

# Apply to the levelling up fund round 2

## Submission details

Submission reference	LUF20008
Created time	Wed, 10 Aug 2022 08:31
Signed-in user	b3d9501d-279b-4796-8986-14d327577aa7

## What is the legal name of the lead applicant organisation?

Hyndburn Borough Council

## Where is your bid being delivered?

England

## Select your local authority

Hyndburn

## Enter the name of your bid

The Accrington Acre: Our Heritage-Led Town Centre

Does your bid contain any projects previously submitted in round 1? No

## Bid manager contact details

Full name	Steve Riley
Position	Executive Director
Telephone number	[REDACTED]
Email address	[REDACTED]
Postal address	[REDACTED]

## Senior Responsible Officer contact details

Full name Steve Riley

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Position Executive Director

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Telephone number [REDACTED]

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Email address [REDACTED]

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## Chief Finance Officer contact details

Full name Martin Dyson

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Telephone number [REDACTED]

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Email address [REDACTED]

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## Local Authority Leader contact details

Full name Miles Parkinson

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Position Leader of the Council

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Telephone number [REDACTED]

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Email address [REDACTED]

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## Enter the name of any consultancy companies involved in the preparation of the bid

Bradshaw Advisory  
MAC Construction Consultancy

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## Enter the total grant requested from the Levelling Up Fund

£20000000

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## Investment themes

Regeneration and town centre 50%

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Cultural 50%

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Transport 0%

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## Which bid allowance are you using?

Full constituency allowance

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## How many component projects are there in your bid?

3

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## Are you submitting a joint bid?

No

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## Grant value declaration

I am submitting a bid as a single applicant and can confirm that the bid overall does not exceed £20 million grant value

Tick to confirm

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## Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

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Costings and Planning Workbook

2022 07 27 Hyndburn Workbook  
{LUF\_Package\_Bid\_Costings\_\_Planning\_Workbook\_V2.00}.xlsx

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## Provide bid name

The Accrington Acre: Our Heritage-Led Town Centre

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## Provide a short description of your bid

We will transform Accrington's recently pedestrianised Town Square through works to three highly-visible neighbouring buildings:

Accrington Market Hall (Grade II listed) - will become a new food hall and curated 'trading space' creating jobs, diversifying the town, providing visitor draw and boosting pride.

Burtens Chambers - largely vacant and dilapidated, we will acquire it and convert it into co-working space raising town centre demand, living standards, footfall and pride.

Market Chambers - largely vacant and dilapidated, we will acquire it, make repairs to the facade/fabric and upgrade ground floor units to a coherent look boosting pride and jobs.

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## Provide a more detailed overview of your bid proposal

The interventions (blue on the map - see annex D) are on the Accrington Town Square which forms the centre of the 'Accrington Acre' concept (green

boundary - see annex D). We are purposefully focusing on a small physical geography to make a substantial and visible impact in the heart of the town that will act as a catalyst for wider economic regeneration, growth and investment.

£1.5m match funding will be provided by Hyndburn Borough Council (annex H) and £1.5m by Lancashire County Council (13% of spend) (annex K). The Town Centre Partnership Board and Stakeholder Board both fully support this bid as well as the local MP. It has a combined adjusted BCR of c.1.6 which is high considering Accrington's extremely low land values.

#### Accrington Market Hall

Footfall and occupancy have fallen over the past three decades.

We will refurbish and transform it into a food and drink destination that is attractive to locals (50% rarely or never come to Accrington) and those within a c.45 minutes travel distance (2.7m people with £30+bn disposable income).

Our RIBA stage 2 designs, MEP and decarbonisation strategies envisage 50% of space for a day and night time food offer and the other 50% for curated 'traders'.

We also plan to demolish one of the large underused pavilions (permission granted - see annex E). Demolition will create high-quality green public realm, better visibility of the building, outdoor eating provision and reduction in retail space (substantial oversupply).

#### Burtens Chambers

This important Art Deco building is largely vacant and has fallen into disrepair. We will acquire, restore and transform it (including a roof extension) into a co-working space - circa 6,000 square metres, space for c.140 desks and events space - with visible activity reducing crime and providing stable demand for the 'new Market Hall'. RIBA stage 2 designs with MEP and structural engineering input have already been created with keen interest from a leading operator in Manchester.

#### Market Chambers

This building is largely vacant and in need of repair and refurbishment. We will acquire it, undertake repair works, refurbish shop units to a modern standard with consistent look and put in place 'passive provision' for the next phase of the project (not part of LUF bid) that will create a new cultural/arts/heritage space boosting pride and addressing the local cultural 'deprivation' identified by DCMS. The works will also help to improve the visual impact of the building and complement the other two projects.

#### Coherence

The projects neighbour each other and are on the Town Square - pedestrianised in 2018 as part of a THI funded by NLHF - and also home to the Grade II\* listed Town Hall (renovated in 2016). They also sit at the heart of the 'Accrington Acre'.

The Market Hall diversifies the town away from retail and provides a reason to visit while visibly improving the square. Burton's Chambers again diversifies and visibly improves the square, while providing steady weekday demand for the new Market Hall offer and space for local entrepreneurs/SMEs to grow. Market Chambers is the 'third piece of the puzzle' that will again help diversify the town centre, improve the look and feel of the square and through a second phase (not part of this LUF bid) become a cultural/arts/heritage space and provides additional demand for the new Market Hall.

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## Provide a short description of the area where the investment will take place

Accrington is a market town (Hyndburn's largest and administrative capital)

with a broadly stable population of c36,000 people. It is situated between the four major towns/cities of Blackburn (4 miles) and Preston (13 miles) to the west, Burnley (6 miles) to the east and Manchester (20 miles) to the south. Historically it was a major local shopping destination, its fortunes heavily dependent on physical retail.

Hyndburn is the 16th most deprived of 317 local authorities in England, according to the 2019 Index of Multiple Deprivation. Deprivation levels in Accrington are worse than the Hyndburn average, with five of its six wards amongst the 5% most deprived wards, including Barnfield ward.

The investment will take place at buildings located on the Town Square within the Accrington town centre (purple outline in map - see annex D). This area is located within the west-most point of Barnfield ward dominated by retail. The main retail clusters include the Arndale Centre, Market Hall, Blackburn Road which runs alongside the town square, and Warner Street.

1-in-4 shops are empty, half of the Arndale Centre is empty/charity shops, and half of Market Hall's ground floor stall pitches are unlet. Prominent buildings on the Town Square - including Burtons / Market Chambers - are largely empty and, as with many of the empty premises in the town, in an increasingly dilapidated state. Here and elsewhere, including Blackburn Road, there is an assortment of shop frontages with poor aesthetic unsympathetic to the town's heritage.

There is strong potential for heritage-led regeneration to create an attractive 'Accrington Acre' centred on the Town Square with the historic buildings in this bid renovated and repurposed for visitor draw. More visitors means more footfall for the town's struggling shops. The town's retail and food and drink offer – and visitor offer more generally – is considered poor by Hyndburn residents and those beyond. This is reinforced by findings of the representative Survation polling (see TCIP at annex F), the Town Centre Investment Plan (TCIP) consultation, stakeholder interviews as well as poor visitor numbers.

The town centre is blighted by crime - anti-social behaviour and drug use especially. The recently-adopted Town Centre Investment Plan (TCIP) consultation responses highlight the problems/consequences:

"Nobody goes into town because there is nothing to go for. Also the most off-putting thing about Accrington town centre are the drug users and alcoholics who make it feel unsafe."

"We are a young family with small children and would love to be able to take our children into town...to support local businesses however there is a fear amongst many with the amount of drug users ... across Broadway. I do not feel safe going into town with my children without my husband..."

"To attract the correct mix of independent, quality businesses to the town, we need to tackle the anti-social behavioural issues... these all drive away both the business & indeed the clientele."

There is a lack of social-economic diversity of households in the town and an oversupply of housing (poor quality and low rents). There are elevated problems associated with vulnerable single people with "chaotic lifestyles" constantly failing tenancies/being thrown out of the parental home, having an increasingly visible impact on the town centre as the "destination" for this group.

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**Optional Map Upload**

3.4 Overview Map.png

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**Does your bid include any transport projects?**

No

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## Provide location information

### Location 1

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Enter location postcode	BB5 1ER
Enter location grid reference	53.753113, -2.364438
Percentage of bid invested at the location	48%

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Optional GIS file upload for the location

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### Location 2

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Enter location postcode	BB5 1JJ
Enter location grid reference	53.752866, -2.365505
Percentage of bid invested at the location	37%

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Optional GIS file upload for the location

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### Location 3

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Enter location postcode	BB5 1JJ
Enter location grid reference	53.752745, -2.364707
Percentage of bid invested at the location	15%

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Optional GIS file upload for the location

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## Select the constituencies covered in the bid

### Constituency 1

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Constituency name	Hyndburn
Estimate the percentage of the bid invested in this constituency	100%

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## Select the local authorities covered in the bid

### Local Authority 1

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Local authority name	Hyndburn
Estimate the percentage of the bid invested in this local authority	100%

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## Sub-categories that are relevant to your investment

Select one or more regeneration sub-categories that are relevant to your investment

Commercial  
Civic

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Select one or more cultural sub-categories that are relevant to your investment

Arts and Culture  
Visitor Economy  
Heritage buildings and sites

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## Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome

No other funding applications have been made for the projects contained within this bid.

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## Provide VAT number if applicable to your organisation

175347741

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## Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

Hyndburn's diverse populations are a major strength. However, some groups with protected characteristics require strategic policy responses and delivering projects through the Levelling Up Fund provides such an opportunity.

There are three groups of particular focus that we hope and intend our interventions to particularly support: younger people, those from ethnic minority backgrounds and those with disabilities.

As background, the unemployment rate within HBC is 5.2% compared to an average of 4.4% nationally with 24% of local employment being in the retail sector which has been particularly hard hit by the pandemic and long-term changes to consumer habits. The Index of Multiple Deprivation shows particularly poor deprivation domains for health, living and employment.

### Younger people

According to the ONS Annual Population Survey those aged 16-24 have unemployment rates of more than three times those aged 25-49 meaning they are particularly vulnerable to the ongoing effects of the COVID-19 pandemic. 11.3% of Hyndburn's population (Census 2011) fit within the 16-24 age bracket.

### Ethnic minorities

Similarly to younger people, the ONS has found that those from ethnic minority backgrounds have higher unemployment rates than those who are White British. For example, those who are Pakistani or of Pakistani heritage have on average a 44% higher unemployment rate than White British.

Additionally, research from the King's Fund and others have found that people from Bangladeshi and Pakistani communities in the UK have the poorest health outcomes across a range of indicators.

According to the 2011 Census, 14.7% of Hyndburn's population identify as

ethnic minorities with 9.3% of people being Pakistani or of Pakistani heritage which is 2.7 percentage points or 41% higher proportionally than the average for the UK. This means a higher rate of those who could be more adversely impacted by unemployment and suffer with poorer health outcomes.

#### Disabled people

21.0% of Accrington residents are identified (Census 2011) as having a disability that impacts their day-to-day activities compared to an average of 17.4% for England and Wales. Proportionately, that means a 15% higher rate of people with activity impacting disabilities living locally.

The most recent ONS data (February 2021) shows that people with disabilities suffer from an unemployment rate of twice the non-disabled population. In addition, the ONS COVID-19 research found that disabled people had on average poorer well-being ratings than non-disabled people across all four well-being measures (life satisfaction, feeling that things done in life are worthwhile, happiness and anxiety).

#### Our LUF interventions

Spatially, our proposals are located in Barnfield ward (which covers most of Accrington town centre) and scores highly on the Index of Multiple Deprivation. Indeed it is the 237th worst ward in the IMD for employment, 409th worst for income, 127th worst for health deprivation and disability and 376th worst in the crime domain.

Modelling indicates our proposed interventions could lead to £9 to £10 million p.a. in direct GVA demand in the town centre and support an extra 250 to 300 direct jobs. Given intervention locations could help redress income levels, lack of employment and economic disadvantage. Many of the jobs created will be “elementary occupations” which those with disabilities occupy at a rate of 29 percentage points higher than the average. Younger age groups also tend to occupy this roles at a higher rate giving a disproportionate potential benefit of the scheme to these groups.

Public Health England research from 2014 (health equity briefing) indicates a link between physical/mental health and access to green and pleasant public spaces. The greening and improvements of the public realm around the town square and to the side of the Market Hall - along with ongoing events programmes that will use the space - provides an opportunity to improve local health outcomes and feelings of inclusion for ethnic minorities and other protected groups.

Additionally, the design proposals for interventions have been designed to be fully accessible to all, in accordance with the space, layout and provision guidance within Approved Document M of the Building Regulations and BS 8300.

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### **Is the support provided by a ‘public authority’ and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?**

No

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### **Does the support measure confer an economic advantage on one or more economic actors?**

No

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#### **Provide further information supporting your answer**

The award will not confer an economic advantage.

All contracts will be let following compliant procurement processes (see annex G for procurement strategy).



**Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?**

No

**Provide further information supporting your answer**

The award will not confer a benefit. Please see annex O for the independent legal advice from Womble Bond Dickinson to the Council.

The works themselves will be subject to a formal compliant tender process.

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**Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?**

No

**Provide further information supporting your answer**

No. The tendering of the works connected to the support will be the subject of a formal compliant tender process, so there should be no distortion of the market.

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**Will you be disbursing the funds as a potential subsidy to third parties?**

No

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**Has an MP given formal priority support for this bid?**

Yes

**Full name of MP**

Sara Britcliffe

**MP's constituency**

Hyndburn

**Upload pro forma 6**

Annex Pro Forma 6 - MP Support SB.pdf

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**Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?**

In March 2020 the High Streets Task Force interviewed a range of local stakeholders. They identified the main obstacle to improving the town for businesses and residents was the lack of collaboration and structures to encourage joint decision-making and discussion.

This was a finding that the council and local leaders took very seriously and the situation has been transformed.

A Town Centre Stakeholder Group was created in May 2020, meeting quarterly (virtually), consisting of 24 members from a diverse range of sectors, backgrounds and perspectives. Members include charities, chamber of commerce, Lancashire County Council, political leadership and large private businesses (annex P).

A smaller subset of the Stakeholder Group - the Town Centre Partnership Board - was created to expedite decision-making and provide more regular oversight of the LUF bid development. Collaboratively, this group created and decided on a new vision for Accrington, accepted the findings of independent diagnostic work and agreed the Town Centre Investment Plan (annex F). This group also conducted an options appraisal of possible LUF projects (based on the Green Book, DLUHC Appraisal Guide and the LUF prospectus) and ultimately selected the projects in this bid.

Additionally, there have been over 25 direct stakeholder meetings and interviews, two elected member briefings and a recent full council debate and vote on the Town Centre Investment Plan from which these projects are drawn.

British Polling Council member Survation was also commissioned to undertake representative polling (see TCIP at annex F) of Hyndburn. This polling impartially probed a range of topics important to this LUF bid and the wider regeneration of Accrington. This was fed into the selection and then refinement of the three projects in this bid.

A six-week public consultation was also held on the draft TCIP with three public consultation events at different town centre locations as well as targeted engagement and briefing sessions with the Chamber of Trade, Accrington & Rossendale College students and engagement with Hyndburn's 'community action network' which consists of over 40 charitable and community organisations. Consultation uptake and respondent demographics were reviewed at the midway point and additional engagement with Hyndburn's ethnic minority community was undertaken with the support of local faith leaders.

All businesses within Accrington town centre were written to three times. Twice to help 'surface' different intervention ideas and once to highlight the TCIP consultation.

Consultation feedback led to increasing the amount of greening/Net Zero content within our projects.

There have been three briefing sessions with all elected members and a full council vote on the TCIP (and hence the LUF projects), which was unanimously adopted.

The interventions are within the town's conservation area, near to the listed Town Hall and in the case of the Market Hall is listed itself. Since September 2021 we have closely engaged with Historic England, National Heritage Lottery Fund and the Arts Council who have all been consulted on our plans. Additionally, the Historic England Places Panel visited on 7/8 July.

Annex P contains memberships of the above groups and statutory stakeholders engaged with. Annex T has support letters.

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## Has your proposal faced any opposition?

No. We have undertaken a significant amount of public and stakeholder engagement work in the development of our Town Centre Investment Plan (TCIP, from which these LUF projects are drawn) and subsequently in more detail on the projects selected to go forward within this LUF bid.

Thanks to ongoing engagement work through a range of different groups and boards as well as elected member briefings, representative polling and the public consultation on the TCIP (and projects within this bid) no elements have faced any opposition and there is no indication that any elements are controversial. We have widespread support from a range of different people, organisations and demographics.

The responses to the public consultation clearly indicate that Hyndburn residents support change, the projects within this bid and investment in Accrington Town Centre more generally. A wide-reaching social media

campaign invited a dialogue with residents about proposed plans and hundreds of interactions confirmed support for regeneration and investment. Engagement with community groups and charities has also confirmed the need for the implementation of the TCIP.

CBRE (land assembly and acquisition consultants) have been speaking to relevant interests since September 2021 with positive responses throughout. They have exchanged heads of terms with the relevant owners - which have already been agreed with the owners of Burtons Chambers (annex Q) - with work continuing towards securing conditional purchase agreements before the announcement of the outcome from this process.

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## **Do you have statutory responsibility for the delivery of all aspects of the bid?**

Yes

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## **Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to**

Hyndburn is the 16th most deprived of 317 local authorities in England, according to the 2019 Index of Multiple Deprivation (IMD) (see annex D). Deprivation in the area has deteriorated over the last 15 years (58th most deprived in 2004).

Deprivation levels in Accrington are worse than the Hyndburn average, with five of its six wards amongst the 5% most deprived in England. Neighbouring Central and Spring Hill wards are amongst the 1% most deprived in England. Deprivation on employment and income domains are especially bad.

Accrington remains heavily dependent on physical retail with the retail sector accounting for around one quarter of all jobs in the local economy (vs 15% nationally).

Economic inactivity is high - an estimated 26% in Hyndburn and 33% in Accrington, compared to 21% nationally. For locals in full time work the average weekly wage is £471.5, around 16% below the North West and 20% below the national average.

The Great Britain Tourism Survey (GB Tourism Survey (domestic overnight tourism): Latest results) data shows that Hyndburn has only a third of the number of visitors per head of resident population (10.9 visits per head) than Lancashire (32.3), though Lancashire is slightly better than the England average (26.3).

These factors contribute to a lack of spending power and low aggregate demand in the town's economy. Lack of sectoral diversity leaves it vulnerable to sector-specific shocks such as the COVID19 pandemic's impact on retail, with less scope for home working.

