

Blackpool Town Deal Board Meeting No. 23

Friday, 17 November 2023

Conference room 3! , No. 1 Bickerstaffe Square & Microsoft Teams*

Blackpool Town Deal Board

Peter Cole - Chair	(PC)	Chartered Surveyor
Helen Warren*	(HW)	Department for Work and Pensions
Jane Cole*	(JC)	Blackpool Transport
John Sullivan	(JS)	The Big Picture
Mark Robinson	(MR)	Ellandi
Paul Maynard MP	(PM)	MP for Blackpool North and Cleveleys
Richard Fee*	(RF)	Nikal
Steve Williams	(SW)	Force Technology

In Attendance

Blackpool Council

Nick Gerrard (NG), Robert Latham (RL), Peter Legg (PL), Kevin Sturley (KS), Mark Gillingham (MG), David Inman (DI)

Other Attendees

Charlotte Schofield* (CS) Cities and Local Growth Unit

Notes and Actions	By Whom
<p>1. Welcome, Apologies and Introduction</p> <p>a) Meeting commenced with an introduction and welcome from the Town Deal Board Chair, Peter Cole.</p> <p>b) Apologies received from the following:</p> <ul style="list-style-type: none"> • Debbie Francis, Lancashire Enterprise Partnership • Kate Shane, Merlin Entertainments • Scott Benton, MP for Blackpool South • Steve Fogg, Blackpool Teaching Hospitals NHS Trust • David Gaffney, Arts Council • Tina Redford, Leftcoast • Mark McGhee, Blackpool Football Club • Alun Francis, Blackpool and the Fylde College • Alan Cavill, Blackpool Council • Dick Cartmell, Together in Lancashire • Graham Cowley, Business in the Community 	

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<ul style="list-style-type: none"> • Neil Jack, Blackpool Council • Tracy Hopkins, Blackpool Fylde and Wyre VCFS 	
<p>2. Board Membership</p> <p>a) The Chair congratulated Paul Maynard MP on his recent appointment as Minister for Pensions.</p>	
<p>3. Declaration of Interests</p> <p>a) The Chair asked members of the Board for any new interests other than those previously recorded. No additional declarations were made.</p>	
<p>4. Minutes of Meeting 22, 9th September 2023 and Matters Arising</p> <p>a) The Board approved the minutes of meeting No 22, 9th September 2023.</p> <p>b) Matters Arising:</p> <ul style="list-style-type: none"> • Ideas for Houndshill – noted that these were now being picked up in Houndshill Board meetings. • Flythrough Video – The Town Deal Community engagement event will be held on the 6th and 7th December and the updated video will be available including the anticipated job creation information as requested • Further Events – it is intended to evaluate the success of this event in line with any future engagement events to be held outside of the town centre. 	
<p>5. Town Deal Programme and Project Update</p> <p>a) Overall Programme Progress NG ran through the highlights of the report, on all schemes other than The Edge, which was the subject of a detailed presentation later in the meeting.</p> <p>NG noted that a return required for DLUHC by 4 December, covering the period up to end of September 2023, will be circulated to members of the Town Deal Board (and TDIP) for review prior to sign-off by the Chair and submission to DLUHC. The required Council Section 151 Officer sign-off would be obtained prior to circulation.</p>	<p>Nick Gerrard</p>

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<p>Overall Town Deal programme risk is identified as amber (4) because projects are performing at each end of the spectrum (e.g. Edge is currently red, whilst Illuminations is green). Spend against original 2021 DLUHC forecasts is behind, but it is also reported against updated forecasts, which also are provided to DLUHC via claims.</p> <p>Approximately £9.5m has been spent by September 2023, against an updated forecast of £19m by the end of this financial year but, despite the sizeable gap, it was noted the Council is reasonably confident the £19m figure is both fair and likely to happen for those elements which are not dependent on third parties. Unlike construction projects, where delivery stages can be predicted with some certainty (especially once contracts are let), projects such as Multiversity incur spend dependent on decisions / actions that are out of the project team’s control. This contributes to less dependable forecasts and variations in spend profile. NG clarified that funds are not at currently at risk if the forecast profile is not met but large reported variations could change the distribution of funds by DLUHC. CS noted agreement and that a number of towns have been flagged over spend concerns but Blackpool is not one of them. CS also stated there would be an approach from Government before any monies were withheld.</p> <p>b) Project Progress</p> <p><i>Enterprise Zone</i> – Whilst risk on delivery is noted as 5 within the report, this was deemed as unduly negative based on recent progress and via encouraging (under estimate) quotes for work activities received that day which will allow progress. Issues around utilities are still being navigated.</p> <p><i>Illuminations</i> – Is delivering in line with programme, in accordance with the project budget and is enjoying great publicity at the moment. Whilst the increased opportunities from the extended Illuminations period and from new features are not felt to have been fully exploited by businesses yet, footfall and visitor numbers look very positive.</p> <p><i>Courts Relocation</i> – Planning application for the new Courts on the Devonshire Road site has been submitted and construction on the new build is expected to commence early next year. The existing courts were due to be vacated by March 2025 (to enable Town Deal timescales to be met for the demolition of the building) but issues with RAAC concrete has meant they are currently closed (as are the courts in Preston). Discussions are ongoing with the Courts service to look at alternative</p>	

