

NORTH WALSHAM HIGH STREET HERITAGE ACTION ZONE

Summary:

This report has been prepared at the request of the Overview and Scrutiny Committee meeting of 14th December 2022, which asked how the development and delivery of the North Walsham HAZ programme had followed the Council's adopted corporate project management and governance framework.

The aim of the report is therefore to review the project governance and management Framework for the HAZ Project, to verify whether it followed and complied with the project management template and whether there are lessons to be learnt in assessing, mitigating, and reporting of project risks.

Conclusions:

The main conclusions of this report are:

- The project governance was followed as per the agreed framework but there does appear to be some breakdown in communications in the autumn 2022 as the project moved into the delivery phase on the ground and the implications of contract inflation become known.
- Project aims have been achieved with the town centre becoming much more attractive and appealing, is noticeably busier and has attracted new businesses.
- Contract inflation has meant that an additional £400k budget has been required on top of £3.2 million original budget to complete works at Bank Loke, Black Swan Loke and the entrance between the Market Place and the main doors of St Nicholas parish church
- On track to be delivered on time

Recommendation to Governance, Risk & Audit Committee:

To review the project governance for the North Walsham Heritage Action Zone Scheme and to consider the project's risk register as part of this review

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(Papers relied on to write the report, which do not contain exempt information, and which are not published elsewhere)

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Cabinet Member(s)	Ward(s) affected
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1. Introduction

1.1 In July 2021 North Norfolk District Council embarked on an exciting scheme to renew North Walsham’s historic town centre. This followed a successful application in Spring 2020 to Historic England to develop and deliver a town centre revitalisation scheme with initial funding secured through the national High Street Heritage Action Zone (HSHAZ) Programme.

1.2 The overall aim of the Historic England programme was to make the high street a ‘more attractive, engaging and vibrant place for people to live, work and spend time’

1.3 The key deliverables of the project included:

- Town centre place-making improvements – streetscaping, including the Market Place and surrounding streets and reconnecting the lokes and gateways to facilitate safer and better pedestrian movement in and around the town
- The Cedars Grade II Listed building - repairs and restoration and returning the main building to occupiable use.
- A Building Improvement Grant scheme – to support the restoration and repair of key buildings within the town, including shop front improvements and supporting projects that would help to fill vacant units and presently unoccupied floorspace.
- Heritage research and training.
- Cultural Programme and community activities

2. The initial funding application to Historic England secured £975,000 of grant funding which was match funded by a similar amount from NNDC, resulting in a project budget of £1.95 million. To capitalise on this, a further funding application was made by the District Council to the New Anglia Local Enterprise Partnership (NALEP), which secured an additional MHCLG *Build Back Better* grant award of £1.17 million towards the town centre placemaking project strand of the scheme. Recognising that there were further opportunities in the town, an additional £80,000 was subsequently secured from Historic England. This brought the total HSHAZ scheme budget to £3.2 million.

2.1 Timeline of events

Original HE HSHAZ bid	2019
Funding approved	2020
Public consultation on place-making Market Place proposals	2021

Initial place-making works to the Church Approach site	Spring 2022
TRO consultation and confirmation	Summer 2022
Main project works to Market Place and adjoining streets	Sept 2022 – March 2023
Completion of works	Spring 2023

3. Project Governance

- 3.1 The following was set out from the start of the project and is included in the terms of reference.

4. Governance

- 4.1. A Working Party was established in June 2020 by Cabinet to oversee delivery of the North Walsham High Street HAZ. Following the establishment of the Corporate Delivery Unit and adoption of the new project management and governance framework in March 2021, the governance structure for the HAZ scheme was revised in line with the new guidance. A Project Board was therefore established to ensure transparency and that the correct members were involved to ensure effective decision-making. management of risks, budget and expenditure were discussed at those meetings.

- 4.2. An officer Project Team has been meeting weekly to oversee the operational delivery of the scheme. This team is chaired by the Assistant Director for Sustainable Growth and involves the HAZ Project Manager, the Economic Growth Manager, and other officers from both the County and District Councils as appropriate involved in delivery of specific projects being delivered through the scheme.

