



## CABINET

Tuesday 1 September 2020

### LOWESTOFT INVESTMENT PLAN

#### EXECUTIVE SUMMARY

1. In September 2019, the Ministry of Housing, Communities & Local Government (MHCLG) invited ESC, on behalf of Lowestoft to develop proposals for a Towns Deal, forming part of a £3.6 billion Towns Fund. Lowestoft is able to BID for up to £25 million through a 5 year Town Deal which requires the development of a Town Investment Plan, which will make a case for investing in transformative capital regeneration projects in Lowestoft over the next 10 years.
2. A Towns Board is required to provide strategic direction and oversee the development the Investment Plan. The Lowestoft Place Board (Towns Board) was established in January 2020 to fulfil this role.
3. The next step is to submit the Town Investment Plan (TIP) to MCHLG by the 31st October 2020 as the basis for agreeing the Town Deal. This report is seeking delegated authority to conclude the plan, ahead of submission. Furthermore adequate capacity within the Regeneration Team is required in order to deliver the TIP and therefore due to the majority of posts in the team being temporary in nature the report is also seeking approval for the associated growth in the Council's core budget to extend these temporary contracts.

Is the report Open or Exempt?	Open
<b>Wards Affected:</b>	Gunton & St Margaret's, Oulton Broad, Harbour & Normanston, Kirkley & Pakefield, Carlton & Whitton
<b>Cabinet Member:</b>	Councillor Craig Rivett, Deputy Leader & Cabinet Member with responsibility for Economic Development

<b>Supporting Officer:</b>	Paul Wood Head of Economic Development and Regeneration 01394 444249 <a href="mailto:Paul.wood@eastsoffolk.gov.uk">Paul.wood@eastsoffolk.gov.uk</a>
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## 1 INTRODUCTION

1.1 In November 2019, Lowestoft was selected as 1 of 100 towns across England to be part of the Government’s Towns Fund programme. This initiative provides Lowestoft with the opportunity to bid for up to £25 million of capital funding through a 5-year Town Deal. In order to secure this funding, the development of a Town Investment Plan is required, which will make the case for investing in transformative capital regeneration projects in Lowestoft over the next 10 years.

1.2 The intervention area for the Lowestoft Towns Fund is defined by the map herewith:  
<https://www.eastsuffolk.gov.uk/assets/Business/Regeneration-projects/Lowestoft-Investment-Plan/Towns-Fund-boundary.pdf>

## 2 THE TOWNS FUND

2.1 The Towns Fund is central to the Government’s ‘levelling up’ agenda which involves the promotion of inclusive economic growth to build stronger and more resilient local economies and communities in areas of the country which have not benefitted from economic growth in recent decades. In addition, the fund is seen as part of the economic and social recovery following the COVID-19 outbreak.

2.2 The overarching aim of the Towns Fund is to drive the sustainable economic regeneration of towns to deliver long term economic growth. This will be done through:

**Urban regeneration** - Ensuring towns are thriving places for people to live and work, including by:

- Increasing density in town centres.
- Strengthening local economic assets including local cultural assets.
- Site acquisition, preparation, remediation, and/or development; and
- Making full use of planning tools to bring strategic direction and change.

**Skills and enterprise infrastructure**

- Driving private sector investment and small business development; and
- Ensuring towns have the space to support skills and small business development.

**Connectivity**

- Developing local transport schemes that complement regional and national networks; and
- Supporting the delivery of improved digital connectivity.

2.3 The Towns Fund has a two-stage process, with a decision gateway at the end of each. The first stage is the development of a Town Investment Plan. The Investment Plan will consist of two sections, the first is a document, which scopes out the context analysis, strategy, engagement & delivery. This details all the projects for Lowestoft which can be delivered over a 10-year period (subject to securing further funding) and include those

projects such as the Lowestoft Flood Risk Management Project, which has recently secured funding.

- 2.4 The second section is a detailed description of those projects we wish to submit for Town Deal funding of up to £25m which will be delivered over 5 years from 2021. The Investment Plan has to be submitted to Government by the 31st October 2020. Should we fail to submit an Investment Plan of sufficient quality we will be given one further opportunity to do so before the 31st March 2021.
- 2.5 Once the Investment Plan is submitted it will be assessed by MHCLG to inform a Heads of Terms offer. It is anticipated the approval of the Heads of Terms offer will be agreed by December 2020.
- 2.6 The second stage will be the development of individual business cases for each of the projects agreed within the Heads of Terms. This work is expected to take up to 12 months to complete before the final agreement and the release of funds.
- 2.7 ESC will be the Accountable Body for the Towns Deal and will be responsible for receiving and accounting for the Towns Fund allocation. ESC will be responsible for project delivery and arrangement; developing agreed projects and undertaking necessary feasibility studies; creation of detailed business cases; liaising with potential private sector investors in identifying local project and schemes; signing the Heads of Terms Agreement with Government, monitoring and evaluating of projects and fulfilling reporting requirements to Government.
- 2.8 Whilst the legal and funding requirements are to be managed by the 'lead council' (East Suffolk Council), MHCLG have determined that a Town Deal Board will be the vehicle through which the vision and strategy for the town is defined and developed. It will inform the production of the Town Investment Plan (covering a 10-year period) and shape the Town Deal, including the amount of investment secured through the Towns Fund.

