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| <b>Notice of:</b>               | <b>EXECUTIVE</b>   |
| <b>Decision Number:</b>         | EX52/2023  |
| <b>Relevant Officer:</b>        | Alan Cavill, Director of Communications and Regeneration         |
| <b>Relevant Cabinet Member:</b> | Councillor Mark Smith, Cabinet Member for Levelling Up:<br>Place |
| <b>Date of Meeting:</b>         | 11 December 2023   |

## TOWN CENTRE ACCESS SCHEME : LEVELLING UP FUND

### 1.0 Purpose of the report:

1.1 This report is to provide an update on the Town Centre Access Scheme (TCAS) which was originally submitted as a Levelling Up Round 2 Bid in July 2022, authorised by the Executive in April 2022 (EX19/2022), its eventual approval in November 2023 and seeks authorisation for the proposed way forward.

### 2.0 Recommendations:

- 2.1 To note the grant funding award of £15,385,023m for the scheme under the Levelling Up Fund (LUF) grant award and to delegate approval of expenditure to the Director of Community and Environmental Services
- 2.2 To delegate to the Director of Community and Environmental Services any amendments that arise out of the validation exercise required by DHLUC (the Department of Levelling Up, Homes and Communities) (or any other Government Department eg Department of Transport), and any detailed amendments required to the scheme, and to agree the legal structure and contracts to take forward the scheme after consultation with the Cabinet Member for Levelling Up Place and the Cabinet Member for Community Safety, Street Scene and Neighbourhoods
- 2.3 To authorise the Head of Legal Services to enter into such contracts as are necessary to deliver the scheme.

### 3.0 Reasons for recommendation(s):

3.1 The Executive authorised the submission of a bid in Levelling Up Fund Round 2 (LUF 2) for the Town Centre Access scheme as part of a £17,094,470 overall scheme, with a LUC request of £15,385,023 and £1,709,447 co-funding from the Council.

Whilst unsuccessful in Levelling Up Fund Round 2 initial announcements in January 2023, when the Multiversity scheme was approved and then the Hotel Indigo Post Office Redevelopment scheme in March 2023, Town Centre Access Scheme was subsequently approved as a scheme on 20 November 2023.

The scheme will transform the local highway network, enabling better transport interchange and traffic circulation, improving walking, cycling and bus access.

Roads will be safer for active travel modes and some public realm will be improved, supporting wider economic and social good.

The project will accelerate modal shift towards sustainable and active travel modes, reducing greenhouse gas emissions, controlling traffic efficiently, cutting congestion and improving air quality. The project will also support the town centre's economic regeneration (including the Levelling Up Fund bid for Multiversity through pedestrianisation and bus prioritisation), particularly around the Central Business District benefitting residents, businesses and visitors.

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 reject the Levelling Up Fund award, although this would mean the scheme would simply not proceed.

4.2 Consideration of using the Levelling Up Fund award for alternative projects was considered but rejected as the grant award is specific to the Council's business case submitted under Levelling Up.

4.3 To not do anything, and leave the opportunity for the private sector to bring forward. By its very nature, the private sector will not bring forward public realm and highways type improvement schemes

4.4 Officers strongly recommend that these alternatives be rejected, as it is clear that without Blackpool Council intervention and the grant-funding award, the scheme would not proceed and therefore the regeneration and wider opportunities will be lost to a generation of Blackpool residents.

#### **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 As part of the 2021 Budget the Chancellor announced a broad package of complementary UK-wide interventions one of which included the Levelling Up Fund, which was revisited in the light of the “Levelling Up White Paper” launched on 2nd February. The White Paper articulated how government policy interventions will improve opportunity and boost livelihoods across the country as we recover from the pandemic and contains many specific references to Blackpool.

Round One of Levelling Up Fund (launched March 2021) noted how it would “invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. The Fund is designed to help local areas select genuine local priorities for investment by putting local stakeholder support, including the local MP where they want to be involved, at the heart.

