

Blackpool Town Deal Board Meeting 19

Agenda Item 4

Report to: Blackpool Town Deal Board
Subject: UK Community Renewal Fund Update
Relevant Officer: Nick Gerrard, Growth and Prosperity Programme Director
Date of Meeting: 2 September 2022

1. Purpose of Report

To provide the Board with an update on the Town Deal Programme and project performance.

2. Recommendation

To note the current position with the delivery of the Town Deal Programme.

3. Overarching Programme Finance Position

3.1 Summary Position

All required claims and returns to the Department of Levelling Up, Housing and Communities (DLUHC) have been submitted to time and no outstanding issues reported.

All seven Town Deal schemes are now in progress (the seventh, The Platform (Youth Hub) commenced as a Town Deal project on the 1 October 22). See Annex A, for specific project activity.

Project Delivery - activity and planning is well underway and hence has an 'amber RAG rating'.

Programme Spend - Whilst project activity is well underway on all schemes, there is a programme level underspend against the original September 2021 profile and



significant changes to project finance forecasts due to delayed delivery or potential scheme cost increases, is therefore a 'red RAG Rating' is shown. However, re-profiling is to be expected for a programme of this scale, the position is retrievable, no resources are at risk and a re-profile of Town Deal annual spend is acceptable to DLUHC in principle, and will be undertaken this year.

Table 1, based on the latest actual and forecast project spends to end March 2023, shows a total current programme spend of £3,523,165.52 against the approved £17,102,135.00 amount and a likely under spend of £4,601,184.31 at the end of the current financial year, although there is a further reforecast of the Edge and Multiversity which will affect these figures .

Table 1. Current Towns Fund expenditure and reforecast position versus approved budget figures.

Project	Approved total Town Deal funding	Approved spend (1 October 2020 to 31 March 2023)	Total spend to date (30 September 2022)	Variance between approved spend to end March 2023 and spend to date	Reforecast amount to be spent by end March 2023	Forecast Variance between likely and approved spend at end March 23
Blackpool Airport Enterprise Zone	£7,500,000	£3,045,000	£1,232,822.41	£1,812,177.59	£1,993,121.00	£180,943.41
The Youth Hub / 'The Platform'	£500,000	£327,418	£0.00	£327,418.00	£156,880.00	- £170,538.00 (Underspend)
Revoe Community Sports Village	£6,545,818	£1,628,194	£420,743.19	£1,207,450.81	£390,614.26	- £816,836.55 (Underspend)
The Edge ¹	£4,500,000	£3,513,434	£391,428.89	£3,122,005.11	£2,930,872.14*	- £191,132.97 (Underspend)
The Illuminations	£4,500,000	£2,454,000	£1,370,358.82	£1,083,641.18	£1,440,611.51	£356,970.33
Multiversity (Land Acquisition) ²	£9,000,000	£6,060,000	£40,531.00	£6,019,469.00	£2,062,060.01**	- £3,957,408.99 (Underspend)
Blackpool Central Courts Relocation	£6,954,182	£74,089	£67,281.21	£6,807.79	£3,626.25	- £3,181.54 (Underspend)
Totals	£39,500,000	£17,102,135	£3,523,165.52	£13,578,969.48	£8,977,785.17	- £4,601,184.31 (Underspend)

¹ The Edge is subject to extensive further value engineering post this figure being provided by the scheme lead and will need further review

² A report went to the Council Executive 5 September regarding acquisitions. Progress has now accelerate but the overall spend profile this year will be affected and needs further review.



The performance position is the subject of regular reports to DLUHC and the required annual spend re-profile will be picked up in that report. The only known risk to underspend at this early stage is the Government's "up front" payment schedule to the Council could be revised to better reflect actual expenditure but this is not expected to have any impact on the totals to be received, just the timing.

3.2 Reasons for Variations in Spend Profile

The reasons for the programme underspending versus the originally profiled budget (which dates from September 2021) is due to a combination of issues including:

- Some scheme delivery timetables were, with hindsight, over ambitious given the current volatility in the market and the challenges it presents.
- Inflation is having a wide and lasting impact with tendering challenging: some procurements have had to be re-tendered due to excessive costs/non-responses.
- Post Covid-19, the availability of some materials has been adversely affected.
- Some schemes have not commenced as early as expected due to delayed approvals beyond what was originally anticipated (e.g. Multiversity).
- The need for further extensive partner discussions on scheme development e.g. Revoe Community Sports Village with Blackpool FC.

4. Programme Management

- All seven Town Deal projects have commenced delivery under the Programme, the Platform (formally Youth Hub) scheme now operating under Town Deal funding from the beginning of October 2022 having successfully completed its Community Renewal Fund delivery.
- The Council's Programme Management Office (PMO) is established and programme monitoring activity is well underway.
- Monitoring activity is currently based upon a quarterly claims process. In total there will be 17 claims covering the timescale 1 October 2020 to 31 March 2026 (the duration of the Town Deal programme).
- As projects evolve, budgets and the achievement of milestones and outputs/outcomes will change. At each claim, project leads are requested to re-profile future spend where required, including upcoming milestone dates and projected results achievement based upon what has happened during the claim period. Consequently, follow-on claim documents can only be issued using finalised financial, results and milestones details from the previous claim submission.