The role of the Town Deal Board is to:

- Develop and agree an evidenced based Town Investment Plan
  - Develop a clear programme of interventions
  - Coordinate resources and influence stakeholders
  - To serve as an advisory body to the lead Council (East Suffolk)
  - To oversee the delivery of the Lowestoft Investment Plan
- 2.9 The Lowestoft Towns Deal Board is being delivered through the Lowestoft Place Board and includes representatives from all tiers of local Government, the private sector, community sector and other key local organisations. The Place Board is chaired by Stephen Javes (Non-Executive Director, James Paget University Hospitals NHS Foundation Trust), who oversees the Board's decision-making process. Appendix B provides a full list of Lowestoft Place Board members. Agendas, minutes, member profiles, terms and conditions, members code of conduct and objectives of the group are held on East Suffolk Council's website (<https://www.eastsuffolk.gov.uk/business/regeneration-projects/lowestoft-investment-plan/lowestoft-place-board-meetings/>). The Economic Regeneration Team provides the secretariat of the Place Board with the responsibility for ensuring that decisions are made by the Board in accordance with the governance principles. A Lowestoft Ambassadors groups sits alongside the Place Board to promote

Lowestoft both internally and externally and engage further stakeholders in the work of the Town Investment Plan.

- 2.10 To Support the development of the Town Deal, East Suffolk Council was awarded a grant of £162,109. This fund was provided to cover costs associated with the Town Board (Place Board), feasibility studies and providing technical expertise for business case development. ESC has used this funding to commission Thinking Place Ltd consultants to develop a wider vision for the town; support the development of the placemaking work through the Place Board and Lowestoft Ambassador Programme and to undertake a peer review to inform the development of the Town Investment Plan. In addition, ESC has commissioned feasibility studies for the development of priority Towns Fund projects, which are linked to projects within the Town Centre Masterplan. These include the development of the Station Quarter; Cultural Quarter; feasibility studies for the Kirkley Waterfront Sustainable Urban Neighbourhood and a creative sector hub.
- 2.11 In July 2020, Cabinet (Cabinet report reference ES/0432) approved an advanced Accelerator Towns Fund grant of £750,000 from Central Government, as a precursor to the Towns Fund, to carry out “quick win/shovel ready” projects within the Investment Plan. Cabinet agreed to put forward the East Point Pavilion (EPP) redevelopment project.
- 2.12 For the first stage, approval of the Investment Plan is required from the Lowestoft Place Board and ESC, as lead Council and accountable body. ESC will then agree Head of Terms with MHCLG. In the second phase project business cases will be developed for final agreement with MHCLG. The final Towns Fund award will be brought to Cabinet and Full Council for approval.

### **3 THE LOWESTOFT INVESTMENT PLAN**

- 3.1 The Lowestoft Investment Plan sets out Lowestoft’s ambition and strategy to drive economic growth, including the vital response to the Covid-19 pandemic. This will build on the aspirations set within the recently published Town Centre Masterplan. The projects within the Investment Plan are aligned with New Anglia’s Local Economic Strategy and the Local industrial Strategy, the Local Plan for the Waveney Area, and the Government’s clean growth objectives.
- 3.2 All projects within the Plan strongly align with the inclusive economic growth agenda and focus on the 5 key themes of:
- Employment & Skills
  - Transport & Infrastructure
  - Housing
  - Retail & Leisure
  - Heritage & Culture
- 3.3 There is no guarantee that all projects included within the Towns Fund proposal will be approved and funded by Government as part of a Town Deal; each project can stand alone but the significant impact and potential that this offers to deliver major long-term regeneration and support strong economic recovery will only be achieved if we are able to proceed with all of the projects submitted.
- 3.4 The Investment Plan is a showcase for those projects which the Place Board have highlighted as a priority for delivery via the Towns fund. These include elements of the Town Centre Masterplan, supporting the growth of the Port of Lowestoft and ground works for Kirkley Waterfront to unlock future housing growth. In addition, the Towns

Fund will act as a wrapper for all investment opportunities within Lowestoft, whether from Government departments, external funders, or private investors.

