

Meeting: Cabinet

Date: 14 July 2020

Wards Affected: Paignton wards

Report Title: Future High Streets Funding for Paignton Town Centre

Is the decision a key decision? No

When does the decision need to be implemented? Immediately

Cabinet Member Contact Details: Councillor Swithin Long, Cabinet Member for Housing, Regeneration & Tourism

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1. Purpose of Report

- 1.1 This report seeks the support of Cabinet for the submission, to the Ministry for Housing, Communities and Local Government (MHCLG), of a Future High Streets Business Case for funding to start the process of transforming Paignton Town Centre.
- 1.2 The Business Case, which is required to meet HM Treasury Green Book standards and other Government Guidance on Future High Streets Funding, requests investment by Government of £18.8M in a programme of regeneration that includes seven significant and 'game changing' projects in Paignton Town Centre. The Draft Final Business Case, submitted in March 2020, is included for information as Appendix 1 of this report and remains as work in progress prior to submission. Members should note that the content of this document has changed and will continue to change, in line with the content of this report, prior to submission before end July 2020.
- 1.3 The Business Case sets out the challenges in Torbay generally and Paignton specifically. It demonstrates how the proposed programme of work, as a whole, responds to those challenges to deliver sustainable and beneficial outcomes for Paignton Town Centre, including the attraction of further investment.
- 1.4 The business case illustrates, with clarity and certainty (due to investor / developer engagement over the last two months), what could be delivered within the programme. This is important to the success of the business case, but it does not fix or to commit the Council to exactly what will be delivered. That level of certainty, about exactly what will be delivered, will be determined after a funding decision and is subject to level of funding, technical design work, investor / developer requirements, planning applications etc.

- 1.5 The Business Case includes prioritisation of projects and the Council's 'in principle' agreement to use its prudential borrowing ability to support the delivery of two key projects. This is in accordance with the Council's Transformation Strategy for Torbay's Town Centres and is evidently linked to receipt of Future High Streets Funding. In accordance with Council procedures, business cases for borrowing to deliver any project would need to be fully considered by Cabinet / Council before that project can proceed.

2. Reason for Proposal

- 2.1 The Cabinet is asked to support submission of the Business Case, the prioritisation of projects and the 'in principle' willingness for the Council to invest in key projects, to show the Council's continued commitment to regeneration of Paignton Town Centre, especially given the actual and potential impacts of COVID-19, and to ensure the Business Case can be submitted to MHCLG by the deadline of end July.

3. Recommendation(s) / Proposed Decision

- 3.1 It is recommended that Cabinet supports
- I. The submission of a Final Business Case and to delegate the decision, on exact content of the submission, to the Head of Finance, and
 - II. The Council's investment, in principle, in two key projects included in the Business Case, as set out in para 4.2 of the supporting information, and
 - III. The prioritisation of projects, as set out in paragraph 2.16 of the supporting information, to be used in the event that the full amount of funding requested is not available.

Appendices

Appendix 1: Draft Final Business Case for Future High Streets Funding for Paignton Town Centre (to be considered under Part 2)

Appendix 2: List of appendices to be submitted with the Future High Streets Business Case.

Appendix 3: Future High Streets Funding Priority Projects (to be considered under Part 2)

Appendix 4: Packages of Projects & BCRs

Background Documents

Economic Strategy Appendix – Transformation Strategy for Torbay's Town Centres: <https://www.torbay.gov.uk/media/10450/transformation-project-town-centre-regeneration.pdf>

Torbay's Local Plan: <https://www.torbay.gov.uk/media/6836/lp-2012to2030.pdf>

Paignton Neighbourhood Plan: <https://www.torbay.gov.uk/media/12972/paignton-neighbourhood-plan.pdf>

Paignton Town Centre Masterplan:

<https://www.torbay.gov.uk/media/6895/ptcmasterplan.pdf>

Summary of Draft Business Case for Future High Streets Funding (March 2020):

<https://www.investintorbay.com/wp-content/uploads/2020/03/Summary-of-FHSF-Draft-Full-Business-Case.pdf>

MHCLG Guidance on Future High Streets Funding:

<https://www.gov.uk/government/collections/future-high-streets-fund>

Supporting Information:

