

Blackpool Town Deal Board Meeting 20

Agenda Item 9

Report to: Blackpool Town Deal Board
Subject: Levelling Up Fund Update
Relevant Officer: Nick Gerrard, Growth and Prosperity Programme Director
Date of Meeting: 24 February 2023

1. Purpose of Report

To provide a written update on the Levelling-Up Fund.

2. Recommendation

To note the current position and progress.

3. LUF Background and Blackpool Programme Approval

Round 2 of LUF was referred to in the Levelling-Up White Paper launched 2 February 2022 with full detail released on the 23 March. Blackpool had the opportunity to submit three bids into the Fund by the 6 July 2022 closing date. This was later extended to 2 August due to delays in the application portal going live.

The three bids were for the Multiversity, Town Centre Access Scheme and Hotel Indigo Former Post Office Redevelopment schemes. On the 19 January the Council were informed that the Multiversity application had been successful with its request for £40 million of funding.

This is subject to satisfactory compliance with the subsidy control regime requirements. DWF LLP had already provided full guidance at submission stage. A meeting was held with DWF on the 24 January 2023 to confirm that the original guidance still held true.

It was confirmed that the funding will not qualify as a subsidy, as the funded development will be used to operate a teaching and education campus space predominantly for the delivery of public education activities which are generally considered non-economic in nature. This means that neither the Council nor the College, in delivering such activities, will

be considered an "enterprise" (i.e. carrying on economic activities in competition with the market) for the purposes of Subsidy Control law.

On the 25 January a further "welcome pack" of key information was provided. On the 8 February a memo of understanding (MoU) was provided which sets out the terms of the LUF programme. Where projects have passed the Subsidy Control check and return the MoU by the 28 February deadline, first payments will be based on profiles provided in the application and made in March 2023.

As this is noted as a "large bid" (over £20 million). A full business case review will be undertaken by DLUHC, but this is deemed standard practice. The Council awaits any further queries.

Notwithstanding this great news about the Multiversity, the Council also received confirmation, disappointingly, that the TCAS and Hotel Indigo schemes were unsuccessful. DLUHC confirmed that written feedback will be provided on these applications in due course. A third bidding round for LUF has been confirmed by Government but no dates have as yet been released.

Detailed information on the approach undertaken to determine schemes to be approved is available at the below web link. Suffice to say a total of 529 LUF bids with a total value of £8.8 billion were received on or before 2 August 2022 and were assessed in line with the three-staged approach set out in the LUF Round 2 technical note. Across the UK, 111 bids were selected at a value of just under £2.09 billion.

Levelling Up Fund Round 2: explanatory note on the assessment and decision-making process - GOV.UK (www.gov.uk)

4. Multiversity Scheme

The Multiversity is now a £65 million scheme incorporating £40 million LUF funding and £9 million Town Deal towards the acquisition of land.

A Blackpool Council loan of £16 million is to be provided. Whilst the amount is known the method of delivery is not yet confirmed pending advice and once the advice is clear the College and the Council will agree terms for the preferred development model which could be a loan, lease or forward funding arrangement. The amount required will be re-paid by the College over the agreed period.¹

A world-class university experience will be delivered, facilitating higher level upskilling, reskilling and lifelong learning. The scheme, town centre based and close to the train station

¹ Note: The College have also committed to make a £5 million cash contribution to the project which will offset the size of the loan and we are currently clarifying the most tax efficient method of achieving this.

and tram interchange, will free up the existing College site for residential development. The new build will be carbon neutral in operation.

The Multiversity Campus will be delivered through a partnership involving Blackpool Council and Blackpool and the Fylde College in association with Lancaster University. It will be a unique proposition, providing a cutting-edge response to local, regional, and national priorities, designed to accommodate up to three thousand learners. Key benefits include:

Improving skills and opportunities: The investment in a new, high-quality, purpose-built educational facility will provide an unrivalled learning environment, encouraging more learners to choose to continue with their education in Blackpool. A tailored curriculum, catering for needs of employers in order to fill skills gaps across the Fylde Coast, means the Multiversity, by virtue of what is taught there, will link directly to employment opportunities.

Supporting town centre regeneration: The development of the Multiversity adjacent to the town centre will complement other major developments, including the developments at Talbot Gateway, the extension to the Houndshell Shopping Centre and the new Winter Gardens Conference and Exhibition Centre, in providing year-round footfall into the town centre, reducing the impacts of seasonality.

Built environment uplift: The Multiversity's development will provide uplift to an area that has not previously benefitted from significant investment, improving the built environment significantly, and supporting the creation of high-quality, pedestrianised, public open space.

The overall project to deliver the Multiversity is underpinned by six key project objectives:

- Injection of new life to the heart of Blackpool.
- Embedded holistically into the town centre.
- Allow people to up-skill through life.
- Raise the college profile in the town centre and beyond.
- Creates an iconic building that sings Blackpool.
- Increase footfall in the town centre to encourage regeneration.

Provision of Infrastructure Support in the Voluntary, Community, Faith and Social Enterprise (VCFSE)





5. Project and Programme Management

Confirmation of LUF approval was originally anticipated in autumn and delays to the approval have clearly affected the Multiversity spending profile originally submitted, especially spend by end of March 2023. Extensive activity is underway around programme review and activity commencement in line with procurement rules. All LUF spend must be defrayed by end of March 2026.

As the Council has been successful with the Multiversity bid it is now required to directly enter into a separate funding agreement for the project with DLUHC. The Council will also need to enter into a separate legal agreement with Blackpool and The Fylde College which set out the terms under which Blackpool Borough Council and Blackpool & the Fylde College will manage the delivery of the Multiversity and to establish a relationship that promotes the achievement of the project objectives in the most productive and cost-effective manner

The scheme will be led by the Growth & Prosperity team with support from a variety of Council departments including legal and highways. The project will be subject to a Service Level Agreement setting out their delivery requirements which will require legal support. A quarterly claims process is proposed which will require Finance team support around payment of grant etc. Procurement team support will also be required.



The PMO team will be responsible for project monitoring and assurance and reporting to DLUHC and are currently developing the claims systems and procedures in line with those used for the Town Deal programme. A first claim activity will cover spend to end of March.



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