

Scrutiny Panel

Item
10

17th August 2021

Report of	Assistant Director Place and Client Services	Author	Matthew Brown
Title	Colchester Town Deal		507348
Wards affected	All wards affected		

1. Executive Summary

- 1.1 This report provides an update focussing on:
- Programme delivery and structure of the Town Deal including the role and responsibilities of Colchester Borough Council, and also looking at timescales and resource impacts.
 - The provision made for Youth within the Town Deal project.

2. Action Required

- 2.1 The Panel is asked to consider the Town Deal programme including the role of Colchester Borough Council as the 'Accountable Body', the role of the 'We Are Colchester' independent Town Deal board, and the processes undertaken to prepare projects being progressed under this scheme.
- 2.2 The Panel has asked Officers to provide an overview of the Council's role in the Town Deal process. The panel has requested visibility of the plans to date, noting that the Youth Provision element of Town Deal is not yet prepared and will be developed at business case.

3. Reason for Scrutiny

- 3.1 The Panel wish to scrutinise the Programme delivery and structure of the Town Deal including the role and responsibilities of Colchester Borough Council, looking at timescales and resource impacts in addition to the independent We Are Colchester Town Deal Board decision to allocate a reduced amount funding to Youth Provision and to understand the justification for alternative proposals.

4. Background Information

- 4.1 Colchester prepared and submitted its Town Investment Plan ('TIP') to Government in October 2020. This document was prepared thoughtfully with significant and appropriate engagement and consultation with residents and businesses. The TIP sets out a very clear statement of intent for our Town and will help to attract wider and long-term investment in Colchester.
- 4.2 The Town Deal Board (see [Terms of reference · Colchester Borough Council](#)) is an independent body, constituted January 2020 and makes all decisions in the leadership of and governance of the Town Deal programme. The Board serves to ensure the wider 25-year vision articulated in the TIP, and extending beyond the March 2026 deadline for spend of the Town Deal is realised.
- 4.2 Colchester was offered Heads of Terms for agreement by government in March 2021 – involving an £18.2m funding award. Colchester Borough Council (as Accountable Body) and the We Are Colchester Board fully considered and accepted the terms offered within the prescribed time window laid down by government.
- 4.3 It should be noted that the reduced Heads of Terms offer for Colchester is consistent with similar reductions for a significant number of other Towns. Recognising that the £18.2m award was smaller than the £25m bid value, a process of prioritisation was required; led by the We Are Colchester Board, and facilitated by Officers, this being required prior to formal submission of our project confirmations to Ministry of Housing, Communities and Local Government (MHCLG) on 14th June 2021.
- 4.4 Recognising this £6.8m shortfall, Town Deal Board agreed to retain and remain committed to all the projects and activities contained in the Town Investment Plan, due to their coherence as a package, and the longer timescale of our vision and strategy to 2045 rather than the 31st March 2026 spend window for Towns Fund monies.
- 4.5 The Board established 4 criteria to be applied equally to all projects in the programme;
- assess the project impact against delivering overall programme objectives.
 - keeping these broad objectives in mind, balancing reducing project costs across the piece (not 'salami slicing' where it reduces value or ability of the project to deliver outcomes) against keeping in each project area as a whole.
 - assess the likelihood of the project attracting additional funding in the future.
 - assess the wider investment the project leverages i.e. commercial income, return on investment, other grants secured.
- 4.6 Applying this rationale, the following decisions were made at the Board meeting 8th June 2021 and formed the basis of the submission made to government on 14th June 2021:

Theme	Project inc. "FASTTRACK"		Initial Ask	Confirmed
Transformed Youth Facilities	01 Improved Youth Provision		£2,100,000	£1,000,000
	02 Townhouse Youth Centre		£320,000	£320,000

Town Centre	03 Vineyard Gateway		£1,000,000	£595,800
	04 Essex County Hospital FAST		£500,000	£500,000
	05 Balcerne Gate Phase 2		£1,100,000	£1,100,000
	06 Jumbo FAST		£1,000,000	£1,000,000
	07 Holy Trinity Church FAST		£517,000	£517,000
	08 Holy Trinity Square		£500,000	£500,000
	09 Kerbless & Green streets		£1,500,000	£290,000
Heart of Greenstead	10 Tamarisk Way		£6,000,000	£6,000,000
	11 Big Bikes (Greenstead)		£400,000	£327,200
	12 Liveable Neighbourhood Greenstead		£300,000	£300,000
Digital Connectivity	13 5G FAST		£1,500,000	£1,000,000
	14 Wilson Marriage Digital Skills Hub		£900,000	£900,000
	15 Digital Working Hub FAST		£1,000,000	£900,000
Physical Connectivity	16 Town Cen to Greenstead & Uni		£2,950,000	£2,950,000
	17 Liveable Neighbourhoods		£2,100,000	£0
	18 St Botolph's Roundabout		£1,313,000	£0
Totals			£25,000,000	£18,200,000

Rationale to project prioritisation above including Youth theme:

