



# Cabinet

## 13 July 2022

<b>Report Title</b>	<b>St Helens Town Deal – Business Case Submissions</b>
<b>Cabinet Portfolio</b>	Regeneration and Planning
<b>Cabinet Member</b>	Councillor Richard McCauley
<b>Exempt Report</b>	Yes (part) – appendices exempt
<b>Reason for Exemption</b>	Information relating to the financial or business affairs of any particular person (including the authority holding the information) (Paragraph 3 of Schedule 12A)
<b>Key Decision</b>	Yes
<b>Public Notice issued</b>	14 June 2022
<b>Wards Affected</b>	St Helens Town Centre
<b>Report of</b>	<p>Lisa Harris Executive Director, Place Services <a href="mailto:LisaHarris@sthelens.gov.uk">LisaHarris@sthelens.gov.uk</a></p> <p>Cath Fogarty Executive Director, Corporate Services <a href="mailto:CathFogarty@sthelens.gov.uk">CathFogarty@sthelens.gov.uk</a></p>
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<b>Borough Priorities</b>	Ensure children and young people have a positive start in life	<b>X</b>
	Promote good health, independence, and care across our communities	<b>X</b>
	Create safe and strong communities and neighbourhoods for all	<b>X</b>
	Support a strong, thriving, inclusive and well-connected local economy	<b>X</b>
	Create green and vibrant places that reflect our heritage and culture	<b>X</b>
	Be a responsible Council	<b>X</b>

## 1. Summary

- 1.1 The St Helens Town Deal and associated Town Investment Plan was submitted to government at the end of January 2021. Towns Fund investment is key to securing transformational change for St Helens and to support the council's sustainable growth ambitions as outlined in the Borough Strategy.
- 1.2 Heads of Terms for the subsequent award of £25m and the requisite submission of Project Confirmation Documents were agreed by the Town Deal Board in September 2021 and approved by Cabinet at its meeting of 6 October 2021.
- 1.3 This report provides Cabinet with the completed Full Business Cases for the first six Town Deal projects, which are required to be submitted to government before the Tranche 1 deadline of 5 August 2022. Tranche 1 includes full business case submissions for £20.408m of Town deal funding this will lever in an additional £193.02m of additional private and public funding to the Town and Borough.
- 1.4 The remaining two business cases are under development and will be brought to a future meeting of Cabinet before the Tranche 2 submission deadline of 5 November 2022.
- 1.5 Funding for the delivery of the St Helens Town Deal projects will only be received once the Full Business Cases have been considered and formally approved by government, and when any related conditions have been satisfied. It is currently understood that subject to approval from Cabinet via this report to the submission of Tranche 1 Full Business Cases, government will advise of the outcome towards the end of 2022.
- 1.6 In accordance with the Investment Plan, all of the St Helens Town Deal projects are aligned with the nationally and globally significant Glass Futures projects which will create the UK's first medical glass research and development centre of excellence in St Helens, a town and borough which is renowned for its heritage and innovation in glassmaking. Such an ambitious project not only requires investment into the facility

itself, but also needs to be complemented by the necessary investment into the regeneration and transformation of the town centre, including new high-quality housing, amenities, transport and digital infrastructure to be able to maximise its impact and benefit the people of St Helens.

## **2. Recommendation for Decision**

**Cabinet is recommended to:**

- i) Approve, in principle, the submission of six Full Business Cases at Appendix A for Tranche 1 Town Deal projects.**
- ii) Note that St Helens Town Deal Board at its meeting of 17 June 2022 noted the progress made in drafting the business cases and delegated the submission to the Department of Levelling Up, Housing and Communities to the Town Deal Board Chair in consultation with the Executive Director of Place Services and the Executive Director of Corporate Services.**
- iii) Approve the delegation for finalisation of the Business Cases to the Executive Director of Place Services, in consultation with the Executive Director of Corporate Services and the Cabinet Member for Regeneration and Planning.**
- iv) Delegate authority to the Section 151 Officer to submit a Final Business Case Summary Document to Department for Levelling Up, Housing and Communities (DLUHC) for the six Tranche 1 projects; and**
- v) Note that Full Business Cases for the two remaining St Helens Town Deal projects (Tranche 2) will be the subject of future reporting to Cabinet.**

## **3. Purpose of this report**

- 3.1 To provide an update to Cabinet on the St Helens Town Deal and the related Town Investment Plan, which was submitted to government at the end of January 2021, and to seek approval to the requisite submission to government of Full Business Cases and Summary Document by 5 August 2022 for the six Tranche 1 projects, which have been endorsed by the Town Deal Board. This report also advises that Full Business Cases for the two Tranche 2 projects are under development and shall be the subject of future reporting to Cabinet.