- 4.3. A Project Board of officers and members also exists and meets monthly to monitor and support the project delivery. This includes the relevant Portfolio Holders and representatives of Historic England and the Community Stakeholder Group.

- 4.4. The Portfolio Holder for Economic Growth and members of the project team reported on the progress of the HAZ programme to the Council's Overview and Scrutiny Committee on Wednesday 14 July, and it was proposed that the NW HSHAZ project should report to that committee quarterly. Most interest in the programme relates to the Place-making element of the programme – particularly the Market Place, Church Approach and lokes traffic management and enhancement works where some criticism has been levelled at the principle of the works by some traders and members of the public who are opposed to the removal of most traffic through the Market Place and the loss of on-street parking spaces within the Market Place.

5. Project and Budget Monitoring

- 5.1. A robust project monitoring tool sits behind the delivery of the HAZ programme and is reviewed on an ongoing basis. This suite of reports tracks the progress of the deliverables within each project strand, contains the risk log and a comprehensive budget forecast and expenditure monitor. In addition to the Project Team and Project Board meetings, quarterly reports are submitted to the funders Historic England and the LEP.

- 5.2. As a complex, multi-faceted programme, the budget report is dynamic and is routinely monitored as costs become better known. Expenditure is documented and all purchases set against individual project elements
- Quarterly reports have been submitted to Historic England (HE) throughout the project, reporting on budget, expenditure, Risk Log (using NNDC risk log template), delivery, issues etc. The report is up to date with the latest information provided being Quarter 3 2022. In addition to fortnightly update meetings and mid-year and end of year review meetings, HE representatives attended the monthly Project Board meetings, monthly Project Team Meetings, fortnightly Design/Delivery Team meetings and numerous site visits and Teams meetings to discuss individual projects.
 - A Risk log was developed and regularly updated at each Project Board meeting.
- 5.3. Concern over the management of the project and project budget appears to have initially been raised during delivery of the Church Approach element of the place-making scheme during the Spring / Summer of 2022 and rose further during the autumn of 2022 when works commenced on the Market Place element of the scheme. These issues gave rise to public comments about the place-making scheme and questions asked by the Overview and Scrutiny Committee about project governance, oversight, and reporting.
- 5.4. The delivery of the place-making element of the HAZ programme was always going to be the most challenging element of the programme as it involved changes to long-established traffic management and parking arrangements within the town centre. However, the narrow streets and pavements in the historic core of North Walsham and the scope for vehicle / pedestrian conflict was seen to be a significant factor in many local people and visitors to the town not wanting to spend time in the town centre. Access for people with mobility problems, wheelchairs, families with pushchairs and young children was seen to be particularly challenging. The proposals therefore proposed the removal of the majority of traffic from the Market Place area during core daytime hours – facilitated by creation of a new Travel Hub to serve the town and the provision of replacement free parking spaces on the Bank Loke and Vicarage Streetcar Park with only dedicated loading bay facilities and Blue Badge parking spaces retained in the core Market Place area.
- 5.5. The Traffic Regulation Orders for these works were confirmed in August 2022 and works to the Market Street / Kings Arms Street and Market Place areas commenced on 12th September 2022. It was only at this time that the full extent of what could be delivered was confirmed and costed. Despite the bulk of the materials required for the scheme having been purchased in advance in February / March 2022 to guarantee supply at a time of material supply issues and rising costs, the detailed work programme being managed and supervised by Norfolk County Council (as highways authority) and its partner Tarmac were not known until October 2022 by which time there was significant contract and labour inflation within the wider economy.
- 5.6. This has led to some elements of the scheme having to be revaluated – to provide the finishing elements of the main Market Place works – benches, signage, planters, and some lighting and for the scheme to include works to Bank Loke, Black Swan Loke and the main entrance to St Nicholas Church from the Market Place. These “additional” costs formed the basis of the request

to Cabinet in November 2022 for an additional £400,000 contribution from the District Council.

