

High Street Heritage Action Zone (HSHAZ) Evaluation

Case Study Appendix: Gloucester




Historic England

HSHAZ Evaluation

Case Study Appendix: Gloucester

June 2025

Reviewed and approved by:	
Signature:	_____
Name:	<u>Graham Russell</u>
Job Title:	<u>Chief Executive</u>
Date:	<u>June 2025</u>

Purpose of the case study

This case study is not an evaluation of the Gloucester HSHAZ scheme. The purpose of the case studies as a whole is to provide insights to inform the overall HSHAZ programme evaluation.

This case study appendix reviews the outputs achieved through the HSHAZ scheme against its stated targets and assesses likely value for money using government compliant methodologies. The review is based on:

- the monitoring data collected by project teams within submitted scheme plans;
- a facilitated discussion with the local project team and HSHAZ Project Officers using an agreed consultation guide to review successes, challenges and lessons learned;
- a site visit; and
- the expression of interest submission.

1 Strategic context

1.1 Context and need for investment

The Gloucester HSHAZ scheme was allocated £1,910,000 of funding from Historic England for the capital strand and £100,000 of funding from Historic England for the cultural strand. The capital strand was expected to generate £580,000 of match funding from Gloucester City Council and £1,270,000 of match-funding from other sources¹.

The HSHAZ is located in Gloucester’s Cathedral Quarter and along Westgate Street which comprises one of the four main streets of Gloucester surviving from Gloucester’s Roman origins along the River Severn. It was once one of the most prosperous streets in the city and the centre of the city’s commercial life. Westgate Street also has the most listed buildings of any other ‘gate’ street in the city. The HSHAZ Scheme interventions focused on re-engaging business owners, residents and visitors to the area and bringing unused space back into both residential and commercial use.

High streets across the UK face similar challenges. Competition from online shopping and retail parks, rising vacancy rates, and the negative consequences of deprivation – such as homelessness and crime – are widely recognised as contributing factors to the difficulties experienced by high street communities and businesses. Local characteristics, such as the mix of affluence and local deprivation, the area being a focal point for anti-social behaviour and competition for retail from nearby local areas were also identified as challenges².

1.2 HSHAZ scheme objectives

The key objectives of the Gloucester HSHAZ were to enable Westgate Street to become an **active and vibrant centre of community and business activity**, a place in which there will be a strong recognition of the historic nature of the buildings in the area and a renewed enthusiasm for retaining and enhancing the historic fabric. The HSHAZ was designed to create a more varied range of independent businesses with a marked reduction in vacant units, attracting more people to live and work in the area supported by the successful conversion of upper floors to a mix of residential and business use.

It was intended that the HSHAZ would lead to a more attractive and uniform street scene, routes and pathways to match the high-quality public realm of neighbouring Cathedral Quarter. It was expected that Westgate Street would act as a hub for experiential retail and leisure with artisan, quality and independents the hall mark of its offer. It will be known as a **place to visit in the evening for cultural events and activities in a range of venues** with provision of a string of evening food and drink offers.

An overall objective of the Cathedral Quarter scheme is the delivery of many of the key heritage opportunities outlined in the Heritage Strategy.

¹ These allocations are from the first available scheme plans (Y1Q4 for the capital strand and Y3Q4 for the cultural strand)

² Gloucester HSHAZ Expression of Interest 2019

1.3 Strategic alignment

Gloucester's HSHAZ aimed to revitalise the offer and therefore perception of Westgate Street by engaging audiences in both its history and heritage.

Table 1-1: Gloucester HSHAZ – Alignment with strategic priorities		
Policy/Strategy	Objective/Description	Alignment
Gloucester Council Plan 2022-2024	<p>The Council Plan sets out a vision and key priorities for building a greener, fairer, better Gloucester for people who live, work in and visit the city. The Plan sets out intended work with both partners and residents to shape and achieve the best outcomes. The three detailed priorities include:</p> <ul style="list-style-type: none"> • Building greener, healthier and more inclusive communities. • Building a sustainable city of diverse culture and opportunity. • Building a socially responsible and empowering council. 	The HSHAZ Scheme projects and processes were well aligned with the vision and three key priorities of the GCC Plan 2022-2024
Gloucester City Plan 2011-2031	<p>The Gloucester City sets out the city's policies and proposals for development and use of land to 2031. To deliver the City Plan Vision, a set of 13 key principles were identified that feed into the broader policies of the Gloucester Council Plan to ensure the vision for Gloucester is met. These principles can be broadly grouped into the following areas of activity:</p> <ul style="list-style-type: none"> • Environment • Infrastructure • Culture and Leisure • Housing • Economy • Education • Health and Wellbeing • Equality 	HSHAZ activity is well aligned with the main themes of the Plan particularly those related to the environment, culture and leisure, the economy and health and well-being. Utilising the wealth of heritage and history in Gloucester the HSHAZ projects were designed to improve Gloucester as a place to live, work and visit.
Regeneration & Economic Development Strategy 2016-2021 and Heritage Strategy	<p>Gloucester has a track of heritage led regeneration including the restoration of, and new uses for, many historic buildings across the city centre.</p> <p>The City Council aim to play a leading role in the delivery of this strategy through either direct action of supporting and assisting others in the delivery of their priorities. The Council will also proactively coordinate partners, establishing Gloucester as a leading regenerator within the sub region, underpinning the role of the city as the County Town of Gloucester.</p> <p>Recommended heritage led regeneration in Gloucester included: repopulating the city centre, utilising vacant upper floors, improving public realm and connections, understanding recreation/culture/ venue opportunities, integrating museums and collections into local heritage, providing education and skills for heritage and heritage led regeneration, marketing and promoting activities and</p>	The HSHAZ was designed to be a seamless continuation of previous heritage led regeneration in Gloucester, particularly related to the Cathedral Quarter to bring life back into the space by utilising its history. The Council and Historic England were committed to actively collaborating to ensure their and partners' expertise could support successful project delivery to meet the objectives of the Regeneration and Economic Development Strategy.

