

## Blackpool Council – Growth & Prosperity

### Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2020/21 (UNDER)/OVER SPEND B/FWD £000	VARIANCE					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	2021/22		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID	COVID-19				
			PROJECTED SPEND £000	FORECAST OUTTURN £000			GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000	
GROWTH & PROSPERITY												
NET EXPENDITURE												
GROWTH & PROSPERITY	(7,638)	(9,760)	11,434	1,674	9,312	-	9,312	100	(37)	-	(63)	-
TOTALS	(7,638)	(9,760)	11,434	1,674	9,312	-	9,312	100	(37)	-	(63)	-

### Commentary on the key issues:

#### Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for the Service against its respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 9 months of 2021/22 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service. The financial target for Growth and Prosperity is predicated on losses from previous years being carried forward.

#### Key Issues

The pace of delivery of the Growth and Prosperity work programme has been significantly and adversely impacted by the recent consequences of Covid, therefore it appears unlikely that the budgetary targets set are likely to be met in-year.

Many external factors beyond the Council's control have conspired to delay progress and hence delivery of planned receipts including Covid-related delays in due diligence work, planning permissions/objections/appeals, private sector risk appetite, central government decision-making, office and retail rental levels, sourcing of building labour and materials and project costs. In addition the retail industry has been decimated by the lockdown and the continued absence of a major tenant within the Houndshell has led to performance of that asset being compromised despite negotiations underway to address this situation.

Nevertheless despite these issues the Growth and Prosperity team has worked diligently throughout the lockdown period to ensure that Blackpool is in the best possible position to bounce back from the pandemic. For example:

- The recent announcement of the agreement for lease being signed for the 200,000 sq ft c.£100m office block in Talbot Gateway Phase 3 was negotiated entirely within lockdown and will bring 3,000 jobs into the Town Centre as well as increasing the Council's rateable income. This transformational investment supports an increasingly strengthened narrative to businesses both locally and nationally that Blackpool is open for business and can provide exemplary office accommodation and investment opportunities.
- Meanwhile substantial progress is being made on the construction of Talbot Gateway Phase 2 and the Council was always well aware that during the development phase of these assets there would be periods when income was reduced.
- The Growth and Prosperity Team has also secured over £50m of Government investment including:

- £8.6m Getting Building Fund to bring forward the development of
  - Abingdon Street Market – refurbishment to modernise this key asset in the town centre
  - Houndshill Phase 2 – a £20m extension to the shopping centre to include a Wilko, a state of the art Imax-ready cinema, and a restaurant offer.
- £39.5m Town Deal Funding (the largest in the country) where business cases for all 7 major projects have now been appraised and approved for final submission to Government so that work can start next year on:
  - Illuminations Modernisation
  - Blackpool Airport Enterprise Zone infrastructure
  - Blackpool Youth Hub
  - Blackpool Central Courts Relocation
  - Revoe Community Sports Village
  - The EDGE (Stanley Buildings)
  - Land Acquisition for Multiversity.

Since the lifting of lockdown, the Growth and Prosperity team has also made progress with the following schemes:-

- Blackpool Central – with planning permission now granted in outline for the whole of this £300m investment and detailed permission for the enabling phase and first phase an agreement for lease is shortly to be signed for the delivery of the Multi-Storey Car Park
- Showtown – work has commenced on the new Museum on the seafront. This multi-million pound scheme offers a cultural offer to the town and offers the opportunity to show Blackpool to a wider audience.

The complexities of achieving regeneration in a complex environment are many but the Growth and Prosperity team is fully committed to overcoming any and all challenges and continuing to ensure that regeneration continues at pace in Blackpool and that this recovery will ensure that future budgetary targets are met.

The predicted pressure of £9,312k this financial year is not something to celebrate but the constraints and consequences of Covid have been far reaching and unavoidable. This pressure has increased in the period due to development delays. This income is still expected to be achieved in future years. Businesses across the UK have suffered as a result and Growth and Prosperity is no different. As in previous years the team will do all it can to ensure that losses are recovered in future years and reserves replenished.

**Budget Holder – Mr A Cavill, Director of Communications & Regeneration**