

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Alan Cavill, Director of Communications and Regeneration
<b>Relevant Cabinet Member:</b>	Councillor Mark Smith, Cabinet Member for Business, Enterprise and Job Creation
<b>Date of Meeting:</b>	22 March 2021

## BLACKPOOL TOWN DEAL: UPDATE

### 1.0 Purpose of the report:

1.1 To provide the Executive with an update on the delivery of the Town Deal Programme.

### 2.0 Recommendation(s):

2.1 To note the report for information.

### 3.0 Reasons for recommendation(s):

3.1 Following the submission of Blackpool's Town Investment Plan and bid for resources from the Towns Fund, Government processes require that the Town Deal Board and the Council, as Accountable Body, oversee the Town Deal programme and its progress.

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

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

### 4.0 Other alternative options to be considered:

4.1 The development of the Town Investment Plan (TIP) and its respective scheme interventions were subject of extensive engagement, review and consideration. Although not all the totality of funding was to the level applied for it represents a very positive outcome to drive forward the Town's regeneration plans.

### 5.0 Council priority:

5.1 The relevant Council priority is: "The economy: Maximising growth and opportunity across Blackpool".

## 6.0 Background information

### 6.1 Town Deal Board and Town Investment Plan

The £3.6Billion Towns Fund was launched in November 2019 to enable towns to address growth constraints through Town Deals. 101 towns were invited to bid with the aim, “to unleash the full economic potential of 101 places and level up communities throughout the country”. The objective of the Towns Fund is to “drive the economic regeneration of towns to deliver long-term economic and productivity growth”.

As part of the invitation to the lead Council a Town Deal Board incorporating public, private and community membership and an independent private sector Chair was required to be established as an advisory board to the Council.

The Blackpool Town Deal Board was established in February 2020, chaired by Paul Smith of Business in the Community (BITC) the Blackpool Pride of Place Partnership (a strategic partnership of the Council, the Local Enterprise Partnership and BITC which had produced a Blackpool Town Prospectus in 2018, subsequently refreshed in 2020 as the basis of securing a broad-based Town Deal for Blackpool.

The role of the Town Deal Board has been to:

- Develop and agree an evidenced-based Town Investment Plan
- Develop a clear programme of interventions
- Coordinate resources and influence stakeholders
- Oversee the development of 7 Green Book Business Cases

The Town Deal Board has held 8 meetings so far with its membership and papers including the outcomes of a major community engagement exercise published on the Council’s website.

<https://www.blackpool.gov.uk/Your-Council/Creating-a-better-Blackpool/Creating-a-better-Blackpool.aspx>

### 6.2 Progress

A detailed update report was provided at the November 2020 Executive meeting when approval was given to the signing of the Heads of Terms for the allocation of £39.5m to work up seven of the projects with only the Innovation Partnership and Grundy Art Gallery schemes being deemed out of scope by Government from the original submission.

In addition to the £39.5m, on the 25 September 2020, Blackpool received confirmation of £1m of Towns Fund “accelerated funding” which needs to be spent on capital elements of Town Deal schemes by the end of March 2021. This was used to acquire land at Devonshire Road to support the relocation of the new Courts building to facilitate the much-needed removal of the existing courts from the Blackpool Central site.

A requirement of the Heads of Terms, which was submitted on time, was to provide, within two months:

- 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 Ministry for Housing, Communities and Local Government’s discretion)

This information was submitted in January 2021 but approval to the above information submission has still not been provided at the time this report was written. The only element that is expected to have caused the need for more detailed review by Ministry of Housing, Communities and Local Government, was the request for the Youth Hub scheme to be a “revenue” scheme instead of a “capital” scheme due to there no longer being a need to undertake substantial capital works to the building from where delivery would be provided.

Business Case Development Process

The next stage of the process involves the development of business cases for each of the seven projects outlined in the Heads of Terms, in line with HM Treasury Green Book Business Case guidance. All seven must be developed and appraised by 17 November 2021, twelve months after the Heads of Terms were issued.

Extensive work is ongoing to work up the seven schemes as below. Activity incorporates both Council Officers and retained external consultancy support including AMION Consulting who provide business case development advice alongside critical friend and Town Deal Board advisory support.

