

Selby District Council

REPORT

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Item 5 - Public



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Executive Member: Councillor Mark Crane, Leader of the Council
Lead Officer: Dave Caulfield, Director of Economic Regeneration and Place

Title: Programme for Growth – Update on Existing Programme and Proposed New Programme

Summary:

This report gives an overview of progress on the existing Programme for Growth, seeks approval for a proposed new programme of projects and outlines proposals for strengthening overall programme management and governance in response to the key recommendations from the recent LGA Peer Review.

Recommendations:

- i. **Note the progress on the existing Programme for Growth as set out in paragraphs 2.1 to 2.7 and Appendix A of the report and approve the carry forward of the identified projects and associated budgets.**
- ii. **Approve the new Programme for Growth Projects and associated budgets as set out in Appendix C of the report**
- iii. **Executive to note the strengthened programme management and reporting arrangements set out in paragraphs 2.17-2.22 of the report.**

Reasons for recommendation:

The Executive is asked to note progress on the existing Programme for Growth and approve the new Programme for Growth Projects as a key way of delivering the Council's corporate priorities and objectives as set out in the Corporate Plan and Economic Development Framework and Action Plan. To ensure delivery we are strengthening governance and programme management arrangements.

1. Introduction and background

- 1.1 Programme for Growth (P4G) was first established in 2011 as a means of focussing and managing investment in the Council's key priorities. Now in its third iteration (from 2017/18), Programme for Growth 3 (P4G3) is the critical delivery mechanism for the Council's ambitious Corporate Plan (2015-2020) and growth-focussed Economic Development Framework which aim to make Selby District 'a great place'. This report provides an update on progress and seeks approval for a further round of P4G projects.

2. The Report

Progress of the Existing Programme - Projects

- 2.1 P4G3 was endorsed by full Council as part of the budget approved in February 2017 and comprised of a targeted suite of 5 'programme themes', drawn from the Council's Corporate Plan and Economic Development Framework:
- Town Regeneration;
 - Tourism & Culture;
 - Housing;
 - Infrastructure; and
 - Business.
- 2.2 Progress on the current P4G was reported to Executive on 1st February 2018 with a further update given to the Scrutiny Committee on the 22nd March.
- 2.3 A full update on progress with the existing Programme for Growth as of the end of March 2018 is given in Appendix A.
- 2.4 The programme is showing an underspend of £1.735m on the £2.4m programme allocated to projects as set out in Appendix A.
- 2.5 Financial spend alone does not give an accurate indication of progress across the programme. This is because draw down of spend only happens when it is needed and after significant work on project scoping, inception and commissioning. Some projects have been able to progress without the need for P4G funding, some we need to keep 'in reserve' for potential spend and there is also some slippage in project delivery.
- 2.5 Excellent progress has been made on a number of Programme for Growth funded-projects. This includes:
- **Sherburn all-weather pitch** - which is now completed and opened
 - Selby District **Visitor Economy Strategy & Action Plan**, which has now been approved by Executive (March 2018)

- **Marketing Selby USP's** - including a range of new place branding and marketing materials which were launched at November's Economic Growth Conference in November 2017 and have proved successful in raising the profile of the district, securing partner buy-in and developing wider media interest
- **The Business Space & Accommodation Review** – specialist commercial property software has been purchased which is allowing us to understand where there may be gaps in the market;
- Supporting key events: providing funding contributions to key District events, including **Tour de Yorkshire** and **Sherburn Craft Festival**;
- **Healthy Living Concept Fund** - helped fund the initiation of Selby District's first **Parkrun** at Burn Airfield; also supported work towards an innovative **Health Action Plan**, being jointly developed between Selby District Council and NYCC Public Health in consultation with a wider range of partners;

2.6 A number of Programme for Growth funded-projects have progressed but have been paused due to external factors. They include Tadcaster Linear Park, which has been paused to align with Environment Agency works to the River Wharfe in Tadcaster.

