

## EXECUTIVE 18<sup>th</sup> November 2021

<b>Report Title</b>	<b>Corby Town Investment Plan – Programme of Projects</b>
<b>Report Author</b>	George Candler, Executive Director for Place and Economy
<b>Executive Member</b>	Cllr David Brackenbury, Executive Member for Growth and Regeneration

<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974</b>	

### List of Appendices

#### Appendix A - Business Case – Programme of Projects

#### **1. Purpose of Report**

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- 1.1 To consider and approve the advance of 5% (£995,000 approx.) of the Corby Town Deal award of £19.9m to the Capital Programme which will shortly be released to all towns within the Town Fund. These funds being made available by the Department of Levelling Up, Communities and Housing (DLUHC, formally known as Ministry of Housing, Communities and Local Government [MHCLG]) to all towns within the Town Fund.

#### **2. Executive Summary**

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- 2.1 North Northamptonshire Council was awarded £19.9m for four projects detailed within Corby's Town Investment Plan (TIP) from the Town Fund.
- 2.2 On 22<sup>nd</sup> June 2021, Executive considered the Heads of Terms relating to the Town Fund and agreed *'That authority be delegated to the Leader and Portfolio holder for Growth and Regeneration in consultation with the Chief Executive and*

*Executive Director of Place and Economy to approve and sign Heads of Terms in connection with Corby's Town Fund from MHCLG*<sup>1</sup>. These were subsequently agreed and submitted to MHCLG in June 2021.

- 2.3 Following the submission of the signed Heads of Terms, DLUHC confirmed that they will be automatically releasing a payment of 5% of the approved funding. This is to enable development of the business cases for the four projects and to fund the initial stages of their progress.
- 2.4 Each of the business cases must follow the guidelines set by government through "The Green Book 2020"<sup>1</sup>. The deadline for all business cases and a summary document to be submitted to DLUHC is June 2022.
- 2.5 Further design work and feasibility studies are required to progress these projects and to inform the business cases. Should any of these projects prove to be unviable through the business case development, this 5% is not subject to clawback.

### **3. Recommendations**

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- 3.1 It is recommended that the Executive:
  - a) Approve the early release of 5% (£995,000 approx.) of the Town Fund award to the Capital Programme in order to fund the design work, feasibility studies and business case development (including accurate financial projections for each project, mainly the Link Road and the Multi-use Building)
- 3.2 Reason for Recommendations:-
  - This funding will support and inform the development of business cases to the standard set by government in order to allow progression to the next stage of the process.
  - Should any of these projects prove to be unviable through the business case development, this 5% is not subject to clawback.

### **4. Report Background**

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- 4.1 In September 2019, the DULHC (formally MHCLG) announced 101 towns who were eligible to bid for up to £25m through the Towns Fund. The objective of the Towns Fund is to drive the economic regeneration of towns for long-term economic and productivity growth. This two-stage process was approved by Corby Borough Council's (CBC) One Corby Policy Committee in December 2019 (stage 1) and January 2021 (stage 2) to:

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<sup>1</sup> The Green Book: appraisal and evaluation in central government - HM Treasury guidance on how to appraise and evaluate policies, projects, and programmes - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/938046/The\\_Green\\_Book\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938046/The_Green_Book_2020.pdf)

- 1) Establish a Town Investment Plan for Corby - by the formation of the Town Deal Board and to produce a Town Investment Plan (TIP).
  - 2) Use the TIP to bid for Town Deal funding – bid for £25m for the four projects selected by the Town Deal Board.
- 4.2 On 8<sup>th</sup> June 2021, government confirmed that the Corby Town Deal had been successful in securing £19.9m.
- 4.3 Executive, on 22<sup>nd</sup> June 2021, agreed to delegate authority to the Leader and Portfolio holder for Growth and Regeneration, in consultation with the Chief Executive and Executive Director of Place and Economy, to approve and sign Heads of Terms in connection with Corby's Town Fund from DLUHC. Following this, the Heads of Term were reviewed and signed by the Leader and Portfolio holder for Growth and Regeneration, the Chair of the Town Deal Board and North Northamptonshire Council's (NNC's) Section 151 Officer.
- 4.4 Following the submission of the signed Heads of Terms on 29<sup>th</sup> June 2021, DLUHC confirmed that they will automatically release a payment of 5% of the approved £19.9m funding, which is approximately £995,000, to allow the development of the business cases and the initial progression of these projects.
- 4.5 An Options Appraisal paper was taken to the Town Deal Board on 6<sup>th</sup> August 2021 to approve the relocation, phasing and scaling back of the projects to bridge the £5.1m funding gap between the bid amount of £25m and the awarded fund amount of £19.9m.

## **5. Issues and Choices**

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- 5.1 The project priority within the financial envelope of £19.9m was considered by and agreed with the Town Deal Board and submitted to DLUHC for approval in August 2021, which was required as part of the conditions of the grant. The Council is currently waiting for any feedback.
- 5.2 Each of the projects now needs to be progressed through the development of a full business case. This entails full business case analysis based on the Green Book appraisal method set by government. The sixth form college project has been appointed a priority by the Board and will be progressed through the Bedford College Group. The Smart and Connected Corby due to the projects size and cost of the project, it is expected to progress at a faster rate than the remaining two projects.
- 5.3 The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes, and projects. It confirms that compliant business cases require clear and robust evidence of how each proposed investment has been fully option assessed and will deliver quantifiable and measurable economic, social, and environmental benefits. Such as feasibility studies and design works which are needed to progress and complete the Business case to the correct standard needed. The Green Book identifies "cases" that any business case must address satisfactorily:
- strategic;
  - economic;

- financial;
- commercial;
- management justification for public investment.