Around 1-in-4 retail premises in Accrington are vacant (Local Data Company 2021 report) - around double the national average - and the retail offer is generally low end: in the recent Survation opinion poll of Hyndburn's residents, 82% rated Accrington's shops and retail as poor.

The oversupply of retail space which has not fallen in line with the fall in demand for physical retail. There are 3.7 square metres of retail space per resident in Accrington compared to 2.5 in Hyndburn and 1.8 in England (VOA non-domestic rating: stock of properties 2021).

The lack of vibrancy reflects/creates a lack of a food and drink offer, with only 5% of jobs in Accrington in the Accommodation and Food Services sector (versus 7% nationally). 59% of Hyndburn's residents rate Accrington's restaurants and cafes as poor. Only 15% rate it a good place to visit (representative Survation polling, summer 2021).

The Crime Statistics show clear issues with anti-social behaviour and drug use in the town centre. See supporting table in annex D.

These factors mean negligible land values and private investment in property/buildings is unviable. The recent Heritage Lottery Fund Townscape scheme saw a low take up for 90% grants to improve shop frontages. Residential market rents and commercial rateable values are a little over a third of the national average.

The proposed LUF investments in landmark buildings on Accrington's Town Square have been carefully selected to promote heritage-led regeneration of the town centre and attract visitors in, as well as make it attractive for small businesses to locate their offices there, bolstering aggregate demand in the town's economy, as well as create entry level job opportunities for inactive local residents. Greater footfall and increased natural surveillance could also contribute to reducing crime and ASB at the heart of town.

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## **Explain why Government investment is needed (what is the market failure)**

Economic decline in Accrington over decades has led to depressed land/property values. Property prices in Accrington as a whole are amongst the cheapest in the country. This creates issues of a lack of socio-economic diversity in the residential sector and a lack of private investment in buildings and the urban fabric.

Average house prices in Accrington are significantly lower than the Hyndburn average of £110,000 (national average £245,000) [ONS House Price Index]. In parts of Barnfield ward, average house prices were only £45,000 recently. See supporting table in annex D.

Hyndburn residential rents are similarly low at around 37% the national average, limited data suggests rents in Accrington are similar [Rightmove data purchased for this bid, September 2021].

Relative cheapness / good rental yields makes Accrington attractive to tenants on low incomes, including disadvantaged households, contributing to a lack of socio-economic diversity of the town's residents, further diluting the average spending power of the town's resident population and lowering aggregate demand in the local economy.

The problem of low land values extends to commercial property. Rateable values in Hyndburn are around £46 per square metre, 40% of the national average (£116). The number of empty premises in Accrington - around double the national average - suggests even these rateable values are too high to sustain.

Low land values have rendered private capital investment in many commercial premises unviable. Premise owners have been reluctant to invest – even offered grant support, evidenced by very poor take-up of Heritage Lottery Fund grants of 90% for building facades on Blackburn Road. This lack of private investment has led to further degradation of many of Accrington's historic buildings with many under-utilised or vacant (e.g. Market Hall's ground floor where the stalls are being only 52% occupied), with negative impacts on the public realm, a negative externality.

The negative externality of vacant premises, the poor exterior condition and visually displeasing aesthetic of key building facades at prominent town centre locations – including those of Burton's Chambers and Market Chambers on the town square – are felt acutely and reinforce existing negative resident / visitor perceptions and contributed to a spiral of decline. They also contribute to ASB and can encourage anti-social loitering.

Historic buildings generally confer a positive externality, including amenity value, meaning not all the benefits from private investment in them are captured by the asset value. They have attributes that are non-excludable and non-rival in consumption – in other words, they are public goods. This can

mean a lack of private investment in historic buildings.

Market Chambers is dilapidated and in need of major repairs (including roof and exterior) and is a large building with a historically unsympathetic assortment of shop frontages. Its disjointed use also in part stems from a coordination failure with the building in multiple ownership (six owners in all).

Further market failures emanate from owners being unwilling to crystallise losses by selling their assets with falling property values (Arndale Centre), meaning that building use is unable to keep up with the changing needs of the town, contributing to structural issues of land use, under-occupancy and low-end provision - in retail especially.

Economies generally fail to 'adjust' quickly from one activity to another, e.g. from predominantly retail to a more mixed economy. Government investment – here to acquire and repurpose buildings – can break the spiral of decline and support adjustment providing a signal to private investors catalysing wider town regeneration.

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## **Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers**

The three proposed Levelling Up Fund interventions are located on the historic Town Square, part of the 'Accrington Acre'. Investment in a handful of catalytic projects has been designed to create a critical mass of complementary uses on the square at the heart of Accrington - see annex D.

The tight focus would complement significant investments approaching £6 million since 2016 improving the town square itself, the town hall and building facade improvements on Blackburn Road. These have already made a difference, but further intervention is needed.

All 18 projects contained within the Accrington Town Centre Investment Plan as potential investments were considered as options for this LUF bid. Each of the options was ranked against HM Treasury 5-case model selection criteria - including gateway - by the consultant economists supporting this bid. These assessments and scoring were then presented to the Town Centre Partnership Board - created to oversee the LUF bid development - with members asked to vote for their preferred interventions within the budget envelope. The result of the vote was a package containing these three projects.

The investment outputs (financial costs) are (see annex D for images):

Revamped Victorian Market Hall (£11m): sympathetically renovated, and ground floor repurposed from single-use market stalls (retail) into a higher-end eating, drinking and cultural venue – with modern facilities for these mostly independent trader businesses and their customers. A curated marketplace with stalls complementing the 'food and beverage' offer would be retained in half the ground floor, in keeping with Market Hall's historic purpose.

Revamped Art Deco Burtons Chambers, 61-69 Blackburn Road (£8.6m): council acquisition, sympathetically renovated facades and the building repurposed wholly for the provision of office / co-working space.

Façade improvements to Market Chambers, 43-60 Blackburn Road (£3.4m): council acquisition, major façade repairs and shop frontage upgrades with uniform and historically sympathetic signage. Future internal renovations and repurposing would be via a complementary funding stream – for mixed use including museum and/or exhibition gallery space for the arts and culture – enabled through acquisition of the building.

These buildings need major repairs and renovation.

The proposed interventions address the challenges/barriers as follows (also see annex D):

The historic Victorian Market Hall is the jewel in Accrington's heritage crown

and one of the largest market halls of its kind still in existence. But demand for market stalls – currently covering the entire ground floor – has fallen over the decades and dramatically since 2015, with occupancy down to roughly half. The Market Hall, designed and constructed more than 100 years ago, is not fit for modern needs, contributing to the oversupply of retail and low-end uses.

The revamped Market Hall will be the anchor to provide a substantial food & beverage and cultural events offer, filling the gap in existing provision and acting as a heritage visitor draw to the centre of town, simultaneously boosting footfall demand for surrounding retail whilst reducing the excess supply of retail space. 68% of Hyndburn's residents like its historic buildings and architecture. [Representative Satisfaction polling, see TCIP at annex F]

Burtons Chambers is an important Art Deco heritage asset situated immediately opposite the Town Hall. It is currently completely unoccupied apart from a Betfred on one corner. Bringing it back into use with a mixed offer including predominantly office / co-working space would further support demand for retail in and around the town square and help to reinforce the business ecosystem.

The Market Chambers building is largely vacant but is in principle used for a mixture of retail on ground floor with a small number of low-end private rentals on short-term tenancies on the upper floors as well as significant amounts of unused space. The building is under multiple ownership and in a state of neglect. The unsympathetic assortment of shop frontages and poor aesthetics - which dominate one side of the town square - detract further from the public realm.

Façade upgrades would be to a high standard complementary to the heritage assets located on the square and nearby. Enabling the transformation of the upper floors from residential to a museum or exhibition space in the future would act as a further draw for visitors to support retail footfall. Our analysis does not support the market provision of rental housing in the town centre where low property values are an issue for viability and reflective of low residential demand.

These plans would also respond directly to the strategic objective outlined in Accrington's adopted TCIP around increasing visitor and tourist numbers in a heritage-led regeneration - using the town's outstanding heritage assets as a draw.

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## Upload Option Assessment report (optional)

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## How will you deliver the outputs and confirm how results are likely to flow from the interventions?

The main outputs are:

- Market Hall: external/internal repairs and internal reconfiguration 'Heritage buildings renovated/restored' / 'public realm improved' ; guided tours involving 600 hours 'volunteering opportunities supported'; new solar PV 'Green retrofits to existing non-residential units'; old 1970s pavilion replaced/greened 'public realm created or improved'; 400m2 of market stalls space removed 'floor space rationalised'; 'New public WiFi hotspots installed'; 800m2 of 'hospitality space created or improved'; events space/stage 'cultural space created or improved'

- Burtons Chambers: external/internal repairs and internal reconfiguration 'Heritage buildings renovated/restored'; new solar PV 'Green retrofits to existing non-residential units'; 1,200m2 retail/residential space removed 'floor space rationalised'; ultrafast broadband 'additional commercial units with broadband access of at least 30Mbps'; 1,500m2 of 'office space created or improved'

- Market Chambers: external repairs 'Heritage buildings renovated/restored' / 'public realm improved'

The Market Hall is already owned by Hyndburn Borough council.

Burtons/Market Chambers will be acquired by the council. The council's appointed property consultants/valuers CBRE have spent months engaging with the owners - heads of terms for sale have now been issued and agreed with Burtons Chambers (annex Q). CBRE continues to work with the owners to obtain sale agreements contingent on the bid being successful - CBRE is optimistic by September/October.

The building works will be delivered through the council's preferred procurement routes (see annex G) via an established procurement framework and in adherence to subsidy control (see section 6).

A third party such as a charitable trust, or social/commercial enterprise, will be brought in to run the Market Hall / Burtons Chambers including lettings/marketing, and organising events. There has been market engagement with potential operators - strong interest from a Manchester-based operator - and PINs have been issued.

The main anticipated results, or outcomes, are:

- +26 cultural events p.a.; mainly live music 'change in the number of cultural events'
- +7,500 people p.a. going to see the events 'change in the audience numbers for cultural events'
- +240,000 visitors p.a. and 150 new office workers 'change in footfall'
- +250 to 300 mostly entry level jobs 'change in employment rate'
- Reduced vacancies – to around zero at the intervention buildings 'change in vacancy rates'
- Raised levels of civic pride 'change in perceptions of place'

In terms of how these flow from the outputs, Market Hall's operator will deliver the first two outcomes through a programme/curation of live events (mainly music) and seasonal food festivals. It will be successful to the degree there is demand for these: in last Summer's Satisfaction Poll of residents, the top five suggestions to improve the town included restaurants and cafes (36% of respondents), nightlife (27%), how the town looks (27%) and events and activities (19%).

Visitors to Market Hall/tenants at Burtons Chambers should drive footfall. The former is designed to make Accrington town centre a visitor destination through an improved and more distinctive retail, food & beverage, and cultural/heritage offer. Within a 20-mile radius of Accrington (40 min drive) there are around 2.7 million people with approximately £31bn of disposable income. [calculated using ONS and Census 2011 data].

Outcomes around new jobs/raised levels of civic pride also hinge largely/partly on attracting visitors in, getting a tenant for Burtons Chambers and office workers in, and thus raised footfall.

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**Theory of change upload  
(optional)**

LUF Theory of Change.pdf

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## **Explain how the component projects in your package bid are aligned with each other and represent a coherent set of interventions**

Our three component projects are all located on the Town Square (see annex D). They all have a significant visual and 'pride' impact on the town being at its heart and next to the Grade II\* Town Hall. They all seek to diversify the town away from retail and will have a symbiotic relationship with each other and can hopefully induce agglomeration effects.

During TCIP development the Partnership Board backed the concept of creating the 'Accrington Acre'. The Acre concept is seeking to reach the c.50% of Hyndburn residents never/rarely coming to Accrington and 2.7m residents within 45min travel time. The projects are at the centre of the Acre.

As described in the table (see supporting table in annex D), as well as close proximity and diversification away from retail, the three interventions have the same target audiences and have an overlap in types of output that will help to attract the disposable income, footfall, visitors and workers that Accrington needs.

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## **Set out how other public and private funding will be leveraged as part of the intervention**

Throughout the development of the TCIP and this LUF bid, Hyndburn Borough Council (HBC) has been working hard to secure and 'line up' a range of complementary funding to deliver substantial improvements in Accrington Town Centre. These are detailed below.

To support the LUF bid directly HBC will provide £1,500,000 and Lancashire County Council (LCC) £1,500,000 of match-funding (13% of the financial ask), a total LUF investment of £23,000,000 which is a significant scale for a town the size of Accrington.

The UK Shared Prosperity Fund allocation for Hyndburn is £2,943,592. Our Investment Plan allocates c.75% of this towards town centre regeneration including:

- A package of £1.3m towards the next phase of Market Chambers as a cultural and arts venue, the funding of a Heritage, Arts and Culture Officer at the council and a programme of Town Square centred events alongside marketing and promotion to boost footfall and use of the new facilities.
- £600k+ towards town centre greening, including planting and improvements to the Accrington Pals Memorial Garden (2 minutes walk from the Town Square).
- £150k for dedicated marketing/promotion of Burtons Chambers and the new Market Hall over the last year of construction works so they 'hit the ground running'.

Additionally, the Council has allocated a further c.£100k a year to cultural events. These will increase the participation of local residents (including through subsidised or free tickets for disadvantaged residents), draw visitors into the town centre to increase footfall and improve visitor perceptions of Accrington for non-residents attending.

£500,000 has been secured from LCC's Economic Recovery and Growth Fund to remove one of the pavilions next to the Market Hall. This demolition will allow for the creation of new high-quality green space, better visibility of Market Hall's attractive side elevation which is currently obscured, outdoor eating provision (to complement the inside) and reduction in retail space for which there is a substantial oversupply.

Private sector investment of c.£150,000 will come via the co-working/office space partner at Burtons Chambers which will go towards marketing and promotion of the site to quickly scale up usage.

An EOI has been submitted to the Cultural Development Fund for c£5m to undertake the more significant transformation works at Market Chambers (enabled by the LUF).

Funding from the National Lottery Heritage Fund (in advanced discussions) will be invested in repurposing the two upper floors of the Market Chambers building, which is currently largely vacant, into public exhibition space for the arts/heritage. This is being enabled through the acquisition of the building by the Council in the LUF bid.

Heritage England intends to provide c.£25k to undertake a building condition survey of the Victorian Arcade that is within the Accrington Acre and 2 minutes walk from the Town Square. An important possible future project within our TCIP.



Additionally, the Arts Council and NLHF have indicated that they will fund work on a broader arts and culture strategy that focuses on refining the designs and use of Market Chambers (phase 2 works) and more broadly about 'activating' the Town Square and driving footfall and engagement.

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## **Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up**

The bid interventions are designed to turn a stagnant area of Accrington into a distinctive and vibrant location with a higher-end local and specialist shopping and food and drink offer through heritage-led interventions to drive up visitors and spend.

They are amongst a proposed suite of interventions set out in Accrington's recently approved Town Centre Investment Plan (TCIP) whose objectives include:

- Increased visitor and tourist numbers to Accrington Town Centre (ATC) to increased footfall and spending per head
- An improved and diversified retail offer, including more independent retailers
- Reduced dependency on the retail sector for jobs – with growth in jobs in other sectors, including in food and drink and office-based professions
- Fewer empty shops and other empty commercial premises

At the heart of Hyndburn's Local Plan is the ambition to be a "distinctive, prosperous and vibrant area of Pennine Lancashire" by 2026. Although the Local Plan is approaching nearly a decade since its adoption our proposed interventions have been designed to align with the high-level objectives stated in the updated Plan.

The proposed interventions align strongly with the Accrington Area Action Plan (AAAP). A cornerstone of the vision outlined in the plan is for Accrington to become a visitor destination, a vision shared in this bid. The focus on the 'Accrington Acre' aligns well with the AAAP's noted need for a patchwork quilt of diverse experiences such as shopping, eating and drinking to draw in visitors. In further alignment with the vision for the Accrington Acre, the AAAP concludes that a compact cluster where a village-like distinctive and intimate environment can be created is most likely to prosper.

Several specific policies for ATC outlined in the AAAP show alignment with our proposed interventions:

- The enhancement of the retail offer/quality and improve the vitality and viability
- The maintenance and enhancement of the character of shopping streets.
- Shopping frontages and the use of floors above shops
- Retain and enhance the Victorian Market Hall
- Support proposals which enhance or diversify the range of arts, culture, entertainment, leisure and recreational facilities
- Where appropriate, enhance ATC's character and historic environment
- Enhance or replace buildings/structures which detract from the appearance and character of the area
- Opportunities to secure regional and national funding for the preservation and enhancement of historic buildings

Lancashire LEP's Remade: A cultural investment strategy is about increasing the readiness of the county to respond to opportunities to leverage strategic investment in cultural and creative initiatives as drivers of economic growth. Strategic objectives (outcomes) include 'Scaling-Up Events & Festivals' to better connect Lancashire's cultural offer, increasing its reach, boosting the visitor economy and enriching local lives.

The LEP's Strategic Economic Plan (2014) recognises the importance of existing major employment sectors to the Lancashire economy, including the visitor economy which remains an important employment sector across Lancashire, accounting for almost 60,000 jobs in Lancashire with almost 20% of the workforce is employed in the sector; a figure which is over twice the

national average. It discusses the importance of heritage-based visitor attractions.

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## **Explain how the bid aligns to and supports the UK Government policy objectives**

The bid aligns to the Government's Levelling Up Fund priorities by both regenerating and improving run down and eyesore buildings and shop fronts in the town centre and by providing new and renewed cultural and community spaces. Our schemes, taken together, will act as a catalyst to drive footfall, create a night time economy, boost tourism and create spaces for entrepreneurs and public events which align with the Government's Build Back Better plan.

The Levelling Up White Paper's (LUWP) Mission of pride in place, is at the heart of this bid. This bid will regenerate run-down buildings housing unattractive and often unoccupied retail units, including betting shops around the square town square, which is at the centre of our regeneration efforts. Refronting historic buildings will improve their attractiveness with consistent signage and a sympathetic appearance. Bringing heritage buildings back to life by restoring Victoria facades and architecture will improve the look and feel of an otherwise run-down area.

Arts Council/DCMS has identified Hyndburn as a Levelling Up for Culture Place. Market Chambers will be transformed and a second phase (funded via UKSPF, CDF and NHLF) will create a new fully accessible heritage/arts/culture space to attract visitors and for local schools and families to use. Market Hall is a listed heritage building, transforming it and boosting activity will help to engage people in local heritage/culture.

Providing high-speed digital infrastructure across all three sites will meet the LUWP Mission of improving digital connectivity and the strand in BEIS's Digital Strategy around 'building world-class digital infrastructure'.