2.7 Although little-to-no Programme for Growth funding has been spent substantial progress has also been made on a number of other Programme for Growth related projects. This includes:

- **Church Fenton - Yorkshire Studios** - officers have been working closely with the landowner, key strategic partners and potential anchor businesses to create a vision for 'Create Yorkshire' and support the submission of a detailed planning application which will secure a major new inward investment and which is due imminently.
- **Growing Enterprise** – a SME Business Advisor (funded through P4G) is now developing a full programme of SME business support. Regular SME events are held including a successful multi-partner event in November that engaged with over 60 local SMEs; a detailed SME Growth Plan is in development which will identify where the project should focus its resources;
- **Olympia Park** – the Strategic Sites Masterplanning project has funded 'due diligence' work on Olympia Park and development advice which has led to a new landowner led scheme now being put forward. We submitted a detailed Housing Infrastructure Fund (HIF) bid in September 2017 to unlock the site and in February 2018 it was announced by Homes England that we had secured £8.9m to unlock the site and fund key infrastructure.

Funding of Core Capacity to Deliver Growth

- 2.8 In accordance with the approved budget, £3m has been committed to funding the new Economic Development and Regeneration Service and other internal capacity across the Council to deliver the growth ambitions set out in the Corporate Plan, including the Economic Development Framework and Action Plan and the Programme for Growth.
- 2.9 A summary of this spend is given in Appendix B. The key highlights are that of the £1.2m budget allocated in 17/18 only £635k will have been spent by the end of March 2018. This reflects a number of things:
- the Organisational Review, implemented to align the Council's resources to its Corporate Plan priorities, was not completed until summer 2017. This involved creating new service areas (such as Economic Development & Regeneration) and strengthening other key services and teams (e.g. Planning; Communities, Partnerships and Customers). Time was needed to create, interview then appoint to new posts and new teams were only appointed from summer onwards with some teams only really getting fully established by the autumn of 2017. There was therefore not a full year spend on staffing.
 - some posts have proven difficult to fill because of the demand and competition for certain skills and professionals across the wider region (e.g. planning, regeneration; legal) which has meant a number of vacant posts across the establishment. We are seeking to appoint into vacant posts as soon as possible.
- 2.10 The LGA Peer Review identified a 'sea-change' in the Council's approach to growth and said firm foundations had been put in place to deliver on its economic and growth ambitions, with good progress and positive partnerships built. It is positive to note what has been achieved across a number of these service areas whilst not being fully staffed yet. As we move towards filling all P4G funded posts this will really help to ensure delivery of our ambitions. Ensuring that we have capacity to deliver was one of the key messages that came out of the recent LGA Peer Review.
- 2.11 The biggest P4G funding is going into the new Economic Development & Regeneration Service (£458k per year) and the Partnerships team with Communities, Partnerships and Customers Service (£158k per year) - these teams have a central role in delivering many of the key priorities. This includes the day to day work needed to support businesses, attract inward investment, develop strategic partnerships, attract new funding into the district and also project management capacity to deliver specific P4G projects and programmes.
- 2.12 P4G funding is also being used to strengthen key parts of the Planning Service. This is critical to delivering the growth agenda both in terms of developing the Local Plan to guide future growth and in ensuring planning applications for new employment, housing and other developments are dealt with effectively. There is a particular focus on how we ensure strategic sites

are delivered, but also that we do not compromise our 'Great Place' agenda, by ensuring high quality development.

- 2.13 P4G also supports a range of other posts across legal, HR, marketing and communications, and housing, to ensure we have the right capacity in place to provide a responsive approach to development, growth and also to ensure we are 'waving the flag' for Selby District as a great place to invest, do business and live.