- 5.7. Questions have been asked by members of the Overview and Scrutiny Committee about the Risk Log held and reviewed in respect of the HAZ project and enquiries made about this in preparation of its report to GRAC have established that there has been a detailed risk log held in respect of the HAZ programme which has been regularly reviewed, updated, and shared with Historic England as our principal funding partner. This log was presented to the Overview and Scrutiny Committee at its meetings of October and November 2022 (the second because of some formatting errors in the printed version of the October meeting agenda) and again in February 2023. The Risk Log is considered to reflect all the significant issues faced by the project – not least the challenges of securing funding for a project which has been delivered over a three-year period – June 2020 – February 2023 initially with a project vision and ambition but which then needed to be developed into a deliverable proposal during which time inflationary pressures in respect of construction projects and labour costs have risen significantly.
- 5.8. The aim of the project has been achieved so far, the street works are almost complete, and the town centre is becoming much more attractive and appealing and is noticeably busier and thriving more than in previous years. There have since Christmas three new businesses open in the town centre. The renovation of some of the shop fronts are noticeably different and bring a new and fresher look to the town centre.
- 5.9. There is a strong overall support for the improvements in the town centre although there were originally split opinions on making the marketplace traffic free. It has clearly aided the original aim in making the town centre more attractive. Although there were some concerns about the impact this would have on businesses in the town centre, the addition of new businesses and the town attracting more people is promising. As the place-making scheme is nearing completion, information is being prepared particularly to promote the Blue Badge parking spaces which have been provided in the Market Place allowing a much more pleasant experience for people with limited mobility / wheelchairs through being able to park in the Market Place and move around more easily on wider pavements in a generally traffic-free space

6. Corporate Plan Objectives

- 6.1 Quality of Life: The Council has a strong record of providing and supporting facilities and activities which improve local people's quality of life and, including the provision of tourist infrastructure and is committed to maintaining and enhancing such facilities for the future as they form an essential element of the district's appeal as a place to live and visit. The Council has also stated that it wishes to promote greater inclusivity in its investments improving accessibility and facilities for all. This reflects the district's ageing population where large numbers of people experience age related mobility issues, alongside those with long-term conditions and disabilities. The Council is delivering against this ambition with its investments in new and upgraded public toilet and Changing Place facilities – including at Vicarage Street, North Walsham, but significantly in creating a safer and less traffic dominated town centre for North Walsham.

- 6.2 As set out in this objective we promised that we would deliver this by.
- The delivery of the North Walsham Heritage Action Zone programme
 - Maximising the level of external funding through working with partners to support community projects within the district
- 6.3 Boosting business sustainability and growth: In common with many other areas, the district's towns also face challenges in adapting to the changing trends of the retail and financial services sectors and the impact this is having on local "high" streets. The Council is ambitious in wanting to support a strong local economy and new job-creating investment which strengthens and broadens the business base and employment opportunities in the district. The Council is committed to working alongside partners in the education and business sectors in promoting inclusive growth which seeks to match the skills of the local workforce with the needs of local businesses. This objective promised to deliver by.
- Attracting more people to the town centre will allow existing businesses to thrive as well as seeing new businesses come to North Walsham.
 - better understanding the needs of local businesses

7. Medium Term Financial Strategy

- 7.1 There are no MTF implications as part of this review

8. Financial and Resource Implications

- 8.1. There is no financial implication as part of this review being carried out.

9. Legal Implications

- 9.1 There are no legal implications as part of this review

10. Risks (identified by the review)

- Uncertainty on detail of extra funds needed
- Internal communication

11. Sustainability

There are no sustainability issues as part of this review

12. Climate / Carbon impact

There are no climate/carbon impact as part of this review

13. Equality and Diversity

- 13.1. The Council has also stated that it wishes to promote greater inclusivity in its investments improving accessibility and facilities for all. This reflects the district's ageing population where large numbers of people experience age related mobility issues, alongside those with long-term conditions and disabilities.

14. Section 17 Crime and Disorder considerations

- 14.1. Improved works and pride in the town may lead to less vandalism and alleviate anti-social behavior.

15. Conclusion and Recommendations

The main conclusion of this report is the following:

- The Project governance and framework was followed but there does appear to be a breakdown in communication in autumn 2022.
- Project aim has been achieved, the town centre is becoming much more attractive and appealing, is noticeably busier and has attracted new businesses.
- £400k extra budget required on top of £3.2 million
- On track to be delivered on time