



Growth & Development Programme

Regeneration & Neighbourhoods

Overview & Scrutiny Committee 27 January 2016

CAPITA

January 2016 : R&N OSC

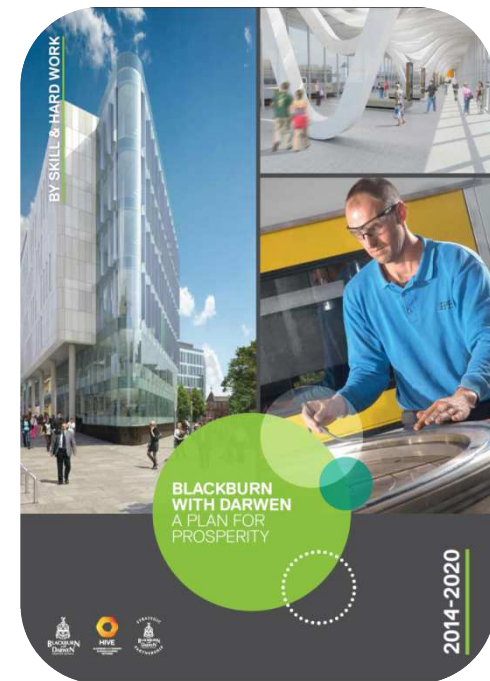
Presentation Areas

- Our Ambitions for Growth
- Changing Perceptions
- 'Policy-on' Growth Scenario
- Priorities for Growth – Housing, Commercial, Town Centres
- Developing the Pipeline of Projects
- Project Prioritisation
- Programme Governance
- Projecting the Financial Benefits Profile

The Borough's Growth Ambitions...

"Together we are committed to delivering a more prosperous Borough by skill and hard work"

- **Our Plan for Prosperity**
- Road map for **growth to 2020**
- Builds on **£400m+ investment** in recent years
- **Key prosperity themes of:**
 - ✓ Infrastructure, housing and town centres
 - ✓ Business investment and innovation
 - ✓ Employability
 - ✓ Quality of life
 - ✓ Image and marketing



What we will Achieve...

“A prosperous borough where residents are in employment, education or training, and where businesses create innovative products for local and international markets”

- **Prosperity for businesses**
more competitive, higher value
- **Prosperity for residents**
better life prospects
- **Prosperity for the public sector**
achieving more with less dependency



Mixed Messages . . .



**Blackburn has been named
the best place in Britain
to make a living !**

TotallyMoney.com

**Blackburn has been named
as second bottom of 63
cities in the low wage/high
welfare economy**

Centre for Cities, 2016

Changing Perceptions...

Thriving Town Centres

...in 2011 Blackburn town centre shopping centre was refurbished and extended by over 100,000 sq.ft resulting in a 14% footfall increase

Increasing Visitor Numbers

...from 2012 to 2013 our visitor numbers grew from 3.72m to 3.99m generating £155m pa (v £142m) and supporting 2,195 jobs (v 2,037)

Growing Population

...as of 2011 our population was 147,500, a 5% increase from 2010. By 2026 it is projected to increase by 22,000 according to housing growth forecasts

Raising Standards

...in 2015 58% of our students achieving 5 A*-C including English and Maths which is 4% increase on 2014

Changing face of Blackburn Town Centre...

- **£25m Cathedral Quarter** completed incorporating 32,000 sq.ft Grade A offices with leisure/retail units
- **New Cathedral Court** – offices, library, apartments, townhouses & a public refectory for the Cathedral
- 60 bed **Premier Inn hotel** & parking
- **£65m investment in Blackburn College** with new student village and main teaching buildings



Improving Transport capacity, efficiency & resilience...

- **Pennine Reach** – new £40m major transport scheme with DfT support
- Investment in new transport infrastructure - **Blackburn bus station**
- £10m investment in **LED street lighting**
- New highways opening up employment sites for prime development
- Commencing work with new **Freckleton Street link Road** completing the Town Centre orbital link with the Wainwright Bridge

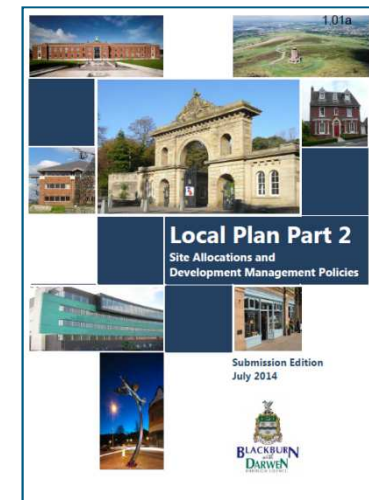
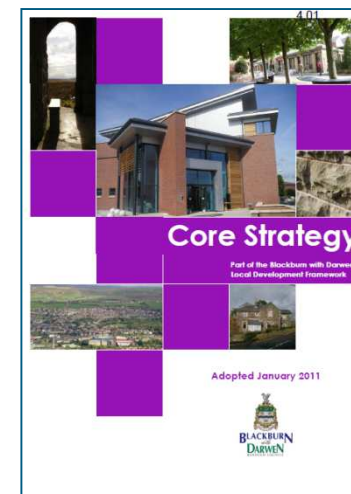


Promoting Growth in the Borough...

- **Council incentive to grow tax base** - improving financial self-dependency
- **Creating jobs**, attracting and retaining **skills**, and strengthening the Borough's position in Lancashire and the wider region
- **Adopting a new Local Plan** - identifying additional employment and housing site to drive development
- **Focus on family housing** - releasing green field sites to accommodate quality modern housing developments
- **Opportunity for step change in delivery** - following modest levels of housing completions
- **Political accountability** - new Growth Board set up with support from the Leader of the Council, Exec Members and the Senior Officer Team

Housing Growth – Key Priorities

- Priority to increase the supply of good quality housing, including suitable family housing of **3 and 4 bed homes**
- Release of **urban extension** sites and former **Green Belt** sites will drive strategy
- **Stretching delivery targets** with Local Plan identifying land for 9,400 net new homes by 2026
- **Step change** in housing completions forecast to rise from 300 (est 15/16) to circa 730 per year



Industry Growth – Key Priorities

- GVA in the borough was £2.4bn in 2013 (£16,378 per head) - between 2009 and 2013 **increased by 9.2%**, higher than the North West rate of 6.3%
- Our focus to support growing businesses by bringing **sites forward** for expansion opportunities and **supporting RPL** in identifying strategic sites for inward investment
- Local Plan identifies additional **41 Ha of employment land** with additional 25 Ha identified to replace land lost to housing
- Employment focus on B1, B2 and B8 commercial use classes