	truly understanding the economic and social benefits of heritage.	
Gloucester Cultural Vision and Strategy 2021-2026	Gloucester Culture Trust and Gloucester City Council are committed to making Gloucester a better place to live, work and play by engaging and empowering local communities and leaders to transform the city. The aim as set out in the strategy is to build on the reputation of distinctive heritage and to provide conditions that will allow innovation and excellence to flourish. There is particular focus on providing creative opportunities for young people. To assist in delivering a set of objectives have been set to put cultures at the core of activities in Gloucester and that culture and arts are inclusive of and welcoming to communities in Gloucester.	The HSHAZ programme is guided by three core strands, of which culture is one. By integrating culture in town centre regeneration, HSHAZ was well placed in supporting the achievement of the objectives set out in Gloucester's Cultural Vision and Strategy. Engagement with the community and providing cultural opportunities was a key pillar of the HSHAZ programme and the Gloucester Scheme.
Complementary funding	<p>National Lottery Heritage Fund and Arts Council England</p> <p>The Great Place Scheme, a joint initiative by the NHLF and ACE invested £1,500,000 in Gloucester between 2017 and 2020. The funding aimed to integrate arts, culture, and heritage into the town, aligning this with both economic and social regeneration priorities of the town. Gloucester city Council used the funding to facilitate cultural events, festivals and the promotion of local heritage with the aim of devolving custodianship of culture from the city council to a new, diverse and active Gloucester Cultural Trust.</p> <p><u>National Lottery Heritage Fund</u></p> <p>Gloucester has previously benefitted from multiple National Lottery Heritage Fund grants. Notable projects include:</p> <ul style="list-style-type: none"> • The award of £4,600,000 to Gloucester Cathedral in 2016 through the Project Pilgrim initiative. This project focused on preserving the cathedral's fabric, improving visitor facilities and boosting community engagement. Gloucester Cathedral also installed a series of solar panels to ensure it leads the way in sustainability for Gloucester. • The award of £1,360,000 to secure the future of Grade I listed St Mary de Crypt Church and the Grade II* listed Old Crypt Schoolroom to bring them back to life as heritage and culture hubs for local communities in 2016. <p><u>Arts Council England</u></p> <p>In 2024, Gloucester Cultural Trust was awarded £500,000 from the ACE National Lottery Place Partnerships Fund for a three-year cultural initiative, 'Together Gloucester'. At the heart of the priority place-based project is a focus on community engagement with the aim to co-create a new cultural vision for Gloucester in collaboration with residents and local organisations. Plans include year-round events for residents, a Citizen's Panel offering new funding and training opportunities and activities targeting the health and wellbeing of children and young people.</p>	Complementary funding in Gloucester focuses on regeneration of the city centre and provision of culture and heritage opportunities within the town centre. The HSHAZ Scheme was strategically well aligned with previous and existing funding sources. The area identified as the Gloucester HSHAZ incorporates some projects which have previously received significant cultural/heritage funding such as the legacy of cultural events and the Fleece Hotel.

	<p><u>Levelling Up Fund</u></p> <p>Gloucester was awarded £20,000,000 from the Levelling Up Fund in 2021 for the regeneration of the city centre. Three projects to achieve this goal were identified as follows</p> <ul style="list-style-type: none"> i) delivery of higher education courses in Gloucester City Centre, ii) development of The Fleece as a 4 star hotel and iii) a new digital innovation hub, The Forge. 	
--	---	--

1.4 Activities

1.4.1 Capital strand

Vacant floorspace grants accounted for the majority of the Gloucester HSHAZ capital strand and succeeded in bringing a total of 1,518 square metres of floorspace back into use along Westgate Street. In addition, six new residential units were created and two were brought back into use. A total of 23 historic buildings or heritage assets were repaired or restored through the scheme with 13 shopfronts reinstated. At 300 square metres, initial plans for public realm improvements were fairly limited. However, these were further developed over the programme duration with a total of 900 square metres of public realm improved. 13 of the 14 projects were delivered as set out below (Project 9 was eventually abandoned).