This bid supports the LUWP health Mission by providing high-quality green outdoor spaces (mental health benefits) for local residents and facilitates improvements in wellbeing, another Mission of the LUWP, by creating leisure and amenity space and places for families to meet, eat and be entertained together. These also help to achieve three of the four aims in Public Health England's (now UKHSA) 2020-25 Strategy.

The bid aligns with the Government's Net Zero strategy as the Market Hall is the largest contributor to energy demand within HBC's estate. The proposed plans and decarbonisation strategy (annex S) will considerably improve the thermal performance of the building and see the installation of solar panels on its roof.

All three proposed inventions - Market Hall, Burtons Chambers, Market Chambers - have decarbonisation strategies and will seek to achieve a BREEAM outstanding rating for sustainability which aligns to the Government's Clean Growth/Net Zero strategies.

In addition, the design proposals for interventions have been designed to be fully accessible to all, in accordance with the space, layout and provision guidance within Approved Document M of the Building Regulations and BS 8300.

The bid also aligns with the Government's Building Better, Building Beautiful Commission's recommendations on creating beautiful buildings, by ensuring that the buildings are sympathetically restored, highlighting their heritage features and the works are completed to a high standard. The proposals in this bid have also been developed in close partnership with local people.

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## **Alignment and support for existing investments**

**Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality**

This bid is part of an ongoing programme to improve Accrington's town centre, attract visitors and regenerate the heritage townscape for local people and restore pride in the town. Investments that have already been made in the town centre and which will be built upon in this LUF bid are:

Hyndburn Borough Council Capital Programme - £2.4 million - initial improvement works to the Market Hall including roof repairs and conversion of storage space into business units. (2010)

Hyndburn Borough Council Capital Programme - £1.5 million - renovations to the historic Grade II\* listed Town Hall to develop it into a conference, events and wedding venue including full restoration of the ballroom. (2016)

Townscape Heritage Initiative funded by NLHF - £3.8 million to redesign, resurface and pedestrianise the Town Square - which is bordered by the Market Hall, Burton's Chambers and Market Chambers - incorporating granite artwork, paving and bespoke sculptures to commemorate the Accrington Pals, a local source of historic pride for residents. (2018)

Hyndburn Borough Council Capital Programme - £286,000 - final phase of the renovation of the Town Hall to transform under-utilised office and storage into conference space and a small exhibition space in the entrance area that houses a bespoke, interactive installation dedicated to the Accrington Pals. (2019)

£1.5m facade improvement scheme - funded by NLHF - within the conservation area to start the process of improving local aesthetics and protecting heritage. (2018)

Local Property Owners - There is a minimum 10% contribution from all local property owners who wish to take part in a proposed façade improvement scheme within the Accrington Acre. These shop front improvements will restore pride in place, create a uniform look and feel of the public realm and restore the existing shop fronts. (Future)

Arts Council – interest in c.£10-15k of match funding to produce an arts/culture/heritage strategy. With culture and heritage at this LUF bid the plans to acquire and carry out facade improvements to the Market chambers building. The council is exploring potential funding options to repurpose the Market Chambers' building interior for public use in the arts and culture, either as a museum and/or exhibition space. (Future)

UK Shared Prosperity Fund (UKSPF) - package of £1.3m towards the next phase of Market Chambers, the funding of a Heritage, Arts and Culture Officer at the council and a programme of Town Square centred events alongside marketing and promotion to boost footfall and use of new facilities. (2022-25)

UK Shared Prosperity Fund (UKSPF) - more than £600k towards town centre greening, planting and improvements to the Accrington Pals Memorial Garden (2 minutes walk from the Town Square). (2022-25)

UK Shared Prosperity Fund (UKSPF) - £150k for dedicated marketing and promotion of Burtons Chambers and the new Market Hall over the last year of construction works so they 'hit the ground running'. (2022-25)

Heritage England – interest in match funding a detailed building condition survey of the Victorian Arcade. As a Grade II listed building it is one of the first indoor shopping arcades of its kind in the country. Taking the first steps to revamp this heritage asset after years of neglect would turn around its low occupancy and footfall to attract higher-end independent retailers, increasing footfall and visitors to the nearby Market Hall and new retail outlets in the Market Chambers. It is uniquely positioned as a gateway from the Accrington Acre to the regenerated Town Square. (2022)

Heritage England – proposed £175k, match funded by the Council from the UKSPF to cover the initial £350-£400k cost to stabilise the historic Hargreaves Warehouse at the side of the canal just outside the Town Centre. This work supports the heritage-led focus of the LUF bid, which this nearby regeneration project will continue. It is part of an ongoing program of works to secure the heritage assets of Accrington for future generations. (2022/23)

Sport England (£12m) – to develop the Borough's Leisure Transformation through £12m of capital funding to further improve Hyndburn Sports Centre and provide a new facility and for improvement of 2 existing facilities. This creates renewed and new recreation spaces for the visitor economy and local people to enjoy, raising town centre demand, living standards, footfall and pride. It also provides leisure facilities for new workers using the co-working spaces and additional offices in the Market Hall and Burtons Chambers. (2022/23)

Homes England Housing Infrastructure Fund – circa £30m+ funding to support new access roads to unlock the Huncoat Garden Village project to develop 1,200+ homes. These homes diversify housing stock and are targeting middle to higher income residents which will provide additional demand for the offer provided through LUF interventions. The new Market Hall food and drink, entertainment and office space is intended to draw residents into the town centre to support local shops, businesses and other establishments. (2023-25)

LUF BID Lancashire County Council (LCC) - see annex J - circa £19m of LCC's £50m LUF bid is to be directed into Hyndburn on three themes to improve Town Centre links and complement these bid interventions (2022-25):

1. Active Travel Corridors – upgrading and/or improving canal towpaths, cycle routes, walkways
2. Public Transport – disabled/access improvements to Accrington Railway Station, Bus Priority lanes/measures such as green light traffic signalling, real time information at bus stops etc. including for neighbouring East Lancashire towns
3. Liveable Neighbourhoods – improve areas of poor footpath/cycle access and promote less reliance on cars for short trips, traffic calming where there are high vehicle accident rates

Lancashire County Council's Economic Recovery and Growth Fund (part of match funding) - see annex K - £500k to remove one of the pavilions next to the Market Hall and carry out external redevelopment and greening of the public realm. (2022-25)

Lancashire County Council Levelling Up Investment Fund (part of match funding) - see annex K - £1m to support the delivery of projects within this bid.

Cultural Development Fund - £5m - to support the next phase of the Market Chambers project an EOI has been submitted to the Cultural Development Fund. Hyndburn is a Levelling Up for Culture Place and encouraged to apply to this fund.

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## Confirm which Levelling Up White Paper Missions your project contributes to

### Select Levelling Up White Paper Missions (p.120-21)

Living Standards  
Digital Connectivity  
Wellbeing  
Pride in Place  
Crime

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### Write a short sentence to demonstrate how your bid contributes to the Mission(s)

Living Standards - increased footfall and diversification of the town centre will lead to higher spend in the town, creating new jobs, boosting spending and reducing deprivation.

Digital Connectivity - all three interventions will feature the latest ultra-fast internet connectivity.

Wellbeing - all three projects are highly visible and have an impact on how 'happy' people feel about the town. Additionally, our works include greening and public realm works which are linked to boosting wellbeing and mental health.

Pride in Place - all three projects are highly visible and centrally located. Our polling research shows heritage buildings as a key driver of pride in Hyndburn.

## Provide up to date evidence to demonstrate the scale and significance of local problems and issues

There are four main problems emanating from the economic decline of the town.

### Problem 1 – Struggling retail and lack of sectoral diversity

Retail vacancies in Accrington last year was 26.3%, around double the national average (14.5%). Market Hall's ground floor was 48% vacant in Summer 2021, the Arndale shopping centre was 50% vacant or charity shops. Accrington is overly dependent on physical retail (25% of jobs vs 15% nationally) making it vulnerable to sector specific shocks.

There is a lack of visitor appeal and draw: in the recent Survation opinion poll of Hyndburn's residents conducted in Summer 2021, most viewed Accrington Town Centre's (ATC's) retail offer poorly:

There is a lack of visitor appeal and draw: in the recent Survation opinion poll of Hyndburn's residents (representative survey of c.500 local people) conducted in Summer 2021, most viewed Accrington Town Centre's (ATC's) retail offer poorly:

- 82% rate shops & retail in ATC as poor
- 56% think there are too many discount / pound shops
- 57% think there are too many betting shops
- 85% say they do not feel proud when they visit ATC
- 77% say ATC is a bad place to visit
- 90% think ATC is in need of regeneration and investment

In a separate exercise, common views (where 80+ were in agreement with the statement) were:

- “Town centre looks unattractive, depressing”
- “Tacky Accy”
- “So many vacant shops”
- “Poor choice of food and drink. Low end.”
- “Too many charity shops”
- “Nothing unique. No reason to go to the town.”
- “Market [Hall] is quite empty. Poor offer of low end traders.”

### Problem 2 – High level of deprivation and economic inactivity

There is acute deprivation across Accrington's six wards based on the latest (2019) DLUHC index of multiple deprivation (IMD) - employment and income deprivation especially, associated with high levels of economic inactivity.

An estimated 1 in 3 local residents in Accrington are economically inactive (28% Hyndburn, 20% nationally according to latest ONS APS).

See supporting table in annex D showing the deprivation rank of Accrington's wards (1 = most deprived, 7,180 = least), based on 2019 IMD.

Economic inactivity in Hyndburn, Accrington and its wards. Again, see supporting table in annex D.

### Problem 3 – Too few visitors

Accrington is largely forgotten and overlooked beyond Hyndburn. Latest GBTS data (2019 due to pandemic disruption), combined with ONS population data, show Hyndburn has only a third of the visitors per head of resident population of Lancashire, with a notable absence of overnight stays, and only a third of the spend per visitor as Lancashire.

## Problem 4 – ASB/drugs

Issues of crime and antisocial behaviour (including drug use) in Accrington town centre pervade, reflected in the large number of comments of residents participating in the TCIP consultation (see also Q 3.4 on this). A significant amount of crime recorded in Accrington is ASB, and in 2020 Barnfield ward had the highest crime statistics of the wards across most types of crime.

ASB, drugs and total crime rates at different spatial levels. See supporting table in annex D.

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## **Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues**

The problem/diagnostic analysis undertaken for this bid utilises robust HMG data - mainly from the Office for National Statistics - as well as recent polling by reputable British Polling Council member Survation, widely used Local Data Company data, proprietary data purchased from Rightmove and Hyndburn Borough Council data.

- Deprivation levels. English Indices of Deprivation, Department for Levelling-Up, Housing and Communities (DLUHC), 2019. These are National Statistics accredited. Lower super output area (LSOA) data are used to calculate ward level IMD metrics.

- Supply of retail premises and rateable values. Valuation Office Agency (VOA) data to March 2020. These are Official Statistics accredited. 'NDR Business Floorspace [Stock of Properties] Tables by region, county, local authority district, middle and lower super output area, 2020'. Ward level data were imputed.

These data are merged with the Office for National Statistics' Census 2011 population data at the LSOA level to calculate 'supply of retail per head' figures.

- Vacant retail premises. Local Data Company's Accrington Location Summary Report, 2021. National data are similarly sourced from the British Retail Consortium and Local Data Company Vacancy Monitor, 2021. Vacant market stall pitch data for Accrington's Market Hall are sourced from Hyndburn Borough Council's management system. The council are the owners of the building.

- Local economy sectoral data. Office for National Statistics' Business Register and Employment Survey (BRES). Local authority and ward level data are used for the share of local jobs in each sector, including retail - 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles'. The BRES (open access) is accessible via NOMIS.

- Economic inactivity of local residents. Office for National Statistics' Annual Population Survey (APS), year to March 2021. Local authority and ward level data (ward are Census 2011-based) are used for the proportion of economically inactive people of working age. The APS is accessible via NOMIS.

- Visitor numbers to Hyndburn. Visit Britain's GB Tourism Survey local authority and county data. Supplemented by a Global Tourism Solutions' (GTS) Tourism Economic Impacts 2020 Year in Review, commissioned by Marketing Lancashire. GTS is an independent tourism research company that owns a model called STEAM, used to assess the economic impacts (e.g. jobs) of tourism.

- Local perceptions of Accrington. Representative polling of 505 Hyndburn local residents conducted by Survation in August 2021. Survation are a member of the British Polling Council. Further details of the poll can be found in Accrington's TCIP (attached as annex F).

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## **Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions**

The immediate area of influence is the Town Square, the broader area of influence being the ward where it is located, Barnfield, and then Accrington town centre approximated by six wards. Central, Peel and Spring Hill are adjacent to Barnfield and within two streets of the Town Square.

The interventions are designed primarily to increase footfall (including out-of-town visitors) and diversify away from retail. This would affect the key shopping congregations primarily around the town square, as well as on Union Street, Broadway, Abbey Street and Warner Street with its concentration of relatively successful independent shops. All are located in the west-end of Barnfield - its most deprived part. Blackburn Road is another shopping location running through Barnfield and Central through to the railway station. The eastern fringes of Broadway and Abbey Street up to Eastgate fall in Peel.

Residents of Accrington are most likely to benefit from job opportunities and other outcomes induced. There will be some benefit to those in the wider Travel To Work Area – in addition to Accrington it encompasses Blackburn, Darwen and Rossendale (all outside of Hyndburn). Census 2011 data showed c.3,000 commuter inflows to Hyndburn from Blackburn and Darwen. This is relatively low in comparison to 35,000 people working in Hyndburn suggesting modest 'beyond-borough' impacts.

In considering the problems/issues faced by Accrington, we have therefore looked mainly at data covering the six wards or Barnfield specifically as a best approximation of immediate and surrounding vicinity impacts, where possible - otherwise Hyndburn level data.

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## **Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems**

The proposal is designed to address problems of:

- (1) Heavy dependence on physical retail (25% of the town's jobs vs 15% of jobs nationally)
- (2) Lack of visitors/tourists (a third of the Lancashire average)
- (3) Declining and low footfall
- (4) Oversupply of retail space (3.7m<sup>2</sup> per resident vs 1.8m<sup>2</sup> nationally)
- (5) High proportion of vacant shopping premises (25% vs 14% nationally)
- (6) Relatively poor evening economy, lack of places to go
- (7) Decline of built environment including of heritage assets
- (8) Prevalent anti-social behaviour
- (9) Low levels of resident pride in their town centre
- (10) Low employment rate / high economic inactivity

The proposed Market Hall intervention will create c800m<sup>2</sup> hospitality space including kiosks, seating and a bar/drinks area (c300 covers), commensurately reducing market stall (retail) space. Burtons Chambers will create 1,500m<sup>2</sup> of new office space, enough for around 150 office workers.

Both interventions will directly reduce oversupply of retail space (problem 4) by similar above amounts and reduce vacant retail space (problem 5) given Market Hall is currently half empty / Burtons Chambers is wholly empty apart from a Betfred.

Alongside Market Chambers, restoring three key heritage assets to their former glory will reverse the decline of the built environment (problem 7), and demolishing/greening one of the 1970s pavilions will increase resident's pride in their town (problem 9).

Diversification of the town away from retail to make it less tied to that sector's fortunes and more resilient to economic shocks, occurs by expanding other

sectors: namely F&B hospitality, cultural and office-based sectors (problem 1).

To be successful the interventions need to attract more visitors into town (problem 2) supporting footfall (problem 3). The town's GVA is c£500 million a year. Within a 20-mile radius of Accrington there are 2.7 million people with more than £30 billion of disposable income. Accrington is situated between the four major cities/towns of Blackburn, Preston, Burnley and Manchester and these should be considered primary target catchment areas, as should the new Huncoat garden village being built (with support of the Housing Infrastructure Fund) a mile away.

The strategy to get these visitors into town is creating an attractive 'Accrington Acre' using its heritage assets to create a distinctive offer, bolstering aggregate demand.

The Market Hall proposal will provide a much needed and significant F&B offer, currently lacking, to provide an anchor visitor draw (problems 2, 3). It will also host an events space/stage for the performance of live music for set-piece programmed events, likely fortnightly, for audiences of c300 to support the evening economy offer (problem 6).

The Survation polling of Hyndburn's residents implies there are around 6,500 shoppers a day (2.4 million a year) in Accrington.

A successful Levelling Up Fund bid would lead to a total investment of around £23m. A useful benchmark which can inform our assumptions around impact is the £22m transformation of the Grade I listed Piece Hall in Halifax, another heritage-led regeneration intervention impacting retail. A recent evaluation [<https://www.thepiecehall.co.uk/the-piece-hall-boosts-local-economy-by-26m/>] using a difference in differences approach estimated that The Piece Hall achieved a footfall increase of up to 1 million people per year, equivalent to +10% in nearby shops.

The redevelopment of Crewe Market Hall, funded through the Towns Fund, transformed a nearly vacant traditional market hall into a destination venue incorporating a strong F&B core and entertainment programme. Since opening in 2021, footfall to the area around the market has increased significantly, its operator claims multiples. Other examples include Newport Market and Warrington Market – also an £11m investment, with 625,000 visitors upon reopening during the pandemic year.

Using a 10% uplift in footfall suggests there could be 240,000 extra visits a year based on the current estimated 2.4 million shop visits a year, including from out of town. Our modelling suggests this could support an extra 250 to 300 direct entry-level jobs in shops and F&B establishments through higher spending (problem 10). Supply chain effects would add to these. As context, 11,000 of Accrington's residents are currently in work. [Census 2021 and ONS Annual Population Survey 2022]

240,000 visits a year to the Market Hall would imply c900 people using it each day (open 5 days a week). The presence of 150 new office workers at Burtons Chambers, should further support use of the Market Hall, e.g. buying coffees/lunch, and footfall on the wider Accrington Acre.

Improved attractiveness/vibrancy in this prominent location could also potentially discourage anti-social behaviour (problem 8), the issue coming up repeatedly in the residents survey conducted as part of the TCIP consultation.

Theory of change for Accrington's proposed Levelling Up Fund interventions can be found in annex D.

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## **Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs**

The estimated 2.4 million p.a. shopping visits currently – the baseline - is subject to uncertainty. The estimate is based on inferences from a recent opinion poll with a representative sample of 505 local people (±4.4% margin of



error).

Hyndburn Borough Council also recently conducted a footfall count at several key retail locations throughout the town centre, including the Market Hall and the Arndale Centre, amongst others. The results suggested between 1.5-4.5m shoppers p.a. so consistent with the above, but with wide uncertainty. The count was conducted by council officials with issues around lack of coverage (potential gaps in the data collected) at certain key locations and unavoidable double-counting (one shopper may have been counted at multiple locations, spuriously high numbers). Another uncertainty was the count being conducted mainly during August only (seasonality issues).