**United
Technologies**

Building & Industrial Systems



Town Centres Growth – Key Priorities

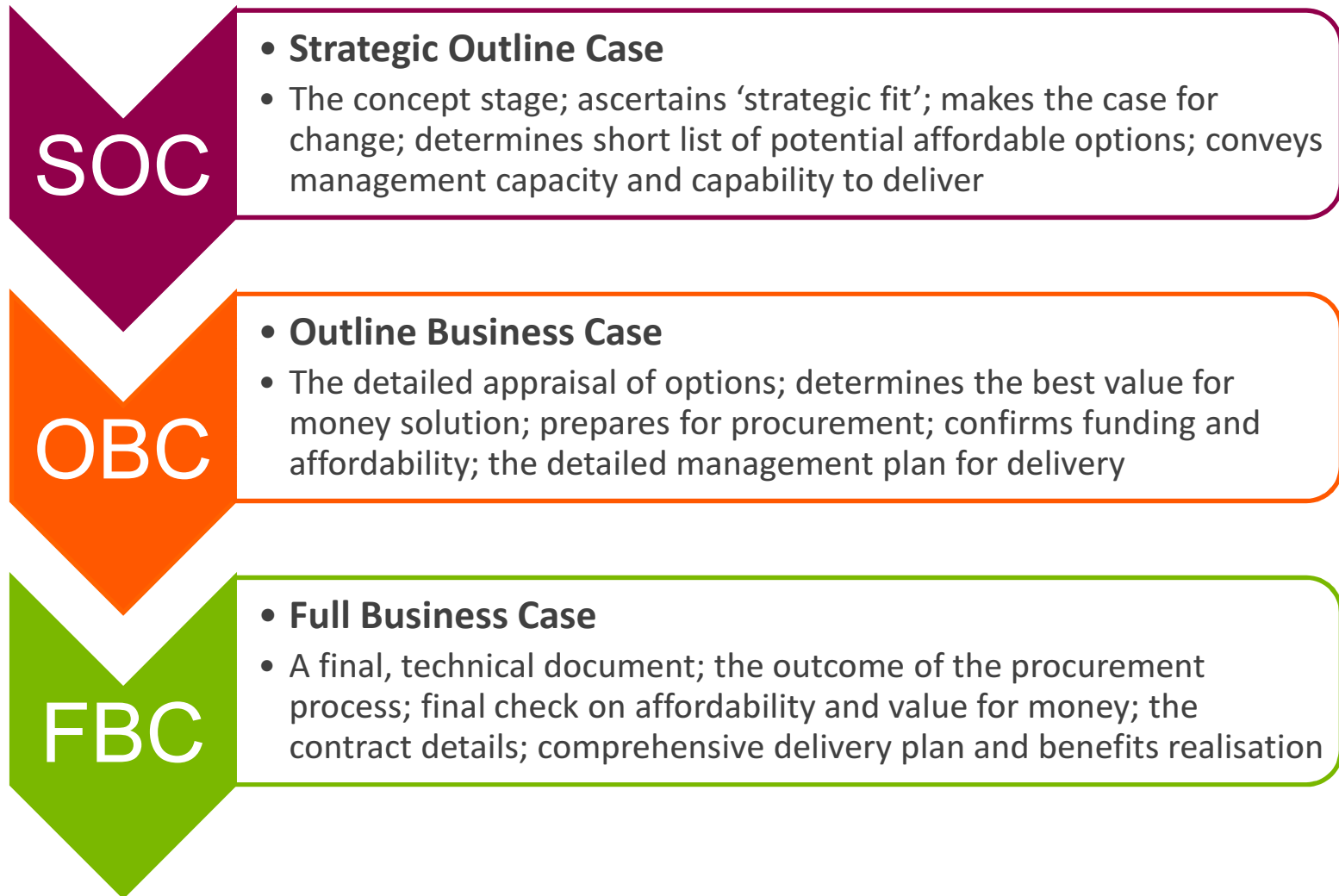
- Working within strategic framework of
 - ✓ Town Centre Strategy
 - ✓ Gateways Improvement Plan
 - ✓ Town Centre Movement Strategy
 - ✓ Place & Inward Investment Marketing
- **Key projects on site** include the Cathedral Quarter and the new Blackburn bus station
- Strategic projects for Blackburn Town Centre include the **former Markets site** and the soon to be vacant **Thwaites site**
- **Increasing the evening economy** remains a key strategic priority for the Town Centre



