

Birmingham City Council

Report to Cabinet

17 March 2020



Subject: **WARD END PARK LAKESIDE RENEWAL
PROJECT EXTERNAL FUNDING
ACCEPTANCE**

Report of: **Acting Director of Neighbourhoods**

Relevant Cabinet Member: **Councillor John O'Shea, Street Scene and
Parks**

Relevant O &S Chair(s): **Councillor Penny Holbrook, Housing and
Neighbourhoods**

Report author: **Bob Churn, Head of Landscape and
Development**

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Ward End and Alum Rock		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 007496		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 In May 2017 the Parks Service was approached by Norton Hall Children and Family Centre (a registered charity [No.1112752] and voluntary organisation supporting children, parents and families in East Birmingham) to assist them in developing a bid that sought funding for the retrofitting of the Dolphin Centre (a City Council owned facility that is occupied by Norton Hall on a short term agreement) with green and energy efficiency interventions and for landscape improvements in the adjacent Ward End Park, including bio-diversity enhancements and better access and connectivity.

- 1.2 The Parks Service submitted an initial expression of interest to The Ministry of Housing, Communities and Local Government (MHCLG) for funding of the project. This received a favourable response and since that time the service has been working with Norton Hall Children and Family Centre to improve their offer to the community, in one of the most deprived areas in the city and most impacted upon by the arrival of HS2.
- 1.3 Following approval of the outline bid from the European Regional Development Fund (ERDF) Managing Authority, Birmingham City Council (BCC) submitted a full application for £1,244,000 of funding on 29th June 2018. This was approved along with the associated Project Definition Document by Cabinet on 31 July 2018. MHCLG, as Managing Authority for ERDF, confirmed in January 2020 that the project will be supported subject to a number of conditions, including BCC confirming its match-funding contribution to the project, sight of a formal approval by Cabinet of the project and acceptance of the grant funding and the attached conditions.
- 1.4 BCC's budget includes a number of bids to external funders, such as the HS2 Community and Environment Fund and the National Lottery. It is proposed to underwrite these bids via the Community and Infrastructure Levy (CIL) funds totalling £0.669m while awaiting the external bids to be determined.
- 1.5 This report seeks Cabinet approval to the Full Business Case in Appendix 1 to provide the match funding element of the Project and to accept the equivalent offer of ERDF grant funding to deliver the proposals.

2 Recommendations

Cabinet:

- 2.1 Approves the Full Business Case (FBC) in Appendix 1 for the implementation of building and landscape improvement works at Ward End Park with an overall cost of £2,488,000
- 2.2 Authorises the acceptance of £1,244,000 of ERDF grant funding and conditions of grant and agrees to act as accountable body for the defrayal of grant.
- 2.3 Approves match funding in the sum of £1,244,000 to enable the drawdown of the ERDF grant funding, as detailed in Appendix 1
- 2.4 Authorises the Director of Neighbourhoods to invite and accept tenders for the project design and implementation in accordance with the procurement strategy outlined in para 7.4 below subject to the tenders coming within the approved budget.
- 2.5 Authorise the City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendations
- 2.6 Note that the overall budget contribution by BCC may be reduced as there are several live applications to other funding sources including HS2 Ltd and the National Lottery.

- 2.7 Note that the City and Norton Hall Children and Family Centre are in the process of negotiating a new lease based on the Community Asset Transfer Protocol agreed by Cabinet in 2011.

3 Background

- 3.1 In May 2017 the Parks Service was approached by Norton Hall (a registered charity [No.1112752] and voluntary organisation supporting children, parents and families in East Birmingham) to assist them with a view to seeking funding for the refurbishment of the Dolphin Centre and enhancing the biodiversity of the adjacent Ward End Park to improve their offer to the community, one of the most deprived in Birmingham and most impacted by the arrival of HS2.
- 3.2 In September 2017 the Landscape Practice Group with support from Norton Hall and the Friends submitted an expression of interest to the HS2 E&L Board and were subsequently invited to make a presentation to the Board on 15th November 2017. This was received well and representatives from HS2 Ltd, Environment – Area North indicated that the project aligned with their strategic environmental priorities of creating a green corridor and being a good neighbour in particular due to the close proximity of the HS2 Rolling Stock Maintenance Depot to the Project.
- 3.3 On 31st January 2018 an outline bid was submitted on behalf of the Parks Service to the Birmingham and Solihull Sustainable Urban Development Programme which is aligned to maximise the economic impact of the High-Speed Rail line (HS2) arrival in the area. This stream of funding has been made available by the European Regional Development Fund and there are two priority axes for which calls for bids have been requested. Our project straddles both the Supporting the Shift towards a low carbon economy (P4) and the Protecting the Environment and promoting resource efficiency (P6) priority axes.
- 3.4 On 23rd April the MHCLG, as Managing Authority for the ERDF Programme in England, confirmed by letter that they and the Intermediate Body for the Birmingham and Solihull Sustainable Urban Development Strategy had assessed and accepted the Project at outline stage and that it could progress to a full application.
- 3.5 On 29th June 2018 a full application for ERDF funding was submitted to the MHCLG, subject to Cabinet Approval, which was later confirmed on 31st July 2018. The Cabinet report also included the approval to submit further bids to other funding agencies to secure the 50% match funding, including HS2 Community and Environment Funding. The ERDF full application has since been progressing through the assessment process and the MHCLG is now due to make its decision.
- 3.6 It has not been possible to secure the level of match funding set out in the July 2018 Cabinet Report in the timescales of the ERDF Programme. Appendix 1 sets out where existing resources have been secured and where there is need for further City Council resources to close the gap.
- 3.7 In January 2020 the MHCLG contacted the City Council to advise that the project would be supported subject to the City Council confirming its match-funding

