



Ministry of Housing,
Communities &
Local Government

**Ministry of Housing, Communities & Local
Government**

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Paul Smith
Chair Blackpool Town Deal Board

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Neil Jack
Chief Executive Blackpool Council

27 October 2020

Dear Paul and Neil

Blackpool Town Deal

In September 2019, government announced the initial 101 places invited to develop Town Deal proposals as part of the £3.6 billion Towns Fund.

Blackpool was included in this initial 101 places and I was pleased to receive Blackpool's Town Investment Plan in July. I am grateful for your hard work, and that of your team and Town Deal Board, in developing this set of project proposals to deliver long-term and sustainable economic growth in Blackpool.

I am delighted to be offering you a Town Deal for Blackpool to a value of £39.5million. The Draft Heads of Terms for this deal are attached to this letter. A list of the projects that we are content to support within this funding envelope is also attached, with conditions as appropriate; it is for Blackpool to choose which projects to proceed with.

I understand that you will need to secure the agreement of the Town Deal Board to take up this offer. I would therefore request that you do so and return to us with confirmation within the next three weeks or as soon as you are able, at which point we will issue the final document for your signature. My officials are of course on hand to answer any questions you may have.

This is an exciting opportunity to come together to drive long-term economic and productivity growth in Blackpool, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Blackpool's plans a reality.

RT HON ROBERT JENRICK

Heads of Terms offer for Blackpool

Introduction

Blackpool is one of the most densely populated areas in Britain, with approximately 140,000 residents in an area of 13.5 sq miles. The 3,740 businesses within the town provide employment opportunities for 64,000 people and in 2018 the area generated £2.8 billion of Gross Value Added (GVA), 10% of the total economic output for Lancashire.

Blackpool's economy is dominated by tourism, which accounts for one in five of all jobs within the town (19.8%) and 12% GVA and employment in Health and Social Work (21.9%). The area also has a higher concentration of jobs within public administration. Deprivation in Blackpool is significant and increasing with the most recent Index of Multiple Deprivation (IMD 2019) indicates that Blackpool is currently the most deprived in the Country, and six of the seven measures within the index have deteriorated since 2015.

Government will work with Blackpool Council and its Town Deal Board to support the delivery of a Town Deal, with the ultimate goal of ensuring all Blackpool residents have a share in the town's success.

The commitment

This document lays out the Heads of Terms offer to Blackpool, under the Towns Fund. This is not a contractually binding document and the offer is subject to various conditions being met. The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of your Town Investment plan and project proposals, and sets out our joint expectations as we enter the business case development phase.

Government will provide up to **a total of £39.5million from the Towns Fund**, which will be used to create a strong and clear vision for Blackpool to be a thriving coastal community by 2030, as consulted upon and developed in the updated Town Prospectus published by the Blackpool Pride of Place Partnership in June 2020. The Town Investment Plan is seeking to secure public sector investment to drive economic regeneration and productivity growth, it will be delivered as part of a wider programme of private and public sector investment.

Blackpool has proposed a range of projects that will contribute towards achieving this vision. These include the relocation of the Blackpool Central Courts; the Multiversity; the infrastructure at Blackpool Airport Enterprise Zone; the Southern Quarter/ Revoo Community Sports Village; The Edge – Incubation Office Space in Stanley Building; Blackpool Illuminations Modernisation, and the Blackpool Youth Hub.

Blackpool will need to prioritise these projects within the funding envelope being offered. Funding for individual projects will be subject to successfully completing Phase 2 of the Towns Fund process as set out in the Towns Fund Further Guidance. This includes detailed project development and business case assurance at local level.

Process, governance and assurance

Projects are locally led and owned, with the Town Deal Board and Blackpool Council. Local partners will work with government to demonstrate the feasibility, viability and value for money of their projects by developing and submitting the Town Deal Summary Document, including (as per the Further Guidance):

- A list of agreed projects (including BCRs)
- Details of business case assurance
- An update on actions taken in relation to the Heads of Terms key conditions
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project
- Confirmation of approval of planning applications
- Undertaking Public Sector Equalities Duty analysis
- Letters of approval from the Town Deal Board and Lead Council

Blackpool should conduct project assurance in line with agreed routes for each individual project.