## **4. Background / Reason for the recommendations**

- 4.1 In November 2019, the Department for Levelling Up, Housing and Communities (DLUHC) launched its Towns Fund programme with the ambition of creating jobs and building stronger and more resilient local economies and communities. St Helens was nominated as one of 101 towns in the country to potentially benefit from up to £25m to develop a Town Deal. The proposals, in the form of a Town Investment Plan (TIP), were required to be framed around the three main headings:
  - Urban regeneration
  - Skills and enterprise infrastructure
  - Connectivity

- 4.2 Subsequently, and in response to the Covid-19 pandemic, in addition to the three main headings, towns were also asked to consider how the fund could mitigate the impact of Covid-19 with actions tailored to each town's circumstances and the localised impacts of the pandemic.
- 4.3 The Government also confirmed that if a town brings forward a project perceived to be of 'national significance' the Town Investment Plan (TIP) bid could be increased to a maximum £50m but this approach will attract higher levels of scrutiny and challenge prior to approval.

#### Town Deal Board

- 4.4 In January 2020, the St Helens Town Deal Board was established to develop the TIP in accordance with the guidance detailed in the Town Deal Fund Prospectus 2019. Locally led, the Board is made up of the borough's two Members of Parliament, local elected members as well as representatives from business, education, community, and voluntary sectors. From January 2020 to January 2022, the Board met each month to oversee the development of the TIP, together with the Council as the accountable body with an agreed focus on developing a set of projects to address challenges in the town centre.
- 4.5 In the first phase the Board gathered stakeholder opinions and the available evidence to establish a clear view of the challenges the town centre faced. This approach provided the foundation for the development of a vision and objectives for the TIP, to provide a strong context for the development of TIP projects. The Town Deal Board now oversees the Town Deal programme for St Helens and is accountable for delivery.

#### The Town Deal Vision

- 4.6 The findings from extensive stakeholder engagement and consultation were distilled to develop an agreed Town Deal vision for the next 10 years (2020-2030):

*"By 2030 St Helens will nurture and celebrate its cultural and industrial heritage, building upon its creative and innovative gene in glass making and foundation-industries to innovate and create new opportunities for the people of St Helens to benefit from. Vibrancy will be created for the town centre; the town will be a buzzing, shared space where community will come together, learn from one another, improve their physical and mental well-being and be a place where people want to live, work and visit. Businesses and residents will be attracted to the new opportunities available, have quality spaces to dwell and linger and benefit from improved transport and digital connections borough wide."*

- 4.7 Underpinning the vision are three thematic pillars:

- Creating a place where people want to be
- Shrink and link
- Connected communities

- 4.8 The vision and thematic pillars were then used to develop the key priorities for 'St Helens Town Investment Plan' as follows:

- Capitalising on and re-positioning St Helens' cultural and heritage assets

- Supporting St Helens' economic recovery through job creation and upskilling the workforce.
- Transforming and regenerating the heart of the town centre to create a new mixed-use quarter, diversifying the housing offer, and encouraging vitality and vibrancy back into the high-street.
- Creating sustainable and accessible routes across the town to re-connect the town centre with residential communities and growth opportunities.
- Providing a strong youth offer to inspire our young people.
- To address health and wellbeing inequalities in the borough and to highlight the health sector as a key a career aspiration for all.
- Achieve digital inclusion to support St Helens' residents and businesses to thrive and provide the infrastructure to attract future investment and businesses to the borough.

#### Town Investment Plan (TIP)

4.9 The TIP recognises the need to deliver a diversified town centre that matches the potential of the borough and underpins the role that St Helens has in the Liverpool City Region. The Towns Fund projects addresses the challenges that exist in the following ways:

- Transforming St Helens' cultural and heritage offer through creating an impressive experience for visitors which builds upon the town's key heritage assets and provides much-needed support for the visitor economy which has been significantly impacted as a result of the Covid-19 pandemic. This cultural focus will help positively change the perceptions of the place and the outlook of its people, particularly in terms of health and wellbeing.
- Creating higher value jobs for local people, as well as the opportunity to up or re-skill, particularly within the research and innovation sectors to address the borough's lower than average productivity rates.
- Addressing health deprivation through offering appropriate health and wellbeing support to residents given that St Helens experiences significant health inequalities. These health inequalities impact upon productivity rates for the borough, are a strain on health-related services and negatively affect the wellbeing of young people. There are disparities within the borough with a 10.4-year life expectancy variation between the least and the most deprived wards.
- The need to provide affordable and high-quality housing borough-wide but particularly in diversifying the offer in the town centre, which aligns strongly to addressing health deprivation and provides a place-making opportunity – creating the critical mass of people to reside within the heart of the town centre and to attract new residents who will work, play, and spend in the town.
- Providing improved key connections and enhanced public realm to encourage people to walk, cycle and use public transport to access the town centre, stay for longer, and helping shift the focus back into the high street as opposed to the out-of-town retail parks on the town's periphery.

