

Part 1: Project Summary Document

Towns should complete this for each project.

Summary Document table
1. Project name: Blackpool Airport Enterprise Zone (BAEZ)
2. Heads of Terms project conditions <ul style="list-style-type: none"> – Actions taken to address any conditions attached to the project in the Heads of Terms, where applicable. – Where the condition was to provide a delivery plan please input in the section below (no.9) and/or attach to this document.
There were no Town Deal Conditions Outlined for this project by DLUHC.
3. Business case appraisal Provide details of how the business case has been appraised including: <ul style="list-style-type: none"> – business case type – any internal or external assurances
<ul style="list-style-type: none"> • A Green Book 5 case business case was developed for the BAEZ scheme. • Approach to Appraisal. • Business Case development has been managed and overseen by the Growth and Prosperity Team within Blackpool Council working directly with public, private and community stakeholders and supported by external HM Treasury Green Book business case development specialists (Amion Consulting). • To support the Business Case Appraisal process, Blackpool Council, as accountable body, ensured an assurance system was put in place that would provide Government and local partners with assurance that decisions over the allocation of Town Deal funding are proper, transparent, involves accountable decision making and deliver value for money whilst incorporating monitoring and evaluation activity. • The Town Deal Investment Panel (TDIP) incorporating suitably skilled individuals drawn from the Blackpool Town Deal Board and relevant partner agencies (with representatives from the public, private, and community sectors), has been utilised to ensure there is sufficient oversight and scrutiny of the business case proposals brought forward.

- A private sector Town Deal Board member was appointed to Chair. The TDIP in turn reported to the Town Deal Board, regarding the allocation and best use of public sector funding. The TDIP has its own terms of reference agreed by the Town Deal Board.
- The TDIP was supported by the Growth & Prosperity Team of Blackpool Council in line with its existing secretariat role to the Town Deal Board.
- The following 6 stage process of appraisal was implemented:
 - Stage 1: A full Business Case (using the five-case business model) was developed for the BAEZ scheme. The business case content and depth was proportionate to the funding amount requested (£7.5m Town Deal).
 - Stage 2: The Business Case was submitted to the TDIP on the 30th July. An initial presentation was provided to the TDIP panel on the 30th July and Town Deal Board on the 9th July. The TDIP undertook an initial review to ensure that the project was in line with the Town Investment Plan submission and the approval in the Government's Heads of Terms.
 - Stage 3: If there were any concerns or suggested changes (i.e. a negative decision) the TDIP panel had the opportunity to return the submission with comments for improvement and subsequent resubmission.
 - Stage 4: In the case of the BAEZ scheme, it was a positive position, and the TDIP appointed independent appraisers (STEER), drawn down from a Blackpool Council appointed Framework Panel further to tender. The appraisers then undertook a green book compliant appraisal, liaising with Council officers, ensuring it met with outlined VFM requirements.
 - Stage 5: The independent evaluation report was fed back to the TDIP with recommendations at its 22nd September 2021 meeting which the appraiser attended. The TDIP reviewed the appraisal and provided a recommendation to the Town Deal Board at its 8th October, 2021 meeting and the Chief Executive of Blackpool Council (under approved delegation arrangements) for final approval. The business case was accompanied by recommendations for consideration.
 - Stage 6: The scheme was approved by the Town Deal Board and Blackpool Council's Chief Executive under his delegation and this Project Summary Document has been signed by the s151 Officer of the Council and the Town Deal Board Chair.

Moving forward the following additional stages will be implemented:

- Stage 7: Schemes will proceed once funding approval has been confirmed by DLUHC at which point a delivery contract will be drawn up between Blackpool Council as Accountable Body and the project sponsor.
- Stage 8: The TDIP will be provided with quarterly reports on scheme delivery and performance for monitoring purposes. Subsequent updates will

be provided to the Town Deal Board and the Council's Executive including outline of any actions required to support delivery.