Proposed New Programme for Growth Projects

- 2.14 Progress on the existing Programme for Growth projects was reviewed in Appendix A. This also set out those projects have now completed, projects which still had unspent budgets and where carry-over of funding into 2018/19 has been requested.
- 2.15 The P4G programme has an indicative budget envelope of circa £5.5m to allocate to new projects (see Table at paragraph 3.6 below). There may be potential to allocate further funding to P4G projects in future years depending on whether we continue to retain 100% renewables Business Rates (which was circa £7m for 17/18).
- 2.16 Appendix C to this report sets out the proposed new programme and Appendix E gives more detail on each of the seven new projects. They show:
- how each project links back to the Corporate Plan priorities and areas of focus for the next 2 years set out in the Corporate Plan – 2018 update
 - the scope of the project and key outcomes to be delivered
 - budget required
 - estimated profiled spend

Governance and Programme Management

- 2.17 One of the key recommendations from the recent LGA Peer Review (as reported to Executive on the 1st February) was:

Better define and articulate the Programme for Growth and its governance processes so that there is clarity on what the priorities are and how their delivery will be managed.

- 2.18 The report explained this further:

“The peer team placed particular focus on the Programme for Growth and thought that the governance for this programme is unclear and there is uncertainty about the process of implementation or its success. It is important to be clear on what the decision making processes are, what the delivery mechanisms are, what is monitored and how and who will performance manage it. The Programme for Growth will give the Council credibility through what it actually delivers and the outcomes it achieves as a result of that delivery. Therefore, all the projects that sit underneath

the programme need to be performance managed so that what is being delivered and achieved can be demonstrated. Strengthening these aspects will help the Council gain credibility for the programme and explore more confidently how it can be expanded in the future as things move forward.”

2.19 The report to Executive on the 1st February 2018 presented our response to this: The Corporate Peer Plan – Improvement Plan. Recommendation CPC3.1 recommended that we:

define and prioritise projects to be funded by P4G as part of the Corporate Delivery Plan and monitor through Corporate Performance arrangements. It sets a target date for completion of April 2018.

2.20 This P4G report, and the other report on this agenda relating to the Economic Development Framework and Action Plan, are aligned. This P4G report does the following things:

- sets out a clear future programme of P4G projects – with clear links to what Corporate Plan priorities and objectives they will deliver against
- outlines the measures we are putting in place to improve governance and performance management

2.21 Some improved governance arrangements were already agreed following a report to Executive in September 2017.

- A P4G Prospectus – to give clear guidance to officers and members on the priorities of the programme, how they link back to the Corporate Plan and how decisions will be taken.
- Quarterly reports on progress to both the Executive and Scrutiny Committee
- Decision making - all projects above £10k needs to go to the Executive for approval; all projects below £10k to be delegated to the relevant director in consultation with the Portfolio Lead

2.22 Further improvements that are going to be implemented are:

- The Council’s senior Leadership Team are to take on the role of the P4G Delivery Board, overseeing the programme, monitoring progress, ensuring resources are put in place, and unblocking any issues which may hinder progress. This will meet monthly.
- Identify a lead officer who will be the P4G Programme Manager, responsible for regular update reports to the P4G Delivery Board and for ensuring individual scheme project managers work in accordance with our corporate project management approach. They will also help with advice to individual project managers on developing their PIDs and Business Cases (see below) and then in assessing them before presentation to Executive or Director in consultation with the Portfolio Lead for approval

- All projects will be managed through the corporate Project Management system, Covalent, with project managers expected to complete monthly review reports and report to the P4G Delivery Board.
- All projects will be required to accord with revised project management guidance, with projects being subject to business case review using the Councils standard Project Initiation Document (PID) and Business Case templates.
- An annual P4G Delivery Report will be prepared and presented to Executive and Scrutiny Committee for review

3. Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1 As the Council's major investment programme, the P4G should be underpinned by sound governance and transparency. Ensuring arrangements are consistent with the Constitution are paramount, and all delegated authorities should be consistent with the Council's Scheme of Delegation.