<b>Project Name</b>	<b>Funding Allocation</b>
Blackpool Central Courts Relocation	£8m
Multiversity	£9m
Blackpool Airport Enterprise Zone	£7.5m
Blackpool Youth Hub	£0.5m (revenue)
Southern Quarter / Revoe Community Sports Village	£5.5m
The EDGE (Stanley Buildings)	£4.5m
Illuminations	£4.5
<b>TOTAL</b>	<b>£39.5m</b>

## Wider Consultancy Advice

Wider consultancy support is also required:-

- 1) To provide independent business case appraisals
- 2) To provide wider business case development support activity on an ad hoc basis

With this in mind, procurement exercise was undertaken between December 2020 and February 2021 to appoint a Framework Panel of consultants which could be “called off” from immediately as required.

A panel of 7 consultants have been appointed namely :-

- CAPITA Business Services
- EKOSGEN
- GENECON
- Global City Futures
- Stantec UK
- Steer Davies Gleave
- Ultra /Arcadis

The Panel is valid for two years and the consultants can be appointed to work on any bid submission, not just Town Deal related.

## Business Case Appraisal and Assurance

To support the Business Case appraisal process, Blackpool Council as the accountable body will ensure that an appraisal and approval process is put in place that will provide Government and local partners with assurance that decisions over the allocation of Town Deal funding are proper, transparent, and involve accountable decision making. The process established will also ensure that public funding delivers value for money, and appropriate monitoring and evaluation mechanisms to report on performance.

The Town Deal Board established a Town Deal Investment Panel (TDIP), with suitably skilled individuals drawn from relevant partner agencies (with representatives from the public, private, and community/voluntary sectors), to ensure there is sufficient oversight and scrutiny of the business case proposals brought forward. Councillor Smith, as Cabinet Member for Business, Enterprise and Job Creation sits on the TDIP.

This Panel, chaired by Steve Williams of Force Technology, met for the first time on the 13 January 2021. It will report to the Town Deal Board regarding the allocation of funding and best use of public sector funding prior to final decisions being taken by the Executive under the delegation arrangements agreed in November 2020. The Town Deal Investment Panel is supported by the Growth and Prosperity Team of Blackpool Council as part of its existing secretariat role to the Town Deal Board.

A Full Business Case will be developed for each project and submitted to the Town Deal Investment Panel for initial review. Once content, the Town Deal Investment Panel T will appoint an independent appraiser, using the framework panel referred to above, to assess the Business Case and report back to the Town Deal Investment Panel and then to the Town Deal Board. If approved by the Board and the Executive, Blackpool Council (as accountable body) would draw up a funding agreement, with appropriate monitoring and evaluation arrangements established.

### Additional Capacity Funding

The Ministry of Housing, Communities and Local Government (MHCLG) is supporting towns to complete the Town Deals process. In line with this, on 8 February 2021 they informed all Town Deal towns that they will distribute grants this financial year with the purpose of helping towns to complete Towns Fund process – up until the final agreement of business cases.

Towns were invited to apply for “capacity” funding of between £50,000 - £120,000. Whilst all Town Deal areas were able to apply, it was stated that funding would be prioritised to towns who can demonstrate they are at clear and obvious risk of failing to complete the process if they are not able to access additional support.

An application form was submitted on the 17 February 2021 with a £120,000 request. In its submission, Blackpool noted it was delighted to have received such a large Town Deal allocation, but that obviously involved a large resource to both develop and work up the business cases for the seven approved schemes by November 2021.

It was noted, that when the initial capacity funding was provided (£173,029), the Council was not fully aware of the number and nature of the projects to be put forward and what the outcome of the Council submission would be. The Council was however, committed to developing a strong bid and now to ensuring its successful implementation and has allocated resources accordingly ahead of being able, hopefully, to offset most of these parts of the final business case submission. The Council has made it clear that because of the scale of this activity it is expecting a substantial additional contribution towards these costs to maximise the resources available for delivery with capacity required in 3 areas:

- a) Owing to the scale of the programme and the pressure on in-house human resource availability during the pandemic where officers have been pulled onto other areas of work the Council will need to pay for an additional member of the support team to enhance the programme management resource.
- b) Lack of internal experience of writing and developing Green Book Business Cases. The Council has only one individual with such experience.
- c) Specialist advice is essential in the form of transport benefits modelling (economic case), Subsidy (formally State Aid), scheme demand assessment, design fees etc.

A decision is awaited at time of publication.