- 4.7 Several of the projects have the possibility of drawing down alternative funding to replace the lost MHCLG funding. This configuration of projects delivers the strongest possible overall package of impacts/benefits and maintains all the strands and intervention priorities in the programme in a cohesive package, recognised as a key strength of our programme by Government.
- 4.8 In terms of the leveraged funding; compared to the original £25m bid and package of projects, the reduced £18.2m package which represents only 72.8% of the original funding 'ask', retains some 79.5% of the leveraged funding we would have achieved with a full £25m award.
- 4.9 In the original Town Investment Plan, an 'Onside' Youth Zone was included as an example of the type of scheme which may be used to improve youth provision in Colchester.
- 4.10 However, this was always subject to the scheme being achievable within specific parameters. At the point of completing the prioritisation assessment described above, three key factors posed a significant risk to the viability of a Youth Zone as the model to be progressed, notably:

- No site could be identified which is available and/or the council has control of, and which meets OnSide's specific criteria.
- Tangible commitment to the ongoing annual revenue support cost of £400k PA has not been forthcoming from strategic partners.
- Essex County Council rather than the Borough Council are the statutory provider of youth provision in Essex.

4.11 Therefore, the project in its originally anticipated form is not immediately proceeding, due to risks identified above coupled with the requirement on Town Deal Board to make the funding envelope work whilst maintaining focus on all the agreed projects, however it remains in the TIP, and the Town Deal Board are amenable to revisit the Youth Zone option if the issues identified above (notably the funding) can be overcome. At present the obstacles are too great to ensure that a viable Business Case for a Youth Zone could be completed by the required date of BC submission in Spring 2022.

4.12 However there remains a commitment to achieving stated skills development / employment outcomes through a range of targeted, locally based enhanced facilities and delivery (to be developed at business case) for young people, optimising opportunities for increased partnership working between Essex Youth Service and the voluntary sector. The programme will also maximise the opportunities of some of the other Town Deal projects, for example 'Digital Working hub' to provide opportunities to inspire young people. Meanwhile, the exploration of funding opportunities for a Youth Zone would continue to be explored with partners.

4.13 The programme team are now supporting sponsors and owners of the 5 umbrella themes to mobilise and begin project work. These themes are:

- Transformed Youth Facilities
- Town Centre
- Heart of Greenstead
- Digital Connectivity
- Physical Connectivity.

Sixteen individual specific projects sit within these themes, and most of the umbrellas have either now had their kick-off meeting with the project sponsor and owner, or they are planned to be held August 2021.

4.14 MHCLG have recently advised that all towns will be given initial up-front funding at 5% of their total Heads of Terms award. For Colchester this is £910,000 and it will be deployed very shortly to enable project feasibility work to commence promptly.

4.15 A proportional approach to developing business cases is being applied; feasibility and viability work for those projects with the largest budgets, and highest

risk/complexity/dependencies being started first and completed to a more highly detailed level, these being the 'Heart of Greenstead' and 'Town Centre' umbrella programmes which together make up around 2/3 of the total programme financial envelope

- 4.16 This initial feasibility work will enable projects to establish outline design and/or outline planning (in the more complex projects) which will include consultation and provide proof of support needed from key agencies such as highways, planning, Historic England, Business Improvement District, residential/commercial premises close to the planned schemes and wider consultees.
- 4.17 This work will also provide greater cost certainty – vital to underpin the business cases.
- 4.18 The target to complete business cases is around February 2022, to allow for quality assurance, Section 151 officer approval, Town Deal Board and then submission to Government April 2022.

5. Equality, Diversity and Human Rights implications

- 5.1 Consideration will be given to equality and diversity issues in respect of individual schemes, initiatives and projects that contribute to the delivery of the Town Investment Plan through the development of the specific business cases (projects and programmes).
- 5.2 Colchester Borough Council will require all partners preparing business cases for specific projects to prepare Equality Impact Assessments as part of developing and implementing specific project activities within the programme, and the Council will have due regard to its Public Sector Duty continuing to work to tackle discrimination and inequality and help to create a fairer society, improve housing choice and social mobility (including for protected groups).

6. Standard References

- 6.1 There are no consultation or publicity considerations; or financial; community safety; health and safety or risk management implications of this review.

7. Strategic Plan References

- 7.1 The following Strategic Plan References are relevant to the Town Investment Plan:

Growing a fair economy so everyone benefits:

- Ensure our borough becomes stronger post Covid-19 by supporting businesses to recover, adapt and build resilience.
- Work with partners to facilitate a high skill, high wage, low carbon workforce.
- Work with our partners to enable Colchester town centre to be more vibrant, resilient, and adaptable to future change.
- Tackle local skills shortages working with businesses, University of Essex, Colchester Institute, and other partners.

Work with partners to deliver a shared vision for a vibrant town:

- Work with partners to deliver a shared vision for a vibrant town.
- Continue to regenerate Colchester Town Centre using Council assets, aligned private investment, the Town Deal and Town Investment Plan.

Create an environment that attracts inward investment to Colchester and help businesses to flourish:

- Ensure our strategy for inclusive economic growth supports the ambitions outlined in the North Essex Growth Strategy, the Local Industrial Strategy, and our Town Deal.
- Ensure a good supply of employment land and premises to attract new businesses and allow existing firms to expand and thrive.
- Ensure the Council's assets continue to contribute to economic growth and opportunity.

Appendices: None.

Background Papers: Refer to July 2021 cabinet report on Town Deal.