

## Officer Non Key Executive Decision

<b>Relevant Chief Officer</b>	Neil Jack, Chief Executive
<b>Relevant Cabinet Member</b>	Councillor Lynn Williams, Leader of the Council
<b>Report Author</b>	Nick Gerrard, Growth and Prosperity Programme Director
<b>Implementation Date of Decision:</b>	XXXXX 2021

### Blackpool Town Deal – Submission of Summary Business Cases

#### 1.0 Purpose of the report:

- 1.1 To provide an update on the Town Deal funding programme and authority for the required submission of the final 4 of the 7 scheme “Summary Documents” to the Department of Levelling Up, Homes and Communities (DLUHC – formerly MHCLG) under the terms of the delegation agreed by the Executive at its meeting on 16<sup>th</sup> November 2020 (EX48/2020)

#### 2.0 Recommendation(s):

- a) To approve the submission of the final 4 Summary Business Cases for The Edge, Blackpool Central Courts Relocation, Multiversity and Revue/Southern Quarter Community Sports Village (Appendices A, B, C and D) together with the Public Sector Equalities Duty Programme (Appendix E) signed by Chair of the Town Deal Board and s151 Officer.
- b) To authorise the Chief Executive and Head of Legal to enter into a Memorandum of Understanding with Blackpool and the Fylde College to commit to the bring forward the delivery of the Multiversity and the development of a further business case to secure the funding for the construction of the Multiversity.

#### 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 seven 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. The 7 schemes are :-
- Blackpool Illuminations Modernisation

- Blackpool Youth Hub
- Blackpool Airport Enterprise Zone Infrastructure Development
- Blackpool Central Courts Relocation
- Multiversity Land Assembly
- Revoe Community Sports Village
- The Edge – Incubation Office Space in Stanley Building

### 3.2

The DLUHC (formally MHCLG) Grant Letter dated 22nd March 2021 noted that *“the next step is to continue to conduct project assurance in line with agreed routes for each individual project and develop business cases, submitting Summary Documents to MHCLG within 12 months of the Heads of Terms being signed. Subject to completion of the conditions and satisfactory Summary Documents, MHCLG agrees to allocate funding up to £39.5m across financial years 2021/22 to 2025/26”*.

17<sup>th</sup> November 2021 is 12 months from signature of the offer letter and hence the target date for return of the seven project summary documents.

The Government has now set a series of deadlines for submission of summary documents in batches, the first of these being 15<sup>th</sup> October 2021 for payment by December 2021. The initial 3 schemes having been through the agreed appraisal process by the deadline were submitted under a previous ONKD covering those 3 projects only. A second ONKD for the remaining 4 schemes is hereby provided as they have now been through the final stages of appraisal in November.

#### **The Edge**

The core aim of the project is to expand the quality and range of flexible managed workspace within Blackpool town centre to accommodate the needs of new and growing small businesses complemented by tailored business advice for growth-ambitious small businesses.

Stanley Buildings has been identified as a suitable building within the town centre to achieve this aim. It is local authority owned and ideally located given its proximity to several flagship regeneration projects, local amenities and transport networks. The distinctive triangular shaped building was constructed in the mid- 1930’s with an art deco faience tiled cladding (still present in a number of heritage buildings around the town). Given its architectural merit it is a locally listed building which is a material consideration in any planning consent. Most of the upper floors are currently void and in an unlettable state, but the wider Stanley Buildings houses FYCreatives, a small but successful managed workspace facility; and various ground floor retail and commercial uses.

The Edge is the name given to the proposed expanded managed workspace aiming to knit together large parts of the upper floors of the building to create a vibrant business

hub providing a choice of offices, meeting rooms, co-working and breakout space. Council co-investment will ensure the renovation of the wider Stanley Buildings, including ground floor shopfronts and repurposed adjacent building.

The Edge aims to :-

- a) Create a destination small business hub, enabling innovative and high growth businesses to expand; accessing bespoke support on their business growth journey;
- b) Address market failure by meeting unfulfilled demand for affordable serviced office space for small businesses within the town centre;
- c) Facilitate the creation of skilled job opportunities in growing business sectors, ensuring businesses have key facilities such as full fibre infrastructure, as well as business networks and know how on which to thrive;
- d) Strengthen business support provision - ensure it is demand-driven and relevant to the needs of growth-oriented Blackpool businesses.
- e) Bring sensitive refurbishment and regeneration to a signature 1930's locally listed building

The project is a £6.8m capital scheme (£4.5m of Town Deal; £2.3m Council co-funding to be included within the capital programme) to be delivered by Blackpool Council as scheme promoter and accountable body.