1. Background:

- 1.1 The Future High Streets Fund (FHSF) is a £1Bn fund managed by MHCLG. Only 100 places have access to the fund, including Paignton. Each place can bid for funding of up to £25M. MHCLG guidance indicates that each place should aim for no more than £10M. This appears to be to prevent the fund being over-subscribed.
- 1.2 The FHSF is a capital only fund. No revenue projects can be included, but revenue costs associated with a capital project can be included. The objectives of FHSF are:
 - Investment in physical infrastructure
 - Improvements to transport access, traffic flow and circulation in the area
 - Acquisition and assembly of land including to support new housing, workspaces and public realm
 - Supporting change of use including (where appropriate) housing delivery and densification
- 1.3 The bidding process is now in its final (5th) stage. Previous stages were Expression of Interest; advice on the rough order of magnitude of the Council's bid; an initial business case; and a draft business case. There has been dialogue with the MHCLG case officer, for Torbay, throughout that process.
- 1.4 The draft business case was required to be submitted in March 2020, to allow for assessment and feedback by MHCLG. Feedback was provided in late April. It was predominantly general feedback (to all 100 places), but also contained some specific advice for Torbay, namely that the business case should better link the challenges with proposed solutions. At no point has the feedback from MHCLG, formal and informal, suggested that the Council's request for funding (£18.8M) is too high. The MHCLG guidance and feedback highlights the following key points:
 - Demonstrate the significant challenges in Paignton, including C-19, and the links to solutions being proposed;
 - Show a benefit to cost ratio (BCR) of at least 2:1 if possible;
 - Demonstrate significant Land Value Uplift (LVU) as a result of Government investment in the identified projects;
 - Be clear about the additional investment (sometimes referred to as co-funding) that FHSF will incentivise, including investment by the Council
 - Demonstrate that the programme (and individual projects) is deliverable, not least by showing investor / developer interest, market need / demand, viability and key partner support. Deliverability – incl. investor interest; pace
 - There is a need to package up projects and to indicate the Council's priorities.
- 1.5 It is vitally important, to secure FHSF, to show a good degree of clarity and certainty about the nature and deliverability of projects. The masterplan for Paignton Town

Centre provides a basis for that, alongside the Neighbourhood and Local Plans. The Council's Transformation Strategy for Torbay's Town Centres, approved by Council in April 2017, provides even greater clarity and certainty. It advises that the first phase of regeneration (i.e. the projects included in the FHSF business case) will seek to build market confidence, to generate further investment and development funds now sought. It further advises that "Torbay Council...will lead and enable delivery of a number of projects to show confidence in its own town centre regeneration programme and to build confidence in investors and developers." This can be interpreted as in principle support for prudential borrowing to enable delivery. Indeed, it led to the establishment of a £25M Town Centre Regeneration Fund.

- 1.6 The Transformation Strategy provides clear advice on specific projects. For Victoria Centre, for example, it sets out that various options are being considered, including:
- Comprehensive redevelopment, including demolition of existing car parks and construction of up to 200 apartments;
 - The Council will seek to acquire land and will review leases etc to unlock the site;
 - The Council will, as a first preference, seek to direct deliver development on the site;
 - The Council will continue toestablish market interest in comprehensive or partial redevelopment; and
 - If there is market interest....the Council will seek a development partnership arrangement.
- 1.7 The Transformation Strategy has, as such, guided the preparation of the business case for Future High Streets Funding. This has allowed the business case to demonstrate the 'art of the probable', rather than the less convincing 'art of the possible'. The business case illustrates, with clarity and certainty (due to investor / developer engagement since April 2020), what could be delivered within the programme. This is important to the success of the business case, but it does not fix or commit the Council to exactly what will be delivered. That level of certainty, about exactly what will be delivered, will be determined after a funding decision and is subject to level of funding, technical design work, investor / developer requirements, planning applications etc.
- 1.8 Also important to the success of the business case is the benefit to cost ratio (BCR) of projects, packages of projects and the programme as a whole. MHCLG is looking for packages of projects and the overall programme to achieve a target 2:1 ratio, showing that for every £1 invested (by Government) there is at least £2 of benefit. The Green Book appraisal process and MHCLG Guidance requires reporting of Core BCR and Adjusted BCR. Core BCR is regarded as being the most accurate and robust. Adjusted BCR allows the inclusion of slightly less robust data. The Council's business case also includes a third measure of BCR, adding in local economic benefits such as jobs – which cannot be included in the core or adjusted BCRs. MHCLG does not need to consider this third measure, although the Green Book is being revised and is likely to include measurement of these local benefits, but officers believe it to be useful to the business case.

