

Report to: Cabinet

Date of Meeting: 7th November 2016

Report Title: EU Funding approval – The Interreg North-West Europe Programme Public Building in Straw – Hastings Country Park Visitor Centre

Report By: Mike Hepworth, Assistant Director, Environment and Place

Purpose of Report

To seek approval for delegated authority to be given to the Director of Operational Services in consultation with the Lead Member for Environment and Place, to enter into:

- a Partnership Agreement with the Lead Partner for the EU Project (Up Straw) should it be approved at the second stage submission; and
- a Sub-Partnership Agreement with Groundwork Trust (as Sub-partner to HBC in the EU project) to support the build of a new visitor centre at Hastings Country Park Nature Reserve.

Recommendation(s)

- 1. To give delegated authority to the Director of Operational Services in consultation with the Lead Member for Environment and Place to:**
 - **sign a sub-partnership agreement with Groundwork Trust to deliver the HBC associated activities and outcomes for the Interreg North-West Europe Programme - Public Building in Straw;**
 - **sign a full partnership agreement with the Lead Partner for the Interreg North-West Europe Programme - Public Building in Straw (Up Straw).**

Reasons for Recommendations

Hastings Borough Council is committed to delivering a new Visitor Centre at Hastings Country Park Nature Reserve. In 2014 we partnered up with Groundwork South to help us deliver this ambition. Groundwork project managed the preparatory work from architects through to planning permission in 2015. Groundwork South has been working with European partners to prepare a submission for Interreg funding to build the Visitor Centre from straw bales. The submission deadline is 23rd December 2016 with an expected award date early 2017.

Introduction

1. Providing a new visitor centre at Hastings Country Park Nature Reserve is a key commitment in the council's Corporate Plan 2016/17 – 2018/19.
2. The council allocated a capital receipt sum of £250,000 towards the new centre. Out of this we have used approximately £50,000 in architect's fees, project management and associated professional fees associated with the preparatory stages of the project.
3. The council has always been clear that a new centre should be an innovative exemplar in sustainable and low carbon construction as well being a landmark building reflective of the quality of the natural environment of Hastings Country Park Nature Reserve. Our proposed new centre is based on a straw bale construction which would be the first of its kind in the borough.
4. In 2014 the council partnered with Groundwork South to project manage and deliver our centre. Groundwork South has progressed the project through appointment of architects and the specialist works required to gain planning permission. They have been actively engaged in seeking the most appropriate grant aid to bring added value to the project and use the councils capital receipt as match funding.
5. In 2016 the opportunity arose for Groundwork South and the council to join European partners under the Interreg North-West Europe Programme to build public buildings from straw.
6. Along with the School of Natural Building, who is the leading experts in straw building construction in the UK, the partners submitted a successful expression of interest in February 2016.
7. The partnership was requested to submit a full application for the 23rd December 2016 Interreg submission date. We expect the decision to be late January or February 2017.
8. This report explains the background to the application, the implications for the council and seeks delegated authority to progress with the application.

Background

9. In 2014 the council invited expressions of interest from interested organisations to help us achieve our ambition of building a new visitor centre at Hastings Country Park Nature Reserve. Two organisations were invited to present to a panel of judges which included elected members, senior officers and Heads of Service.
10. Groundwork South presented a vision of a new centre built with match funding and a management proposal for them to manage the centre for ten years. The panel agreed that Groundwork presented the most compelling vision for a new centre and

a Service Level Agreement was drawn up between the council and Groundwork South for the design and build of the new centre.

11. A Project Board was established in 2014 to provide a strategic lead for the project. The Board is chaired by the Lead Member for Environment Leisure and Amenities.
12. Groundwork invited a number of architects to present their visions and cost structures to the project board. The Board agreed to appoint Cave Cooperative architects on the basis of their experience in the use of straw bale buildings and their active community engagement in the planning process.
13. A comprehensive community engagement exercise was undertaken at the Priory Meadow shopping centre and on site at the country park. A Planning Forum was held in February 2015 and planning permission was granted by Hastings Borough Council in March 2015.
14. Since planning permission Groundwork South has worked to progress a package of grants that best suits our needs. The current Interreg proposal will provide funds for the building construction.
15. The current proposal has the full support of the Visitor Centre Project Board.