- **Project 1 Cathedral Quarter Project Officer** -salary and on-costs.
- **Project 2 Staff Time** -Gloucester City Council and Partners.
- **Project 3 Community Feedback** – including community engagement for feedback on proposals and associated equipment, material, venue hire and consultant fees to facilitate these activities.
- **Project 4 Marketing** – raising awareness of the project, activities and events to engage the local population.
- **Project 5 Feasibility Works** – including development of appraisals, design work and professional reports.
- **Project 6 Façade Improvement Grants** – shop front repair, reinstatement and replacement of lost features to eight frontages along Westgate Street.
- **Project 7 Vacant Floorspace Into Use** – nine grants to bring vacant floorspace into use or converting spaces into a more economically beneficial or relevant use.
- **Project 8 The Fleece Inn** - restoration of The Fleece, a significant listed building including façade improvement and restoration of the upper floors.
- **Project 10 Public Realm Improvements** – 900 sqm of improvements including twelve artwork installations and interpretive elements with integrated opportunities for youth training.

- **Project 11 Training Sessions and Workshops** – two training sessions provided to volunteers, two workshops for professional and six construction training activities.
- **Project 12 Civic Trust Capacity Building** – capacity building for the Civic Trust as they take on the running of the Folk buildings at 99-103 Westgate Street.
- **Project 13 Engagement Events and Activities.**
- **Project 14 Heritage Assessment and Research Studies.**

The forecast expenditure of the capital strand over the four-year programme is set out in **Table 1-2** below and identifies the Historic England grant, local authority match funding and other match funding which included private sector and third sector contributions to projects. An analysis of the cost against outputs is presented in Section 3 of this case study.

Table 1-2: Capital Strand Forecast Expenditure					
	2020/21	2021/22	2022/23	2023/24	Total
Historic England grant	£156,360	£855,508	£457,512	£435,620	£1,905,000
Local authority funding	£74,000	£157,868	£157,512	£190,620	£580,000
Other matched funding	£102,500	£500,250	£335,000	£334,750	£1,272,500
Total	£332,860	£1,513,626	£950,024	£960,990	£3,757,500

Note: Forecast expenditure is from the Y1Q4 scheme plan, which is the first record of the forecast costs. The evaluation of the scheme would be enhanced by accurate forecasts from the start of the programme.

1.4.2 Cultural strand

The cultural strand was managed by the Gloucester Cultural Consortium, a group comprising cultural organisations throughout Gloucester and led by the Gloucester Culture Trust. The focus for this strand was engaging the community in a cultural, artistic and heritage programme by facilitating events and activities. The main project for the Gloucester cultural strand was the employment of four artists in residence and a community producer to facilitate the strand's delivery. The cultural strand consisted of five blocks of activity, including:

- **Project 1 Artists in Residence** – co-creation by four Cathedral Quarter artists and a community producer, selected by the consortium, and the community using Westgate stories as inspiration.
- **Project 2 City Voices** – a programme of local history events and commissions including a festival, attracting a large audience of residents and visitors, in accordance with a marketing plan across the year of 'City Voices' events.
- **Project 3 Vibrant High Streets** – a programme of events delivered in the Cathedral Quarter area.
- **Project 4 Evaluation and Documentation**
- **Project 5 Project Management and Consortium Development**

There was no forecast expenditure profile for the cultural strand prior to delivery. Forecast expenditure set out in table 1-3 below is from the Y3Q4 scheme plan, which is the first record of

forecast costs and outputs by project. The evaluation of the scheme would be enhanced by accurate forecasts from the start of the programme

Table 1-3: Cultural Strand Forecast Expenditure					
	2020/21	2021/22	2022/23	2023/24	Total
Historic England grant	£50,150	£30,090	£20,060	£0	£100,300
Local authority funding	£0	£0	£0	£0	£0
Other matched funding	£0	£0	£0	£0	£0
Total	£50,150	£30,090	£20,060	£0	£100,300

2 Project delivery and management

The HSHAZ was delivered by Gloucester City Council which included:

- Claire Dovey-Evans, Cathedral Quarter Project Officer;
- David Evans, City Growth and Delivery Manager at Gloucester City Council; and
- an apprenticeship position to support delivery.

The Historic England team supporting the delivery of the HSHAZ included a Project Officer, a Project Lead and a Senior Responsible Officer. Further, targeted support was provided to the Gloucester scheme by Rosie Byford (the Project Lead) when funding restrictions and queries were a potential barrier to scheme delivery.

The Cultural Strand was led and coordinated by the Gloucester Cultural Consortium, a group of multi-disciplinary leaders from local civic, community and creative organisations. The priorities of Gloucester HSHAZ cultural delivery were well aligned with those of consortium members. Cultural strand projects were delivered by the following partners:

- Gloucester City Council
- Gloucester Culture Trust
- Gloucester Cathedral
- Strike a Light
- Voices Gloucester
- Gloucester Civic Trust
- Gloucester City Homes
- The Folk of Gloucester

There was limited collaboration between the capital, community and cultural delivery teams where delivery of the cultural activities was independent from the overview of the wider scheme's project manager.

3 Project progress

3.1 Overview

This section assesses the Gloucester HSHAZ against its stated costs, outputs, and objectives.