- 4.10 At its meeting on 27 January 2021, Cabinet approved submission of the St Helens TIP to government. Given that the Glass Futures project was considered to be of 'national significance' the Board agreed to increase the St Helens TIP bid from £25m to £38.55m and this increase was linked to the Glass Futures project.

#### Town Deal Offer

- 4.11 On 15 July 2021, the Council and Chair of the Town Deal Board received an offer letter awarding £25 million for the St Helens Town Deal. The offer letter was accompanied by Heads of Terms and was subject to certain conditions being met in relation to the Heritage World project.
- 4.12 Following consideration by the Town Deal Board at its meeting of 3 August 2021, the Heads of Terms were signed by the Chair of the Town Deal Board, alongside the Chief Executive of the Council, as prescribed. At a meeting of Cabinet on 6 October 2021, the Heads of Terms were endorsed, and approval was granted to submit the Town Deal Project Confirmation Documents.

#### Business Case Development

- 4.13 At the Cabinet meeting in October 2021, it was outlined that each project was required to develop a Full Business Case which was subject to a second stage approval by government. Delegated approval was afforded to the Executive Director Place Services (in consultation with the Cabinet Member for Regeneration and Planning) for their development, supported by the approved utilisation of Towns Fund capacity resource.
- 4.14 Amion Consulting were engaged to provide independent oversight and challenge to the Business case development process and ensure that a consistent approach was maintained throughout the St Helens Town Investment Plan (TIP).
- 4.15 Accordingly, work has been undertaken by Project sponsors, with support from Amion as the expert consultants and Council officers in conjunction with the Town Deal Board, to prepare Full Business Cases for six of the projects detailed within the TIP.
- 4.16 A Steering Group was established with sponsor and project manager representation from each project. The Steering Group was chaired by the Director of Strategic Growth and had the objective to ensure timely progress was made, stakeholder input was recognised, local needs and aspirations were met, to help translate the TIP vision into specific plans, to identify ways of adding value and to monitor all change controls.
- 4.17 In addition, to the steering group there has been dedicated finance and legal officer support provided to the process. Business case moderation has taken place, supported by officers from finance, legal, procurement and regeneration to ensure Treasury guidance requirements were met. Officer recorded concerns and captured necessary amendments through an assurance process. Any issues of concern were escalated to the Town Deal Board.
- 4.18 As a further level of assurance, a second independent consultant from Amion has reviewed the business cases, reporting their positive findings to the Town Deal Board and Council accordingly.

- 4.19 The six (Tranche 1) project Full Business Cases (FBC's) were shared with the Town Deal Board at a meeting held on 17 June 2022 where progress was noted and submission to the Department of Levelling Up, Housing and Communities was delegated to the Town Deal Board Chair in consultation with the Executive Director of Place Services and the Executive Director of Corporate Services.
- 4.20 Cabinet approval is sought for the submission to government to meet the 12 months deadline, being 6 August 2022. The FBC's are provided at Appendix A of this report

#### Assurance Framework

- 4.21 The assurance process will be in line with Towns Funding Guidance and HM Treasury Green Book. The management, governance and strategic direction of the St Helens TIP will require ongoing oversight provided by the Town Deal Board. As the accountable body, St Helens Borough Council retains responsibility for the delivery of the programme.
- 4.22 An Assurance Framework sets out the governance and management responsibilities of the Town Deal Board, St Helens Borough Council as accountable body and the project sponsors and managers of the projects. This will form part of the Business Cases Summary Document submission, for which delegated authority to the Section 151 Officer is sought.