2.4 million shopping visits seems plausible. It implies each Accrington adult resident visiting the town centre about once a week and other locals (Hyndburn's residents beyond Accrington) each visiting twice a month, with none from outside of Hyndburn.

The bigger uncertainty therefore is probably the assumed uplift in visitor numbers as a result of the interventions. The 10% uplift of shopper numbers is based on an evaluation of the impact of renovating The Piece Hall in Halifax on shopper numbers there. Whilst a similar intervention type in a similarly deprived town in the North, the distinctiveness/scale of it as a heritage asset means the visitor impact is likely to be higher in terms of absolute numbers than the interventions considered in this bid. On the other hand, it was a £22m intervention in a town over twice the size of Accrington and a similar scale of investment as we're proposing might achieve a bigger proportionate increase in Accrington.

Other regenerations using Market Halls / markets have been successful in raising footfall (see Q5.2.1) to differing degrees. Although thorough assessment/evaluation appears lacking – e.g. operators citing a 16x uplift on footfall seems optimistic – a modest uplift as a minimum does seem likely.

The combination of an uncertain baseline and uncertain uplift can lead to a very wide range of estimates for increased footfall. See supporting table in annex D.

The footfall uplift is important to the economic benefits uplift, which uses commercial land value uplift to capture this aspect, and a 10% uplift in footfall and should translate to land value uplift of similar magnitude. But we are actually only using a commercial land value uplift of around 5% in our economic benefits calculation.

The central estimate of a footfall uplift of 10%, when applied local GVA data for the retail and food and beverage sectors, suggests a GVA demand uplift of £9.5m p.a. and associated 250 to 275 jobs across Accrington. Similarly, an analysis of the employment floor space created by the interventions and typical worker densities by use class suggests the interventions to Market Hall, Burtons Chambers and Market Chambers would support 285 jobs at 90% occupancy (relatively vibrant) and associated GVA demand of £10m p.a. triangulating with the above and providing confidence around the estimate.

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## **Explain how the economic costs of the bid have been calculated, including the whole life costs**

Architectural plans have been prepared to RIBA Stage 2 for all three interventions (slightly beyond in the case of Market Hall), by AEW Architects (see annex R) who are a RIBA chartered practice. Building surveys - including condition - have been carried out on all three buildings, and comprehensive cost estimates/delivery programmes produced accordingly by Quantity Surveyors MAC construction consultants who are RICS chartered (annex N).

These estimates and programmes have been rigorously challenged and scrutinised - as well seeking the input from the market - to ensure they are robust and realistic.

The financial cost estimates are shown in the supporting table in annex D.

The overall financial cost estimate is therefore £23,000,000. This includes:

Risk allowances for 10% cost contingency e.g. in the event of unexpected or unforeseen works being required. There is a further 7% allowance for market volatility - including that of property prices (building acquisition/disturbance costs). This is applied to all costs including acquisition costs - in the case of Burtons Chambers and Market Chambers.

Inflation to cover projected construction cost inflation between now and the point of procurement of the works - in 2023Q4 for Market Hall and Burtons Chambers, and in 2023Q3 for Market Chambers, 10.0% and 7.7% respectively. Inflation is applied to all costs excluding property acquisition costs - in the case of Burtons Chambers and Market Chambers.

The financial costs are converted to economic costs by applying:

- a GDP deflator to convert nominal costs into real costs (i.e. to 2022/23 money)
- annual discounting at the standard 3.5% HM Treasury social discount rate applied from 2023/24 to account for positive time preference and economic growth per capita
- an appropriate level of optimism bias to capture the proven tendency for appraisers to be optimistically biased about key project parameters (e.g. project duration)

The GDP deflator is applied to MAC's expenditure profiles (annualised) from 2023/24 using the OBR's Spring Statement 2022 forecasts. The GDP deflator is not applied to property acquisitions because these will happen this financial year.

The HM Treasury Green Book supplementary guidance on Optimism Bias recommends a set of adjustment ranges for OB which are followed here.

Following discussion with MAC construction consultants, the buildings concerned are considered standard buildings, despite their historic nature, because they don't have special design considerations, or particularly complex works and they are not specialist buildings.

Optimism bias is applied to works and associated costs at 13% across all three interventions, midway between the lower 2% and upper 24% level recommended by the supplementary guidance for standard buildings. Again, all have had comprehensive building condition surveys and designs are at RIBA Stage 2. Because optimism bias is not applied to property acquisition costs - property purchase prices have been provisionally agreed with the owners and heads of terms issued - the % figures shown in the table will differ from the headline 13%.

These assumptions imply a total economic cost of £23,589,488. See the supporting table in annex D showing the economic costs of each intervention.

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## **Describe how the economic benefits have been estimated**

As per the LUF guidance, the economic benefits have been estimated using methods and other information contained in the HM Treasury Green Book, DLUHC Appraisal Guide - which emphasises land value uplift - and other supplementary guidance.

### **Direct land value uplift**

Calculated by taking estimated current property valuations for Market Hall and Burtons Chambers and estimates for what they would be worth following the proposed interventions. These are all high-level estimates produced by CBRE's property valuers. These are uplifted by 5% p.a. in real terms from 2023/24 to 2025/26 inclusive in line with the LUF economic guidance and accrued in 2025/26 (immediately following practical completion)

Total DLVU = £2.0m

#### Wider land value uplift (non-domestic properties)

The willingness to pay for property – reflecting a range of benefits – for commercial property landowners the additional rent they are able to extract associated with public realm improvements and improved footfall.

Estimated by applying a percentage uplift to properties identified within a 500m radius from the the Town Square: 7.5% for cinemas, theatres, hotels, pubs and wine bars, restuarants and cafes, hotels, small shops; 5.0% holiday sites, large shops, offices, other leisure, other shops; 2.5% sport centres, showrooms, workshops; 0% all other such as car parking. These rates align with Amion research for DLUHC and HCA into placemaking effects.

1,076 non-domestic properties are identified within the 500m buffer through a GIS mapping process using procured Ordnance Survey data matched and VOA rateable value open data. Rateable values for 2015 are uprated by the GDP deflator to 2022 terms and converted to capital values using market rental yields informed by the Knight Frank Investment Yield Guide - which for the properties identified averages around 7.5%.

These values are uplifted by 5% p.a. in real terms from 2023/24 to 2025/26 inclusive in line with the LUF economic guidance and capitalised in 2025/26 (immediately following practical completion) .

Total WLVU = £22.1m

#### Wider land value uplift (domestic properties)

The regenerative impact of the three interventions on house prices within the same 500m radius due to increased amenity.

2,014 residential properties within the 500m buffer are identified through a GIS mapping process, using Ordnance Survey open data. The total property value of these properties is estimated at £155.6 million (£77,000 per home), using ONS house price data to LSOA level and weighted according to the number of affected properties in each ward. House prices are September 2021 uprated by 5% to capture increases since.

An uplift of 5% is used. 2.5% would align with Amion research for DLUHC, alternatively it was observed through an exploratory difference-in-difference analysis that The Piece Hall intervention in Halifax (- similar to Hyndburn) to probably led to residential property price appreciation of just over 10%. Hyndburn's current very low land values suggests greater scope for uplift than average.

These are uplifted by 5% p.a. in real terms from 2023/24 to 2025/26 inclusive in line with the LUF economic guidance and accrued in 2025/26 (immediately following practical completion)

Total WLVU = £8.8m

#### Wellbeing (audience, live events)

Consistent with the Market Hall business plan there is audience capacity for 360 people at the food and beverage area which will include an offer of live music fortnightly. We assume this will be every fortnight with a 80% capacity crowd i.e. 288 people. The annual wellbeing value of being a regular (17.5 x p.a.) live-music goer was estimated at £742 (Quantifying and Valuing the Wellbeing Impacts of Culture and Sport, Fujiwara, 2014). This is uprated using the GDP deflator to 2022 money implying £873 today. This is divided by 17.5 to get a 'per event' value and multiplied by the audience number and again by the number of times per year (890/17.5 x 288 x 26) to get an annual wellbeing value of £373,544. This is assumed to persist for 10 years and summed accordingly.

Total wellbeing = £3.7m

#### Volunteering

An estimated 6 'regular' volunteers at Market Hall will deliver heritage tours of the building. An average 100 hours p.a. per regular volunteer is assumed, based on various sources. With an hourly rate of £16.91 (ONS assumption of £14.43 in 2015, uprated to 2022/23 using GDP deflator), the economic value of volunteering per annum = 3 volunteers x 100 x £16.89 = 10,134.

The wellbeing benefits of volunteering have been estimated £16,760 per annum, based on Fujiwara et al, £13,500 in 2011, uprated to 2022 using GDP deflator. The wellbeing value of volunteering per annum = 6 volunteers x £16,760 = £100,560.

The benefits are assumed to persist for 10 years and summed accordingly.

Total volunteering = £1.1m.

Crime reduction

Crime reduction - particularly ASB - emanates from reducing vacant premises and increasing vibrancy/public presence, with associated higher levels of natural surveillance.

There were 2,345 crime incidents within the 500m buffer area in the year to end March 2022. Greater Manchester Combined authority estimated an average cost per crime of £2,518 in 2016/17, which is uprated to £2,908 using a GDP deflator. A modest 5% reduction in crime is assumed persisting for 10 years from project delivery.

Total crime reduction value = £3.4m

The figures above are adjusted for additionality by applying various factors and converting them to present values through discounting, to get total economic benefits totalling £27.7m see supporting table in annex D.

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## Provide a summary of the overall Value for Money of the proposal

The monetised benefits for the purpose of the initial and adjusted BCR are set out in a supporting table in annex D.

The initial benefits were outlined in Q5.3.2. For the distributional benefit (adjusted benefits) the ONS's Household Below Average Income survey's small area estimates are used. The median average UK household income (equivalised) is £31,616 before housing costs and £28,105 after. The corresponding figures for Hyndburn are £25,211 before and £22,611 after. The UK:Hyndburn ratio is 1.25 before housing costs and 1.24 after. The HM Treasury Green Book suggests an elasticity of marginal utility of income of 1.3, implying a distribution weighting to the monetised benefits of 33%.

Total distributional benefit = £9.1 million (applied to £27.7 million)

The monetised benefits demonstrate an acceptable to good BCR of 1.6 (between 1.0 and 2.0). There are significant un-monetised benefits. Crucially, this LUF bid will have strong enabling economic benefit impacts - both cultural and for business - across all three building interventions. Particularly, the acquisition of Market Chambers will enable the building to be repurposed for provision of exhibition space for the arts/heritage/culture in the future (through other funding streams being actively pursued), with further associated increased footfall and resident engagement/participation in local culture and community events.

Hyndburn's investment plan for the UK Shared Prosperity Fund will include targeted SME support in Burtons Chambers - to complement the new shared office/co-working space created through this LUF application aimed at start-ups and micro businesses. This will create productivity benefits enabled by the LUF investment to create the office / co-working space there. Burtons Chambers will also be equipped with ultra high speed broadband connections for enhanced digital connectivity.

Hyndburn's investment plan for the UK Shared Prosperity Fund will also include funding for promoting and marketing events based at the Market Hall (including live music), orchestrated by the proposed 3rd party operator of the building. These events will increase the participation of local residents - including through subsidised or free tickets for disadvantaged residents - in cultural events, as well as improve visitor perceptions of Accrginton for non-residents attending these events.

Overall, the improved buildings - which together with the Town Hall cover most of the perimeter of the Town Square - will enhance the public realm and bring three prominent historic buildings back to their former glory, instilling a greater sense of pride amongst locals in their town.

An explanatory note was not deemed necessary for these types of projects.

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**Upload explanatory note (optional)**

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## Have you estimated a Benefit Cost Ratio (BCR)?

Yes

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## Estimated Benefit Cost Ratios

Initial BCR	1.17
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Adjusted BCR	1.56
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## Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

The wider non-monetised benefits of the proposed interventions include, potentially:

- Increased pride of residents in Accrington town centre ('pride in place') and Hyndburn locals: there are 36,000 Accrington town residents and 80,000 locals in Hyndburn, so even small increases in pride in place could be very significant.
- Reduced deprivation – specifically employment and income deprivation – through increased aggregate demand in the town's economy and increased demand for workers, mainly from increased visitor numbers and their spending in the town's shops.
- Increase in wellbeing amongst inactive residents moved into work, through the provision of mainly entry-level jobs for residents in retail, food and beverage, and tourism sectors. Assuming 1 in 10 of these jobs go to local residents from disadvantaged backgrounds suggests around 25 people could be affected. It has been estimated that the wellbeing benefit associated with this is as high as £11,180 p.a. per full-time equivalent job, with associated knock-on health (including mental) impacts of becoming economically active. [HACT - Measuring the Social Impact of Community Investment: Methodology Paper].
- Increased engagement and participation of residents from disadvantaged backgrounds in cultural events enabled by the investment in Market Hall to create an anchor for cultural events. There will be capacity for around 360 at Market Hall. UK SPF funding would be used to promote and raise awareness of these events and offer concessions to disadvantaged resident households.
- Enabling effects of acquiring Market Chambers for the provision of exhibition space for the arts and heritage, an associated increased engagement and participation of residents in cultural events. UK SPF funding similar as per above.

- Productivity benefits enabled through Burtons Chambers / Market Hall with much-improved digital connectivity and provision of an incubator hub for business start-ups and small business using the shared office space (also linked to UK Shared Prosperity Fund).
  - Increased likelihood of private investment into the town centre and its buildings, and regenerative effects enabled by improvements in land values, with subsequent improvements in public realm and civic pride.
  - Improved building facades and frontages on the square, and of Burtons Chambers which directly opposite the Town Hall, will enhance prospects for the Town Hall which now operates as a wedding venue.
  - Mental health benefit of 'greening' the Pavilion area (pavilion being demolished) including tree planting.
  - Reductions in CO2 emissions as a result of retrofitting Market Hall / Burtons Chambers as part of the intervention works, improving their energy efficiency and performance.
- 

## **Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid**

Sensitivity analysis has been undertaken with reference to scenario testing and 'switching values' - under which costs increase/benefits decrease to render a proposal poor VfM ( $BCR < 1$ ). The scenarios are designed to test key benefits and assumptions and robustness of the BCR to changes in these.

See annex D for supporting sensitivity testing table.

Under the base case, all investments yield an acceptable BCR (between 1 and 2) and are closer to 'good' ( $> 2$ ) than 'poor' ( $< 1$ ). The overall (all) BCR is robust to all changes with the BCR remaining above 1 / acceptable across scenarios.

The Market Chambers intervention is most vulnerable to the stress tests, with its BCR falling below 1 (to around 0.9) either when wider land value uplift is halved or additionality is reduced to 50%, albeit these are dramatic scenarios. Crucially, this is an enabler intervention – if with further funding the internal works were carried out for it to become a functioning museum or cultural space then it would be able to tap the full extent of economic benefits of the project from greater cultural participation (wellbeing effects). In effect, it is an upfront cost.

All other project BCRs are robust to all scenarios/changes, though the Burtons Chambers BCR is borderline acceptable in the case of additionality being reduced to 50%.

In addition, overall costs would have to rise by 56% or overall benefits fall by 36% for the combined proposal to be poor value for money.

Generally, then, a key risk/uncertainty to VfM concerns the magnitude of wider land value uplifts assumed (4.8% non-domestic/5% domestic), which links also to assumed increases in footfall – for which we estimate there will be a 10% increase. Whilst the concentration of commercial/ residential properties around the intervention is relatively high compared to other places, Hyndburn has extremely low property values adding uncertainty and probably justifying a higher land value uplift.

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## **Upload an Appraisal Summary Table to enable a full range of impacts to be considered**

### **Appraisal Summary Table 1**

**Upload appraisal summary table**

Appraisal table - overall.pdf

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**Appraisal Summary Table 2**

<b>Upload appraisal summary table</b>	Appraisal table - Market Hall.pdf
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**Appraisal Summary Table 3**

<b>Upload appraisal summary table</b>	Appraisal table - Burtons Chambers.pdf
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**Appraisal Summary Table 4**

<b>Upload appraisal summary table</b>	Appraisal table - Market Chambers.pdf
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**Additional evidence for economic case**

None selected

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**Confirm the total value of your bid**

<b>Total value of bid</b>	£23000000
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**Confirm the value of the capital grant you are requesting from LUF**

<b>Value of capital grant</b>	£20000000
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**Confirm the value of match funding secured**

£3000000

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<b>Evidence of match funding (optional)</b>	Hyndburn LUF Match Funding Letters.pdf
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**Where match funding is still to be secured please set out details below**

N/A

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**Land contribution**

<b>If you are intending to make a land contribution (via the use of existing owned land), provide further details below</b>	N/A
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<b>Upload letter from an independent valuer</b>
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## **Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below**

There are no unrecoverable VAT costs within our bid.

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## **Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget**

MAC (RICS Chartered Consultants) were engaged to provide detailed cost estimates (annex N) that were refined as further information became available (for example as designs evolved and condition surveys were undertaken).

They drew on meaningful comparisons using data and analysis from past projects. Projects with the same/similar function can be converted to a cost per square metre estimate and updated to reflect costs today and at the location of the project. Alternative ways of benchmarking are to use the data from Building Cost Information Service (BCIS). However, due to the unique nature of the LUF projects, no data was available from BCIS. This is evident in the works to the Market Hall, as there are not many market halls in the country so there is limited data available.

As a result, an elemental breakdown of the cost estimate was produced which meant individual elements could be measured from first principles (labour, plant, materials), market tested and benchmarked.

### **Cost Estimate**

Using the information provided by the design team (AEW/SI Sealy), the Cost Consultant used specialist measuring software (Cost X) to accurately measure and develop the cost estimates. Each cost estimate is produced using RICS New Rules of Measurement 1 (NRM 1). The rules have been written to provide a standard set of measurement rules that are understandable by anyone involved in a construction project.

An elemental method was adopted for calculating the total estimated cost of building works (i.e. the building works estimate). The elemental method considers the major elements of a building and provides a cost estimate based on an elemental breakdown of the building project. Individual work items were measured with rates worked up from basic first principles (labour, plant and materials).

Estimating for work activities for refurbishments of heritage buildings is much more onerous than new build, rectilinear construction with limited constraints. The works, from a labour perspective, always take much longer, particularly to elements of the building fabric. Also materials can be niche and more difficult to source. Sometimes specialist plant, access, temporary works and protective coverings are also required, which have all been factored.

### **Benchmarking**

By developing an elemental cost estimate, certain packages can be benchmarked against previous project data. For example, under the package fittings, furnishings and equipment, data from 3 food and beverage projects were used which resulted in costs ranging between £80-100m2. For the Market Hall, for example, the medium was used at £90m2. Equally, for Burtons Chambers we used data from an existing Manchester provider to check fit-out and furnishing costs.

