

CABINET

DATE	16/06/2021
REPORT OF	Councillor Philip Jackson, Leader of the Council
RESPONSIBLE OFFICER	Sharon Wroot Executive Director for Environment, Economy and Resources
SUBJECT	Town Investment Plan Projects
STATUS	Open
FORWARD PLAN REF NO.	CB06/21/12

CONTRIBUTION TO OUR AIMS

The projects within the Town Investment Plan will contribute to the Council's 'Stronger Economy' and 'Stronger Communities' priorities as the plan is fully aligned to the Local Plan and the Grimsby Town Centre Masterplan (2020). The investment will deliver the first phase of key priorities of the masterplan and add value to other key town centre priorities like the Future High Street scheme, St James Square regeneration and the Onside Garth Lane developments.

EXECUTIVE SUMMARY

This report presents information on the revisions made to the project proposals within the Town Investment Plan. These revisions were at the request of the Ministry of Housing, Communities and Local Government (MHCLG) following a grant offer of £20.9m by the Towns Fund programme. The original funding request was for £25m, therefore a reprioritising exercise was required to decide which would be Grimsby's final Towns Fund projects. This information is a requirement of the Heads of Terms the Greater Grimsby Board and the Council have with MHCLG and is required by 25th June 2021.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the revised project proposals for inclusion in the Town Investment Plan, which will be allocated funding from Grimsby Towns Fund.
2. Authorises the Executive Director for Environment, Economy and Resources, in consultation with the Leader of the Council, and on behalf of the Greater Grimsby Board to:
 - a. Finalise the detail and submit the revisions to the Town Investment Plan projects and their funding allocations to MHCLG within the agreed timeline of 25th June 2021; and
 - b. take all actions necessary to continue to develop these projects to full business case stage, as the next stage of the Towns Fund process.

REASONS FOR DECISION

To satisfy a requirement of the Heads of Terms to enable the Town Investment Plan to be finalised and to submit the information to MHCLG within the agreed timescale.

1. BACKGROUND AND ISSUES

- 1.1 Grimsby's Town Centre Masterplan (2020), having been subject to an extensive public engagement exercise, provided the strategic direction for selecting the TIP projects. The seven TIP projects were selected on the basis that they were best aligned to the vision and principle of the masterplan being chosen. These are as follows:
 - Major enhancements to Riverhead Square to create a new public square.
 - Pedestrian and cycle loops to connect the town centre and Alexandra Dockside.
 - Next phase of the development of Garth Lane towards the creation of a major new waterfront residential community.
 - Refurbishment of the Central Library to accommodate new uses, including the creation of new space for learning and innovation.
 - Development of the area surrounding Victoria Mills to attract new uses.
- 1.2 On the 14th October 2020 Cabinet agreed the projects for inclusion in the Town Investment Plan (TIP). The TIP was submitted to MHCLG on 30th October, it requested £25m of Towns Fund to support the cost of delivering seven key town centre projects.
- 1.3 On 3rd March 2021 government announced a funding offer to Grimsby of £20.9m of Towns Fund to deliver the projects set out in the TIP. Heads of Terms were issued which asked Grimsby to choose which of its projects it wished to progress in view of the reduced funding offer. They also requested for Grimsby to agree the Heads of Terms by 17th March 2021.
- 1.4 The chair of the Greater Grimsby Board (GGB) and the Chief Executive of North East Lincolnshire Council accepted the Heads of Terms within the required timescale and held a meeting on 19th March 2021 to agree a process for reviewing the original seven TIP projects.
- 1.5 The review process agreed upon asked the appointed assurance group, the Council's Business Development Group (BDG) to reassess and reprioritise the projects against a set of scoring criteria. Members of the GGB were also invited to support the process.
- 1.6 The method used to review the projects was divided into two stages, the first was a scoring matrix assessment based on standard business case principles, which are listed below:
 - Strategic fit - with the Grimsby Town Centre Masterplan (2020)
 - Economic Impact
 - Commercial Case
 - Governance and management

