

Report to:	LEVELLING-UP SCRUTINY COMMITTEE
Relevant Officer:	Antony Lockley, Director of Strategy and Assistant Chief Executive
Meeting:	21 June 2023

LEVELLING-UP INTRODUCTION

1.0 Purpose of the report:

1.1 To provide an overview of Levelling-Up in Blackpool.

2.0 Recommendation(s):

2.1 For Committee to note the significant progress made since Blackpool entered into the National Levelling Up Pilot with Government in March 2022, and the work with the Department for Levelling Up (DLUHC) and Homes England in support of Blackpool’s regeneration objectives.

3.0 Reasons for recommendation(s):

3.1 Blackpool’s Levelling Up Pilot has delivered clear benefits to the town since it commenced in March 2022 and is likely to continue to deliver important investments in the town.

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 Council could opt to discontinue its partnership with Government. However, this option is discounted as the partnership is delivering investment that Blackpool needs.

5.0 Council priority:

5.1 The relevant Council priority is

- The economy: Maximising growth and opportunity across Blackpool
- Communities: Creating stronger communities and increasing resilience

6.0 Background information

6.1 Blackpool Council is consistent about what we need to improve the town and our residents' life chances. Our Council Plan sets out two over-arching objectives: improving economic opportunity and helping communities to develop the resilience they need. In March 2022, we agreed to partner with Government to deliver on these on these objectives as one of three national Levelling Up Pilot areas.

Winning Blackpool's status as a national Levelling Up Pilot was the outcome of many years of hard work – by the Council, and key supporters such as Blackpool's Pride of Place Partnership - to engage the Government in helping to deliver the transformational change that Blackpool needs and deserves. Our Blackpool Town Prospectus, developed jointly with our Pride of Place Partnership, made clear Blackpool was the ideal location to pilot a "Levelling Up Programme" building on the town's strong narrative and delivery record in terms of economic regeneration.

We are clear that Blackpool needs a multi -faceted approach to delivering economic opportunity, alongside housing renewal in the inner areas to build stable communities. Our plans have resonated locally and nationally, winning the confidence of partners, senior civil servants and government Ministers since our Levelling Up Pilot began its work.

Since March 2022 Blackpool's Levelling Up Pilot with Government has delivered clear results. The headline benefits to Blackpool are set out in the paragraphs below. These benefits have been underpinned by a 'Team Blackpool' ethos led by the Council, its wholly owned housing companies and other partners, alongside commitment from civil servants and agency officials notably from the Department of Levelling Up, Homes and Communities (DLUHC) and Homes England.

DELIVERY AND CAPACITY:

Significant internal resources have been directed to working on the Levelling Up Pilot since March 2022. There has been a recognition that designing and delivering holistic regeneration at scale requires additional new capacity and DLUHC has supported the development of additional capacity with a £400k one year award to supplement the resources committed by the Council, its wholly owned companies and Business in the Community (BITC). The capacity fund has been vital in ensuring rapid progress been made.

ECONOMY AND GROWTH:

The Council has long recognised that it needs to do everything it can to develop the local economy. This is the only sustainable way of giving local people the skills and jobs they need have better lives. There is an established growth programme that the Council has led over a number of years resulting in a redeveloped promenade and sea defences, a renewed Tower and Winter Gardens, renewed and modernised tramway, phase 1 of the Talbot Gateway

development and everything now happening on our Enterprise Zone. We have been able to accelerate key elements of our Growth Programme through our status as a Levelling Up Pilot.

£40m to enable the full development of Blackpool Central

Our partnership with Government through our Levelling Up Pilot played the crucial role in securing £40m of capital funding in November 2022 to enable the full development of Blackpool Central, a scheme that will deliver £300m of private investment and 1,000 jobs for Blackpool people.

The Blackpool Central scheme is a £300m leisure led development being brought forward by the private sector developer, Nikal Ltd. The development is critical to Blackpool's future growth and regeneration and has been earmarked as a strategic development site by the Council for in excess of two decades. This development will see desperately needed investment into a very deprived area of the town, which sits right in the heart of the visitor economy.

The Council and Nikal Ltd agreed the terms of a land sale in January 2020 with the Council having to provide the Developer with full vacant possession of the site prior to a phased draw down of the land. A planning submission for the Development was granted consent in October 2021. In order for the Council to deliver on its contractual obligations there are a number of matters which lay outside of Council control, more specifically in relation to a compulsory purchase of properties within the boundary of the proposed site and the relocation of the existing County and Magistrates Courts.