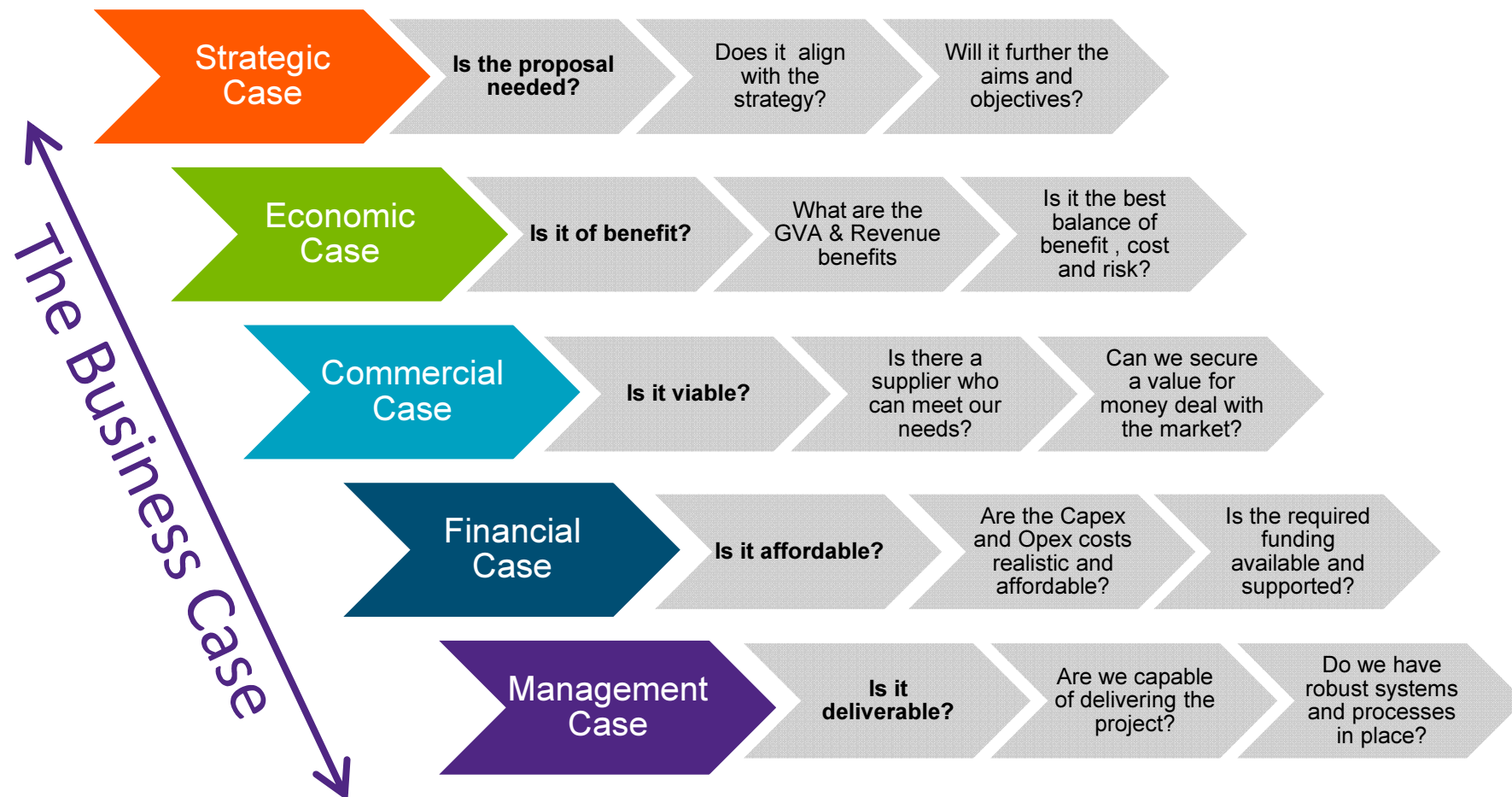
Developing our 'Pipeline of Projects'

- 'Business Case' approach to developing projects
- Approach adopts LEP's 'Logic Model' and provides transparency to decision making
- Iterative approach through a **3 stage business case** process
- **Gateway reviews** will provide programme challenge and review
- Bespoke process developed for **prioritising projects** will help provide reasoning and balance to priorities
- Prioritisation will focus on **Council and LEP priorities** with emphasis on deliverability and timescales to ensure payback on investment
- **Prioritising key infrastructure projects** will underpin growth programme

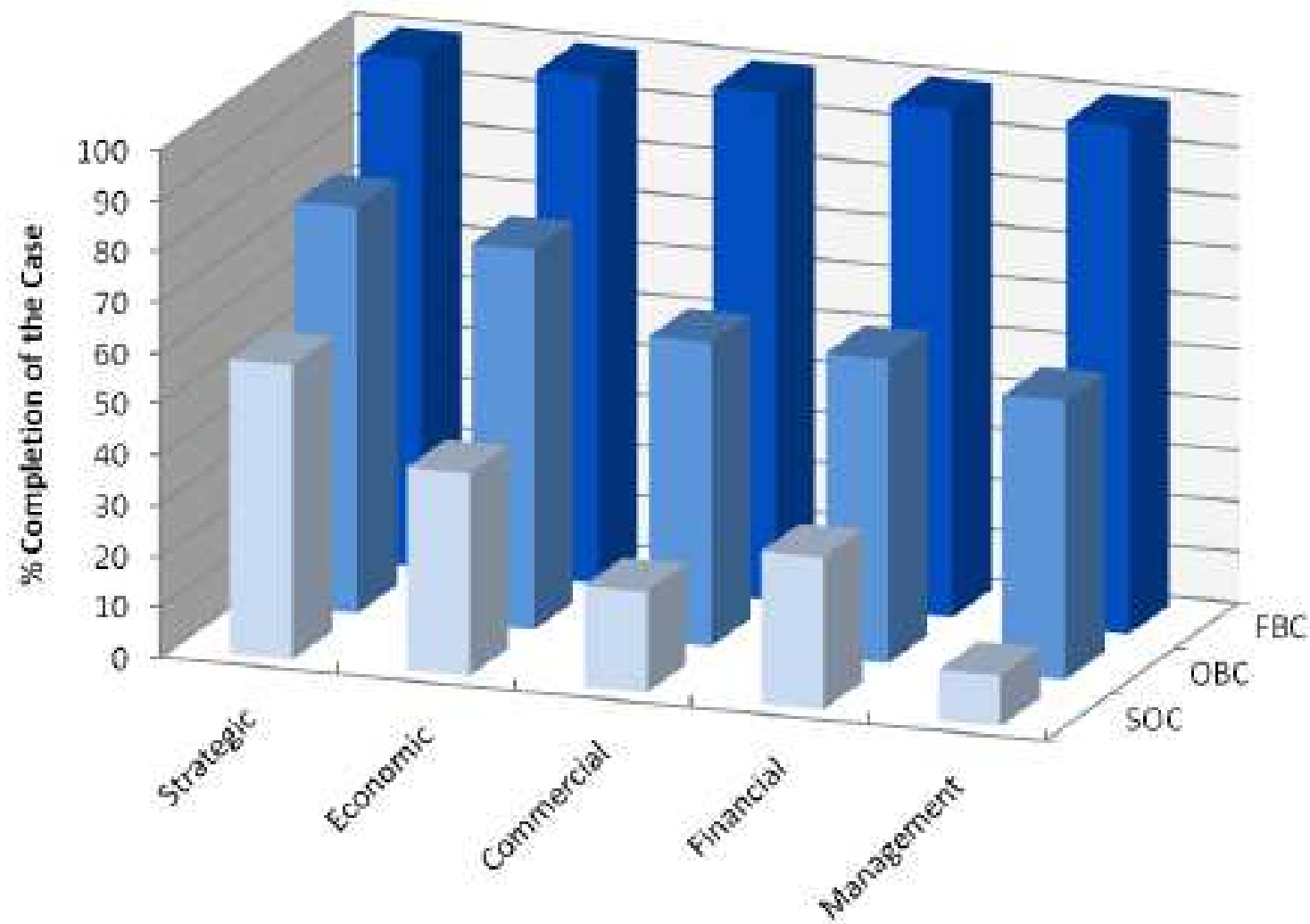
Business case approach to project development...



