

Report to:	EXECUTIVE
Relevant Officer:	Alan Cavill, Director of Communications and Regeneration
Relevant Cabinet Member :	Councillor Mark Smith, Cabinet Member for Business, Enterprise and Job Creation
Date of Meeting:	6 December 2021

BLACKPOOL TOWN DEAL: UPDATE

1.0 Purpose of the report:

1.1 To receive an update on progress with the delivery of the Town Deal Programme.

2.0 Recommendation(s):

2.1 To note the progress with Blackpool's Town Deal programme.

2.2 To delegate to the Chief Executive, after consultation with the Leader of the Council and relevant Cabinet Members, the authority to sign off any supplementary agreements necessary for taking forward the Town Deal projects including but not limited to with Blackpool and Fylde College for the Multiversity, Her Majesty's Courts and Tribunal Service for Blackpool Central Courts relocation, and with Blackpool Football Club for the development of the Revoe/Southern Quarter Community Sports Village.

3.0 Reasons for recommendation(s):

3.1 Following the submission of Blackpool's Town Investment Plan and the successful 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.

Two of the projects Multiversity and Revoe/Southern Quarter will, subject to final Government sign off, require agreements with Blackpool and the Fylde College and Blackpool Football Club respectively in order to make further progress on them.

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 of options and consideration before being agreed.

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 £3.6 billion Towns Fund was launched in November 2019 to enable towns to address growth constraints through Town Deals. 101 towns were initially 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), and its role has been to:

- Develop and agree an evidenced-based Town Investment Plan (TIP)
- Develop a clear programme of interventions
- Coordinate resources and influence stakeholders
- Oversee the development of Green Book Business cases within a locally determined assurance framework including independent appraisal

The Town Deal Board has held 15 meetings as at 12 November 2021 with its membership and papers including the outcomes of a major community engagement exercise published on the Council’s website: [Blackpool town deal agendas and minutes](#).

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 (HoT) and 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”

A further update was given to the March 2021 Executive.

A requirement of the Heads of Terms was to provide detail of :

- 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

This information was submitted in January 2021 (and subsequently approved) and included a request for the £500,000 Youth Hub scheme to be a “revenue” instead of a “capital” scheme, due to there no longer being a need to undertake substantial capital works to the building from where it would be delivered.

In addition to the £39.5m, on 25th September 2020, Blackpool received confirmation of £1m of Towns Fund “accelerated funding” which needed 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 removal of the existing courts from the Blackpool Central site.

When the original Town Investment Plan was submitted for a total programme value of £49.3m, £10m Town Deal was originally allocated to the Blackpool Central Courts Relocation project. When an offer of £39.5m was made a prioritisation exercise was required across all 7 projects, the Town Deal contribution to this project was reduced to £8m. Subsequently, after a review of the project’s funding need as the business case was developed, it was determined that a reduced allocation of £6.95m was required leaving £1,045,818 available to go back into the wider Town Deal programme for reallocation.

With the Revoe Community Sports Village project, when the original Town Investment Plan was submitted a £7.5m Town Deal was originally allocated to this scheme. With the reduced offer after the prioritisation exercise, the Town Deal funding was reduced to £5.5m.

However, as a result of the development of the business case the need for further Town Deal resource was identified (to support higher property acquisition costs and public realm activity than previously anticipated) and subsequently the potential to transfer the £1,045,818 from the Blackpool Central Courts Relocation scheme was approved by the Town Deal Board and the Department of Levelling Up, Homes and Communities informed. Thus the final Town Deal allocations are now as follows:

Project Name	Funding Allocation (rounded)
Land Acquisition for Multiversity	£9.0m
Blackpool Airport Enterprise Zone	£7.5m
Blackpool Central Courts Relocation	£7m
Revoe Community Sports Village	£6.5m
The EDGE (Stanley Buildings)	£4.5m
Illuminations	£4.5m
Blackpool Youth Hub	£0.5m
TOTAL	£39.5m

On 13th September 2021, the Council were provided with a 5% advance payment of the overall programme (£1,975,000) to support up-front costs incurred in project development and delivery. These funds are part of the total allocation of £39.5m.

Business Case Development Process

The next stage of the process involved 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 needed to be developed and appraised, and summary business cases submitted to the Department of Levelling Up, Homes and Communities (DLUHC - formerly MHCLG) twelve months after the Heads of Terms were issued (i.e by 17th November 2021).

Department of Levelling Up, Homes and Communities provided financial support for the business case development process. Initially Blackpool was allocated £173,029 in December 2019 and a further £70,000 in March 2021, these resources being utilised to secure expert advice and commission supporting evidence. Extensive work was undertaken to work up the seven schemes. Activity incorporated both Council Officers and retained external consultancy support including AMION Consulting who provided business case development advice, with a focus on economic case making, alongside acting as a critical friend and Town Deal Board advisory support. In addition, Avison Young led on the Revoe Community Sports Village Scheme and CBRE/ Hawkins Brown/Amion on the Multiversity scheme. The funding was also used to support the extensive community engagement exercises.

