

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	1 April 2021
<b>Subject:</b>	Southport Town Deal – Heads of Terms		
<b>Report of:</b>	Executive Director (Place)	<b>Wards Affected:</b>	Ainsdale; Birkdale; Cambridge; Dukes; Kew; Meols; Norwood;
<b>Portfolio:</b>	Cabinet Member - Regeneration and Skills		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

Report to update Cabinet on the Southport Town Deal, and the Town Investment Plan which was submitted to government at the end of October 2020, and to seek approval for Sefton Council to agree non-binding Heads of Terms in advance of business case development for the projects identified therein.

### Recommendation(s):

Cabinet is recommended to:

- (1) approve finalisation of the non-binding Heads of Terms, as accountable body for the Town Deal;
- (2) delegate agreement of those Heads of Terms, once finalised by the Town Deal board, to the Chief Executive, in consultation with the Cabinet Member for Regeneration and Skills;
- (3) note the time scales and next steps for project confirmation and business case development;
- (4) delegate business case development for the projects to the Executive Director (Place), in consultation with the Cabinet Member for Regeneration and Skills; and
- (5) note that business case approval for each of the projects taken forward will be brought for Cabinet and Council approval on a project-by-project basis, in accordance with the Councils Financial Procedure Rules.

### Reasons for the Recommendation(s):

Southport was one of 101 towns identified as potential recipients of Town Deal funding, for which a bid submission and Town Investment Plan (TIP) was required. The process requires leadership of a Town Deal Board, with a private sector Chair, but the Council is required to undertake the role of Accountable Body for the bid, and for the subsequent

negotiation of Heads of Terms, agreement of the Town Deal, and to be the organisation through which funding will flow.

These recommendations enable finalisation of those Heads of Terms with government, in advance of the detailed project development process.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

The alternative of not agreeing to the Heads of Terms, and not undertaking the role of Accountable Body for the Town Deal is rejected given the significance of the funding, the quality and quantity of projects identified and the importance of such funding to economic recovery in Southport given the impact of the COVID-19 pandemic on the town and its economy.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

No revenue costs are anticipated with the agreement of Heads of Terms. Project costs will be brought to Cabinet in accordance with Council financial procedure rules.

**(B) Capital Costs**

No capital costs are associated with the agreement of Heads of Terms. Project costs will be brought to Cabinet in accordance with Council financial procedure rules.

**Implications of the Proposals:**

**Resource Implications (Financial, IT, Staffing and Assets):**

Currently resource (people) implications are being managed within the current Council resource envelope and prioritising work as required. When required due to capacity shortfall external resources are considered and used, with external expertise procured where beneficial to the Town Deal board.

Upon completion of negotiations and agreement of a final set of projects all revenue and capital financial implications will be reported to future meetings of Cabinet and Council in accordance with the Councils Financial Procedure Rules.

**Legal Implications:**

There are no legal implications associated with agreement to the non-binding Heads of Terms.

**Equality Implications:**

There are no equality implications associated with agreement to the non-binding Heads of Terms. The Town Deal process has consulted and communicated widely in advance of, and since, the bid, and all projects developed will ensure equality and accessibility for all. Details will be provided within the individual project business cases.

## Contribution to the Council's Core Purpose:

Protect the most vulnerable: Given the impact of Covid-19 on Southport's economy and its key sectors, the Town Deal should support recovery and projects that deliver the creation of new employment opportunities across the town.
Facilitate confident and resilient communities: The Town Investment Plan is community focussed and the way forward being substantiated by extensive local community consultation, including the voice of the youth gathered in collaboration with local schools and colleges. The Projects are driven to enhance the community and the town as a place to live and work.
Commission, broker and provide core services: The Town Deal and associated TIP will support the core value of providing core services in the optimum way, making best use of digital now and future proofing with services at the front of delivery.
Place – leadership and influencer: The Council will directly contribute to an improved visitor destination creating further confidence in Southport that could lead to further private sector investment.
Drivers of change and reform: Providing a long-term sustainable future for Southport creating a new diverse use meeting the expectations of residents and visitors. Making Southport an increasingly attractive place to live and work and embrace the needs of current and future residents and visitors.
Facilitate sustainable economic prosperity: The proposals will support new business start-ups, and help established businesses to create additional employment and sustainable business growth.
Greater income for social investment: The Town Deal will support the generation of income that can support the delivery and enhancement of positive social impact.
Cleaner Greener: All projects in the Town Investment Plan will establish the best accepted build criteria and follow current best guidance and standards and will contribute to Sefton's objectives in respect of environmental sustainability.