As set out in Section 1, the earliest capital scheme plan was in Y1Q4, and the earliest cultural scheme plan was in Y3Q4. The target costs and outputs have changed over time due to approved project change requests. The final scheme plans typically suggest that the programme was delivered on budget and delivered on agreed target outputs in terms of quantum and type.

To allow a comparison against the agreed targets at the start of the HSHAZ programme, our assessment focusses on the delivered outputs and outturn costs against the targets from the earliest available information. Therefore, the 'original' target figures for the capital strand are from Y1Q4 and cultural strand are from Y3Q4.

3.2 Capital strand

The Gloucester HSHAZ Capital Strand invested £4,216,000 in the various projects, which was above the forecast spend of £3,758,000.

The Historic England spend was broadly in line with forecast, with a small reallocation of investment from 20/21 to 21/22. The local authority funding was slightly above forecast whilst other matched funding was significantly above forecast. Initially, it proved difficult securing engagement of business owners, especially due to the uncertainty of the post-Covid economic landscape which explains the significant shortfall of matched funding during the programme's second year. However, the programme gathered momentum and buy-in from key building owners in subsequent years once success in early projects was demonstrated which led to a significant increase in other match funding investment in 22/23, totalling £1,386,000 against a target of £335,000.

Table 3-1: Gloucester HSHAZ Capital Strand – annual spend performance					
	20/21	21/22	22/23	23/24	Total
Forecast expenditure					
Historic England grant	£156,360	£855,508	£457,512	£435,620	£1,905,000
Local authority funding	£74,000	£157,868	£157,512	£190,620	£580,000
Other matched funding	£102,500	£500,250	£335,000	£334,750	£1,272,500
Total forecast spend	£332,860	£1,513,626	£950,024	£960,990	£3,757,500
Outturn expenditure					
Historic England grant	£75,264	£959,319	£457,512	£436,285	£1,928,380
Local authority funding	£60,302	£108,178	£242,641	£185,898	£597,019
Other matched funding	£6,470	£3,850	£1,386,353	£293,754	£1,690,427
Outturn capital spend	£142,036	£1,071,347	£2,086,506	£915,937	£4,215,826

In terms of Historic England HSHAZ spend, the reallocation of funding led to overspend on some projects, whilst others were under the allocated amount or failed to get off the ground for

example Project 9, No. 26 Westgate was removed from the scheme and, as a result, the allocated £150,000 was redistributed to other projects.

Funding was also reallocated from the Fleece Inn, public realm improvements to support the delivery of the (i) façade improvement grants and (ii) the vacant floorspace into use, projects.

Table 3-2: Gloucester HSHAZ Capital Strand – spend performance by project				
	Outturn expenditure	Forecast as of Y1Q4	% of forecast target (RAG)	% of new target
Project 1 Project Officer	£115,277	£90,000	128	100
Project 2 Other Staff Time	£0	£0	-	100
Project 3 Community Feedback	£1,798	£15,000	12	100
Project 4 Marketing	£48,686	£20,000	243	100
Project 5 Feasibility Works	£96,625	£70,000	138	100
Project 6 Façade Improvement Grants	£232,490	£300,000	77	100
Project 7 Vacant Floorspace Into Use	£976,797	£517,500	189	100
Project 8 The Fleece Inn	£140,189	£312,500	45	100
Project 9 No 26 Westgate Street	£0	£150,000	0	100
Project 10 Public Realm Improvements	£245,147	£350,000	70	100
Project 11 Training Sessions and Workshops	£5,844	£15,000	39	100
Project 12 Civic Trust Capacity Building	£12,400	£15,000	83	100
Project 13 Engagement Events and Activities	£15,768	£20,000	79	100
Project 14 Heritage Assessment and Research Studies	£37,359	£30,000	125	100
HE Grant (sub-total)	£1,928,380	£1,905,000	101	100
LA Funding	£597,019	£580,000	103	100
Other match funding	£1,690,427	£1,272,500	133	100
Total	£4,215,826	£3,757,500	112	100

Note: Assessment status is green for <=100%, 100%<amber>=110% and red for >110%

Gloucester HSHAZ delivered the majority of its output targets across the high street, enabled by higher than forecast match funding from the private and other sectors.

The scheme delivered **900 square metres of public realm improvements in a key location** along the high street, compared to a target of 300 square metres. It also **restored 23 heritage assets or historic buildings** which resulted in two of the three targeted heritage at risk buildings removed from the register. These works were complemented by the **restoration or reinstatement of 13 historic shopfronts**. While the scheme initially had trouble in encouraging building owners to participate and generate match funding due to the low level of business confidence due to the pandemic, all major capital works were delivered in line with or exceeding original forecasts.

A major component of the Gloucester HSHAZ was to bring vacant or underused commercial floorspace back into use or creating new commercial floorspace entirely. The Gloucester HSHAZ brought a total of 1,518 square metres of floor space back into use, almost three times that of the original target (510 square metres) and created a total of 108 square metres of new commercial floorspace which was not originally forecast. Additionally, the projects delivered by the Gloucester HSHAZ **brought two underused residential units back into use and created a further six units** compared to the original target of just five new residential units. These large-scale capital works also resulted in nine amended heritage at risk list entries and one new local listing, none of which were forecast for the scheme.

