



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Growth and Development
LEAD OFFICERS:	Strategic Director of Growth and Development
DATE:	11 th April 2024

PORTFOLIO/S AFFECTED: Growth and Development

WARD/S AFFECTED: Blackburn Central

SUBJECT: Blackburn Town Centre Business Innovation District Phase 1 – Planning & Procurement Stage

1. EXECUTIVE SUMMARY

Our Business Innovation District development is central to the delivery of the £250m investment framework for Blackburn town centre, the largest development of its kind in the region, and a key strategic initiative of our newly adopted Local Plan.

This report seeks approval for the drawdown of capital funding and approvals required to undertake various activities to support the pre-construction stage of the Blackburn Business Innovation District Phase 1 - Skills and Education Campus ('Project') and provides an update of the work completed to date since the announcement of Levelling-Up Funding in March 2023.

2. RECOMMENDATIONS

That the Executive Board: -

1. Notes the announcement of the award of up to £20m Levelling-Up Funding ('LUF') to deliver the Blackburn Business Innovation District Phase 1 - Skills and Education Campus and the ongoing discussions with the Department for Levelling-Up, Housing and Communities ('DLUHC') to agree the final funding total and drawdown profile.
2. Notes the positive discussions and progress to date with the leadership of the University of Central Lancashire ('UCLAN') to agree the proposed relocation of their training subsidiary company, Training 2000, to new purpose-built facilities, Building 1, as indicated on the site masterplan drawings at Annex 1 (existing site plan) and Annex 2 (proposed site plan).
3. Notes future stages of the Project, linked to the drawdown of the Council's required co-funding, will be presented to a future Executive Board, once costs have been finalised, Government funding arrangements agreed with DLUHC, and any further University functions to be included by UCLAN are confirmed.

4. Notes the Council's strategic public/private joint venture company, Maple Grove Blackburn Ltd ('MGB'), an established special purpose joint venture vehicle to support the delivery of our town centre regeneration and growth plans including the redevelopment of the former Thwaites site.
5. Notes the site masterplan drawing at Annex 2 includes outline plans for Building 2 with MGB in advanced discussions with interested parties to determine interest with the delivery of Building 2 likely to be developed by MGB as a follow-on phase. Progress on Building 2 will be reported to a future meeting of the Executive Board.
6. Approves a capital budget of £750,000 for the Project to cover all planning activities including fees, surveys, site investigations, approvals, service enquiries and other costs incurred during the planning and procurement stage of the Project. Note the capital funding is already profiled in the Council's 2024/25 capital programme and will be used until the LUF funding profile has been agreed with DLUHC.
7. Approves the Council, as shareholder of MGB, to invest £600,000 to fund the preparation and submission of a planning application for the Project and development of an enabling works package.
8. Authorises the Growth Programme Director to commence the procurement of consultants and issue tenders using the Crown Commercial Services ('CCS') Framework, or other suitable framework, with the appointment of consultants subject to a future report to the Executive Board.
9. Authorises the Growth Programme Director to commence the procurement of a civil engineering contractor using the Council's in-house Growth Framework, and to appoint the successful contractor under an Early Contractor Involvement ('ECI') pre-construction agreement, to develop designs for a highway, service diversion and enabling works contract, with the appointment of the construction work subject to a future report to the Executive Board, once costs have been finalised.

3. BACKGROUND

Blackburn Town Centre Business Innovation District

- 3.1 In March 2023 the Government announced the award to the Council of up to £20m of LUF funding for the Blackburn Business Innovation District Phase 1 - Skills and Education Campus. The funding supports the Council's strategic Growth Axis ambitions, as outlined in the new Local Plan, and will support the regeneration and growth of Blackburn Town Centre through the implementation of this key strategic project.
- 3.2 In addition, and as an aside, the Council also secured £20m LUF funding in January 2023 for two transport related projects to support growth in South East Blackburn. These projects include the South East Blackburn Walking and Cycling Network and the M65 Junction 5 Improvement Scheme.
- 3.3 The Business Innovation District development is central to the delivery of the £250m investment framework for Blackburn town centre, the largest development of its kind in the region, and is a key strategic initiative in our newly adopted Local Plan. The Business Innovation District is essential to our ambitious plan by delivering overall: 1,200 new jobs, 400 new homes and £1bn of new economic activity over the next decade, outcomes critical to Levelling Up the borough.
- 3.4 The Business Innovation District represents a deliberate and ambitious drive to build a critical mass of quality assets within the town centre, which will add economic value, increase civic pride and underpin the vitality of the core by boosting footfall, thereby increasing Blackburn's

