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Dear Member

OVERVIEW AND SCRUTINY BOARD - WEDNESDAY, 14 APRIL 2021

I am now able to enclose, for consideration at the Wednesday, 14 April 2021 meeting of the Overview and Scrutiny Board, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
6.	Update on Torquay Town Deal Torquay Town Deal and Paignton Future High Street Briefing Paper	(Pages 56 - 62)

Yours sincerely

Teresa Buckley
Clerk

Torquay Town Deal and Paignton Future High Street Briefing for Overview & Scrutiny Board

Subject: Update on Torquay Town Deal & Paignton Future High Street Fund programmes

Introduction

Following the recent award of funding for Torquay through the Town Deal and Paignton through Future High Streets Fund the Council is now in a position where it confidently plan for delivery of these transformational investment programmes and the individual projects contained within.

There are 15 capital projects across the two town centre programmes with an estimated overall development value in excess of £180M. The Council's wider capital programme extends beyond those projects and the new Levelling Up Fund identifies Torbay as a high priority place with the promise of further investment. However the Town Deal and Future High Street programmes will drive change in Torquay and Paignton over the next three years and into the future.

This report provides some further background to the programmes and an update on progress.

Torbay Council is the accountable body for the funds given by Government and in February a Town Deal and Future High Street steering group was convened which includes cross chamber representation. The meeting will be chaired by Cllr Long as Portfolio Holder for Regeneration, Housing and Tourism. In the case of the Town Deal the Town Board will be responsible for ensuring that the project business cases which come forward are in line with their expectations and will deliver the outcomes set out in the Town Investment Plan (TIP).

For Future High Streets Fund this work has already been completed and the approval process has recently concluded with the final confirmation received from MHLCG on 1st April along with confirmation that Torbay will be eligible to draw on the expertise of the High Streets Task Force, a government sponsored group of experts, to support one area likely to be the FHSF area in Paignton.

Town Deal

Torquay will receive investment of £21.9 million from the Government's Towns Fund. A Town Board was created to oversee the production of the TIP. The TIP was submitted to Government in July and is the basis for a Town Deal which allows development of the detailed business cases for the projects to bring transformational investment into Torquay. The Investment Plan has evolved from the vision for Torquay, shared by the Town Board and representatives across Torbay's community, including the Neighbourhood Plan Forum, the Community Development Trust, and Torbay Town Partnership.

The Town Investment Plan focuses on these key areas:

- Delivering a more vibrant town centre through the redevelopment of key town centre sites for mixed uses and public realm schemes
- Improving connectivity to and in Torquay through the delivery of a new rail station at Edginswell and improving connections between the main station and town centre These areas have been chosen for their impact in the short and medium term and ability to be brought forward at pace.
- The Plan also identifies complementary proposals for investment in tourism and cultural projects to improve the quality of Torquay's offer; investment in delivering employment sites; and improvements to connectivity.

The Town Investment Plan was developed under the leadership of the Town Board which was developed in line with government guidance. The principle role of the Board is to be the vehicle through which the vision and strategy for the town is defined. It has produced the Town Investment Plan, and its role has been to recommend to the Council a prioritised Investment Plan of projects in support of the Board's defined objectives. It will also approve business cases for projects to ensure that they are consistent with the TIP and act to ensure that the TIP is being delivered. In line with its terms of reference summarised below;

- Lead the development of the Town Investment Plan (TIP)
- Make decisions on the investment plan and the prioritisation of projects in support of the Board's objectives
- Working with the Council to ensure that good governance standards are met
- Directing the programme team, the executive for programme management.
- Receiving reports on financial progress, programme and outputs and preparing monitoring reports for government
- Commissioning research to create an evidence base to support project selection and prioritisation.
- Commissioning evaluation reports to measure programme and project effectiveness which will inform revisions to the TIP

Accelerated projects

Following the award earlier in the summer of an additional £750,000 for Torquay there are three accelerated projects being taken forward for completion by 31st of March 2021. The three projects are;

- Lightplay – a lighting project inspired by the Wavelength project delivered by Torbay Culture in 2019 and intended to improve the lighting and planting at rock walk to enhance the experience of the space. Design work is nearing completion on this project and installation will begin in May. This has been the most difficult of the three accelerated projects to deliver and there is a clear learning point here that if other short term funding were offered Torbay should focus on existing project ideas rather than trying to develop a project to a deadline. There is an implication here in ensuring that there is a pipeline of projects which can be called off under broad headings.
- Princess Gardens – This project has delivered change in line with an existing appraisal of the Grade II Listed Park and Garden. There have been enhancements to the Banjo, improved planting, improving the infrastructure to host events and generally to enhance site.
- Upton Park – This project has focused on delivering investment in line with the Upton Park masterplan with a focus on improving the zoning within the park and an upgrade on the sports facilities located there, signage, lighting, pathway improvements and landscaping has also been carried out to make the space more accessible, welcoming and useable.