contribution to the project. BCC's budget includes a number of bids to external funders, such as the HS2 Community and Environment Fund and the National Lottery. It is proposed to underwrite these bids via the Community and Infrastructure Levy (CIL) funds while waiting for the external bids to be determined.

- 3.8 Norton Hall occupy the Dolphin Centre on a short term agreement but are now established sufficiently to be considered for the grant a new lease on a Community Asset Transfer basis as set out in the CAT Protocol agreed by Cabinet in 2011. The property is to be leased for 25 years from a date to be agreed and the tenant will undertake all repairs and pay all rates, utility and other costs relating to their occupation of the building. The market rent is subject to an initial Valuing Worth assessment carried out by officers in the Neighbourhoods Directorate, which will determine the value of community services undertaken on site against which the rent will be discounted and may lead to a peppercorn rent only being charged. The new lease will be subject to a further executive report in due course when the lease terms are finalised.

4 Options considered and Recommended Proposal

- 4.1 To do nothing would fail to take advantage of the current investment in transport infrastructure in the City as a result of HS2 coming to Birmingham and to realise the benefits that an extended Dolphin Centre would provide by linking the local community to the new job opportunities. The Dolphin Centre would remain in need of refurbishment, which would limit its ability to assist the local deprived community and would continue to act as a barrier to people wanting to access the park. The park itself would remain in a poor and unwelcoming condition.
- 4.2 To bid for alternative funding. This would only provide limited improvements and fail to deliver the desired outcomes of having a positive impact on the local community in terms of jobs, skills and well-being.
- 4.3 To deliver the recommended proposal. This will attract a significant inward investment to a deprived area and help to mitigate some of the impact of the construction and operation of HS2. The area will benefit from a greatly enhanced Dolphin Centre connecting the community to labour market opportunities and a much enhanced park and lake for health and well-being. This will be delivered over the next 3 years starting in April 2020.

5 Consultation

- 5.1 Ward Councillors for Alum Rock ward were briefed on the proposals for Ward End Park prior to the May 2018 Local Council elections and were supportive of the proposals. Following the ward boundary changes and election the new Ward Member for Ward End has been consulted.
- 5.2 The Right Honourable Liam Byrne M.P. has been consulted and is supportive of the project.

- 5.3 Following previous consultation events held in 2015 by Norton Hall Children and Family Centre where 200 responses were returned a follow-up questionnaire was sent out from Norton Hall, assisted by the West Midlands Combined Authority, to all residents in Ward End and neighbouring wards to inform them of the proposals and invite comment. From the returns there was clear support for the Project, with over 75 % of respondents saying they would more likely visit the park and Dolphin Centre if the improvements were implemented.
- 5.4 Further engagement with the local community and stakeholders will be undertaken as the project progresses, through the Future Parks Accelerator Programme.

6 Risk Management

- 6.1 MHCLG have approved the Project subject to a Cabinet decision in March 2020 as the programme will close in early 2020 to new applicants and so we have brought this report forward now to meet their deadline.
- 6.2 There are grant clawback implications on the ERDF programme. The project team will work closely with Corporate Procurement to ensure compliance with European Structural and Investment Fund (ESIF) requirements and the project will be managed day to day by The Landscape Practice Group to ensure a timely implementation.
- 6.3 State Aid implications were considered throughout the application process and have been resolved. The Project beneficiaries are outside the scope of State Aid due to the facilities being public assets and the project being of purely local significance that won't affect trade between member states of the European Union.
- 6.4 Due to the stipulated timescales it may be difficult to secure all the potential third party match funding at this time, however we will continue to pursue these funds and if successful the level of City Council contribution will reduce commensurately.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

The proposals in this report will contribute to the Council's key outcomes namely:

OUTCOME 2 'Birmingham is an aspirational city to grow up in':

Through the enhancements to the Dolphin Centre and creation of additional learning space more women will gain access the learning and skills that will increase their opportunities for employment and enterprise.