A range of activities were delivered by the Gloucester HSHAZ to complement high profile capital works. These included ten heritage/archaeological research studies, a new/revised historic area assessment/conservation area proposal and a new/revised heritage statement or conservation management plan. Consultation, engagement and public events and activities supported the delivery of the capital works alongside professional training activities and volunteer training sessions.

Due to pandemic restrictions, there were fewer trainings sessions delivered than originally forecast. Two feasibility studies were produced, half of the amount forecasted, and by project closure no supplementary planning or design guidance documents were produced. It appears the programme prioritised the delivery of floorspace, residential units, and public realm to ensure lasting change from the funding.

Additional, interpretive works along the high street were installed included two boards or displays and twelve artworks and installations. These included a Beatrix Potter mouse trail among others.

Table 3-3: Gloucester HSHAZ Capital Strand – output performance				
	Achieved outputs	Forecast as of Y1Q4	% of forecast target (RAG)	% of new target
Heritage at Risk (HAR) assets removed from the register	2	3	67	100
Number of historic building or heritage asset repaired/conserved	23	23	100	100
Number of historic shopfronts restored or reinstated	13	13	100	100
Public realm area improved (sqm)	900	300	300	100
Vacant / underused commercial floor space brought back into use (sqm)	1518	510	298	100
New commercial floorspace created	108	0		100
Vacant or underused residential unit brought back into use	2	2	100	100
New residential unit created	6	5	120	100
Number of amended list entries	9	0	-	100
Number of new local listings	1	0		100
Number of boards / displays	2	0	-	100
Number of heritage/archaeological research studies	10	3	333	100

Number of artworks/installations	12	5	240	100
Number of new or revised historic area assessments/conservation area proposals	1	1	100	100
New or revised heritage statement or conservation management plan	1	0		100
Number of feasibility studies	2	2	100	100
Supplementary planning or design guidance	0	1	0	0
Number of consultation events/activities (including online)	9	9	100	100
Number of engagement events/activities (including online)	23	23	100	100
Number of public events/activities (e.g. open day)	15	10	150	100
Number of school educational events/activities	3	0		100
Number of apprenticeship schemes	1	0		100
Number of construction training activities	6	2	300	100
Number of other professional training activities	5	7	71	100
Number of training sessions provided to volunteers	2	10	20	100

Note: Assessment status is green for <=100%, amber for 65-100%, and red for <65%

3.3 Cultural strand

As stated above, the evaluation of the cultural strand performance is made difficult by a lack of information in terms of forecast output and spend targets and profiles from the beginning of the HSHAZ programme.

Using Y3Q2 data the overall spend for the cultural strand was £100,300. The largest project was the employment of four artists in residence with the second largest project by spend was the employment of a community producer to facilitate the strand's activities. The Vibrant High Streets project included the delivery of events within the Cathedral Quarter area at which attendance was limited due to pandemic restrictions. One of these scheduled events was replaced by the national Hi!Street Fest commission which was funded separately by Historic England.

Table 3-4: Gloucester HSHAZ Cultural Strand – spend performance			
	Outturn expenditure	Forecast as of Y3Q4	% of forecast target (RAG)
Cultural strand			
Project 1 Artist in Residence	£58,000	£58,000	100
Project 2 City Voices	£9,000	£9,000	100
Project 3 Vibrant High Streets	£19,000	£19,000	100
Project 4 Evaluation and Documentation	£3,300	£3,300	100
Project 5 Project Management	£11,000	£11,000	100
HE Grant	£100,300	£100,300	100
LA Funding	-	-	-
Other match funding	£642	£0	
Total	£100,942	£100,300	101

Note: Assessment status is green for <=100%, 100%<amber>=110% and red for >110%

*There are discrepancies contained within the original and final Cultural Programme Monitoring document

Almost all the Gloucester HSHAZ cultural strand outputs were met and a number were significantly exceeded, in particular, the total number of artworks and installations delivered by the strand, number of exhibition open days and number of professional training activities. All of these activities were considered a success. The number of public events and activities delivered by the strand were also significantly higher than forecast with a total of 42 events compared to the original target of one.

It should be noted that only 86 consultation events/activities, 60% of the original target, were delivered. However, these events attracted over 1,700 attendees which was one of the highest across the HSHAZ programme and therefore could be considered a notable outcome for the cultural strand.

Table 3-5: Gloucester HSHAZ Cultural Strand – output performance			
	Achieved outputs	Forecast as of Y3Q4	% of forecast target (RAG)
Cultural Strand			
Number of artworks / installations	229	1	22,900
Number of artists in residence days	122	144	85
Number of exhibition open days	196	18	1,089
Number of consultation events/activities	86	144	60
Number of engagement events/activities	114	26	438
Number of public events/activities	42	1	4,200
Number of other professional training activities	36	0	

Note: Assessment status is green for <=100%, amber for 65-100%, and red for <65%

4 Value for money

A value for money assessment has been undertaken in line with HM Treasury Green Book, Ministry of Housing, Communities and Local Government (MHCLG) Appraisal Guide, and relevant departmental guidance such as the Department for Culture Media and Sport (DCMS) Capital and Heritage Framework. As set out within the MHCLG Appraisal Guide, projects should be appraised based on a **Benefit Cost Ratio (BCR)**³.