Blackpool should confirm in writing with their local Towns Fund lead within two months of the deal being signed details of projects being taken forward and a plan addressing key conditions relating to those projects.

You must complete business cases for the projects being taken forward and submit the Summary Document within 12 months of the deal being agreed. MHCLG will then provide funding, up to the maximum agreed amount of **£39.5million**, provided that all of the conditions are met.

Signed:

Chair of the Town Deal Board

Chief Executive of lead Council

MHCLG Secretary of State / Minister

Date _____

ANNEX TO THE HEADS OF TERMS: PROJECTS WITHIN SCOPE OF THE TOWN DEAL

Our Town Deal offer is a maximum of **£39.5million** of MHCLG funding in total.

Within this maximum amount you may take forward projects selected from those listed below. The 'True' Innovation Partnership and the Grundy Art Gallery Extension cannot be taken forward under this offer.

This funding will be subject to successfully completing Phase 2 of the Towns Fund process as set out in the Towns Fund Further Guidance, including detailed project development and business case assurance at local level. It is also dependent on final spending profiles, including the RDEL/CDEL split being provided, and the further project-specific conditions set out below being met.

Project	Funding offer limit	Match	Expected outputs and outcomes	Conditions	Fast track (Y/N)
Blackpool Central Courts Relocation Relocation of Blackpool Magistrates and County Courts, a catalyst to the delivery of the "Blackpool Central development" project, the biggest single investment in Blackpool for more than a century.	£10m	£311m	<ul style="list-style-type: none"> Land remediation and a new employment site 1,000 jobs created 600,000 increased visitor numbers per annum £300m private investment Increased land values Improved place-based perceptions by residents and businesses 	<ul style="list-style-type: none"> Provide a more detailed delivery plan including defining key milestones for permissions and approvals, as well as the procurement of a contractor. Provide an update on the outcome of potential funding through Spending Review. 	N
Multiversity A new world-class learning facility which aims to be the country's first carbon negative university centre.	£10m	£0.2m	<ul style="list-style-type: none"> Increase in breadth of local skills offer that responds to local skills needs Increased and closer collaboration with employers Increased benefit for the public education over the long-term Increase in capacity and accessibility to new or improved skills facilities Leading to 1,020 new learners assisted Improved place-based perceptions 	N/A	N

			<p>by residents and visitors</p> <ul style="list-style-type: none"> Improved percentage of working-age population with qualifications 		
<p>Blackpool Airport Enterprise Zone The project looks to improve the infrastructure on, and bordering, the existing Blackpool Airport Enterprise Zone to increase development opportunities, improve access and advance both physical and digital connectivity.</p>	£10m	£294m	<ul style="list-style-type: none"> 12 new businesses locating in the Enterprise Zone 32,000m² of new high quality commercial floorspace 600 new jobs created 15 hectares of inaccessible land now available for development 1.5km of new road access Improved vehicle flow of an additional 2,888 vehicles per 24 hours 12 enterprises utilising high quality, affordable and sustainable commercial spaces Internet access and usage by 12 businesses 	N/A	N
<p>Southern Quarter/Revoe Community Sports Village The project aims to transform the inner area of Blackpool through refurbishment and new build, and working with residents, enabling a transition to high quality residential neighbourhoods by the sea alongside a rejuvenated visitor economy.</p>	£7.5m	£17m	<ul style="list-style-type: none"> Redevelopment of an abandoned site New community/sports facility Increase in commercial floorspace Increase in breadth of local skills Improved land values Improved place-based perceptions from residents, visitors and businesses 	<ul style="list-style-type: none"> Provide a more detailed delivery plan including conducting conversations with key stakeholders Quantify outputs and outcomes Clarify how outcomes will be delivered and the mix of facility and service interventions required. 	N