OUTCOME 4 'Birmingham is a great, clean and green city to live in':

Through the visible investment and physical improvement of the building and park increased numbers of residents will be encouraged to participate in recreational and physical activity and through the environmental enhancements children and young people of all backgrounds and abilities will have the opportunity to enjoy the outdoors in a more ecologically diverse, safer and brighter environment.

Taking a whole building and whole place approach will help to deliver the ambitions set out in the Carbon Roadmap, where the City Council is committed to a 60% carbon reduction by 2027, which is reflected in the environment and sustainability policies and targets of the Birmingham Development Plan.

The proposals will help to deliver the Birmingham and Black Country Nature Improvement Area action plan targets, help meet the policy commitments in Birmingham's Green Living Spaces Plan and its global Biophilic City commitments.

It will help deliver the recommendations in the 2018 Birmingham Tree Policy and contribute to the Environment Agency's Water Quality targets under the Water Framework Directive

Ward End Park is the central space selected to help develop the Green Neighbourhood Pilot Project in relation to the Jobs and Skills as part of the National Trust and National Lottery Heritage Fund sponsored Future Parks Accelerator Programme for the City and this project will be a catalyst for delivering the outcomes for this major investment.

7.2 Legal Implications

7.2.1 Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 gives the Council powers to provide recreational facilities.

7.2.2 Section 164 Public Health Act 1875 allows for the laying out and maintenance of open space for public recreation.

7.2.3 Development of a strategy to improve community recreational facilities, support community engagement and deliver environmental enhancements/promote bio-diversity is made pursuant to the general power of competence contained in s1 Localism Act 2011.

7.3 Financial Implications

7.3.1 The expenditure on the Project is estimated at £2,488,000. The main capital components, estimated at £2,165,000 include: The Dolphin Centre construction, Park landscape construction work and match funding works to the HS2 depot site to be undertaken by HS2 Limited which form part of the ERDF funded proposals for off-site works. Elements of the Project are classed as revenue activity and these are estimated at £323,110 and included in the overall budget. The £323,110 covers the staffing costs and on-costs for the Landscape Practice Group to project manage and deliver the external works design, a topographical survey, water quality assessments and an overarching summative assessment of the project

7.3.2 The funding of this project is made up of £1,244,000 ERDF grant and matched funding of £1,244,000 as outlined in paragraph 7.3.3 and Appendix 1.

7.3.3 The matched funding of £1.244,000 is shown in Appendix1 and is summarised below

- BCC Contribution of £913,000 comprising:
- Pools Safety works budget £244,200
- CIL Monies £668,800
- BMHT £16,000
- HS2 Ltd £315,000

7.3.4 The project will continue to pursue additional sources of grant funding, if successful these funding streams will reduce the drawdown on the CIL contribution.

7.3.5 Any financial risk of overspend will be addressed by adjustment to the scope of the project although likelihood of occurrence is deemed low.

7.3.6 There will be some annual on-going revenue implications for this scheme (mainly maintenance and repairs) and these have been assessed at £0.120m per annum and will be funded from within the annual approved budgets for Parks Services. The Dolphin Centre on-going operational costs will be the responsibility of Norton Hall, the current tenant.

7.4 Procurement Implications (if required)

7.4.1 Contracts for the building works and landscape works are below the EU threshold but will be procured through ESIF compliant tendering procedures.

7.4.2 Contracts for the consultants will also be procured through ESIF compliant tendering procedures.

7.4.3 Details of the procurement implications are attached at Appendix 1 Full Business Case.

7.5 Human Resources Implications

7.5.1 Landscape design and project management work will be undertaken by the City Council's own officers within the Landscape Practice Group in Street Scene division.

7.5.2 Details of the human resources implications are attached at Appendix 1 Full Business Case.

7.6 Public Sector Equality Duty

7.6.1 An equalities assessment has been undertaken for this project and there are no adverse impacts identified at this stage. A copy of the report is appended at Appendix 2

8 Background Documents

- 8.1 Ward End Park Lakeside Renewal Project External Funding Applications Cabinet Report 31st July 2018
- 8.2 Example European Regional Development Fund Capital Funding Agreement
- 8.3 HS2 Ltd. European Structural Investment Fund Letter of Support 31st January 2018

List of appendices accompanying this report:

- Appendix 1: Full Business Case
- Appendix 2: Equalities Assessment EQUA488
- Appendix 3: Public Sector Equality Duty
- Appendix 4: Ward End Park and Dolphin Centre Masterplan