

South Lakeland District Council
Cabinet
Wednesday, 21 July 2021
Kendal Futures – Vision Funding

Portfolio: Leader of the Council
Report from: Director of Customer and Commercial Services
Report Author: Gareth Candlin – Operational Lead Specialist Services
Wards: (All Wards);
Forward Plan: Key decision – The allocation of the resources formed part of a previous Key decision dated 8th December 2020 and this report provides an update on the project.

Links to Council Plan Priorities: This proposal links positively to all priorities in the Council Plan. It will help deliver towards South Lakeland’s vision to be the best place to live, work and explore, and is seen as central to the Council’s efforts in aiding economic and town centre recovery.

It will directly deliver towards SLDC’s Kendal Town Centre Strategy and also feed constructively into the Local Plan Review. It will improve the health of our high streets and help retain younger people in the area, both of which have been identified as key priorities through SLDC’s Economic Renewal Group, set up in response to Covid-19.

A vibrant, prosperous Kendal is important not only for South Lakeland but within the context of the wider Morecambe Bay area. This proposal is important in how it can help deliver towards many of the objectives in the Morecambe Bay Prosperity & Resilience Strategy.

Delivery of the Kendal Vision will help ensure the vibrancy and attractiveness of Kendal as a place to live, work and visit. It will provide new and enhanced employment space, more affordable and energy efficient town centre housing, as well as more social spaces and places for people’s wellbeing and enjoyment. It will bring development and investment and help improve job and housing opportunities, in turn helping to tackle inequality and poverty faced in the area.

This proposal will also help deliver a more sustainable approach to our town centres. South Lakeland was the first Council in Cumbria to declare a climate emergency and a key focus of both the Town Centre Strategy and Vision is to reduce carbon emissions and make our town centres more habitable, minimising car journey times, stimulating sustainable development of homes and workspaces, creating more open spaces and incorporating greater greenery into our public places.

Working across boundaries – Yes

Delivering a balanced community –Yes

A fairer South Lakeland – Yes

Addressing the climate emergency – Yes

1.0 Expected Outcome and measures of success

- 1.1 Through a revision of the Cabinet decision of the 8 December 2020 relating to the funding package for Kendal Futures (minute **CEX/104** refers), Kendal Futures will be enabled to contract vision manager to progress the implementation of Kendal Vision and elements of the Town Centre Strategy.
- 1.2 The development of projects which deliver the Vision and Strategy will be taken forward through the town team in preparation of a Levelling Up fund application, together with a further range of complementary projects to be identified and developed by Kendal Futures.

2.0 Recommendation

2.1 It is recommended that Cabinet:-

- (1) Approves the amendment to the approach to supporting and partnering with Kendal Futures CIC on the delivery of Kendal Vision as set out in Paras 3.3-3.6; and**
- (2) Delegates authority to the Director of Customer and Commercial Services, in consultation with the Legal Governance and Democracy Lead Specialist and Finance Lead Specialist, to put in place the necessary legal agreements to enable the funding of the Kendal Vision Manager and conditional upon the delegated approvals in 2.1(3) relating to the funding of projects development to enter into legal agreements accordingly and manage any risks faced by the Council; and**
- 3) Delegates authority to the Director of Customer and Commercial Services in consultation with the Leader of the Council (or Deputy Leader) to approve and amend a schedule of projects for which the development funding may be used as set out in paragraph 3.4 below.**

3.0 Background and Proposals

- 3.1 The Cabinet decision of the 8th December 2020 to grant a funding package of £531,294 to Kendal Futures has been subject to negotiation on the grant funding agreement.
- 3.2 In the interim there has been a substantive change of approach required because of the creation of the Town Team, which brings together the 3 tiers of local authority in Kendal (County Council, District Council and Town Council) as well as Kendal Futures to develop a set of business cases to submit to round 2 of the Levelling Up Fund later in the year once announced by government.
- 3.3 The work being undertaken by the Town Team now covers a substantive amount of the work that was subject to the original Cabinet decision for Kendal Futures and as such there is a requirement to establish the principle that the funding that relates to the projects listed under Schedule one, point 2 (Appendix one) of the original Cabinet report may be used by Kendal Futures to pursue other projects described in the Kendal Vision and Kendal Town Centre Strategy subject to approval as set out in delegation 2.1(3) above.
- 3.4 To ensure an agile approach to being able to respond to project opportunities as they arise it is proposed that the authority to approve and amend a project or schedule of projects consistent with the Kendal Vision and Kendal Town Centre Strategy is delegated to the Director of Customer and Commercial Services in consultation with the Leader (or Deputy) of the Council. Subject to approval as per the delegation in 2.1(3) above, funding for specific projects may be awarded and a corresponding grant agreement prepared.

