

Meeting: Cabinet

Date: 13th July 2021

Wards Affected:

Report Title: Torquay Town Deal – Business Case Assurance

Cabinet Member Contact Details: Cllr Swithin Long, Cabinet member for Regeneration, Housing and Tourism, swithin.long@torbay.gov.uk

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1. Purpose of Report

- 1.1 In July 2020 the Council submitted a Town Investment Plan in respect of Torquay seeking funding from the Government's Town Deal programme administered by the Ministry of Housing, Communities and Local Government (MHCLG). The Council was advised in the autumn of last year that the Investment Plan would be supported by £21.9M of Town Deal grant subject to business cases. The first three business cases are now ready for submission in respect of Edginswell Rail Station, Harbour Public Realm and Stronger Futures projects.
- 1.2 Submitting these business cases to MHCLG and their anticipated approval will confirm the overall funding package in the case of Edginswell Rail Station and for the Harbour Public Realm and Stronger Futures projects will allow for these projects to begin delivery from the autumn of 2021.
- 1.3 The projects will all contribute towards the objectives of Torquay's investment plan namely;
 - A high quality, vibrant town centre
 - A better connected and more accessible place
 - A high-quality economy
- 1.4 The projects will deliver a range of benefits which are expected to include increased footfall and visitors in the town centre, improved journey times and access into and around Torbay, an improved cultural and tourism offer, higher skill levels and more jobs.
- 1.5 Torquay's Town Board has given, at its meeting of 9th July, its support to the submission of the business cases.

2. Reason for Proposal and its benefits

We want Torbay and its residents to thrive.

We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.

We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

- 2.1 The proposals in this report help us to deliver this ambition by supporting delivery of the thriving economy theme of the community plan and in doing so address the challenges of poverty and deprivation in Torquay. The projects will result in additional investment into Torquay bringing about the delivery of;
- a new railway station which supports the Edginswell area including the planned hospital improvements at Torbay Hospital,
 - improved public realm which will complement investments from the public and private sector around the harbour area and ensuring that it is enhanced as the vibrant heart of the town
 - the Stronger Future project which will support the development of a new events for Torquay which will capitalise on Torquay's cultural assets to help local people engage more with cultural activity and attract visitors with skills support helping people get into employment and progress in key local sectors including construction, hospitality and electronics & photonics.
- 2.2 The reasons for the decision are to allow delivery of Town Investment Plan projects from autumn of this year which will demonstrate to the local community, investors and government the progress of the Town Deal. Submission of the business cases and the subsequent funding through the Town Deal provides investment which will create employment, attract additional investment and support residents in accessing support to help them gain work and deepen their skills in key sectors thereby in time contributing to a more resilient local economy.
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3. Recommendation(s) / Proposed Decision

- (i) That Cabinet notes the endorsement of the Torquay Town Board in respect of the business cases for the Edginswell Rail Station, Harbour Public Realm and Stronger Future projects; and
- (ii) that the business cases as set out in Appendix 1 to the published report be submitted to the Ministry for Housing Communities and Local Government for their consideration in order to allow for delivery to begin from autumn.

Appendices

Appendix 1: Towns Fund Business Cases

Background Documents

Torquay Town Investment Plan approved July 2020 and summarised here

<https://www.torbay.gov.uk/leisure-sports-and-community/regeneration/torquay-towns-fund/>

Report Clearance

Supporting Information

1. Introduction

- 1.1 In July 2020 the Council submitted a Town Investment Plan in respect of Torquay seeking funding from the Government's Town Deal programme administered by the Ministry of Housing, Communities and Local Government (MHCLG). The Council was advised in the autumn of last year that the Investment Plan would be supported by £21.9M of Town Deal grant subject to business cases. The first three business cases are now ready for submission in respect of Edginswell Rail Station, Harbour Public Realm and Stronger Future projects.
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- 1.4 The projects will deliver a range of benefits which are expected to include increased footfall and visitors in the town centre, improved journey times and access into and around Torbay, an improved cultural and tourism offer, higher skill levels and more jobs.
- 1.5 The proposals in this report help us to deliver this ambition by supporting delivery of the thriving economy theme of the community plan and in doing so address the challenges of poverty and deprivation in Torquay.
- 1.6 The stage 2 guidance requires that Green Book compliant business cases be developed, in a proportionate manner, for each project in order to allocate government funds. MHCLG may only require sight of the Summary Document, although MHCLG also reserves the right to call in any business case to be assured centrally and expect business cases to include the evidence for the intervention and an assessment of value for money. Typically, this would include the following considerations at a level proportionate to the scale of funding required for the proposal:
 - a clear economic rationale that justifies the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives
 - clearly defined inputs, activities, outputs and anticipated outcomes, ensuring that factors such as displacement and deadweight have been considered
 - benefits that exceed the costs of intervention using appropriate value for money metrics
 - appropriate consideration of deliverability and risk along with appropriate mitigating action (the costs of which must be clearly understood).