- Financial case

- 1.7 Project's scores were based on how best the project fit with the criteria under each of the above headings. Another consideration was how essential the Towns Fund was for unlocking the delivery of each project. The projects scoring the highest scores, which were closest to matching the total programme funding offer of £20.9m, were then taken through a second stage assessment.
- 1.8 The second stage assessment considered whether the remaining shortfall could be addressed by taking an equal percentage from each project cost. It also looked at whether individual project costs could be scaled back and if there were other funding options to address the shortfall.
- 1.9 The group met on the 13th May 2021 to review and reprioritise all seven projects. They agreed a score for each project which positioned projects in order of priority, this resulted in the project located in Victoria Mill Quarter being removed from the programme. The project's development had not reached a point where a full business case could be compiled within the timeframe allocated and was deemed unviable at this stage of the Towns Fund programme. This area of the town centre however, remains a regeneration priority within the masterplan, and different funding opportunities will be pursued to help unlock the delivery of this project in future. A saving of £1,650,000 was made as a result of this project being removed from Grimsby TIP, however further savings were still required to meet the allocated funding envelope of £20.9m.
- 1.10 The second stage of the review identified a mechanism for retaining all the remaining six projects in Grimsby Towns Fund. Four of the projects were scaled back resulting in a reduced allocation of funding. The rationale for this was based on other funding streams which could supplement the Towns Fund or scope for the project to be scaled back. Two projects were left with their original funding allocations, firstly Riverhead Square with development already underway following an early award of £1m of Accelerated Town Fund in September 2020. Secondly the central library refurbishment allocation remained the same, as its location was considered pivotal to attracting increased town centre footfall by finding a new use for the vacant floors of the building. Estimates for the refurbishment costs also indicated this project's costs could not be scaled back. At the time of writing this report, a representative of the GGB has been engaged in this process and is supportive of the outcome.
- 1.11 The results below show the final projects chosen for Grimsby Towns Fund and their potential revised indicative funding allocations based on two options.

	Option 1	Option 2 (% decrease across bottom 4 projects)
Riverhead Square	£3.3m	£3.3m
Central Library (new facility/uses)	£4.2m	£4.2m
Garth Lane Housing Development	£7.8m	£7,439,748
St James House	£1.5m	£1,394,953
Activation Funds	£0.85m	£1,268,139
Pedestrian and cycle loops	£3.25m	£3,297,161
TOTAL Towns Fund Cost	£20.9m	£20.9m

- 1.12 At this time, the inclusion of St James House is not certain. If this does not proceed, funding will be reallocated across all or some of projects 3, 5 and 6.
- 1.13 The exercise was successful in achieving its purpose and in meeting the condition of the funding, as outlined in the Heads of Terms with MHCLG.
- 1.14 At the time of writing this report, the Council is writing to the GGB for further views and ratification of the approach.
- 1.15 It is anticipated that should Cabinet accept the recommendations; Officers will finalise the submission subject to the outcome of discussions on supporting a project for St James House and further ongoing work regarding Options 1 or 2.

2. NEXT STEPS

- 2.1 Subject to Cabinet approval, officers will submit confirmation of Grimsby's final Towns Fund projects to MHCLG within the agreed timeline of 25th June 2021.
- 2.2 Project leads will then begin development of full business cases for each project with the intention of submitting them all, in stages to MHCLG before the end of March 2022.
- 2.3 Riverhead Square and the Activation and Community Fund projects are expected to be in the first tranche of submissions. Funding will be released in stages as MHCLG give their approval to the projects.
- 2.4 Each business case will be progressed through the agreed local assurance process to meet the Heads of Terms requirements and presented at future Cabinet meetings.

3. RISKS AND OPPORTUNITIES

- 3.1 The projects chosen for Grimsby's Towns Fund present significant opportunities to improve the core of the town centre. The funding will unlock

further investment and support the current developments taking place in St James Square, Garth Lane and the Future High Street plans for the western end of Victoria Street.

