



Blackpool Town Deal Board meeting 17

Agenda Item 4

Report to: Blackpool Town Deal Board
Subject: Town Deal Programme Update
Relevant Officer: Nick Gerrard, Growth and Prosperity Programme Director
Date of Meeting: 20 May 2022

1. Purpose of report

To provide the panel with a brief written update on the Town Deal Programme.

2. Recommendations

To note the current position with the delivery of the Town Deal Programme and to receive the Town Deal Investment Panel's oral update from their meeting on 11 May 2022.

3. The seven Blackpool Town Deal schemes

3.1 Blackpool Airport Enterprise Zone Infrastructure Development

Creating a new road to open up development sites and attract jobs & investment at the Blackpool Airport Enterprise Zone. Through the creation of new highways the scheme will support business and jobs growth, opening up 10.5 hectares of previously inaccessible development land.

3.2 The Youth Hub (Trading as 'The Platform')

The development of a physical space to support young people in the town to access jobs and training and to make the jump from school or unemployment into work smoother and easier. The Hub will provide a 'one place base' providing quality advice for young jobseekers aged 16-24.



3.3 Revoe Community Sports Village

This project will aid the regeneration of the Revoe area, creating new sports pitches and facilities for community use and securing investment within the Blackpool FC Bloomfield Road ground and surrounding area.

3.4 The Edge

Redevelopment/refurbishment of the existing Stanley Buildings in the town centre to create modern office space for new start-ups & growing businesses and providing business advice for growth-ambitious small businesses.

3.5 The Illuminations

Upgrading the world famous Blackpool Illuminations to attract more visitors by developing new features and lighting technology - a number of new centrepiece attractions will be designed alongside new lighting infrastructure improvements and essential technical equipment needed to deliver the illuminations in a greener, more sustainable way.

3.6 Multiversity (land acquisition)

Assembly of a site to enable the relocation of Blackpool and the Fylde College's Palatine Road campus to create a world class university learning environment in Blackpool town centre and to help address local skills needs working with local employers and in partnership with Lancaster University.

3.7 Blackpool Central Courts Relocation

Supporting the relocation of Blackpool's county and magistrates' courts by opening up space through demolition to support the £300m private sector investment at Blackpool Central which will provide a brand new, world-class, visitor attraction, open year-round providing a major boost to the visitor economy.

4. Activity Update

4.1 Programme Management

The programme is now in delivery phase with all 7 projects approved and a full Programme Management approach underway as shared and agreed with the Town Deal Board at its



meeting of the 11th February 2022. This was shared by email with TDIP members on the 31st January.

4.1.1 Current Towns Fund Position

The current funding position is set out in table 1 below. Only the Towns Fund Youth Hub Project (t/a 'The Platform') is not in Town Deal delivery yet, as the scheme has commenced with funding from the UK Community Renewal Fund ([see section 4.4](#))

Current Funding Position

Project	Approved total Town Deal funding (1 Oct 2020 – 31 Mar 2026)	Claim 1 (1 Oct 2020 – 31 Mar 2022) forecast spend	Claim 1 actual spend	Variance
Blackpool Airport Enterprise Zone	£7,500,000.00	£737,000.00	£1,117,748.35	£380,748.35
The Youth Hub (The Platform)	£500,000.00	£0.00	£0.00	£0.00
Revoe Community Sports Village	£6,545,818.00	£288,889.00	£31,086.93	(£257,802.07)
The Edge	£4,500,000.00	£405,000.00	£288,702.20	(£116,297.80)
The Illuminations	£4,500,000.00	£1,525,000.00	£728,406.78	(£796,593.22)
Multiversity (Land Acquisition)	£9,000,000.00	£515,000.00	£20,531.00	(£494,469.00)
Blackpool Central Courts Relocation	£7,954,182.00	£40,000.00	£51,827.47	£11,827.47
Totals	£40,500,000.00	£3,510,889.00	£2,238,302.73	(£1,272,586.27)

The variance between forecast and actual spends has arisen for the following reasons:

- The Multiversity scheme was due to have committed £515,000 but owing to the delay in Government approval of the scheme until 2nd March, 2022 project commencement spend was delayed and land acquisition is dependent on negotiations with the owners, which could only commence once approval had been given. Negotiations have now begun with several property owners.
- The Illuminations experienced delays in capital equipment procurement (due to long lead-times and unsatisfactory tender responses for vehicles and trailers), an issue being felt across industry as a result of COVID impacts which has resulted in a spend level some £796,594 less.