- 3.5 To help formalise key priorities for the Investment Plan, the Regeneration Team undertook a detailed engagement strategy. This included a range of 1-2-1's with key stakeholders, presentations to business and community groups and a review of a wide range of community and economic assessments. From this the team created a SWOT analysis of the town. This was used by the Place Board to form a set of key priorities which projects for the Investment Plan would be scored against.
- 3.6 Projects have been submitted from stakeholders alongside those which already formed part of East Suffolk Council's Regeneration Programme for Lowestoft. The projects have been scored using a matrix developed by the Regeneration Team and approved by the Place Board. The scoring matrix assesses each project against Strategic Fit (Priorities, objectives, the Vision, Local Plan and Regional strategies), deliverability (project readiness, cost, funding, asset conflict), Economic outputs (jobs, private sector investment, business created, dwellings created, land regeneration), social values (Environmental Impact, skills, Inclusive growth).
- 3.7 Having undertaken the scoring matrix assessment, the Investment Plan's high level target outputs over a 10-year period will see the regeneration of 84ha of land, creation of 2,500 long term skilled jobs, the delivery of 1,500 homes and attracting £320m of private sector investment.

#### **4 RESOURCE REQUIREMENTS**

- 4.1 In order to deliver the Lowestoft Investment Plan 2020 -2030 and the Towns Fund projects from 2020 to 2026, longer-term officer resource needs to be secured. The Economic Regeneration Team currently consist of 3 permanent and 5 temporary officers. The team delivers regeneration programmes across East Suffolk with a focus on Lowestoft and Felixstowe. Apart from one role, all temporary posts are due to end in December 2021. In order to have the certainty of the capacity to deliver the Towns Fund programme and therefore maximise the impact of this huge investment these temporary roles need to be extended to December 2022 with a view to being made permanent once Towns Deal Funding is secured. This will then provide the basis for the longer-term programme planning and to enable sustainable economic regeneration within the district.
- 4.2 It is important that these post extensions are secured urgently to ensure that officers remain in post during the 12-month development phase of the Towns Fund bid during 2021. It is fundamental to ensure a successful bid to the Towns Fund and subsequent delivery of the plan.

The total net growth to the Council's core budget for these roles being extended is £65,238 up to the end of December 2022. The table below illustrates the budget growth per year:

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
Growth to Current Budget	£15,771	£74,100	£158,100	<b>£247,971</b>
EZ Pot A Funding	-£11,671	-£51,550	-£119,513	<b>-£182,734</b>
Growth to Core ESC Budget	£4,100	£22,550	£38,588	<b>£65,238</b>

The remaining funding comes for this growth in staffing costs will come from Enterprise Zone income (Pot A).

- 4.3 If these extended roles are not agreed it could lead to the Council missing out on the opportunity to bid for the Towns Fund (up to £25m). This would have a significant detrimental impact on the town that is already identified as being an area that will suffer disproportionately post Covid-19. Furthermore, this is a nationally high-profile funding scheme and therefore aside from the lack of regeneration opportunity for the town there would also be significant reputational damage for the Council.

## **5 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?**

- 5.1 There is an urgent need to make improvements within the town to enable people to engage within their community and feel a sense of pride about the place within which they live. The projects within the Town Investment Plan are focusing on reshaping Lowestoft so that it has a new purpose, one that is based upon community needs, health and wellbeing; as well as providing a more sustainable economy and employment opportunities. There is an urgent need to show that Lowestoft is not “forgotten”. The projects deliver against the following aspects of the East Suffolk Strategic Plan (2020-2024):

- Growing Our Economy- The Investment Plan aims to build a strong sustainable economy for Lowestoft
- Remaining Financially Stable – making the best use of grant and funding opportunities and investing in our assets for the benefit of all
- Enabling Our Communities – projects within the plan providing the environment for everyone to lead healthy, active, safe and fulfilling lives and enabling community pride
- Delivering Digital Transformation - projects within the plan provide better and improved access to connectivity
- Caring for our Environment – projects within the plan are focused on investing in offshore renewable energy, ensuring resilience to climate change, greening of the town centre and improving sustainable transport

