

DECISION ITEM

| REPORT OF | MEETING | DATE | ITEM NO |
|--|---------|----------------|---------|
| HEAD OF PROJECTS AND REGENERATION | COUNCIL | 2 OCTOBER 2023 | 8 |
| IN YEAR BUDGET INCREASE – ST ANNES LEVELLING UP ROUND 3 FUNDING APPLICATION | | | |

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Corporate and Economic Development (Councillor Karen Buckley).

PURPOSE OF THE REPORT

It is expected that the Government will announce details concerning the third and final round of Levelling Up Funding in Autumn 2023. In anticipation of this the Council is requested to approve funding to commission the necessary professional services required to progress a public realm scheme in St Annes. This will enable an application to be 'shovel ready' and therefore will have the best chance of successfully securing significant capital funding. The proposed scheme will focus on three intervention areas taken from the St Annes Masterplan; the Station Gateway, Square East and Active Travel Link.

The recommendations within the report seek to establish a project team to deliver plans up to and including RIBA Stage 3 (Developed Design). The professional fees required to commission the required services total £499,762 and are based on an indicative initial construction value of £5,164,934. Further details on how the fees are calculated and how the initial construction value has been determined contained within this report and within the Appendices.

Details regarding the initial scope of the scheme and the outline programme for delivery are included within the body of the report. The target for completion of the commission is early March 2024.

The report also provides details regarding the procurement of the project team to manage, plan, design and deliver the project to meet the Council's objectives.

RECOVERABILITY

This decision is not recoverable because it relates to:

- A recommendation to the council or to any other committee or sub-committee of the council

RECOMMENDATIONS

1. Council is asked to approve a fully funded addition to the Councils Capital Programme in 2023/24 in the sum of £499,761 to the 'St Annes Levelling Up Round 3 Funding Application' scheme, to be met in full from the Capital Investment Reserve.
2. Council is asked to authorise the proposed expenditure of £499,761 in respect of the scheme as detailed within the report and award contracts to BDP Ltd and Gosling Consulting Ltd for £371,875 and £90,386, respectively.

SUMMARY OF PREVIOUS DECISIONS

Council – 17th July 2023

It was unanimously RESOLVED to approve a fully funded addition to the Council's Capital Programme for the total sum of £1,500,000 (£1,000,000 in 2023/2024 and £500,000 in 2024/25) to the St Annes Event Square Project, of which £857,000 in 2023/2024 shall be provided from the Council's Capital Investment Reserve, £160,000 funding from UK Shared Prosperity Programme (UKSPF (UK Shared Prosperity Fund)) in 2023/2024, £250,000 in 2024/25 is to be met from external funding provided by Lancashire County Council and capital virements of £233,000 in 2023/24.

Planning Committee - 27th July 2022

It was resolved:

That, Members consider the final draft of the St Annes Town Centre and Island Masterplan and that, subject to the incorporation of any amendments that the Committee consider necessary, adopt the masterplan as a framework to guide future investment and development projects in the resort.

That the St Annes Town Centre and Island Masterplan and companion documents be used to support applications for grant funding and to secure financial contributions from developments (Sn 106) in the borough to ensure the future vitality of the town centre and the island.

REPORT

BACKGROUND

1. In July 2022, Planning Committee formally adopted the St Annes Masterplan, which is available as a background paper available via the link here <https://new.fylde.gov.uk/st-annes-town-centre-masterplan/>.
2. The Masterplan brings together a wide range of stakeholder views and defines a long-term vision for the holistic regeneration of St Annes. The footprint of the Masterplan extends from St-Annes-on-the-Sea train station in the east, through the main district centre of St Annes Road West, across Clifton Drive to the Pier and then south towards the Island site.
3. The Masterplan details a series of physical interventions through development of buildings and public realm, as well as identifying a series of actions designed to boost the visitor economy through the Destination Management Plan.
4. Using the Masterplan as a strategic base document, the Council submitted a bid to Government in July 2022 for Levelling Up Round 2 funding to deliver the main public realm elements of the Masterplan, the total of which was £14.6m.
5. In January 2023, the Council was informed that the bid was unsuccessful, this coincided with a workshop between elected members on The Leadership Board and senior officers on the delivery of the Masterplan. The workshop outcome concluded that the Council needs to secure the necessary skill set, personnel, and funding strategy to deliver the Masterplan. The Council does not at present have the capacity or employ personnel with the required skill set to initiate the process required to deliver the Masterplan in its entirety.
6. In July 2023, the Council approved a fully funded addition to the Council's Capital Programme for £1.5m to deliver the St Annes Event Space scheme. This will be the first project delivered as part of the Masterplan, due for completion in Summer 2024.