- The Revoe Community Sports Village scheme was £257,802 down on spend. This was expected to be offset by a spoil removal contract; however, the tender had to be reissued due to initial very high tender prices. The repeat exercise has achieved a c. £200k saving but has also incurred consequential delays to activity commencement and spend.
- The Edge scheme also underspent by £116,297 due to the delayed start in activities and the consequential delays in procurement and delivery of initial design and survey services.
- Two schemes have brought forward additional spend (£380,748 within the Enterprise Zone project and £11,827 within the Courts Relocation project) which serve to offset the under-spend.

These variations in expenditure are unsurprising in a major programme of activity being implemented in an uncertain post-Covid environment. Critically, the minimum spend requirement by DHLUC to March 2022 (5% - £1.975m) was met and the under-spend has been re-profiled into future years of the programme so no resources are lost to the Programme. Towns Fund receipts so far are set out in the table below.

Towns Fund receipts

Tranches received	Total received	Defrayed	Unspent
5% 'work-up' monies (Sep 21)	£1,975,000.00	£1,975,000.00	£0.00
2021/22 payment received (5 schemes) less '5%' (Dec 21)	£2,808,095.00	£263,302.73	£2,544,792.27
2021/22 payment received (2 schemes) less '5%' (Mar 22)	£527,250.00	£0.00	£527,250.00
Totals	£5,310,345.00	£2,238,302.73	£3,072,042.27

4.1.2 Match funding

The programme is funded by the Towns Fund with supporting match funding as set out in table 3 below. The public funds are provided by Blackpool Council (within the Enterprise Zone and Illuminations projects) and the private funds are provided by Blackpool Football Club (within the Revoe Community Sports Village scheme).

Approved expenditure 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

4.1.3 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. The programme has now been re-profiled as in the table below.

Re-profiled expenditure by year

Funding sources	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Towns Fund total contributions	£2,238,302	£11,608	£15,194,594	£5,202,594	£5,255,634	£39,500,000
Public match total contributions	£2,391,206	£6,026,658	£6,847,908	£1,826,190	£4,436,403	£21,528,368
Private match total contributions	£0.00	£235,466.	£470,933.	£9,636,787	£7,344,494	£17,687,682
Total	£4,629,508	£17,870,999	£22,513,436	£16,665,572	£17,036,532	£78,716,050

Although there will be no upward adjustment to the Towns Fund allocation, the public and private match funds may increase to cover 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. Note: there is a contingency amount within the private funding, meaning the private funding may also reduce within that amount if not required.



4.2 Project Progress

4.2.1 Blackpool Airport Enterprise Zone Infrastructure Development

- Wildes Consultant Engineers appointed to lead on design feasibility through to detailed design and the compilation of the specification and tender documents (08/2021).
- Area F (junction at Division Lane) is at the detailed design stage:
 - Planning permission granted (08/2021).
 - Ground investigations and the road safety audit completed.
- Revised drainage strategy completed (underpinned with a SuDs ethos, a Flood Risk Assessment, a Transport Assessment, a Travel Plan, a Public Transport Assessment and multiple other supporting documents):
 - The drainage strategy aims to create additional bio diversity through the inclusion of swales and detention basins, and emphasises heavily on infiltration across the whole development.
- Areas A, C, D & E are currently all at outline design stage:
 - Outline planning permission requested for areas C, D and E (03/2022).
- Works delivery phasing finalised (F, A, C, D, E order) to allow early construction delivery in areas where lesser design packages are required and to keep with a tempo of works which are required to satisfy the restrictive planning conditions linked to the highways upgrade and improvements imposed on current construction projects (new grass sports pitches and the sports pavilion).
- A desktop ground investigation scope has been prepared.
- A ground investigation scoping report has been published:
 - This will enable the procurement of ground investigation services in the next quarter.
 - C3 enquiries (statutory undertakers) have been submitted. These identified 2 main infrastructure risks: an 1100mm water main and the transatlantic communication cable within the construction zone (will need to be moved in advance of works completion) – costs to be determined.
- The sports pavilion car park is 60% complete (which, when complete, will release 194 additional parking spaces for the common edge site).



