

13 July 2022		Item: 11 Decision: 110614
Cabinet		
Tilbury Town Fund Programme		
Wards and communities affected: Tilbury Riverside and Thurrock Park, Tilbury and St Chads	Key Decision: Key	
Report of: Councillor Mark Coxshall – Deputy Leader and Cabinet Member for Regeneration and External Affairs		
Accountable Assistant Director: Keith Rumsey, Assistant Director of Place Delivery		
Accountable Director: Sean Clark, Corporate Director of Resources and Place Delivery		
This report is Public		

Executive Summary

The development of the Tilbury Town Fund Programme is progressing in preparation for the submission of the Outline Business Case summaries to the Department of Levelling Up, Homes and Communities (DLUHC) by 5 August 2022. This report sets out the development of the programme to date following the consideration of the initial programme in the Cabinet Report dated 7 July 2021. It also reports the recommendations made by the Tilbury Town Board with regards to a revised programme of projects and delivery strategy in response to stakeholder project feedback and unprecedented cost inflation issues.

The report highlights key contractual and financial implications for the Council associated with progressing with the recommended project programme, budget and delivery strategy. The report then seeks approval of the Tilbury Town Fund programme and budget allocation and to a range of recommendations which will enable the Council to continue to develop and deliver the recommended programme within the programme timetable. It is proposed that, when required, further reports on individual projects will be brought back to the Cabinet for consideration and approval, as project progress is made towards Full Business Case and Contracting stages.

The Gray's Town Fund Programme is due to be considered in the September reporting cycle.

1. Recommendation(s)

That Cabinet:

- 1.1 **Approve the Tilbury Town Fund Programme and Budget allocations as set in Table 1 of this report.**
- 1.2 **Delegates authority to the Corporate Director of Resources and Place Delivery, in consultation with the Deputy Leader and Cabinet Member for Regeneration, Strategic Planning and External Relationships and the Assistant Director of Legal Services, to approve the Business Case Summaries; and agree lease, development and contractual terms (including approval to go to tender and award) to support the delivery of the programme.**
- 1.3 **Confirms agreement to underwrite the proposed financial settlement to enable the delivery of the Thurrock Youth Zone, as set out in Section 8.1 of this report, and that officers actively seek alternative revenue streams to support the long-term delivery of the Youth Zone.**

2. Introduction and Background

- 2.1 On 15 July 2021 DLUHC announced that Tilbury had been awarded £22.8million from the Town Deal fund. Heads of Terms were signed and returned to the Department on the 5 August and a revised set of projects were submitted to DLUHC on 5 October 2021.
- 2.2 Tilbury Town Board shortlisted projects for the Town Deal based on their ability to drive the Tilbury regeneration agenda and the available funding. The original programme of projects and their aims are set below:

Heart – £14.35m

- 2.3 Projects within the 'Heart' theme focus on new buildings and amenities in the Civic Square, including an inclusive Community Hall, Education Zone and bespoke Youth Facility. As a collection of projects there is a real opportunity to transform the Civic Square, with the new buildings acting as a benchmark for quality design and a catalyst for further transformation. These projects will complement the investment going into the Tilbury Integrated Medical Centre (TIMC) and Library. Projects within this collection can be delivered independently allowing the funding to be flexed if required. Officers are working with the youth charity Onside to carry out the design work supporting the development and delivery of a future Thurrock Onside Youth Zone.

Heritage – £5.86m

- 2.4 The 'Heritage' theme comprises projects on the Tilbury riverfront between Tilbury Town Centre, the Cruise Terminal and Tilbury Fort. Part of the focus of the Tilbury Town Fund programme aims to deliver projects that reconnect Tilbury to its heritage by making more of and celebrating the historic and natural heritage assets of Tilbury riverside. This will be done through a series of enhancements to improve connectivity between the town centre and the

riverside and also improve the settings and connections between key assets, such as Tilbury Fort, the Tilbury Landing Stage and the listed Station Hall and cruise terminal buildings, so they operate as a cultural cluster.

- 2.5 Partnership working will be critical to the delivery of these projects and officers are already working collaboratively with both English Heritage and the Port of Tilbury on developing plans for improving connectivity to Tilbury Fort and designs for the provision of a Pontoon extension to the existing Tilbury Landing Stage to facilitate increased passenger ferry services.

Hub – £2.59m

- 2.6 The Hub theme proposes improvements to the public realm either side of the station. There is also a focus on improving the arrival space around Tilbury Town rail station and improve access to and from the station interchange.