Wider consultancy support was also required to provide independent business case appraisals and assurance activity on behalf of the Council and Town Deal Board. With this in mind, a procurement exercise was undertaken between December 2020 and February 2021

to appoint a Framework Panel of consultants from which they could be “called off” as required.

Seven consultants were appointed to the Panel:-

- Capita Business Services
- Ekosgen
- Genecon
- Global City Futures
- Stantec UK
- Steer
- Arcadis

Business Case Appraisal and Assurance

To support the Business Case appraisal process, Blackpool Council, as the accountable body, needed to ensure an appraisal and approval process was put in place that would provide Government and local partners with assurance that decisions over the allocation of Town Deal funding were proper, transparent, and involved accountable decision making. The process established would also ensure that public funding delivered 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 Town Deal Investment Panel.

This Panel, chaired by Steve Williams of Force Technology, met for the first time on the 13 January 2021 and has held 10 meetings since. It reports 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 6 stage process of appraisal has been implemented:

- Stage 1: A full Business Case (using the five-case business model) was developed for each scheme. The business case content and depth was proportionate to the funding amount requested
- Stage 2: The Business Case was submitted to the Town Deal Investment Panel. The Town Deal Investment Panel 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 the Town Deal Investment Panel had the opportunity to return the submission with comments for improvement and subsequent resubmission.
- Stage 4: Once approved the Town Deal Investment Panel appointed independent appraisers from the Framework Panel outlined above. The appraisers then undertook a green book compliant appraisal, liaising with Council officers, ensuring it met with outlined value for money requirements.
- Stage 5: The independent evaluation report was fed back to the Town Deal Investment Panel with recommendations at a subsequent meeting which the appraiser attended. The Town Deal Investment Panel reviewed the appraisal and subsequently provided a recommendation to the Town Deal Board and, once approved by the Town Deal Board, to the Council's Chief Executive (under the approved delegation arrangements) for final approval.
- Stage 6: The schemes have all now been approved by the Board and the Chief Executive and the Project Summary Documents submitted to Department of Levelling Up, Homes and Communities.

The next stages that will be followed are:-

- Stage 7: Schemes will proceed once funding approval has been confirmed by Department of Levelling Up, Homes and Communities at which point a delivery contract will be drawn up between Blackpool Council as Accountable Body and the project sponsor.
- Stage 8: The Town Deal Investment Panel 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 Executive including an 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

All 7 schemes have now been through Stages 1 -6. Having been approved at Town Deal Board (17 September 2021 and 9 October 2021 meetings and subsequently by the Chief Executive under delegation) the first 3 schemes (Illuminations, Youth Hub and Enterprise Zone) were submitted as Summary Documents to Department of Levelling Up, Homes and Communities on the 14 October 2021, together with a programme level Monitoring and Evaluation form.

The Edge and Blackpool Central Courts Relocation scheme were approved by the Town Deal Board on 5 November 2021 and Multiversity and Revoc Community Sports Village on 12 November 2021, and subsequently by the Chief Executive under delegation. The remaining 4 summary documents were submitted by the 17 November 2021 deadline. An approval

decision on the first 3 schemes is anticipated by December 2021 and the remaining 4 by March 2022.

Each Town Deal project has had a specific Public Sector Equality Duty (PSED) analysis undertaken and a Programme level Public Sector Equality Duty is also in place which has been agreed as robust by the Council's Equalities and Diversity Manager and subsequently signed off by the Director of Resources.

Engagement Activity

Extensive engagement was undertaken at the Town Investment Plan development stage as a pre-requisite of the submission. The Town Deal Town Investment Plan development stage (February – July 2020) involved substantial engagement activity undertaken by a dedicated research and consultation team within the Council working with local partners from the private and voluntary sectors (the Town Deal Engagement Team), supported by independent companies, Locality and Commonplace. This activity helped to determine the Town Investment Plan and its proposed projects and indeed a Stakeholder Engagement Plan was created to ensure that the principles were maintained into delivery. This exercise proved extremely popular with over 6,500 individuals engaged, generating 2,162 contributions from 1,127 respondents receiving over 1000 comments.

A second engagement exercise was launched via the Commonplace website on 21st February, building on the previous thematic engagement with specific details of the projects being developed. See <https://blackpooltownsfund.commonplace.is/>.

Under this engagement activity, people were asked specifically to provide their views on the seven schemes rather than broad themes. The site was open for comments until 22 March 2021.