daytime and nighttime economies. The visually impressive and inspirational campus buildings and nearly 2 acres of uplifting public realm and greenspace in a new urban park will catalyse the follow-on phases of the new Town Centre Masterplan and unlock new public and private investment into the town centre regenerating over 15 acres of vacant, under-utilised or outdated buildings.

3.5 The **four main objectives** of the Phase 1 Business Innovation District investment are to:

1. Expand the town's skills infrastructure to build defined pathways to employment in existing and emerging growth sectors and to help raise the aspirations and attainment of local people (especially young people). The new campus will increase the number of apprenticeships (including higher level and degree) across priority sectors;
2. Support the development of a progressive business environment that delivers high-value employment in emerging sectors - including medical tech; digital (enhanced by the growth of new opportunities driven by the new National Cyber Force HQ at nearby Samlesbury), green economy, advanced manufacturing - nurturing entrepreneurialism and supporting existing businesses;
3. Deliver a visually impressive asset of scale right at the heart of the urban core that will contribute to the renewal and transformation of Blackburn town centre as a culturally vibrant, dynamic, low carbon innovation hub, and a place local people are proud of; and
4. Act as a catalyst accelerating the remaining phases of the Business Innovation District Masterplan.

3.6 Our Business Innovation District will also help to cement plans for the adjoining developments; including the re-development of the former St John's Church and Making Rooms, as a new Tech Innovation Quarter, and new town centre living opportunities with potential for a new hotel and leisure and retail uses.

Phase 1 - Skills and Education Campus (UCLAN and Training 2000)

3.7 The Council has been working closely with UCLAN and Training 2000 over the past 12 months to develop plans for Phase 1 of the new campus and to establish a new national training centre for Training 2000, a wholly owned but independently run national provider of employer-demand training programmes. Training 2000 has many national customers, including some of the country's leading businesses with the likes of BAE Systems, Rolls-Royce, Royal Mail and Chubb.

3.8 As context, Blackburn has one of the youngest populations in England, which makes the area very attractive to both businesses and training providers. Moreover, Blackburn has been, for a number of years, one of the most significant catchment areas in the UK for UCLAN's undergraduate population.

3.9 The proposed new building for Training 2000 and at the heart of the Phase 1 masterplan would be a modern purpose-built facility of around 87,000 sq.ft. of high-quality inspirational learning space. The investment will relocate, expand, and enhance Training 2000's facilities which have developed organically over the past 30 years in unassuming industrial estate-style buildings on Furthergate Business Park, one of Blackburn's out of town industrial estates.

3.10 This new town centre facility will help enable Training 2000 to fulfil its own growth plans by responding to the demands of national employers to deliver high quality training opportunities,

which are centrally located and highly accessible, for nearly 2,800 industry-based learners by 2030 – nearly a three-fold increase in the number of current annual learners.

- 3.11 The Campus will significantly boost regular town centre footfall, directly and indirectly supporting new town centre employment across the commercial, leisure and retail sectors. Additional investment in the surrounding public realm, and new and improved active travel infrastructure will also support the sustainability of the town centre economy, as well as increasing accessibility and encouraging healthier lifestyles for all.
- 3.12 The new Blackburn Business Innovation District Phase 1 is a core element of the emerging Blackburn Growth Axis, which links Blackburn with the adjacent Samesbury Enterprise Zone, the home of BAE Systems, the new National Cyber Security HQ and the nationally renowned AMRC's innovation centre. The Growth Axis also connects major growth opportunities generated by new local business clusters and HQ developments anchored by global companies, including Euro Garages and Assytems. Over the coming years, we recognise the Growth Axis has the potential to become a strategic growth generator that will drive the Levelling Up of Blackburn, and, by creating the opportunity to establish 100,000 jobs in the area, one of the most important economic centres in the North of England.