Benchmarking on rates was also done on a few areas such as internal stud partitions, roof glazing, internal doors etc. These elements are not bespoke and are common around most building projects, the rates used were based on contractors latest tender returns.

Specialist cost advice was also sought from the M&E specialist which included a rate of around £577m2 for the M&E package to Market Hall and £734m2 for



Burtons Chambers.

#### Market Testing

Due to the unique nature of the projects and the lack of viable data, only certain areas could be benchmarked against, therefore market testing was carried out few key areas.

One of the key areas that was market tested was the external façade. As Market Hall is of heritage status, specialist heritage contractors were consulted on the repairs and cleaning to the stonework, windows and doors. Surveys were undertaken and quotations were received to help accurately cost the works and include in the cost estimate.

Similarly, the external Market Hall works were also market tested with local contractors, works involved removing the heavy steel structure, new roof and highway works.

Burtons Chambers costs were tested with contractors who had recently undertaken similar projects in the North West.

Building surveys were also undertaken as this helped determine the condition of the three buildings.

Additionally it was also imperative to speak with a number of specialist contractors who have had past experience with heritage sites. Advice was sought on the preliminaries and how phasing could potentially work. For example, discussions were held around Market Hall and phasing the works, repairing the roof whilst tenants inside.

#### Market Conditions

The outlook for construction has changed dramatically during early 2022 as markets for energy and materials were severely disrupted by the Ukraine War. Coupled with the wider cost of living crisis, this low growth and high inflation was last seen in the 1970s.

The potential implications for construction clients are significant, as construction is a growth-driven sector, that is sensitive to inflation. As a result, higher percentages for risk/contingency were included in the cost estimates.

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## **Provide information on margins and contingencies that have been allowed for and the rationale behind them**

Contingency of 17% has been applied to the cost of the works and associated professional fees and this is a reasonably standard assumption for designs largely at RIBA stage 2 or beyond. This percentage will be adjusted as the design progresses based on the perceived risk of the construction works that may be present. This is in line with the NRM Construction Risk section.

A full internal and external condition survey has been conducted on the Market Hall and Burtons Chambers, and an external and partial internal condition survey at Market Chambers (we are only proposing external works to this building with LUF money). Market Hall and Burtons Chambers have also had full measured surveys. A full internal condition and measured survey has not yet been completed for Market Chambers though has been commissioned and is underway with building access unlikely to be an issue given the relationships established with owners.

There has been structural input from the council's structural engineer on the architect's designs, but a full structural survey has not been undertaken. Pre-application planning input has also been provided by the council's Head of Planning and Conservation Officer.

As with any project, some uncertainty around the costings still remains, therefore, they warrant a sizeable contingency.

The same contingency has also been applied to estimated costs of acquiring Burtons Chambers (£1.1 million) and Market Chambers (£2.1 million) - the latter figure including a sum for disturbance of existing occupiers of around £600,000, which may not be required should the council be able to purchase the whole block vacant possession - this remains uncertain.

The acquisition sums are based on market valuations by property consultants CBRE's valuation and advisory services practice, with a likely purchase price informed by months of engagement with the property owners. This has also been set out in the heads of terms issued by the council to the property owners. These heads of terms have been agreed with Burtons Chambers (annex Q) but are still to be agreed by the owners of Market Chambers and therefore some uncertainty pervades, justifying the application of the 17% margin.

The 17% contingency applied across all these amounts to just over £3.1 million.

An uplift for inflation of 10% has been applied in the case of Market Hall and Burtons Chambers, and 7.7% in the case of Market Chambers. This covers the period between the present time and the planned point of procurement in 2023Q4 and 2023Q3, respectively. This is based on estimates from RICS of construction cost inflation during the interims, and does not apply to any property acquisition costs.

The inflation amounts to a nominal sum of c.£1.8 million.

MAC Construction Consultants have also applied an overheads and profits margin of 7%, as standard. This has been included within the £14.8 million sum for works and professional fees.

Table: MAC Construction Consultants' cost estimates. See supporting table in annex D.

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## **Describe the main financial risks and how they will be mitigated**

Main financial risks - see item 5.0 of the risk-register (annex L) 'Cost and Financial Matters':

Risk: Levelling up funding approval not forthcoming - fees incurred by Hyndburn Borough Council to date are abortive.

Mitigation: continual liaison with key stakeholders and continual review of emerging guidance on funding compliance.

Risk: Impact on supply and prices due to geopolitical instability - pressure on budgets with value-engineering required.

Mitigation: materials pricing will be monitored and UK-sourcing maximised.

Risk: Wage inflation above allowances - status of the construction market creates higher than expected tender price inflation prior to Hyndburn Borough Council letting the main contract for the works.

Mitigation: a suitably qualified quantity surveyor will be appointed and asked to report regularly on status of the market and the impact this might have on the project.

Risk: Tender returns exceed set budget - pressure on budgets with value-engineering required.

Mitigation: a suitably qualified quantity surveyor will be appointed and asked to carry out regular cost checks and pre-tender estimate prior to commencing procurement activities.

Risk: Additional Utilities provision required due to insufficient capacity on site - pressure on budgets with value engineering required.

Mitigation: all utility services costs will be identified prior to going out to tender.

Risk: Client changes after design fixity - pressure on budgets with value engineering required.

Mitigation: strict change control procedures will be introduced, including sign-off at project board.

Risk: Insolvency of key subcontractor / suppliers - delays to programme / cost push.

Mitigation: their financial stability will be monitored monthly. Large items of plant / equipment will be sourced directly.

Risk: COVID19 - delays to programme / cost push.

Mitigation: Government guidelines will be monitored closely and adhered to. We will ensure supply chain have appropriate contingency plans in place.

The biggest programme risks (with financial consequences):

Risk: Failure to decant existing tenants on time (Market Chambers) with consequential delays to construction start beyond that tendered for. Accurate dates to staff and occupants with sufficient notice (3 months minimum) will be issued to enable proper planning.

Mitigation: decant strategy has been developed by HBC/CBRE.

Risk: Failure to acquire Burtons Chambers/Market Chambers on time which then delays the timing of the tender/construction start date.

Mitigation: CBRE have been engaged since August 2021 and have had ongoing positive conversations with relevant parties since then. They have issued (with council approval) heads of terms to relevant interests which have already been agreed with Burtons Chambers (annex Q). Work will continue post bid submission so that we have conditional purchase agreements in place before award.

Cost overruns

The proposed funders are HMG, Hyndburn Borough Council and Lancashire County Council.

Where appropriate, many of the potential costs overruns will be transferred to the building contractor (see procurement strategy at annex G) and borne by them. It is our intention to use a two-stage design and build procurement strategy, with a fixed price payment mechanism to provide the most cost certainty to the Council.

Unforeseeable costs arising, those which are impracticable/impossible to transfer to the contractor, and those arising out of the risks set out above will be 1) dealt with via value engineering 2) dealt with out of the contingency reserve: 17% has been applied to the cost of the works and associated professional fees) the council has also made provisions within its budget (see supporting annex I) to cover the allowance for 13% optimism bias (£2.3m) which has been applied in line with the HMT Green Book supplementary guidance.

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**Upload risk register**

Annex L - HBC LUF Risk Register June 2022.xlsx

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**If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below**

N/A

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## **What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?**

The only financial partner involved with this LUF bid is Lancashire County Council (LCC) through their total £1.5m grant funding.

As you would expect, we have worked successfully with the County Council for many decades on economic development and regeneration projects of varying scale and type.

The £1.5m grant has already been approved by the County's Cabinet (see annexes I and J).

As outlined in our answer to 6.3.1 and within our Delivery Plan (annex M) we will create a LUF Board and Project Board to oversee the delivery of the LUF projects.

LCC will have representation on the LUF Board through a senior County Council Officer (anticipated to be Steve Burns, Head of Strategic Development). Prior to his current role (which he has held for nearly 3 years), Steve was Head of Economic Development at Bolton Council and prop to that Investment and Developments Project Manager at Wigan Council.

Above the LUF board will be Hyndburn's Special Overview and Scrutiny Committee (created to oversee the LUF funding - annex U) as well as Hyndburn's Cabinet and full Council. Additionally, the funding via LCC will be overseen by its Executive (Cabinet), Economic Development and Growth Cabinet Member and their Environment, Economic Growth and Transport Scrutiny Committee.

The normal audit procedures, standing orders and policies of both Hyndburn Borough Council and LCC will also, of course, be followed at all times.

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## **Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted**

The commercial structure for delivery is simple – all LUF monies will be managed by HBC and any delivery agreements will be between them and the contractor.

### Procurement strategy

Hyndburn Borough Council have developed a Procurement Strategy (see annex G) in partnership with MAC Construction Consultants. That process identified, reviewed and scored a series of client procurement drivers based on the project particulars, aims and objectives. Pre-Market engagement was also conducted with a number of potential partners to test lead times/capacity/phasing/buildability and to 'warm up' the market.

The top six procurement drivers in terms of importance were decided as:

- (1) Out-turn cost certainty
- (2) Programme certainty
- (3) Contractor input into design/buildability
- (4) Social Value/Net Zero
- (5) Quality and innovation
- (6) Risk allocation/transfer

Each of these areas was allocated a score between 1 and 10. The scored client drivers were then evaluated against the standard, established construction procurement routes:

1. Single Stage, Traditional

2. Single Stage, Design & Build
3. Two Stage, Traditional
4. Two Stage, Design & Build

Negotiated tendering strategies, Construction Management and Management Contracting were not considered as these are deemed unsuitable for public procurement exercises due to their inability to demonstrate value for money.

The most common type of tendering strategy is the single-stage competitive tender for obtaining a price for the whole of the construction works. Competing Contractors who are all given the chance to bid for the project based on identical tender documentation issued under an ITT. This is usually done at an appropriate RIBA Stage so that the tendering Contractors receive the most detailed information to base their bid on. The bidding Contractors are given a predetermined amount of time to submit their tenders. These are then analysed, in terms of cost and quality (based on pre-agreed weighting and assessment criteria) before a single Contractor is declared the preferred Contractor. They then ultimately enter into a building contract with the client to deliver the tendered works.

Design and build is a term describing a procurement route in which the main Contractor is appointed to design and construct the works, as opposed to a traditional contract, where the client appoints consultants to design the development and then a Contractor is appointed to construct the works.

The Contractor is responsible for the design, planning, organisation, control and construction of the works to the employer's requirements. Design and build can be seen as giving a single point of responsibility for delivering the entire project. Design and build projects pass a larger proportion of the risk onto the Contractor.

The single stage, traditional and design and build procurement routes are deficient against the procurement drivers above and therefore were deemed unsuitable.

For two stage tendering, the process involves first-stage tender enquiry documentation being issued to bidding Contractors at RIBA Stage 2 or 3. Rather than requesting a bid for constructing the entire project, the preferred Contractor is chosen on the basis of the quality of their bid, the quality of their team and their preliminaries price and overhead and profits allowances.

The preferred Contractor then joins the design team on a consultancy basis using a pre-construction services agreement (PCSA) – the second stage. The preferred Contractor then works with the professional team to complete the design, usually to RIBA Stage 4, before presenting a bid for the works at this stage.

Two-stage tendering is often used where time is constrained or where the design process would benefit from the technical input of a Contractor in the later design stages (as in our case).

Based on the component project needs and procurement drivers appraisal a two-stage design and build procurement strategy will be implemented for the LUF projects.

This will provide for a Contractor to be appointed under a PCSA pre-contract to assist in the design and delivery of the works reducing risk. At the end of this process, it is anticipated that the Contractor would be appointed to deliver the works at the Principal Contractor under a design and build contract.

The payment mechanism may subsequently impact upon the tendering strategy. Options include fixed price, target cost and cost reimbursable.

It is intended that a fixed price route is pursued as this provides the most cost certainty although given market conditions this may need to be changed to target price. Further details can be found in annex G (procurement strategy).

Now that we have set out a preferred method/payment approach (two stage, fixed price) we considered the possible routes to market. It has been decided that a framework is the best approach.

The main benefits of using a framework are:

- 'Value for money' built in.
- Complies with all legislation/requirements and low or no risk of challenge.
- A Contractor can be appointed much quicker. This is important where buildability will be key due to the complexity of the project.
- A framework can be selected that includes Contractors with a track record of delivering similar projects.
- Frameworks include KPIs that the Contractors are assessed against, which incentivises them to perform well. This is particularly important where a one off project is being delivered. KPIs can also incentivise the Contractor to use local labour and suppliers.
- Delivery of Social Value – some frameworks are stronger than others on this.
- Net Zero commitments - a number of frameworks require Net Zero plans and pledges.

There are several compliant national and regional Contractor frameworks as referenced in the full procurement strategy. Although, in theory, it is possible for the Council to access any of these frameworks, it is common practice for them to be chosen on location as the framework for that region will be most relevant with regards to the selection criteria and KPIs.

Based on the scoring criteria, the Scape Framework is the preferred approach. Scape is a public sector owned company, follows the Construction Playbook principles and has over 1000 clients across UK with a £20bn capacity across consultancy, construction and infrastructure. Its approach is based on the preferred two stage tendering process and now has two partners per band which makes it more competitive. It allows for fixed price contracts which allow a number of risks to be transferred. The Council has also made significant strides within these projects to implement Net Zero Carbon and with the Scape framework Net Zero Carbon ready it is the most suitable option (see annex V for access agreement).

Due to the scale of the project, the key disciplines in the professional team will need to be procured using a compliant process. The Council has access to several frameworks that comply with FTS procedures.

Based on an appraisal process (set out in the Procurement Strategy - annex G) it is recommended that the NHS Shared Business Services Framework is used for the consultant team. This framework allows direct award and mini competition options which delivers the most economically advantageous outcome which allows speed of mobilization and then delivery.

Due to global supply-chain and price uncertainty, the council and their consultants will closely monitor the market with further advice considered/decisions made at the appropriate time.

In summary, it is the councils preferred option that a two stage, design and build procurement route (via Scape) that is contractor led with fixed price payment mechanism is used for the projects in the LUF bid.

- Compliant with all legal requirements (including Modern Slavery Act). It meets or exceeds all of the identified procurement drivers and follows - Construction Playbook principles.
- Value for money - including two contractors per lot.
- It will provide for a Contractor to be appointed under a PCSA pre-contract to assist in the design and delivery of the works.
- A lump sum / fixed price payment mechanism as this provides the most cost certainty for the client and reducing delivery risk.
- Scape is a well established, public sector owned framework with established KIPs around delivery, social value, Net Zero and community/stakeholder engagement. It also provides hands-on expertise and input from the Scape delivery team.
- Social Value and Net Zero commitments and KPIs.
- Fast to mobilise.
- NEC 4 basis of contract.

Risk Allocation

Risk allocation (between client and delivery partner) will be determined on a case-by-case basis through the procurement process. Risk allocation will be on the basis that risk is allocated to the party best able to manage it - in order to deliver best Value for Money. A risk allocation matrix will be drawn up (building on the risk register) for each component project so that there is absolute clarity for tenderers and so that tender prices accurately reflect the balance of risks allocated to the contractor. We will use a two-stage design and build procurement strategy with the contractor/delivery partner appointed under a PCSA pre-contract to assist in the design and delivery of the works reducing risk. This approach is in line with the Construction Playbook.

#### Consultancy services

For consultants (mainly PM/QS/architectural services), the NHS Shared Business Services Framework will be used:

- Wide-ranging number of lots reflecting a range of services.
  - Compliant with all legal requirements (including Modern Slavery Act).
  - Direct Award and streamlined Mini Competition options to deliver the most economically advantageous outcome (value for money).
  - Broad range of expertise available.
  - Follows Construction Playbook principles.
  - Focus on sustainability, Net Zero and Social Value.
- 

## **Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?**

A procurement strategy has been created and agreed (see annex G). The preferred route uses the Scape framework for a delivery partner/contractor and the NHS Shared Business Services Framework for consultants.

The procurements via these frameworks will primarily be overseen by LUF SRO Steve Riley - Executive Director at HBC. Steve has worked for the Council for almost 30 years, with responsibility for the delivery of all the Council's operational front-line services. This has included the procurement and delivery of many high value projects such as re-engineering waste collections Borough-wide (£5m), fleet replacements (£3m) and the move to electrification of the fleet. He also was involved in the procurement and delivery of the recent £3.8m THI regeneration scheme. Steve is a member of the Council's SMT.

Dave Welsby - CEO of HBC - will, of course, oversee and support the work of Steve. Dave has extensive regeneration and development experience. Dave successfully oversaw the Council's involvement in Globe Enterprises, one of the UK's first joint public-private sector ventures which delivered major redevelopment schemes including conversions to office space, an apartment complex and leisure parks including cinema, bowling alley and restaurant. In addition, he was a key member of the CEO team that oversaw the delivery of the Pennine Lancashire Housing Markets Renewal Path Finder, which successfully delivered between £40-£50m per annum of regeneration programme for almost a decade.

Jane Ellis - Executive Director for Legal Services - is the council's main advisor on all procedural, governance and procurement matters. Whilst working for Hyndburn Jane has been involved in many large developments including Woodnook (c.£15m) and Project Phoenix housing development (c.£40m) and the creation of Hyndburn's Leisure Trust. Prior to appointment at Hyndburn Jane was employed by Bolton Council, overseeing high-value projects such as The Bolton Arena Project (£25m) and Reebok Stadium.

Mark Hoyle - Head of Housing and Regeneration - has over 40 years of experience working on major regeneration programmes and projects including land assembly, CPO, new build and redevelopment. Mark led Hyndburn's multi-million-pound East and West Accrington regeneration projects including development of nearly 300 new homes, new commercial premises and helped

over 900 social homes with property refurbishment. Mark's team led the development of a new £5m Accrington Town Centre bus station in partnership with County Council. He is currently leading on Huncoat Garden Village and plans for 1,800 new homes in partnership with Homes England, landowners and home builders.

Support will also be brought in where necessary from Womble Bond Dickinson's Projects, Construction and Infrastructure team (who are already engaged by the council) and a further procurement specialist if necessary.

Additionally, one of the benefits of both of the frameworks we have selected is that they are both run by and owned by public sector bodies which provide specialist support on using them.

At Scape, support for the North West is provided by Kevin Hewitt who was previously General Manager at Galliford Try and a Programme Director at Wates.

At NHS SBSF, support for the North West is provided by Mark Duffy who has been a commercial adviser for 13 years and was previously Head of Procurement for St Helens & Knowsley Hospitals and prior to that St Helens Borough Council.