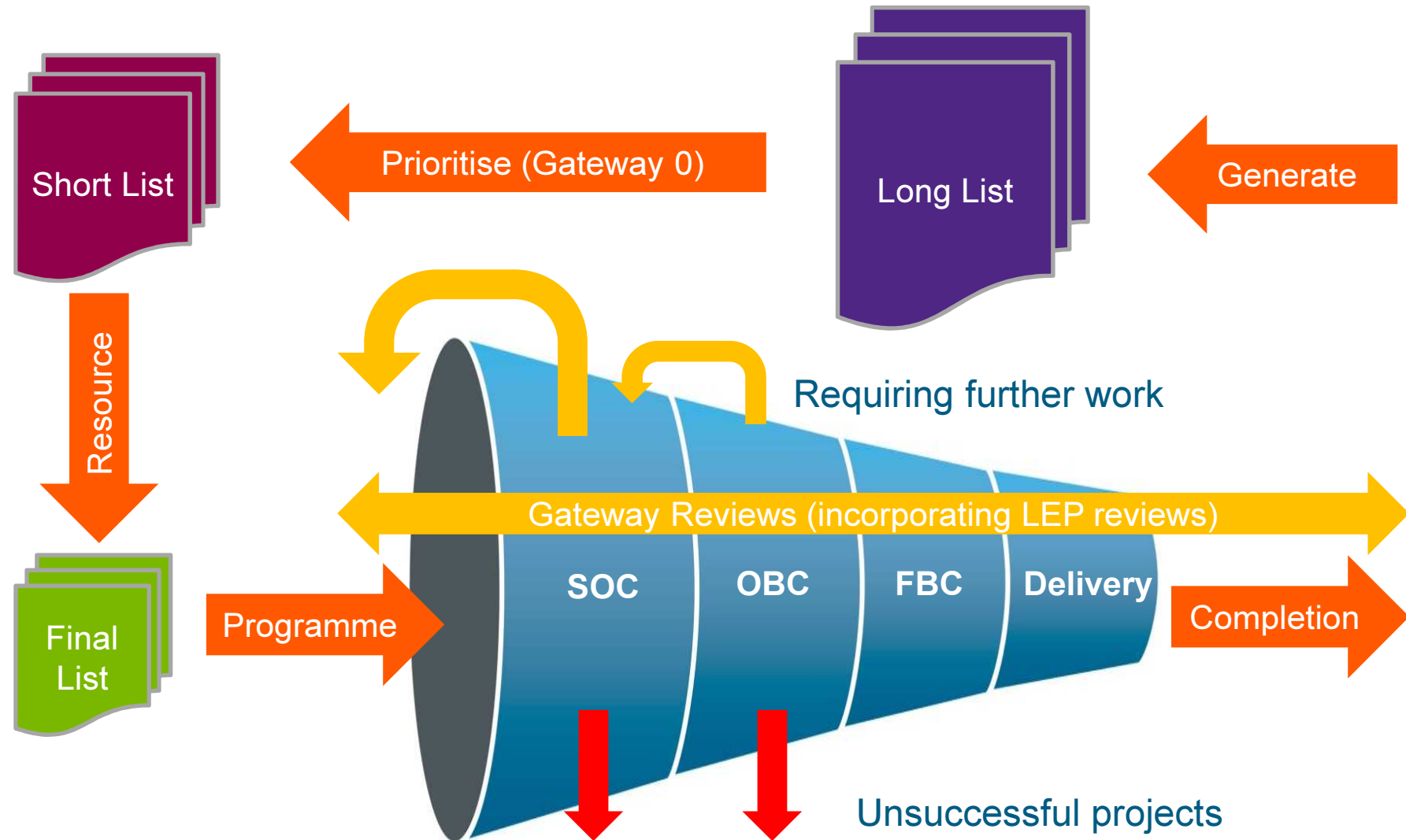
Business case components...



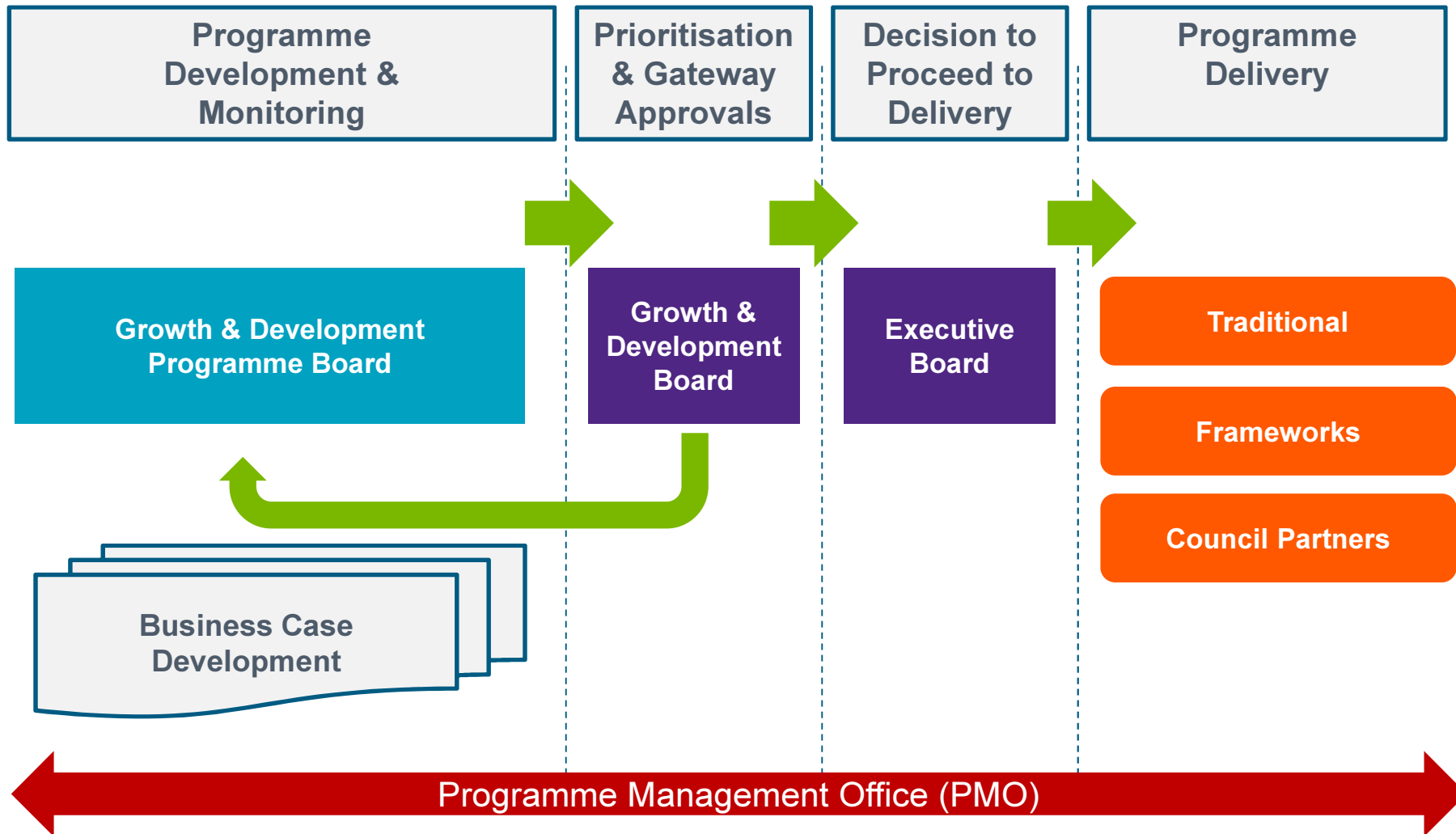
Business case focus across the stages...



