) to 25/26 to maximise the delivery timescales.
- 5.4 The reasons for the changes for the profile are listed above in relation to these projects.
- 5.5 The reason being these projects are on the cusp of being finalised with our committed partners and having the funds available in a later financial year will place the Council in the best position possible to be delivered.
- 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 (February 2024 Board meeting) and asking the Executive to note the change as the Accountable Body.

5.7

Project	22/23 £10,300,000	23/24 £1,900,000	24/25 £15,150,000	25/26 £10,150,000
Stevenage Enterprise Centre	£0	£0	£4,000,000	£0
Gunnels Wood Road Infrastructure	£0	£1,000,000	£0	£0
Station Gateway	£6,000,000	£0	£500,000	£0

Marshgate	£1,750,000	03	£0	£0
SITEC	£0	03	£4,000,000	£1,000,000
New Towns Heritage Centre & Museum	£500,000	£0	£1,000,000	£500,000
Stevenage Sports & Leisure Hub	£400,000	£150,000	£2,000,000	£7,450,000
Cycling & Pedestrian Connectivity	£400,000	£700,000	£1,200,000	£1,200,000
Diversification of Retail	£1,250,000	£50,000	£2,400,000	£0

Legal Implications

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.

Risk Implications

5.9 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.

Climate Change Implications

- 5.10 Tackling Climate Change remains a key focus of the Transforming our Town Programme, and ultimately the Towns Fund projects. As part of the Towns Fund process, all projects acknowledged the need to address climate change emergency and sought to embed sustainable approaches in to project delivery; ranging from implementing green technology into a scheme, or reusing or recycling of waste materials.
- 5.11 There are key projects where working with sustainability consultants and construction experts at an early stage within the project will not only reduce the environmental impact, but also future proof facilities.

Equality and Diversity Implications

5.12 Equality and Diversity implications are monitored and evaluated as projects are commissioned. For the Towns Fund Programme an programme EqIA was produced and is updated in line with the 6 monthly submissions to central government. EqIA is available upon request.

APPENDICES

- A Regeneration Programme Summary document (January 2024)
- B Sports and Leisure Hub engagement summary