The first round of Levelling Up Fund was announced at the 2020 Spending Review to support communities in realising this vision. Focusing on capital investment in local infrastructure, building on and consolidating prior programmes such as the Local Growth Fund and the Towns Fund, the first round of Levelling Up Fund supported £1.7 billion of projects in over 100 local areas across all corners of the UK, delivering over £170 million of funding in Scotland, £120 million in Wales, and £49 million in Northern Ireland.

In June 2021, Blackpool submitted a Round 1 bid, which was unfortunately unsuccessful. The application was for the maximum of £20m focused on 3 schemes:

- The Town Centre Access Scheme (TCAS) with a £8.91m Levelling Up Fund request.
- A grant of £6.93m Levelling Up Fund to private sector developer Ashall for the redevelopment of the Abingdon Street Post Office into an Indigo brand hotel, and,
- The refurbishment of the Winter Gardens on Coronation Street for exhibition space with a Levelling Up Fund request of £4.16m.

6.2 The second round of the Fund focused on the same three investment themes as the first round, i.e. local transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK’s world-leading portfolio of cultural and heritage assets. The Town Centre Access scheme was identified as relevant as the Fund stated it would support the following and the bid was submitted in July 2023 :

*“Transport investments including (but not limited to) public transport, active travel, bridge repairs, bus priority, local road improvements and major structural maintenance, and accessibility improvements. Proposals should be for high-impact small, medium and, by exception, large local transport schemes to reduce carbon emissions, improve air quality, cut*

*congestion, support economic growth, and improve the safety, security and overall experience of transport users”.*

- 6.3 DLUHC stated in their letter of 20th November that having *“listened to feedback from parliamentarians and local government, including in relation to the first two rounds of this fund, we decided not to run a new competition. Instead, we have drawn on the impressive pool of bids submitted at round two, which we were not able to fund earlier in the year but were assessed as high-quality and ready-to-deliver. I am pleased to say that this project was one such bid”.*

DLUHC recognise that due to the time that has passed since the TCAS application was submitted, they will require a short project validation check to ensure the bid will still benefit from Government funding and remains a local priority. They will require the Council to confirm that the bid has not changed significantly, is still deliverable by March 2026, and still represents value for money.

The provisional award of funding is for this specific TCAS project and money cannot be used to support activity that is substantially different. They recognised that project adjustments may need to be made due to inflationary pressures and will be asking the Council more about this, and considering whether any adjustments we wish to make are acceptable, as part of the on boarding process. Subject to DLUHC acceptance, they will then draw up the necessary documentation and confirm funding.

- 6.4 The Council will need to enter into legal agreements as outlined below and submit quarterly reports to the DLUHC and undertake claims, monitoring and assurance activity.

The project will be monitored internally via quarterly claims by the Project Monitoring Office (PMO), who will provide wider assurance activity too and led by the Growth and Prosperity Team.

The Highways team within the Community and Environmental Services Directorate will lead on scheme delivery.

As the accountable body, Blackpool Council will retain overall responsibility for the delivery of the project with reports to the Corporate Leadership Team, Executive and Government as required.

- 6.5 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

- 7.1 None

## **8.0 Financial considerations:**

8.1 Without Levelling Up Fund, the scheme would not be pursued. The total scheme cost is £17,094,470.

It is intended that this this will be met by a mixture of the income streams detailed below:-

- £15,385,023 – Levelling Up Fund grant
- £1,709,447 Council co-funding (a minimum of 10% contribution was required)

## **9.0 Legal considerations:**

9.1 A Memorandum of Understanding will need to be signed between the Council and the Department for Levelling Up, Housing and Communities to enable grant to be received. Compliance with Public Law and Subsidy Control has been considered.

9.2 The Council has the power under the Localism Act 2011 to do anything an individual can do provided that it is not otherwise prohibited from doing so. Compliance with any restrictions that the Council is subject to in relation to the proposals outlined in this report will be monitored as matters progress. The proposals outlined in this report will be kept under review to ensure that they are compliant with the terms of the UK's Trade and Co-operation Agreement (TCA) with the European Union, as well as the other subsidy control obligations to which the UK is subject.