An overall RAG rating for the programme has been provided in Table 2 below based on the DLUHC RAG rating system as set out in Table 3.

4.1. Programme RAG rating

Table 2. Overall programme RAG rating.

RAG Rating Delivery	RAG Rating Spend	RAG Rating Risks
4	5	4

RAG Rating Delivery: All schemes (except for the Platform) are behind, compared to original business cases stated activity, but the Government is aware through the claims process and they have expressed no concern; hence why a score of 4 is allocated. All outputs are still achievable and schemes are anticipated to catch up.

RAG Rating Spend: Significant changes to project finance forecasts due to delayed delivery or potential scheme cost increases necessitates a red being applied. However, as noted above, DLUHC are aware of the position and have not highlighted any concern at this time.

RAG Rating Risks: The programme clearly has some high risk issues which could affect the programme; for example if The Edge project value engineering process doesn't prove to be acceptable or the Multiversity LUF application is not approved. However, no show stopping risks have yet fully materialised and mitigations are in place so a 'four' is determined as the most appropriate position at present although with the announcement of the £40m funding for the new Courts a substantial risk has now been removed and its impact on the overall RAG rating will be reviewed at the next meeting.



Data Table 3: DLUHC RAG rating system

Delivery	Score	Spend	Score	Risks	Score
Major issues causing significant delays (more than 6 months); processes interrupted or not carried out as planned (e.g. planning permission not secured); or significant changes to project. Project likely to under-deliver on forecast outputs.	5	A variance of over 50% against profiled financial forecast (total expenditure) or significant changes to project finances required (increases or decreases) due to poor or delayed delivery.	5	Programme includes projects with significant risks that are both high impact and high likelihood. Risk responses not yet planned.	5
Issues arising causing long delays to the timetable (3 to 6 months) but no significant changes required to overall projects. Outputs may still be deliverable but challenging.	4	A variance of between 30% & 50% against profiled financial forecast (total expenditure). Budget changes have been required due to issues with project delivery.	4	Programme includes projects with significant risks that are either high impact or high likelihood. Risk responses planned but not implemented.	4
Issues arising causing short delays to the timetable (less than 3 months). Outputs still deliverable but require re-scheduling.	3	A variance of between 15% & 30% against profiled financial forecast. Some budget changes have been required.	3	Programme includes projects with some risks that have medium impact and/or medium likelihood. Risk responses planned and implemented.	3
Minor issues have arisen causing only small delays. Projects are on track to deliver outputs.	2	A variance of between 5% & 15%. Small re-profiling changes to budget required.	2	Programme includes projects with some risks that have medium impact but low likelihood. Risk responses planned and implemented.	2
No problems. Projects are on track to deliver outputs and keeping to schedule.	1	A variance of up to 5%. Spend is largely on track with any minor slippage expected to be picked up by the end of next quarter.	1	All risks are tolerable with low impact and likelihood and do not require a response.	1

4.2. Towns Fund Reporting

Blackpool Council is the designated accountable body for the delivery of the Towns Fund programme with the oversight from the Town Deal Board. The Council must comply with DLUHC mandatory financial and monitoring and evaluation (M&E) requirements. Payment of grant is dependent upon the receipt of satisfactory interim reports.

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The Council received a response from the DLUHC Assurance and Compliance Team on 30 September 2022 regarding the 'Assurance review process for Town Deals first line of defence outcome' undertaken earlier this year. This required the Council's Section 151 Officer to return the assurance review form, statement of grant usage and a governance assurance statement. The DLUHC Assurance and Compliance Team confirmed they had reviewed our documents and informed the Council they had not identified any issues. Blackpool has therefore not been selected for a second line of defence 'deep dive' review on a risk or sample basis, meaning this phase of the assurance cycle is concluded.

The latest DLUHC monitoring report request was received 25 October 2022, with a return deadline of 16 December 2022. The required forms are similar to those received previously (but are not the same) and require Section 151 Officer sign-off and one section the Town Deal Chair.

A further request was received on the 27 October requiring completion and submission of a private sector funding template with return due by Monday 14 November 2022; again with Section 151 officer sign off required. This template aims to collect additional information from towns, regarding private sector funding, to identify where there might be shortfalls between amounts required and amounts secured so far. This is deemed an exploratory exercise to understand if there are opportunities for DLUHC to work with Councils in closing any gaps. This was returned on the 3 November.

Supplementary Guidance on the role of Town Deal Boards

On the 7 November DLUHC provided a further note entitled "Towns Fund: Supplementary Guidance on the role of Town Deal Boards in the delivery phase" (Annex B).

This provides further guidance for Town Deal Boards on expectations as programmes move forward in the delivery phase. It sets out DLUHC's expectations regarding the Board's specific role in performance reviews, Project Adjustment Requests and assurance activity, as well as reiterating its key strategic and consultative role. Checks will be carried out annually on publicly available records to review whether the Town Deal Board is working in line with the governance and information provision requirements set out in the original prospectus



and all subsequent guidance. The PMO have reviewed the guidance and are confident all requirements are being met.

4.3. Towns Fund financial position

The current expenditure position is provided in Table 1 earlier in the report.