3. Issues, Options and Analysis of Options

- 3.1 Approval of funds to proceed with design development was received from DLUHC on 3 December 2021 and since that date design teams have been appointed to develop project proposals up to RIBA Stage (Concept Design) to allow an outline business case (OBC) to be prepared for each element of the programme. Central to this work has been a sense check on the viability of individual project elements, reviewing both the user demand, specifications and underlying costings.
- 3.2 This review has highlighted significant budgetary issues related to the costings of the original project programme. A more detailed review of individual project elements questioned the rationale for the need for new build facilities as opposed to the reuse of existing ones and also identified significant budget underestimations and omissions. This combined with significant cost price inflation issues resulted in the need for a comprehensive review of the programme to keep it within budget. The Tilbury Town Board has set the programme priorities for the Tilbury Town Programme and the Board agreed the proposed changes to the delivery programme at the Board Meeting on 26 May 2022. In as far as possible the review has sought to retain and deliver the key priority projects as set by the Board and contained within the Town Investment Plan. The Board agreed to change the status of a number of the Hub public realm projects to reserve, as the Board considered that these could better be considered as part of a wider property based regeneration of the area. The Board also requested that officers explore opportunities to link Town Fund expenditure with existing Highway programmes to maximise match funding and spend around the Station Hub.
- 3.3 Key Programme Changes are:
- The Community Hub delivered through refurbishment of vacated Civic Square buildings (once the library and associated services have been

decanted into the Tilbury Integrated Medical Centre), and refurbishment of Brennan Road facility into dedicated a Adult Skill Centre.

- Reallocation of three Station Hub projects as reserves projects, to be incorporated into a property focused regeneration of the Station area at a later date and officers link town fund expenditure to the current and future Highways programme to maximise match funding opportunities.
- Reallocation of released funds to address budget shortfalls in the priority projects in the programme.

3.4 Table 1 details the revised programme and budget the Cabinet are asked to approve and the section below provides further details supporting the proposed changes to the original programme.

Table 1 Revised Programme and Budget Allocation

Project	Priority	Original Budget £'000	Revised Budget £'000
Heart - Thurrock Youth Zone	1	5,200	6,600
Heart -Parks Improvements	1	1,500	1,500
Heart - Community Hub and Adult Skills Centre	1	7,150	3,012
Heart -Town Centre Parking	1	500	560
Heritage -Tilbury Jetty	1	2,300	5,700
Heritage - Tilbury Fort Works	1	800	2,100
Heritage - Tilbury Heritage Links	1	527	594
Heritage - Tilbury Pier Approach	1	1,025	1,139
Heritage - Tilbury Foreshore	1	1,198	1,216
Station Hub – Phase 1	1	410	379
Original Budget		20,610	22,800
Project Reassigned to Reserve			
Station Hub - Network Land	2	1,090	1,447
Station Hub - Dock Road Link	2	470	388
Station Hub - Calcutta Park	2	630	520

Heart - Community Hub and Adult Skills Centre

3.5 In testing the demand/need for a new build Community Hub, a service audit of all current and future community facilities was carried out of both council and non-council assets, along with a series of stakeholder meetings. The audit found that community-based services offered to the residents of Tilbury are extensive, but there is a need to centralise services to allow the suitable sharing of facilities to deliver a focussed provision of services based in and

around the Civic Square. The audit and community engagement found that the Tilbury Community is diverse but needs to come together in a space that complements current facilities, including the future TIMC but one that is community managed and flexible enough to deal with the wider range of outreach programmes and informal activities proposed.

- 3.6 The original Town Fund bid envisaged a new community hub building being provided as part of a cluster of buildings including the TIMC. Once delivered, the Library and Tilbury Hub services will be relocated into the TIMC and this would leave a collection of vacant buildings in the Civic Square. The revised delivery strategy proposes that, once vacated, the Tilbury Hub building is retained and refurbished for use as the identified Community Hub, operating under a community lease.
- 3.7 Adult Skills provision is currently provided through the Tilbury Hub and Brennan Road facilities. These buildings provide space for wide range of services including many linked to skills and employment including adult literacy and numeracy; adult and children special needs; ESOL; skills training; benefits advice; and IT/digital skills training. The Brennan Road facility provides a limited range of employment services linked to the CLLD programme and in the evening for a programme of youth services.
- 3.8 The audit concluded that outreach is a consistent theme for the provision of adult skill services and appears restricted principally due to resources available. The Service advised that adult education services, as well as other services, would be best served by need a single volume, multi-function space to enhance provision. In the Service judgement there is a need to better co-ordinate service provision and a better utilisation of current property assets. The Service has expressed a desire to expand the Aspire concept into Tilbury, utilising the Brennan Road facility more intensively to provide a full range of services from this premise. This includes the greater use of outreach provision from partners such as DWP.
- 3.9 The revised delivery strategy proposes that the current Brennan Road facility should be subject to an extensive refurbishment to address the current service deficiencies around ventilation and layout. It is considered that the provision of the Thurrock Youth Zone as part of the wider Town Fund programme will result in the space and timetable currently used for Youth Service provision becoming available for specific adult skills provision, thus creating capacity. The current Brennan Road facility is not being utilised to its full capacity and consideration will need to be given to the longer-term management of the facility if it is to become a multi-functional and multi-service delivery space. There is also a need to examine synergies for spaces being provided within the TIMC and a refurbished Community Hub building, to avoid duplication and achieve greater space and service efficiencies.

