



B O S T O N B O R O U G H C O U N C I L

REPORT TO:	Cabinet
DATE:	9 th September 2020
SUBJECT:	PE21: The Next Steps
PORTFOLIO HOLDER:	Councillor Nigel Welton
REPORT AUTHOR:	Tim Leader, Deputy Chief Executive (Strategy)
EXEMPT REPORT?	No

SUMMARY

The purpose of this report is to describe the steps that need to be taken to deliver PE21. The initiative has the potential to boost the economic performance and prosperity of Boston town centre, make it a more vibrant and attractive place for residents and visitors, give them access to better educational facilities and help them live healthier lives. The project has taken shape slowly. It was authorised in 2017. A masterplan was produced early in 2018. COVID19 has caused it to stall. Critical design work, technical and viability studies have not been carried out. If it is to deliver what was promised, pace and resources need to be injected, the concept needs to be validated by the market (or developed, so far as is possible, to ensure that it does “stack up”) and partners fully engaged.

The project must also be managed professionally and be subject to rigorous performance management. First and foremost, the technical studies which need to be carried out to support the Towns Fund bid will need to be procured under the Council's urgency arrangements. Other work needs to be commissioned quickly. Progress needs to be made. Otherwise, there is a real risk that the energy which has been generated will dissipate and threaten any prospect of delivery in the short term or at all.

RECOMMENDATIONS

1. The DCX (Strategy) be instructed to report back to the next Cabinet on the budget cost of the steps specified under paragraph 9 of this report, which are required to advance this proposal with pace. The report should identify the approach to procurement, which should reflect the particular priority and urgency which is to be accorded to this project.
2. The DCX (Strategy) shall consult with the DCX (Place) and the AD (Towns Fund) to identify and procure those works that are needed to maximise the prospects of a successful Towns Fund bid, and shall take all necessary steps

(in accordance with the Council's rules on procurement) to obtain the same.

3. The DCX (Strategy) shall report on the project management arrangements it proposes to put in place in order to deliver this project successfully and at pace.

REASONS FOR RECOMMENDATIONS

To ensure that PE:21 is delivered successfully.

ALTERNATIVES CONSIDERED

n/a

REPORT

- 1 On 16th December 2019, the Cabinet approved the governance arrangements for the delivery of a successful Towns Fund bid. The purpose of the Towns Fund initiative is to pump, prime and lever the regeneration of places such as Boston town centre by recycling and making better use of vacant and under-used land, preserving and enhancing their cultural heritage, such as listed buildings, and investing in education, skills, connectivity and digital infrastructure. Up to £25 million is available to fund the infrastructure that is necessary. A vital ingredient of any bid is the requirement to demonstrate "additionality". That is, investment by the private sector as a direct consequence of the award of Towns Fund to provide enabling infrastructure. Put another way, the Towns Fund is not about investing in any public sector project *per se* unless it can be shown likely to contribute materially to the wider regeneration of an area.
- 2 In that context, the Council has identified a 10-acre site in the vicinity of West Street, Lawrence Lane and Lincoln Lane as the primary focus of Boston's Towns Fund bid. The initiative has been branded "PE21". The concept was first mooted early in 2017 as an opportunity to deliver improved health and wellbeing services, housing for older people, and a "community hub" through collaboration between the Borough and County Councils and the NHS under the banner of One Public Estate. During 2017 and 2018 the project evolved into an area regeneration initiative. The core of the project continued to be investment in new public infrastructure. Proposals included the closure and demolition of the Geoff Moulder Leisure Centre and the development of a new facility. This would be integrated with a building that would house three existing doctor's surgeries, certain "out-patient services" decanted from the Pilgrim Hospital and "other community services". Other proposals include the

provision of educational facilities under the auspices of Boston College and certain (but as yet unspecified) young people's services.