- 1.9 The three sets of BCRs for packages of projects and the overall programme are set out in Appendix 4. This shows that:
- The programme as a whole achieves a minimum of 3.43:1 and maximum of 4.89:1.
 - The infrastructure package generally scores well, at a minimum of 7.25:1, but this is largely due to the very high BCR of the Flood Defence Scheme (which also ensures the programme as a whole stays above 2:1)
 - The residential package doesn't score as well as hoped, largely due to the amount of public funding that each major project requires (due to viability).
 - Some projects perform poorly, such as Paignton Picture House with a BCR of less than 1:1. Such BCR scores are usual for projects of this nature.
 - The BCR for just Future High Streets Funding (i.e. just Government investment) is 5.4:1.
- 1.10 Land Value Uplift, as a result of delivering the projects and programme, is also a key focus for MHCLG. Investment in Paignton town centre, as set out in the business case, will result in property value increases and will, as such, encourage investment. The business case shows that delivery of the programme of projects will result in a very positive overall land value uplift of over £26.5M.
- 1.11 The full and final business case must be submitted by end of July. An Autumn 2020 / pre-Xmas announcement about funding is anticipated. Future High Streets Funding must be spent within 4 years (by 31 March 2024), although project delivery may take more than four years. Consequently, the business case for FHSF investment in Paignton shows a programme of work starting in October 2020. MHCLG has confirmed that this approach, to FHSF spend profiling, is appropriate.

2. Alternative Options and Priorities:

- 2.1 The Council considered, prior to submission of an EoI for Future High Streets Funding, the performance of each of its town centres – Torquay, Paignton and Brixham. Paignton was selected for Future High Streets funding for six clear reasons:
- a) It is least resilient and least likely to secure investment by private sector;
 - b) It has greater socio-economic challenges than Torquay or Brixham;
 - c) It is less diverse and has a greater reliance on retail than the other two towns;
 - d) It has retail market challenges and performs well below its status as the 4th biggest town in Devon;
 - e) Paignton town centre has the greatest potential for transformation;
 - f) Its cultural assets have a critical part to play in the regeneration of Paignton town centre.
- 2.2 A masterplan – 'Paignton Refresh' – was produced in 2015, following significant resident and business engagement. Paignton Refresh included a large number of

projects. These projects were then tested by consultants Montagu Evans, in 2016, with investors, developers and by the Council against four key criteria:

- a. Are they the sorts of projects that would attract private sector investment?
- b. Can the projects be delivered, at pace?
- c. Are they transformational?
- d. If on Council owned land, will the project have a positive financial outcome?

This allowed projects to be viability tested and prioritised.

2.3 That process resulted in a number of projects being excluded from the Council's Transformation Strategy for Torbay's Town Centres (April 2017) including:

- Victoria Park Wetland Area;
- Highways Rethink - significant changes to traffic flows around the town;
- Town Square redevelopment, now occupied by Sports Direct and Poundland
- Seafront redevelopment, including relocation of Vue Cinema
- Improvements to Winner Street and Palace Avenue, as the historic and cultural 'quarter' of Paignton town centre.

2.4 Consequently, the Transformation Strategy for Torbay's Town Centres contains the following projects for Paignton town centre and, as such, defines the Council's town centre regeneration activities to date:

- South Quay, Paignton Harbour
- Civic Hub, including repositioning of Paignton Bus Station and associated commercial development
- Victoria Centre
- Crossways
- Public Space improvements to Paignton Station Square and the western end of Victoria Street.