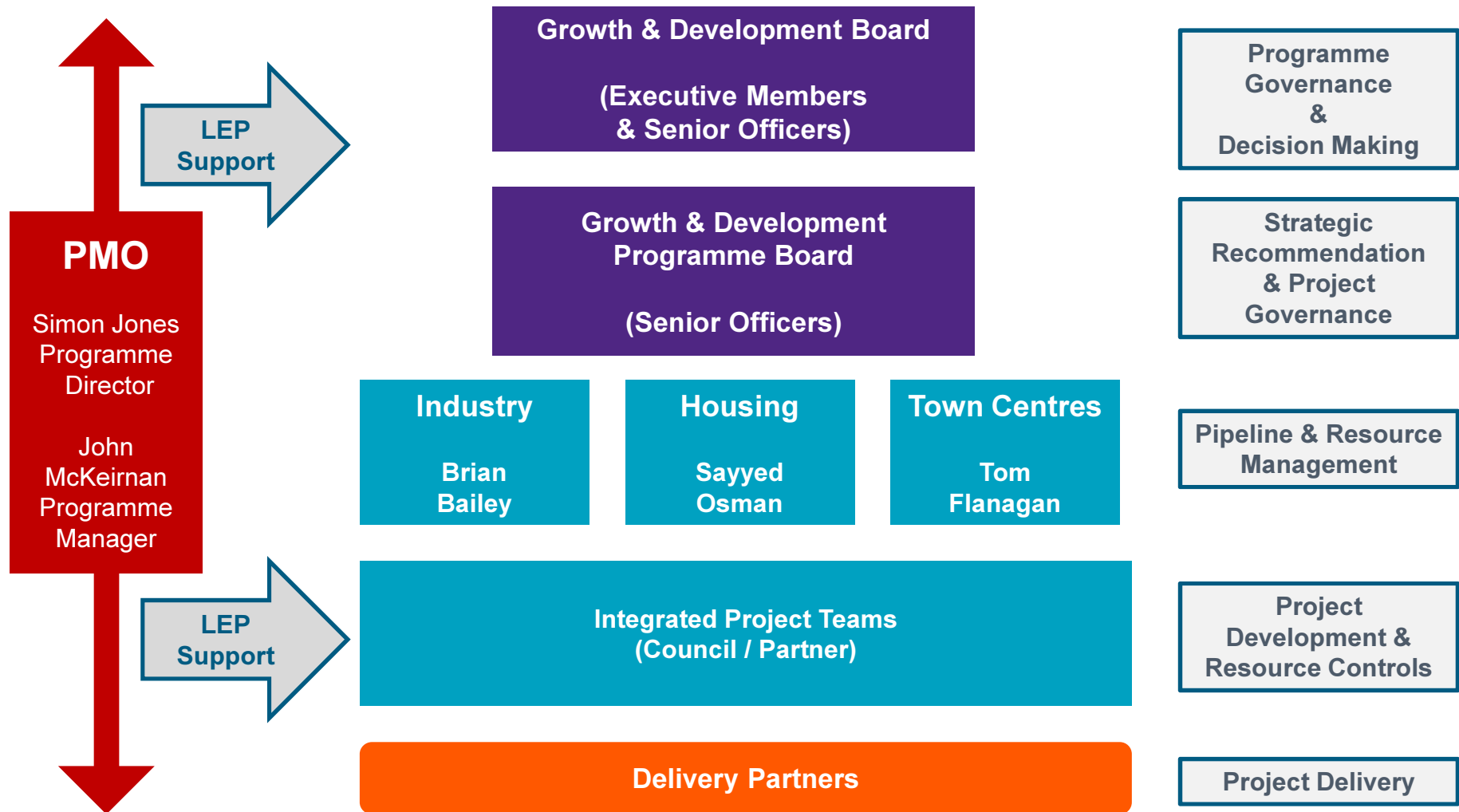
The pipeline development process...



Pipeline Development Governance...