- 3 As the initiative gathered momentum attention was also focused on the potential to take in land and buildings in private ownership to deliver a range of commercial uses, including market housing, shops, bars, restaurants and hotels and offices. The idea was to "repurpose" the West Street area (and the town centre more generally) by creating a leisure attraction close to public transport hubs within a balanced new community which would be especially well served by health, well-being and young people's services.
- 4 Flesh was put on the bones of the concept by a firm of urban designers, AR Urbanism. Early in 2018 they prepared a masterplan showing what regeneration might look like. The plan was subject to extensive public consultation, and was generally well received. In December 2019 AR Urbanism published a proposal entitled "Next Steps for Boston", which recommended a range of further studies, notably: -
 - (1) Cataloguing of interests in land.
 - (2) Clarifying the objectives of public sector stakeholders.
 - (3) Market testing to establish the existence and level of demand for the kinds of uses that are envisaged.
 - (4) Specification of the social and economic benefits that would be delivered by regeneration.
 - (5) The development of a strategy for acquiring sufficient interest in the land to enable the strategy to be implemented, specifying the cost of that strategy and identification of sources of funding.
- 5 The production of drawing and certain technical studies (e.g. topographical surveys; viability studies; development briefs for key plots; the preparation of a flood risk strategy; and detailed layout drawings showing how key sites could be integrated with works to the public realm.
 - (1) Cataloguing of interests in land.
 - (2) Clarifying the objectives of public sector stakeholders.
 - (3) Market testing to establish the existence and level of demand for the kinds of uses that are envisaged.
 - (4) Specification of the social and economic benefits that would be delivered by regeneration.
 - (5) The development of a strategy for acquiring sufficient interest in the land to enable the strategy to be implemented, specifying the cost of that strategy and identification of sources of funding.
- 6 None of the work recommended by AR Urbanism has been commissioned. Instead, since December 2019, activity has been limited to preliminary discussions with Morgan Sindall, a UK construction and regeneration group, about how the project might be structured and funded. That has not yielded a concrete proposal. Willmott Dixon, a construction and property services company, have also been invited to develop a proposal to produce feasibility studies and development briefs for individual parcels of land. No feasibility studies or development briefs have been commissioned. The consequences are important. Private sector regeneration requires a profit. That requires a clear understanding of the cost of land acquisition and development and the value of what might be built. The cost (and risks) of development in particular requires knowledge of significant infrastructure constraints, the identity of landowners, their attitude towards participating in a scheme, and the feasibility, cost and time required to proceed by compulsory acquisition. The

value of a scheme is of vital importance because it will determine whether critical infrastructure can be funded whilst leaving a normal profit for developers. If there is insufficient value in a scheme to fund infrastructure, the nature and extent of the funding gap needs to be understood in general terms to enable bids to be made for gap funding from Homes England or through the Towns Fund. Until this work has been done it is also difficult, although not impossible, to make sensible, informed bids to acquire and assemble land. It will also be difficult to attract development partners and funders.

- 7 Moreover, as of the date of this report, no proposals have been developed for the integrated health and leisure facility, the community hub or an FE facility. In simple terms, it is not possible to state who wishes to provide precisely what, where, when, at what cost, what “it” will look like or where the money will come from. This complicates matters in several ways. First, it makes it difficult to determine with confidence whether, when and how public sector land will advance or block area regeneration. Second, that makes it difficult to design a coherent scheme with certainty; important dependencies need to be understood and planned for. Third, it leaves a significant question mark over the cost of infrastructure and overall viability. These issues can be planned around, but they act as a drag on progress.
- 8 The bottom line is this. As matters stand, PE21 remains an attractive, exciting concept of undoubted merit. But whether it is deliverable as it is presently configured at pace or at all remains to be proven. This is not an invitation to return to the drawing board. AR Regeneration’s masterplan merits further development. However, if regeneration is to be delivered the project will need to be managed with discipline. The kind of issues that are described in paragraphs 6 and 7 must be addressed systematically by suitably qualified and experienced consultants. That done, the Council will need to identify and enter into an arrangement with a delivery partner and decide how it intends to crystallise and authorise proposals through the planning process. A local development order could well be the most suitable vehicle. It is not tied to the Local Plan, it allows a scheme to be developed in consultation and partnership with the local planning authority, which de-risks the development process, and it chimes with existing and emerging central government planning policy.
- 9 The work that should be commissioned is as follows: -
 - (1) Comprehensive cataloguing of interests in land.
 - (2) Plotting of infrastructure within and across the site and assessment of the extent to which it will constrain development by dint of its location, condition and capacity.
 - (3) Cataloguing of individual land uses and businesses, including an assessment of the extent to which they are consistent with the objectives of regeneration.

