



Public Session

Report Reference Number: S/1716

Agenda Item No: 8

To: Overview and Scrutiny Committee
Date: 22 March 2018
Author: Iain Brown, Economy and Infrastructure Manager
Lead Officer: Dave Caulfield, Director of Economic Regeneration and Place

Title: Programme for Growth: Update

Summary:

Selby District Council's Programme for Growth (P4G) was established in 2011 as a means of focussing and managing investment in key Council priorities. This report summarises overall progress on P4G to date, highlights the key messages from the recent LGA Peer Review on P4G, then outlines the next steps for identifying future P4G projects.

Recommendation:

To discuss the content of the report and provide comments on the progress of the P4G projects.

Reasons for recommendation

To strengthen P4G as the Council's critical delivery mechanism for its key strategic priorities as set out in the Corporate Plan and Economic Development Framework and ensure greater transparency of decision making.

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'.

2 The Report

Completed Programme for Growth Projects

2.1 A number of P4G projects have been completed as set out below:

- Construction of Selby Leisure Village/The Summit (£6m);
- Implementation of 'Ready for Work' Graduate Programme (£31k);
- Purchase of Burn Airfield (£1.8m);
- Support for Sherburn Retail Experience (£100k);
- Commissioning of Economic Development Framework (£50k);
- Completion of new housing at St Joseph Street, Tadcaster (£31k); and
- Improvements to Town Gateways (£4k).

2.2 The completion of these P4G projects has delivered several key outcomes and benefits, these include:

- An increase in physical activity for all age groups;
- Providing employment opportunities for local people;
- Encouraging residents to spend their money in the District;
- The intake of 4 graduates through the Local Government Association's National Graduate Development Programme and the successful completion of this programme;
- A clear understanding of the District's economic priorities and the resources required to deliver them;
- Delivery of 2 homes for affordable rent and 1 market house for sale;
- The installation of artwork on two roundabouts in the greater Selby area, enhancing the visitor experience and generating income through advertising.

2.3 Although tangible and significant successes were achieved, a number of P4G projects were in the process of delivery and were therefore carried over for implementation in Programme for Growth 3 (P4G3) which started in April 2017. They include:

- Healthy Living Concepts Fund (£175k);
- Growing Enterprise (£175k);
- Selby District Housing Trust's Development Programme (£134k);
- Strategic Sites (£285k);
- Tadcaster & Selby Retail Experience (£332k); and
- Empty Homes (£115k).

The current Programme for Growth

2.4 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 and Culture;
 - Housing;
 - Infrastructure; and
 - Business.
- 2.5 The latest progress of the current P4G was reported to Executive on 1 February 2018 as part of the quarterly Financial Updates and Budget Exceptions report. A further update on progress by project since then is included as Appendices A and B to this report.
- 2.6 Approved as part of the budget setting exercise for 2017/18, P4G3 has commenced with a targeted suite of 5 programme themes established including Town Regeneration; Tourism and Culture; Housing; Infrastructure and Business. Work also continues on schemes carried forward from 2016/17 including growing Enterprise; Marketing Selby USP; Strategic Sites and the completion of the Sherburn all weather pitch.
- 2.7 P4G is showing an in year underspend of (£1.8m) due to timing on P4G schemes, there is a corresponding reduction in reserve contributions for this. This money is still committed to be spent in full in future years.
- 2.8 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 and Action Plan, which will shortly be submitted to the Executive for approval;
 - Marketing Selby USP's, including a range of new branding and marketing materials which were launched at November's successful Economic Growth Conference;
 - The Business Space and Accommodation Review, for which specialist commercial property software has been purchased
 - Funding contributions to key District events, including Tour de Yorkshire and Sherburn Craft Festival;
 - Healthy Living Concept Fund, which has supported the initiation of Selby District's first Parkrun at Burn Airfield.
- 2.9 A number of Programme for Growth funded-projects are progressing significantly, but have been paused due to external factors. This includes:
- Tadcaster Linear Park, which has been paused to align with Environment Agency works to the River Wharfe in Tadcaster.
 - The Empty Homes Programme, for which a new programme has recently been adopted by the Executive.
- 2.10 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 projects. This includes:

- Church Fenton Studios, where 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;
 - Growing Enterprise, for which a successful multi-partner event was held in November to engage with over 60 local SMEs and a detailed SME Growth Plan is in development;
 - Olympia Park, for which a detailed Housing Infrastructure Fund (HIF) bid was submitted in September to unlock the site (decision expected by end of January).
- 2.11 Some projects have not yet been initiated, and are being reviewed at the request of the Executive. This includes:
- Stepping Up Housing Delivery, which has been superseded following the adoption of the Council's ambitious new Housing Development Programme;
 - Access to Employment, which will provide critical labour links to key employment locations and will be re-assessed following further business engagement;
- 2.12 The Programme for Growth is showing a forecasted underspend in the year of £1.5m, with a forecasted spend of £879k against £2.4m in the budget.
- 2.13 As illustrated above however, significant progress has been achieved that puts the Council in a strong position to proactively review the Programme for Growth and re-prioritise projects accordingly. This was a key recommendation from the Council's Corporate Peer Challenge in November.
- 2.14 Work is therefore underway, taking on board the clear steer from the Executive to focus on a smaller suite of 'bricks and mortar' projects that will deliver the Council's Corporate Plan and Economic Development Framework, whilst providing a commercial return on investment.
- 2.15 Appendix A provides a financial breakdown of the current programme.