4.4. Match funding financial position

The programme is funded by the Towns Fund with supporting approved match funding as set out in Table 4 below. The public funds are provided by Blackpool Council (within the Enterprise Zone, The Edge and Illuminations projects) and the private funds are provided by Blackpool Football Club (within the Revue Community Sports Village scheme).

Although there will be no increase to the Towns Fund allocation, the public and private match funds may need to increase over time to cover inflation and scope changes (including for the achievement of cross-cutting theme results such as the Council's Net Zero commitment, equality and diversity issues and social value 'additionality').

Note: Where match funding change is required a project adjustment request will need to be submitted to DLUHC for approval (after obtaining formal commitment from the Council). There is provision for increased Council match within the Enterprise Zone already.

Table 4. Approved match funding by year

Funding sources	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Towns Fund total contributions	£3,510,889	£13,591,247	£11,373,293	£6,165,021	£4,859,550	£39,500,000
Private match total contributions	£156,978	£470,933	£470,933	£9,566,040	£7,022,798	£17,687,682
Public match total contributions	£2,786,000	£4,980,000	£6,680,669	£4,441,699	£2,640,000	£21,528,368
Totals	£6,453,867	£19,042,180	£18,524,895	£20,172,760	£14,522,348	£78,716,050

4.5. Programme re-profile

In addition to the under-spend of Towns Fund monies, there have been coincidental, though non-commensurate slips in match funding spend across the projects. This re-profiling will occur at every claim - the Programme is currently re-profiled as in Table 5. We believe DLUHC are soon to request the programme be re-profiled for which we provide the re-profile information as detailed in the following table at that time subject to the further modification of the Edge and Multiversity profiles as referenced in relation to Table 1.

Table 5. Re-profiled expenditure by year (at 30 September 2022)

Funding sources	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Towns Fund total contributions	£2,238,302.73	£10,346,623.71	£17,632,154.06	£5,197,662.94	£4,085,256.57	£39,500,000.00
Private match total contributions	£0.00	£235,466.64	£470,933.28	£9,636,787.66	£7,344,494.42	£17,687,682.00
Public match total contributions	£2,391,206.12	£6,769,858.95	£7,577,447.05	£3,179,088.65	£1,610,767.23	£21,528,368.00
Totals	£4,629,508.85	£17,351,949.30	£25,680,534.38	£18,013,539.25	£13,040,518.22	£78,716,050.00

We continue to re-profile under spend (compared to the approved annual amount and re-profiled quarterly figures) into future years – this will enable better management of the schemes and should ensure no resources are lost to the Programme.



4.6. Income

Towns Fund receipts (not including £243,029.00 capacity and £1,000,000 advance funding received in financial year 2021/2022) are set out in Table 6 below.

To simplify the already complicated funding receipts analysis, we are attributing spend to received Towns Fund monies as it is spent, not by project. This presents a slight problem in that we may attribute revenue monies to capital spend and vice versa but this will even itself out over the programme (and the Government has made payments that do not match the capital/ revenue split in any event) but there is a possibility the Government’s payment schedule will be revised to better reflect actual expenditure.

Table 6. Towns Fund Receipts

Tranches received (Date)	Capital or Revenue	Total	Defrayed by end September 2022	Unspent
5% 'work-up' monies (September 2021)	Capital and Revenue	£1,975,000.00	£1,975,000.00	£0.00
2021/22 payment (5 schemes) less '5%' (December 2021)	Capital	£2,808,095.00	£1,548,165.52	£1,259,929.48
2021/22 payment (2 schemes) less '5%' (March 2022)	Capital	£527,250.00	£0.00	£527,250.00
70% 22/23 payment (4 schemes) less '5%' (May 2022)	Capital	£5,110,352.00	£0.00	£5,110,352.00
100% 22/23 payment (1 scheme) [including 5% already paid]	Revenue	£327,418.00	£0.00	£327,418.00
70% 22/23 payment (2 schemes) less '5%' (July 2022)	Capital	£2,190,151.00	£0.00	£2,190,151.00
Totals		£12,938,266.00	£3,523,165.52	£9,415,100.48

Re-profiling information has been provided in the interim reports to date and will be again in the Monitoring and Assurance return we have been asked to provide by 16 December 2022. DLUHC approval of the 2023 to 2024 spend profile is anticipated to be further to review of this submission, however no clarity has been provided on this as yet.

4.7. Inflation

All the project leads recognise inflation may affect their ability to deliver the original programme consequently, they are all developing solutions to mitigate its effects. Obvious options are currently limited because many suppliers / contractors will not provide price guarantees but the position on each project and the mitigations in place are in Annex A 'Town Deal Project Updates'.

4.8. Contracts

Legal documentation for all seven schemes is required to underpin our assurance procedures and to ensure project leads understand and comply with the obligations within Blackpool's agreement under the Towns Fund Programme.

- The Edge, Youth Hub and Illuminations Rejuvenation project Service Level Agreements (SLA) agreements been signed by all parties.
- The Enterprise Zone, Multiversity and Courts SLA agreements are developed and out for signature.
- The Revoe Community Sports Village project SLA and separate Grant Funding Agreement required between The Council and Blackpool Football Club are under discussion and will move to preparation shortly.

4.9. Programme risk register

The current risk register is attached as item 4a (confidential).