Whilst the former exercise gathered comments on a thematic basis, the subsequent work presents a specific overview of the discrete projects being developed seeking detailed observations and comments from Blackpool residents, visitors and workers. This was part of the intended trend for Town Deal engagement activity to become increasingly specific to the projects and gather practical input to be used in constructing the business plan, final design and future development of the schemes.

An overview of activity shows that when the site closed, it had received 2,587 visitors, just under half the number of the first Commonplace exercise. 399 visitors responded to questions, and 350 chose to make detailed comments. 139 of these subsequently signed up for further updates on the project. All the findings of the Commonplace exercise were fed into the business planning processes.

Project level engagement will continue during the delivery stage alongside the ongoing use of the:

- **People’s Panel** - over 400 people have signed up for future project updates and further engagement. The Panel is being developed with regular communication and newsletters, and as people become more familiar with the projects in the Plan, more detailed engagement will be carried out using social media, online surveys, focus groups and face-to-face discussions (lockdown-permitting). Further communications and outreach will grow membership of the Panel, ensuring its influence increases as respondents become advocates for the schemes they have shaped.
- **Stakeholder Panel** - using a map of local community assets developed by Locality, a Stakeholder Panel has been developed to supplement the current governance arrangements. Open to all organisations in the town, it will operate on a similar basis to the People’s Panel but with engagement balanced towards open discussions to ensure that the voice of all stakeholders are heard, and to ensure continued development of our productive relationships. It will link to existing networks and arrangements in place across the private and voluntary sectors, building on existing relationships to ensure a constant influx of diverse views.

The Engagement Team will review these processes quarterly and adapt to the evolving demands of the projects, considering the extent to which all parts of the stakeholder community have engaged, and regular reports are given to the Town Deal Board.

6.3 Management and Governance Arrangements

The management, governance and delivery of Blackpool’s Town Deal Programme 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 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 any partner agencies led by a Programme Management Office (PMO) function. A 2% “top slice” of the Town Deal programme (£790,000) has been allocated to support programme management staffing and other costs throughout the 4 year programme life.

6.4 Does the information submitted include any exempt information? No

7.0 **List of Appendices:**

Appendix 4a – Summary of the 7 Town Deal projects

8.0 Financial considerations:

Without Towns Fund funding approval many of the schemes would not be pursued. Where any co-funding is required, this has already been determined and agreed as part of the preparation of the relevant 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 Department of Levelling Up Homes and Communities.

9.2 Regarding the Land Acquisition for Multiversity Project, a Memorandum of Understanding between Blackpool and The Fylde College and Blackpool Council is in draft which outlines the working arrangements and key areas of responsibility to deliver the Multiversity Campus once the Town Deal funding is confirmed. The key principles that are set out in the Memorandum of Understanding will provide the confidence that both parties are fully committed to bringing the project forward in accordance with the agreed programme.

9.3 The Blackpool Central and Courts Relocation scheme will also lead to a Memorandum of Understanding / Collaboration Agreement being signed in January 2022 (target) between HM Courts and Tribunal Services and Blackpool Council to outline their working arrangements and key areas of responsibility to deliver the HM Courts and Tribunal Services decant and new build development once the Town Deal funding is confirmed.

9.4 Similarly, the Revoe/Southern Quarter scheme will require Memorandum of Understanding /Collaboration agreement with Blackpool Football Club to clarify the respective roles in taking forward the implementation of the project.

9.5 The delivery of each of the individual projects requires further work to satisfy conditions precedent and Council approvals. Each 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 has a risk assessment developed and allocated to it. A programme level risk register is to be created before project delivery commences.

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 The Edge, full inequalities and accessibility requirements will be taken into account at the design stage.
- 11.2 Town Deal required a Public Sector Equalities Duty (PSED) to be provided for each project and a programme level Public Sector Equalities Duty submitted in November 2021. This activity was supported by the Councils' Equalities and Diversity Manager and will be so on an ongoing basis.

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 of projects.

13.0 Internal/external consultation undertaken:

- 13.1 Please refer to section 6.2 above

14.0 Background papers:

- 14.1
- a) Town Deal Heads of Terms report to 16 November 2020 Executive (EX48/2020)
 - b) Town Deal report to Executive March 2021(EX16/2021)
 - c) Town Deal Board papers are available on the Town Deal section of the Council's website [Blackpool town deal agendas and minutes](#).

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:

Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Summary of discussion:

19.1

20.0 Executive decision:

20.1

21.0 Date of Decision:

21.1

22.0 Reason(s) for decision:

22.1

23.0 Date Decision published:

23.1

24.0 Alternative Options Considered and Rejected:

24.1

25.0 Executive Members in attendance:

25.1

26.0 Call-in:

26.1

27.0 Notes:

27.1