Interreg North-West Europe Programme - Public Building in Straw

16. The Interreg North West Europe (NWE) Programme is a transnational European Territorial Cooperation Programme funded by the European Commission. The programme mixes public bodies and NGOs and provides support to projects with a funding rate of 60%.
17. There are 5 partners in the Public Buildings in Straw project under the NWE programme; Germany, Belgium, Netherlands, France and the UK. The lead partner for this Interreg project is French.
18. Groundwork has undertaken all the preparatory work and visits to European partners at their own cost.
19. The proposal is for Hastings Borough Council to be the full partner in the project with Groundwork as sub-partner. The School of Natural Building who has expertise in straw bale construction will also be an additional full UK partner.
20. The partners submitted an initial expression of interest for the programme in February 2016. Getting through the first round was a major achievement as the application was one of only 4 projects out of 79 applicants under the Low Carbon funding stream that were then invited to submit a full application.
21. The application and the programme is to build a new public building or wrap existing public buildings with straw bales, thereby contributing to a carbon efficient outcome. Hastings Borough Council is the only public authority in the UK who is party to this application.
22. The application deadline is 23rd December 2016 with decisions expected in January 2017.

23. If successful it is anticipated that the works to build the new centre will take place during 2017. The exact timing will depend on a detailed project management scheduling. Although the project is a four year project, our build will take place at the beginning of the project. Ancillary educational and technical outputs will be delivered throughout the remaining project period.

Financial implications of the Interreg Project

24. The UK partners intend submitting proposals totalling £890k with a 60% intervention rate, breaking down into HBC/Groundwork total budget of £540k and The School of Natural Building total budget of £350k.

25. For the HBC/Groundwork budget, the match funding from Hastings Borough Council is coming from remaining reserves and staff match (£20k, core funded). The HBC Interreg grant will be £272k.

26. In light of the falling value of the pound sterling against the Euro, we have forecast our Euro budget at a level we believe to be the most likely prevailing rate at the time of expenditure in 2017. £/€ = 1.

27. It should be noted that the Groundwork proposal will provide for the management of the centre and the running of the centre for 10 years at no cost to the council.

Additional grant aid applications

28. Groundwork South is currently pursuing two additional major grant applications for the country park and visitor centre;

a. Heritage Lottery Fund application worth £157k. Deadline 28th November 2016 for a March 2017 decision.

b. Veolia fund application worth £70k. Deadline 24th February 2017. Decisions tend to follow quickly after application for a mid-2017 start.

29. They are also pursuing a number of smaller more targeted applications for different aspects of the park and centre as well as allocating £7k from Groundwork reserves.

30. These additional funding applications are wholly separate from the Interreg grant. They bring additional funds and added value to the project as a whole. These additional grants are aimed at developing heritage and nature conservation themed interpretation throughout the reserve and within the new building and allow Groundwork South to employ a Community Outreach Officer to develop community engagement on site.

Risks

31. In June 2016 the referendum on the future of our membership of the European Union resulted in a vote to leave. This has introduced a degree of uncertainty to the project. However, we have been advised that until Article 50 is invoked, all Interreg applications that include UK partners will be encouraged. There is no confirmed date for the invoking of Article 50, other than a UK government deadline of end of March 2017.

32. The UK government Treasury statement of 12 August 2016 stated any cooperation project with a funding agreement in place before the autumn statement would be fully funded even if the project continues beyond the UK's membership of the EU.
33. The Treasury has since made another statement (3 October 2016), whereby, while the UK is still a member of the EU, organisations must be entitled to apply for EU funds. Funding for these projects will be honoured by the government, if they meet the following conditions:
- they are good value for money
 - they are in line with domestic strategic priorities.
34. Whilst we are pursuing this approach we are still mindful the Brexit issues may bring an unwelcome uncertainty and risk to the project, especially regarding exchange rate fluctuations (£/€).

Conclusions

35. The current Interreg application provides the council with a realistic opportunity of accessing sufficient funds to build a new visitor centre at Hastings Country Park Nature Reserve.
36. We are therefore seeking delegated authority to sign a partnership agreement with the lead partner of this Interreg project and additionally a sub partnership agreement with Groundwork South who will be delivering the project implementation.

Wards Affected

Ore, Old Hastings

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

Insert a list of appendices and/or additional documents. Report writers are encouraged to use links to existing information, rather than appending large documents.

Officer to Contact

Officer Name Murray Davidson
Officer Email Address mdavidson@hastings.gov.uk
Officer Telephone Number 01424 451107