- 3.5 The Town Team is also developing a set of plans for the implementation for the S106 moneys that relate to the Sainsbury's development so there is no longer a need for this funding to be referenced in the agreement with Kendal Future.
- 3.6 In order to expedite the payment to fund the Kendal Vision Manager (£150,000) so that the momentum built behind the Kendal Vision can be maintained, Cabinet is also being asked to agree the principle that this element of the funding proceeds ahead of the element which funds project development. The original Cabinet report sets out the justification for the funding of the Vision Manager but this will allow the Vision Manager to make an immediate start on the other projects and engagement activity that is needed to establish the forward momentum of the vision document.

4.0 Appendices Attached to this Report

| Appendix No. | Name of Appendix |
|--------------|--|
| 1 | Schedule 1 – The Project |
| 2 | Health Social Economic and Environmental Impact Assessment |
| 3 | Equality Impact Analysis |

5.0 Consultation

- 5.1 Kendal Vision was produced by Kendal Futures, the private/public sector regeneration partnership for the town, and funded by several of the town's larger employers, driven by a desire to secure the town's future success and prosperity and meet the needs of their workforce.
- 5.2 The Vision was developed following a comprehensive community engagement process to understand the views and perspectives of Kendal's people, organisations and businesses. There was a significant level of involvement and input from the local community and an enthusiasm to build on progress remains. Local people and organisations will form the delivery groups and add value to the process through their knowledge and experience. Businesses, residents and young people in particular will play an active role and there will be a strong sense of local ownership.
- 5.3 The Kendal Futures partnership itself has been jointly funded by, and had representation from, SLDC, Cumbria County Council and Kendal Town Council since 2010. Kendal Futures, established as a Community Interest Company in 2019, has board members from a cross-section of strategic employers, including Kendal College, South Lakes Housing, The Brewery Arts Centre, Lakeland Arts, James Cropper, Edwin Thompson and Napthens. Kendal BID, Cumbria Chamber of Commerce and Cumbria LEP are also represented.
- 5.4 The Council's own Kendal Town Centre Strategy was similarly informed by stakeholder consultation and, together, the Kendal Town Centre Strategy and Kendal Vision provide inspiration for change, focusing on placemaking and a partnership approach.

6.0 Alternative Options

- 6.1 Not to provide Council investment into the delivery of Kendal Vision. This would mean the project would be unlikely to progress as there is no alternative funding

identified to take it forward. The private sector, while strongly supportive, is not in a position at this time to fund it due to the financial impact of Covid-19 on their businesses. Without SLDC's financial commitment this work would not progress which would mean the Council also failing to deliver on the aspirations set out in its Kendal Town Centre Strategy.

- 6.2 To provide a reduced level of investment in terms of value and/or duration. Any reduced contribution is felt to be insufficient and not suitably ambitious to drive forward the level of change needed. The recommended approach will provide momentum and longevity, increasing the likelihood of generating additional investment and becoming sustainable in the longer-term.
- 6.3 Not to work collaboratively and focus only on SLDC's Kendal Town Centre Strategy, disregarding the Kendal Vision. This would jeopardise delivery and reduce its chances of success, missing the opportunity to embrace the additional capacity, expertise and weight of support that the Kendal Vision can offer.
- 6.4 It is therefore recommended that the Council proceeds with the approach outlined in Paras 3.3 – 3.6. Urgency is needed to advance these ideas and for the Council to demonstrate its civic leadership by showing its ambition for the area and taking this decisive action.

