

TELFORD & WREKIN COUNCIL

CABINET - 18 JUNE 2020

LOCAL GROWTH FUND - STRONGER COMMUNITIES

REPORT OF THE DIRECTOR OF PROSPERITY & INVESTMENT

LEAD CABINET MEMBER – CLLR DAVID WRIGHT, CABINET MEMBER FOR ECONOMY, HOUSING, TRANSPORT AND INFRASTRUCTURE

PART A – SUMMARY REPORT

1.0 SUMMARY OF MAIN PROPSALS

- 1.1 In November 2019, the Council were made aware of an anticipated underspend against the Local Growth Fund, administered by the Marches Local Enterprise Partnership (LEP).
- 1.2 In response to this the LEP launched an urgent call for eligible projects, involving a rigorous selection process including the submission of expressions of interest and full business cases within challenging timescales.
- 1.3 Timescales were driven by a requirement to spend the grant by end of March 2021 to avoid clawback by central government, with the identified projects needing to be delivered in their entirety, with associated outputs realised, by the end of March 2025.
- 1.4 The Council's Stronger Communities proposal, was approved for funding, subject to finalising formal Funding Agreement, by the LEP Board on 24 March 2020.
- 1.5 In order to meet the timescales for the Funding Agreement with the LEP, a Strong Leader Decision was taken to utilise £11.85m from the Regeneration and Investment Fund approved by full Council on 5 March 2020 to deliver the programme and provide the match funding required for project delivery. Additionally, the Leader recommends to full Council that the LEP funding be included within the Budget Strategy. This report seeks the endorsement of these decisions.

2.0 RECOMMENDATIONS

- 2.1 **That Cabinet endorses the decisions taken as part of the Strong Leader Decision as detailed in Appendix 1 to this report (which is exempt from publication under paragraph 3, part 1, schedule 12A of the Local Government Act 1972)**
- 2.2 **That Cabinet endorses the Decision to acquire the strategic site in the Telford Town Centre as set out in para 4.7 of the Report**
- 2.3 **That Cabinet endorses the delivery of the Stronger Communities package to deliver borough wide regeneration, job creation and new homes to directly meet housing need.**

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing
	Will the proposals impact on specific groups of people?	
	Yes	In addition to meeting general housing need, the delivery of accessible and adaptable properties will increase the availability of high quality housing within the Borough for people with mobility issues.
TARGET COMPLETION/ DELIVERY DATE	Local Growth Fund grant needs to be expended by end March 2021 with projects delivered in their entirety by end March 2025.	
FINANCIAL / VALUE FOR MONEY IMPACT	Yes	<p>The Stronger Communities Grant bid totals £7m. This funding, allocated from Local Growth Funding, must be spent and defrayed by 31 March 2021.</p> <p>Full Council on 5th March 2020 approved the establishment of a “Regeneration and Investment Fund” of £60m.</p> <p>This report seeks endorsement to the Decision for an allocation from this fund to support the delivery of the Stronger Communities programme.</p> <p>DR 15/5/20</p>
LEGAL ISSUES	Yes	<p>The Council has the necessary powers to undertake the activities identified in this report. Legal advice was provided in relation to the grant application. Ongoing legal advice will be provided in relation to all projects undertaken as part of the Stronger Communities programme.</p> <p>Legal representation is available to the Place Board and governance advice is provided, as appropriate.</p> <p>In the disposal of any land the Council has a statutory duty to obtain best consideration and must also follow any applicable procurement requirements when awarding any contracts.</p> <p>9/06/2020 AL</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>A comprehensive risk assessment has been undertaken as part of the preparation of the Full Business Case submission to the LEP. A risk register will be maintained and updated as the programme progresses and risks managed accordingly.</p> <p>The most significant risk relates to the Council’s ability to progress each of the projects within a timeframe to allow the grant funding to be spent by end March 2021. However, robust programmes are in place to secure delivery and these will be monitored by the Place Board, which will provide governance in relation to the programme. The impact of the coronavirus shutdown may impact across the delivery of the LEP’s whole programme and is anticipated to be subject to review with BEIS.</p>

