

Officer Non Key Executive Decision

Relevant Chief Officer (Decision Maker):	Neil Jack, Chief Executive
Relevant Cabinet Member (for consultation purposes):	Councillor Lynn Williams, Leader of the Council
Report Author (Officer name and title):	Nick Gerrard, Growth and Prosperity Programme Director
Implementation Date of Decision:	17 January 2021

BLACKPOOL TOWN DEAL – PROGRAMME AND PRIORITISATION

1.0 Purpose of the report:

1.1 To consider:-

- This report as an update on the Town Deal funding programme and the prioritisation exercise undertaken to allocate resources between projects
- The document attached at Appendix A required for submission to Ministry for Housing, Communities and Local Government (MHCLG) by 17 January 2021

2.0 Recommendation(s):

- 2.1 To approve the proposed allocations of Town Deal funding as set out in Appendix A for submission to Ministry for Housing Communities and Local Government.

3.0 Reasons for recommendation(s):

- 3.1 The £39.5m ring-fenced Town Deal monies for Blackpool will bring forward significant regeneration in Blackpool town centre and across the borough through the 7 identified schemes. The schemes will work to enhance the attractiveness of the town and support confidence in the private and public sectors to invest further. This is even more important following the Covid-19 pandemic where economic recovery is essential.
- 3.2 To move schemes forward it is essential that Blackpool Council provide the Towns Fund Lead by 17th January 2021 with indicative information on each scheme including spend profiles and anticipated outputs and outcomes. The Town Deal Board met on 15th January 2021 and approved the submission to MHCLG.

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

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

3.5 Other alternative options to be considered:

To not provide the information requested by Government could place the funding envelope in jeopardy.

Considerable activity has been undertaken to date and will continue into reviewing and developing the schemes. The only option would be differing spend profiles but those outlined below as the preferred spend profile are based on considerable Officer input.

4.0 Council Priority:

4.1 The relevant Council Priority is: "The Economy: Maximising growth and opportunity across Blackpool".

5.0 Background Information

5.1 The Executive meeting on 16th November 2020 (EX48/2020) agreed to ...

""delegate to the Chief Executive the authority, after consultation with the Leader of the Council, to agree:

- the allocation of the resources between the 7 approved schemes, and,
- the business plans for the projects identified in the Heads of Terms for submission to Ministry of Housing, Communities and Local Government after they have been through the preparation and assessment processes outlined in paragraphs 6.3 and 6.4 in line with the Heads of Terms at Appendix 2a and the Towns Fund Further Guidance including seeking agreement of the Town Deal Board.
- for the Executive to be kept informed of progress on the Town Deal""

5.2 On the 27th October 2020, MHCLG provided the Town Deal Board Chair and the Chief Executive of Blackpool Council with a Draft Heads of Terms (HoT) document. It highlighted a funding envelope of up to £39.5million and noted the 7 schemes which it was content to provide support towards (subject to full Business Case development and appraisal and all conditions met.) It noted that the Grundy Extension (£0.1m) and Innovation Partnership (True.) (£2m) schemes were deemed to be out of scope for support.

- 5.3 £49.3m was the original request which when the above two schemes are removed, leaves a funding “gap” of £7.7m. This left a requirement to prioritise spend allocations across the 7 remaining projects.

There was an additional requirement in the HoT, which requires Blackpool Council/Town Deal Board to provide the Towns Fund Lead within two months of the deal being signed (17th January 2021) , with the following information :-

- Towns Fund ask
- match-funding total and breakdown
- expected outputs and outcomes
- plan for addressing key conditions
- whether the project will be fast-tracked
- proposed financial profile and the Revenue/Capital split (approval at MHCLG’s discretion)
- The actions taken to address the conditions for selected projects

- 5.4 Detailed discussions have been held between nominated project development leads and Growth & Prosperity project officers and with support of AMION Consulting. These discussions have looked to determine the:-

- Current development position of the schemes
- Viability of the schemes
- Town Deal funding request
- Co-funding position (where appropriate)
- Initial community engagement opportunities
- Approach to Business Case development including support needs and timetable

- 5.5 Further to this activity, a response to the Towns Fund Lead is provided at Appendix A for review.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix A – Response to MHCLG Towns Fund Lead

6.0 Legal considerations:

- 6.1 There are no legal issues at this stage as this is solely an update document to Government. Legal Services will carry out the due diligence required in respect of any future project grant approvals etc.

7.0 Human Resources considerations:

7.1 The project will be led by the Council's Growth and Prosperity team and each project has an assigned Project Lead.

8.0 Equalities considerations:

8.1 These will be considered as part of the full business case development for the schemes. A requirement of Town Deal funding is the undertaking of a programme and project level impact assessment "Public Sector Equality Duty" (PSED). The Council's Equality and Diversity Manager will support this activity.

9.0 Financial considerations:

9.1 The original Town Deal stage 1 submission (approved by the Executive) outlined 9 schemes (reduced to 7 by Government decision) which have a range of co-funding needs. Clearly as the business cases for the schemes are worked up, the availability of co-funding from a variety of sources, including potentially through the Council in the form of Prudential borrowing. These co-funding needs will be reviewed and worked up over the 12 months the business cases are being produced and Council agreement will be sought if required.

9.2 It should be noted that substantial upfront development costs will be incurred during the business case development phase. Following the original invitation to submit a Town Deal bid the Council received £173,000 in up front funding for bid development (including engagement) costs. So far c.£132,000 of this has been defrayed on Investment Plan and business case support, community engagement, context support work and promotion leaving £41,000 for the subsequent business case development.

9.3 As there is the requirement to appoint both primary and secondary business case appraisers and commission supporting information (such as scheme design work, QS costs, transport benefits modelling etc) to ensure the business cases are fully Green Book compliant this allocation will be significantly exceeded prior to funding being granted. It is the intention that these costs will be incorporated into the Business Cases and funding envelope available to each scheme. Whilst Towns Hub support is available it does not significantly reduce these costs which in total could potentially be up to £400k which will be at risk until final approval to the Towns Funding is received. It is the intention to minimise any costs and, as set out in the Appendix, to accelerate any approvals to ensure funding is received at the earliest opportunity within the next financial year.

10.0 Risk management considerations:

10.1 There are no specific risks at this stage as this is solely a programme update for government. Each business case will incorporate a project specific risk register which would be monitored and worked to during delivery stage.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 Internal - Growth & Prosperity Programme Director, Growth & Prosperity Board,
Director of Communications and Regeneration

External – Town Deal Board

13.0 Decision of Chief Officer

13.1 To approve the proposed allocations of Town Deal funding as set out in Appendix A for submission to Ministry for Housing Communities and Local Government.

14.0 Reasons for the Decision of the Chief Officer

14.1 The Town Deal programme will bring forward significant regeneration in Blackpool town centre which will enhance the attractiveness of the town centre and confidence of the private sector for investment and demonstrate that Blackpool remains open for business despite the Covid – 19 pandemic and help strengthen the economic recovery.