LEVELLING UP FUND

7. Since the announcement of the unsuccessful Round 2 Levelling Up Fund bid, officers and lead members have been preparing ahead of the expected third and final round of Levelling Up Fund applications. Despite there being no formal announcement by the Government, Officers have been actively engaging with civil servants from DLUHC (Department for Levelling Up Housing and Communities) to understand the possible timescales and parameters of Round 3 applications, as well as keeping up to date with information provided by industry partners via webinars and briefing notes.
8. In early Summer 2023 the MP invited the Leader of the Council and the Head of Projects and Regeneration to an informal meeting to discuss the latest conversations happening in Government regarding Round 3 applications. The Council have been advised to prepare bids in the region of £5-6million and to propose projects which are 'shovel ready'. Further information on the definition of 'shovel ready' and the likely criteria for Round 3 applications is contained below in the Programme and Key Drivers section of the report.
9. It is anticipated that the window for Round 3 applications will open in Autumn 2023, although this has not been formally confirmed by Government. For added context, in the last round of applications the process for submission, evaluation and award took approximately 6 months.

SCHEME DETAILS

10. The scheme will involve the development of significant elements of the Masterplan up to and including RIBA Stage 3 (Developed Design). It is anticipated that the scope of the design work will focus on three main intervention areas taken from the Masterplan, these are:

The Station Gateway

Upgrade of public realm in station forecourt area to alter the station egress to align with St Anne's Road West to provide a direct view through the Square to the pier and to create a strong sense of arrival and a welcoming experience for rail users. Potentially also taking the opportunity to prepare the adjacent site for development by a hotel operator as a separate scheme.

Square East

Refresh of the east of the Square, including the upgrade of existing street furniture, scaling back the planting, replacing the pedestrian road crossings with raised table super crossings, and enhanced link to Ashton Gardens (Garden Street). There is the potential to upgrade the hard paving and the streetscape to further strengthen the principle of the extended promenade, including landscaped planting, rockery edges and water features.

Active Travel Link

Active Travel Link on the North side of the Square, providing a clear and legible route through the town centre to the Pier and Promenade

11. Further details and graphics of the above intervention areas can be found within the Masterplan.

COST BREAKDOWN OF THE SCHEME

12. The costs for delivering the scheme are based on the initial indicative construction value of the proposed bid, which is £5,164,934. This figure is derived from the Masterplan Delivery Strategy and includes the high-level cost estimates for the 3 intervention areas described above with an inflationary allowance added to reflect the proposed delivery programme.
13. To progress the scheme up to RIBA Stage 3, the professional team will be appointed on a fee percentage based on the estimated construction value. For BDP multi-disciplinary services (including Landscape Architect, Civil Engineering, Services Engineering, Transport Consultancy and Planning Consultancy) the fee percentage is 7.2%, which equates to £371,875. For Gosling Consulting Ltd (including Project and Cost Management Services) the fee percentage is 1.76%, which equates to £90,386.

14. In addition to the fees identified above, £37,500 has been allocated for surveys required to inform the design. A survey schedule will be developed throughout the first stage of the project. Together these sums total £499,761.
15. The Council are requested to note that the final costs for the total project (i.e., what we apply to the government to deliver the scheme) are to be refined and firmed up ahead of the Round 3 submission. This will include any professional fees required beyond RIBA Stage 3 to completion of the project.

FUNDING BREAKDOWN OF THE SCHEME

16. The Council are requested to fully fund the scheme from the Capital Investment Reserve, with future funding for the works to be applied for through Levelling Up Funding.

PROGRAMME, KEY DRIVERS AND RISK

17. The indicative programme for the scheme is contained within section 3 of the report at Appendix A. This programme includes for a detailed public consultation exercise as part of the development of the design. We are aiming to deliver a fully costed RIBA Stage 3 developed design package for approval by early March 2024.
18. Formal feedback from the Government regarding Fylde's LUF (Levelling Up Fund) Round 2 can be found at Appendix B. Within the report it is clear that the Round 2 bid fell short because of issues regarding deliverability. The report refers to 'premature' proposals which would require many further stages of project development before works can commence. The issue regarding deliverability was further reinforced during a recent online seminar delivered by DWF, who confirmed that of the £3.8 billion awarded during the first two rounds of Levelling Up Funding, only £392m has been spent. This represents an actual spend of 5% against awarded funds. Applicants have been advised that bids will need to demonstrate that they will be 'shovel ready' and that works are ready to commence soon after funding is awarded. 'Shovel ready' schemes can be defined as schemes which have the necessary statutory approvals in place and have been sufficiently developed in terms of design whereby works can be tendered and the client is able to award contracts shortly after funding is announced.
19. The Council is advised that the Levelling Up Round 3 application process will be as competitive as previous rounds and that there are no guarantees of achieving funding for capital works. The rationale for expending circa £500,000 to develop the project is to increase our chances of securing significant funding to deliver transformational works within the Town Centre and to start to make significant inroads into the delivery of the St Annes Masterplan. It is clear from the official feedback and conversations with Government and other industry experts that if the Council do not undertake this vital preparatory work, then Fylde will not be considered for any Levelling Up Funding.
20. Although Levelling Up Funding is not guaranteed, there is value in progressing design proposals up to RIBA Stage 3 as these proposals could be used to apply for other funding sources as and when they become available. The proposals could also be divided up into smaller schemes which the Council may decide to fully fund through the Capital Investment Reserve.