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<p>timelines because the existing courts cannot currently be occupied which may provide the opportunity for acceleration of the demolition timeline. Alternative arrangements will have to be found, either through alternative provision in Blackpool or additional capacity out of town. It was noted that the RAAC problem in Preston is currently being fixed.</p> <p><i>Revoe Community Sports Village</i> – Awaiting the planning application for the new stand at the Football Club. The Council are due to meet with the Club to discuss progress, and obtain more certainty around forward timetabling. Currently, around 50% of the required properties around Henry Street have been acquired. The CPO has not yet formally been made. Reporting appeared in the press and via the BBC regarding people being made homeless before Christmas through this project, which is definitely not the case. The Council received an apology from the media for reporting the situation incorrectly.</p> <p><i>Multiversity</i> – The Council’s Executive made the formal decision to make the CPO on 16 October noting that voluntary negotiations will continue, as will communication with and support for residents living in the area, the latter being delivered by a team independent from those negotiating the acquisitions. This support will continue throughout the CPO process. The planning application for the Multiversity has now been submitted. Once the CPO is formally issued it is hoped that this will accelerate the rate of acquisitions.</p> <p><i>The Platform</i> – This project continues to go from strength to strength – the pool of potential beneficiaries is not yet exhausted and it is good to see some beneficiaries training on the VINCI Civil Service Hub construction site. The Platform will complete as a Town Deal project and the continue as a UKSPF project from 1st April 2024.</p> <p>c) The Board noted the report and the risk register</p>	
<p>6. Town Deal Investment Panel (TDIP) 15th November 2023</p> <p>a) TDIP membership : SW noted that Daryl Platt (TDIP member) has changed roles, leaving Blackpool and the Fylde College to join Fylde Coast-based Danbro. The TDIP supported his continued involvement in TDIP owing to his expertise and PC asked for approval in maintaining his position on TDIP. This was agreed by the Board.</p>	

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<p>b) Observations by TDIP on Programme and Projects</p> <p>SW reported key comments arising from the TDIP meeting on 15th November for which minutes would be circulated to the Board:</p> <ul style="list-style-type: none"> • Progress has been made on claims form completion, but progress has been affected by a PMO team member having left. The replacement process is well underway. • The updated forecast programme spend of £19m by March 2024 still looks optimistic but some impending major spends (property acquisitions, Illuminations plant purchases and the EZ highway works) give significant reassurance this figure is realistic. • Courts (and adjacent car park build) progress seen as positive. • Noted that a timeline for the Revoe Community Sports Village scheme and the stand progress at BFC would be useful to see. • Infusion team support to residents within the Multiversity project boundary is positive to see as is the Illuminations project delivering features ahead of ‘programme’. • The Platform scheme was acknowledged for its very strong performance and it is good to see it will continue under UKSPF. • TDIP happy the relationship with DLUHC remains good. • Seeing the progress on The Edge, which has previously been the scheme carrying the highest levels of risk, is incredibly encouraging. SW outlined his congratulations to the team for pushing forward and finding solutions. (See item 9 below). • It was noted that there had been some major issues with the new DLUHC SPF claim submission “app”, which are still being resolved and have meant a new submission deadline is awaited <p>c) The Board thanked TDIP for their work and noted the report</p>	
<p>7. Shared Prosperity Fund (SPF)</p> <p>a) NG noted that, of the thirteen projects, 11 are now in delivery stage, with only the Business Support and Edge projects identified with a red RAG rating. It was noted however that the Business Support scheme was now marching ahead after the tender completions and that all external delivery partners were now in place and the Edge status had now changed (see Item 9)</p> <p>b) It was noted that the Shared Prosperity Project Board (SPPB) was operating well with clear synergies between projects being developed.</p>	

