

REPORT TO: Executive Board

DATE: 14 April 2022

REPORTING OFFICER: Strategic Director Enterprise, Community and Resources

PORTFOLIO: Major Projects (Deputy Leader)

SUBJECT: Runcorn Old Town Investment Plan Implementation

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To update the Executive Board on the Runcorn Old Town Investment Plan (ROTIP).

To outline the different stages of project development and the approvals required.

2.0 RECOMMENDATION: That the Board

- i) Approve the Local Assurance Framework for the development and signing off on project business cases;**
- ii) Delegate authority to the Operational Director for Resources (Section 151 Officer) in consultation with the Operational Director Economy, Enterprise and Property, Portfolio Holder for Major Projects and Corporate Services to approve Town Deal business cases in the Council's capacity as the Accountable Body, to be developed and submitted to government by 4 August 2022;**
- iii) In consultation with the Town Deal Board and Deputy Leader and the Portfolio holder for Corporate Services, authority be delegated to the Operational Director Economy, Enterprise and Property & Section 151 Officer, to authorise the expenditure of the 5% Towns Fund advance in line with the agreed Towns Fund priorities; and**
- iv) Delegate authority to the Operational Director Economy, Enterprise and Property and Section 151 Officer to agree and complete Funding Agreements with partners that will**

deliver Town Deal projects on behalf of the Council, as the Accountable body for the Towns Fund programme;

3.0 SUPPORTING INFORMATION

3.1 Runcorn was one of 101 towns invited by Government to develop proposals for a 'Town Deal' and following submission of the Town investment Plan has been offered an award of up to £23.6m. The objective of the Towns Fund programme is to drive the sustainable economic regeneration of towns to support long term economic and productivity growth. A Town Deal is a three way agreement in principle between Government, the local authority and the Town Deal Board.

This report set outs the next steps required to progress and implement the Town Deal for Runcorn. Authority is sought to progress the Town Deal in the Council's capacity as the "Accountable Body" to DLUHC and as part of the Council's role on the Town Deal Board.

3.2 The Heads of Terms for a Town Deal offered by government in July 2021 sets out a list of the projects that the government are content to support, it is for the Town Deal Board to confirm which projects to proceed with, within the £23.6m funding envelope.

The seven government approved projects are:-

1. Runcorn Station Quarter
2. Creative and Digital Skills Centre
3. Brindley Theatre Extension
4. Unlock Runcorn
5. Town Centre New Homes
6. High Street Connectivity
7. Health and Education Hub

The Heads of Terms were signed by the Chair of the Town Deal Board and Chief Executive. The detail of the Heads of Terms are set out in **Appendix 1**.

The Council on behalf of the Town Deal Board submitted to government 'Project Confirmations' on 31st August 2021 to confirm the projects it proposed to take forward to business case stage. This included details of the projects being taken forward (including for each project the capital/revenue split and the financial profile), the overall capital/revenue split and financial profile for the Town Deal and a draft monitoring and evaluation plan.

On 3rd December 2021 the Department for Levelling Up, Housing and Communities ('DLUHC') agreed the project confirmations and the allocation of funding up to £23.6 million across financial years

2021/22 to 2025/26. Payments in future years will only be made subject to satisfactory spend and progress against agreed project milestones, outputs and outcomes.

From signing the heads of terms there is up to 12 months to develop the agreed projects in detail to full business case stage, in accordance with the HM Treasury Green Book appraisal process. Preparing the Business case is a decision making process which includes examining options and providing more detailed cost, risk and benefits appraisal of the preferred option and assessing against the 5 case model (strategic, economic, commercial, financial, management), including delivery mechanism and on-going sustainability of projects.

The process for the signing off the final project business cases must be in accordance with an agreed Local Assurance Framework **Appendix 2**. Officers are seeking Executive Board approval for the framework. Final project business cases must be submitted to DULCH by way of a 'Summary Document', signed off by the Chair of the Town Deal Board and the Council's Section 151 Officer. These are then reviewed by government to ensure the conditions of the Heads of Terms have been met and annual funding is then released.

DLUCH have a mechanism in place to deal with project adjustments should there be any changes to the scope/costs/outputs/match funding of a project during the business case planning stage. Any proposed changes will need to be discussed with the DLUCH lead initially to determine if it can be progressed as a minor or major change and remains in line with the expectations of the Towns Fund programme.

The Council is the Accountable Body for the delivery of the Town Deal, with the Town Deal Board also having a role in project confirmation and in the development and signing off the project business cases. This arrangement and process for developing and agreeing business cases with the Town Deal Board and the Council as the accountable body is set out on the Local Assurance Framework.

