

Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officers:	Alan Cavill, Director of Communications and Regeneration
Date of Meeting	23 January 2019

BLACKPOOL TOWN CENTRE REGENERATION UPDATE

1.0 Purpose of the report:

1.1 To provide an overview of progress on the various projects being undertaken to secure the regeneration of Blackpool Town Centre and to inform the Committee of planned future work.

2.0 Recommendation:

2.1 To note the progress being made and to identify any issues requiring additional attention.

3.0 Reasons for recommendation:

3.1 To ensure constructive and robust scrutiny of the strategic approach to regenerating Blackpool Town Centre following a request by the Committee

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priorities are:

- "The economy: Maximising growth and opportunity across Blackpool"
- "Communities: Creating stronger communities and increasing resilience"

5.0 Background Information

5.1 Blackpool Town Centre Strategy

The Blackpool Town Centre Strategy was adopted in March 2013 and provides a **15 year vision** supported by **6 key objectives**:

- **Re-establish** the town centre as the first choice shopping destination for the Fylde Coast
- **Strengthen** the town centre as a vibrant leisure, entertainment, cultural and business tourism destination for residents and visitors
- **Grow** the town centre as a place to do business by creating a central business district and creative industries hub
- **Create** a choice of quality homes within and around the town centre
- **Improve** the quality of buildings, streets and spaces and their maintenance and management;
- **Provide** convenient access to the town centre by all modes of travel and enable easier pedestrian movement.

5.2 The Strategy identifies issues, strengths, opportunities and threats for the Town Centre:

- Catchment, Visitor Profile and Performance;
- Retail and Service Provision;
- Leisure Entertainment, Culture and Business Tourism
- Quality of the Environment;
- Access and Movement.

5.3 The Strategy contains a 5 year Action Plan and recognises the need for a co-ordinated comprehensive approach requiring strong town centre partnership working led by Blackpool Council supported by investment agencies working with private landlords, local businesses, service providers, developers and the Town Centre BID.

5.4 2018 has been a crucial year in terms of refocusing the town centre strategy so that it plans for a vibrant mix of uses, including an enhanced leisure and business offer, rather than having an over-reliance on the increasingly challenged retail environment as evidenced by the 22.2% vacancy rate.

5.5 Substantial progress has been made on key priorities in the action plan (which is to be reviewed and updated) with these efforts being given a further filip by the creation of the Growth and Prosperity Team in March 2017 to lead the coordination and delivery of the Council's investments, the main progress on which is set out below.

5.6 Talbot Gateway Central Business District

The first phase of Talbot Gateway Central Business District, completed in 2014, saw £80 million of investment with over 1,000 employees brought into the town centre

based in Grade A1 office accommodation with accompanying retail units, the construction of a flagship Sainsbury's store, the refurbished of Talbot multi-storey car park and the provision of much improved traffic management and public spaces in the surrounding area. The success of this project was further enhanced in 2018 with 200 jobs from Slater Gordon being located in One Bickerstaffe Square together with the establishment of the Lancaster University/Blackpool and Fylde College/Blackpool Council Health Innovation Campus.

5.7 Talbot Gateway Phase 2 is set to commence in 2020 following the demolition of Wilko and construction of a new 4 star hotel, the tramway extension and a transport interchange (connecting the tram to the rail system) and plans are also underway to bring forward further proposals for Phase 3.

5.8 **Tramway Extension**

Work on the highways for the tramway extension from the Promenade to Dickson Road is now nearing completion, with a view to completing the works along Talbot Road by the end of February. Streetscape improvement works as part of the Quality Corridors project (see below) have been integrated with this work.

5.9 **Tower Street/Wilko/Cinema**

Work continues to progress on the proposed Tower Street expansion of the Houndshell shopping centre. Further due diligence is currently being carried out on the scheme which will deliver a new Wilko store and an IMAX-style cinema. That will, in turn, allow for the demolition of the existing Wilko building, the completion of the transport interchange, and the development of a new 4 star Holiday Inn at one of the key gateways to the resort

5.10 **Conference Centre**

Construction of the new £26m state-of-the-art Conference Centre continues to progress with the main section of the primary steel structure now erected, the secondary element of the main frame which forms the entrance foyer will be built imminently following completion of the demolition to the basement and foyer area of the existing Winter Gardens complex. This will be followed by fitting of the secondary steel frame, roofing and main cladding elements and subsequently external doors, windows and internal fit out. The new building is due to be handed over towards the end of 2019. The first major conference to use the new centre is the GMB, one of Britain's biggest unions, which will return to the resort in June 2020.