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<p>c) Initial indications from DLUHC were that there would be no possibility of carry-over of funds from 2023/24 to 2024/25, but this has now changed and there will be no loss of underspends in year, but the level of up front expenditure for 2024/25 that is provided by DHLUC will depend on achievement of targets for the current financial year, otherwise funding will only be reimbursed at the end of 2024/25. This clearly provides an incentive to deliver in line with forecasts. The Council’s target is to receive all 2024/25 funding up front, which will require the spending of at least 80% of the UKSPF budget for 2023/24 by the end of the financial year.</p> <p>d) With regard to the Town Centre Interventions (TCI) scheme, where there are four priority areas, the involvement of the BID and Ellandi within the Town Centre Action Group has been key in determining investment direction. This has resulted in the appointment of Maynard Design to address wayfinding and lighting in the town centre. Their work started this week. It is expected further investment will be catalysed by the £1.5m TCI spend.</p> <p>e) SW confirmed that TDIP had been concerned about the programme not allowing carry over to 2024/25 but this news will obviate that concern.</p> <p>f) Also confirmed that cash flow was not an issue</p> <p>g) The Board noted the report</p>	
<p>8. Levelling Up Fund (LUF) and Capital Regeneration Project</p> <p>a) Levelling Up Fund Project: Multiversity Two major areas of activity are ongoing, the first being acquisition of properties via the Town Deal project and the second being the design of the building with the planning application having now been submitted. Funding complications that would have reduced the size / capacity of the new building have been resolved following the receipt of extensive tax advice though this had resulted in £2.7m of the grant having to be utilised to pay VAT. As well as reducing the budget this had also complicated the nature of the agreement being finalised with the College regarding their £16m contribution to the scheme. A full agreement with the College should be reached in the next couple of months.</p>	

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<p>b) Capital Regeneration Grant Project: Hotel Indigo : Former Post Office</p> <p>NG noted that contact with DLUHC had been extensive regarding management of processes relating to this project. The unsuccessful LUF2 bid, subsequently becoming a successful CRP application, meant the original option to purchase the building by Ashall's had expired.</p> <p>Detailed discussions had taken place with DLUHC regarding potential changes to the delivery route for the project including:</p> <ul style="list-style-type: none"> • For current payment profile to be amended to allow acceleration of grant funds to support property purchase and complete surveys; • Alteration to legal delivery structure with Ashalls, and • the timeline to be extended by 12 months but with no impact on CRP spend. <p>NG said the DHLUC's 3 requirements were: the same project was being delivered as originally proposed; there was no more risk introduced by the changed delivery route and the project would be delivered by the end of March 2026, all of which were confirmed.</p> <p>DLUHC confirmed agreement to this on 16th October subject to any further subsidy control amendments, which are under review now but are not anticipated to be an issue, with the scheme anticipated to fall under the compliant "Levelling Up Fund Subsidy scheme". A recent workshop with !sh all's has progressed matters well and has simplified some of the anticipated issues.</p> <p>In relation to the Phone boxes, owned by BT, a request was made that these were turned into something useful as they were currently being used for purposes for which they were not intended (eg rough sleeping) It was confirmed that these were listed and would be incorporated into the scheme once life had been put into the building.</p> <p>c) The Board noted the report</p>	
<p>9. The Edge</p> <ul style="list-style-type: none"> • Peter Legg, Head of Economic & Cultural Services and Project Manager for the Edge gave a presentation around progress on The Edge, supported by David Inman (Project Senior QS) outlining the design and budget changes since the original scheme and how the project had now got to the stage where, subject to appropriate approvals, it could now proceed. 	

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<ul style="list-style-type: none"> • The projects key purpose was to provide a modern business centre located in a renovated and re-purposed (locally) listed building • The opportunity was : <ul style="list-style-type: none"> ○ To meet unfulfilled demand for serviced & flexible office space for small businesses ○ To build a thriving business hub with a renewed focus on growth and bespoke business support • The original business case budget was a £6.8m project (£4.5m Towns Fund, £2.3m Council match). • The project lead: Blackpool Council Capital Project Team: BC Property Services, Cassidy & Ashton (architects), and F Parkinsons Ltd (preferred contractor) • The initial need assessment by Capita Consultants indicated: <ul style="list-style-type: none"> ○ There is no predominant industry sector in Blackpool ○ The focus should be on high-value sectors with proven growth potential in terms of jobs and wealth ○ Post-Covid environment means there is strong demand for both flexible lettings and adaptable workspace ○ Blackpool is experiencing market failure whereby high occupancy levels do not correlate with supply • The original deliverables were <ul style="list-style-type: none"> ○ 44 serviced offices ○ 265m2 co-working space ○ 7 meeting and training rooms ○ Protects a locally listed heritage building ○ 250 business people per year using the building ○ Aim to support 36 growth start-ups/scale-ups per year ○ An integrated new café-bistro business opportunity • Low carbon measures were not deliverables included within the original business case, and this was introduced via £150k from UKSPF. • Original plans showed a corner café-bar and a roof terrace, as well as curtain walling using glazing on the upper floors. Value engineering has led to some changes to the plans, with original window openings retained and slightly altered shop fronts. • Key Features include: <ul style="list-style-type: none"> ○ Concierge service ○ Flexible leases – 24/7 access, easy in-out arrangements ○ Extensive Co-working space ○ 7 meeting rooms – one with terraced area ○ Full fibre broadband - high speed wifi ○ New access control system – mobile booking, QR codes, keyless entry 	