Financial Issues

- 3.2 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme comprises a range of cross cutting projects designed to 'make Selby a great place'. The current Programme was approved as part of the 2017/18 budget and in-year progress reports have been presented to both Executive and the Overview and Scrutiny Committee (both separately and as part of the quarterly finance updates).
- 3.3 Following the LGA Corporate Peer Challenge in November 2017, the current Programme has been reviewed and the new Programme for Growth now presented to Executive for approval has been refocussed. Prioritisation of resources will be crucial to ensure deliver of the intended outcomes within the budget available and proposals will be brought before the Executive for approval in due course.
- 3.4 For the purposes of planning, the MTFs indicated an initial sum of £10m would be made available over the 3 years from 2017/18 to 2019/20. With carry-over from previous years this gives a total programme pot of £10.9m (as set out in the table at para 3.6 below). £3m of that is funding the essential internal capacity required to deliver the growth ambitions set out in the Corporate Plan, including the Economic Development Framework and Action Plan and the Programme for Growth. This is covered in more detail in paragraphs 2.8 to 2.13 above.
- 3.5 The programme is funded by New Homes Bonus (currently up to £880k p.a.), and business rates receipts from renewable energy facilities. When the

budget was being set in February 2018 more detailed work was required on the review of the existing programme and the proposed new programme. Indicative funding was therefore allocated at programme level pending formulation of more detailed project options, which are now set out in this report.

- 3.6 Taking account of projects already in train, outline proposals for the remainder of the Programme are set out below:

| Special Projects/Programme for Growth | £000's |
|--|---------------|
| Total Approved Programme Spend | 10,934 |
| | |
| 2017/18 Spend on projects | 666 |
| Balance Brought Forward 1 April 2018 | 1,735 |
| Internal Capacity | 3,000 |
| | |
| Remaining project delivery fund P4G3 | 5,533 |
| | |
| Recently approved New Projects | 1,711 |
| New Projects to be approved | 3,560 |
| | |
| Remaining project delivery fund | 262 |

- 3.7 Allocation of funding to specific projects beyond those already approved, will be subject to formal decision making as set out in the governance framework approved by the Executive in September 2017.
- 3.8 Investment in projects will be subject to individual business cases which will identify the relative risks and rewards for each project and ensure projects are affordable within the context of the MTFs and budget, are sustainable and deliver the required financial returns and wider outcomes. Appendix E outlines the scope of each new business case.
- 3.9 The overall project is required to deliver a direct Return on Investment (ROI) for the Council with a return of £250k reflected in the savings plan from 19/20.

The current programme above indicates that approximately £3.5 of the projects will generate a direct ROI, so a direct ROI of circa 7% is required on these projects to achieve the £250k target.

Some projects will not generate a direct return, an indirect impact will be to increase business rates and council tax which will contribute to other savings targets in the MTFs and budget i.e. £200k for business rates growth and £28k for council tax base growth and it is worth noting that some projects will not deliver immediate financial benefits but will deliver the important enablers for further investments and returns in the future (subject to future business cases).

4. Conclusion

- 4.1 There is a growing momentum around the Council's ambitious growth agenda but the need for a sharpened focus around delivery. The P4G is a key programme for delivering the Corporate Plan and the Economic Development Framework and Action Plan. This report provides an update on progress in delivering the Council's Programme for Growth. It also seeks approval for a proposed new programme of projects and outlines proposals for strengthening overall programme management and governance in response to the key recommendations from the recent LGA Peer Review.

5. Background Documents

Corporate Plan 2015-2020 – 2018 Update
Economic Development Framework and Action Plan
Programme for Growth

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Appendices:

Appendix A The Existing Programme for Growth – progress and spend to March 2018

Appendix B Programme for Growth - funding internal capacity

Appendix C Proposed new Programme for Growth projects

Appendix D Summary Table of existing, recently approved and proposed new P4G projects

Appendix E Business Cases for New Programme for Growth Projects