1.7 This paragraph notes the projects and provides a high level of summary of how the projects align to the 5 business case model typically used by MHCLG;

- o a new railway station which supports the Edginswell area including the planned hospital improvements at Torbay Hospital,

Case	
Strategic	Torquay Gateway/Edginswell opportunity Modal shift
Economic	Location options considered DfT Transport Appraisal Guidance User Benefit Three scenarios considered BCR of 6.8 to 7.4
Financial	Costs £13.1 million £3 million from Town Deal Other public match funds
Commercial	Design and build contract to Network Rail who appoint contractor
Management	Torbay Council, TDA, Network Rail and Great Western Railway

- o improved public realm which will complement investments from the public and private sector around the harbour area and ensuring that it is enhanced as the vibrant heart of the town

Case	
Strategic	Improve quality of environment Increase footfall and vitality Encourage investment Improve connectivity
Economic	Three options considered Benefits include land value uplift and active travel and health impacts BCR > 12
Financial	Costs £2.2 million All Town Deal funds
Commercial	Competitive appointment of highways contractor
Management	TDA to manage

- the Stronger Future project which will support the development of new events for Torquay which will capitalise on Torquay's cultural assets to help local people engage more with cultural activity, attract visitors and with skills support, helping people get into employment and progress in key local sectors including construction, hospitality and electronics & photonics

• Case	•
• Strategic	<ul style="list-style-type: none"> • Tackling deprivation, skills and productivity challenges and Covid recovery • Cultural Landscapes • Ready for Work • Sector Pathways
• Economic	<ul style="list-style-type: none"> • Building on existing schemes • Benefits: visitors, employment, better jobs • BCR around 3
• Financial	<ul style="list-style-type: none"> • Costs £1 million • £600,000 from Town Deal • Match from various sources
• Commercial	<ul style="list-style-type: none"> • Competitive appointment of specialist providers
• Management	<ul style="list-style-type: none"> • TDA to manage

1.8 The reasons for the decision are to allow delivery of Town Investment Plan projects from autumn of this year which will demonstrate to the local community, investors and government the progress of the Town Deal. Submission of the business cases and the subsequent funding through the Town Deal provides investment which will create employment, attract additional investment and support residents in accessing support to help them gain work and deepen their skills in key sectors thereby, in time, contributing to a more resilient local economy.

1.9 The Town Board has now considered, reviewed and endorsed the business cases for submission, the Cabinet is now required to sign off the business cases so that they can be presented to MHCLG for their consideration.

2. Options under consideration

2.1 Do nothing – Where the Cabinet not to agree to submit the business cases then the Towns Fund grant will not be released and the anticipated benefits from the schemes will not accrue. There would be significant disadvantages with this option which could include the loss of grant, lack of achievement of economic benefits and reputational harm with Government and local partners.

2.2 To agree the recommendation – delivery of the projects. There are no anticipated disadvantages from this option.

3. Financial Opportunities and Implications

3.1 Accepting the recommendations here will allow the Council to begin the process of drawing down the £21.9M of Towns Fund investment offered by Government. This will also unlock Department of Transport investment for Edginswell Railway Station. In time it is expected that the projects will support an improved economy in Torquay with a more vibrant town centre, increased footfall and spend which should have a positive impact on town centre voids, business rates, car parking and ultimately on the prosperity of the town.

4. Legal Implications

4.1 There are no implications of the decision.

5. Engagement and Consultation

5.1 The Town Investment Plan draws heavily on the work of the Torquay Neighbourhood Plan and the community partners who led that work. There has also been project specific consultation over a period of more than three years in respect of the capital projects.

6. Purchasing or Hiring of Goods and/or Services

6.1 The three business cases will apply appropriate procurement strategies considering the Council and Town Board's objectives. Wherever possible opportunities for local supply and maximising local benefits will be sought including for instance using employment and skills plans in line with community wealth building and social value principles.

7. Tackling Climate Change

7.1 The projects will contribute towards the Council's Carbon Neutral targets supporting modal shift through the rail scheme and the public realm scheme will improve air quality and support healthier lifestyles through more walking and cycling.

8. Associated Risks

8.1 The key risk of not implementing the decision relates to the foregone economic and financial benefits of the projects. Torquay, and Torbay, requires investment in order to achieve the community's expectations and ensure that each town can deliver more of its potential.

8.2 There are project related delivery risks summarised in the business cases and which will be managed through the project board(s), Town Deal & Future High Street Fund Steering Group with progress reported to Cabinet and Overview & Scrutiny Committee.

Equality Impacts

9.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			
	People with caring Responsibilities			
	People with a disability			
	Women or men			
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			
	Religion or belief (including lack of belief)			
	People who are lesbian, gay or bisexual			
	People who are transgendered			
	People who are in a marriage or civil partnership			

	Women who are pregnant / on maternity leave			
	Socio-economic impacts (Including impact on child poverty issues and deprivation)			
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			
10..	Cumulative Council Impact (proposed changes elsewhere which might worsen the impacts identified above)			
11.	Cumulative Community Impacts (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)			