7.0 Implications

Financial, Resources and Procurement

- 7.1.1 The Council will grant £150,000 to Kendal Futures CIC from its share of the Cumbria NNDR Pool for the contracting of a Vision Manager and establishment of associated delivery groups. This will be split into three annual payments of £50,000 for 2020/21, 21/22 and 22/23 paid subject to satisfactory delivery, with the Council reserving the right to review this support year on year. Under the terms of the NNDR Pooling agreement it is a requirement that the income from the pool is earmarked for economic development and the Kendal Vision is directly related to economic development within the Kendal area.
- 7.1.2 Subject to approval under the delegation in 2.1(3), SLDC will also grant up to £135,294 from its Kendal Town Centre Masterplan (now referred to as 'Strategy') growth bid budget as project development funding, to Kendal Futures CIC to appoint professional services to develop such projects as are agreed in consultation with the Director of Customer and Commercial Services in consultation with the Leader (or Deputy) of the Council on a case by case basis.
- 7.1.3 The recipient (Kendal Futures CIC) is expected use best endeavours to secure additional private and public sector funding against SLDC core support, helping to sustain the project beyond the initial 3-year period and seeing an increase in total investment brought to the area.
- 7.1.4 This proposal will not affect SLDC's annual contribution of £7,750 from its Economic Development budget towards a Project Manager for Kendal Futures, which would continue in parallel.
- 7.1.5 There will be an ongoing requirement for the involvement of a Council Economy & Culture Specialist, inputting into the project and carrying out monitoring and evaluation to ensure satisfactory delivery. This will include attendance at regular meetings to review progress against targets.

Human Resources

- 7.2 There are no direct staffing implications to the Council. The Vision Manager will be appointed and contracted by Kendal Futures CIC and report to its board of directors. The delivery and reporting structure can be seen in Appendix 1.

Legal

- 7.3 Legal will advise on and prepare appropriate agreements to formalise these arrangements between SLDC and Kendal Futures CIC. The agreements will set out appropriate terms and conditions including requirements for monitoring and evaluation. The Council will monitor delivery against the agreements entered into with Kendal Futures CIC and due diligence will be carried out.
- 7.4 There are State Aid implications and advice will be provided from the Council's Legal Governance and Democracy Specialists in this regard.

Health and Sustainability Impact Assessment

- 7.5 Have you completed a Health and Sustainability Impact Assessment? Yes (attached at Appendix 2)
- 7.6 If you have not completed an Impact Assessment, please explain your reasons: N/A
- 7.7 Summary of Health and Sustainability Impacts

| | | Positive | Neutral | Negative | Unknown |
|--------------------------------|---|----------|---------|----------|---------|
| Environment and Health | Greenhouse gases emissions | x | | | |
| | Air Quality | x | | | |
| | Biodiversity | x | | | |
| | Impacts of Climate Change | x | | | |
| | Reduced or zero requirement for energy, building space, materials or travel | x | | | |
| | Active Travel | x | | | |
| Economy and Culture | Inclusive and sustainable development | x | | | |
| | Jobs and levels of pay | x | | | |
| | Healthier high streets | x | | | |
| | Culture, creativity and heritage | x | | | |
| Housing and Communities | Standard of housing | x | | | |
| | Access to housing | x | | | |
| | Crime | | | | x |
| | Social connectedness | x | | | |

Equality and Diversity

7.7 Have you completed an Equality Impact Analysis? Yes (attached at Appendix 3)

7.8 If you have not completed an Impact Analysis, please explain your reasons: N/A

7.9 Summary of Equality and Diversity impacts

| Please indicate: P = Positive impact; 0 = Neutral; N = Negative; Enter "X" | | | | | | |
|---|----------|----------|----------|----------|----------|--|
| Age | P | P | 0 | | N | |
| Disability | P | P | 0 | | N | |
| Gender reassignment (transgender) | P | | 0 | N | N | |
| Marriage & civil partnership | P | | 0 | N | N | |
| Pregnancy & maternity | P | P | 0 | | N | |
| Race/ethnicity | P | | 0 | N | N | |
| Religion or belief | P | | 0 | N | N | |
| Sex/gender | P | | 0 | N | N | |
| Sexual orientation | P | | 0 | N | N | |
| Armed forces families | P | | 0 | N | N | |
| Rurality | P | P | 0 | | N | |
| Socio-economic disadvantage | P | P | 0 | | N | |