2.5 Paignton Neighbourhood Plan includes a range of town centre proposals. The Council considered whether these proposals, if not already included in its town centre regeneration programme, should be added. Some schemes not included in the Council's regeneration programme, such as residential space above commercial on the high street and improvements to Torbay Road, are considered as important, transformational and deliverable. Other schemes were not included in the programme as they were not considered to be critical to successful town centre regeneration. These included:

- Seafront improvements, including Paignton Pier and Vue Cinema
- Victoria Park improvements
- Queens Park improvements
- Improvements to Winner Street and Palace Avenue

2.6 The Future High Streets Funding guidance led to a further refinement and reduction of town centre regeneration schemes. A number of projects, from the Council's Transformation Strategy, are not now included in the business case, including South Quay, Paignton Harbour, as this is too distant from the core of the town centre.

- 2.7 Additionally, following an inception meeting with MHCLG, a number of other schemes that were included in the Expression of Interest have been omitted from the business case, namely:
- Business Support for Digital Marketing – as this is primarily a revenue funded project.
 - Torbay Road Gateway sites – the project would not meet deliverability requirements.
- 2.8 Furthermore, given the guidance from MHCLG about the need for every Council to restrict their request of Future High Streets funding to £5M - £10M, the following schemes have been moved from the business case for the Preferred Option to the larger or Do More option:
- Paignton Bus Station enhancement and commercial space.
 - Health & Wellbeing Hub, Paignton Library.
 - Public space improvements, western end of Victoria Street.
- 2.9 A ‘do nothing’ option has been considered. This option simply perpetuates and worsens the current position. Paignton town centre is failing, but is capable of success with targeted, timely intervention. That recovery is very unlikely to occur if the first intervention is not via public investment through Future High Streets Funding. The lack of Future High Streets Funding will result in a continuation of Paignton’s downward spiral, falling further behind other places and it will continue to be a significant cost to the public purse.
- 2.10 The impact of ‘do nothing’ option would be:
- A further deterioration in the key economic and social indicators including: the lowest GVA per head, potential for further increases in crime, a growing elderly population, fewer younger people and continuing poor health in adults and children. Current spend on tackling deprivation and ill health in Torbay is around £2.5m per day through six public sector organisations, which will increase under a ‘do nothing’ option.
 - Further decline of the high street. A continuation of the current trend of increasing retail vacancy rates could increase the number of empty shops from 18.6% to 22.6% in the next five years.
 - The quality of the built environment will deteriorate, further suppressing rental and capital values and eroding viability. Current forecasts show construction cost inflation (23%) outpacing residential price growth (14%) over next five years. The ‘do nothing’ approach risks the stagnation of house prices further widening this viability gap.
- 2.11 A ‘do less’ option has been considered. This option would deliver the top 5 priority projects (see also para 2.16), requiring between £12M - £13M of Future High Streets Funding. This level of investment, given the position Paignton is in at present, would ensure delivery of some key projects and boost to Paignton town centre but is much less likely to deliver the longer term regeneration required, the positive, broader impacts and is less likely to secure significant and sustainable co-funding or regeneration.