As at 5 May 2022:

- The project has completed the purchase of a key property within the project site and planning permission for its demolition can now be sought
- Inflation is now a major concern as most construction related prices are 'up', some by 25%. The project delivery team has commenced discussions on how to mitigate/address the inflationary issue.

Enterprise Zone Masterplan (Phase One)





4.2.2 The Youth Hub (trading as 'The Platform')

Activity (under the CRF project) has progressed as follows:

- Branding contract awarded (19/01/2022).
- Project steering group established as part of the Employment and Skills Operational Group (31/01/2022).
- Hub soft launch (01/02/2022).
- Project Operational Group established (09/02/2022).
- Branding exercise commenced (14/02/2022).
- Initial youth engagement exercise undertaken (18/02/2022).
- 50 (of the 300 target) beneficiaries engaged with the Hub (18/02/2022).
- External training delivery from the Hub commences (03/03/2022).
- Branding exercise completed (March 22).
- Formal Launch (17/03/2022).
- 100 (of the 300 target) beneficiaries engaged with 'The Platform' (24/03/2022).

As at 5 May 2022 the key results stand at:

- 148 (of the 300 target) beneficiaries engaged with 'The Platform'.
- 22 (of the 75 target) beneficiaries have moved into education or training as a result of the support given.
- 18 (no target) beneficiaries have moved into employment as a result of the support given.

Below: Therese Coffey (Secretary of State for Work & Pensions) cutting the ribbon at the formal launch.





4.2.3 Revoe Community Sports Village

Activity has progressed as follows:

- Spoil removal from the surrounding site tendered twice.
- Second tender required due to excessive prices received.
- Spoil removal tender process completed (saving c£200,000 on original prices received).
- All current spend is split between survey costs and programme management fees.
- Meeting held with Football Foundation (12/2021).
- Meeting Held with 'Together We Can Do' charity (02/2022).
- Land preparation tender process commenced.
- Draft funding agreement between the Council and Blackpool Football Club has been prepared (with the football club).

As at 5 May 2022:

- The football club owner is keen to revise the current scope of works.
- The solution needs to be finalised in time for the July Football Foundation application if the scheme is to progress on schedule.
- Spoil removal will commence in the next 2-3 weeks.

Spoil to be removed from site (below)





4.2.4 The Edge

- Regular Edge Design Group and Business Support Group meetings initiated.
- Planning approval received.
- Eric Wright Group appointed as main contractor.
- Work progressing to agree final scope of works and pricing with the main contractor.
- Expected completion of tender maximum price and therefore formal Council funding agreement and contract for works all now expected to be in place by end of July 2022.
- Forecast cost currently exceeds budget but this will be addressed through the agreement of the Agreed Maximum Price.

As at 5 May 2022:

- Monthly tenant liaison meetings now instigated.
- Progress with surveys, demolition works and branding on track with start on site expected in late August / early September 2022.