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<ul style="list-style-type: none"> ○ Secure bike storage, shower and drying facilities ○ Courtyard parking, EV charging facilities ○ Solar Panels & air source heat pumps ensure a Net Zero Office facility (SPF co-funded) ● The redesign will give improved thermal performance ● Shopfronts have been most impacted by latest value engineering exercises. Only eight shopfronts will be able to be fully replaced at this point, but aim to fully complete should additional funds be secured. The former bank premises (proposed café-bistro) will be the subject of a further project proposal. ● Once opened additional business support will be offered to tenants, illustrated by the newly launched Blackpool Business Academies for Growth and Net Zero, facilitated by Blackpool’s UKSPF allocation. ● A two-stage tender process was originally entered into, which resulted in the project being well over budget, even after value engineering. This resulted in a decision to go out to competitive tender via a detailed bill of quantities to obtain best market prices. ● Following the project alterations, the core outputs of the project are retained. The overall budget is now £7.485 m – including a £475k contingency budget. ● Work is scheduled to start in late January 2024, with a 60 week programme to follow, resulting in completion by March 2025. ● It was noted that further risks should be minimal because the quote was based upon a full bill of quantities based on the results of previously conducted surveys and inspections relating to faience tiling & asbestos. ● NG outlined the proposal for an additional UKSPF contribution of £50k from the Town Centre Interventions scheme to close the funding gap. It was noted that the benefits brought in completing the Edge as a scheme provides good value for the £50k investment in terms of benefits to the town centre and will deliver extra results for the SPF programme, so the contribution provides a ‘double win’. ● MR asked if there might be ways to incentivise businesses occupying retail units to upgrade their own shop frontages once the impact on the improvements are noticed. PL noted that opportunities will be sought by the Council to complete those improvements as building owner where possible. PL also stated business spaces might be released in phases whilst the construction contract continues and some vacant retail space may be converted into multi-use business space. ● MR asked to clarify if the Council would be operating the space as using an outside company might be a good idea and asked when the scheme would become revenue neutral (around year 3). 	

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<ul style="list-style-type: none"> • In response to a point raised by JS further consideration is to be given to the style of the fit out for tenants and the finishes in the building to make it as attractive to this market as possible. • MR outlined the potential benefits of multiple operators managing the space, and inputting ideas into the operation of the space. RF asked if advice and opinion from existing operators could be obtained, as opposed to a full change in direction. The Council will be operating the space but is open to new ideas. • It was confirmed that the Project Team will consider the Board’s comments on fit-out, operation and enhancements to the shop fronts as the project progresses • The Chair thanked PL and DI for their input in getting the programme to its current point considering all of its challenges and confirmed the utilisation of £50k of the Town Centre Improvements SPF budget to close the budget gap and approved the project proceeding to contract subject to final sign off through the Council’s processes. 	<p>Peter Legg</p>
<p>10. Growth and Prosperity Programme Update</p> <p>NG highlighted some of the recent progress with the Growth and Prosperity Programme including:</p> <ol style="list-style-type: none"> a) Frasers will be opening next week within Houndshill. b) Abingdon Street Market fully opened one week ago, with the opening of its retail element. The Chair noted the success of Abingdon Street Market, considering the initial risk associated with its purchase c) In terms of other major openings, The Backlot Cinema, Holiday Inn and Talbot Road tramline interchange are due to open / operate in Spring 24 d) The Civil Service Hub is currently 10 weeks ahead of schedule on its March 2025 completion date though this may change. e) He also noted that Blackpool’s relationship with DLUHC continues to be very positive, with a number of visits from senior DLUHC officers having either taken place or due to take place in the near future. f) NG also noted the submission of a High Street Accelerator application which is regards to a government pilot relating to community leadership in improving specific town centre areas with a decision anticipated shortly, the focus being on Abingdon Street and Queen Street g) The Board noted the report 	
<p>11. Any Other Business</p> <ol style="list-style-type: none"> a) NG noted that Lancashire’s three upper tier local authorities are close to agreeing a level 2 devolution deal with Government. NG had been asked if PC, as Chair, could provide a letter identifying how the devolution 	

Notes and Actions	By Whom
structure could support Blackpool's Town Deal aspirations. The Board agreed to such a letter being sent.	Nick Gerrard
12. Date of Next Meeting a) Friday, 8 March, 1pm to 3pm Venue tbc	