Annex A: Town Deal Project Updates

To note the progress with the 6 Blackpool schemes that are well underway. The Platform / Youth Hub only commenced October 1 as a Town Deal project and so is not included but will be in future reports.

To note that each project is RAG rated according to the following DHLUC definitions:

Table 7: RAG Rating Explained

Delivery	Score	Spend	Score	Risks	Score
Major issues causing significant delays (more than 6 months); processes interrupted or not carried out as planned (E.g. planning permission not secured); or significant changes to project. Project likely to under-deliver on forecast outputs.	5	A variance of over 50% against profiled financial forecast (total expenditure) or significant changes to project finances required (increases or decreases) due to poor or delayed delivery.	5	Project includes significant risks that are both high impact and high likelihood. Risk responses not yet planned.	5
Issues arising causing long delays to the timetable (3 to 6 months) but no significant changes required to overall project. Outputs may still be deliverable but challenging.	4	A variance of between 30% & 50% against profiled financial forecast (total expenditure). Budget changes have been required due to issues with project delivery.	4	Project with significant risks that are either high impact or high likelihood. Risk responses planned but not implemented.	4
Issues arising causing short delays to the timetable (less than 3 months). Outputs still deliverable but require re-scheduling.	3	A variance of between 15% & 30% against profiled financial forecast. Some budget changes have been required.	3	Project with some risks that have medium impact and/or medium likelihood. Risk responses planned and implemented.	3



Delivery	Score	Spend	Score	Risks	Score
Minor issues have arisen causing only small delays. Project is on track to deliver outputs.	2	A variance of between 5% & 15%. Small re-profiling changes to budget required.	2	Project with some risks that have medium impact but low likelihood. Risk responses planned and implemented.	2
No problems. Project is on track to deliver outputs and keeping to schedule.	1	A variance of up to 5%. Spend is largely on track with any minor slippage expected to be picked up by the end of next quarter.	1	All risks are tolerable with low impact and likelihood and do not require a response.	1

Project Name: Enterprise Zone

Reporting Period: Quarter 2, 2022 to 2023

1. Forecast Financial Position to End of March 2023

Approved Town Deal Total: £7,500,000

Required Spend up to 31 March 2023: £3,045,000

Quarter 2 (July to September 2022) Spend:

Forecast: £575,823

Actual: £45,439

Variance: £530,384

Total Spend to Date: £1,232,822

2. Inflationary Impacts on Protect

Realised Impacts (e.g. as a result of quoted costs/tenders):

Ground Investigation costs greater than forecasted, subsequently the scope and quantities have been reduced and are currently being re costed to fall within budget, this has caused delay.

Potential Impacts (i.e. latest project manager view on inflationary impacts ahead):

Material price inflation remains the largest driver of price increases and brings with it uncertainty and risk, influenced by a concoction Brexit, Covid and the ongoing Ukraine conflict. Short term material prices are stabilising but long term this is less certain due to the impact of energy costs on material production and highlights the extent to which energy costs determine overall product prices.

Mitigation (undertaken or planned):

Appointment of a specialist ground consultant to support the scoping and onsite management of the ground investigations. Further mitigation is to have the works undertaken by a principle contractor to ensure cost clarity and management. Early Contractor engagement for the main highway contract identified as essential to start dovetailing statutory undertakers for a soft start with practical discussions this year.

3. Project Activity Update this Quarter

Division Lane West (Sports Village development) upgrade and resurfacing complete.

Sport Centre and 194 space Car Park completed. Utilities expected to complete connection and testing in November 2022.

Geotechnical consultants engaged. Ground investigation re-scoped. Ready for Ground investigation tender in October.

Work will begin on the Division Lane Junction with Common Edge Lane in January 2023. Public event to be held in December 2022 to engage with local residents. Design package for Division Lane West (Highways - Area F) complete and ready for tender.

RSA 2 for Division Lane West (Area F) approved.

Engagement with United Utilities to adopt the sustainable drainage elements underway (Section 104 agreement).

Outline planning consent secured 11.10.2022. Secretary of State now confirmed he will not call in the application because of the impact on the green belt.

£1.2m saved against original ENW diversion - quotes have come in £1.2m less than anticipated. However, United Utilities have come back with enhanced costs of £314,000 which is considered an upper level cost and discussions will be held with United Utilities to try to reduce this cost.

Spend to date at £1.24m – currently behind profile and programme.

Delivery Plan will be presented at the December Council Executive meeting to agree additional borrowing requirements.

4. Key Milestones Achieved this Quarter

Note: original Business Case milestones are under review due to being deemed over ambitious.

Milestone	Target	Achieved (Yes/ No)
Works start (initial works at Division Lane)	March 2022	No
Acquisitions complete (if applicable)	May 2022	Yes
Procurement complete	July 2022	No
Detailed feasibility/design completed	September 2022	No



Milestone	Target	Achieved (Yes/ No)
Main works start	October 2022	Not Applicable
Works complete	December 2023	Not Applicable
M&E complete	December 2024	Not Applicable

Tender package for (Division Lane Junction) issued for pricing to Lancashire County Council as the responsible highway authority to undertake the works. Unfortunately, the County Council declined due to the lack of capacity to undertake the works within the agreed programme constraints. Subsequently, these works have been repackaged and will go to tender for highway framework contractors to bid in October.