		The impact of the current coronavirus pandemic is significant across all our communities and businesses. The Stronger Communities Programme will provide a market stimulus supporting the continued delivery of new housing in key communities and the diversification of the Town Centre with the introduction of town centre living and rail connected employment opportunities.
IMPACT ON SPECIFIC WARDS	No	Investment is intended to have borough wide economic and regeneration benefits

PART B – ADDITIONAL INFORMATION

4.0 INFORMATION

- 4.1 The Local Growth Fund (LGF) is government funding awarded to LEPs for projects that benefit the local area and economy. In November 2019 the Council were alerted by the Marches LEP to the fact that circa £27m of unspent LGF grant was available for redistribution to eligible projects that could commit to expenditure by end March 2021.
- 4.2 A Marches wide project call was announced with expressions of interest submitted to the LEP by 6th December 2019. Expressions of interest were required to outline the grant funding requirement, match funding element and outputs delivered as well as demonstrate a strategic fit with the Marches LEPs Strategic Economic Plan along with deliverability within the programme constraints.
- 4.3 Telford & Wrekin submitted three expressions of interest by the deadline. Following initial feedback from the LEP the three expressions of interest were refined into a single 'Stronger Communities' package, with an updated expression of interest submitted in mid-January 2020 seeking £7m of grant funding.
- 4.4 The package, as well as being closely aligned to objectives of the Marches SEP; to be an inclusive place that enables residents from all communities to thrive and develop, also directly reflect objectives set out in the Council's vision of 'Protect, Care and Invest to create a better borough'.
- The package is focused on bringing back key brownfield sites to use benefitting some of our most deprived wards, as well as providing a stimulus to the delivery of Station Quarter the next phase of the transformation of the Town Centre delivering circa 500 new homes across a range of tenures,
 - Circa 60 new jobs within the town centre, bringing good quality employment opportunities to the Borough.
 - The regeneration of 20.6 ha of brownfield land, bringing redundant land back into use.
- 4.6 In addition to the above, the proposals seek to support the delivery of the Council's carbon reduction targets, with developments looking to accommodate low carbon technology, including PVs and electric car charging points, whilst at the same time ensuring that opportunities for biodiversity enhancement are adopted wherever possible.
- 4.7 In order to realise these outcomes, grant funding will be used to:
- Purchase land currently in third party ownership, which will allow the Council to retain control over development and masterplan appropriately. A key site acquisition relates to the purchase of a 2.1 ha (5.02) acre site within the town centre, currently owned by a third party. The site lies at the heart of redevelopment plans for the ambitious Station Quarter. A purchase price has been negotiated for the site which reflects the strategic gateway location and site clearance works already carried out. More information in relation to this is set out in Appendix A

- Deliver key infrastructure to development sites including highway access, infrastructure and utility upgrades.
- Address abnormal development costs associated with the brownfield nature of the sites including demolition, site clearance, service disconnections, remediation and treatment of mineshafts.
- Support viability associated with low land values

NB:- Appendix 1 is exempt from publication pursuant to Paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 – Information relating to the financial or business affairs of any individual (including the authority)

- 4.8 The programme approach incorporating a number of projects will ensure the delivery of positive outcomes to communities across the Borough and at the same time enable management of the grant and match funding flexibly, to ensure that the challenging delivery timescales are adhered to.
- 4.9 The Stronger Communities package was presented to the LEP Board on the 27 January 2020, alongside 17 other EOIs from the other Local Authorities within the LEP, as well as the private sector. The package was categorised as “low risk” meaning that based on an initial analysis of the EOI the package had the potential to spend Growth Deal funding within the stated timescales (31 March 2021) and deliver against Marches LEP priorities.
- 4.10 Of the 18 EOIs submitted, 11 projects with a grant requirement totalling £43m, were asked to proceed to Full Business Case Stage, with submissions required by 28 February 2020.
- 4.11 A Full Business Case for the Stronger Communities package was approved by the LEP Board on 24 March 2020 subject to finalising a Funding Agreement between TWC and Shropshire Council, as the Accountable Body for the LEP.
- 4.12 The Strong Leader Decision was taken in response to the LEP’s timeframe for concluding the Funding Agreement in early May. This is now anticipated to be concluded in early June 2020.

5.0 FINANCE

- 5.1 Delivery of the Stronger Communities programme will be in accordance with the project costs and expenditure profile detailed in the Strong Leader Decision.

Report prepared by:
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