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 following the last update in January 2019, 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 six 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.

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.

The Strategy contains a five 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 Business in the Community’s Pride of Place Board and the Town Centre BID.

The last two years have 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 22.1% vacancy rate (which has reduced slightly from when it was last measured in May 2019) See Annex.

Substantial progress has been made on key priorities in the action plan especially since the creation of the Growth and Prosperity Team in March 2017 to lead the coordination and delivery of the Council’s investments, details of which are set out below.
5.2 **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.

**Talbot Gateway Phase 2 and Tramway Completion Work**

The Hotel and Underpass works are currently being tendered and this process will be complete by the end of January 2020. It is anticipated that the successful contractor will commence works in April 2020 when the lease of the existing building to Wilko ends in April 2020.

The work will consist of the demolition of the existing Wilko building and the construction of a car park, a Holiday Inn Hotel and an Underpass under the hotel and High Street to the Railway Station. The work will also involve the preparation of the area required by the Tram Extension contractor (Sisk) to complete the Tramway works.

The new tram terminus will be located in the middle of the existing Wilko site. Due to access and lifting requirements / restrictions during the construction of the hotel the tramway will require a temporary stop prior to the permanent stop being constructed during the last months of the hotel scheme. The temporary tram stop will be located in the area of the current entrance to the Wilko store at the junction of Dickson Rd & Talbot Rd for the duration of the Hotel Works.

The construction of the permanent platform will be deferred until after the construction of the Hotel to improve site logistics during the construction. The construction of this platform will now be part of the Hotel contract so that Sisk only have to remobilise once.

Following site possession in April 2020 the temporary stop will be open before the end of March 2021 and the Hotel and permanent Tram Terminus will be open in the first quarter of 2022.

The existing High St underpass will remain open until the demolition works start. The new underpass is constructed as part of the Hotel Development and will be opened at the same time as the new Hotel and Tram Terminus.
Access to Banks Street Car Park from Springfield Road
Negotiations are continuing with Network Rail to gain their internal approvals for the land swap required for this work. They have confirmed their agreement in principle but we are still waiting for agreed Heads of Terms or a signed legal commitment.

Talbot Gateway Phase 3
In February 2019 the Executive authorised expenditure of up to £1,250,000 to carry out concept and initial designs for the most appropriate option to meet a future potential office demand. Since then negotiations have continued and Heads of Terms have been agreed in principle, but the interested party has requested that both their details and the details of the terms remain confidential at this stage. If successful this opportunity will have the added benefit of generating a substantial increase in footfall to the Town Centre which, amongst other things will generate increased spending power to support retail and other businesses in the town centre and attract further investment.

Talbot Gateway Phase 4
Opportunities are also being investigated for the relocation of some interests into the area of the Town Centre that will ultimately facilitate a further increase in footfall to the surrounding area. These discussions are at a very early stage and remain confidential.

Car Parking Strategy
In February 2019 the Executive approved a car parking strategy and authorised up to £16,000,000 to deliver the additional town centre parking provision identified in the report. The report delegated authority to the Chief Executive to authorise expenditure and contracts to deliver the most appropriate option within these financial limits.

Sites have been identified with some acquisitions already made that will provide additional parking as required to meet the car parking demands and this provision will be developed as the additional demand is required.

5.3 Tower Street/Wilko/Cinema
Following planning permission having been secured for the proposed Tower Street expansion of the Houndhill shopping centre that will deliver a new Wilko store, IMAX-style cinema and restaurants, as a result of the Council’s due diligence there have been unavoidable delays in implementing the scheme. Intensive negotiations have been underway for the Council to assist with resolving the issues and significant progress has been made such that it is now hoped that the development could be able to commence later this year. However, these unavoidable delays have meant that the new Wilko store will not be ready in time for when the existing store building on Talbot Road will be required for Talbot Gateway Phase 2, as referenced above. As a
result of this negotiations are ongoing with Wilko to achieve a temporary relocation in the meantime.

5.4 **Conference Centre**

Construction of the new £26m state-of-the-art Blackpool Conference Centre continues with all substructure and superstructure elements now complete. The next phase of the build is the external skin along with abutment details to the existing Winter Gardens complex and these are now well under way. This will be followed by internal first fix installations taking place this autumn. The currently anticipated project completion date is summer 2020.

5.5 **Next Generation Hotels**

Following the completion of the Hampton by Hilton 3* hotel in 2018 and the opening of the Boulevard 4* Hotel at Blackpool Pleasure Beach which opened in May this year, work is also well underway on two more “next generation” hotels. Both of these are due to open in 2020, complementing the new conference and leisure offer: the new 3* Premier Inn on Talbot Square and the resort’s first 5* hotel, the Sands Venue Resort Hotel.