- 3.2 The review has successfully addressed the shortfall in the funding offer and retained six of the seven original key Grimsby Town Centre Masterplan projects within the Towns Fund plans.
- 3.3 There is the potential of differential costs resulting from full business case development.

4. OTHER OPTIONS CONSIDERED

- 4.1 Do nothing – this option would not meet the conditions associated to the offer of £20.9m of Towns Funding. This would also result in the Council having to abandon funding proposals associated with the Towns Fund and return funds to MHCLG, with associated negative reputational consequences.
- 4.2 Do Less – this option was not considered viable as government have already offered £20.9m for Grimsby as a participant in the Towns Fund programme.

5. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 5.1 There are positive reputational implications for the Council resulting from the decision. The Council are fully engaged with Freshney Place and the Council's communications team who are assisting with the development of a Stakeholder Engagement Plan for Grimsby's Towns Fund. This outlines the channels for communication and engagement during the lifetime of the programme. A dedicated webpage has also been developed as a platform for regular communication and the sharing of information and documents. As delivery gets underway there will be further positive and some reputational challenges, as is the case with all physical development projects, during the lifetime of the programme.

6. FINANCIAL CONSIDERATIONS

- 6.1 The TIP project proposals are in early development stage using indicative costings, with funding allocations again each project assigned using these cost estimates. Following submission and acceptance of the TIP, detailed business cases will be developed for each project and presented to Cabinet for approval. The business cases will include, depending on the nature of the project, financial information such as development appraisals, income generation opportunities, value for money assessments and any resource allocations.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 The TIP will consider the Councils published commitments on climate change and the environment during full project development, which will include detailed

design, this will follow Government's approval of our proposals. New and refurbished building designs will be encouraged to incorporate innovative construction features and low carbon technologies which will reduce carbon emissions and minimise environmental impacts. Public realm design will also consider best practice in terms of design and climate change, these can be incorporated into the design of the Riverhead Square project and the new pedestrian and cycle tracks project.

8. CONSULTATION WITH SCRUTINY

8.1 Scrutiny were part of the development process for The Masterplan and the TIP during September/October 2020.

9. FINANCIAL IMPLICATIONS

9.1 The grant funding will facilitate investment of £20.9m in the borough and, on approval, the scheme will be added into the Council's Capital Investment Programme.

9.2 As outlined in section 6, detailed business cases will be developed for each project for further consideration by Cabinet.

10. LEGAL IMPLICATIONS

10.1 At this stage there are no legal implications immediately arising from the recommendations sought. As matters proceed to full business cases and into projects, officers in Legal Services will support as appropriate.

10.2 The recommendations sought are appropriate for this stage. Clearly Cabinet is the ultimate decision maker as to the extent of the projects put forward and it should have due regard to the input from the Greater Grimsby Board.

10.3 The Greater Grimsby Board is a senior strategic body working in partnership with the Council, steering and providing strategic direction to the development and implementation of place-making regeneration and the social and economic development of Grimsby and the wider borough of North East Lincolnshire.

11. HUMAN RESOURCES IMPLICATIONS

11.1 There are no direct HR implications contained within this report.

12. WARD IMPLICATIONS

12.1 Delivery of the TIP projects is expected to benefit all wards as the economic benefits resulting from the regeneration of Grimsby town centre will benefit all residents living in North East Lincolnshire.

13. BACKGROUND PAPERS

- 13.1 14th October 2020 Town Investment Plan Cabinet report
[Cabinet – Special, Virtual Meeting | Democracy \(nelincs.gov.uk\)](#)
- 13.2 Grimsby Town Centre Masterplan
<https://www.nelincs.gov.uk/assets/uploads/2020/12/Grimsby-Masterplan-Report.pdf>

14. CONTACT OFFICER(S)

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