

Cabinet report



7 June 2022

MILTON KEYNES: BLETCHLEY & FENNY STRATFORD TOWN DEAL

Name of Cabinet Member	Councillor Peter Marland Leader of the Council
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Exempt / confidential / not for publication	No
Council Plan reference	Ref number 19
Wards affected	Bletchley & Fenny Stratford

Executive summary

Milton Keynes has been successful in securing an award of £22.7m, as part of the Government's Towns Fund, to invest in Bletchley and Fenny Stratford.

Milton Keynes was one of the 101 places eligible to bid for town deal funding. MK Council focused its bid on Bletchley and Fenny Stratford so it can make best use of current and future growth prospects, and the opportunities that will flow from East-West Rail and in line with the levelling up agenda, as Bletchley and Fenny Stratford are amongst the most deprived areas of the Borough. It was agreed that this should be the focus of the Towns Deal bid.

The Bletchley and Fenny Stratford Town Deal Board was established in July 2020 to lead the bid and work with the community to ensure local people are involved in shaping the future of their area.

In November 2021 Cabinet considered a report on the Town Deal activity and it was agreed that a progress report should be presented in 6 months' time. This report provides an update on progress with the preparation of business cases and details about the proposed governance and approval arrangements for the projects, including an overview of the next key steps in the programme.

1. Decision/s to be made

1.1 Cabinet are asked to:

- a) Note the latest progress of the Town Deal programme, governance arrangements for the Town Deal projects and 'next steps' as set out in the report; and
- b) To agree to receive a further report on the progress of the Town Deal programme in 6 months time.

2. Programme Update

2.1 Since the announcement of a successful Towns Fund bid and the award of £22.7m, (see Annex 1), the Town Deal Board has been overseeing the preparation of the 9 projects and progressing the programme of engagement with the local community. The Town Deal Board is Chaired by John Cove from MK Dons FC Sport and Educational Trust.

2.2 In order to draw down the government grant funding, a proportionate business case for each project must be developed. Avison Young (consultants) were procured to support and write the business cases for the following projects:

1. Revolving Development Fund (£8,910,000)
2. Public Realm Improvements (£2,101,655)
3. Redway Improvements (£760,000)
4. Active Marketing of Vacant Sites (£710,000)
5. Technology Park Bletchley (£918,345 – adjusted to £306,000 TBC)
6. Transformation at Bletchley Park (£2,240,000)

All 6 of the above business cases were submitted to DHLUC within the prescribed timeframe and have been received initial approval.

Annex 1 provides details of the key elements of each of the projects.

Annex 2 provides details of the proposed outputs and outcomes of each of the projects.

2.3 The business cases were produced using the 5-case business model and by following detailed guidance from the Government about the detail and information that needed to be presented. The South East Midlands Local Enterprise Partnership (SEMLEP) provided "critical friend" support throughout the process.

- 2.4 The fibre connectivity business case was produced internally and approved in the 21/22 financial year, and funding has been released by the Department for Levelling Up, Housing & Communities (DHLUC).
- 2.5 Avison Young have produced outline business cases for the following projects:
- Innovation Hub (£3,050,000)
 - Transport Hub (£3,910,000)
- 2.6 The expected economic benefits have been identified for these two projects in the outline business cases but detailed costings for the schemes are predicated on further viability and design evaluation.
- 2.7 In order to produce a full business case these 2 projects have required an extension of time until 31 July 2022 for Government submission [NB as agreed with the Department] . The Transport Hub extension will enable further input from the rail and other local stakeholders on the scheme options, and the Innovation Hub extension will enable more market research to be done to ensure that the long term operating model of the Innovation Centre does not result in the need for, significant, on-going revenue funding. It is expected that these 2 outstanding full business cases will be produced internally and will follow the same sign off process as all other projects.

3. Next Steps

- Full business case 'sign-off' for transport and Innovation Hub projects – Summer 2022
- Monitoring and Evaluation reporting – First report due June 2022
- Groundbreaking Fenny Stratford website re-launch – June 2022
- Bletchley Park construction contract in place – June 2022
- Communications refresh to include regular Board updates and newsletters – Next one in June and Quarterly thereafter
- Review of the Towns Deal Board role and Terms of Reference - September 2022

Approval process

The Town Deal Board, which has representatives from the Council, Town Councils and local community representatives, the local MP and other delivery partners will continue to oversee the progress of the programme and test the assurance of the initiative. Ultimately though as the Accountable Body for the Government Funding, MKC's Section 151 Officer needs to confirm the authorisation of the spend in line with the Business Cases.