An application for CPO was submitted in June 2021 and was granted approval by Secretary of State on 30 September 2022, which paved the way for the delivery of the first phases of the project, but as part of the Crown Estate, the courts could not be compulsorily acquired.

The obstacle relating to the courts had the potential to have much wider impacts in relation overall potential of the site and development. The courts outdated facilities occupied a significant area on the site and had proven to be a substantial frustration in the redevelopment of the Central Station site over many years. The courts complex was historically connected to the former police divisional headquarters but having vacated to new premises on the outskirts of town back in 2018, the police buildings remained redundant and derelict for some while, blighting the area.

The Council had been pursuing funding to support the relocation of the courts for a considerable time and was successful as part of the Blackpool Town Deal in obtaining a proportion of funding towards the building and the eventual demolition / remediation of the existing site. However, there remained a substantial funding gap of circa £40m. Following

many years of discussions and an impasse with HMCTS, it was through the intervention of DLUHC as part of our Levelling Up Pilot that a solution was found. The Secretary of State, Michael Gove MP, made an announcement to support the delivery of new courts on a visit to Blackpool in November 2022, releasing the required £40m of funding.

It is now the responsibility of HMCTS to take forward the delivery of the new court facilities on an alternative site on the edge of the town centre, bought by the Council with Town Deal funding, with a predetermined deadline of March 2025 for the decant from their existing facilities.

With regards to the delivery of the Blackpool Central leisure development, Nikal are now well underway with the construction of the multi-storey car park, with an anticipated opening forecast for November 2023. Following the delivery of the car park the developer will then move on to drawing down land to deliver the exciting new leisure elements of the scheme, creating scores of new jobs.

£40m toward the development of our Multiversity

The Council is determined to secure investment to develop the skills our residents need. The delivery of a higher skills and education campus for Blackpool and the Fylde College in the heart of the town is at the centre of our collective ambition. We want all of our residents to think that further and higher skills, and the jobs in our local economy that are reliant on these skills, can be for them. Through our Levelling Up Pilot we have been able to make the case for this investment direct to Government, and we have now secured the essential investment from Government to make this ambition a reality.

Round 2 of the Levelling Up Fund (LUF) in January 2023 delivered one of the largest LUF bids (£40m) in the UK for our £65m Multiversity project. The project had already received £9m Town Deal funding towards the site acquisition. This truly transformative project had the support of Wyre and Fylde Councils, both MPs, the Town Deal Board and a wide range of other partners.

The Multiversity project will deliver a world class university experience facilitating higher level upskilling, reskilling and lifelong learning. The scheme, town centre based and close to the train station and tram interchange, will free up the existing College site for future redevelopment. Multiversity will be carbon neutral in operation.

The Multiversity Campus will be delivered through a partnership involving Blackpool Council and Blackpool and the Fylde College in association with Lancaster University. It will be a unique proposition, providing a cutting-edge response to local, regional, and national priorities, designed to accommodate up to 3000 learners.

The overall project to deliver the Multiversity is underpinned by six key project objectives:

- Injection of a new life to the heart of Blackpool;

- Embed holistically into the town centre;
- Allow people to up-skill through life through enabling more people to gain higher level qualifications each year;
- Raise the college profile in the town and beyond;
- Create an iconic building that sings Blackpool; and
- Increased footfall in the town centre to encourage regeneration

The anchor projects of Blackpool Central and Multiversity will sit alongside the next phases of the Talbot Gateway and other transformative developments including the new Civil Service Hub. They will support the growth of Houndshill with the new extension and cinema and the tram extension to link to Blackpool North and the opening of a new Conference offer at the Winter Gardens. These investments will secure the future of Blackpool Town Centre and make an important contribution to the overall development and regeneration of the town. Few other places are in the process of such positive investment and change.

HOUSING

Alongside the need for economic growth it has long been recognised that the housing conditions in the inner wards, particularly in the private rented sector (PRS), are among the worst in the country and exist at scale that is without any national comparator. This market is underpinned by rents set at benefit levels and is typified by short tenancies, a lack of quality and a transient group of tenants. This mix undoubtedly drives many of the poor socio economic outcomes that sees Blackpool rank among the worst in the country. Without addressing the poor inner ward housing conditions Blackpool risks not getting the full social benefit of the economic regeneration agenda that is now so obviously in delivery across the town.