- Stage 9 : Scheme evaluation activity will be undertaken in line with that outlined in the individual business cases

4. DLUHC / MHCLG capital (CDEL) 5% payment

None of the 5% funding has been defrayed by this project at this stage as it is not due to commence until January 2022.

Substantial spend of £737,000 is anticipated by end of March 2022. A total Town Deal programme request of £3.5m for the 2021/22 has been made, which will include the 5% up front funding which will support these activity costs.

From October 2021 onwards a proportion of the 5% will be used towards a new Programme Monitoring Office (PMO) staffing function and towards Council finance and legal team costs, who will directly support the Illuminations project in its delivery.

5. Quantified benefit-cost ratio/value for money (e.g. Benefit Cost Ratio or Net Present Social Value)

A quantified benefit-cost ratio should be provided. If it has not been generated, a summary of evidence used by the S151 Officer to demonstrate value for money should be stated.

A full green book compliant economic case for the project was developed by Amion Consulting which incorporated all value for money elements. This was subsequently viewed and approved as satisfactory by independent appraiser STEER who stated :-

- The Business Case assesses Value for Money for each shortlisted option. Option three, New internal access incorporating a through route, is selected to be the preferred option as it yields the highest economic benefit of the three shortlisted options.
- The BCR was found to be **2.5:1** for the project, which would suggest that the scheme delivers Value for Money.

STEER also noted "The project clearly aligns to local strategic objectives and priorities. Based on the figures presented within the Business Case, it has potential to deliver good VfM outcomes. Partner funding from Blackpool Council is in place, alongside appropriate governance structures and procurement processes".

The economic case was undertaken in accordance with the Green Book, and DLUHC and DfT guidance. It comprises consideration of a long and shortlisted options, assessment of economic costs and benefits, adjustment for optimism bias and additionality, and sensitivity analysis, to derive an appropriate value for money assessment of the alternatives.

Two shortlisted intervention options were assessed, a new EZ access with through route – the Eastern Gateway (Option 3) and the alternative EZ access with no through route (Option 2), compared with the do nothing counterfactual (Option 1). The present value of the economic costs have similar estimates of £19.7m and £20.5m respectively, while the do nothing has nil

cost. Monetised benefits are based on land value uplift and transport, together with a range of complementary wider socio-economic and other measures, with the assessed present value of overall benefits of Option 2 totalling £30.5m and of Option 3 totalling £62.3m. The counterfactual (Option 1 has no additional benefits. This provides adjusted benefit cost ratios (BCRs) of 1.5 for Option 2, demonstrating acceptable VfM, and 3.0 for Option 3 - indicating it would provide good VfM. The results of the assessment are summarised below.

Appraisal Summary Table

	Option 1	Option 2	Option 3
[A] PV of initial benefits (£000)	0	19,552	51,400
[B] PV of adjusted benefits (£000)	0	10,935	10,935
[C] PV of public sector costs (£000)	0	19,747	20,500
[D] PV of Towns Fund-only costs (£000)	0	8,542	8,542
[E] PV of project costs ¹ (£000)	0	19,747	20,500
NPSV (£000) [A-C]	0	-195	30,901
Initial BCR (xx:1) [A/C]	0	1.0:1	2.5:1
Adjusted BCR (xx:1) [A+B/C]	0	1.5:1	3.0:1
Total project cost BCR [A/E]	0	1.0:1	2.5:1

6. Deliverability

Will this project still be delivered within the Towns Fund timeframe? (Y/N)

Yes

7. Delivery plan

Including details of:

- timescales and key milestones
- partnerships
- interdependencies
- risks and mitigation measures (if not provided above).

Timescales and Milestones

The Town Deal specific project will operate from January 2022 to December 2024. Summary milestones are as below with a full programme for the project available as an appendix to the business case.