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director Corporate Resources and Customer Services (FD.6347/21) and Chief Legal and Democratic Officer (LD.4548/21) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

Extensive external consultation and engagement took place throughout the bid development process, in line with the advice from of Sefton's Public Engagement and Consultation Panel. Digital and online communications and engagement has successfully been maximised in light of the restrictions posed by Covid-19 on face-to-

face engagement.

### **Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

Contact Officer:	Stephen Watson
Telephone Number:	0151 934 3710
Email Address:	<a href="mailto:Stephen.Watson@sefton.gov.uk">Stephen.Watson@sefton.gov.uk</a>

### **Appendices:**

There are no appendices to this report.

### **Background Papers:**

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

<http://smbc-modgov-03/mgCommitteeDetails.aspx?ID=881>

## **1. Introduction and Background**

- 1.1 Southport is one of 101 towns across the country that was invited to bid for up to £50 million in funding as part of the Government's Towns Fund. To secure a share of this funding, in line with the guidance, a Town Deal Board has been established and a Town Investment Plan (TIP) was submitted in October 2020.
- 1.2 The TIP provides a long-term vision for Southport to 2050, identifying potential projects that will help to improve the town in the short, medium and long term and support the delivery of innovative regeneration plans,
- 1.3 The objective of the Town Deal Fund is to drive the economic regeneration of towns to deliver long term economic and productivity growth through:
  - Urban regeneration, planning and land use
  - Skills and enterprise infrastructure
  - Connectivity
- 1.4 The cabinet report approved in October 2020 set out in detail the steps taken by the council and the Town Deal Board up to the point of the submission of the Town Investment Plan. As recommended in that report the submission of the bid and Town Investment Plan was delegated to the Cabinet Member for Regeneration and Skills, and the Executive Director (Place), for submission at the end of October 2020 on behalf of the Town Deal Board.

## **2. Funding Announcement and Heads of Terms**

- 2.1 In the government's budget, published on 3<sup>rd</sup> March 2021 it was confirmed that Southport has been offered a Town Deal up to the value of £37.5 million. MHCLG have advised that the higher funding offer (above £25 million) is in recognition of the case that Southport has made for the regional and national significance of its proposals.
- 2.2 An offer letter for the Town Deal were also issued on 3<sup>rd</sup> March, with a requirement to be signed and returned by 17<sup>th</sup> March 2020. The signatories of the letter are the Chair of the Town Deal Board, Chief Executive of the council and the MHCLG Secretary of State.
- 2.3 The Heads of Terms are not contractually binding, and the offer is subject to certain conditions being met. The Heads of Terms, to be finalised by 10<sup>th</sup> May 2021, set out the following:

### **The commitment:**

- The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of Southport's Town Investment Plan and project proposals. It sets out joint expectations as Southport enters the business case development phase (a 12-month phase.)
- That we will prioritise the projects included in the TIP within the funding envelope being offered.
- Funding for individual projects will be subject to successfully completing Phase 2 of the Towns Fund process. This includes detailed project

development and business case assurance at local level.

**Process, governance and assurance:**

- Local partners will work with government to demonstrate the feasibility, viability and value for money of their projects by developing and submitting the Town Deal Summary Document which will include:
  - A list of agreed projects
  - Details of business case assurance processes followed for each project
  - An update on actions taken in relation to the Heads of Terms key conditions and requirements
  - A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
  - A Monitoring and Evaluation Plan
  - Confirmation of funding arrangements and financial profiles for each project
  - Undertaking Public Sector Equalities Duty analysis
  - Approval from the Town Deal Board and Lead Council

2.4. The Heads of Terms state that we should confirm in writing the projects being taken forward within two months of accepting the offer (by 10<sup>th</sup> May 2021).

2.5 Business cases must then be completed and a summary document submitted, within 12 months of the deal being agreed. Once approved by MHCLG and assuming the conditions have been met, the funding will be released.

2.6 The assurance process for business case and project approval will be in line with Sefton Council's assurance process, with oversight from the Town Deal Board. Project Business cases will be Green Book compliant.

2.7 If the town wishes to alter or change the projects being developed or make other changes on the conditions set out in the Terms then it must be presented to the Towns Hub partners, with clear justification and evidence.

**3.0 Management and governance**

3.1 The management, governance and delivery of Southport's Town Investment Plan will require the ongoing oversight provided by the Town Deal Board. As the accountable body, Sefton Council will retain responsibility for the delivery of the programme. Project management and delivery will continue to be provided by the Council. Specific project business cases will be brought to Cabinet as required in accordance with Council financial procedure rules.