Housing failure in the centre of Blackpool is our number one public policy challenge. Sustained intervention and investment is now needed to reverse decline and deliver a better future. This challenge was recognised immediately by Government in the run up to announcing our Levelling Up Pilot. In March this year the Secretary of State (Michael Gove MP) made the following statement:

“Longstanding neglect by some local landlords has led to Blackpool experiencing some of the worst housing conditions in the country, with at least 1 in 3 properties classified as ‘non-decent’. An expanded local enforcement team will take tough action against those not meeting existing standards and measure landlords against future national standards. This beefed-up inspection regime will tackle exploitation in the local private rented sector and supported housing market driving up housing quality and protecting the most vulnerable.

Alongside this enforcement drive, Homes England will join forces with Blackpool Council, using

additional funding of £650,000 to explore regeneration opportunities to improve Blackpool's housing stock and quality of place."

This was followed in June 2022 with the publication of the "Fairer Private Rented Sector" white paper, to build upon the Levelling Up White paper launched earlier in the year. The opening paragraph states:

"Everyone has a right to a decent home. No one should be condemned to live in properties that are inadequately heated, unsafe, or unhealthy. Yet more than 2.8 million of our fellow citizens are paying to live in homes that are not fit for the 21st century. Tackling this is critical to our mission to level up the country."

The paper contains a 12 point action plan, which includes:

- Halving the number of non – decent homes by 2030 by introducing a Decent Homes Standard to the PRS.
- Abolishment of section 21 "no fault" evictions.
- Introduction of a new single housing ombudsman.
- Introduction of a new property portal

Government's experience of working with Blackpool via our Levelling Up Pilot played a key role in framing these commitments and proposed reforms. Indeed, regulatory reform of the PRS is something Blackpool Council have been lobbying for over many years, especially in respect of property standards. The Council have consistently maintained that the current measure in the PRS (the Health and Housing safety Rating System) is far too low a bar, and both creates and compounds some of the atrocious property conditions and associated impacts on health endemic in Blackpool. The current proposed new legislation is therefore welcome, and supported.

£1.2m to Pilot a new Decent Homes Standard for the Private Rented Sector (PRS)

Discussions started in earnest in Spring this year around how Blackpool could potentially be an early adopter of the new proposals, which would be used to put pressure on landlords who operate below current minimum standards, and provide advice and support to good landlords on future standards.

We have now agreed with DLUHC to pilot the new Decent Homes Standard for the PRS, with £1.2m of support. The proposed pilot will consist of the following key elements.

- We will create a team of staff, which will consist of Housing/Decent Homes Enforcement Officers, dedicated legal support, and tenancy related support for more vulnerable tenants
- We will undertake a comprehensive inspection programme across the inner area, starting in the Central area (which already has an existing Selective Licensing Scheme)
- We will fully utilise all aspects of existing legislation

- We will work with DLUHC to evaluate what works, and what doesn't
- We will also assess against the new future Decent Homes Standard
- We will work with DLUHC to evaluate potential impact of the new Decent Homes Standard for Blackpool, and nationally.
- We will start to set the scene with landlords around future change and link findings in with the capital work stream.
- We will work with DLUHC to provide accurate and meaningful monitoring and evaluation of the pilot
- We will conduct a full stock survey of the inner area towards the end of the pilot.

Assessment against future standards will be advisory at this stage. The pilot will commence in Spring 2023 and recruitment for new staff is now underway.

£1m for a Three Year Extension to our Supported Housing Improvement Programme

Following an initial 12 month Supported Housing Pilot, we agreed a further 3 years of funding as part of our Levelling Up Pilot. The original pilot produced a number of outcomes, notably, the development of several key documents including:

- A clear process for new providers to follow
- A clear set of quality standards which we expect providers to follow
- A comprehensive Needs Assessment and accompanying Market Position Statement
- A single point of contact for supported housing enquiries, supported by a multi-disciplinary team of officers to provide expert advice and guidance.

The main objectives of the extended Blackpool Supported Housing Improvement Programme (SHIP), which will now run until 2025 include:

- Building on the pilot activity and continue to use all our existing powers and the expertise developed by individuals in Housing Benefit, Planning, and Enforcement to bring supported housing providers up to a standard across the town which provides genuine value for money.
- Tracking from allocation through the three year period the welfare and progress of people using supported housing in different forms with different providers and work with an academic research partner to draw together a comprehensive and coproduced social research piece.
- Mapping, visiting and inspecting over the three year period all current and new Supported Housing schemes housing more than 4 people.
- Aligning the review of the Market Position Statement for supported housing with the Place Based Partnership and Integrated Care Partnership to ensure good quality housing with support is an enabler for improving wider population based health outcomes.