Monetised costs and benefits from the HSHAZ programme have been converted to 2024/25 prices using the Gross Domestic Product (GDP) deflators. As all benefits and costs have been inserted in Year 0 with appropriate 2024/25 values applied, there is no discounting required in the analysis. The economic cost calculations are based on the public sector investment, with private sector investment accounted for in the land value uplift calculations. Zero optimism bias has been applied as the costs are known and have been expended. Additionally, no optimism bias has been applied to the benefits as the analysis is based on actual outputs. Where there is uncertainty in any values this is explained.

The following benefits have been monetised, with 71.5% additionality applied based on guidance for regeneration through capital projects and image/culture:

- **Land value uplift (capital strand):** Land value uplift (LVU) is MHCLG's preferred approach to valuing the benefits of development. It is the difference between the new value – (after investment) – and its previous value. MHCLG's land value estimates for policy appraisal have been applied to the land brought back into use for residential or commercial uses.
- **Amenity (capital strand):** Consistent with the MHCLG Appraisal Guide, new open spaces in an urban environment have an economic benefit of £128,658 per hectare per annum (2024/25 prices). It has been assumed that 10% of the public realm delivered as part of the programme are new open spaces. In line with recent appraisals, 50% of per hectare value (£64,329) has been applied to the remainder of the public realm which relates to improvements of existing spaces.
- **Labour supply (capital and cultural strand):** The employment generated by the floorspace brought back into use within the capital strand has been calculated using industry-standard employment densities. The artists into residence in the cultural strand have been converted into Full-Time Equivalent jobs based on the number of days supported. The number of jobs created have been calculated using employment densities and in line with MHCLG guidance, a local GVA per worker figure is applied to the jobs taken up by new entrants. In line with guidance, it is assumed 10% of jobs will be occupied by new entrants and there will be a 40% welfare impact for these jobs with the benefit experienced across five years.
- **Wellbeing benefits from new employment (capital and cultural strand):** Investment is likely to generate permanent employment opportunities onsite, which are known to have a positive impact on individuals' wellbeing when moving from unemployment into employment. Values from Green Book's Supplementary Wellbeing Guidance have been applied to new entrants.

³ The BCR can be interpreted as the estimated level of benefit per £1 of cost. It is used as the core element in the measure of Value for Money (VfM) when interventions involve a net cost to the public sector.

- **Cultural use (capital and cultural strand):** As set out in the Culture and Heritage Capital Evidence Bank, which is cited in the Green Book Wellbeing Guidance, these benefits relate to the willingness to pay of local residents to attend cultural events and assets. This value has been applied to the attendees to engagement and cultural activities, as well as forecast attendees to artworks/installations.
- **Heritage use and non-use – historic buildings conserved (capital strand):** Use and non-use benefits from the historic buildings or heritage assets repaired/conserved have been estimated using benefit transfer approaches from the DCMS Cultural and Heritage Capital Evidence Bank. ‘The Economic Value of Heritage: A Benefit Transfer Study’ considered use and non-use values from works to improve the maintenance and conservation of historic buildings in various cities, a similar initiative to the historic building conservation works in the HSHAZ programme. We have applied the use value to the estimated footfall in each HSHAZ from mobile phone data and the non-use value to local authority residents (minus the users).
- **Heritage use and non-use – shopfront improvements (capital strand):** The restoration and improvement of historic high street shopfronts is a key component of the capital element of the HSHAZ programme. This aspect of the programme cannot be accurately valued using a benefits transfer approach in which the use and non-use economic benefit findings of an existing similar study, for example from the DCMS Evidence Bank, would be applied. For this reason, AMION has undertaken a bespoke contingent valuation and benefits transfer study. This is set out in the next section to assess the use and non-use economic benefits attributed to the restoration and improvement of historic high street shopfronts delivered across England through the HSHAZ programme. We have applied the use value to the estimated footfall in each HSHAZ from the mobile phone data and the non-use value to residents in the local authority (minus the users).
- **Wellbeing benefits from volunteering (capital and cultural strand):** As set out in the Green Book Supplementary Guidance for Wellbeing, volunteering is associated with enhanced wellbeing, with the value estimated using the subjective wellbeing valuation approach cited in this government guidance. The core from the Wellbeing guidance has been applied to the volunteer hours.
- **Wellbeing benefits from education and social programmes (capital and cultural strand):** The Green Book Supplementary Guidance for Wellbeing shows that life satisfaction improves based on participation in education and social development programmes. The core value from the Wellbeing guidance has been applied to attendees at education and training events.
- **Wage premium benefits from education completions (capital strand):** The programme has led to apprenticeship opportunities throughout the construction phase and other construction training events. There is a wealth of existing evidence showing the positive impact of training and qualifications on employment and earnings. Wage premium effects from previous Department for Business, Innovation, and Skills research has been applied to the number of apprenticeship and training completions in the programme, with the benefit lasting for three years which is a cautious approach.