Heart Thurrock Youth Zone

3.10 The Thurrock Youth Zone project forms a key project priority of the original Towns Fund bid and one that directly addresses the needs of young people in Tilbury and the rest of the Borough. A number of sites options have been examined and a preferred site for the Youth Zone has been identified on Anchor Fields. Site investigation work is underway and the outcomes of this will have a bearing on the exact location and will be determined following public consultation and will be the subject of a formal planning consultation proposed to take place later this year.

3.11 To enable the delivery of the Youth Zone the Council be required to enter into a lease with the Onside Charity for the selected site for a term of 125 years at a peppercorn rent with no premium and enter into a series of agreements covering development and future operations. The capital cost for the construction for the Youth Zone, except for site abnormalities, will be shared on a 50:50 basis with Onside, with the Town Fund providing the full public sector contribution.

4. Next Steps

4.1 The proposed changes to the programme and outputs will need to be subject to a project change request to DLUHC. The Department have been clear that there is no guarantee that approval will be granted and there is therefore a risk that the value of any funding attached to projects that don't proceed could be lost from the programme.

Progress and Programme

4.2 Below is an overview of the programme:



4.3 For each of the projects further design work is currently being undertaken to deliver RIBA Stage 2 Concept Designs. The Outline business cases are being prepared for each of the key project themes and business case summaries will need to be signed off by the Chair of the Town Board and the Council's S151 Officer prior to submission to the Department by 5 August 2022.

5. Reasons for Recommendation

- 5.1 The development and delivery of the proposed Tilbury Town Fund programme provides an exciting opportunity to secure much needed funding to address long standing issues and provide opportunities for Tilbury residents, supporting the successful regeneration of Tilbury. The delivery will also address a number of the Council's priorities, as outlined in Section 7 below.
- 5.2 The deadline for the submission of the business case summaries has been set by DLUCH for 5 August 2022. The final decision on funding is due from the Department by October 2022. Delegated authority to sign off the business case summaries and agree terms for progressing projects is requested to ensure that the Council is able to respond and deliver projects within the required timeframes.

6. Consultation (including Overview and Scrutiny, if applicable)

- 6.1 An update report was considered at the Planning, Transportation and Regeneration Overview (PTR) and Scrutiny Committee 1 February 2022. Feedback and comments on the update report to the PTR meeting on 5 July 2022 to be reported verbally to Cabinet.

7. Impact on corporate policies, priorities, performance and community impact

- 7.1 The Thurrock Local Plan and Economic Growth Strategy identify Tilbury as a Growth Hub where economic regeneration and housing growth are to be focussed. The Tilbury Development Framework produced in October 2017 sets out a vision for Tilbury and describes a range of proposed interventions that follow a strategic arc from the station gateway down to the riverfront. The current programme aligns with the priorities set out in this document. The Thurrock Transport Strategy supports improvements of the transport interchange at Tilbury Station including the quality of the public realm and delivering improved and safer accessibility.
- 7.2 The emerging priorities and schemes in the programme are consistent with the Council's strategies and priorities, provide a means for close community engagement, and importantly provide a vehicle for securing funds to support delivery.

8. Implications

- 8.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director - Finance

The financial implications are set out in the body of the report. The Council believes it is prudent to revise the programme as recommended. The revised programme in Table 1, approved by the Tilbury Town Programme on 26 May 2022, is consistent with the Council's Asset Strategy: Reuse, Retain or Release. The estimated refurbishment costs for both the Tilbury Hub buildings and Brennan Road are significantly lower than the cost of the new build. The Board took the decision to reallocate three Station Hub projects as reserves projects, and these could be reintroduced if funding becomes available. Given the cost price inflation being experienced across all the programme projects, these changes do provide the Council and Town Board with a degree of financial flexibility to reallocate funds, whilst ensuring that the key transformational aspects of the original bid are still delivered.