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## **Are you intending to outsource or sub-contract any other work on this bid to third parties?**

The Council does not intend to outsource or sub-contract any further work except for the items outlined Q6.2.1 and Q6.3.1. For ease of reference, the main items are a delivery partner/contractor (via Scape) and multi-disciplinary services (mainly project management/employer agent/cost consultancy/architectural services) (via NHS Shared Business Services Framework). Land assembly/additional legal advice support has already been procured.

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## **How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes**

The council has co-created (with MAC Construction Consultants) and approved a procurement strategy for the construction works (see annex G).

The preferred contractual route is via a two-stage fixed-price design and build contract (via Scape) which will allow for a contractor to be appointed under a PCSA to assist in the design/buildability of the works. The fixed-price approach will clearly allow a number of risks to be allocated to the delivery partner. Those risks not sensible or good value to move to the supply chain will be held by Hyndburn Borough Council (HBC). The risk register will be reviewed at each LUF and project board meetings (which include the project SRO and HBC S151 officer).

Further professional services support will be procured via the NHS Shared Business Services Framework as required including project management, cost consultant and architectural services.

Both frameworks are both fully compliant with the Public Contracts Regulations 2015 and come with special support and advice to the public sector on the operation of their frameworks and how best to run mini-competitions (if required), make direct awards, how best to design PQQs

The contracts will be managed using the principles of PRINCE2 and a strong but agile PMO function will be established before construction works begin.

Contingency of 17% has been applied to the cost of the works and associated professional fees and this is a reasonably standard assumption for designs



largely at RIBA stage 2 or beyond. The council has also made provisions within its budget (see supporting annex H) to cover the allowance for 13% optimism bias (£2.3m) which has been applied in line with the HMT Green Book supplementary guidance.

A risk register has been prepared (annex L) which sets out contractor/supplier risks and mitigation measures. The principle risks in this area are performance, solvency and capacity. These risks are addressed well through the preferred procurement framework routes.

Once the consultancy team has been appointed via NHS SBS the primary responsibility for day-to-day delivery partner management will rest with them.

#### Scape framework

Scape is a well-known and long-running public sector managed framework. The competition to become one of their framework partners is extremely tough. The rigorous procurement approach has established that they are collaborative, dynamic, innovative, highly capable and entirely committed to achieving value for money.

The latest iteration of the Scape framework also has appointed two delivery partners (Morgan Sindall and Willmott Dixon) to the £7.5-75m lot which would be used. This allows possible partners to be compared for financial standing, workload, local supply-chain etc.

As part of the Scape framework management governance process, they closely monitor both the performance and financial stability of each of their framework delivery partners. In addition they carry out further financial checks on Delivery Partners as part of their own internal governance processes. During the Scape process we will follow, potential delivery partners will be asked again to confirm their financial standing which will be checked by the Council's S151 officer and LUF Board during the appointment process.

The Scape framework uses the NEC Early Contractor Involvement arrangements and NEC 4 model forms of contract.

As part of the Scape Annual Review process, Delivery Partners are required to demonstrate the provision of Value for Money.

As a framework provider, SCAPE continues to monitor the performance of Delivery Partners against certain key performance indicators throughout the course of a project. SCAPE's intervention in any areas of underperformance or dispute on ongoing projects is to support a collaborative outcome to ensure minimal impact on project delivery.

#### Scape KPIs

Time Predictability - 100% (including Client agreed changes)

Cost Predictability - 100% (including Client agreed changes)

Fair Payment - 100% within 19 days

RIDDOR Accidents - Zero

Environmental Incidents - Zero

Supply Chain Satisfaction - Average 8/10

Client Satisfaction - Average 8/10

Social Enterprise Engagement - Annual % spend of £ total

Waste reduction - Annual Tonnes per £100k project

Considerate Constructor Scheme - Annual average score

CLOCS - Percentage with standard implemented

Fair Payment - Faster Pay - Improved payment terms

Pre-manufactured Value - Percentage value

Local Labour - 0-100% as agreed with HBC

Local Spend - 0-100% as agreed with HBC

SME Engagement - 0-100% as agreed with HBC

SME Spend - 0-100% as agreed with Client

Client's Social Value Targets - 0-5 TOMs as agreed with HBC

Client Satisfaction - Value for Money - 8/10. Measures agreed with HBC

#### NHS Shared Business Services Framework

The DHSC established the framework in 2005 to increase efficiency and quality, save time and money, and support world-class public sector delivery. The framework has managed more than £200bn of public sector money and has saved more than £726m in learnings and efficiencies. Framework providers have already undergone due diligence checks including on their financial standing. Additionally, their latest accounts will be checked by the HBC's S151 officer as well as checking current capacity/workloads.

Suggested KPIs (depending on which consultancy service)

Estimated cost v outturn spend

Time Predictability - 100% (including Client agreed changes)

Cost Predictability - 100% (including Client agreed changes)

Social Value - contribution to local charities/charitable activities

Net Zero Carbon - Carbon reduction plans

Client Satisfaction - 8/10 average from monthly survey

Local Labour - % of local content to be agreed by HBC

Quality Assurance: Gateway reviews will be used throughout the project.

Each Gateway follows a standard format and an independent Gateway Facilitator is used. Gateway reviews provide a quality assurance framework for the management of projects to ensure:

- That the overall aim and objectives of a project will be successfully achieved (e.g. delivery of the brief on time, on cost, on quality).
  - That the project is progressed in an efficient manner, avoiding abortive work.
  - Risks to the project's aims are identified and managed and that the project team is fully aligned before moving to the next stage.
  - Gateway reports are written on behalf of the whole project team, including the Client, for presenting to the Facilitator as their collaborative view of the state of the project.
  - Reports should be authored by the Project Lead in conjunction with the Client's representative and the Project QS. The final report should be checked and edited by the Senior Manager.
  - All observations and advice raised by the Gateway Facilitator at the Gateways will be considered, outcomes jointly agreed and actioned.
- 

## Set out how you plan to deliver the bid

A detailed project delivery plan (showing a critical path, interdependencies, resource requirements, durations, stages and contingencies) has been created using best practice from the Construction Playbook and experience from other similar projects. The full delivery plan can be found in annex M (high res programme annex W), with some of the key points/milestones highlighted below:

Key Milestones

Stage 1

Asset acquisition of Burtons and Market Chambers - January/February 2023

Procurement of project/delivery partner team (architects, QS, structural engineers, MEP consultants, PM etc)- October 2022 - February 2023

Stage 2

Design refinement - November 2022-March 2023

Further surveys where needed (structural, topographical) - November 2022 - February 2023

Stage 3

RIBA Stage 3 design and reports - March 2023-January 2024

Planning submission/period/consents/JR (Market Hall and Burtons Chambers) - June 2023-October 2023

Stage 4

Framework engagement/contracts/appointment (Market Chambers) - June 2023-December 2023

Framework engagement/contracts/appointment (Market Hall and Burtons Chambers) - March-January 2024

Stage 5 (construction programme includes 15% contingency)

Market Hall tender prep/mobilisation/construction/PC - October 2023-March 2025

Market Chambers tender prep/mobilisation/construction/PC - November 2023-June 2024

Burtions Chambers tender prep/mobilisation/construction/PC - December 2023-March 2025

The principle key dependencies are:

- Acquisition of Burtons Chambers (heads of terms already agreed - annex Q) (by February 2023).
- The procurement of the consultant team and submission for planning (by April 2023).
- The approval of planning (by July 2023)
- The mobilisation of the framework contractor (by February 2024)

Resourcing and delivery structure

We will create a Project Board with senior contractor representatives alongside relevant representatives from the workstreams below and Scape representatives to ensure effective oversight, co-ordination and progress in line with their process/handbook.

We envisage eight separate workstreams (some will not be for the duration) as set out below feeding into the LUF Board and Project Board:

- (1) LUF Board - oversight of project delivery with the Project Board and ensuring good value for money. Includes the SRO.
- (2) Project Board workstreams (chaired by SRO Steve Riley):
  - a) Project, cost management and architects (via NHS Shared Business Services Framework) - to ensure that the works are broken down into appropriate packages and costs are controlled with any issues flagged early.
  - b) Delivery partner/contractor (via Scape)
  - c) Land assembly (already procured) - this involvement is required only in the very early stages of the project as a huge amount of work has already taken place (including heads of terms).
  - d) Finance - the council's finance function and S151 officer will be responsible for oversight of public funds.
  - e) Legal support (already procured)
  - f) Stakeholder engagement/communications - we have built a successful working Partnership Board and community support who we need to continue to engage with.
  - g) M&E lead - to start thinking about M&E before project completion so that systems and processes are in place for later reporting.

Procurement/consultant support

Due to capacity issues at the council, they plan to continue to use its well-established supply chain to form the delivery team above complementing the Council Senior Management Team, with finance and stakeholder engagement/communications handled internally. It is envisaged that CBRE will continue to provide land assembly advice (although this should be essentially complete once the bid is awarded) with Womble Bond Dickinson providing legal support to the council's in house team.

The council's approved procurement strategy recommends that a two-stage approach is implemented for the construction of the proposed developments. This will provide for a Contractor to be appointed under a pre-construction services agreement (PCSA) pre-contract to assist in the design and delivery of the works. At the end of this process, it is anticipated that the Contractor would be appointed to deliver the works as the Principal Contractor under a design and build contract with either a fixed fee or target price payment mechanism is used dependent on the risk profile when we reach detailed design.

The council intends to use the Scape Framework for the procurement of construction contractors and the NHS Shared Business Services Framework for the procurement of professional services. Using these established

frameworks allows for faster delivery (Scape is a direct award framework), ensures contractors already have an established track record of successful delivery and the use of established performance measures (including social value).

Additionally, by using Scape the organisation itself comes with a team of strategic advisers, procurement support, performance and management oversight as well as social value, risk and legal support.

Given that all three projects are within the Accrington Conservation Zone and involve projects which are listed the input and close working of an appropriately experienced and qualified Heritage Architect will be required as well as planning consultants experienced at producing Statements of Significance in line with Historic England guidelines.

Burtons Chambers and Market Chambers will be acquired by the council. The council's appointed property consultants and valuers CBRE have engaged with the owners since August 2021, with very positive discussions with them all about the proposed acquisition. Consequently, heads of terms for sale have now been issued (agreed for Burtons - annex Q). Post submission of this levelling up bid, CBRE continues to work with the property owners to obtain sale agreements contingent on the council being successful in its bid. CBRE is optimistic these can be completed by September this year.

#### Stakeholder engagement

A Town Centre Stakeholder Group has been meeting quarterly since May 2020. It consists of 24 members from a diverse range of sectors, backgrounds and perspectives important to the town. Members include charities, chamber of commerce, Lancashire County Council, political leadership and large private businesses. This group will continue to meet on this cycle throughout delivery.

A smaller subset of the Stakeholder Group - the Town Centre Partnership Board - was created to expedite decision making and provide more regular oversight of the LUF bid development. This Entinue to help refine the detailed designs of the schemes and then into oversight and ongoing engagement during delivery.

Additionally, there will be bi-annual full member and quarterly cabinet briefings on the progress being made on delivery.

A communications and stakeholder management plan will be developed by HBC (in partnership with contractors as per Scape) which contain the key project milestones and opportunities for positive engagement and outreach with the public and schools. We have already had ongoing engagement with a range of statutory stakeholders (e.g. Historic England) and this would continue through periodic workshops, 1-2-1 meetings and site visits.

#### Consents and agreements

Planning permission/building regulations will need to be gained for Burtons Chambers and the Market Hall. The Market will also need listed building consent. The council's chief planning officer and conservation officer have already been actively engaged for the last 12 months in a 'pre-application' process to minimise risk and the applications will use the council's fast-track procedure.

Planning permission has already been granted for the demolition of the pavilions next to the Market Hall, although it has been decided to only remove one, not two which planning was approved for (permission attached at annex E).

The works at Market Chambers do not require planning permission or listed building consents.

The Market Hall is in council ownership. Burtons Chambers is in single ownership and heads of terms have already been agreed (annex Q). Market Chambers is in multiple ownership (four freeholders), heads of terms have already been exchanged with all parties. Work is continuing over the summer to secure conditional purchase agreements before the bid award.

## Resource planning

When developing the project programme the PM will be responsible for allocating resource to the tasks on the project programme, and recording actual resource used.

## Delivery monitoring

The Project Board will meet at least bi-weekly to review reporting from the individual workstreams which will include programme and budgets. The Scape Framework by default has performance measures that include time, cost, RIDDORs, supply chain and client satisfaction, social value, local labour and Net Zero commitments which are embedded in the delivery agreement and reported monthly which will be reviewed at the Project Board.

The council plans to procure specific project and cost management support to assist in monitoring and tracking project delivery. They will use PRINCE 2 principles and those set out in the Construction Playbook to collect progress data for submission to the Project Board. An important element of that will be the breaking down of the work into clear work packages that can then be individually monitored against the wider programme.

The key benefits we wish to see (as outlined in question 6.4.1 and elsewhere) are increases in footfall and a reduction in the number of vacant commercial units. Footfall counting equipment will be installed in the Market Hall and Town Square with similar data compiled by the operators of Burtons Chambers and in Phase 2 of Market Chambers. Commercial vacancy data is already available through the Local Data Company and through the regular council-led surveys and business rates data.

## Benefits realisation

Key benefits will be realised through the engagement of suitably experienced operators/partners for Burtons Chambers and the Market Hall. PIN notices have already been issued. In terms of construction, net zero and social value benefits - the Scape framework already has measures such as local labour, Net Zero, local supply chain built into it which will be used for this project. See Q6.4.1 for further details on M&E.

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## **Demonstrate that some bid activity can be delivered in 2022-23**

Contractors will be procured through direct award via the Scape Framework (access agreement at annex V), dramatically reducing procurement timelines. Spend profile indicates c.£4.5m spent in 2022-23.

The Market Hall - which forms the majority of propose spend - is in council ownership and c.50% vacant with the tenants who are there on short lease agreements.

The architectural designs for its transformation are in excess of RIBA Stage 2, the Market has undergone a number of surveys as well as having structural engineering input, MEP design and a decarbonisation strategy. Planning is already granted for the demolition of the pavilion.

A full cost plan has been created with market engagement so contractors can plan workloads. A procurement strategy has been approved. Historic England have been consulted as well as the council's conservation and chief planning officers. A PIN notice for its operation and management has been issued.

Burtons Chambers has had a recent condition survey and measured survey with architectural designs at RIBA Stage 2 having also had structural engineering and MEP input. It has a detailed cost plan and market engagement with possible delivery partners has taken place with a PIN notice issued. While not currently in council ownership, heads of terms regarding acquisition have been agreed (annex Q) and CBRE work to achieve a conditional sale agreement (pending the LUF bid decision) by autumn (i.e.

22/23 financial year).

Our third intervention - at Market Chambers - is the smallest element of the bid. The LUF monies would be used to acquire the building and carry out the works in this bid. Heads of terms have been exchanged and nearly agreed (i.e. 22/23 financial year).

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## **Risk Management: Set out your detailed risk assessment**

Risks have the potential to impact schedule, cost overruns and quality, therefore, it is essential that risk management is applied continuously throughout the whole project life cycle. A detailed risk register is in the annex (L), which defines impacts, owners, dates, mitigations and costs.

The first step to risk identification is to compile a comprehensive list of all the risks that may be relevant to the project. This list will provide the basis of a risk register and a means to monitoring each risk. Identification of development and project risks has been identified by risk workshops including key stakeholders from Hyndburn Borough Council, the project manager, the risk manager and members of the design team.

A Risk Breakdown Structure was used to analyse the identified risks and separate them into different categories, such as, political and environmental, financial and economic, design etc.

The top three risks that have been identified are as follows:

1. Property acquisitions not realised
2. Conservation Officer/Historic England approval
3. Decant existing tenants on time

Once areas of risk have been identified, these need to be analysed by an assessment of impact and likelihood. These are shown in detail on the project risk register.

The following describe the management action plan, with details of mitigation measures, to the top three risks identified above;

1. Property acquisitions not realised: The Council have appointed a property services consultant who has been engaging with the building owners (owners, asset managers, agents, occupiers and interested 3rd parties) for the past 6 months and as a result have issued heads of terms. Positive engagement has allowed negotiations to progress to Heads of Terms drafting which includes details of commercial offerings. Timescales for completion of the acquisitions are expected Q1'23.
  2. Heritage and Historic England approval: The Architect, who has been engaged to design the scheme to this status and present the proposals to support the Levelling-Up Funding Submission, has a registered Conservation Architect accredited designer within their team. This will also be a pre-requisite for any future architectural employment. Dialogue with key stakeholders will be critical for success, including English Heritage / Historic England, local historic groups and local planning officers (which is already happening). Any design proposals will be sympathetic to the context and strive to achieve longevity of the assets.
  3. Decant existing tenants on time: Internal project legal / markets team already in place looking at market trader leases and project plan to decant / temporary relocation in time for construction to commence. Agreement for lease wording being reviewed to ensure appropriate timings for notices. Hyndburn Borough Council have a number of vacant units under their control, which gives opportunity for a timely decant. Agreement in advance, or formal termination notices will be served. Health and Safety of tenants, and the public, is paramount. Retaining existing tenants in-situ during the works is too much of a risk.
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## Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature

Hyndburn Borough Council (HBC) realises the transformative impact that the LUF could have on Accrington and its strategic importance in improving life chances, local pride and opportunity. As a small local authority, it identified gaps in capability and capacity and has and will sub-contracted accordingly.

HBC team (Further background information can be found in annex M - the Delivery Plan p19/20)

Dave Welsby – Chief Executive - 30 years relevant experience.

Steve Riley – Executive Director, SRO - 20 years relevant experience.

Joe McIntyre – Deputy Chief Executive (CFO/S151 Officer) - 20 years relevant experience.

Simon Prideaux – Chief Planning Officer - 20 years relevant experience.

Mark Hoyle – Head of Housing and Regeneration - 40 years relevant experience.

Combined the council team have over 100 years of relevant regeneration and delivery experience. Of particular relevance will be the £2.4m of works to the Market Hall in 2016 (which this proposed scheme builds on). £1.5m renovations to the Grade II\* listed Town Hall to develop it into an events and wedding venue and the £3.8 million Townscape Heritage Initiative (THI) in 2018 to redesign and pedestrianise the Town Square that the team have collectively worked on.

Economic strategy and analysis - Bradshaw Advisory

Tom Lees - Managing Director - former adviser to the Rt Hon Michael Gove, subsequently worked on major DCO/TCPA regeneration projects at Jacobs and Mace.

Chris Walker - Senior Consultant Economist - formerly of the Government Economic Service, Chris spent 6 years in DCLG (now DLUHC) having previously worked in the DWP and HM Treasury. He has been a professional economist for over 20 years.