5. Outputs and Outcomes Achieved to Date

Output and Outcome Targets by scheme end	Achieved (Yes/ No)
spent directly on project delivery (£7,500,000)	No (£1,241,156)
Co-funding spent on project delivery (£10,500,000)	No (£633,122.89)
Co-funding committed (private and public (£10,500,000)	Yes
Total length of new cycle ways	No
Total length of new pedestrian paths	No
Total length of newly built roads	No
Total length of pedestrian paths improved (0.3km)	No
Total length of resurfaced/improved road (1.8km)	No
Number of trees planted (15)	No
Amount of public realm improved (105000 m2)	No
# of additional enterprises with broadband access 30mbps (Minimum 12)	No
# of additional residential units with broadband access 30mbps (minimum 37)	No

6. Project RAG Rating

RAG Rating Delivery	RAG Rating Spend	RAG Rating Risks

7. Latest Scheme Images

Image One: CGI of Sports Pavilion and Car Park.



Image Two: Sports Pavilion 90% complete.



Image Three: Division Lane West pre upgrade.



Image Four: Division Lane West Access road upgrade to Sports Pavilion near to completion with retained trees.



Image Five: Close up of the Access Road to Sports Pavilion.



Image Six: Car Park before the upgrade.



Image Seven: New Car Park featuring sustainable drainage.



Project Name: The Edge (Stanley Buildings)

Reporting Period: Quarter 2, 2022 to 2023

1. Forecast Financial Position to End of March 2023

Approved Town Deal Total: £4,500,000

Required Spend up to 31 March 2023: £3,513,434

Quarter 2 (July to September 2022) Spend:

Forecast: £702,215

Actual: £89,195

Variance: £613,020

Total Spend to Date: £391,429

2. Inflationary Impacts on Project

Realise Impacts (e.g. as a result of quoted costs/tenders):

Determined that inflation has increased costs by circa £650k already.

Potential Impacts (i.e. latest project manager view on inflationary impacts ahead):

Suggested that moving forward it is anticipated inflation could affect overall scheme costs by another £350k if things carry on as is.

Mitigation (Undertaken or Planned):

See below.

3. Project Activity Update this Quarter

Contract maximum price for the building work received from Eric Wright Construction, this was significantly more than the budget.

Value engineering undertaken but the reduced contract maximum price is still over budget. Cassidy and Ashton have drawn up an alternative proposal, which brings costs in with a lower gap. Further discussion with Cassidy and Ashton to take place to confirm proposal details.

Options for the project are being compiled for onward decision- an oral update will be given at the meeting.

Building works not started as originally planned and indefinitely delayed until scheme delivery viability confirmed.

4. Key Milestones achieved this Quarter

Milestone	Achieved (Yes/ No)
Tender maximum price agreed	No. Price not agreed.
Funding Decision and Council Approvals	No. Price not agreed.
Enabling Works Start	No. Price not agreed. Works not started.
Contract for Works in place (Council & EWC)	No. Price not agreed.

5. Outputs and Outcomes Achieved to date

Output and Outcome Targets by Scheme End	Target	Achieved (Yes/ No)
Spent directly on project delivery	£4,500,000	No
Co-funding spent on project delivery	£2,300,000	No
Co-funding committed	private and public £2,300,000	Yes
Number of temporary Full-Time jobs supported during project implementation	33	No
Number of full-time equivalent (FTE) permanent jobs created through project	230	No
Number of enterprises receiving non-financial support	150	No
No. of heritage buildings renovated/restored	1	No
Number of new non-domestic buildings with green retrofits completed	1	No



Output and Outcome Targets by Scheme End	Target	Achieved (Yes/ No)
Number of new non-domestic buildings with green retrofits completed	1	No
Amount of office space renovated/improved	1200	No
Number of additional enterprises with broadband access of at least 30mbps	79	No

6. Project RAG Rating

RAG Rating Delivery	RAG Rating Spend	RAG Rating Risks
4	5	5

7. Latest Scheme Images

Image One: No new images at this stage, but proposed before and after below.



Project Name: Blackpool Illuminations Rejuvenation
Reporting Period: Quarter 2, 2022 to 2023

1. Forecast Financial Position to End of March 2023

Approved Town Deal Total: £4,500,000

Required Spend up to 31 March 2023: £2,453,853

Quarter 2 (July to September 2022) Spend:

Forecast: £181,907

Actual: £207,826

Variance: £25,919

Total Spend to Date: £1,370,359

2. Inflationary Impact on Projects

Realised Impacts (e.g. as a result of quoted costs/tenders):

Increased material costs.

Potential Impacts (i.e. latest project manager view on inflationary impacts ahead):

Reduce the number of lighting assets per installation.

Reduce the size of some features.

Mitigation (Undertaken or planned):

Contingency funds allocated.

Look to purchase at optimal times of the year.

3. Project Activity Update this Quarter

Four large scale features introduced into the display 2022 display (Odyssey).



A further two large scale features to be introduced to 2022 display in November (now in place).

21 large scale cross road features delivered by 02 September 2022.

All feature upgrades completed for 02 September 2022.

Working with artists Chila Kumari Singh Burman and also a Canadian artist regarding the 2023 illuminations display.

Infrastructure upgrade to restart January 2022.

Technical rehearsals re projectors and interaction displays starting week commencing 31 October.