- Working alongside the wider DLUHC and Homes England housing intervention and private rented sector programme across inner Blackpool to maximise impact and positive outcome for residents
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Despite all the progress made in this area, with support from government funding, change is still needed at a legislative/regulatory level to deliver meaningful reform. We are pleased to see that a private members Bill, supported by homeless charity Crisis, is currently working its way through the parliamentary process and has reached the committee stage in the House of Commons. The Bill is described as:

“A Bill to make provision about the regulation of supported exempt accommodation; to make provision about local authority oversight of, and enforcement powers relating to, the provision of supported exempt accommodation; and for connected purposes.”

We will be closely following the progress of the Bill, to ensure we are well positioned to respond to any changes that come from it.

The Case for Sustained Physical Intervention to Create a Balanced Housing Market

While we expect to see positive improvement from the initiatives above, alongside our existing range of housing investment via the Council and its wholly owned companies, it is widely recognised that Blackpool’s inner area housing issues require significant physical intervention at scale over an extended period.

The Council first raised its ambition for major housing intervention in the production of a prospectus 'ask' to Government used in initial engagement with the Secretary of State during his visit in March 2022, when he also witnessed first-hand the issues of poor-quality housing faced in Blackpool. Following the visit, it was announced that Blackpool was identified as one of the first Levelling Up priority areas nationally.

During the summer of 2022, Homes England was tasked by the Department for Levelling Up with £650k of funding to produce a master plan framework outlining what a major housing regeneration programme could entail. High level progress on this has been reported to the Council’s Leadership Board in August and December 2022 and work continues to analyse the likely investment requirements and outcomes in preparation of a detailed business case to Treasury.

Production of the housing master plan framework and business case are cognisant to other levelling up programme themes, supporting broader long-term outcomes. This work will take a long-term horizon extending over decades and will identify regeneration principles, intervention opportunities and the proposed initial area of focus for commencement of an

extensive intervention to refurbish or replace existing poor-quality building stock, invest in creating enhanced public realm and creation of new quality homes and neighbourhoods.

Based on current timescales, we expect that initial findings from this work will be presented to the Council to form the focus of community and stakeholder consultations during the summer months 2023. Alongside critical confirmation of a first phase of Government funding via Homes England, this consultation process will shape a detailed programme for initial investment and kickstart long-term regeneration ambitions for our inner areas.

SUMMARY AND NEXT STEPS:

The Council and our partners worked hard to win Blackpool's status as a national Levelling Up Pilot in March 2022. The benefits of our work with Government in the period since are clear. A strong working relationship with DLUHC and Homes England is now embedded and producing tangible results, giving everyone confidence that the partnership will continue to develop.

Work is now beginning to take place with other government departments to push and test their response to making levelling up work right across government. In the coming months we expect to see commitments and inputs ramp up across government to deliver on Blackpool's ambitions over an extended period of time.

The first strategic target will be to secure a financial commitment to a first phase of physical housing intervention at scale via Homes England. In parallel, we will be working with Government to review capacity and governance arrangements to ensure Blackpool is in the right position to deliver a wider programme of holistic regeneration, and start to truly level up for our residents and businesses.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None

8.0 Financial considerations:

8.1 Through our Levelling Up Pilot we have secured £40m for Multiversity, £40m to enable the move to the courts so that the full Blackpool Central Scheme can happen, £2.2m of revenue support for extensions to our supported housing pilot and trailing of the DHS for the PRS, £650k of support for Master planning work with Homes England, and £400k of general capacity funding. Further significant investments are expected in 2023.

9.0 Legal considerations:

9.1 None.

10.0 Risk management considerations:

10.1 Failure to continue to support our Levelling Up Pilot will jeopardise the chances of securing further investment for the regeneration of Blackpool.

11.0 Equalities considerations:

11.1 None

12.0 Sustainability, climate change and environmental considerations:

12.1 Many of the investments already secured will make a contribution to our climate change and sustainability ambitions. For example, Multiversity will be a net zero building, better housing standards will lead to fewer emissions.

13.0 Internal/external consultation undertaken:

13.1 Council's Corporate Leadership Team and Leadership Board

14.0 Background papers:

14.1 None.