Paul Chamberlain - Senior Consultant Economist - formerly a Senior Civil Servant and Deputy Head of Appraisal (chairing the team that wrote the appraisal guide) at DCLG (now DLUHC), Paul was in the department for 13 years and has been a professional economist for 20.

Project management and cost consultancy - MAC Construction Consultants

MAC have been involved in many successful projects including the £50m regeneration of Sale Town Centre, the £2m Maryport Regeneration using the Future High Streets Fund and the £5m transformation of Leigh's Civic Square (LUF Round 1) and the £25m regeneration of Kirkby Town Centre.

Richard Bellis - Director - has 19 years experience and is a Chartered Quantity Surveyor. He has worked across sectors for both private and public clients where he has acted as Project Manager, Employer's Agent, Quantity Surveyor and Fund Monitor.

Architects and MEP consultants - AEW and SI Sealy

RIBA Chartered Architects AEW includes architects Phil Hepworth (Director) and Ben Smith (Associate) who both have decades of experience working on regeneration schemes and other LUF bids from Round 1. Additionally, their colleague Liz Durcan (Senior Interior Designer) has contributed to the internal plans for the buildings.

SI Sealy's Technical Director Matthew Pickford has supported the development of decarbonisation plans and MEP designs for the interventions.

Land assembly - CBRE

Due to clear market failures and renovation/transformation costs outstripping land values and viability the acquisition and transformation of delapidated/largely vacant sites on the Town Square is needed. Due to the strategic importance of these acquisitions, the council appointed global real estate advisors CBRE in August 2021 to develop and execute an acquisition strategy.

Current clients the London Borough of Haringey, Thames Water, HS2 and Stevenage Borough Council, Heathrow Airport, Stockport Council and National Grid.

Stephen Walker - Executive Director - joined CBRE in 2006. In addition to projects above he was the Property Expert Witness through the Public Inquiry for Wards Corner in Tottenham.

John Gunthorpe - Director - has been at CBRE for 7 years. BSc in Real Estate Development from the University of Queensland.

Legal advice (property acquisition (alongside CBRE) and procurement) - Womble Bond Dickinson

Jonathan Bower - Partner for Planning & Infrastructure - specialises in delivery of transformational regeneration projects across the UK and is the day-to-day contact for Hyndburn on this project. Experience includes Fareham Borough Council, Three Rivers District Council and West Berkshire District Council.

On notification of a successfully bid, the Council will continue working with the above team where appropriate and where necessary undertake further procurement exercise(s) to secure the input of the organisations above or those with comparable expertise.

As well as 'soft' market engagement, PIN notices have already been published to start the process in identifying partner operators for two of the interventions (Market Hall and Burtons Chambers) and the Council intends to be in a position of having identified preferred partners by the time successful bids are announced.

The council has co-created (with MAC) and approved a procurement strategy for the construction works. The preferred contractual route is via a two-stage design and build contract (via Scape) which will allow for a contractor to be appointed under a PCSA to assist in the design/buildability of the works. Further professional services support will be procured via the NHS Shared Business Services Framework as required.

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## **Set out what governance procedures will be put in place to manage the grant and project**

### Roles and Responsibilities

The Executive Director (Environment) will be the Senior Responsible Owner (SRO) and also be the Lead Officer within the Council (LO) for the LUF projects. The SRO will be the single point of accountability for the projects supported by the other governance processes listed below.

A LUF Board will be established and chaired by the SRO. The board will include: Director of Legal Services; Deputy Chief Executive (Section 151 Officer); elected Portfolio Holder for Levelling Up and Regeneration and others that will be identified once the projects commence. The board will meet at least bi-monthly with an agreed agenda and recorded minutes.

The LO will lead the projects through the creation of a Project Board (with eight workstreams beneath) brought together through the appointment of externally suitably experience and qualified individuals or organisations. The Project Board will also include representatives from the Council's planning, finance, procurement/legal services.

The Project Board will meet at least fortnightly or as frequently as the project



requires to review progress and agree actions with an agreed agenda and recorded minutes.

The LO will also be responsible for reporting formally to the LUF Board as a standing item on the agenda.

A risk register will be maintained and reviewed as a standing agenda item on both the LUF Board meetings and Project Board meetings.

The elected member structure of the Council has key responsibilities for Levelling Up with a dedicated Portfolio holder. Due to LUF projects being of such importance, the council has established a special overview and scrutiny committee (SOSC) for the LUF funding (see annex U).

The Council is Public Body and as such is already subjected to both internal and external audit for any work that it becomes involved/undertakes, the requirement for a Section 151 officer, Monitoring Officer and Head of Paid Service. As a Public Body the Council is also required to have in place multiple policies and procedures, many of which are subject to a requirement for annual publication. These include but not limited to counter fraud / corruption / anti-bribery, Code of conduct setting standards for ethical and professional behaviour of both Councillors and Officers, which include conflict of Interests, Cyber security, which we would look to partners/contractors as also having as well as Cyber Essentials Certification. As a public body the Council also has a legal requirement on holding data management, which include the requirement for a nominated data protection officer and deputy.

The Council, as a Public Body, has its own procurement policies but will also be guided by the criteria/guidance such as HMG Code of Conduct for Grant Recipients / Supplier Code of Conduct and Lancashire County Council's Lancashire Economic Recovery Grant / Lancashire Levelling Up Infrastructure Fund Criteria.

#### Budget Setting and Monitoring

Council approval has been obtained to create a budget in the capital programme for the total cost of the project. The capital programme will also include the breakdown of funding sources, including the grant value and Council/other external funding contributions.

Spending against the project will be reported to the LUF Board, Project Board, SOSC and the Council's Cabinet on a quarterly basis. Variances against budget profiles or expected total cost will be identified and explanations provided, along with revised budget profiles and timescales for delivery.

Cost analysis and estimate projections will be carried out on a weekly basis by the LO, supported by the finance team and appropriate external cost consultants.

Where costs estimates increase significantly above the total budget, depending on the circumstances, a budget increase would be requested for approval from Cabinet and/or full Council depending on the value.

#### Use of the Grant

The grant conditions will be reviewed by the legal and finance teams to ensure they are thoroughly understood and can be complied with.

All expenditure charged to the capital scheme will be reviewed by the finance team to ensure transactions are eligible for grant funding.

Any application of grant funding or grant claims submitted to DLUHC will be prepared by the Lead Officer and reviewed by the finance team before submission.

#### Planning Phase

A project initiation document (PID) will be prepared to define the project in

detail. The PID will ensure the project is clear to all stakeholders, act as a baseline to assess progress and provide a single document to inform stakeholders involved detailing the project brief, business justification, major risks, and how it is to be managed and controlled.

A business case will be prepared, outlining the financial, commercial and management cases for implementing the project and the delivery plan. The plan will be reviewed and approved by the LUF Board before submission.

Following the creation of a detailed procurement strategy (see annex), Cabinet will be approving, in principal, a preferred compliant procurement route at its meeting in July 2022.

The strategy assesses the options available and recommending the preferred route. It will be reviewed and approved by the board on the announcement of the Council's bid being successful - in case of, for example, significant changes to market conditions - before any procurement process is undertaken. The procurement route will be in accordance with the Council's contract and procurement rules and legal obligations.

A representative from the planning service will be part of the Project Board to ensure that the designs comply with all planning regulations and the timescales for delivering the project can be managed effectively to fit in with the planning requirements. However, there has been and will continue to be separation between officers providing advice to the project team and the statutory obligations of any planning application/building control submitted as part of the projects.

Any final public/market tenant consultations (if) required will be agreed by the planning team and delivered accordingly.

#### Construction Phase

Once contracts are awarded, the LUF Board and Project Board will oversee progress and be responsible for managing the high risks identified in the project risk register.

The LO will hold regular meetings with the Project Board and wider delivery team to review contractor progress. Outcomes will be reported to the LUF Board.

Payment for works will be valued by the project management team and reviewed by the LO against the spending profile including claims into the LUF.

#### Completion & Future Management

A project completion report will be produced to provide evidence of achievement of objectives and targets, including the monitoring and evaluation to be undertaken in line with the grant conditions. An audit will take place of the finalised project accounts.

The council will be responsible for ensuring the assets are maintained and managed in line with any grant conditions.

---

### **If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised**

We have created two detailed business plans (see annex) that set out the operational, staffing and financial models of the Market Hall and Burtons Chambers. The plans include uplifts for possible future inflation as well as line items such as electricity, water, insurance, security, cleaning, CCTV, staffing, marketing, maintenance etc.

Forecasts for Burtons Chambers - which are based on real-world similar co-working projects - indicate that the project may run a small deficit in years 1-3

as the concepts embeds itself into Accrington and turns a profit from years 4 onwards.

Noting that much of the works on Burtons Chambers will come with a warranty and liability period from the contractor this model has allocated c.£40k to maintenance and servicing which is in proportion to the usage/footfall. This figure has been market tested with existing operators.

The council accepts that it does not have the right expertise to operate a co-working and shared office space of this nature. The council has experience - through a JV called Globe Enterprises - in drawing on private sector expertise to make projects a success. It has issued a PIN notice for a potential operator/development partner for Burtons Chambers and has already have multiple notifications of interest. It is proposed that any operational losses will be shouldered by the private sector partner with and profits in later years distributed through a profit share agreement.

Forecasts for the Market Hall are built on a five day opening, from Wednesday to Sunday (likely to be the busiest days). The market area opening hours would be set at 9am to 5pm. The food and beverage area would open between 11am and 10pm.

The Market Hall has been consistently losing money over many years with combined net losses of £836,000 over the last three years alone which have been covered by Council subsidies.

We forecast that the transformation will stimulate significant increases in commercial income from today's figure of £203k up to £975k in year five, substantially reducing the need for Council funding. Over the first five years post-transformation, there will be a reduction in council losses estimated at £691k with the Market breaking even in year 5. The possible deficit in the first four years will be met by the Council in the same way they have been covered for the last decade or so.

Again, noting that many items within the transformed Market will be covered under warranty/a liability period we have allocated c.£220k to ongoing maintenance and servicing costs over the five year period. This takes into account the heritage nature of the building.

Due to the transformed nature of the Market Hall the day-to-day operations of the asset will be undertaken by a suitably qualified and experienced management company. A PIN notice has already been issued and 'soft' market engagement has taken place which has been fed into the business plan.

Audience analysis for the use of the new offer at the Market Hall (cultural element of the bid) has already taken place through representative polling, public consultation and stakeholder interviews.

Polling showed a significant majority of residents felt that the provision of restaurants and cafes, and communal/green space in the town were poor. The range of 'leisure' activities such as music and food festivals, children's activities or public art works were also rated very poorly.

Approximately as many Hyndburn residents choose to shop in Blackburn or Manchester as Accrington, with Manchester selected as the first choice of residents (24%) for eating or socialising demonstrating large untapped local demand. Additionally our research shows 2.7 million people with c.£30bn of disposable income are within 45 minutes of Accrington.

Our interventions at Market Chambers are much smaller in scale than the other two bid components. Works within this bid are simply the acquisition, structural and facade repairs and the standardisation and upgrading of shop frontages. After the next phase of the project is delivered (the element creating the arts, culture and heritage centre) it is envisaged that most of the building will be transformed into an independent charitable trust who will assume responsibility for maintenance and operation. The new trust will raise funds through various grant giving bodies and through ticket sales, if a service level agreement is needed from Hyndburn Borough Council for the 'start up' phase of the project the monies saved from the reduced losses at the Market Hall will be used. A full business plan will be created for the next phase of the project.

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## Set out proportionate plans for monitoring and evaluation

The aims of the bid level ME are to:

- assess how well the projects were delivered as intended, covering specification/time-scales/budget
- evidence base how far the bid' stated outcome-based objectives were achieved and how far they can be attributed to the interventions
- establish whether the interventions were good value for money

These provide accountability/learning functions. The key evaluation learning questions:

Delivery of outputs (process evaluation)

- Have the intervention buildings been delivered as intended? How do the outturns compare to those intended? (covering spec, delivery time, budget)
- What were the reasons for any departure from 'delivered as intended'?
- How were stakeholders managed/engaged (including communications) throughout the delivery process? Were there any issues?
- How well were risks identified (recorded/reported), assessed and managed throughout the delivery process? Were any missed / spotted too late?
- What are the key lessons learned from delivery of the project?

Realisation of outcomes (impact evaluation)

(1) Has the use of the intervention buildings been improved and increased upon re-opening:

o Has the amount of vacant floorspace at MH & BC decreased and by how much? (management data)

o How many tenants occupy MH and BC and how does this compare to before (management data)

o Has the number of people using MH and BC increased and how does this compare to the projections set out in this bid? (electronic monitoring data e.g. footfall counters)

(2) Has the number of people using the town centre increased? (survey)

(3) Do residents feel a greater sense of pride in their town centre than they did before 2022/23 and why? (survey)

(4) Do those using the town centre believe the quality of its general offer - e.g. of shops, food and beverage establishments - has been improved since 2022/23? (survey)

(5) Has there been an increase in the numbers attending heritage/cultural venues on the Accrington Acre (e.g. Market Hall and others)

(6) How many cultural events have been held at MH and how does this compare to the projections set of this bid? (management data)

(7) How many people attended cultural events at the MH and how does this compare to the projections of this bid? (management data)

(8) Has there been an increase in the number of people employed (including self-employed) at MH and BC? (management data)

(9) Have rateable values in the town centre increased more than in wider areas? (open / commissioned data)

(10) Have residential property prices in the town centre increased more than in wider areas? (open / commissioned data)

Key components/deliverables:

- An individual process evaluation covering the three interventions to establish how well they were each delivered, by answering the process evaluation questions above
- An overall impact evaluation to assess whether the projects' outcome-based objectives have been achieved and degree to which they are attributable to the intervention, answering the impact evaluation questions above
- A process report, answering the process questions, delivered within one year

of practical completion, i.e. by Spring 2026

- An interim impact report answering the impact questions, delivered after three years of operation of the buildings (est Spring 2028), a final impact report covering after five years (est Spring 2030)

A pre-intervention baseline (counterfactual) established across the intervention buildings/locality, including local collection of data using management system data of HBC, of landlords and their business tenants and electronic monitoring data - footfall sensors, cameras or mobile phone signals - covering:

- Current number of tenants and vacant premises (including stall pitches in Market Hall) and associated space at MH and BC
- Current level of footfall at MH
- Current number of people employed, including self-employed, at MH and BC
- Current level of footfall at selected retail premises at locations on or around the town square and wider Accrington Acre (possibly using mobile phone signals)

These are supplemented by the pre-intervention survey of shoppers in Accrington town centre covering perceptions (including pride of place) aspects, already covered in the Survation Poll carried out in Summer 2021, and existing data for vacant retail premises in the town centre already commissioned from the Local Data Company.

All these 'snapshot' data will also be collected post-intervention - re-opening of the intervention buildings following practical completion - continuously (footfall data) or annually, with the survey questions from the Survation Poll repeated each year. Cultural events data from organisers / ticket sales will capture audience numbers at events based in/around the town square.

The post-intervention data described will be contrasted to the pre-intervention (baseline) data to pick up any significant changes on the baseline. A difference in difference evaluation will be commissioned to build an evidence base around attrition - at least for residential house prices and/or rateable values.

Insofar as governance arrangements, HBC will utilise its existing Town Centre Partnership Board that will meet quarterly in the pre-delivery / 2-year delivery / 5-year post-delivery phases. It will have responsibility for monitoring progress (delivery), outcomes reporting and commission / sign off of research to support the evaluation process.

It is envisaged that the council could appoint a suitably qualified 'lead ME officer' or consultant to lead on the ME including liaison with the central DLUHC ME team.

The following will attend the ME sessions of the TC Partnership Board, in addition to its current membership:

- 1 x lead ME officer / consultant
- 1 x additional HBC - for example, an arts and heritage officer
- 1 x Market Hall operator representative
- 1 x Burtons Chambers operator representative

It is intended that HBC will allocate a budget for ME purposes, though it is unable to make financial commitments because the spending is beyond Spring 2025 (when the investments should be complete). Illustratively, the budget could be up to £15,000 p.a. (£120,000):

- Up to £60,000 for 0.2 FTE p.a. (council employee or consultant) to lead the ME programme over 8 years
- Up to £10,000 indoor retail store indoor microbeam people counters or footfall cameras
- Up to £30,000 to commission 6 x annual surveys / opinion polls (1 pre-intervention) of visitors covering the quantum of town centre users and perceptions.
- Up to £20,000 to commission a reputable university based in the region to conduct an impact evaluation of data collated
- £5,000 other / contingency

Subject to the agreement of the budget, the commissioned items would be

competitively tendered using the council's established procurement routes, with ITT specifications drawn up by the lead officer and signed off by the Board.

Summary of ME outputs/outcomes supporting tables in annex D.

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## Senior Responsible Owner Declaration

**Upload pro forma 7 - Senior Responsible Owner Declaration**      Annex - Pro Forma 7.pdf

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## Chief Finance Officer Declaration

**Upload pro forma 8 - Chief Finance Officer Declaration**      Annex - Pro Forma 8.pdf

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## Publishing

**URL of website where this bid will be published**      <https://www.hyndburnbc.gov.uk/levellingUFB22>

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## Additional attachments

### Additional file attachment 1

**Upload attachment**      Annex D - Accrington LUF - Supporting images, charts and maps.docx

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### Additional file attachment 2

**Upload attachment**      Annex E - Pavilion Demolition Planning Permission.pdf

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### Additional file attachment 3

**Upload attachment**      Annex F - Accrington TCIP FINAL COUNCIL.pdf

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### Additional file attachment 4

**Upload attachment**      Annex G - LUF Procurement Strategy FINAL.pdf

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### Additional file attachment 5

**Upload attachment**      Annex H - S151 Officer match funding conformation letter.pdf

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### Additional file attachment 6

**Upload attachment**      Annex I - HBC Capital Budget 2022-23.pdf

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### Additional file attachment 7

**Upload attachment**      Annex J - Lancashire Levelling Up Investment Fund - Cabinet Meeting May.pdf

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**Additional file attachment 8**

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<b>Upload attachment</b>	Annex K - Hyndburn - LCC Letter of Support - LUF Bid LoS.pdf
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**Additional file attachment 9**

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<b>Upload attachment</b>	Annex L - HBC LUF Risk Register June 2022.xlsx
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**Additional file attachment 10**

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<b>Upload attachment</b>	Annex M - LUF delivery plan FINAL.pdf
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**Additional file attachment 11**

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<b>Upload attachment</b>	Annex N - MAC Cost Estimates.pdf
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**Additional file attachment 12**

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<b>Upload attachment</b>	Annex O - WBD Subsidy Control Advice - Accrington Acre.DOCX
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**Additional file attachment 13**

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<b>Upload attachment</b>	Annex P - Stakeholder Engagement.docx
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**Additional file attachment 14**

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<b>Upload attachment</b>	Annex Q - Agreed Heads of Terms Burtons Chambers.pdf
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**Additional file attachment 15**

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<b>Upload attachment</b>	Annex R - AEW RIBA Stage 2 Designs.pdf
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**Additional file attachment 16**

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<b>Upload attachment</b>	Annex S - SI Sealy Decarb Strategies.pdf
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**Additional file attachment 17**

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<b>Upload attachment</b>	Annex T - Stakeholder Support Letters.pdf
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**Additional file attachment 18**

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<b>Upload attachment</b>	Annex U - Special OSC - LUF.pdf
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**Additional file attachment 19**

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<b>Upload attachment</b>	Annex V - Public Sector Access Agreement Mar 22.pdf
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**Additional file attachment 20**

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<b>Upload attachment</b>	Annex W - Accrington LUF Dev Prog FINAL.pdf
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**Project 1 Name**

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Market Hall Refurbishment and Transformation

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## Provide a short description of this project

The Market Hall will become a new food hall (50%) and curated 'trading space' (50%) creating jobs, diversifying the town, and providing a visitor draw and boosting pride.