4. Key Milestones Achieved this Quarter

Milestone	Target	Achieved (Yes/ No)
Completion of phase 1 Infrastructure upgrades.	01 July 2022	Yes
Illuminations maintenance and upgrade works complete.	29 July 2022	Yes
Issue design briefs for 2023.	16 September 2022	Yes.

5. Outputs and Outcomes Achieved to Date

Output and Outcome Target by Scheme end	Target	Achieved (Yes/ No)
Spent directly on project delivery	£4,500,000 (either local authority)	No. £1,370,359 spent.
Co-funding spent on project delivery	£8,750,000 (Private and public)	No. £3,214,234 spent.
Co-funding committed	£8,750,000 (Private and public)	Yes
Number of temporary Full-Time jobs supported during project implementation	4	No. Currently 2
Number of full-time equivalent (FTE) permanent jobs created	4	No
Number of artists supported in developing new skills	5	No. Currently 3
Facilitate additional 1.75 million additional visitors	1,750,000	No

8. Project RAG Rating

RAG Rating Delivery	RAG Rating Spend	RAG Rating Risks
2	3	2

9. Latest Project Images

Image One:



Image Two:



Image Three:



Image Four:



Project Name: Blackpool Courts Relocation
Reporting Period: Quarter 2, 2022 to 2023

1. Forecast Financial Position to End of March 2023

Approved Town Deal Total: £6,950,000

Required Spend up to 31 March 2023: £74,809

Quarter 2 (July to September 2022) Spend:

Forecast: £7,727

Actual: £7,727

Variance: £0

Total Spend to Date: £67,281.21

2. Inflationary Impacts on the Project

Realised Impacts (e.g. as a result of quoted costs/tenders):

None to date, as no tenders undertaken that would have been impacted.

Potential Impacts (i.e. latest project manager view on inflationary impacts ahead):

Current inflation and general cost increases within the construction industry will have a negative impact upon the budget position. Whilst this may be limited given the nature of the proposed work and the fact that this is predominantly a demolition project not a new build, there will be an impact caused by wage increases and demands in the market. This may however be balanced off over the coming 12 to 18 months if the country dips into a recession and the construction market has to react to this by reducing costs to obtain work.

To clarify, the Town Deal project relates to the contribution to HMCTS towards: surrender of their existing leases / relocation and ii) the decommissioning / demolition of the existing courts and police facilities only. The construction of the new courts on Devonshire Road will be the responsibility of HMCTS under a different contract and therefore potential cost increases for the new building are to be managed by HMCTS.

Mitigation (undertaken or planned):

A professional opinion will be sought from Chartered Quantity Surveyor, with the requirement of an updated Cost Plan and forecast of inflation pressure given current market conditions. This will allow future Action Plan to be put in place (if required).

3. Project Activity Update this Quarter

The Council and HMCTS are awaiting a formal government announcement regarding funding for the delivery of new courts on the Devonshire Road site (circa £40m). It is hopeful that funding will be provided and it is understood that HMCTS have commenced works with the undertaking of site investigations and various studies of the site (topographical & ecological) in anticipation of a positive announcement (On 11 November the Secretary of State for DHLUC confirmed the £40 million funding).

Discussions have been held with HMCTS. Draft Heads of Terms issued for the transfer of the Devonshire Road site and surrender of their existing leases on the Chapel Street site. HOT's remain under review by the parties and are yet to be agreed.

4. Key Milestones Achieved this Quarter

Milestone List	Achieved Yes/ No (with brief comment)
No targeted milestones to be achieved this quarter as profiled.	Not applicable

5. Outputs and Outcomes Achieved to Date

Output and Outcomes Targets Delivered by Scheme End	Target	Achieved (Yes/ No)
Spent directly on project delivery	£6,950,000	No. £67,281
Co-funding spent on project delivery	£37,000,000	£0
Number of temporary FT jobs supported during project implementation	1	0
Number of full-time equivalent (FTE) permanent jobs created	1	0
Number of public amenities/facilities created	1	0
Number of sites cleared	1	0
Amount of rehabilitated land	8000 m ²	0

6. Project RAG Ratings

RAG Rating Delivery	RAG Rating Spend	RAG Rating Risks
2	1	2

7. Latest Scheme Images

The images below are taken from the Blackpool Central project. This is linked to the Town Deal scheme, as the site of the existing Courts is to be redeveloped as part of Phase 3 of the leisure scheme being brought forward by private developers Nikal Ltd. There are no current photos of the existing courts being demolished, as this cannot be undertaken until the new courts facilities have been constructed on Devonshire Road and the courts service have relocated.

Photographs show the construction of the new multi-storey car park on Blackpool Central.

Image One:



Image Two:





Image Three:



Image Four:



Image Five:



Image Six:



Project Name: Revoe Community Sports Village
Reporting Period: Quarter 2, 2022 to 2320

1. Forecast Financial Position to End of March

Approved Town Deal Total: £6,545,818

Required Spend up to 31 March 2023: £1,628,195

Quarter 2 (July to September 2022) Spend:

Forecast: £522,203

Actual: £382,273

Variance: £139,930

Total Spend to Date: £420, 743

2. Inflationary Impacts on Project

Realised Impacts (e.g. as a result of quoted costs/tenders):

None to date. The tender for the spoil removal was undertaken before interest and inflation began to be rise significantly.