#### St Helens Towns Fund Tranche 1 Projects

- 4.23 **Glass Futures Phase 2** - delivery of a medical glass production facility adjacent to the existing Glass Futures site. Utilising £5.5m from the Towns Fund and leveraging circa £100 million private investment, the existing property will be subject to substantial modification to accommodate a manufacturing and packaging facility.
- 4.24 **Cannington Shaw No:7 Bottle Shop** – This Grade II listed scheduled monument is marked Category A on Historic England's 'Heritage at Risk Register'. The £1.28m Towns Fund project will comprise the delivery of essential works to stabilise the building, enabling works to allow access and services, sensitive repair and restoration works, and a programme of events and interpretive activity. These works will provide a foundation to enable Cannington Shaw Preservation Trust CIC to progress its future vision of fully restoring and re-opening the site over the longer term.
- 4.25 **Town Centre Living and Regeneration** – Integral to the long-term vision for the regeneration of St Helens town centre, this project involves the redevelopment of the existing Hardshaw Centre site to provide new commercial office space, a hotel, market hall and high-quality residential accommodation. Whilst investigations and design work are evolving, there is an aspiration to achieve net zero operational quality standard, with £7.24 million from the Towns Fund requested to support Phase 1, which will be delivered by English Cities Fund (ECF).
- 4.26 **Heritage World** – This project will re-imagine the galleries and displays at the World of Glass Museum so that it becomes a vibrant, family-friendly place with refreshed community spaces to engage with wider audiences. Using a circa £1 million allocation from the Towns Fund, the project seeks to improve quality of the visitor experience.

- 4.27 **Connected Places** – An overarching programme for the town centre which involves enhancements to key public transport nodes. £7 million from the Towns Fund will contribute towards new bus station delivery and public realm upgrades to St Helens Central station, creation of enhanced permeability, way-finding and public realm across the town centre, and provision of pedestrian and cycle connections traversing the ‘Concrete Collar’ of St Helens Linkway. Towns Fund support of £3.25 million is sought through the business case to support the connectivity improvements.
- 4.28 **Digital Infrastructure** – Creation of a local loop that connects into the LCR Backhaul Network and provides full-fibre broadband to homes and businesses borough-wide. The Towns Fund request for this project is £2.5 million, matched by £21 million from a digital infrastructure provider and £3 million from St Helens Council.

#### Town Deal Funding

- 4.29 Funding for the delivery of the St Helens Town Deal projects is subject to the Full Business Cases being formally approved by government, and related conditions have been satisfied. Understanding is that subject to approval from Cabinet via this report to the submission of Tranche 1 Full Business Cases, government will advise of the outcome towards the end of 2022.
- 4.30 It is important to note that Town Deal funding is not designed or intended to provide the full funding for project delivery, and guidance states that government would like to see co-funding and match funding where possible. As a minimum, evidence is required to demonstrate that towns have fully explored investment opportunities and sought to initiate discussions with potential investors as early as possible. Details of the Council’s match funding estimates are included below and with each Full Business Case.
- 4.31 A key component of the business case process is to assess a Treasury compliant ‘Value for Money Assessment’ for individual projects. To independently prepare the Full Business Cases, the Council appointed, Amion, an expert economic development consultancy to work with project leads. Over the past months, the consultancy team have assembled the information needed to plan out the projects and justify the investment so that work can begin.
- 4.32 In December 2021, government released 5% of the Town Deal grant to the Council to cover predevelopment costs in developing projects. In accordance with the approval at Cabinet at its meeting of 6 October 2021, project lead organisations have received this funding and it has been used to develop robust business cases.

#### Tranche 1 and Tranche 2 Full Business Cases

- 4.33 In agreement with the Town Deal Board, the development of business cases for Town Deal projects have been split into two tranches (set out in the tables below) to meet the prescribed government deadlines and ensure that all business cases present the strongest proposition.

Table 1: Tranche 1 Full Business Cases (submission deadline 5 August 2022)



<b>Business Case/Project</b>	<b>Project Lead Organisation</b>
Glass Futures 2 – Sina Medical Glass	Glass Futures
Cannington Shaw no. 7 Bottle Shop	Cannington Shaw Trust
Town Centre Regeneration and Living	English Cities Fund
Heritage World	The World of Glass
Connected Places	St Helens Council
Digital Infrastructure	St Helens Council

Table 2: Tranche 2 Full Business Cases (submission deadline 5 November 2022)

<b>Business Case/Project</b>	<b>Project Lead Organisation</b>
Healthy Communities Health Innovation Hub	St Helens Council
Healthy Communities Youth Zone	St Helens Council