The Edge 'before and after' images





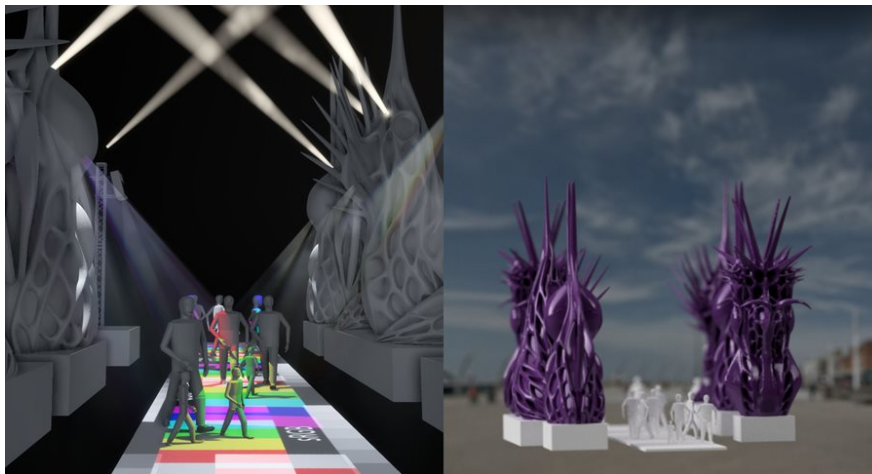
4.2.5 The Illuminations

- Two large 3D beach ball features delivered.
- Rebuild of large scale Venus Reborn tableau including three large led screens completed.
- Tower projection improvements completed.
- Cliffs tableaux and road sections upgraded with internal led lighting.
- Feeder pillars installed around the town.
- Illuminations control system upgrade completed.
- Talbot Square & Talbot Road network & other improvements commenced.

As at 5th May 2022:

- 2022 Illuminations designs finalised.
- Discussions with Blackpool & the Fylde College regarding potential apprenticeships commenced.
- All bar three vehicle solutions now finalised.

Proposed Illuminations feature, 'Odyssey', for 2022 season





4.2.6 Multiversity (land acquisition)

As at 5 May 2022:

- The memorandum of understanding between Blackpool & the Fylde College and the Council has now been signed by the Council and is with B&FC to sign.
- The current designs for the Multiversity are to be amended as part of the process of securing the funding to deliver the Multiversity including a Levelling-Up Fund bid submission by July 2022.
- Properties in the targeted area for acquisition have received letters and negotiations to acquire have commenced.

Architectural proposal for the Multiversity





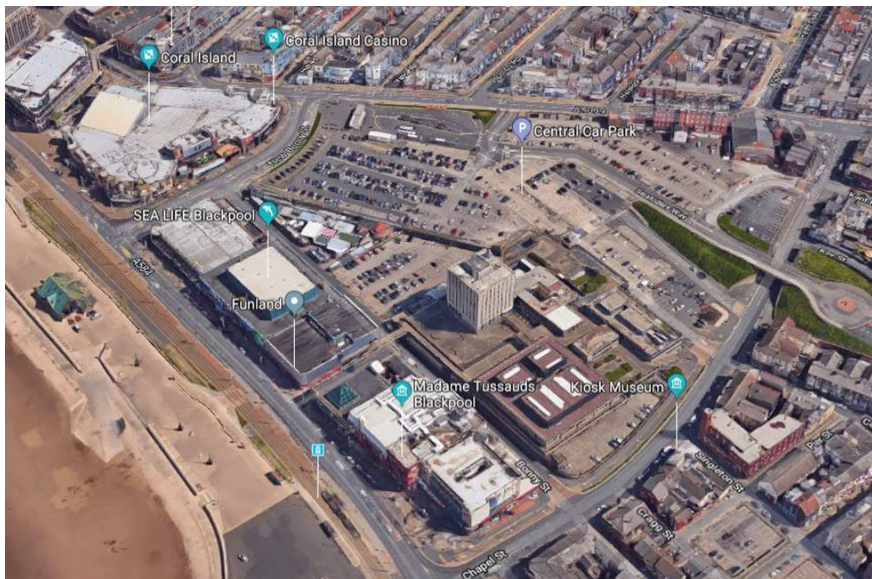
4.2.7 Blackpool Central Courts relocation

- Demolition strategy report has been commissioned and received from Hermolle Associates (Structural Engineers).
- A geotechnical survey has been undertaken to support the structural report, with boreholes and ground investigation works being undertaken on site.
- An analysis of the costs has been undertaken by the Council's internal Chartered Quantity Surveyors to inform the proposed budget position and anticipated project costs.

As at 5 May 2022:

- Still no definitive decision from HM Treasury has been provided to HMCTS on funding the new courts buildings.
- HMCTS consultants are assessing the proposed new location (Devonshire Road).

Blackpool Central site plan with the Courts and Police Station in the centre



4.3 Contracts

Legal documentation for all 7 schemes is under development with the Council's legal department.