- 2.12 A 'do more' option has been considered. The package of 15 integrated projects, as included in the Council's Expression of Interest, has been costed at £88.5 million, including optimism bias and inflation, requiring £22.6 million of FHSF funds. Collectively they would punch above the sum of their individual weight in terms of delivering successful and transformational town centre regeneration. As such, the 'do more' delivery scenario would result in successful and transformational town centre regeneration, with delivery of all the projects included in the Expression of Interest and some of those that the Council has, necessarily, needed to exclude. It would provide huge confidence in and momentum of town regeneration in Paignton. This would raise land values, trigger further and more rapid investment and ensure delivery, at pace, of new homes, jobs and other benefits.
- 2.13 It follows that the Business Case sets out the 'preferred option'. It includes only those projects that the Council considers to be absolutely essential to start the successful and sustainable transformation of Paignton Town Centre, and catalyse ongoing development. It includes the minimum intervention (outlined in the 'do less' case) and adds Phase 1 (Garfield Rd) of Victoria Centre; reuse of Paignton Picture House and improvements to Torbay Road to better connect the sea front with the town centre, uplifting land values and ensuring increased footfall / spend.
- 2.14 The preferred option has been informed by further advice from MHCLG, following submission of the Draft Business Case in March 2020.
- 2.15 MHCLG prefers that the Council indicates its priorities for FHSF. This will assist MHCLG in making funding decisions, should the amount requested (£18.8M) not be available. Members should note that, as set out in the options analysis above, the programme of investment included in the business case provides the Council's preferred option which, as a whole, delivers the transformation and outcomes required for Paignton Town Centre. There is an inherent risk, in indicating priorities aka a 'do less' option), of a 'less than essential' funding award. However, the Council does not want MHCLG to determine priorities itself, if the full funding amount is unavailable.
- 2.15.1 The prioritisation of projects, with the full justification set out in detail in Appendix 3, takes account of the need to meet MHCLG requirements, such as BCR and Land Value Uplift, but also to secure funding for those projects that the Council could not fund without FHSF. That approach reflects the Council's 'do less' option, namely the delivery of the top 5 projects listed below, and would require Future High Streets Funding investment of £12M - £13M.
1. **Victoria Centre (Phase 2):** A substantial, upfront investment is required to unlock comprehensive redevelopment. The proposed redevelopment, given its scale and composition, is considered to be the most transformational project for Paignton.
 2. **Flood Defence Scheme:** This is essential for protection, from flooding, of the town centre and will increase investment in the town centre.

3. **Paignton Station Square and Paignton Station improvements:** These improvements will transform, and greatly improve the experience of, Paignton Town Centre. They will increase land values and support walking, cycling and use of public transport.
 4. **Crossways:** A comprehensive redevelopment scheme is moving forwards. This is an iconic and transformational project for Paignton town centre, but it may be possible to fund it from a range of different funding sources, including prudential borrowing.
 5. **Diversification:** Diversification of the town centre, especially the delivery of more homes in the short term, is vital to transformation of the town centre. It will generate footfall, spend, a better night time economy, improve safety and reduce crime. Without FHSF the conversion / redevelopment of buildings fronting onto Paignton Station Square will not happen or would be significantly delayed.
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6. **Paignton Picture House:** It is acknowledged that the improvement of the cultural offer in Paignton Town Centre is important to its success as a visitor destination.
7. **Torbay Road Improvements:** There is a need to better connect the town centre with the sea front, increasing footfall and spend along Torbay Road.
8. **Victoria Centre (Phase 1, Garfield Rd):** The reconfiguration of a development layout, showing the potential to provide an 85 bed nursing home and 30 apartments, could make this development more viable as a free-standing project. The unlocking of the site has already been supported by £900,000 of Land Release Funding from MHCLG.

3. **Contribution to delivery of Council's priorities:**

3.1 This Council's ambition is:

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.

3.2 The proposals in this report will support:

- thriving people, by providing homes and jobs, cultural opportunities and improved health;
- thriving economy, by diversifying the town centre, improving land values, attracting further investment, improving the offer to visitors, creating job opportunities and commercial space;

- tackling climate change, by providing a flood defence scheme to prevent flooding from sea level rise and storm surges, providing more shade / shelter as part of public realm improvements, and by ensuring new residential development meets Local Plan policy requirements (as a minimum) for energy efficiency, build quality etc.
- Council fit for the future, by increasing revenue in form of business rates and Council tax, by increasing income from the development of Council owned assets.
- the Council's responsibilities as corporate parents, by ensuring the provision of good quality accommodation for young families, by improving safety and reducing crime, by increasing amenity space and its quality, by encouraging active travel
- tackling poverty, deprivation and vulnerability, through provision of new job opportunities, improved health, affordable housing and construction contracts that provide opportunities for long term unemployed, people living in disadvantage and apprenticeships.
- people with learning disabilities, by providing more job opportunities, a more legible and accessible town centre, housing options.