### **Blackpool Central Courts Relocation**

This project aims to support the development of Blackpool Central, a £300m private sector investment in Blackpool's visitor economy, by accelerating site assembly. At present, the development of the full site proposed for Blackpool Central is inhibited by the presence of in-use County and Magistrates Courts and a former Police HQ, which occupy a prominent and large area within the wider site boundary. In order to realise its full potential, HMCTS services need to be relocated, and the current tired facilities demolished, along with the former Police HQ, with subsequent land treatment works being undertaken to leave a cleared and clean site.

The investment of £6.95m in this project will both support the relocation of HMCTS services from the current site on Chapel Street to a new site at Devonshire Road, close to the town centre, and allow for the demolition of the existing Courts and former Police HQ buildings, as well as treatment of the site.

The creation of a major mixed leisure, hospitality and food and beverage development, with associated infrastructure, on the Blackpool Central site will be a major driver in Blackpool achieving its goal of becoming a year-round visitor destination. If the current Courts and former Police HQ site was not able to be cleared, the development potential of the site would be significantly reduced, meaning the development would have less of an economic impact and a reduced transformative effect on the local area.

The rationale for the project is based on market failures and equity. The private sector would be unable or unwilling to undertake the proposed development without public sector intervention, and significant employment benefits might not be realised without this intervention.

Key objectives of the project are as follows:

- a) To support the relocation of the existing Blackpool Courts from Chapel Street to an alternative site at Devonshire Road by March 2025 through making land available and assistance with costs associated with early termination of the existing lease.
- b) To make the vacated site of 0.8ha at Chapel Street ready and available for redevelopment as part of Phase 3 of the Blackpool Central scheme by September 2025 through demolition and clearance of the existing Court buildings and the adjacent former Police Headquarters building, together with site treatment and preparation works.
- c) To facilitate the comprehensive development of the Blackpool Central scheme comprising an estimated 81,390 sq. m of new world-class leisure and associated facilities and 1.2ha of public realm, that will lead to the attraction of an estimated 600,000 additional visitors per annum and additional visitor spend, and accommodate an estimated 830 new gross jobs, as set out in the scheme masterplan.
- d) To contribute to the wider growth and development of Central Blackpool, the leisure sector, and assist in the related provision of modern public sector assets within the government estate.

### **Multiversity**

The overall vision for the project is to bring forward regeneration proposals through the creation of a new 'Multiversity Campus' in the heart of Blackpool Town Centre. The Multiversity Campus will facilitate the aspirations of Blackpool & the Fylde College to create a world class University learning environment which will be carbon neutral in operation.

'University Centre Blackpool' (UCB) will be a unique proposition, providing a cutting-edge response to local, regional, and national priorities delivered by the College. Through a high quality, dedicated and distinctive technical and professional curriculum, co-created with employers and in partnership with Lancaster University, UCB will support high level skills growth and individual success, now and in the future. With courses focusing on automation, mobility, artificial intelligence, data, population ageing and sustainability, the Multiversity will focus on training, learning and education opportunities for regional businesses to up-skill their workforces.

The College's existing University Centre Campus at Park Road in Blackpool is situated away from the town centre amenities and rail network and is as such is disconnected

from the core of the Town. The College needs to relocate from its current campus to realise its full potential in collaboration with Lancaster University as UCB.

It is not economically viable to repurpose the existing campus buildings and there is insufficient site capacity for the additional floorspace that is required to achieve the vision of the UCB. The College is therefore looking for a new campus site where it can expand and re-focus its higher education offer to incorporate a wider range of higher level technical qualifications and is seeking to relocate to a new site which is located near to the Talbot Gateway Central Business District on the edge of Blackpool Town Centre.

The relocation to a new carbon neutral in operation campus will improve education, skills and learning in Blackpool and the wider area and provide a major contribution to the regeneration of Blackpool Town Centre.