- (4) Systematic and comprehensive cataloguing of vacant and under-used land and land uses and businesses judged to be inconsistent with regeneration.
 - (5) Specification of public sector development proposals. These must define precisely what is to be provided, by whom, where, when, at what cost and with what funds. If such clarity and commitment is not forthcoming, alternative proposals for public sector land should be defined and incorporated into a revised (alternative) masterplan(s).
 - (6) There should be a rigorous assessment of the demand for alternative uses across the site as a whole and for individual parcels of land. The market must be understood.
 - (7) Based on (1) – (6) development opportunities across the site should be identified. Development parcels should be identified and alternative uses specified.
 - (8) Infrastructure costs must be identified. This will include the cost of strategic landscaping.
 - (9) The viability of alternative uses of individual parcels of land must be rigorously assessed.
 - (10) The masterplan should be iterated on the basis of (1) to (9). It should be subject to a final viability assessment.
 - (11) A site acquisition and development strategy must be prepared, together with a budget cost and funding strategy.
 - (12) A delivery plan must be produced. This might, but will not necessarily require, the preparation of design briefs.
- 10 Once steps (1) to (12) have been completed there should be reasonable prospect of securing a development partner provided the scheme is shown to be viable or gap funding can be secured to address a lack of viability. It is possible that the Council will find a partner before it has carried out all of these steps. However, it should not enter into a joint venture or other arrangement unless that partner commits to carry out the tasks that have been identified. It should be noted that (1) -(12) is not an exhaustive list of the work that will need to be commissioned. For example, the Council will need to commission expert legal advice to deliver an LDO. What the list does do, however, is identify those essential steps that need to be taken now to give the project impetus.
- 11 The Towns Fund bid must be submitted in October 2020. It is difficult to envisage how a compelling submission can be made in respect of PE21 absent the information that is set out in this report. The kind and volume of work that is described would normally take at least several months to procure and complete. There is no realistic prospect of it being carried out by October.

Urgent consideration therefore needs to be given as to how the proposal can be presented in the best light, (which may require certain tasks to be undertaken urgently as an exemption to contract standing orders). The upshot is that PE21 should be viewed as a project to which the Council will remain committed irrespective of the outcome of its Towns Fund bid, provided it is shown to be viable and deliverable.

- 12 The cost of the work that is identified cannot be gauged accurately unless and until it is procured. It is likely to require a significant budget. Therefore, unless the work is required to support the Towns Fund bid, and it can be paid for by capacity funding, and procured under the Council's urgency procedures, it is proposed to make a further report to Cabinet to secure authorisation for project funding.
- 13 Finally, if this project is to proceed at pace or at all and deliver all that is envisaged, it is absolutely essential to install effective arrangements for project management. There needs to be clear leadership, responsibility and accountability. A timeline, with milestones and deliverables must be established and any departures from it subject to strict reporting procedures. It is proposed to specify these management arrangements when authorisation is sought for project funding. In the interim, it is proposed the Deputy Chief Executive (Strategy) should be tasked with preparing the further report to Cabinet. He will need to liaise with the Deputy Chief Executive (Place) to agree which works should be carried out as a matter of urgency to assist preparations for the submission of the Towns Fund bid.

CONCLUSION

PE21 has the potential to boost the economic performance and prosperity of Boston town centre, make it a more vibrant and attractive place for residents and visitors, give them access to better educational facilities and help them live healthier lives. The project has taken shape slowly. COVID19 has caused it to stall. Critical design work, technical and viability studies have not been carried out. If it is to deliver what was promised, pace and resources need to be injected, the concept needs to be validated by the market (or developed, so far as is possible, to ensure that it does "stack up") and partners fully engaged. The project must also be managed professionally and subject to rigorous performance management. First and foremost, the technical studies which need to be carried out to support the Towns Fund bid will need to be procured under the Council's urgency arrangements. Other work needs to be commissioned quickly. Progress needs to be made. Otherwise, there is a real risk that the energy which has been generated will dissipate and threaten any prospect of delivery in the short term or at all.

FINANCIAL IMPLICATIONS
None

LEGAL IMPLICATIONS

None

CLIMATE CHANGE IMPLICATIONS

None

EQUALITY AND SAFEGUARDING IMPLICATIONS

None

OTHER IMPLICATIONS

None

CONSULTATION

Consultation has taken place with the Portfolio Holder, Councillor Nigel Welton, the Assistant Director, Assets, Andy Fisher and the Assistant Director, Economic Growth, Neil Cucksey.

APPENDICES

None

BACKGROUND PAPERS

Background papers used in the production of this report are listed below: -

Document title	Where the document can be viewed
<i>PE21 Masterplan feasibility study</i>	<i>Available from Tim Leader on request</i>

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body.

This page is intentionally left blank