A further new hotel is also due to start construction in 2020 (the 4* Holiday Inn at Talbot Gateway) and outline planning consent has been granted for the proposed Winter Gardens 4* hotel where we continue to work with the majority site owner to support the scheme to development. Other hotels are also planned as part of the Blackpool Central scheme.

5.6 **Blackpool Central**

The Council has now agreed the terms for the major regeneration scheme, ‘Blackpool Central’. This follows the announcement made last December 2018 by Developer Nikal Ltd and media company Media Invest Entertainments Ltd who outlined their scheme to Council members and the public.

The proposals will include new leisure and visitor attractions and will bring approximately £300m of investment into the town. The comprehensive redevelopment of the former Central station site would include 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 project will be undertaken in four phases over a period of 8/9 years. The enabling phase will commence with the construction of a 1,300 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.

It is estimated that the completed development will attract up to 600,000 additional visitors a year with a combined annual spend of £75m. It will also create around 1,000 new jobs.

The Council will be entering into a land sale arrangement with the Developer, which will enable them to draw down the land on a long lease. The terms of the final legal agreement will require a number of conditions to be satisfied by both parties prior to the entering into the land sale.

A key requirement for the Council will be the ability to provide vacant possession of the site, and whilst the Council holds the freehold title to the majority of the land and assets on site, there are a number of existing long leases which will need to be acquired prior to commencement in order for the development to proceed.

Proposals for the development also include the area of the site currently occupied by Blackpool Magistrates and County Courts. In order for this phase of the development to be undertaken it is essential that a solution to the relocation of the courts is found between Blackpool Council and Her Majesty’s Courts and Tribunals Service. Much work and discussion has been undertaken on this to date, however the situation is yet to be resolved though the site is in the latter phases of the development to ensure that progress on the overall scheme is not delayed in the early years.

It is anticipated that the final legal agreements for the development will be approved this autumn. The Developer will then be looking to submit a planning application during 2020 and, subject to approval, commencing works towards the end of 2020 / early 2021.
5.7 **Blackpool Museum**

The Blackpool Museum Project has successfully secured £11,250,000 of statutory funding and is now moving into its delivery phase. Design plans are now well advanced for this exciting new attraction which will be located on the Golden Mile, next door but one to The Tower on the first floor of the new Sands Venue Resort Hotel. Aimed at the family audience, it will celebrate the entertainment heritage of Blackpool in a fun and accessible way. Local people will benefit from free admission. A community engagement programme, which runs alongside the building programme, will work with 40,000 people through a range of activities. The Museum Project remains on target for opening in 2021.

5.8 **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. Over the last two years significant highways and public realm improvements have been delivered in parts of Church Street, Caunce Street, Cookson Street, Dickson Road and Talbot Road (in conjunction with the tramway works). Street furniture has been installed including bollards and benches. Trees will increasingly feature in renewed streets along with some public art. Works are now on site in Edward Street and Deansgate with Topping Street and Leopold Grove (opposite the Conference Centre) to follow in the next year.

Secondly, *the Property Improvement Fund* provides in excess of £1m in grants to assist property owners and businesses in priority streets to improve the external appearance of their properties and to encourage take up of vacant space. Some excellent examples of this include Café Continental and the Mortgage Shop on Topping Street and the recently completed Deansgate Kitchens, Sunseekers and Asia’s Finest on Deansgate.

Other property schemes are on-site at Edward St (pictured below) and Talbot Rd, with a pipeline of further properties that can be assisted within existing resources, around thirty in total. This includes some major schemes about to start including a £400k external facelift of the Ibis Styles Hotel (former Clifton Hotel) and a £168k investment in a block of nine properties on Topping/Church Street. Options are also being explored to refurbish/reuse a retail property purchased by the Council on Topping Street. Demand exceeds supply of grant so the Council is seeking ways of extending the scheme. Illustrative examples are shown below:
Talbot Road – Enhanced Highway, Public Realm & Shopfront (160-162 Talbot Rd)

Topping Street: Completed Properties (Fabrik, Mortgage Shop & Café Continental)
Edward St in Progress (new shopfront recently fitted at No 10 Edward St)

Deansgate Onsite & Properties Improved: Deansgate Kitchens/Sunseekers/Asia’s Finest

5.9 Future High Streets Fund, High Street Heritage Action Zone and Towns Fund

Blackpool has recently been the beneficiary of three successful funding announcements two of which relate directly to the Town Centre and one to the Town as a whole.