In total the Multiversity is an estimated £85m scheme, the first stage of which involves the purchase of the site using £9m of Towns Fund. The land assembly will be led by Blackpool Council and the Council and the College as scheme promoters and accountable bodies will work in collaboration to secure the funding for the delivery of the overall project.

The new Multiversity Campus has been designed to accommodate over 3,600 learners.

SMART objectives have been developed for the first phase of the project which will be delivered through the Towns Fund:

- By 2023/24 to have acquired / assembled and cleared the Multiversity site
- By 2025/26 to have brought the site into use as the Multiversity or, if necessary, for an alternative regeneration scheme option

**Key Outputs/Impacts:-**

- Acquisition and clearance of visually unappealing area
- Re-location of existing residents and businesses
- Development of a higher education building which can accommodate over 3,600 students Increased proportion of Blackpool residents with higher level skills and qualifications
- Creation of collaboration space to support business and academia joint working
- Upskilling of potentially an additional c.650 learners per year
- Accommodation of 157 jobs at the Campus and support of 32 new jobs in the town centre through student spending
- Re-development of the Park Road site for residential use
- Increased spend within the town centre, supporting wider regeneration efforts

### **Revoe/Southern Quarter Community Sports Village**

The Revoe/Southern Quarter Community Sports Village project has been designed to respond to need identified in the local community, and to leverage and enable investment within the Blackpool FC Bloomfield Road ground and surrounding environment. Without a comprehensive and joined-up approach to the design and delivery of this project, investment could result in greater severance of the existing Revoe community, and undermine the potential to deliver community facilities that will benefit local people for years to come.

The overall project aim is to establish a sports village with leisure, education, and residential uses using £6.5m Town Deal while leveraging up to £17m of private investment. The Town Deal allocation has increased by £1m from that originally approved as a result of a transfer of savings from another Town Deal scheme (Blackpool Central Courts relocation).

Bloomfield Road, the home of Blackpool Football Club, is located in Revoe, a highly deprived area of Blackpool which adds further challenges to the project. This manifests in particularly high levels of unemployment, in particular in younger people. Health deprivation is of major concern, and there is an identified shortage of local community provision within the area. The disconnect between the Revoe community and Blackpool FC as a key asset for the town is a major missed opportunity to improve local economic circumstances and encourage active lifestyle at all ages.

Whilst Bloomfield Road is an important asset for Blackpool its East Stand is a temporary structure in need of significant investment. More widely there is vacant brownfield land between the Foxhall residential development area and Bloomfield Road which has been undeveloped for a number of years. This area of land is fenced off and not open to the community. The hard standing, parking areas and disused land do not offer any wider community benefit or facilitate community integration. The proposed project boundary currently comprises: Blackpool FC Bloomfield Road Football Ground plus associated uses including hard standing, surface level car parking, and groundsman area; residential properties and commercial uses located on the western side of Henry Street; and vacant development land to the south of the Foxhall residential development.

As discussed above the deprivation around the Football Club is material and extensive. Therefore, there is a clear need to invest in the area and improve many of the shortcomings and challenges currently faced by the local community. Sports and Playing Pitch Need: The Blackpool FC Community Trust has been working with the local community over a sustained period of time to provide support and opportunities for football and sports related programmes across a number of age groups. In the current area, which includes three local schools, no current facilities exist and chance to engage in such activity is very difficult.

The project will include the direct delivery of the following within a coherent Sports Village:

- 1x Under 16s 3G pitch
- 4,600 seat new East Stand with associated within-stand concourse to support match day activity
- New club shop, club bar and ticket office to North Stand frontage
- New Timber Yard to support retention of existing business (Firwoods)
- 7,332m2 public realm delivery to include creation of new North Stand Public Realm
- 139 re-provided car parking spaces

In addition it will enable and safeguard delivery of:

- 7,410m2 brownfield land for the purposes of future development to Central Drive frontage
- 6,709m2 brownfield land for the purposes of additional sports infrastructure delivery

The following benefits will be leveraged through the scheme:

- Community playing pitch provision
- Healthier lifestyles for local community, increased participation in sports / active training, education and learning programmes leading to reduced mental health illness and reduced obesity within local population, increased life expectancy within local population with improved disability access,
- Public realm delivery: direct benefit of public realm on the local community
- Coherent integration of Sports Village within Revoo community.
- East Stand / Bloomfield Road delivery: direct benefits of greater match day attendance, direct benefits of increased commercial activity within the ground. With long term sustainability of Blackpool FC and increased local employment opportunities.
- Regeneration activities: direct benefits of construction programme through demolition and development phases.