Strengthening management and delivery of P4G

- 2.16 As reported to Scrutiny Committee previously, a number of actions were presented to the Executive on 7 September 2017 to strengthen the management and delivery of P4G3:
- ***Production of a succinct programme guidance note for officers and Members:*** This will clarify the P4G's key themes (already established), strategic context (Corporate Plan/Economic Development Framework), programme outcomes/priorities (businesses supported, homes delivered etc. linked to KPIs in Corporate Performance Framework) and provide clarity on the project brief process for Council officers and Members.

- **Amendment of the Council's standard project brief/PID to create a P4G project brief form:** This form is succinct, effective and well-used across the organisation. It will be slightly amended to ensure project focus and scrutiny on P4G3's themes, strategic context, growth-focussed outcomes and any financial/non-financial returns and appended to the guidance note;
- **Quarterly P4G3 updates to Executive and Overview and Scrutiny Committee:** Updates from the Head of Economic Development and Regeneration to the Executive on overall programme delivery and financial position, followed by corresponding update to Scrutiny Committee. This will allow opportunities to discuss potential carryover of undelivered projects (or 'return to pot'), increase programme transparency and show a cohesive and joined-up approach.

The above mentioned actions were endorsed by the Executive.

- 2.17 The Executive were also asked to endorse governance and decision-making arrangements for P4G3 to ensure a transparent and responsive programme is created. Decision making for budget/funding awards will remain with the Leader and/or Executive. Project Briefs of over £10,000 will be submitted to the Executive for approval, whilst Project Briefs under £10,000 will be approved by the appropriate Director/Head of Service in consultation with the relevant Portfolio Holder through the Council's Scheme of Delegations. Updates on project progress/spend will be monitored through quarterly reporting to the Executive and Scrutiny Committee.

LGA Peer Review

- 2.18 One of the key recommendations from the recent LGA Peer Review (as reported to Executive on the 1 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.'

- 2.19 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."

- 2.20 The report to Executive on the 1 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.
- 2.21 This work is underway as part of the Corporate Plan refresh and we intend to bring a report back to Executive in May 2018. This will include:
- A P4G Prospectus – to give clear guidance to officers and members on the priorities of the programme and how decisions will be taken.
 - A P4G4 programme – outlining the next round of P4G projects for Executive approval.
 - An update on new arrangements for programme and project management.

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 a Corporate Peer Challenge in November 2017, the current Programme will be reviewed and where appropriate 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. In accordance with the approved budget, to date £1m p.a. (£3m in total) has been committed to funding the new Economic Development and Regeneration Service and other internal capacity across the Council 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. A further £1.45m has been allocated to Programme for Growth projects.

- 3.5 The programme is funded by New Homes Bonus (currently up to £880k p.a.), and business rates receipts from renewable energy facilities. At this stage further economic development and other initiatives are anticipated but more detailed work on the proposals is needed. It is therefore proposed to allocate indicative funding at programme level pending formulation of more detailed project options.
- 3.6 Taking account of projects already in train and subject to confirmation of New Homes Bonus and Business Rates receipts, outline proposals for the remainder of the Programme are set out below:

Special Projects/Programme for Growth	2018/19 £000's
Balance brought forward 1 April 2018 (subject to spend in 2017/18 per Q2 Finance Update)	1115
Financed from Special Projects Reserve	8,050
Total Resources	8,165
Estimated project spend/commitments	2,615
Budget available for allocation	5,550

- 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.

4. Conclusion

- 4.1 P4G is the critical delivery mechanism for the Council's ambitious Corporate Plan and growth-focused Economic Development Framework. The above report summarises overall progress on P4G to date and updates Scrutiny Committee on the next steps to respond to the recent LGA Peer Review to strengthen the delivery and management of P4G and ensure greater transparency of the programme.

5. Background Documents

Contact Officer:

Iain Brown
Economic Development and Infrastructure Manager
Selby District Council
ibrown@selby.gov.uk

Appendices:

Appendix A: P4G – Financial Update to 31 December 2017

Appendix B: P4G3 2017/18 Project Schedule – update on progress