4.4 UK Community Renewal Fund Extension

The Youth Hub has a new name of "The Platform" for marketing purposes but is referenced as The Youth Hub Project so there is no misunderstanding with the original DLUHC approval.

The Panel will recall that the project commenced in October 2021 under the Community Renewal Fund (initially) until June 30 with a view to Town Deal funding kicking in at that



point over the subsequent 18 months. However, on the 23 March the Council received a letter from the Government CRF Delivery team noting how they had received a growing number of requests from Lead Authorities and projects asking whether it is possible to extend UK Community Renewal Fund activity beyond the current end date of 30 June 2022. Projects have highlighted various reasons for delays put predominantly delivery on the ground has been slower due to the impact of COVID-19, this was compounded by the rise of Omicron and associated restrictions over the Winter.

To ensure UK Community Renewal Fund projects could deliver their outputs and outcomes Government Ministers agreed to extend activity up the end of the calendar year. Lead Authorities were asked to discuss with projects to determine which wanted to extend activity and to when with a response due back to government with mid-term review reports which are due back by the 31 March. All 4 Blackpool CRF schemes requested an extension to the end of September 2022 to ensure all project spend and outcomes are achieved.

This affects the Town Deal Youth Hub scheme in that it will now commence 1 October 2022, instead of 1 July 22. There is no other impact on Town Deal outputs and outcomes

4.5 Programme Reporting to DLUHC

Blackpool Council is the designated accountable body for all funds with overall responsibility for the delivery of the programme with the oversight of the Town Deal Board. It needs to comply with DLUHC mandatory financial and monitoring and evaluation (M&E) requirements, which will involve reporting twice a year on inputs, activities and outputs. This includes collecting accurate data and using the agreed metrics and methods as set out in M&E guidance. All monitoring returns will be required to be signed off by Blackpool Council's Section 151 Officer.

In addition, there is a specific Assurance Review activity required by Government as the formal way by which the Government engages with the Accountable Body and Town Deal Board to review governance and assurance processes associated with the Town Deal. The Assurance Review covers all funding associated with the Town Deal received to date, inclusive of capacity and accelerator funding. The Review cannot be seen as a stand-alone event. Assurance consists of the following elements:

- Spot checks against the governance requirements of the Town Board
- Regular dialogue between the DLUHC, Accountable Body and Town Board ensuring that emerging issues and risks are dealt with early
- Town Deal performance reporting including total spend, forecast spend and delivery progress
- An Assurance Review (January to March annually)

The Assurance Review provides Government, the Accountable Body and Town Deal Board with the opportunity to reflect on the Town Deal performance (since cost were incurred), in the areas of governance and financial regularity.

The first request, noted at the 11 February Town Deal Board, was to submit a response for the February 18 2022 deadline. There were 3 actions that Accountable Body were asked to



complete to support the provision of assurance. One of these requires the engagement of the Town Deal Board Chair.

- The Chief Finance Officer (Section 151 Officer) had to submit an Assurance Statement for the Town Deal, by completing a standard form) in which they must reflect any areas of concern, identifying the project covered by the Town Deal
- The Section 151 Officer also needed to write to the Department for Levelling Up, Housing and Communities (DLUHC) Accounting Officer using a separate template
- Finally, the Accountable Body and Town Deal Board had to submit their Governance Assurance Statement to DLUHC by 11 March 2022. Again, this should reflect any areas of concern, identifying the project covered by the Town Deal

These documents were submitted successfully and no associated queries have been received.

A second request was received on the 29 April with a 10 June deadline.

Due to the Council being a Town Deal accountable body that received a 2021/22 project payment in February or March 2022, a monitoring template and addendum are required to be submitted which the Section 151 officer must have signed and the Town Deal Board Chair will need to have approved.

These will inform whether a 22/23 payment should be made. Government are expecting to make 22/23 payments in August or September and will write in July with an update on payment and timings. The Town Deal Board and TDIP will be made aware of the outcome in due course.

4.6 Programme Risk Register

This is attached as 'Appendix A' with an additional risk added around inflationary pressures.