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 by the date requested would place the funding envelope in jeopardy. Considerable activity has been undertaken to develop Treasury Green Book compliant business cases which have been externally

appraised and reviewed by the Town Deal Investment Panel and Town Deal Board in accordance with the processes agreed at the Executive on 16<sup>th</sup> November 2020. The schemes have all been determined as eligible for submission to DLUHC.

#### **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 16<sup>th</sup> 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 27<sup>th</sup> October 2020, DLUHC (formally 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.)

5.4 Does the information submitted include any exempt information? No

Does the information submitted include any exempt information? No

#### **List of Appendices:**

- a) Appendix A – The Edge - Signed Summary document
- b) Appendix B - Blackpool Central Courts Relocation - Signed Summary document
- c) Appendix C - Multiversity - Signed Summary document
- d) Appendix D - Revoe/Southern Quarter Community Sports Village Signed Summary document
- e) Appendix E – Public Sector Equalities Duty Programme

## **6.0 Legal considerations:**

- 6.1 Legal Services will carry out the due diligence required in respect of any future project grant approvals further to the Summary Documents submission.

Regarding the Multiversity scheme, a Memorandum of Understanding between Blackpool and The Fylde College and Blackpool Council is in draft and outlines the proposed working arrangements and key areas of responsibility to bring forward the delivery and secure funding for the Multiversity Campus in Blackpool Town Centre once the Town Deal funding is confirmed: The key principles that are set out in the MOU will provide the confidence that both parties are fully committed to bringing the project forward in accordance with the agreed programme.

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

## **7.0 Human Resources considerations:**

- 7.1 The project will be led by the Council's Growth & Prosperity team and each project has an assigned Project Lead. Where additional internal or external resource is required this has been incorporated into the scheme business cases and supported through the Town Deal funding.

## **8.0 Equalities considerations:**

- 8.1 A Public Sector Equalities Duty (PSED) impact assessment has been created for each individual scheme which has been reviewed as acceptable by the Council's Equality and Diversity Manager. There is also a requirement of Town Deal funding to create a programme level impact assessment "Public Sector Equality Duty" (PSED). This has been created and has also been reviewed by the Council's Equality and Diversity Manager whom will support future activity.

## **9.0 Financial considerations:**

- 9.1 Clearly the business cases for the 7 schemes vary, and the requirement for Council financial input in the form of Prudential borrowing has been determined to be required for only one of the 4 schemes, The Edge, which will require £2.3m supplementary investment over the Town Deal funding of £4.5m. Council resource will be provided through Prudential Borrowing. The Council s151 Officer is satisfied that the Council has identified appropriate means of repayment with interest and that the

approach is affordable. This was confirmed via a CLT report and approval (November 2<sup>nd</sup>, 2021).

In addition there will be costs associated with the development of the further business case envisaged in the Memorandum of Understanding for the Multiversity and discussions are ongoing with Blackpool and the Fylde College to ensure sufficient resources are in place.

**10.0 Risk management considerations:**

10.1 Each business case incorporates a project specific risk register which will be monitored and worked to during delivery stage.

**11.0 Ethical considerations:**

11.1 None.

**12.0 Internal/ External Consultation undertaken:**

12.1 Internal – Chief Executive, Director of Resources, Director of Communications and Regeneration, Growth and Prosperity Programme Director and Growth & Prosperity Board. External – Town Deal Board and Town Deal Investment Panel and via extensive community engagement activity.

**13.0 Decision of Chief Officer**

13.1 To confirm that the information outlined in Appendices, A, B, C and D can be submitted to DLUHC by the 17<sup>th</sup> November submission date.

**14.0 Reasons for the Decision of the Chief Officer**

14.1 The Town Deal programme will bring forward significant regeneration in Blackpool by enhancing the attractiveness of the town and confidence of the private sector for investment, strengthening the economy and demonstrate that Blackpool remains open for business despite the Covid - 19 pandemic and help strengthen the economic recovery.