4. Implications of the decision

Financial	Y	Human rights, equalities, diversity	
Legal	Y	Policies or Council Plan	
Communication		Procurement	Y
Energy Efficiency		Workforce	

a) Financial implications

The programme will be managed in accordance with the conditions of the government grant funding agreement. The business case process provides a careful assessment of the individual project costs and ensure sufficient contingency has been allowed to deal with inflation and other expected financial pressures to deliver the programme within the overall budget.

Regular budget reporting will be provided to the Towns Deal Board and the S151 officer. The Government will also require regular monitoring and evaluation reports to ensure project delivery is progressing and that key milestones are being met.

The funding is being provided to the Council as a Section 31 grant and an initial payment of 5% of the programme total has been paid to MKC to assist with the advanced support costs.

b) Legal implications

DLUHC has awarded the grant of £22.7m to the Council under section 31 of the Local Government Act 2003. The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them. Section 31(4) of the Local Government Act 2003, the Council will be required to comply with conditions attaching to the grant funding agreement, including the associated monitoring, reporting and evaluating requirements.

The Section 151 Officer is responsible for overseeing how the grant award is used. It must be spent on eligible project expenditure within the total Town Deal award and must support the projects agreed by MHCLG/DHLUC. When progressing individual projects, the Council will act in accordance with its financial regulations including any procurement requirements.

c) Other implications

There are additional resources required to deliver this programme of works. We will be using the initial forward funding to ensure we have the appropriate skills to deliver the works and, where necessary, will procure additional support using the appropriate methods.

Ongoing engagement with the local community, concerning the project delivery programme, is a priority for the Board.

5. Timetable of events - 2022

- January 2022 – fibre business case submitted to Government
- April 2022 – 6 business cases submitted to Government
- May 2022 – S151 and Board Chair Governance Assurance statements submitted
- June 2022 - Quarterly monitoring reports to Towns Deal Board
- June 2022 – first year funding released for approved summary business cases
- July 2022 – deadline for FBC (Full Business Case) for Innovation and Transport Hub projects
- December 2022 – Next Cabinet update report

List of Annexes:

Annex 1: Key Elements of the Projects

Annex B: Original Proposed Outputs and Outcomes of Projects

List of Background Papers:

None

Annex 1

Key Elements of Projects

Innovation Hub
The project will involve the partial refurbishment of part of the Brunel Centre in Central Bletchley to provide provision for innovation focused commercial space for existing and new start-ups and Small and Medium Enterprises (SMEs). **Further details to be confirmed when the full business case is signed off**
Revolving Development Fund (RDF)
Facilitate acquisition and reuse of over 3 hectares of run down and dilapidated sites for new and improved uses (such as housing and commercial uses). Increase the diversity of uses in Bletchley and Fenny Stratford town centres.
Transport Hub
The need to improve the attractiveness of Bletchley town centre as a place for new employment and for business to invest and locate; forthcoming investment in East West Rail will deliver a step change in Bletchley's connectivity **Further details to be confirmed when the full business case is signed off**
Public Realm Improvement (PRI)
To deliver public realm interventions in Bletchley and Fenny Stratford to improve the appearance, attractiveness, safety and usability of these areas.
Redway Improvements
To provide funding to deliver Section 4 of the Blue Lagoon Scheme (Scheme 251) Redways route. This scheme is part of the Highways Committed Schemes to support current and future development.
Technology Park Bletchley
Towns Fund investment will support the delivery of hardware and equipment to support digital skills development. The resource will be delivered in the enterprise lab of the South-Central Institute of Technology and will have the capability to be fully self-contained, flexible and mobile. The unit will enable the resource to be transported to other education settings to extend its use and impact across the area.
Transformation at Bletchley Park
To redevelop a significant wartime building (Block E) at Bletchley Park to facilitate the creation of a new dedicated learning facility, with eight new fully accessible classrooms and a high specification lecture theatre.
Fibre Connectivity
To provide fibre broadband to premises in Park Gardens Bletchley.
Active Marketing of Vacant Sites (AMoVS)
to attract more businesses to locate in Bletchley and Fenny Stratford by actively promoting the regeneration programme and showcasing the commercial opportunities arising from the Town Deal. This will emphasise the commercial advantages of the location such as good connectivity and price competitiveness compared to central Milton Keynes.