Future High Street Fund (FHSF)

FHSF is a £1 billion capital and revenue grant fund which aims to provide infrastructure investment to help renew and reshape town centres and high streets. On the 26 August 2019, the Council’s stage 1 application progressed through to the second stage of assessment which requires the submission of Green Book standard Business Cases for extensive appraisal. Funding of up to £150k is provided to assist with this. It remains a competitive process.
Blackpool Council is to submit two separate Business Cases within the revised dates:

1) A Fast Track submission by 29 November 2019. This confidential proposal would support a transformational leisure and retail development in the heart of the town. This scheme will significantly increase footfall, boost the evening offer and subsequent economy, with the opportunity to extend dwell time through visiting other retail and leisure uses surrounding the scheme. This scheme is well developed and fits with the “shovel ready” bid requirements.

2) A “Wider propositions” bid, due for submission by 30 June 2020 with a draft business case presented by 15 March 2020. A range of propositions were outlined in the submission following consultation with a range of partners which were based around:
   a. acquisition and land assembly proposals to diversify and strengthen town centre uses and offer and town centre living opportunities,
   b. investments in physical infrastructure eg a Transforming Streets Strategy which would be a programme focused on radically reducing the numbers of vacant units in the town centre.
   c. supporting change of use and adapting the High Street for changing technology to exploit the opportunities presented by Blackpool’s radically improving full fibre network and associated developments.

These will be reviewed to assess which of the schemes originally proposed are now feasible to be included at this next stage and any changes that may need to be made as the business cases are developed i.e. fit with the scheme’s detailed criteria and the likely level of resources to be available. This could, for example, include developing complementary proposals to improve transport access, another of the FHSF key themes.

Consultation with partners and stakeholders will also take place during this process.

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.

Successful bids will be announced in Summer/Autumn 2020 with all spend profiled 2020-21 to 2023-24.

There are a number of significant bodies that currently directly impact on the governance of the Town Centre and who were involved in the preparation of the
stage 1 bid including the Blackpool Pride of Place Board, the Blackpool BID, community and voluntary sector stakeholders and the Council. Following the Pride of Place facilitated workshop as part of the initial bid it was agreed that to take forward the implementation of the FHSF bid there needed to be a review of town centre governance arrangements to include a wide partnership and ensure clear delivery responsibilities.

In order to provide external scrutiny and harness the highest levels of expertise the Council will initially establish a Shadow Town Centre Board under the guidance of Peter Cole, Chief Investment Officer of Hammerson Plc who has over 30 years experience in retail and regeneration. The Board will review governance arrangements and ensure effective delivery through stakeholder engagement and workshops. This review will also utilise the outputs of the review of the Blackpool Business improvement District (BID) which is looking at its current geography, governance and function led by Gary Reeves formally of the New West End Company.

High Streets Heritage Action Zone

The High Streets Heritage Action Zones (HSHAZ) programme is a place-based scheme designed to secure lasting improvements to historic high streets and the communities who use them.

On 13 September 2019, Historic England confirmed the success of our bid, a grant of just under £600k. This will be used to improve the street frontages of the Winter Gardens and Grand Theatre onto Church Street as well as a programme of activities to bring culture out of both buildings onto the street and encourage more people into the venues to experience two of our finest listed buildings.

The project will also consider the opportunity to install an innovative French visitor attraction technology in St Johns Square and/or Church Street providing an immersive experience to the user. Via a terminal, users will be able to view specially created historic, virtual reality images of the same location illustrating how the built environment and local community heritage has changed. Such technology, using Blackpool’s excellent full fibre network, could provide a new attraction appealing to both residents and visitors which would increase footfall by showcasing the town’s heritage.

Community groups in the form of the Winter Gardens Trust, Civic Trust and Friends of the Grand will all play key roles in the governance of the project. Further Programme Design work needs to be submitted by January 2020

Towns Fund

In July 2019, a £3.6bn Towns Fund was announced as part of the government’s
commitment to levelling up the regions and ensuring that communities across the UK can benefit from shared prosperity.

On the 6 September 2019 government announced that Blackpool had been invited as one of 100 places to develop proposals for a Town Deal. Typically these will fund interventions which focus on improved transport, infrastructure, broadband connectivity, skills and culture-related proposals.

A prospectus is anticipated soon which will set out the rigorous process by which applications for funding will be considered with value for money being a key determinant. It is believed that this funding could be worth circa £25million to Blackpool but this is yet to be confirmed.

Does the information submitted include any exempt information? No

6.0 List of Appendices:

6.1 Appendix 8(a) - Town Centre Vacant Units : August 2019

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