5.11 **Next Generation Hotels**

Following the completion of the Hampton by Hilton hotel in 2018 and the plans for the Holiday Inn as part of the Talbot Gateway, work is also underway on two more "next generation" hotels that will complement the new conference and leisure offer.

The new Boulevard Hotel at Blackpool Pleasure Beach is at an advanced stage with a provisional May 2019 opening date and steelwork is now being erected for the new Premier Inn on Talbot Square. Construction work is also underway on the resort's first five-star hotel, the new Sands Venue Resort Hotel. Outline planning consent has also been received for the proposed Winter Gardens 4 star hotel and we are working with the majority site owner to support the scheme to development.

5.12 Blackpool Central

In December 2018 the Council made a public announcement regarding Nikal Ltd and Media Invest Entertainment's proposals for a £300 million investment in Blackpool Central. The proposals to agree to the adoption of the proposed Masterplan were subsequently approved by the Executive on 10th December. The Masterplan forms the basis for progressing a major leisure development on the site in line with the adopted planning framework.

The scheme involves the comprehensive redevelopment of the site with a mixed use leisure development, which includes a number of new world class attractions, food and beverage venues together with new hotels, car parking and residential apartments. The scheme will be themed upon the novel 'Chariots of the Gods' written by Eric Von Däniken in the 1960's and 1970's, based upon unsolved mysteries of the past such as the pyramids of Egypt and Mexico, ancient cave drawings, the monuments of Easter Island and hypothesis of extra-terrestrial visitors.

There will be six key leisure components to the scheme, these are:

- i) The Flying Theatre
- ii) Adventure Land
- iii) Thrill and Gaming Zone
- iv) Virtual Reality Experience
- v) Multi-Media Exhibition
- vi) Alien Diner

The proposals are to be undertaken in four phases over a period of 8/9 years. Enabling works are planned to commence on site 2020 with the construction of a 1000 space multi-storey car park, followed by Phase One which will consist of the main attractions. Phase One is planned for completion and opening to the public during 2024, with subsequent phases being constructed up to 2029.

The agreement between the Council and the Developer will be that of land sale, with developable plots being sold under the terms of a long lease. Draft Heads of Terms have been agreed with the detailed negotiations continuing to agree the final legal and financial matters. It is anticipated that these discussions will have concluded towards the end February 2019. Thereafter, consultation regarding the proposals will continue into 2019, with the Developers looking to submit a planning application at

the end 2019.

It is estimated that upon completion the proposal will see an additional 600,000 visitors in to Blackpool, with £75m additional spend and approximately 1,000 jobs being created.

5.13 **Blackpool Museum**

Work is progressing on the development of the museum that will celebrate Blackpool's unique place in popular culture and create another year-round visitor attraction. The museum team continues to pursue funding streams and a detailed bid to the Coastal Communities Fund is expected to be made in Spring 2019 and all funding will be in place before the end of 2019. The museum is to be located on the first floor of the new Sands Venue Resort Hotel.

5.14 **Quality Corridors**

The aim of the £7.34m Quality Corridors Project is to encourage the economic revitalisation of Blackpool town centre through a programme of highways, public realm and building improvement schemes. The project is jointly funded by the Lancashire Enterprise Partnership (LEP) and Blackpool Council.

There are two distinct elements to the project, the first, and largest, being improvements to the highways network in the town centre. This element will renew road surfaces and paving to improve both traffic flow and pedestrian access across the town centre. Investment has already taken place in part Church St/Caunce St, Cookson St and Dickson Road. Further phases in 2019/20 will see investment in in Topping St, Edward St, Leopold Grove (opposite the conference centre), and Talbot Road (aligned with the tramway infrastructure). Public art and green infrastructure will be incorporated wherever possible.

The second element seeks to improve the appearance of the commercial properties in a designated grant area. i.e. shopfronts Over £1million is available with grants of up to 95% considered for schemes that preserve and enhance the quality and character of the town centre through the repair and refurbishment of buildings. Significant interest has been shown from businesses and property owners with several at an advanced stage of design and quotes for work. 3 projects have been approved so far, with one completed. This will be increasingly visible over 2019 as these multiple smaller investments get underway.