Next steps to progress Project Business Cases

Some projects are more advanced and developed than others. All projects will require extensive effort and resource to develop the detailed feasibility and business cases for each of the approved projects by 4th August 2022. The scale and complexity of projects involved will require prioritisation across a number of council departments to deliver.

Developing a Green Book compliant business case is a process for developing and gaining approval which is specific to each project,

covering the 5 case model:-

- Strategic Case – The case for change
- Economic Case – Which proposal delivers the best value for money?
- Commercial Case – How will the preferred option be procured and delivered?
- Financial Case – Is the preferred option affordable?
- Management Case – How will the preferred option be managed and governed?

In order to meet the set funding timescales, officers are seeking delegated authority in consultation with Deputy Leader for specific steps that are required to be taken to progress and submit the completed seven full business cases to Government by 4th August.

All projects are required to meet the public sector duty as set out in the Equality Act 2010 to protect people from discrimination.

This report is also seeking delegated authority to authorise the expenditure of the 5% Towns Fund advance. This advance funding has been provided to support with project delivery and is in the form of a Section 31 grant. The intention of the capital funding is to enable early-stage activity in project development. Funding can only be spent on projects listed in the Grant Offer Letter. This includes projects where Business Case Summary Documents have not yet been submitted to DLUHC.

This payment was made following the submission and approval of the summary documents. Thereafter, payments will be made at the beginning of each financial year. Towns will be expected to report regularly into DLUHC on the spend and delivery progress of agreed projects.

Not all projects are Council led and therefore to facilitate these officers are seeking delegated authority to complete Funding Agreements with partners that will deliver these projects on behalf of the Council as the accountable body for the Towns Fund programme.

Towns have until the end of the 2025/26 Financial Year to spend their Towns Fund offer. There is no plan to extend the funding programme beyond 2025/26.

4.0 POLICY IMPLICATIONS

- 4.1 Runcorn and Runcorn Station Quarter is one of eight Key Economic Impact Areas as outlined in the borough's Mersey Gateway Regeneration Plan. In recent years, the Council has developed a Vision and Strategy for the regeneration of Runcorn Old Town. The Town Investment plan and associated funding presents an

exciting opportunity to bring to fruition some elements of this strategy.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 Some of projects require match funding and work is ongoing to identify and secure this.

IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.0 **Children & Young People in Halton**

6.1 The proposals in the report are linked to the Runcorn Town Investment Plan, which provides improved leisure, culture, health and employment facilities for young people.

6.2 **Employment, Learning & Skills in Halton**

The Council's Employment Learning and Skills Division will work with the Regeneration Team to ensure that local people will have access to emerging job opportunities in the area.

6.3 **A Healthy Halton**

The Health and Education hub will provide better access to well-being facilities.

6.4 **A Safer Halton**

Safety measures will be incorporated into any future building/land designs

6.5 **Halton's Urban Renewal**

The report sets out future options for the redevelopment of land in and around the station in Runcorn which would contribute to the ongoing transformation of the environment within Runcorn Old Town.

7.0 **RISK ANALYSIS**

7.1 **Project Creep**

Risk Inevitably with large and complex programmes and projects, there is a risk of project creep and project scope deviating from the original aims and objectives of the Towns Fund and priorities set out in the TIP as the business cases are developed.

The business cases will need to signed off locally and submitted to DLUHC to sign off and release the funding for delivery by 4th August 2022. Each project has an established project management procedures in place and regular up-dates will be provided to the Board by the Board sponsor. The role of the business case

consultancy will be to advise the board and Council in relation to the business cases.

Business cases not completed in time

Risk The work required to develop and submit the detailed business cases is not completed by the 4th August deadline and as a consequence the funding is not released.

The Regeneration Team – Town Centres will regularly monitor the progress and development of business cases and identify additional resources and address any issues required to enable the business cases to be completed within the timeframes.

Scheme Delivery

If successful, the Council will need to commit to the delivery of the seven projects by 31 March 2026. Project programme resources and risk registers will need to be built into each project to ensure sufficient resource for delivery and effective risk management/monitoring of schemes.

Cost Increases

Project costs could be higher than the funding available once the detailed business cases are completed. There are concerns around recent cost inflation of materials impacting on project costs.

Optimum bias has been applied to projects. Costs will continue to be monitored through the key stages of the projects and monitored through the Runcorn Board and will be subject to further negotiation with government before final funding and project approval.

8.0 Equality and Diversity Issues

None.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None within the meaning of the Act.