<p>The Edge – Incubation Office Space in Stanley Building The Edge will be a leading centre for entrepreneurs - a vibrant focal point in the town centre for the development of growing small businesses that will be a well-equipped, inviting location where businesspeople network, meet, attend events and work – some in their own office, some in a lively co-working space.</p>	£4.5m	£6.6m	<ul style="list-style-type: none"> • Increase in amount of high quality, affordable commercial floorspace • Increase in the amount of shared workspace or innovation facilities • Other schemes to promote enterprise and business productivity & growth • Infrastructure to support full fibre connectivity • Increased and closer collaboration with 250 employers • 150 enterprises utilising high quality, affordable and sustainable commercial spaces per year • 36 start-ups and/or scaleups utilising business incubation, acceleration and co-working spaces per year • Improved place-based perceptions from residents and visitors 	<ul style="list-style-type: none"> • Provide a more detailed delivery plan, including confirming delivery partners and match-funding. 	N
<p>Blackpool Illuminations Modernisation This project will renew and re-invigorate Britain’s biggest light show, building on the already-successful ‘Lightpool’ initiative, permanently extending the season to rejuvenate a</p>	£4.5m	£9m	<ul style="list-style-type: none"> • 3km upgraded electrical infrastructure to support town centre lighting • 1-3 new promenade Illuminations features • 1-3 new light art installations created in conjunction with recognised artists • Improved place-based perceptions from residents and visitors 	N/A	N

tourism and hospitality industry blighted by the COVID-19 pandemic.			<ul style="list-style-type: none"> 1.75million additional visits over the 5 year project 		
Blackpool Youth Hub The Youth Hub will be a virtual and physical focal point for coordinated partner delivery of employability and skills provision for 16-24 year olds who are Not In Education, Employment or Training (NEET), including those in transition having been made recently redundant unable to complete in-work vocational qualifications and apprenticeships.	£0.7m	£0.3m	<ul style="list-style-type: none"> 1 renovated facility 500 employers engaged Increased percentage of learners gaining relevant experience 500 new learners assisted 	<ul style="list-style-type: none"> Provide a more detailed delivery plan, including confirming delivery partners and match-funding, conducting conversations with key stakeholders, obtaining planning permissions, and conducting building, structural, and M&E surveys. Provide clarity on quantified outputs and outcomes. 	N

General conditions

There are also the following requirements for the process and governance:

- **Assurance:** The business cases for projects, the Blackpool Central Courts Relocation; the Multiversity; the Blackpool Airport Enterprise Zone; the Southern Quarter/ Revoo Community Sports Village; The Edge – Incubation Office Space in Stanley Building; Blackpool Illuminations Modernisation, and; Blackpool Youth Hub will be taken through Blackpool Council, in line with local assurance processes.
- **PSED:** Blackpool will undertake a Public Sector Equalities Duty analysis, any required Environmental Impact Analyses, securing required planning permissions, etc

Within two months of the deal being signed you should provide the following information to your local Towns Fund lead:

- Details of the projects being taken forward (including for each project the capital/revenue split and the financial profile)
- Overall capital/revenue split and financial profile for the Town Deal
- The actions taken to address the conditions for selected projects
- The outcome of actions taken to address TIP improvements i.e. a completed private sector engagement plan

You must complete business cases for the projects you are taking forward and submit the Town Deal Summary Document within 12 months of accepting this offer. We expect the Lead Council to complete business cases following its usual assurance processes and in partnership with the Town Deal Board (guidance on business cases will be provided in due course).

If you wish to alter the projects being developed, change them for other projects, or otherwise depart from the conditions placed on the projects above, you will inform MHCLG's Towns Hub as soon as possible setting out clear justifications and evidence. A form for requesting such changes will be made available, along with transparent criteria determining whether these requests will be granted.