- 4.34 The Council will provide government with a summary of the business cases and the review outcome for Tranche 1 projects by 5 August 2022 and the deadline for Tranche 2 projects is 5 November 2022.
- 4.35 An extension of three months was granted by government for the Healthy Communities projects due to difficulties experienced by the original lead organisation (Torus) in finding a viable site for a sports-based Healthy Communities Youth Zone and due to the demands placed on health and social care resources post-Covid. At its meeting of 17 March 2022, the Town Deal Board approved the substitution of the Youth Zone with a culture-led project in the Gamble building, for which a Full Business Case is now under development.
- 4.36 Appendix A to this report sets out the Business Case for Tranche 1 projects. This information is exempt from publication on the grounds that they involve the disclosure of exempt information as defined by paragraph 3 of Part I of Schedule 12A (as amended) to the Local Government Act 1972. The public interest test has been applied and supports exclusion of this information.
- 4.37 In addition to the Council's S151 officer approval, government also requires that the business cases be approved by the Town Deal Board. The Town Deal Board **at its meeting of 17 June 2022 noted the progress made in drafting the business cases and delegated the submission to the Department of Levelling Up, Housing and Communities to the Town Deal Board Chair in consultation with the Executive Director of Place Services and the Executive Director of Corporate Services.**

## Next Steps

- 4.38 Subject to approval of the recommendations of this report, a summary document setting out the outcome of the business case will be provided to government for its review and approval, noting that they have not requested to see the Full Business Cases but have reserved the right to call them in should any concerns exist.
- 4.36 If approved by government the remaining 95% of funds will be released and in readiness for funding for the first tranche of projects being received in December 2022, the Director of Legal and Governance will prepare the relevant grant funding agreements for project lead organisations. This will also involve due diligence checks on the beneficiary organisations, and confirmation that the Council is content that the beneficiaries, and the grant they are to receive, complies with the requirements of subsidy control.
- 4.37 If approved the Town Deal projects will be delivered in a phased manner by each of the relevant lead organisations, extending to 2025/2026 at which point all projects will be complete and funding incurred.

## **5. Consideration of Alternatives**

- 5.1 Alternatives have been considered by the Town Deal Board as part of the project distillation process undertaken in 2020. Over 100 project ideas were put forward by the Town Deal Board initially, streamlined down to 22 that were assessed for delivery capabilities. This resulted in a shortlist of 14 deliverable projects that were prioritised by the Town Deal Board to six projects submitted in the Town Investment Plan.
- 5.2 The six projects outlined in the Town Investment Plan have received first stage approval by government, with an indicative allocation of £25 million and the Council and Town Deal Board requested to produce Full Business Cases. It is to be noted that two of the projects are linked projects, making a total of eight projects in all.
- 5.3 Within each Full Business Case there has been consideration of alternative approaches and scenarios have been evaluated. This includes a 'do nothing' approach, a maximum investment and minimum investment, and in some cases alternative designs or ways of achieving the required objectives. Within each Full Business Case there is a clear justification for the preferred option.

## **6. Conclusions**

- 6.1 The Towns Fund investment is key to securing transformational change for St Helens and to support the council's sustainable growth ambitions as outlined in the Borough Strategy.
- 6.2 In accordance with the Investment Plan, all the St Helens Town Deal projects are aligned with the nationally and globally significant Glass Futures projects which will create the UK's first medical glass research and development centre of excellence in St Helens, a town and borough which is renowned for its heritage and innovation in glassmaking. Such an ambitious project not only requires investment into the facility itself, but also needs to be complemented by the necessary investment into the regeneration and transformation of the town centre, including new high-quality

housing, amenities, transport and digital infrastructure to be able to maximise its impact and benefit the people of St Helens.

- 6.3 The projects included in the St Helens Town Investment Plan submission have been subjected to high levels of scrutiny and challenge, including at the Town Deal Board and through government's first stage approval process.
- 6.4 Following submission of the Project Confirmation Documents in October 2021, the Council and Town Deal Board are required to submit Full Business Cases for each of the eight projects as required by government within a 12-month period (unless an extension has otherwise been granted, as is the case for the two Healthy Communities projects). Funding for delivery will only be received once the Full Business Cases have been approved by government and when any related conditions have been satisfied.
- 6.5 Appendix A to this report provides further details for each of the Tranche 1 Full Business Cases, including details of match funding. The Town Deal Board at its meeting of 17 June 2022 noted the progress made in drafting the business cases and delegated the submission to the Department of Levelling Up, Housing and Communities to the Town Deal Board Chair in consultation with the Executive Director of Place Services and the Executive Director of Corporate Services.
- 6.6 This report seeks approval from Cabinet for the submission of the Full Business Cases together with a proposed delegation of authority to the Section 151 Officer pursuant to submission of a Final Business Case Summary Document.