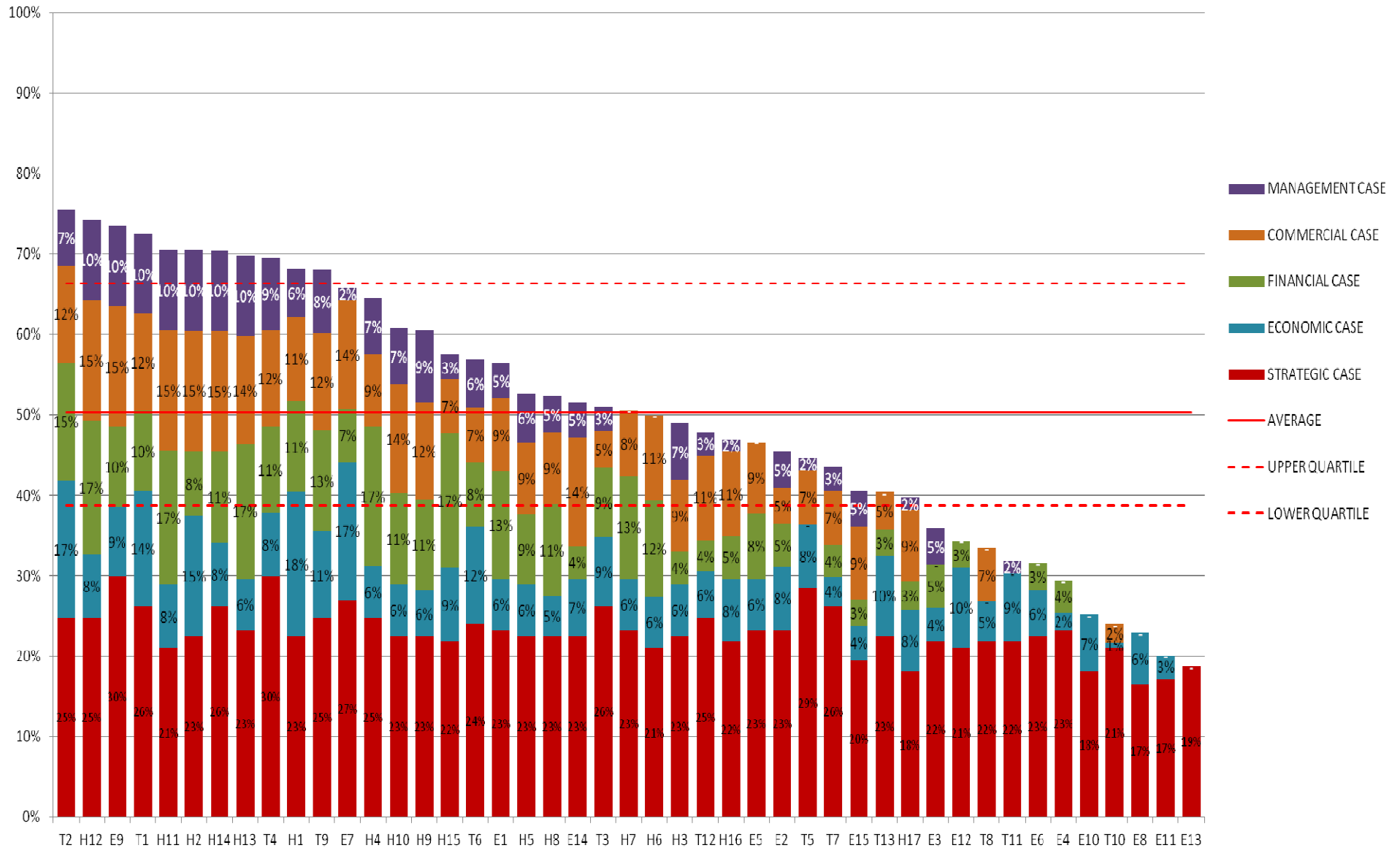
Programme Governance



Generating the Final List

- **Project resourcing** proforma developed to help project leads estimate costs by stage, identifying
 - ✓ Revenue Requirements
 - ✓ Internal & External
 - ✓ Project Stage
- Final assessment will consider
 - 1) Benefit 'Gateway 0' Score
 - 2) Costs (Resourcing & Capital)
 - 3) Benefit Realisation and Delivery Confidence
- VfM test using BCR for Pre-Delivery
- Member discussions – balancing the portfolio of projects
- **'Final List'** signed-off by **Growth & Development Board**

Strategic Summary of Project Benefits

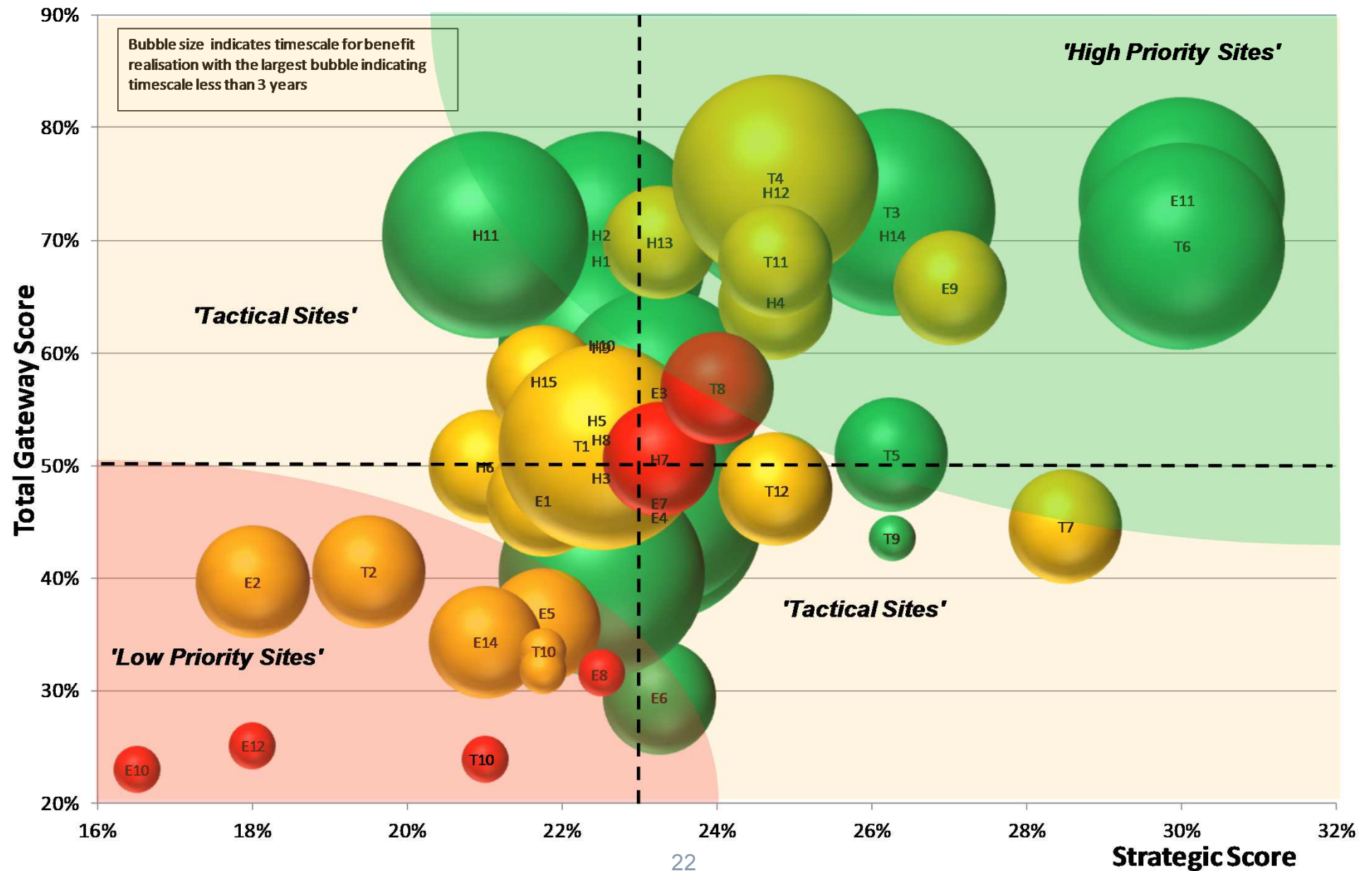


Growth & Development Projects

Strategic Assessment of Project Benefits

Commencement of project

- Less than 1 year
- Between 1 and 3 years
- Greater than 3 years



Top 10 Priority Projects (Council owned sites)...