Active mode (capital strand)⁴: The interpretation boards and digital displays will deliver wayfinding benefits for residents and visitors which can be measured using Department for Transport guidance. The benefits arising from these improvements have been measured using the DfT Active Mode Appraisal Toolkit over a 30-year appraisal period. The visitors to the enhanced area have been calculated based on the mobile phone footfall data.

- **Strategy development (capital strand):** There has been substantial resource allocated to the wide range of feasibility, research, heritage and conservation management studies. Our assessment has assumed that these development studies are likely to at least deliver benefits in line with their costs, given that they have been led by local partners in line with need.
- **Distributional benefits (capital and cultural strand):** The approach used to calculate distributional effects is that set out in the HM Treasury Green Book, based on equivalised disposable household income and welfare weights (the estimate of the marginal utility of income). The Green Book distributional weighting framework is constructed using data from the DWP Households Below Average Income (HBAI) dataset. For Gloucester, there is a distributional weight of 1.1:1.

The monetised benefits from the capital and cultural strand are shown below. The main capital strand benefits arise from land value uplift and labour supply benefits from the commercial floorspace brought back into use, the heritage benefits from historic buildings conserved and the shopfront improvements, and the education wage premium benefits from the construction training activities and apprenticeship schemes. The cultural strand benefits arise from attendees to HSHAZ events and the forecasted increase in visitors to the 229 artworks/installations.

	Capital strand	Cultural strand	Total Gloucester HSHAZ
Land value uplift	£563	-	£563
Amenity	£73	-	£73
Labour supply	£695	£3	£698
Wellbeing from employment	£40	£1	£41
Heritage Use	£510	-	£510
Heritage Non-Use	£272	-	£272
Cultural use	£108	£345	£453
Education wage premium	£1,381	-	£1,381
Wellbeing from education	£31	£1	£32
Wellbeing from volunteering	£11	£12	£23
Active mode	£55	-	£55
Strategy development	£134	-	£134
Distributional analysis	£390	£36	£426
Total benefits	£4,264	£398	£4,662

⁴ The active mode benefits have been monetised for the capital strand based on the delivery of enhanced public realm and permanent installation boards/digital displays. The interpretation displays from the cultural strand are assumed to be temporary and therefore, has formed part of the non-monetised assessment

The below table demonstrates the results on the cost-benefit analysis. Gloucester HSHAZ is assessed to have an **overall BCR of 1.55:1**, considered ‘**medium**’ value for money ($1.5:1 < \text{BCR} < 2.0:1$). The cultural strand has a BCR of 3.54:1 and the capital strand a BCR of 1.47:1.

Table 4-2: Gloucester HSHAZ – Evaluation Summary Table			
	Capital strand	Cultural strand	Total Gloucester HSHAZ
A. Present Value Benefits (£m)	£4.26	£0.40	£4.66
B. Present Value Costs (£m)	£2.90	£0.12	£3.01
C. Net Present Social Value (A-B)	£1.36	£0.28	£1.65
D. BCR (A)/B)	1.47:1	3.54:1	1.55:1
E. VfM category	Acceptable / Medium	High	Medium

We have also considered the following non-monetisable benefits using a seven-point scale from ‘large adverse to large significant’ within the MHCLG Appraisal Guide. These important non-monetised benefits include:

- **Legacy impacts** – moderate beneficial (important benefit but will not on its own significantly impact on VFM)
- **Image and community perceptions** – moderate beneficial (important benefit but will not on its own significantly impact on VFM)
- **High street living** – slight beneficial (Small benefit unlikely to have material impact on VFM)
- **Cultural sector development** – slight beneficial (Small benefit unlikely to have material impact on VFM)

In conclusion, the overall Gloucester HSHAZ project is most likely to represent ‘**medium**’ **value for money** based on the monetised BCR and the non-monetised benefit assessment, although it could reach high value for money if legacy impacts are continued over the long-term. The project delivered on almost all its target outputs and is likely to support the a continued programme of regeneration in the area.

5 Insights, lessons learned, and legacy impacts

As set out in the Purpose of the Case Study section, this document is not an evaluation of the Gloucester HSHAZ scheme. Its main purpose is to review achieved outputs, assess likely value for money, and identify successes and challenges arising from a facilitated workshop.

5.1 Key successes

Gloucester HSHAZ saw a large collection of buildings undergo improvement works along Westgate Street and throughout the Cathedral Quarter. This has significantly **improved the streetscape and appeal for residents, visitors and businesses**. Works have also been carried out on buildings of major importance in Gloucester, such as the Fleece Inn, supported by significant Hi! branding material to draw attention to Historic England’s presence in the town.

Another notable success in for Gloucester HSHAZ was the HiStreet Fest 2023. This festival saw Farrah the Fox and local puppet Sabrina lead a parade through the high street. The introduction of Sabrina ensured the HiStreet Fest 2023 event was specifically tailored for the Gloucester audience and telling the story of its residents and community, increasing the event’s relevance.