4. Financial Implications:

- 4.1 The majority of projects within the investment programme, as set out in the business case, do not require financial support from the Council – they are 100% funded by FHSF or from co-funding from elsewhere (other grants, property owners etc).
- 4.2 There are two projects that are likely to require the use of the Council's prudential borrowing ability, to complement funding from FHSF.
- A. Crossways. The Council has, at its meeting in September 2019 (<https://www.torbay.gov.uk/DemocraticServices/documents/s81795/Crossway%20CPO%20Council%20Report%20Final.pdf>) already agreed the principle of prudential borrowing to support the acquisition and redevelopment of Crossways. The detail of prudential borrowing was not agreed at that meeting. Such detail will only be known when the costs of acquisition and redevelopment, alongside the income provided by the development / tenants, are known. A financial appraisal for the emerging scheme for Crossways estimates that between £20.9M and £27.56M of prudential borrowing may be required for the project, for a total project cost estimated at £38M. Members should note that this is still work in progress.
- B. Victoria Centre. The comprehensive redevelopment of Victoria Centre (Phases 1 & 2) requires the purchase of the Lidl lease, significant demolition and could include an 85 bed nursing home, around 160 new homes and substantial improvements to public space. The total project cost is estimated at £65M, with an estimated prudential borrowing requirement of £39.9M - £51.9M.
- 4.3 The larger figures quoted above include a necessary allowance for 'optimism bias'. This is a requirement of the Green Book Appraisal process and is, in essence, an estimate of contingency required for each project. It assumes that there will be an over-optimistic assumption about cost and timeframes for projects, and builds in cost and time over-runs. The level of contingency needed is assumed to be higher at the beginning of a project. This level of contingency will reduce over time as certainty increases about each project.

4.4 The FHSF business case does not commit the Council to that level of prudential borrowing, just to the principle of prudential borrowing to enable projects to be delivered. This is in line with the Council's Transformation Strategy for Torbay's Town Centres and is evidently linked to receipt of Future High Streets Funding. In accordance with Council procedures, business cases for borrowing to deliver any project would need to be fully considered by Cabinet / Council before that project can proceed.

4.5 The Council could chose a development partnership or Joint Venture route to delivery of larger projects, which could also reduce the need to use prudential borrowing.

5. Legal Implications:

5.1 There are no legal implications as a result of submitting the business case for FHSF.

6. Consultation:

6.1 Members will be aware of the significant amount of community and business involvement and engagement in the Local Plan, Neighbourhood Plan and Paignton town centre masterplan. These strategies and plans form the basis of the business case for FHSF.

6.2 Members will also be aware of the Transformation Strategy for Torbay's Town Centres, which captures the key elements of the strategies and plans (as above) and sets out a delivery strategy for town centre regeneration. It too provides the basis of the business case for FHSF.

6.3 Officers are also aware, as Members will be, of the requirement from residents, businesses and their representative organisations to get on with delivery. The business case, if successful, will allow the Council to deliver at greater pace.

6.4 There is ongoing dialogue with community and business representatives, and other interested parties, prior to submission of the Expression of Interest for FHSF. The TDA has, for example, met with community leaders (from the Chamber of Commerce, Community Partnership and Neighbourhood Forum) on a quarterly basis for approximately two years. That has resulted in a very strong and diverse level of support for FHSF for Paignton town centre from the following organisations and individuals:

Public sector partners	Private sector partners	3 rd / Voluntary sector / representative organisations
The Heart of the South West LEP	South Devon College	Torbay Together
South Devon & Torbay Health Care Trust	Stagecoach	Torbay Business Forum
Healthwatch Torbay	Great Western Railways	Federation of Small Businesses
English Riviera BID Company	Bettesworths, on behalf of property owners in Victoria Street and Torbay Road	Paignton Town Centre Community Partnership
Torbay Culture	Network Rail	Paignton Neighbourhood Forum
TDA		Paignton Chamber of Commerce
Dr Sarah Wollaston MP		Paignton Picture House Trust
Kevin Foster MP		Torbay Road Traders Association
Anne-Marie Morris MP		Torbay Community Partnerships

6.5 There have been recent meetings, about the FHSF business case, with the Paignton & District Chamber of Commerce and with Torbay Together. Both organisations have expressed unanimous support.

6.6 There is an ongoing series of meetings and briefings, including with community leaders on 9 July

7. Risks:

7.1 The main programme risks and their mitigation are considered below. A detailed risk register for each of the projects will be submitted with the business case.