Housing

- Roe Lee Development Site
- Marsh House Lane Development Site
- Greenways Residential Care Facility
- Griffin Redevelopment Site



Town Centres

- Fmr Blackburn Markets (with Thwaites option) Development Site
- Fmr Waves (with Blakey Moor option) Development Site
- Darwen Markets Redevelopment



Employment

- Freckleton Street - New Development Plots
- Whitebirk Industrial Estate - New Development Plots
- Furthergate Phase 1 – New Development Plots

Top 10 Priority Projects (Private owned sites)...



Housing

- Gibb Lane Development Sites
- North Blackburn Development Sites
- EDDC – Baileys Field Development Site
- SAPPI Development Site



Town Centres

- Thwaites Site
- Blakey Moor Buildings
- Cathedral Quarter Phase 2



Employment

- Waterside Employment Site
- Premier Way Business Park
- Furthergate Phase 2 – Greenbank Business Park

Growing our tax revenues (Council promoted sites)

| Project | Devt Type | Floor Area (m²) | No of Units | Calculation | Factor | Business Rates | Council Tax |
|--------------------------------|---------------------|-----------------|-------------|--------------------|--------|----------------|-------------|
| Town Centre Sites | | | | | | | |
| Waves | Retail/Student Resi | 3,000 | 100 | RV x 50% (payable) | £100 | £300,000 | £100,000 |
| Simmons St | Commercial | 5,000 | | RV x 50% (payable) | £70 | £350,000 | |
| Tontine St | Commercial | 2,000 | | RV x 50% (payable) | £80 | £160,000 | |
| Strategic Sites | | | | | | | |
| Freckleton St | Trade Counters etc | 7,000 | | RV x 50% (payable) | £35 | £245,000 | |
| Furthergate | Industrial | 20,000 | | RV x 50% (payable) | £30 | £600,000 | |
| Furthergate Ph 2 ? | Industrial | 10,000 | | RV x 50% (payable) | £30 | £300,000 | |
| Whitebirk Strip | Industrial | 20,000 | | RV x 50% (payable) | £25 | £500,000 | |
| Ewood | Retail Park | 16,000 | | RV x 50% (payable) | £50 | £800,000 | |
| Shadsworth | Industrial | 21,000 | | RV x 50% (payable) | £25 | £525,000 | |
| Housing Sites (Council) | | | | | | | |
| Griffin | Housing | | 80 | Units at Band D | £2,000 | | £160,000 |
| Alaska St | Housing | | 70 | Units at Band D | £2,000 | | £140,000 |
| Whinney Heights | Housing | | 180 | Units at Band D | £2,000 | | £360,000 |
| Blackamoor Road | Housing | | 500 | Units at Band D | £2,000 | | £1,000,000 |
| Darwen Moorland | Housing | | 350 | Units at Band D | £2,000 | | £700,000 |
| Marsh House Lane | Housing | | 75 | Units at Band D | £2,000 | | £150,000 |
| Roe Lee | Housing | | 220 | Units at Band D | £2,000 | | £440,000 |
| Totals: | | 104,000 | 1,575 | | | £3,780,000 | £3,050,000 |

| Yr 3 | Yr 5 | Yr 8 |
|------------|------------|------------|
| Inflation: | 5 | 10 |
| £400,000 | £420,000 | £440,000 |
| £0 | £367,500 | £385,000 |
| £0 | £84,000 | £176,000 |
| £122,500 | £257,250 | £269,500 |
| £0 | £630,000 | £660,000 |
| £0 | £157,500 | £330,000 |
| £0 | £262,500 | £550,000 |
| £0 | £0 | £880,000 |
| £0 | £0 | £577,500 |
| £0 | £168,000 | £176,000 |
| £0 | £147,000 | £154,000 |
| £0 | £189,000 | £396,000 |
| £0 | £346,500 | £726,000 |
| £0 | £367,500 | £770,000 |
| £150,000 | £157,500 | £165,000 |
| £220,000 | £462,000 | £484,000 |
| £890,000 | £4,020,000 | £7,140,000 |

£6,830,000

Growing our tax revenues (Private promoted sites)

| Project | Devt Type | Floor Area (m²) | No of Units | Calculation | Factor | Business Rates | Council Tax |
|--------------------------------|------------|-----------------|-------------|--------------------|--------|----------------|-------------|
| Strategic Sites | | | | | | | |
| Thwaites Site | Commercial | 10,000 | | RV x 50% (payable) | £60 | £600,000 | |
| Cathedral ¼ Offices | Commercial | 3,000 | | RV x 50% (payable) | £75 | £225,000 | |
| Cathedral ¼ Hotel | Commercial | | | RV x 50% (payable) | | £0 | |
| Waterside | Industrial | 8,000 | | RV x 50% (payable) | £30 | £240,000 | |
| Housing Sites (Private) | | | | | | | |
| Ramsgreave Drive | Housing | | 450 | Units at Band D | £2,000 | | £900,000 |
| Gib Lane | Housing | | 500 | Units at Band D | £2,000 | | £1,000,000 |
| Heys Lane | Housing | | 500 | Units at Band D | £2,000 | | £1,000,000 |
| Marsh House Lane | Housing | | 325 | Units at Band D | £2,000 | | £650,000 |
| Pole Lane | Housing | | 100 | Units at Band D | £2,000 | | £200,000 |
| Totals: | | 21,000 | 1,875 | | | 1,065,000 | 3,750,000 |

| Yr 3 | Yr 5 | Yr 8 |
|----------|-----------|-----------|
| | | |
| £0 | £630,000 | £660,000 |
| £225,000 | £236,250 | £247,500 |
| £0 | £0 | £0 |
| £0 | £252,000 | £264,000 |
| | | |
| | | |
| £0 | £472,500 | £990,000 |
| £0 | £525,000 | £825,000 |
| £0 | £0 | £0 |
| £0 | £341,250 | £715,000 |
| £100,000 | £210,000 | £220,000 |
| 330,000 | 2,670,000 | 3,920,000 |