From the programme’s initial expression of interest, Gloucester set out clear ideas and activities for community engagement. The community strand centred on the marketing of the Cathedral Quarter and community engagement was further built and developed over the course of the four-year programme. This engagement between the **HSHAZ delivery team and the community has had a significant benefit in Westgate Street establishing and strengthening relationships and collaboration that are likely to continue beyond scheme completion**. Activities that engaged the community were innovative, creative and well received, likely to be repeated in future initiatives.

The Cathedral Quarter cultural programme was undoubtedly a huge success, with one project described in consultations as ‘**a brilliant example of a community-engaged artistic project**’. More generally stakeholders involved spoke of improved community cohesion and engagement, a feeling of shared ownership in community projects, strong and lasting connections between people and local organisations, an overall better perception of Westgate, empowerment for residents and recognised the high quality of art produced. Overall, the cultural strand has generated considerable positive momentum that builds a strong foundation for future activities and impacts.

5.2 Challenges

As a devolved grants scheme, the Local Authority were expecting funding to be released once a contract had been finalised and signed. However, it was made apparent that money would not be released until after works were complete, rather than at the point of contract signature. The need for the authority to forward fund activity given constrained budgets proved a **significant challenge and placed great financial pressure on delivery**.

Another challenge faced by the scheme was the more limited than expected collaboration between the capital and culture engagement strands. Ring fencing meant the cultural strand was not absorbed into the capital strand but also contributed to the concept, design and delivery of a number of activities as stand-alone projects reducing the intended and potential synergistic

impacts. This separate management and delivery approach meant the overall programme was not as cohesive as it could have been, with **works delivered by the cultural strand not necessarily complementary of the rest of the programme**.

There was initial uncertainty regarding who was eligible to apply for capital grants in terms of commercial buildings. It was unclear if this was the business owner, building leaseholder or the building owner and this may have acted as a brake on the uptake of grants. However, once the benefits of the grants became apparent at the later stages of the programme, interest increased significantly. **Lead in time would have allowed for the establishment of relationships** and clarity as to the eligibility and benefits of proposed works.

5.3 Legacy impacts

The community engagement strand focused on the marketing of ‘Cathedral Quarter’ and saw good relationships built between the delivery team, the Local authority and residents. Community engagement activities are expected to continue, and legacy effects have the potential to be strong. It is reasonable to expect that the **community will be consulted in greater depth during future initiatives** to ensure they are a focal point for development decisions.

The level of commercial and retail vacancies in Westgate Street has fallen with business conditions considered to have improved over the last year. The **visual improvements to shop fronts and other buildings have encouraged footfall and made the Cathedral Quarter a more attractive offer** for both residents and visitors. Spaces brought back into use are likely to have longer lasting improvements.

The community producer, employed through the Cathedral Quarter HSHAZ, will continue working with one of the artists in residence to look after the Art Group and other projects established over the HSHAZ’s lifetime. Publication of *The Spirit of Westgate* and the archives of the Westgate Art Group at the Folk as a permanent exhibition helps to ensure activities delivered by the programme can be enjoyed by future generations.

Works delivered by the HSHAZ support a **larger regeneration strategy for Gloucester, where heritage led regeneration has proved itself as a viable and successful method for placemaking**. This style of regeneration is complemented by Gloucester’s rich history, as shopfronts restored their traditional frontages and incorporated signages that complement the history of the street and Gloucester more widely.

5.4 Lessons learned

The experienced and committed project manager was instrumental to the success of the Gloucester HSHAZ and acted as a central point throughout the project. This individual was well positioned to deliver this scheme as they were previously managing a National Lottery Heritage Fund Townscape Heritage Initiative. This ensured connectivity among the place-making in Gloucester. The ‘on the ground’ nature of this position also provided a face for the project, increasing accessibility for local businesses and stakeholders.

Pressure was felt by the Local Authority to write and submit the HSHAZ bid given the **time frame for this process was incredibly tight**. This created further issues when delivery was expected to

be align with the initial proposal, which inevitably needed to adapt to the economic, social and political challenges over the course of the scheme.

Gloucester was able to ‘hit the ground running’, as discussions had already taken place with building owners through an existing city centre grant scheme, who were further supported through the HSHAZ funding. Prior to the scheme, an audit had recently been produced that identified local needs and opportunities. However, despite this positive backdrop, a lack of development period for the HSHAZ scheme and individual projects put pressure on project delivery.

The cultural programme was delivered largely in isolation from the capital engagement strands. The Local Authority are still developing a relationship with the cultural consortia established by the HSHAZ programme, introducing shared priorities. The characteristics and voices of the cultural consortia directly affect the activities delivered. Ensuring collaboration between strands of activity focused on the same objective is important to maximise impact. The governance and delivery arrangements need to support this collaboration.

With regards to heritage, historic and often listed buildings, the cost of restoration or conversion works is comparatively high compared to more standard buildings. This poses the question as to the level of match funding required to make investment in restoration an attractive proposition to engage building owners. Historic England allowed intervention rates to vary regionally and nationally, in some cases as high as 90% and this flexibility was considered a positive response from local stakeholders.