There are seven capital projects and one revenue project in the Town Investment Plan with a focus on the Town Centre.

There is a strong focus on Torquay's town centre within the project list particularly around the Harbour area with three of the projects focused in that area.

Strand land assembly & demolition (VTC3) project. This project will bring about a regeneration of the site occupied by Debenhams. Design work is underway to assess the potential scale of a scheme which is likely to include either food and drink or leisure use alongside residential. This changing scope means that planning permission is not likely to be applied for until August. Accordingly it's proposed to move this to tranche 2 of our business case submissions.

Harbour public realm (VTC5)

Town Board members received a presentation from the design team at the meeting of 12th March showing the design as we near the end of RIBA stage four. The design has been consulted on with transport users including Stagecoach and the taxi association and is built from the consultation that took place funded through the Great Place program which involved other users of the space. The Town Deal & Future High Streets Steering group has agreed design freeze and work is now underway to complete the technical design ready for the contract to be tendered in the summer.

Pavilion (VTC6)

Negotiations between council and MDL have continued and have progressed. Cabinet has agreed a memorandum of understanding setting out the process and actions required prior to the full restoration of the Pavilion. The next step will be for a joint appointment of a specialist surveyor to carry out an inspection of the building and development of an updated schedule of works and associated costs. It is likely that this process will result in the building being returned to the Council's control either fully restored or with MDL committing funding to support their share of restoration costs.

Additional Capacity Funding

The Ministry of Housing, Communities and Local Government (MHCLG) is supporting towns to complete the Town Deals process. In line with this, on 8 February 2021 they informed all Town Deal towns that they will distribute grants this financial year with the purpose of helping towns to complete Towns Fund process – up until the final agreement of business cases. Towns were invited to apply for “capacity” funding of between £50,000 - £120,000. Whilst all Town Deal areas were able to apply, it was stated that funding would be prioritised to towns who can demonstrate they are at clear and obvious risk of failing to complete the process if they are not able to access additional support. An application form was submitted on the 17 February 2021 with a £90,000 request. Our submission set out the Council's desire to be able to move the Strand project forward at pace and while the Council has committed resources to the project additional resources for such a prominent site and project would support a positive message to the community. Shortly before Easter we were advised that owing to the overbidding on the capacity funding our request was unsuccessful.

Future High Streets Fund

In July 2020 Torbay Council submitted, on behalf of the community, its bid to the Future High Street Fund (FHSF) programme. The bid value was £19.2 million for the transformation of Paignton town centre through seven projects.

The 'Preferred Option' of projects covered 3 infrastructure projects (Paignton Flood Defence scheme, Paignton Station Square and Torbay Road), an enhanced culture offer by bringing Paignton Picture House into use, comprehensive re-development of Crossways and Victoria Centre together with two major properties on Paignton Station Square.

The Council was supported in its submission by consultants Jones Lang La Salle and Hardisty Jones Associates; and undergone detailed assessment to ensure the business cases fully complied with HM Treasury Green Book standards and other Government Guidance on Future High Streets Funding.

The benefits of the proposal have been extensively reported but are expected to include additional private sector investment, increased residential numbers in the town centre, land value uplift, new jobs, improved vibrancy and a better cultural offer in the centre of the town. The bid predicts a benefit cost ratio of 5:1.

On 26th December Government announced the list of successful places and the Ministry of Housing Communities & Local Government (MHCLG) subsequently wrote to 57 applicants assessed as having met the case for investment to offer a proportion (69%) of the original funding request. Torbay's bid is one of those 57 and MHCLG have made an in principle offer of £13,363,248 for Paignton's regeneration.

The offer that has been made is in excess of the range MHCLG officials had indicated was likely for Paignton early in the process but is lower than the figure which was bid for. As a consequence of this the Council has been required to make changes to the FHSF proposal to reflect the funding that has been made available.

