

Blackpool Town Deal Board Meeting No. 9

Agenda Item 4

Report to: Blackpool Town Deal Board
Subject: Town Deal Activity Update
Relevant Officer: Nick Gerrard, Growth and Prosperity Programme Director
Date of Meeting: 12th March 2021

1. Purpose of the report

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

2. Recommendation

That the Board review the paper and provide any feedback.

3. Activity Update

3.1 Heads of Terms (HoT)

As noted at the 15th January Board meeting, a requirement of the HoT, was to provide, within two months of the deal being signed the following information:

- 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
- actions to be taken to address the conditions for selected projects
- expected outputs and outcomes
- whether any project will be fast-tracked

Following submission of this information approval is still awaited. The only element that is deemed to perhaps need more MHCLG review was the request for the Youth Hub scheme to be a “revenue” scheme instead of a “capital” scheme. An oral update will be given at the meeting.

3.2 Business Case Development Process

The next stage of the TIP development process involves the development of business cases for each of the seven projects outlined in the HoT, in line with HM Treasury Green Book Business Case guidance. All seven must be developed and appraised by 17th November 2021.

Extensive work is ongoing to develop the schemes as outlined in the table below. Activity incorporates both Council officers and retained external consultancy support via AMION Consulting who provide business case development advice and critical friend support.

| Project Name | Funding Allocation |
|---|--------------------|
| Blackpool Central Development Courts Relocation | £8m |
| Multiversity | £9m |
| Blackpool Airport Enterprise Zone | £7.5m |
| Blackpool Youth Hub | £0.5m (revenue) |
| Southern Quarter / Revoe Community Sports Village | £5.5m |
| The EDGE (Stanley Buildings) | £4.5m |
| Illuminations | £4.5 |
| Total | £39.5m |

3.3 Business Case Appraisal and Assurance

In order to support the business case appraisal process, the Board agreed to the establishment of a Town Deal Investment Panel (TDIP) at its last meeting. The Panel held its inception meeting on 13th January and is chaired by Steve Williams of Force Technology.

A Full Business Case will be developed for each project and submitted to the TDIP for initial review. Once content, the TDIP will appoint an independent appraiser, using the framework panel referred to above, to assess the business case and report back to the TDIP who will then make a recommendation to the Town Deal Board and thence to Blackpool Council's Executive under its approved delegation arrangements. If approved by Blackpool Council (as accountable body) it will draw up a funding agreement, with appropriate monitoring and evaluation arrangements established.

3.4 Additional Capacity Funding

The Ministry of Housing, Communities and Local Government (MHCLG) is supporting towns to complete the Towns Fund process. In line with this, on February 8th they informed all Town Deal

towns that they will distribute grants this financial year with the purpose of helping towns to complete Towns Fund process – up until the final agreement of business cases.

Towns were invited to apply for “capacity” funding of between £50,000 - £120,000. Whilst all Town Deal areas were able to apply, it was stated that funding would be prioritised to towns who can demonstrate they are at clear and obvious risk of failing to complete the process if they are not able to access additional support.

An application form was submitted on the 17th February with a £120,000 request. In its submission, Blackpool noted it was delighted to have received such a large Town Deal allocation, but that obviously involved a large resource to both develop and work up the business cases for the seven approved schemes by November 2021.

It was noted, that when the initial capacity funding was provided (£173,029), we were not fully aware of the number and nature of the projects to be put forward and what the outcome of our submission would be. Blackpool were however, committed to developing a strong bid and now to ensuring its successful implementation and has allocated resources accordingly ahead of being able, hopefully, to offset most of these are part of the final business case submission. The Council has made it clear that because of the scale of this activity it is expecting a substantial additional contribution towards these costs to maximise the resources available for delivery with capacity required in 3 areas:

- a) Owing to the scale of the programme and the pressure on in house human resource availability during the pandemic where officers have been pulled onto other areas of work we need to pay for an additional member of the support team to enhance our programme management resource.
- b) Lack of internal experience of writing and developing Green Book Business Cases. The Council has only one individual with such experience.
- c) Specialist advice is essential in the form of transport benefits modelling (economic case), Subsidy (formally State Aid), scheme demand assessment, design fees etc.

A decision is awaited.

3.5 Engagement Activity

Agenda Item 5 provides a separate more detailed update on engagement activity.