PROCUREMENT

21. Further to the recommendations in the report it is necessary to confirm the procurement arrangements for the proposed appointment of the project team and how these align with the Council's Contract Procedure Rules. It is proposed to appoint the project team via the use of frameworks. The decision to proceed with the framework aligns with the Fylde Council Procurement Strategy outcome 7.2 which seeks to use aggregated buying power to take advantage of best prices. The other main advantage of the direct award through the framework is to expedite the appointment of key services to progress the project at an early stage, rather than spending 2-3 months through a protracted competitive tender process.
22. The procurement of external consultants is essential to best ensure the delivery of the project as the Council does not have the capacity or employ personnel with the required skill set to deliver large aspects of the scheme. Officers from the Projects and Regeneration Service will act as the client for the project, managing the consultant team and reporting back on progress through the appropriate governance channels.
23. The Council is requested to appoint BDP Ltd to deliver multi-disciplinary services as detailed within Appendix A for the sum of £371,875. The award of this contract will be made via the National Health Service Shared Business Service Framework, Lot 12 (which is also available to other public bodies such as the council), through

a direct award process. Officers also recommend this appointment because BDP have prepared the overall Masterplan and are lead design consultants for the Event Space. BDP have built up a good working relationship with officers and are performing well on the Events Space project. There are major synergies and interfaces between the Event Space project and the deliverables of the LUF Round 3 application, which will benefit from using the same consultant team.

24. The Council is requested to appoint Gosling Consulting Ltd to deliver Project and Cost Management Services as detailed within Appendix A for the sum of £90,386. The appointment for Project and Cost Management services will be made through the direct award option on the RISE Framework for construction and engineering consultancy services. Gosling Consulting are also working with the Council on the Events Space project and the rationale for their appointment is the same as that for BDP Ltd.

| CORPORATE PRIORITIES | |
|--|---|
| Economy – To create a vibrant and healthy economy | ✓ |
| Environment – To deliver services customers expect | ✓ |
| Efficiency – By spending money in the most efficient way | ✓ |
| Tourism – To create a great place to live and visit | ✓ |

| IMPLICATIONS | |
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| Finance | Council is asked to approve a fully funded addition to the Council's Capital Programme in 2023/24 in the sum of £499,761 to the 'St Annes Levelling Up Round 3 Funding Application' scheme, to be met in full from the Capital Investment Reserve. |
| Legal | None arising directly from this report. |
| Community Safety | None arising directly from this report. |
| Human Rights and Equalities | None arising directly from this report. |
| Sustainability and Environmental Impact | None arising directly from this report. |
| Health & Safety and Risk Management | None arising directly from this report. |

| SUMMARY OF PREVIOUS DECISIONS |
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| <p>Council – 17th July 2023</p> <p>It was unanimously RESOLVED to approve a fully funded addition to the Council's Capital Programme for the total sum of £1,500,000 (£1,000,000 in 2023/2024 and £500,000 in 2024/25) to the St Annes Event Square Project, of which £857,000 in 2023/2024 shall be provided from the Council's Capital Investment Reserve, £160,000 funding from UK Shared Prosperity Programme (UKSPF (UK Shared Prosperity Fund)) in 2023/2024, £250,000 in 2024/25 is to be met from external funding provided by Lancashire County Council and capital virements of £233,000 in 2023/24.</p> <p>Planning Committee - 27th July 2022</p> <p>It was resolved:</p> <p>That, Members consider the final draft of the St Annes Town Centre and Island Masterplan and that, subject to the incorporation of any amendments that the Committee consider necessary, adopt the masterplan as a framework to guide future investment and development projects in the resort.</p> <p>That the St Annes Town Centre and Island Masterplan and companion documents be used to support applications for grant funding and to secure financial contributions from developments (Sn 106) in the borough to ensure the future vitality of the town centre and the island.</p> |

| BACKGROUND PAPERS REVELANT TO THIS ITEM | | |
|---|------|--------------------------------|
| Name of document | Date | Where available for inspection |
| N/a | | |

| LEAD AUTHOR | CONTACT DETAILS | DATE |
|------------------|---|-------------------|
| Charlie Richards | charlie.richards@fylde.gov.uk & Tel 01253 658520 | 22 September 2023 |

Appendix A – St Annes Masterplan LUF 3 – Primary Delivery Plan

Appendix B – LUF Round 2 – Official Feedback Notes