The final allocation is set out in the table below and has been informed by the Town Deal and Future High Street steering group and the views from Paignton's Neighbourhood Forum particularly around Torbay Road. Government's guidance set out that "beautification" projects cannot exceed 5% of the revised FHSF programme which has required the allocation to be as set out in the table. MHCLG guidance has been clear that FHSF is intended to deliver structural transformation through capital investment in land, buildings and infrastructure. Guidance distinguishes between public realm and beautification by defining beautification as schemes such as street furniture or paving whereas public realm will fit within the scope of the Fund when it is clear how structural problems such as fragmentation, severance, inaccessibility or legibility, are being addressed through the proposed intervention.

For the Paignton proposal there is a distinction between the works at Station Square which are absolutely linked to severance, legibility and supporting change of use and those at Torbay Road which more closely align with MHCLG's definition of beautification.

The initial recommendation was for the removal of Torbay Road from the FHSF proposal. Following feedback from the Town Centre steering group and from Paignton's Neighbourhood Forum the recommendation has been revised as set out in the revised table below which includes Torbay Road at 5% of the overall allocation.

Project	Final Bid Ask	Final allocation
Crossways	£2,766,284	£2,766,284
Diversification to Residential	£2,552,046	£1,321,838
Flood Defences	£571,333	£571,333
Paignton Picture House	£1,504,047	£1,285,246
Station Square	£2,583,966	£2,296,483
Torbay Rd	£4,900,800	£668,162
Victoria Centre Phase 1 (residential)	£647,080	£647,080
Victoria Centre Phase 2 (residential)	£3,806,822	£3,806,822
Total	£19,332,378	£13,363,248

Following the submission of the final allocation to MHCLG design work for Torbay Road will be commissioned later in April to develop the design and cost plan. It is expected that the stage 2 design will be complete at the start of July and stage 3 at the start of September which is expected to allow this work to begin over the winter.

Future High Streets Funds areas are not required to have a comparable group to the Town Board and in Paignton's case the group that was meeting throughout the bid development which included the portfolio holder along with representatives from community partnership, neighbourhood forum and chamber of commerce will continue to meet with a representative of the Torbay Road Traders to be invited alongside ward Councillors. The intention of this group will be to share progress and where relevant test ideas and issues.

Torquay Town Deal and Paignton Future High Street Briefing for Overview & Scrutiny Board

No	Description of Risk (what could occur within the 3 Horizons: short, medium, long term)	Consequences (including who will be impacted i.e. the Residents, Businesses, the Council, Partner Agencies etc.)	Pr	ob	Im	Overall Rating Low Medium High	Current Status/ Mitigation/ Contingency	Indicator Open Closed Issue
			1-4	1-4	1-4			
1	Insufficient capacity in TDA slowing progress.	Business cases would not be submitted until late in the permitted twelve month period	3	3	9		Additional programme support post agreed and recruitment underway. Review options for framework call off provision to complement internal resources as required. This risk is expected to be lower in the May update	Open
2	Co-funding not secured slowing down programme and project delivery.	The overall scale of benefit achieved for Residents, business, Council, partners would be lower than anticipated.	2	4	8		Continue to work with local, regional and national partners to make the case for Torbay.	Open

No.	Description of Risk (what could occur within the 3 Horizons: short, medium, long term)	Consequences (including who will be impacted i.e. the Residents, Businesses, the Council, Partner Agencies etc.)	Pr ob ab	Im as	Overall Rating Low Medium High	Current Status/ Mitigation/ Contingency	Indicator Open Closed Issue
			1-4	1-4			
3	Programme does not secure the intended outcomes and outputs in the medium term.	The overall scale of benefit achieved for Residents, business, Council, partners would be lower than anticipated.	2	4	8	Impact is based on anecdotal evidence principally from cultural sector. Evidence gap to be filled and mitigation to be determined.	Open
4	A shortage of construction skills and labour results in project cost inflation and delays.	Project costs exceed initial estimates resulting in budget pressures and or the need for value engineering.	3	3	9	Additional resources have been allocated in the Council's 21/22 budget for economic development work including the development of "Build Torbay" a sector pathway project intended to address this specific issue. Funds will also be pursued through other appropriate opportunities as they become available.	Open
5	That the community does not understand the Town Investment Plan and the intended benefits from the programme.	It is likely that there would be consequences on a project by project basis impacting on the community.	2	4	8	Communications & engagement to be planned and delivered consistently. Support the community board in sharing the key messages with community leaders. Explore other methods to engage with the community.	Open