Annex 2

Original Proposed Outputs and Outcomes of Projects

Project	Funding	Original Project Suggested Outputs / Outcomes
Innovation Hub	£3.05m	<ul style="list-style-type: none"> • Remediation of dilapidated sites - TBC • 229 quality residential space in key locations (71 affordable homes) - TBC • 14,400sqm of quality commercial space in key locations - TBC • Increase in the number of shared workspaces or innovation facilities - TBC • 396 direct jobs created • Perceptions of the place by businesses - TBC • Business counts -TBC • No. of enterprises utilising high quality, affordable and sustainable commercial spaces - TBC
Revolving Development Fund	£8.91m	<ul style="list-style-type: none"> • Remediation and development of 2.5ha of dilapidated sites • Delivery of 22,505sqm of quality commercial space in key locations (town centre, gateway, employment sites) • Delivery of new public space - TBC • 618.9 direct jobs created • Perceptions of the place by residents/businesses/visitors - TBC • Business counts -TBC • Number of enterprises utilising high quality, affordable and sustainable commercial spaces - TBC
Transport Hub	£3.91m	<ul style="list-style-type: none"> • New, revived and upgraded train station • New or upgraded road structure -TBC • Bus infrastructure upgrades • New cycling and walking paths - TBC • Increased footfall between station and town centre - TBC • Commuter flows -TBC • Perceptions of the place by residents/ businesses/ visitors % TBC • Land values – TBC
Public Realm Improvements	£2.10m	<ul style="list-style-type: none"> • Delivery of new public spaces - TBC • New or upgraded cycling and walking paths - TBC • New, upgraded community hubs and spaces and assets • Reduction in crime –TBC • Perceptions of the place by residents/ businesses/ visitors % TBC • No. of visitors to arts, cultural and heritage venues - TBC • Land values - TBC

<p>Redway Improvements</p>	<p>£0.76m</p>	<ul style="list-style-type: none"> • Wider cycling infrastructure • New upgraded cycle and walking paths - TBC • New or upgraded road infrastructure -TBC • Perceptions of the place by residents/businesses/visitors - % TBC • Number of trips by purpose and main mode: increased active travel - TBC • Health and wellbeing outcomes - TBC
<p>Technology Park Bletchley</p>	<p>£0.36m</p>	<ul style="list-style-type: none"> • Pop up facility for mobile learning unit • 175 sqm learning floorspace delivered • 2 direct jobs created • Increase in the breadth of the local skills offer that responds to local skills needs - TBC • Increased benefit for the public education over the long term: 2,500 young people supported over 5 years; 1,000 adults supported over 5 years • No. of new learners assisted: 500 young people/year for the 5-year duration (2,500 new individuals assisted) and 200 adults/ year for the 5-year duration (1,000 new individuals assisted) • % of learners gaining relevant experience/being 'job ready' (as assessed by employers) - TBC • % of working-age population with qualifications TBC
<p>Transformation at Bletchley Park</p>	<p>£2.24m</p>	<ul style="list-style-type: none"> • 4,397 sqm floorspace of new and upgraded historical buildings, museums and prominent landmarks • Increased benefit for the public education over the long term: Over 50,000+ children reached • 10 volunteers and 3 FTE jobs created • Increase in capacity and accessibility to new or improved skills facilities for 2,500 people over 5 years • Additional 30,000 visitors each year • Perceptions of the place by residents/businesses/visitors - % TBC
<p>Fibre Connectivity</p>	<p>£0.025m</p>	<ul style="list-style-type: none"> • Infrastructure to support full fibre connectivity Broadband speeds - TBC • Perceptions of the place by businesses – TBC • Number of people who work remotely at least some of the time – TBC

<p>Active Marketing of Vacant Sites</p>	<p>£0.71m</p>	<ul style="list-style-type: none"> • Increased and closer collaboration with employers -TBC • Increase in the breadth of the skills offer that responds to local skills needs - TBC • Schemes to support enterprise and business productivity and growth - TBC • % of learners gaining relevant experience/being `job ready' (as assessed by employers) - TBC • Number of start-ups and/or scaleups utilising business incubation, acceleration and co-working spaces -TBC • Business counts: • Target 3 or 4 business relocations
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