

URN: 21-050

Subject: Town Deal Process Update

Report to: Policy & Resources Committee, 23 March 2021

Report by: Simon Best, Regeneration & Funding Manager

SUBJECT MATTER / RECOMMENDATIONS

On 3 March 2021, MHCLG offered Great Yarmouth Heads of Terms for a Town Deal of up to £20.1 million to deliver the ten *Immediate Investment Priorities* set out in the Town Investment Plan. The Plan comprises a £24.8m programme of interventions and these will need to be refreshed and prioritised to progress delivery within the funding £20.1m envelope.

This report sets out how the Town Board will prioritise interventions and realise the overall ambition in line with the value of the funding award and advise MHCLG, accordingly, within two months of accepting the offered Heads of Terms (i.e. 24 May 2021 at the latest).

Members are asked to:

- 1) Accept the Heads of Terms for a Town Deal of up to £20.1 million.**
- 2) Note the deadlines for responses: signed Heads of Terms by 24 March 2021 at the latest and details of interventions being taken forward and a plan for addressing key conditions by 24 May at the latest.**

1. BACKGROUND AND CONTEXT

- 1.1 In September 2019, the Government announced the initial 101 places invited to develop Town Deal proposals as part of the £3.6 billion Towns Fund. A stakeholder-led Town Investment Plan was submitted to the Ministry of Housing, Communities & Local Government (MHCLG) on 11 December 2020, outlining a total 'ask' of £24,780,390 to co-fund ten interventions as *Immediate Investment Priorities*.
- 1.2 On 3 March 2021, MHCLG informed the Chair of the Town Board and the Council that MHCLG was offering Great Yarmouth Heads of Terms for a Town Deal of up to £20.1 million. These are not contractually binding and the offer is subject to various conditions being met. Conditions are attached to five of the ten Immediate Investment Priorities; none are considered to be insuperable and most relate to providing additional clarifications.
- 1.3 The Heads of Terms act as a Memorandum of Understanding (MoU) for the future development and delivery of Great Yarmouth's Town Investment Plan and project proposals. It sets out joint expectations as Great Yarmouth enters the second (business case development) phase. MHCLG is happy to support all ten Immediate Investment Priorities; none have been eliminated at this stage.

- 1.4 In order to proceed, the Town Board must agree this offer and respond with the signed Heads of Terms by 24 March 2021 at the latest. The Great Yarmouth Town Board unanimously recommended agreeing to the Heads of Terms at its meeting on 16 March 2021.
- 1.5 The response to Government will also need to set out how it will prioritise its £24.8m programme of interventions within the £20.1m funding envelope offered.
- 1.6 Within two months of accepting the offer (i.e. 24 May 2021 at the latest), Great Yarmouth must confirm, in writing, details of interventions being taken forward and a plan for addressing key conditions relating to those and the overall Town Investment Plan, alongside capital/revenue splits and financial profiles.
- 1.7 Phase 2 of the process includes detailed project development and business case assurance at local level to demonstrate the feasibility, viability and value for money. A Town Deal Summary Document must be submitted to Government within 12 months of accepting the offer (i.e. 24 March 2022 at the latest).
- 1.8 The business cases for projects will be taken through Great Yarmouth Borough Council, in line with local assurance processes. Funding for individual interventions will be subject to successfully completing Phase 2.
- 1.9 In January 2021, MHCLG announced that it would be supporting with additional funding of £50,000-£120,000 to help them complete Phase 2 of the process – up until the final agreement of business cases. This is to be awarded competitively, by application.
- 1.10 £65,000 of an initial £162,000 tranche of funding provided by MHCLG was spent on expertise and collateral/evidence for the Town Investment Plan, including a Town Deal website, community engagement and commissioning a Seafront Development Plan. Care was taken to retain some for Phase 2; there was no indication at that stage of additional funds being made available.
- 1.11 On 17 February an application for £95,000 of additional development funding was submitted to MHCLG to augment the remaining £97,000 and enable further technical development of intervention elements that are not yet ‘shovel ready’ and preparation of the detailed, technical business case that applies Treasury Green Book-compliant methodologies and analysis. The outcome of this application has not yet been determined.

2. TOWN INVESTMENT PLAN PRIORITISATION EXERCISE

- 2.1 In order to reduce the Towns Fund ask from £24.8m to £20.1m, individual interventions are being examined and prioritised to either a) reduce the scale/costs/scope of individual interventions or b) reduce the value of Towns Fund sought for specific interventions and identify alternative funding sources – including the potential to displace Towns Funding with the new *Levelling Up Fund*, announced in the 3 March budget.
- 2.2 A summary of the ten *Immediate Investment Priorities* included in the original Town Investment Plan is presented, below.