## **7. Legal Implications**

- 7.1 Under Section 31 of the Local Government Act 2003, a Minister of the Crown may pay a grant to a local authority in England towards expenditure incurred or to be incurred by it. The amount of a grant under this section and the manner of its payment and any conditions attached are to be such as the Minister may determine. If approved, the Council will receive the funds as a Section 31 Grant. Government will also provide a change control process to advise what amendments can be made within the programme.
- 7.2 Following approval of Full Business Cases and the release of funds from government, the Council will enter into a grant funding agreement with project leads. Funding agreements will secure governance arrangements that will need to be in place to ensure the Council meets its ongoing responsibility for the delivery of the programme, and profile the timing of cashflows to projects.
- 7.3 The onward flow of funds will need to comply with the new regime applicable to state subsidy and project proposers will be responsible for ensuring that they comply with state subsidy control's obligations. Any offer of financial assistance to project proposers will be subject to the subsidy control regime which, as of 1 January 2021, replaced the previous 'EU State Aid Rules'. Subsidies awarded must satisfy 6 core principles, referred to as the "General Principles" which are to be found in Article 3 of the UK-EU Trade and Cooperation Agreement (TCA). These core principles bear considerable resemblance to the sort of considerations already tested in EU State Aid block exemptions. The new UK Subsidy Control regime is certainly no more restrictive than the former EU law framework.

7.4 For all the projects consideration has been given to the 7 overarching subsidy control principles which are that the subsidy:

- pursues a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns (“the objective”).
- is proportionate and limited to what is necessary to achieve the objective.
- is designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of the subsidy being provided.
- should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.
- is an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.
- has positive contributions to achieving the objective which outweigh any negative effects, in particular the material effect on trade or investment between the UK and the EU.
- the benefits of the subsidy are greater than the harmful impacts of providing the subsidy.

7.5 For each of the projects, various scenarios have been examined as part of the Full Business Case and the subsidy is limited to the amount that provides best value for money for the public investment. The options analysis and the resultant SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis rated against key criteria including value for money and affordability demonstrates that the proposals put forward are the preferred options and will bring maximum benefit for the minimum investment made. The subsidy in all cases is proportionate and limited to what is necessary to achieve project and policy level objectives. Without the intervention this facility would not be provided by the open market and there would be no improvement to the local economy. The subsidy route chosen is the only policy instrument available, in the circumstances.

7.6 The projects will either be subsidy control compliant on the basis of: 1) the flow through principle, with the subsidy distributed by the grant recipient across a number of beneficiaries so that the exemption of ‘small amounts of financial assistance’ (Article 364 of the Trade and Co-operation Agreement) of less than £325,000 ‘special drawing rights’ (which is an IMF unit) and equivalent to £341,707 as at 1 April 2022 (as the value can change on a daily basis) per beneficiary over 3 fiscal years will apply, or 2) comply with the above 7 subsidy control principles.

7.7 The Lead Organisations which will be in receipt of subsidies have been asked to obtain independent legal advice confirming that the projects are subsidy compliant and that they understand the risks of any potential challenge.

## **8. Community Impact Assessment (CIA) Implications**

- 8.1 The Full Business Case submissions provide an opportunity to support the transformational change of St Helens town centre and accelerate the delivery of the ambitions outlined in the recently adopted St Helens Masterplan Development Framework. This will generate physical regeneration benefits on the ground but also have wide reaching positive impacts for the local community, businesses, visitors, and occupiers in the town over years to come. Such benefits include driving economic growth and job creation, enhanced public realm, providing a more sustainable town centre – adapted to climate change, with less reliance on the private car, increasing the visitor economy, celebration of the borough’s unique cultural and heritage assets, positively changing perceptions of our town centre (and the wider borough) and attracting future inward investment.
- 8.2 A full Community Impact Assessment has been completed as part of the submission preparations.

## **9. Social Value**

- 9.1 The recent publication of the new HM Treasury Green Book guidance and the Government's Social Value in Procurement Policy note signals an increasing focus on the wider strategic benefit of public investment. Further work on social value will also continue as a part of the Council’s emerging social value strategy.
- 9.2 The Full Business Cases appended to this report seek to secure positive social value outcomes from the various components. The projects set out within the TIP present an opportunity for the Council to enact its social value principles including supporting local people into employment, local procurement and spend in the local economy.