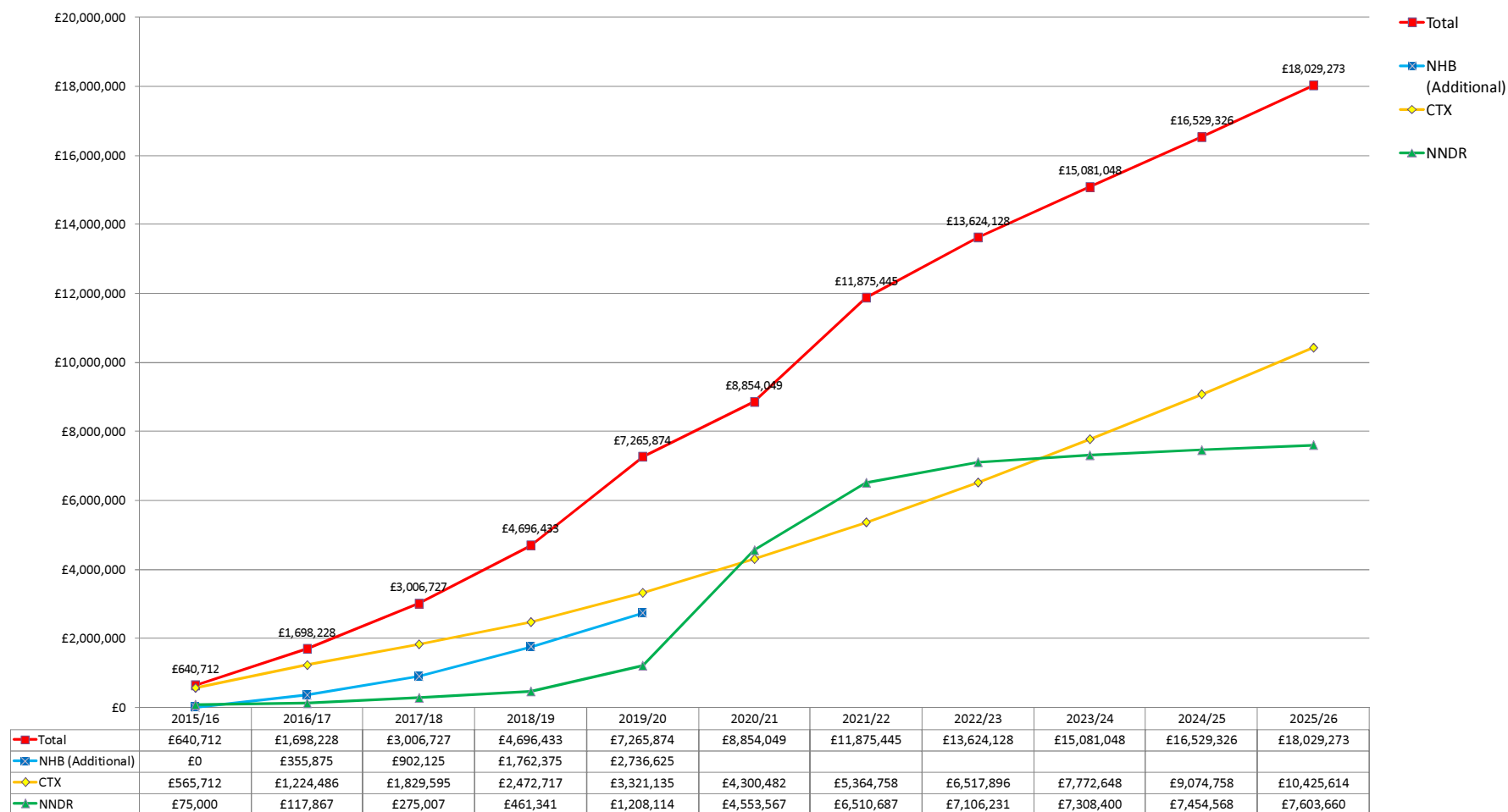
£4,815,000

Summary Benefits Profile

| | | OPTIMISTIC VIEW | → | PESSIMISTIC VIEW |
|----------------------------------|--|-----------------|-------------|------------------|
| 2011 to 2026 Housing Targets | 15 yr target of 9365 with 1007 delivered to date Scenario average over remaining 11 years | 8,358 | | 4,179 |
| | | 760 | | 418 |
| CTX & NNDR Growth with inflation | Revenue Income (at year 3) | £2,090,000 | | £1,420,000 |
| | Revenue Income (at year 5) | £4,520,000 | | £2,770,000 |
| | Revenue Income (at year 11) | £18,020,000 | | £10,020,000 |
| | Revenue Income (cumulative over 3 years) | £4,070,000 | | £2,850,000 |
| | Revenue Income (cumulative over 5 years) | £11,540,000 | | £7,540,000 |
| | Revenue Income (cumulative over 11 years) | £95,530,000 | | £55,290,000 |
| | | | | |
| | | | | |
| | | | | |
| New Homes Bonus | NHB Forecast (to 2019/2020) | £13,588,667 | | £10,710,167 |
| | NHB Secured (to 2019/2020) | £6,031,667 | | £6,031,667 |
| | NHB MTFS Included (to 2019/2020) | £1,800,000 | | £1,800,000 |
| | NHB Additional (to 2019/2020) | £5,757,000 | | £2,878,500 |
| Capital Receipts | Valued at either lower / or actual | | £15,271,655 | |

Growing our tax revenues

Growth Revenue 'Additionality' Profile



Recent Events & Next Steps

- Studies completed for economic narrative, commercial sites, Blakey Moore THI and Town Centre Future Vision
- Opening of Cathedral Quarter 12 November
- Commercial Sites Developer Day 2 December
- Local Plan adopted at Policy Council 3 December
- Re-calculate Financial Benefit Profile to feed into MTFS
- Develop performance dashboard for Growth Programme
- Completion of Pennine Reach, Bus Station & Freckleton Street
- Complete procurement of Technical Services Partner
- Presentation of agreed programme to LEP Board early 2016