5.4 It is anticipated that development of business cases which are sufficiently robust to satisfy the requirements of DLUHC could take up to the deadline to be completed – that is June 2022. However, shovel-ready projects can be expedited, such as the Sixth Form Centre (many of the figures have been projected and finalised due to The Bedford College Group having previous experience in delivering this type of project elsewhere) and Connected Corby (this is the smallest project in this programme of projects). They are expected to have their Business Cases complete before this final deadline. Please see **Appendix A - Business Case – Programme of Projects**.

## **6. Implications (including financial implications)**

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### **6.1 Resources and Financial**

6.1.1 On 8<sup>th</sup> June 2021, government confirmed that the Corby Town Deal had been successful in securing £19.9m. Corby TIP proposed a range of projects as part of its submission to government. These included:

- Developing the Sixth Form Centre at Chisholm House - £9.5m
- Delivering Market Walk East - £1.5m
- Implementing the Corby Town Centre to Station Link (via Oakley Road) - £8.59m (plus not included in this total £0.8m S106)
- Delivering a Smart and Connected Corby - £0.31m

6.1.2 On 22<sup>nd</sup> June 2021, Executive considered the Heads of Terms relating to the Town Fund and agreed *'That authority be delegated to the Leader and Portfolio holder for Growth and Regeneration in consultation with the Chief Executive and Executive Director of Place and Economy to approve and sign Heads of Terms in connection with Corby's Town Fund from MHCLG'*. These were subsequently agreed and submitted to MHCLG in June 2021. As a result of this, government will automatically allocate the initial 5% of the £19.9m funding allocation to the Council, which is expected to be received shortly.

6.1.3 The Town Deal Board prioritised the four projects within the funding £19.9m envelope and presented this to DLUHC for approval. Feedback on the proposal is awaited from DLUHC.

6.1.4 Further reports will be brought back to the Executive as this process is progressed and the business cases for each of the projects are developed.

### **6.2 Legal**

6.2.1 The subsequent Heads of Terms will, through grant agreement, contractually oblige the Council and partners to deliver projects in Corby. Legal advice will be sought on the content.

### **6.3 Procurement**

6.3.1 The council's procurement rules will be followed under the guidance and support of the Procurement Team at NNC via the Working Group.

### **6.4 Risk**

6.4.1 Failure to meet project deadlines, missing out on other potential funding opportunities that could enable the scaling-up of some projects, in particular supporting Corby's growth ambitions. This will be mitigated via external project support.

6.4.2 Overspend on projects, mitigated via contingency amounts built into the Towns Fund costings and programme delivery structure as detailed in the TIP.

6.4.3 Full business case analysis may prove projects are not financially viable. This has been mitigated by carrying out initial feasibility studies on the projects and working with partners on delivery options.

6.4.4 Should any of these projects prove to be unviable through the Business Case development, this 5% due to be released is not subject to clawback.

6.4.5 This proportion of the fund will come out of the total award of £19.9m therefore the more of the 5% that is used to fund business cases, the smaller the remaining fund to deliver the projects. This is being mitigated by fully utilising remaining capacity fund (this was awarded to Corby Borough Council for the development of the Town Fund Investment Plan and for Business case development) of approx. £110,000 for works to fund such as feasibility, design, or consultants where possible.

### **6.5 Consultation**

6.5.1 The Town Fund involved a range of engagement with Corby residents through various platforms from the dedicated website to telephone market research. Engagement was ongoing with various stakeholders in the form of the Town Deal Board Members, Business and Community Groups. All of which were gathered solely for the Town Fund and to align with the engagement required by DLUHC's guidance. Consultation was also sought with DLUHC including the Town Fund Delivery partners (consultants set by central government to advise) at key stages.

6.5.2 A working group has been set up to support the Town Deal Board with representatives from:

- Legal
- Finance
- Procurement
- Highways
- Communications
- Planning
- Community

## **6.6 Consideration by Scrutiny**

6.6.1 As the project and work progresses there will be opportunities for scrutiny to look at and scrutinise this important regeneration project for Corby.

## **6.7 Climate Impact**

6.7.1 All projects will seek to minimise climate/environmental impact.

- The sixth form college will strive to change the carbon footprint of this building from a typical unused older building to a carbon neutral/negative run property.
- Oakley Road to the town centre project will change this road from a car orientated road to an area which is pedestrian and cyclist friendly and therefore promotes sustainable forms of transport and active travel.
- Multi-use building is in the early stages but will also strive to achieve as high a standard of energy efficiency / low carbon footprint as possible similar to the college project.
- Connected Corby will give invaluable data on traffic, cyclist use and pedestrian use. This information will help to inform future decisions on our road infrastructure to encourage sustainable travel.

## **6.8 Community Impact**

6.8.1 In the projects selected for the TIP, the Council has prioritised the interventions which will potentially drive the sustainable economic regeneration of the area for long-term economic and productivity growth which meets local need, have local support, and aligns with the criteria set out in the Town Fund guidance.

## **6.9 Equalities Impact**

6.9.1 Equality Impact Assessments will be undertaken as part of the community engagement element of the projects.

## **7 Background Papers**

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7.1 Towns Fund Prospectus  
<https://www.gov.uk/government/publications/townsfund-prospectus>

7.2 Towns Fund Further Guidance  
<https://www.gov.uk/government/publications/towns-fund-further-guidance>