A. Risk: Reduction in FHSF amount

Mitigation: A smaller option has been considered in this Business Case and the Council has indicated its priorities for receipt of FHSF. This generates reasonable value-for-money but does not meet all of the objectives of the FHSF

B. Risk: Delay in provision of FHSF funding

Mitigation: Torbay Council will cover any short-term cash flow issues, if there is a delay to the draw-down of FHSF funding, but only if it is known (by confirmation in writing) that such funding will be forthcoming.

C. Risk: Reduction or loss of match funding

Mitigation: All match funding has been legally secured or will be legally secured before the draw-down of FHSF funding. Options to mitigate any loss of funding include scaling down schemes (whilst ensuring that they meet the objectives of the FHSF); seeking match-funding from other sources; or prudential borrowing by

Torbay Council to invest in regeneration projects, where income from those projects will cover borrowing costs.

D. Risk: Increase in scheme costs

Mitigation: All construction schemes will be awarded through contracts that pass all reasonable risks to the construction contractor. Torbay Council has the option of prudential borrowing to invest in schemes, where income from those projects will cover borrowing costs.. Schemes which do not cover their own costs could be redesigned to meet the budget constraint.

E. Risk: Delay in spend

Mitigation: Torbay Council will seek to award all construction contracts as soon as possible, with all prices fixed as far as possible. Torbay Council will cover any short-term borrowing costs if there is a delay to spend and draw-down of FHSF funding, subject to the provisions. Torbay Council has the option of prudential borrowing to invest in schemes that will generate a return. Schemes which do not generate a return could be redesigned to meet the budget constraint.

F. Risk: Torbay Council is unable to appoint a contractor, contractor is delayed, or contractor fails

Mitigation: Torbay Council has extensive experience of appointing and managing construction contracts. The Council has access to contractor panels, so can appoint quickly and replace any contractors quickly if needed

G. Risk: Torbay Council, or an appointed development partner, is unable to secure planning permission – on time or at all

Mitigation: A strong and supportive planning policy framework is already in place. A planning policy review is underway and will be completed by December 2020. It is likely to be even more supportive of town centre regeneration. Torbay Council will ensure appointed designers, consultants and contractors work closely with the Local Planning Authority.

7.2 There are significant risks to Paignton town centre, and to Torbay as a whole, if FHSF is not forthcoming. These are set out in the 'do nothing' option (para 2.10) above.

7.3 Officers do not consider there are any risks associated with Cabinet's support for submission of the business case.

8. Public Services Value (Social Value) Act 2012

8.1 The Council will follow all necessary procurement processes and rules in securing development partners and construction contractors, and in the administration of grant funding, necessary to deliver the programme of investment.

Equality Impacts

15.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	Yes, provision of addition residential accommodation in a very accessible town centre		
	People with caring Responsibilities	Yes, provision of a nursing home		
	People with a disability	Yes, improved public space, better legibility and more opportunities for employment / homes		
	Women or men	Yes, increased safety in public spaces as a result on public space improvements and more people living / visiting the town centre.		
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no discrimination in impacts of delivering the programme of investment in Paignton town centre
	Religion or belief (including lack of belief)			There is no discrimination in impacts of delivering the programme of investment in Paignton town centre
	People who are lesbian, gay or bisexual			There is no discrimination in impacts of delivering the programme of investment in Paignton town centre
	People who are transgendered			There is no discrimination in impacts of delivering the

			programme of investment in Paignton town centre
People who are in a marriage or civil partnership			There is no discrimination in impacts of delivering the programme of investment in Paignton town centre
Women who are pregnant / on maternity leave	Yes, increased public space and amenity space; increased space for socialising and improved safety.		
Socio-economic impacts (Including impact on child poverty issues and deprivation)	As set out in the report – significant socio-economic impacts		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	The programme encourages active travel, provided more amenity / green space, provides more shade, shelter and seating space, provides a modern nursing home for people with specific health needs, and will provide mental health benefits by providing additional homes and job opportunities.		
16.	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	The programme of FHSF investment will, if successful, have wider beneficial impacts in helping to ensure Torbay is a better place to invest, live, work, visit.	
17.	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	The programme of FHSF will help reduce the significant costs to the public purse (estimated at £2.5M per day) in Torbay.	