5.15 **Business Loans Fund**

In February 2017, Full Council approved an extension of a former £10m loans fund to £100m to create a new Blackpool Business Loans Fund. The primary purpose of the fund is to promote economic development in Blackpool whilst ensuring that any such investment delivers a secure financial return for the Council. The Council has subsequently approved several strategic investments in health, transport,

accommodation and manufacturing sectors, as well as smaller loans to facilitate new hospitality-related businesses. In terms of town centre, there are four relevant investments totalling £8.86m: the largest relates to the new 5 star Sands Resort Hotel currently under development. Additional investments included the Brew Room pub/brewery on Church Street of the Wok Inn Asian noodle bar.

5.16 **Car Parking Strategy**

Existing town centre parking provision provides a total of 4,173 spaces (3,221 public and 952 private). During peak periods, there are acute pressures on town centre car parks. These are likely to increase as the major regeneration initiatives in the Council's £1 billion Growth and Prosperity Programme that are currently being driven forward by the Council in partnership with the private sector increase the attractiveness of the town centre and the resort. Parking and associated traffic circulation issues are therefore being addressed, together with the need to improve and replace Blackpool's coach handling facilities

The reductions include the impacts of Talbot Gateways Phase 1 and 2 and future phases, the loss of the Tower Street car park as a result of the Wilko and Imax style cinema, and the loss of the surface level car park on the former Central Station site (although the intention is for the current provision here to be replaced on and off site). There is also the additional demand to be created by Blackpool Central, the new Conference centre, the new hotels and the extension of the Houndshill shopping centre and the further development of Talbot Gateway.

As a consequence a significant piece of work is being undertaken to review the position and the opportunities for providing additional car parking with a full report to be presented to the Council's Executive in February 2019.

5.17 **Future High Streets Fund**

Due to the challenges faced by high streets throughout the country, the Government announced in November a forthcoming new fund - the £675 million "Future High Streets Fund" set up to help local areas to respond and adapt to changing shopping habits and customer needs.

The objective of the £675m Fund is to: **"Renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability"**.

Capital co-funding is available towards regeneration projects that bring transformative change through innovative proposals.

Identified need for investment should fall under the following 5 themes:

- Investment in physical infrastructure
- Acquisition and assembly of land including to support new housing, workspaces and public realm (consolidating properties)
- Improvements to transport access, traffic flow and circulation in the area
- Supporting change of use including (where appropriate) housing delivery and densification
- Supporting adaptation of the high street in response to changing technology

Bidding local authorities need to put forward a single, transformative submission covering one high street or town centres in their area.

It is expected that projects are co-funded by public and private sector additions and this will be taken into consideration as part of the assessment of projects. The Fund will contribute up to a maximum of £25 million to each successful place. However, Government expect to see a range of project sizes coming forward, many of which are in the region of £5-10 million per town centre.

There will be **two** rounds of the Fund, both with a two-phase application process

Phase 1

Phase 1 has an application deadline of 22 March 2019: this is an Expression of Interest stage where they will assess places on the need for funding, nature of the challenge, strategic approach and the vision for the future of the town centre.

Phase 2

Shortlisted places will receive some revenue funding to support the development of their high street strategies which shall include specific project plans and associated business cases setting out how they shall regenerate these places. These business cases will be assessed in accordance with departmental and HM Treasury Green Book appraisal methodologies and criteria to be published in due course.

The full business case development phase is expected to take 6 to 12 months, with some places taking less time and receiving decisions on capital funding at an earlier stage.

The Council intends to make a submission to support its Town Centre regeneration strategy and will be consulting with partners to maximise the prospects of a successful submission.

Does the information submitted include any exempt information?

No

6.0 List of Appendices:

6.1 None

7.0 Legal Considerations:

7.1 Most of the developments referred to either do or will include individual legal agreements to protect the Council's investment and to secure the planned outcomes.

8.0 Human Resources considerations:

8.1 The implementation of this programme generates a heavy work load for which staff resources have been put in place.

9.0 Equalities Considerations:

9.1 The implementation of the Council's Growth and Prosperity Programme is designed to create extensive opportunities for employment and economic benefit to Blackpool residents and businesses.

10.0 Financial considerations:

10.1 Each of the developments referred to have significant financial implications for which individual business cases are prepared and factored into the Council's budget. This includes securing significant levels private sector investment and grant funding.

11.0 Risk Management considerations:

11.1 Each of the developments has a business case which includes a review of risks.

12.0 Ethical considerations:

12.1 None

13.0 Internal / External Consultation undertaken:

13.1 Both formal and informal consultation has been and will continue to be a key part of the implementation of such an extensive programme of improvement.

14.0 Background papers:

14.1 None