### Engagement Activity update

Extensive engagement was undertaken at the Town Investment Plan development stage as a pre-requisite of the submission. As part of the Towns Fund submission a Stakeholder Engagement Plan (SEP) which set out a framework approach to ensuring substantial public and organisational involvement in the development and delivery of the proposed schemes was included. The Plan aims to build on the work previously undertaken by Locality via the Commonplace platform, which has been praised as an example of good practice by the Towns Fund Hub, balancing both an online approach to maximise participation with outreach work to groups who are less likely to have access to technology. It will reach out to the 373 Commonplace update subscribers as part of a “People’s Panel” approach where people have the opportunity to be involved in as many engagement exercises as they wish, and will use the details gathered in the Asset Mapping work to create a Stakeholder Panel operating on a similar basis.

A second engagement exercise was launched via the Commonplace website on 22nd February, building on the previous thematic engagement with specific details of the projects being developed. See <https://blackpooltownsfund.commonplace.is/> .

The first engagement exercise held in July proved very popular, receiving over 1,000 comments. The site was open for comments until 12 March 2021, and the data gathered is now under review. The findings will feed into the business planning process, and will also shape detailed engagement plans with groups with protected characteristics and stakeholders over the next six months. The balance of engagement will now move more towards offline methods as much as possible, with more face-to-face and other outreach activity using local organisations as national lockdown restrictions ease. A specific plan has been developed with the Town Deal Engagement Team, which includes representatives from the Council, Business in the Community and community groups, to ensure that the exercise accounts for the needs of different groups with an interest in the projects.

### 6.3 Management and Governance Arrangements

The management, governance and delivery of Blackpool’s Town Investment Plan will require the ongoing oversight provided by the Town Deal Board through to the Executive. As the accountable body, Blackpool Council will retain overall responsibility for the delivery of the programme with regular reports to the Executive and decisions being made under the Executive’s delegation arrangements. Project management and delivery support will therefore continue to be provided by the Council in conjunction with partner agencies.

6.4 Does the information submitted include any exempt information? No

## **7.0 List of Appendices:**

7.1 None.

## **8.0 Financial considerations:**

8.1 Without Towns Fund funding approval many of the schemes would not be pursued. Where any co-funding is required, this has already been provisionally agreed as part of the preparation of the business case.

## **9.0 Legal considerations:**

9.1 The Council has the power pursuant to section 1 of the Localism Act 2011, and section 111 of the Local Government Act 1972 to enter into the non-legally binding heads of terms relating to the £39.5 million Town Deal proposed by the Ministry of Housing, Communities, and Local Government.

9.2 The delivery of each of the individual projects requires further work to satisfy condition precedents and Council approvals before grant funding will be released to the Council and they can be delivered. Each and every project will need to rely on the appropriate powers, and ensure the completion of the appropriate procedural requirements (e.g. consultation, Public Sector Equality Duty, State aid and procurement compliance) before legal documents can be prepared and executed.

## **10.0 Risk management considerations:**

10.1 With all major schemes there are risks, and each scheme will have a risk assessment developed and allocated to it. A programme level risk register is also available.

## **11.0 Equalities considerations:**

11.1 There are no equalities issues with the programme outlined. Where any development requires new build or redesign e.g. Multiversity or new Courts building, full inequalities and accessibility requirements will be taken into account at the design stage. Town Deal require a Public Sector Equalities Duty to be undertaken at a programme level which will be submitted in November 2021. This activity will be supported by the Council's Equalities Manager.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 There are no environmental issues with the programme outlined. Reducing the impact of climate change and ensuring sustainability will be taken into account at various design stages.

**13.0 Internal/external consultation undertaken:**

13.1 These are outlined in section 6.2 above.

**14.0 Background papers:**

14.1 Town Deal Heads of Terms report to 16 November 2020 Executive- [link here](#)

Town Deal Board papers are available on the Town Deal section of the Council's website <https://www.blackpool.gov.uk/Your-Council/Creating-a-better-Blackpool/Creating-a-better-Blackpool.aspx>

**15.0 Key decision information:**

15.1 Is this a key decision? No

15.2 If so, Forward Plan reference number:

15.3 If a key decision, is the decision required in less than five days? N/A

15.4 If **yes**, please describe the reason for urgency:

**16.0 Call-in information:**

16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

16.2 If **yes**, please give reason:



**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**17.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: N/A

Date approved: N/A

**18.0 Declarations of interest (if applicable):**

18.1

**19.0 Executive decision:**

19.1

**20.0 Date of Decision:**

20.1

**21.0 Reason(s) for decision:**

21.1

**22.0 Date Decision published:**

22.1

**23.0 Executive Members in attendance:**

23.1

**24.0 Call-in:**

24.1

**25.0 Notes:**

25.1