Milestone	Target Date
Initial feasibility/TIP submission	Jun 2020
In principle offer letter/HOTs	Oct 2020
Endorsement by TD Board (& confirmation of projects to MHCLG)	Jan 2021
Design team appointment	Aug 2021
Business Case completion	Sep 2021
Business Case independent appraisal	Oct 2021
Investment decision by TD Board (& BC & Summary Case to DLUHC)	Nov 2021
DLUHC approval (& MOU agreed)	Jan 2022 (assumed)
Procurement started	Jan 2022
Works start (initial works at Division Lane)	March 2022
Acquisitions complete (if applicable)	May 2022
Procurement complete	Jul 2022
Detailed feasibility/design completed	Sep 2022
Main works start	Oct 2022
Works complete	Dec 2023
M&E complete	Dec 2024

Delivery Partnership/Dependencies

The Growth and Prosperity team at Blackpool Council will be the responsible delivery body for this project overall. However, the overseeing of road design and construction will be led by the Highways team at Blackpool Council.

Blackpool Council's Head of Enterprise Zones, will act as the designated Project Manager for the works tied to Town Deal funding. As the Blackpool Airport Enterprise Zone is a well-established Council function with a dedicated delivery team, project management procedures are already well-established, and have contributed to the successful delivery of the Enterprise Zone to this point. These project management procedures will be carried over to ensure the Town Deal-associated elements are delivered efficiently, effectively, and in a manner fully integrated with the existing Enterprise Zone structure to provide sustainability within the delivery methodologies.

The Enterprise Zone delivery team (Town Deal Project Manager and supporting officers) will meet on a regular basis (no less than twice monthly) with the Highways Delivery and Design

Team, Civil Engineering Design Support, and Contractors where appropriate. The EZ team will also have direct input into project design process to ensure suitability of highways infrastructure for the development objectives of the Enterprise Zone and emerging requirements of potential commercial end users of development plots.

Risk and Mitigation

The project summary risks with mitigation are as outlined below:-

Stage	Probability	Impact	Initial risk rating	Mitigation
Feasibility & design	3	4	12	Concept design in place, detailed design ongoing
Approvals & agreements	3	5	15	In-principle approvals in place, further applications in preparation for submission
Procurement	2	3	6	
Site specific	4	3	12	Undertake site investigations, amend design and construction accordingly
Construction / Implementation	3	3	9	Ability to amend design during construction
Operation	2	3	6	
Wider risks	2	2	4	
Overall Risk Score			9	

The average risk score for this project is 9, which places the project in a low-medium category of risk. There are no areas of high risk. At this point, approvals and agreements, particularly relating to planning and design, do provide some levels of risk. However, mitigation would show that work carried out alongside designers, contractors, and planning authorities can manage risk significantly.

Potential constraints Subject to confirmation of funding, Towns Fund timescales are the key constraint in relation to detailed design, consents, and implementation of the highway works. While this can be mitigated to a large extent based on the expertise available in delivering similar projects, it is subject to external factors including statutory agencies and consultation. However, with strong project management, the project should be capable of being delivered within the available timescale.

Potential dependencies The key constraint in undertaking the highway project is the granting of detailed planning consent in a timely manner. This will involve clear application management to meet planning requirements and any possible objections. There are no other

major dependencies. Land is largely in local authority ownership, Blackpool is the highways authority, the Council has its own highway engineering team, and the EZ implementation team and governance structure is already in place.

A more detailed risk register was provided as an Appendix of the Business Case.

8. Town Deal Board Chair name & signature

Name of the Town Deal Board: Blackpool

Chair's name and signature: Paul Smith

Date: 8th October, 2021

9. By signing, I agree that:

1. The business case, in a proportionate manner, is Green Book compliant.
2. The 5% early capital (CDEL) has been included in the Town Fund project costs across the programme.
3. This project and expenditure represent value for money, including the 5% early capital (CDEL) provided.
4. Project-level Equality Impact Assessments such as Public Sector Equalities Duty and/or Environmental Impact Assessments have been undertaken.
5. For final submission - programme-level Public Sector Equality Duty assessment has been undertaken by the accountable body.

Name of the lead Local Authority and signature of the Chief Executive Officer or S151 Officer

Name of the lead Local Authority: Blackpool Council

Job title: Director of Resources and s151 Officer

Name and signature: Steve Thompson

Date: 15th October 2021