Potential Impacts (i.e. latest project manager view on inflationary impacts ahead):

Current inflation and general cost increases within the construction industry will have a negative impact upon the budget position and potential to deliver the scheme in full, as proposed in the original Business Case. This may however be balanced off over the coming 12/18 months if the country dips into a recession and the construction market has to react to this by reducing costs to obtain work.

Mitigation (undertaken or planned):

A Chartered Quantity Surveyor opinion will be sought via Blackpool Football Club's agents (Avison Young) with a view to highlighting potential budgetary concerns and mitigation measures.

3. Project Activity Update this Quarter

Spoil removal and clearance has continued and is 95% complete, with some elements of fencing still to be completed.

Development plans have been updated for the community sports pitches with a view to planning submission in October.

Consultation between Blackpool Football Club Community Sport Trust and the Football Foundation has continued with a view to making application for funding spring 2023.

Notification letters issued to all properties in and around Henry Street and immediate areas 26 October. Second letter to be mailed out to targeted 'acquisition properties' in November. Henry Street negotiations to be undertaken by Avison Young.

4. Key Milestones Achieved this Quarter

Milestone	Achieved (Yes/ No)
Secure main scheme planning permission	No. Original milestone date for planning permission was over ambitious. Planning permission now being made in 2 phases. Phase 1 Community pitches, Phase 2 East Stand, public realm etc. Planning submission to be made for Phase 1 in October 2022. Further application for Phase 2 anticipated Spring 2023).
Secure funding for additional community provision	No. Additional funding is being sought from the Football Foundation (FF) to support the delivery of the 3G pitches. FF application can only be submitted either in Spring or in Autumn each year. Next available application will be Spring 2023. To meet criteria for the FF application set criteria has to be established such as secured planning permission, fully costed scheme and security over land titles, much of which is yet to be obtained and is current work in progress.

5. Outputs and Outcomes Achieved today

Output and Outcome Targets by Scheme End	Target	Achieved (Yes/ No)
Spent directly on project delivery	£6,950,000	No. £420,743
Co-funding spent on project delivery	£37,000,000	No. Although funds have been expended on fee's



Output and Outcome Targets by Scheme End	Target	Achieved (Yes/ No)
		which have not yet been recorded.
Number of temporary Full-Time jobs supported during project implementation	1	0
Number of full-time equivalent (FTE) permanent jobs created	1	0
Number of public amenities/facilities created	1	0
Number of sites cleared	1	1
Amount of rehabilitated land	8000 ^{m2}	7000 ^{m2} (Area of where spoil has been removed from north east corner – Central Drive / Rigby Road.

6. Project RAG Rating

RAG Rating Delivery	RAG Rating Spend	RAG Rating Risks
3	2	3

7. Latest Project Images

Image One:



Image Two:



Project Name: Multiversity

Reporting Period: Quarter 2, 2022 to 2023

1. Forecast Financial Position to End of March

Approved Town Deal Total: £9,000,000

Required Spend up to 31 March 2023: £6,060,000

Quarter 2 (July to September 2022) Spend:

Forecast: £1,031,029

Actual: £10,000

Variance: £1,021,029

Total Spend to Date: £40,531

2. Inflationary Impacts on Project

Realised Impacts (e.g. as a result of quoted costs/tenders):

No tenders undertaken to date.

Potential Impacts (i.e. latest project manager view on inflationary impacts ahead):

Property valuations could be impacted although some evidence to suggest property prices are falling due to impact on mortgages etc.

Mitigation (undertaken or planned):

Property valuations could be impacted although some evidence to suggest property prices are falling due to impact on mortgages etc.

3. Project Activity Update this Quarter

Letters have gone out to all residents and property owners in the area with regards to interest in acquisition.

Negotiation activity ongoing with those who have responded positively and several properties have now reached agreement.

LUF funding announcement not now anticipated until end of the year, although the new government may impact on this and hence project delivery timescales.

4. Key Milestones Achieved this Quarter

The original milestone schedule with the late approval to this project has proved to be overly ambitious. A revised timetable was set out in the Levelling-Up Fund submission and this will now be used as the basis of assessment moving forward.

5. Outputs/ Outcomes Achieved to Date

Output and Outcome Targets by Scheme End	Target	Achieved (Yes/ No)
Spent directly on project delivery	£90,000,000	No. £40,531
Co-funding spent on project delivery	£76,000,000 (Private and Public)	No
Co-funding committed	£76,000,000 (Private and Public)	No
Temporary FT jobs supported during project implementation	493	No
Amount of capacity of new or improved training or education facilities	3600	No
Learners/ students/ trainees gaining completing courses	680	No
Learners/ trainees/ students enrolled	680	No

Note: All of the above subject to review further to LUF Funding decision

6. Project RAG Rating

RAG Rating Delivery	RAG Rating Spend	RAG Rating Risks
4	5	4

7. Latest Project Image

Image One:



Annex B

Towns Fund: Supplementary Guidance on the role of Town Deal Boards in the Delivery Phase.



Towns Fund: Supplementary Guidance on the role of Town Deal Boards' in the delivery phase.