## **10. Sustainability and Environment**

- 10.1 Government guidance on Towns Fund sets out that proposals must be guided by sustainability – economic, environmental, and social. The Government has committed to a legally binding target to achieve net zero greenhouse gas emissions by 2050; clean growth represents a huge opportunity for the UK economy and is a core principle of the Towns Fund. The current situation creates an opportunity to speed up the process of restructuring our industry, commerce, and communities towards a greener future. As the projects are developing, they further support the government’s ambitions for clean growth.
- 10.2 Sustainability and environment are key elements of the TIP submission criteria and have been a key consideration in the development of each Full Business Case. If successfully funded, the projects set out within the TIP and the appended Full Business Cases will deliver physical regeneration benefits through the repurposing and fabric improvements of valuable heritage building assets alongside the provision of improvements that will provide a more sustainable town centre, helping it adapt to the impact of climate change in recognition of the Council’s declared climate emergency, aiming to minimise and mitigate carbon emissions at all stages in the process.

## **11. Health and Wellbeing**

- 11.1 Improving health and wellbeing outcomes is a key focus of the proposed Town Deal projects. In particular, the proposed Healthy Communities Tranche 2 projects

(including the Health Innovation Hub and the Youth Zone at the Gamble Building) will facilitate a range of services that will contribute to health and wellbeing. This will be complemented by high quality public realm enhancements in the town centre. Further opportunities to incorporate positive health and wellbeing outcomes will be developed subject to approval of funding.

## **12. Equality and Human Rights**

12.1 There are no adverse equality or human rights issues arising from the submission of the Full Business Cases, and positive implications will be secured through delivery of the proposed Town Deal projects. Public sector equalities duty analysis on the impact of the TIP forms a requirement of the agreed 'Heads of Terms' and will be duly conducted as part of future stages of the Town Deal process.

## **13. Customer and Resident**

13.1 The projects set out within the TIP will directly benefit both the customers and residents of St Helens town centre and the wider borough. The projects included in the TIP are reflective of stakeholder views in relation to improving the town centre.

13.2 As a part of the development of the Full Business Cases, resident and customer engagement has been conducted to ensure that communities are fully engaged in the detailed components and delivery of the projects. Most recently, extensive and positive stakeholder engagement has taken place during the six-week consultation in November / December 2021 on the 'St Helens Town Centre Masterplan Development Framework'.

## **14. Asset and Property**

14.1 Several, Town Deal projects involve assets and property that are in Council ownership. It is important that the implications are understood given the Council's role as the accountable body and all implications have been assessed as part of the development of Full Business Cases for each approved project.

14.2 For those Town Deal projects that involve assets that are not in Council ownership, the lead organisations for those projects have similarly set out the implications in their respective Full Business Cases.

## **15. Staffing and Human Resources**

15.1 Continued input will be required from officers across the Council including wider Finance, Legal and Place Services colleagues to further develop projects and monitor outcomes from the Towns Fund initiatives. The 1% (£250,000) allocation for programme management costs will be used to cover appropriate costs of officers across the Council, where they are providing direct support to the Town Deal programme and for the appointment of a fixed term post, to facilitate project development and monitoring.

15.2 To ensure successful delivery of the TIP, a Cabinet report was submitted in October 2021 which sought Cabinet approval for the creation of a 'Growth Delivering Prosperity' (GDP) Team within Place Services. The report set out the need for adequate staffing resources required due to the number of projects, their complexity, the number of stakeholders involved, and the timescales for the submission of the Full

Business Cases. The report was approved by Cabinet and since that time a significant number of posts within the GDP team have been filled through a mix of internal and external appointments. Staff resources within the GDP team will continue to support the Town Deal programme.

## **16. Risks**

- 16.1 Consideration has been given to risks and steps have been put in place to mitigate the risk level. Government has set two deadline dates for the submission of approved business cases. If a business case is not completed by 5 August 2022 (Tranche 1) or 5 November 2022 (Tranche 2), the Council would be in breach of its agreement, and the funding will no longer be available.
- 16.2 Failure to approve the Full Business Cases will result in loss of funding making the TIP undeliverable and meaning that the ability to deliver on many of the council's regeneration ambitions for St Helens would be lost.
- 16.3 Town Deal funding is not intended to provide the full funding for project delivery and in some cases project delivery is subject to securing match funding. There is a significant risk should match funding not be secured, and this will jeopardise delivery and put the funding allocation at risk. Early securing of match funding will significantly mitigate this risk. However, should elements of match funding fail to be secured, officers would engage with Government to seek a redistribution of funding across the remaining projects. This would require Government approval as would any other significant changes to the financial model that have been included within the business case submissions.
- 16.4 Risk assessments have been undertaken for the projects and the results are reflected in the Full Business Cases. Risk workshops have helped to mitigate risks where they can be identified and dynamic risk assessments will be undertaken for all the projects as they continue to be developed through to delivery.
- 16.5 Risk management is an essential element of ongoing review and project management. Continual reviews of the business cases and project viability to ensure they remain sound will be made throughout the lifetime of the projects. This will be managed by appropriate controls and assurance steps.