4. KEY ISSUES & RISKS

- 4.1 The initial design and planning stage of the Project will be delivered by the Council's strategic public/private joint venture company, Maple Grove Blackburn Ltd ('MGB'), an established special purpose joint venture vehicle to support the delivery of our town centre regeneration and growth plans including the redevelopment of the former Thwaites site.
- 4.2 MGB has agreed to deliver the initial design and planning application work and to progress the design and specification of the complex and time critical enabling works package and will be able to call on resources within Maple Grove Developments to support the work.
- 4.3 MGB has an option to acquire the Brown Street Car Park site and has agreed not to exercise the option until a decision on the preferred development route for Building 1 has been agreed. In addition to Building 1, MGB will be progressing with the plans to develop Building 2.
- 4.4 The Project programme key dates are:
- | | | |
|----------------------------------|---|-------------|
| • Planning Submission | - | June 2024 |
| • Enabling Works Commencement | - | Autumn 2024 |
| • Construction Commencement | - | Summer 2025 |
| • Training 2000 Fit Out / Decant | - | Summer 2027 |
| • Training 2000 Open to Students | - | Autum 2027 |
- 4.5 Following submission of the planning application the Council will commence the procurement of a design team to take forward the design of the Project. The CCS Construction Professional Services (RM6165) Framework, Lot 1 Built Environment will be used to procure the consultant team. The tender documents will include technical specifications, quality requirements, pricing schedules and supporting background documents. A Quality/Price split of 70/30 is proposed which reflects the importance of selecting a consultant with the right expertise to support the Council in designing and managing this complex project. Recommendations from this procurement will be presented at a future Executive Board for approval. The appointment of the design team will either be by MGB or the Council depending on the final delivery route agreed.

4.6 In addition to the above, the Council will also commence the procurement of a civil engineering contractor using the Council's Growth Framework, and appoint the successful contractor under an Early Contractor Involvement ('ECI') pre-construction agreement, to develop detailed designs and costs for a highway, service diversion and enabling works contract, with the appointment of the construction work subject to a report to a future Executive Board, once costs have been finalised. The appointment of the construction team will either be by MGB or the Council depending on the agreed delivery route.

5. POLICY IMPLICATIONS

The Blackburn Business Innovation District Phase 1 - Skills and Education Campus aligns with existing Council Policies and Strategies including the newly adopted Local Plan.

6. FINANCIAL IMPLICATIONS

- 6.1 The Council has estimated the initial design, planning and procurement costs to be £750,000, with this amount already accounted for within the 2024/25 capital programme.
- 6.2 It is proposed the £750,000 will be funded from two capital funds; with £145,000 being funded by the MGB SPV fund and the remaining £605,000 being funded by the Development Investment Fund. All costs are planned to be expended during the 2024/25 financial year.
- 6.3 The Council and Maple Grove Developments as shareholders of MGB will each invest resources and funding to deliver the work as outlined in this report which includes the submission of a planning application and the design, coordination and management of the enabling works tender package which is critical to the successful delivery of the Project.
- 6.4 The Council will, as shareholder, invest £600,000 into MGB, to support the activities described in this report, in addition to Maple Grove investing expertise and resource. MGB will then manage the appointment of consultants and prepare a planning submission for the Project as described in this report.
- 6.5 To note, a requirement from DLUHC is for Levelling-Up Funding (for round two schemes) to be spent by March 31st 2026, and is therefore identified as a key risk for the project and necessitates for the Council to proceed with the Project in advance of finalising funding terms with DLUHC and to use innovative ways to deliver the Project.

7. LEGAL IMPLICATIONS

The procurement strategies in recommendations 8 and 9 for the Project are in accordance with Council's Constitution, procurement best practice and all relevant legal requirements including Public Contract Regulations 2015 (as amended) and other appropriate legislation. Contracts shall be in a form approved by Legal Officers in the Contracts and Procurement team.

8. RESOURCE IMPLICATIONS

Current staff resources from the Council's Growth Programme, Property, Planning, Procurement and Legal teams will be utilised to support the delivery of the Project.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Council Officers will ensure town centres businesses, key stakeholders and ward councillors are consulted on the proposals through the statutory planning process.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	1.3
CONTACT OFFICER:	Simon Jones, Growth Programme Director, Growth and Development
DATE:	March 2024
BACKGROUND PAPER:	None