1.	New operations and maintenance (O&M) campus and incubator on the Great Yarmouth Enterprise Zone and Energy Park
	Project value: £20,016,019 Town Deal ask: £3,950,000
2.	Land assembly for the strategic regeneration of North Quay as a vibrant new mixed-use waterfront quarter
	Project value: £7,600,000 Town Deal ask: £5,100,000
3.	New Great Yarmouth University Learning Centre (GYULC) providing an enhanced route to economic activity and growth
	Project value: £10,465,543 Town Deal ask: £7,500,000
4.	Restoration and commercial repurposing of the iconic Winter Gardens as a year-round seafront attraction
	Project value: £16,052,151 Town Deal ask: £4,075,000
5.	Restoration and sustainable repurposing of vacant historic buildings
	Project value: £1,401,900 Town Deal ask: £626,900
6.	Restoration and adaptation of the historic Ice House as a National Centre for Arts and Circus
	Project value: £1,440,000 Town Deal ask: £1,000,000
7.	Green mobility: enhancement of Seafront to Town Centre connectivity
	Project value: £2,438,360 Town Deal ask: £1,438,360
8.	Public wayfinding and sustainable connectivity
	Project value: £1,100,000 Town Deal ask: £750,000
9.	Physical enhancements to the rail station gateway as a key point of entry for residents, visitors and commuters
	Project value: £202,180 Town Deal ask: £150,000
10.	Smart Deployment of Enhanced Digital and Connectivity Infrastructure
	Project value: £205,130 Town Deal ask: £190,130

2.3 It is proposed that an objective, quantitative analysis – using as its basis the original approved prioritisation framework – is used to inform the Town Board’s decision-making. Six criteria are proposed:

- i) **Criterion 1: strategic alignment, in terms of policy fit** – i.e. prioritising interventions with better alignment with key policies and strategies;
- ii) **Criterion 2: deliverability in terms of practical readiness and critical dependencies** – i.e. prioritising interventions that are more developed;

- iii) **Criterion 3: impact, in terms of delivering outputs and** outcomes – i.e. prioritising interventions that best contribute to measures of in the Town Investment Plan;
- iv) **Criterion 4: the value and security of co-funding** – i.e. prioritising interventions with more co-funding in place that would be leveraged by Towns Funding and those less likely to be able to attract funding from alternative sources, e.g the new *Levelling Up Fund*;
- v) **Criterion 5: the value of the residual funding gap** – i.e. prioritising those interventions less dependent upon securing additional co-funding from other sources;
- vi) **Criterion 6: the value of Towns Funding required to deliver the intervention** – i.e. prioritising interventions that require less Towns Funding to deliver them.

2.4 The Town Board endorsed this approach at its meeting on 16 March. An exercise is also being undertaken to refresh assumptions relating to each intervention, as these have been developed since submission of the original Town Investment and, for example, overall costs, co-funding or other deliverability factors may have changed.

3. FINANCIAL IMPLICATIONS

- 3.1 In order to reduce the Towns Fund ask from £24.8m to £20.1m, individual interventions are being examined and prioritised to either a) reduce the scale/costs/scope of individual interventions or b) reduce the value of Towns Fund sought for specific interventions and identify alternative funding sources – including the potential to displace Towns Funding with the new *Levelling Up Fund*, announced in the 3 March budget.
- 3.2 An objective, quantitative analysis is proposed – using as its basis the original approved prioritisation framework – to inform the Town Board’s decision-making. The Town Board must respond to MHCLG on any changes – alongside other clarifications – within two months of accepting the offered Heads of Terms (i.e. 24 May 2021 at the latest).
- 3.3 With the success of the Future High Streets Fund application and the Town Deal, the Council’s officer structure will need to be supplemented to ensure that the leadership and management cohort have the requisite capacity and skills to deliver all of the projects, including additional resources for project management and community engagement.
- 3.4 There remains revenue capacity funding of £97,000 and a further bid has been submitted to MHCLG for £95,000. Where staff are working directly on a capital scheme, this can be charged to capital and would form part of the capital project budget already agreed. On this basis, there will be no impact to the local taxpayer of increasing the staffing complement. Members are, therefore, asked to note this position, although there is no request for additional budget.

4. RISK IMPLICATIONS

- 4.1 This process may affect the scale/costs/scope and, therefore, impact of individual interventions and the overall Town Deal programme or require alternative funding to be identified and secured.

5. CONCLUSIONS

- 5.1 MHCLG has offered Great Yarmouth Heads of Terms for a Town Deal of up to £20.1 million to deliver the ten *Immediate Investment Priorities* set out in the Town Investment Plan. The Plan comprises a £24.8m programme of interventions and these will need to be refreshed and prioritised to enable delivery within the funding £20.1m envelope.
- 5.2 This report sets out a framework to enable the Town Board to prioritise interventions and realise the overall ambition in line with the value of the funding award and advise MHCLG accordingly within two months of accepting the offered Heads of Terms (i.e. 24 May 2021 at the latest).

6. RECOMMENDATIONS

Members are asked to:

- 1) Accept the Heads of Terms for a Town Deal of up to £20.1 million.**
- 2) Note the deadlines for responses: signed Heads of Terms by 24 March 2021 at the latest and details of interventions being taken forward and a plan for addressing key conditions by 24 May at the latest.**

Area for consideration	Comment
Monitoring Officer Consultation:	As part of the ELT process
Section 151 Officer Consultation:	As part of the ELT process
Existing Council Policies:	Great Yarmouth Town Investment Plan (2020)
Financial Implications:	As outlined in the Report
Legal Implications (including human rights):	None
Risk Implications:	As identified in report
Equality Issues/EQIA:	None
Crime & Disorder:	None
Every Child Matters:	Not applicable