## **17. Finance**

- 17.1 Government has allocated an additional capacity fund to cover costs such as the development of the Full Business Cases. The consultant appointed to undertake this activity has been appointed using this funding and has not impacted on Council resources. In addition, 1% of the total grant (£250,000) has been allocated for programme management and monitoring costs. This funding will be used to cover existing staff costs and for the appointment of a fixed term post to facilitate project development and monitoring.
- 17.2 As referenced in section 4.27, It is important to note that Town Deal funding is not designed or intended to provide the full funding for project delivery and in every case each approved project will be subject to a match funding requirement, from sources that are applicable to the type of approved project.

17.3 The following table sets out the Town Deal funding for each scheme and the indicative level of match funding required from a variety of sources including:

<b>Business Case / Project</b>	<b>Town Deal Funding £m</b>	<b>Match Funding £m</b>
Glass Futures 2 – Sina Medical Glass	£5.500	£86.320
Cannington Shaw	£1.278	N/A
Town Centre Regeneration and Living	£7.240	£75.000
Heritage World - The World of Glass	£0.890	N/A
Connected Places	£3.000	£7.700
Digital Infrastructure	£2.500	£24.000
Healthy Communities - Health Innovation Hub	Circa £1.500	TBC
Healthy Communities - Youth Zone	Circa £1.500	TBC
<b>Total</b>	<b>£23.408*</b>	<b>£193.020*</b>

\*Note that the Healthy Communities figures are approximate at this stage due to being Tranche 2 submissions which may affect the overall totals

17.4 Tranche 1 includes full business case submissions for £20.408m of Town deal funding this will lever in an additional £193.02m of additional private and public funding to the Town and Borough.

17.5 Over the two tranches, Full Business Cases will be submitted to government to approve the Town Deal funding of £23.75 million (£25 million grant less the up-front 5% capacity funding). However, if future approval is not received for elements of match funding, the potential redistribution of funding across schemes may need to be discussed with government. This may also be the case if other issues arise, including a significant change to the financial model included within any of the business cases or to the timing of projects.

17.6 Subject to government approval of the Business Case Summary Document for the Town Deal, the council will enter into a grant funding agreement with project leads, which will include the forecast budget profile. To provide ongoing assurance about projects, financial monitoring will be undertaken against each project, with update reports provided to the Town Deal Board on a regular basis to report on forecast expenditure and flagging up any issues, as necessary.

## **18. Policy Framework Implications**

18.1 The recommendations in this report fully accord with the Council's Policy Framework, having strong alignment with several priorities of the St Helens Borough Strategy 2021-30. The projects outlined in the TIP will support the delivery of the Council's



'Economic Reset & Recovery Plan' adopted in 2021, the 'St Helens Masterplan Development Framework' adopted in February 2022, as well as supporting the delivery of the emerging 'Inclusive Growth Strategy' and the recently adopted Housing strategy.

## **19. Impact and Opportunities on Localities**

19.1 The Towns Fund projects will support the aspirations outlined within the 'Masterplan Development Framework' for St Helens town centre. This provides a positive impact opportunity from a locality's perspective, with the proposals identifying development of the existing council assets for community use that could facilitate suitable integration of community services.

## **20. Background Documents**

20.1 St Helens Town Investment Plan

20.2 St Helens Town Deal – Update and Project Confirmation Documents (Cabinet, 8 October 2021)

20.3 St Helens Town Centre Masterplan Development Framework (Cabinet, 2 February 2022)

20.4 St Helens Borough Strategy 2021-2030

20.5 St Helens Economic Reset and Recovery Plan 2021/2022

## **21. Appendices**

21.1 Appendix A1 - Glass Futures Phase 2 – Full Business Case (EXEMPT)

21.2 Appendix A2 - Cannington Shaw No. 7 Bottle Shop – Full Business Case (EXEMPT)

21.3 Appendix A3 - Town Centre Living & Regeneration – Full Business Case (EXEMPT)

21.4 Appendix A4 - Heritage World - The World of Glass– Full Business Case (EXEMPT)

21.5 Appendix A5 - Connected Places – Full Business Case (EXEMPT)

21.6 Appendix A6 - Digital Infrastructure – Full Business Case (EXEMPT)