Work continues to refine the individual elements of the programme and budgets have been reviewed and adjusted, with appropriate contingencies applied to ensure delivery within the funding available. Individual project contingencies have been reviewed and are now based on the stage of design, detailed cost assessments and projected procurement timelines. The cost plans for both the Thurrock Youth Zone and Pontoon extension have been adjusted to reflect Construction and Tender Price index for Q3 2023, the estimated tendering timeline. Overall the programme contingency has been set at 20% of the total programme budget. The programme will need to be continually reassessed as a whole through each stage of the detailed design and tendering process to ensure projects remain within budget and maximum efficiencies are made. Continued cost price inflation pressure has been identified as a significant and ongoing risk to programme delivery. The Board in refining and reprioritising the programme have provided the flex to respond to further cost challenges, whilst delivering key projects. It is noted the financial risk associated with the delivery of the proposed projects attaches to the Council (as the Accountable Body) and, consequently, must and will be managed by the Council as part of the capital programme.

As part of the operational agreement with the Onside Charity the Council will be required to provide £400k pa revenue for 4 years to be part funded from the Town Fund Allocation (£1m) and Onside will provide £900k pa revenue for 4 years. The required capital funding from the Council, up to a ceiling of £6.6m will be funded from the Town Fund allocation, with the balance of capital funds coming from the Onside private sector contribution. Options to cover the revenue shortfall are being examined and include a project change request to DLUHC to reallocate programme capital to revenue and the use of allocated Freeport Business Rates Retention funds.

8.2 Legal

Implications verified by: **Kevin Molloy**
Principal Lawyer / Manager Contracts & Procurement Team

The Council by entering into the Heads of Terms with the Department has created formal obligations on the Council. The proposals whilst bringing forward the potential for significant benefits does carry risk for the Borough, and the Council. In considering this report Members must be mindful that there are several areas of developing detail within the proposals which may leave the Council exposed to material risks or continuing liabilities in the future.

All projects within the programme are being developed with a view to limiting any future contractual or financial liability falling to the Council. Specific terms of any formal agreements between Onside and the Port of Tilbury will need to be carefully reviewed to ensure that the Council is protected against risks which may arise through contract tendering and implementation (including cost increases, and third party risk). There is at this moment insufficient information to allow the Council to make a formal decision to dispose or appropriate its land assets for the purposes of delivering the proposed projects. Accordingly the Council can only make a decision in principle to agree outline heads of terms and delegate authority to negotiate the lease terms and associated development agreements and tender packages. Some parts of the proposed land which may be included in the proposals are public open space; before a decision can be made to commit the use of this land the Council must undertake statutory consultation under s123 of the Local Government Act 1972 and consider any representations received.

The Council is being asked to be the accountable body for significant public funds from government, the use of some of which may be managed by partner organisations potentially including those in the private sector. Whilst risk can be mitigated through the use of appropriate contracts the ultimate risk will remain with the Council if deliverables are not met. There is scope for the Council to have to repay funds or ensure delivery of projects with the resultant implications. This type of arrangement exists in a number of settings, and can be managed effectively. The Council has in principle the necessary statutory powers to engage in these arrangements at this point, and deliver the proposed projects. However it must be recognised that in doing so it is not making determinations under specific statutory frameworks particularly around matters such as planning where future decision making will be necessary. A number of the projects will require consents from third party bodies / regulators (such as the Port of London and Environment Agency) whilst the projects can be designed to mitigate difficulties this risk must be reflected in the consideration of the Councils overall risk as accountable body, and the terms of the grant agreement. Where projects require works to be undertaken, or the entering into of long term service contracts formal procurement rules will have to be followed by the Council, following both the statutory requirements and the Councils procurement policies. During the course of the formal business case development and the shaping of the final proposals further formal decision making will be required by the Council to exercise its statutory functions, particularly in relation to the disposal or acquisition of land and use of its other statutory powers.

Any contracts to be entered into will need to be in accordance with national procurement law and the Council's own internal procurement rules, and Legal Services will need to be consulted to ensure compliance as this project proceeds.

8.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

The Town Board and its Advisory Group include a full range of representation of stakeholders. The Advisory Group is open to others to join. Stakeholder engagement has built on existing engagement exercises carried out in Tilbury over recent years.

As part of the process of developing the TIP, the Council and the Towns Board have carried out extensive community engagement.

The Town Board has committed to ongoing engagement through the process for submission and project development. The TIP will include different projects, each of which will require a community equality impact assessment. The TIP engagement plan will seek to ensure that proposals understand and, where possible, improve equality and diversity.

8.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

None

9. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

N/A

10. **Appendices to the report**

N/A

Report Author

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