## **6 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 6.1 ESC is submitting a bid to the Towns Fund for investment of up to £25m. At this first stage of the bidding process there is no formal funding or legal commitment required from the ESC. The first stage ends with the conclusion of a Head of Terms Agreement between ESC and MHCLG. The detail around funding and contractual agreements associated with the allocated funding will be set out in the second stage when projects have been fully developed and a final offer is made.
- 6.2 The initial delivery of the Investment Plan will be through the projects that are put forward as part of the Towns Fund Deal, these projects will be profiled over the 5-year Towns Fund period of April 2021 to April 2026. Clarification of any match-funding requirements to be made by ESC will be made during the second phase of the funding process when the projects are fully developed. These projects will be brought to a future Cabinet for approval.
- 6.3 East Suffolk Council will be the Accountable Body for the funding agreed in stage 2 and therefore will own and manage the risks associated with the delivery of the project. A process of governance is established through the Lowestoft Place Board and the ESC

Economic Regeneration Team. The Economic Regeneration Team will deliver the Towns Fund projects over the 5 years and the wider Lowestoft Investment Plan over the 10 years, whilst looking to ensure future delivery post the 10-year period. They will also provide the Secretariat to the Place Board. As a result, there is a requirement to secure the extension of temporary contracts (detailed in 4.0 above) to ensure delivery.

## **7 OTHER KEY ISSUES**

7.1 This report has been prepared having considered the results of an Equality Impact Assessment. The assessment identified that the Lowestoft Investment Plan would have no adverse impacts on any of the identified groups, in fact the inclusive economic growth opportunities to be delivered via the plan will have a positive impact on these communities.

## **8 CONSULTATION**

8.1 The development of the Investment Plan has been completed with the collaboration of a range of stakeholders and in partnership with the Lowestoft Place Board which is made up of 24 local businesses and organisations.

8.2 As part of the engagement process, the Regeneration Team undertook an intensive stakeholder engagement process, which included workshops, engagement events and over 30 1-2-1 sessions with public, private and third sector organisations and presentations to business and community groups, providing a wide range of opportunities for participatory engagement into the Investment Plan. In addition, the community have been invited to put forward their ideas for future projects in Lowestoft using a website created by Government to engage local communities, "Mytowns" website.

## **9 OTHER OPTIONS CONSIDERED**

9.1 The other option considered is business as usual, which would mean turning down the opportunity of £25m and pursuing a much less ambitious regeneration programme. This would also then fail to capitalise on the other large infrastructure projects taking place in town e.g. Third Crossing, Flood Barrier scheme. Prior to Covid-19, regeneration was vital to move forward on plans to improve the area and deprivation levels that exist. Following Covid-19 the need for regeneration to prevent further decline becomes even more urgent, particularly in the town centre.

## **10 REASON FOR RECOMMENDATION**

10.1 The Lowestoft Investment Plan provides a strong framework upon which to deliver an ambitious regeneration programme for the town. The Towns Fund Deal sits within the Lowestoft Investment Plan and provides the opportunity to secure up to £25m investment into Lowestoft, which will unlock private sector Investment, create jobs, secure housing sites and regenerate areas of the town for the future.

10.2 The request for securing extended temporary officer capacity for the Regeneration Team is of critical importance to the bidding process for this fund as well successful delivery of the Lowestoft Investment Plan and future regeneration within Lowestoft.

## RECOMMENDATIONS

1. That Cabinet gives delegated authority to the Strategic Director, in consultation with the Cabinet Member with responsibility for Economic Development, to:
  - (a) agree the Lowestoft Investment Plan with the Lowestoft Place Board, in order to submit it by 31 October 2020, and
  - (b) agree Heads of Terms for the Town Deal with the Ministry of Housing Communities and Local Government to take the bid through to the second phase of full business case development for the projects within the Town Deal.
2. That Cabinet approves the growth of £65,238 in the core budget to extend the temporary positions within the Regeneration Team until December 2022 to ensure the completion of the development phase of projects within the Town Deal, and to report further to Cabinet, once Towns Funding is secured, requesting that these roles be made permanent to deliver the 5 year Towns Deal and the 10 year Lowestoft Town Investment Plan.

## APPENDICES

<b>Appendix A</b>	Town Investment Plan Guidance
<b>Appendix B</b>	Lowestoft Place Board members

**BACKGROUND PAPERS** (List below those documents for which the report author has materially relied upon to produce the report and which are available for the public to view. This is not necessary for confidential/exempt reports so, for these reports, this box can be deleted altogether).

For CABINET, CABINET MEMBER, CABINET SUB-COMMITTEES OR A JOINT COMMITTEE COMPRISED OF CABINET MEMBERS EXERCISING EXECUTIVE POWERS only – The following wording must be included. For any non-Cabinet reports, delete the wording (except where the report will progress onto the Cabinet).

Please note that copies of background papers have not been published on the Council's website [www.eastsuffolk.gov.uk](http://www.eastsuffolk.gov.uk) but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

Date	Type	Available From
04/08/2020	Equality Impact Assessment	Democratic Services