1. Section 4 of the Towns Fund Guidance (published in June 2020) sets out the role of the Town Deal Board:

The Town Deal Board will sign off each stage of a Town Investment Plan and Town Deal. The Board is responsible for:

- Upholding the Seven Principles of Public Life (the Nolan Principles)
- Developing and agreeing an evidence-based Town Investment Plan
- Establishing a clear programme of interventions
- Embedding arrangements in local plans (where appropriate) and undertaking Environmental Impact Assessments and fulfilling duties on public authorities under the Equalities Act, in particular, and the public sector equality duty.
- Coordinating resources and engaging stakeholders
- Ensuring communities' voices are involved in shaping design and decision making at each phase of development
- Ensuring diversity in its engagement with local communities and businesses
- Helping develop detailed business cases
- Overseeing each step of agreeing a Town Deal, and overseeing compliance with the Heads of Terms Agreement with government

2. The Department for Levelling-Up, Housing and Communities (DLUHC) expectation is that Town Deal Boards will continue to work to these principles; however, we recognise that as towns move into delivery of their projects, some additional guidance may be useful. This guidance should be read as supplementary to the Towns Fund Guidance published previously.



3. The Towns Fund Delivery Partner (TFDP) article “Town Leadership in the Delivery Phase” (available on the Towns Fund website: <https://townsfund.org.uk/blog-collection/town-leadership-in-the-delivery-phase>) provides a helpful starting point for Boards’ to consider how they operate moving forward. DLUHC expects Boards’ to continue meeting regularly to discuss progress, ensure that projects are staying true to the vision of the Town Investment Plan, and to work through risks and issues together.
4. It is important to maintain the distinction between the local authority as the accountable body, and the Town Deal Board. However, as at TIP and Summary Document stage, we expect that the Town Deal continues to be a collaborative effort and that Town Deal Boards continue to be consulted on and involved in key decisions.
5. Engagement with local communities is a vital part of the Town Deal process, and this remains the case as projects move into delivery. Town Deal Boards have demonstrated that they are a key link to the local community and local businesses and should be involved in any refresh of engagement and communication plans.
6. Town Deals have always had a focus on local accountability and decision making, and this will continue as the programme moves into delivery. However, as places will be aware, DLUHC requires local authorities (as the accountable body) to report on progress every six months. These reports cover Expenditure, Progress, Risks, Outputs and Outcomes. Town Deal Boards are required have sight of these performance reporting returns, and the opportunity to feed into them, before they are submitted to DLUHC. The Town Deal Board Chair must sign the performance reporting return before it is submitted to DLUHC.
7. When submitting Project Adjustment Requests, Local Authorities are required to confirm that the Town Deal Board have reviewed and agreed the proposals. This requirement will continue; Town Deal Boards should be involved in any discussions around project changes and agree these before they are made either under local delegation or submitted to DLUHC for a decision. This includes Project Adjustments to projects already in delivery.

Governance Checks

8. As referenced in the Levelling-Up Funds Local Authority Assurance Framework September 22 (page 20 110-112), compliance checks will be completed annually by DLUHC for all Town Deals. The checks review whether the Town Deal Board is working in line with the governance and information provision requirements set out



in the prospectus and subsequent guidance.

9. Checks will be carried out annually on publicly available records which cover the governance requirements as laid out in the Towns Fund Prospectus 2019; Towns Fund Guidance June 2020 (Annex D Town Deal Board governance guidance); Towns Fund Guidance Stage 2 December 2020; and this October 2022 supplementary guidance.
10. Following the checks, recommendations for action (if required) will be provided to local authorities and the Town Deal Board. Confirmation that the actions have been addressed will be required and evidence may be requested.
11. Annex A sets out the key aspects of governance for Town Deal Boards that will be checked annually.

Annex A: Town Deal Board Roles and Responsibilities

1. Roles and Responsibilities: The Town Deal Board should have a document, published on the Lead Council's website, which clearly sets out the roles and responsibilities and the governance and decision making processes for the Town Deal Board, the Town Deal Board Chair and Lead Council.
2. Code of Conduct policy: outlining the Lead Council's record keeping responsibilities on behalf of Town Deal Board with specific reference to the seven principles of public life, including a register of gifts and/or hospitality.
3. Conflict of interest policy: process of record for each Board member.
4. Transparency: transparent decision making is supported by the publication of information on the Lead Council's website and we expect the following standards to be applied:
 - A documented decision-making process outlining the voting rights of the Board to be published
 - Profiles of Board Members to be published (stating private or public member)
 - All Board papers to be published on the Lead Council's website in advance of the meeting (within 5 clear working days)
 - To promptly publish draft minutes of meetings on the Lead Council's website following the meeting (within 10 clear working days)
 - To publish final minutes on the Lead Council's website, once approved by the Board (within 10 clear working days)
 - Any conflicts of interest reported to be formally noted within the published minutes.
5. The Town Deal Board's membership should reflect the diversity of the town and surrounding area. The Towns Fund Prospectus stated that membership of Town Deal Boards should comprise:
 - A private sector chair.
 - All tiers of local government for the geography of the town.
 - The MP(s) representing the town.
 - The Local Enterprise Partnership.
 - Local businesses and investors.
 - Community/local voluntary community sector representatives
 - Other relevant local organisations, such as FE colleges or Clinical Commissioning Groups

End of Document.