9.3 The Head of Legal Services will enter into such contracts as necessary to deliver the Scheme.

## **10.0 Risk management considerations:**

10.1 With all major schemes there are risks, and this scheme will have a risk assessment developed and allocated to it

## **11.0 Equalities considerations and the impact of this decision for our children and young people:**

11.0 There are no anticipated equalities issues with the proposals outlined. Any equalities and accessibility requirements will be taken into account at the design stage and in line with building control requirements.

## **12.0 Sustainability, climate change and environmental considerations:**

12.1 Reducing the impact of climate change and ensuring sustainability will be taken into account as the project needs to evidence how it will work towards the aims of the government "Net Zero" policy. The reduction of congestion in and around the town centre brought by this scheme will have a direct positive impact to this agenda.

**13.0 Internal/external consultation undertaken:**

13.1 External: Town Deal Board, Paul Maynard MP and Scott Benton MP,

Internal: Communities and Environmental Services Director, Growth and Prosperity Programme Director, Highways, Finance, Corporate Leadership Team, Legal Services.

**14.0 Background papers:**

14.1 EX23/2021 Levelling Up and Community Renewal Fund : 12th April 2021

EX37/2021 Levelling Up Fund Bid 12th July 2021

EX19/2022 Levelling Up Fund Round 2 : 25th April 2022

EX33/2022 Levelling Up Fund 5th September 2022

EX17/2023 Levelling Up Fund Round 2 Multiversity

**15.0 Key decision information:**

15.1 Is this a key decision? No

15.2 If so, Forward Plan reference number: N/A

15.3 If a key decision, is the decision required in less than five days? No

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 None.

**19.0 Summary of Discussion:**

19.1 Mr Alan Cavill, Director of Communications and Regeneration, presented an update on the Town Centre Access Scheme. Grant funding of £15,385,023 had been awarded under the Levelling Up fund as part of the Government's Autumn Statement for the scheme based on an earlier submission in 2022 and the Executive was asked to delegate the approval of expenditure to the Director of Community and Environmental Services. Due to the time that had passed since the initial submission and inflationary pressures since that time it was noted that the Council would be required to consider whether any significant adjustments to the cost of the scheme would be required before the funding was confirmed.

**20.0 Executive decision:**

20.1 The Executive agreed the recommendations as outlined above namely:

1. To note the grant funding award of £15,385,023m for the scheme under the Levelling Up Fund (LUF) grant award and to delegate approval of expenditure to the Director of Community and Environmental Services
2. To delegate to the Director of Community and Environmental Services any amendments that arise out of the validation exercise required by DHLUC (the Department of Levelling Up, Homes and Communities) (or any other Government Department eg Department of Transport), and any detailed amendments required to the scheme, and to agree the legal structure and contracts to take forward the scheme after consultation with the Cabinet Member for Levelling Up Place and the Cabinet Member for Community Safety, Street Scene and Neighbourhoods
3. To authorise the Head of Legal Services to enter into such contracts as are necessary to deliver the scheme.

**21.0 Date of Decision:**

21.1 11 December 2023

**22.0 Reason(s) for decision:**

22.1 The Executive authorised the submission of a bid in Levelling Up Fund Round 2 (LUF 2) for the TCAS scheme as part of a £17,094,470 overall scheme, with a LUF request

of £15,385,023 and £1,709,447 co-funding from the Council.

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**23.0 Date Decision published:**

23.1 12 December 2023

**24.0 Alternative Options Considered and Rejected:**

24.1 The Executive noted that rejection of the Levelling Up fund award would mean the scheme would not proceed. Consideration of using the fund award for alternative cases was rejected as the grant award was specific to the Council's business case submitted under Levelling Up.

The Executive noted that it could choose not to do anything however it was unlikely that public realm and highways improvement schemes would instead be progressed by the public sector.

**25.0 Executive Members in attendance:**

25.1 Councillor Williams, in the Chair

Councillors Benson, N Brookes, Burdess, Hobson, Hugo, M Smith and Taylor

**26.0 Call-in:**

26.1



**27.0 Notes:**

27.1 The following Non-Executive Members were in attendance: Councillors Galley, Hunter, Marshall and M Scott.