| Risk | Consequence | Controls required |
|--|--|--|
| Substandard or non-delivery of project. | The project will not be delivered as expected, failing to bring value for money and the expected benefits. | <p>Clear monitoring and evaluation measures within terms of funding agreement. Funding contributions dependent on the Council being satisfied with delivery.</p> <p>Kendal Futures CIC will be required to report quarterly to SLDC on progress against the agreed outputs. The Council's Lead Officer (Economy & Culture Specialist) will also be invited to attend regular progress meetings to review progress.</p> |
| Expected outputs and priorities not clearly defined. | A lack of focus, misunderstanding and potential disagreement on what is expected to be delivered and when. | Funding agreement to clearly define the scope of the project, with specific projects being agreed on a case by case basis in consultation with the Director of Customer and Commercial Services in consultation with the portfolio holder for Economy and Culture and the Leader of the Council. |

| Risk | Consequence | Controls required |
|---|---|--|
| <p>The Council lacking input and control over delivery of the project.</p> | <p>A disjointed approach where the Council cannot help guide and support delivery of the project.</p> | <p>The Council will work proactively with Kendal Futures CIC to enable it to deliver the project, ensuring clarity about roles and areas of responsibility.</p> <p>Kendal Futures CIC will be required to report quarterly to SLDC on progress. The Council's Lead Officer will also attend regular meetings of the Kendal Futures CIC's board of directors which will provide overview and management of the Kendal Vision Manager.</p> <p>SLDC will maintain its place on the Kendal Futures Board, represented by its Portfolio Holder for Economy, Culture and Leisure and with attendance by an Officer from SLDC's Economy & Culture team (the Council's Lead Officer for this agreement).</p> |
| <p>Key stakeholders not being adequately involved in project delivery and consultation.</p> | <p>Lack of support for project and initiatives. Risk of negatively impacting some of the local community.</p> | <p>The project will be closely tied to the Kendal Vision document which has already been informed by significant community engagement.</p> <p>Kendal Futures CIC intend that the Vision Manager will work closely with local residents, businesses, landowners, local authorities and other local stakeholders, ensuring fair representation and involvement in any delivery groups.</p> |
| <p>The project not attracting additional public and/or private sector investment.</p> | <p>Will limit the effectiveness and quality of delivery. Will miss the opportunity for the Council's investment to go further and also cause the project to be unsustainable beyond its initial term.</p> | <p>Build into the funding agreement the requirement for Kendal Futures CIC to use best endeavours to secure additional private and public sector match funding against the Council's core support. This will help to sustain the project beyond the initial 3-year period and see an increase in total investment brought to the area.</p> |
| <p>Risk of funding constituting State Aid</p> | <p>Breach of legal requirements regarding State Aid; funding may be subject to clawback</p> | <p>Legal to advise on State Aid compliance and appropriate exemptions if necessary to be reflected in legal agreements.</p> |

Contact Officers

Matt Williams, Senior Specialist (Economy & Culture), T: 01539 793279 E: matthew.williams@southlakeland.gov.uk

Gareth Candlin, Operational Lead Specialist Services, T: 01539 793382 E: gareth.candlin@southlakeland.gov.uk

Background Documents Available

| Name of Background document | Where it is available |
|---|---|
| <u>Kendal Futures</u> , Kendal Vision (2020) | https://tinyurl.com/yxqrv23v |
| <u>SLDC</u> , Kendal Town Centre Strategy (2020) | https://tinyurl.com/y2fe4lez |
| Cabinet Minute CEX/104 (8_12_20) Kendal Vision | https://tinyurl.com/589umyu8 |
| Cabinet Minute CEX/51 (2015) (Kendal Town Centre Master Plan) | https://tinyurl.com/y65xlxox |

Tracking Information

| Signed off by | Date sent | Date Signed off |
|---------------------|-----------|-----------------|
| Section 151 Officer | 09/07/21 | 12/07/21 |
| Monitoring Officer | 09/07/21 | 12/07/21 |
| CMT | 09/07/21 | 12/07/21 |

| Circulated to | Date sent |
|---------------------------------|------------|
| Lead Specialist | 09/07/2021 |
| Human Resources Lead Specialist | 09/07/2021 |
| Communications Team | 09/07/2021 |
| Leader | 09/07/2021 |
| Committee Chairman | |
| Portfolio Holder | 09/07/2021 |
| Ward Councillor(s) | |
| Committee | |
| Executive (Cabinet) | |
| Council | |