This includes the replacement of the staircase, substantial MEP work, solar panels on the roof, and removal/refurbishment of internal market stalls.

We also plan to demolish one of the large underused pavilions (planning permission already granted).

---

## Provide a more detailed overview of the project

Footfall and occupancy have fallen at the Market Hall over the past three decades.

We will refurbish and transform the market into a food and drink destination that is attractive to locals (50% rarely or never come to Accrington) and those within a c.45 minutes travel distance (2.7m people with £30+bn disposable income).

Our RIBA stage 2 designs, MEP and decarbonisation strategies envisage 50% of space for a day and night time food offer and the other 50% for curated 'traders'.

We also plan to demolish one of the large underused pavilions (planning permission already granted). Demolition will create high-quality green public realm, better visibility of the building, outdoor eating provision and reduction in retail space (substantial oversupply).

See plans from AEW for more details.

This project is co-located (on the Town Square) with the other two interventions. Like the others, it looks to boost footfall, is heritage-led in nature, diversifies away from retail and has a significant visual impact on the Town Square. See Q3.3 for more details.

---

## Provide a short description of the area where the investment will take place for this project

Accrington is a market town (Hyndburn's largest and administrative capital) with a broadly stable population of c36,000 people. It is situated between the four major towns/cities of Blackburn (4 miles) and Preston (13 miles) to the west, Burnley (6 miles) to the east and Manchester (20 miles) to the south. Historically it was a major local shopping destination, its fortunes heavily dependent on physical retail.

Hyndburn is the 16th most deprived of 317 local authorities in England, according to the 2019 Index of Multiple Deprivation. Deprivation levels in Accrington are worse than the Hyndburn average, with five of its six wards amongst the 5% most deprived wards, including Barnfield ward.

The investment will take place at the Market Hall located on the Town Square within the Accrington town centre. This area is located within the west-most point of Barnfield ward dominated by retail. The main retail clusters include the Arndale Centre, Market Hall, Blackburn Road which runs alongside the town square, and Warner Street.

The town's retail and food and drink offer – and visitor offer more generally – is considered poor by Hyndburn residents and those beyond. This is reinforced



by findings of the representative Survation polling, the TCIP consultation, stakeholder interviews as well as poor visitor numbers.

---

## Further location details for this project

### Project location 1

Postcode	BB5 1ER
Grid reference	53.753113, -2.364438
Upload GIS/map file (optional)	
% of project investment in this location	100%

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## Select the constituencies covered by this project

### Project constituency 1

Select constituency	Hyndburn
Estimate the percentage of this package project invested in this constituency	100%

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## Select the local authorities / NI councils covered by this project

### Project local authority 1

Select local authority	Hyndburn
Estimate the percentage of this package project invested in this Local Authority	100%

---

## What is the total grant requested from LUF for this project?

£9561834

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## What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	50%
Cultural	50%
Transport	0%

---

# Confirm the value of match funding secured for the component project

£1434275

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## Provide details of all the sources of match funding within your bid for this component project

£1,434,275 (13%) of match funding from Hyndburn Borough Council and Lancashire County Council - secured. See annexes K and H.

---

## Value for money

The outcomes/impacts the Market Hall project intends to achieve are:

### Culture

- change in the number of visitors to cultural events\*
- change in the audience numbers for cultural events\*

### Regeneration

- change in footfall (240,000 p.a.)\*
- change in employment rate (supporting 250+ entry level jobs)
- change in vacancy rates (Market Hall no longer half empty, reduced shop vacancies nearby)
- change in perceptions of place
- change in consumer spending\*
- change in the health of residents\* (mental)

The cultural impacts\* have been quantified/monetised in economic benefit terms via :

Wellbeing from cultural participation - namely from use of the Market Hall for live music in the evenings on a fortnightly basis. With capacity for 360 covers and 80% capacity crowd assumed, a subjective wellbeing benefit of being a regular live music goer was estimated at £742 p.a. (Fujiwara, 2014). Benefits = £2.2m.

Volunteering - with an assumed 600 volunteer hours p.a. providing guided heritage tours of the Market Hall, with wellbeing benefits estimated at £13,500 (Fujiwara, 2011) and market benefit at the minimum wage hourly rate. Benefits = £0.6m.

The regeneration impacts\* have been quantified/monetised in economic terms via :

wider land value uplift captured within a 500m buffer zone, namely of 2,014 homes and 1,076 business premises (Ordnance Survey), utilising ONS HPI and VOA rateable values and on uplifts derived from Amion research for DLUCH/HCA into placemaking effects. The uplift effects are apportioned to each project in the package according to their share of the package investment. Benefits = £10m.

land amenity value from greening the area of the demolished 1970s pavilion on the Town Square, based on land improvement amenity benefit of £109,138/ha (urban core) in the DCLG Appraisal Guide. Benefits = £24k.

reduction in crime - 2,345 crimes within the 500m buffer zone - applying a cost per crime estimate of £2,908 per crime based on a Manchester Combined Authority research, and assuming a 5% reduction from higher footfall/natural surveillance effects. The overall crime effects are apportioned as described above. Benefits = £1m.

These benefits are in real discounted (NPV) net additional terms; they have been converted into 2022/23 money (real) terms using ONS GDP deflators, adjusted for additionality (generally 75%), and discounted in future years beyond 2022/23 using the standard social discount rate (3.5%, HMT Green

Book). They are then included in the initial BCR.

The adjusted BCR then adds a distribution benefit, based on average household incomes in the locality vs those nationally from the HBAI Survey which shows household incomes in Hyndburn c20% below the national average. Applying a marginal utility of income of 1.3 (HMT Green Book) implies a +33% distribution weighting to the benefits above. Benefits = £4.6m.

Total monetised Market Hall project benefits = £18.5m.

Of the intended outcomes listed, change in perceptions of place (including resident pride in their town) is not captured by these monetisations / in the BCR.

---

## BCR and value assessment

**If it is not possible to provide an overall BCR for your package bid, explain why below** Overall BCR provided in the main application.

---

## Benefit Cost Ratios

Initial BCR	1.23
Adjusted BCR	1.64

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## Non-monetised benefits for this project

Increased pride of Accrington's residents in their Town Square - via increased vibrancy - and town centre ('pride in place') and Hyndburn locals. There are 36,000 Accrington town residents and 80,000 locals in Hyndburn, so even small increases in pride in place could be very significant.

Reduced deprivation – specifically employment and income deprivation – through increased aggregate demand in the town's economy and increased demand for workers, mainly from increased visitor numbers and their spending in the town's shops.

Increase in wellbeing amongst inactive residents moved into work, through the provision of mainly entry level jobs for residents in retail, food and beverage, and tourism sectors. Assuming 1 in 10 of these jobs go to local residents from disadvantaged backgrounds suggests around 25 people could be affected. It has been estimated that the wellbeing benefit associated with this is as high as £11,180 p.a. per full time equivalent job, with associated knock-on health (including mental) impacts of becoming economically active.

Increased engagement and participation of residents from disadvantaged backgrounds in cultural events enabled by the investment in Market Hall to create an anchor for cultural events. There will be capacity for around 360 at Market Hall. UK SPF funding would be used to promote and raise awareness of these events and offer concessions to disadvantage resident households.

Mental health benefit of 'greening' the Pavilion area (pavilion being demolished) including tree planting.

Reductions in CO2 emissions as a result of retrofitting Market Hall as part of the intervention works, improving their energy efficiency and performance.

---

## Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

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## Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

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## Demonstrate that activity for this project can be delivered in 2022-23

Cashflow forecasts show a spend of £634,420 in 2022/23.

Contractors will be procured through direct award via the Scape Framework, dramatically reducing procurement timelines.

The Market Hall - which forms the majority of propose spend - is in council ownership and c.50% vacant with the tenants who are there on short lease agreements.

The architectural designs for its transformation are in excess of RIBA Stage 2, the Market has undergone full condition, measured, asbestos and fire surveys as well as having structural engineering input, MEP design and a decarbonisation strategy.

A full cost plan has been created with market engagement so contractors can plan workloads. A procurement strategy has been approved. Historic England have been consulted as well as the council's conservation and chief planning officers. A PIN notice for its operation and management has been issued.

Consultants to progress plans further in design and planning will be engaged as soon as the funding is awarded.

As per the delivery plan and programme, planning/consents will be submitted in April 2023 and the JR period (after consents granted) is expected to end in August 2023.

---

## Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

Planning consent to demolish pavillions by the Market Hall (see annex E).

Date acquired: 25 Feb 2021

Date of expiry: 25 Feb 2024

---

Upload content documents (optional)

Annex E - Pavilion Demolition Planning Permission.pdf

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## Outstanding statutory powers/consents

Market Hall Building Control

Market Hall Listed Building Consent (including Statements of Significance)

As per the delivery plan and programme, planning/consents will be submitted in April 2023 and the JR period (after consents granted) is expected to end in August 2023.

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## Project 2 Name

Burtons Chambers Transformation

---

### Provide a short description of this project

Burtons Chambers is largely vacant and dilapidated. We will acquire this building (Heads of Terms already agreed - annex Q) and convert it into co-working space raising town centre demand, living standards, footfall and pride.

---

### Provide a more detailed overview of the project

This important Art Deco building is largely vacant and has fallen into disrepair. We will acquire, restore and transform (including a roof extension) it into a co-working space - circa 6,000 square metres, space for c.140 desks and events space - with visible activity reducing crime and providing stable demand for the 'new Market Hall'.

RIBA stage 2 designs with MEP and structural engineering input have already been created with keen interest from a leading operator in Manchester.

CBRE have been engaged since Autumn 2021 and had an ongoing dialogue with this owner. They have exchanged and now agreed heads of terms for acquisition (annex Q) and work on the final details of a conditional sale agreement which will be in place before the LUF bid is awarded.

Soft market engagement for an operator has taken place, with PIN notices issued. There are three strong potential operators who have expressed an interest.

---

### Provide a short description of the area where the investment will take place for this project

Accrington is a market town (Hyndburn's largest and administrative capital) with a broadly stable population of c36,000 people. It is situated between the four major towns/cities of Blackburn (4 miles) and Preston (13 miles) to the west, Burnley (6 miles) to the east and Manchester (20 miles) to the south. Historically it was a major local shopping destination, its fortunes heavily dependent on physical retail.

Hyndburn is the 16th most deprived of 317 local authorities in England, according to the 2019 Index of Multiple Deprivation. Deprivation levels in Accrington are worse than the Hyndburn average, with five of its six wards amongst the 5% most deprived wards, including Barnfield ward.

The investment will take place at the Burtons Chambers buildings located on the Town Square within the Accrington town centre. This area is located within the west-most point of Barnfield ward dominated by retail. The main retail clusters include the Arndale Centre, Market Hall, Blackburn Road which runs alongside the town square, and Warner Street.

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### Further location details for this project

#### Project location 1

Postcode

BB5 1JJ

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Grid reference 53.752866, -2.365505

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Upload GIS/map file (optional)

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% of project investment in this location 100%

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### Select the constituencies covered by this project

Project constituency 1

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Select constituency Hyndburn

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Estimate the percentage of this package project invested in this constituency 100%

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### Select the local authorities / NI councils covered by this project

Project local authority 1

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Select local authority Hyndburn

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Estimate the percentage of this package project invested in this Local Authority 100%

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### What is the total grant requested from LUF for this project?

£7470378

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### What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre 50%

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Cultural 50%

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Transport 0%

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### Confirm the value of match funding secured for the component project

£1120557

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### Provide details of all the sources of match funding within your bid for this component project

£1,120,557 (13%) of match funding from Hyndburn Borough Council (annex H) and Lancashire County Council (annex K) - secured.

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## Value for money

The outcomes/impacts the Burtons Chambers project intends to achieve are:

### Regeneration

- change in footfall (33,000 p.a. equivalent)\*
- change in productivity and pay
- change in employment rate (office space for 150 office jobs, supporting 10+ entry level jobs via their spend)
- change in vacancy rates (Burtons Chambers no longer c90% empty, reduced shop vacancies nearby)
- change in perceptions of place
- change in business sentiment
- change in consumer spending\*

The regeneration impacts\* have been quantified/monetised in economic terms via :

wider land value uplift captured within a 500m buffer zone, namely of 2,014 homes and 1,076 business premises (Ordnance Survey), utilising ONS HPI and VOA rateable values and on uplifts derived from Amion research for DLUCH/HCA into placemaking effects. The uplift effects are apportioned to each project in the package according to their share of the package investment. Benefits = £7.8m.

land amenity value from restored and historically sympathetic facades onto the Town Square (improving the public realm), based on land improvement amenity benefit of £109,138/ha (urban core) in the DCLG Appraisal Guide. Benefits = £73k.

reduction in crime - 2,345 crimes within the 500m buffer zone - applying a cost per crime estimate of £2,908 per crime based on a Manchester Combined Authority research, and assuming a 5% reduction from higher footfall/natural surveillance effects. The overall crime effects are apportioned as described above. Benefits = £0.7m.

These benefits are in real discounted (NPV) net additional terms; they have been converted into 2022/23 money (real) terms using ONS GDP deflators, adjusted for additionality (generally 75%), and discounted in future years beyond 2022/23 using the standard social discount rate (3.5%, HMT Green Book). They are then included in the initial BCR.

The adjusted BCR adds in the distribution benefit, based on average household incomes in the locality vs those nationally from the HBAI Survey which shows household incomes in Hyndburn c20% below the national average. Applying a marginal utility of income of 1.3 (HMT Green Book) implies a +33% distribution weighting to the benefits above. Benefits = £3.4m.

Total monetised Burtons Chambers project benefits = £13.6m.

Of the intended outcomes listed, the change in productivity and pay, change in business sentiment and change in perceptions of place (including resident pride in their town) is not captured by these monetisations / in the BCR.

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## BCR and value assessment

**If it is not possible to provide an overall BCR for your package bid, explain why below** Overall BCR provided in the main application.

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## Benefit Cost Ratios

Initial BCR 1.16

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Adjusted BCR 1.55

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## Non-monetised benefits for this project

Increased pride of Accrington's residents in their Town Square - via facade/public realm improvement - and town centre ('pride in place') and Hyndburn locals. There are 36,000 Accrington town residents and 80,000 locals in Hyndburn, so even small increases in pride in place could be very significant.

Productivity benefits enabled through Burtons Chambers with much-improved digital connectivity and provision there of an incubator hub for business start-ups and small business using the shared office space (also linked to UK Shared Prosperity Fund).

Increased likelihood of private investment into the town centre and its buildings, and regenerative effects enabled by improvements in land values, with subsequent improvements in public realm and civic pride.

Improved building facades and frontages on the square, and of Burtons Chambers which directly opposite the Town Hall, will enhance prospects for the Town Hall which now operates as a wedding venue.

Reductions in CO2 emissions as a result of retrofitting Burtons Chambers as part of the intervention works, improving their energy efficiency and performance.

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## Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

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## Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

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## Demonstrate that activity for this project can be delivered in 2022-23

Cashflow forecasts indicated £1,386,512 will be spent on this project in 2022/23 which includes the acquisition (Heads of Term already agreed - annex Q). CBRE work to achieve a conditional sale agreement (pending the LUF bid decision) by autumn (i.e. 22/23 financial year).

Burtons Chambers has had a recent condition survey and measured survey with architectural designs at RIBA Stage 2 having also had structural engineering and MEP input. It has a detailed cost plan and market engagement with possible delivery partners has taken place with a PIN notice issued.

Consultants to progress plans further in design and planning will be engaged as soon as the funding is awarded.

As per the delivery plan and programme, planning/consents will be submitted in March 2023 and the JR period (after consents granted) is expected to end in October 2023.

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## Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

None.

Upload content documents (optional)

## Outstanding statutory powers/consents

Burtons Chambers Planning Permission  
Burtons Chambers Building Control

As per the delivery plan and programme, planning/consents will be submitted in March 2023 and the JR period (after consents granted) is expected to end in October 2023.

## Project 3 Name

Market Chambers (Phase 1)

## Provide a short description of this project

Market Chambers is largely vacant and dilapidated, we will acquire this (Heads of Terms agreed with some owners already), make repairs to the facade/fabric and upgrade ground floor units to a coherent look with modern facilities boosting pride and jobs.

## Provide a more detailed overview of the project

This building is largely vacant and in need of repair and refurbishment. We will acquire it (Heads of Terms already agreed with some owners), undertake repair works, refurbish shop units to a modern standard with consistent look and put in place 'passive provision' for the next phase of the project (not part of LUF bid) that will create a new cultural/arts/heritage space boosting pride and addressing the local cultural 'deprivation' identified by DCMS. The works will also help to improve the visual impact of the building and complement the other two projects.

This project is co-located (on the Town Square) with the other two interventions. Like the others, it looks to boost footfall, is heritage-led in nature, diversifies away from retail (phase 2) and has a significant visual impact on the Town Square. See Q3.3 for more details.

## Provide a short description of the area where the investment will take place for this project

Accrington is a market town (Hyndburn's largest and administrative capital) with a broadly stable population of c36,000 people. It is situated between the four major towns/cities of Blackburn (4 miles) and Preston (13 miles) to the west, Burnley (6 miles) to the east and Manchester (20 miles) to the south. Historically it was a major local shopping destination, its fortunes heavily

dependent on physical retail.

Hyndburn is the 16th most deprived of 317 local authorities in England, according to the 2019 Index of Multiple Deprivation. Deprivation levels in Accrington are worse than the Hyndburn average, with five of its six wards amongst the 5% most deprived wards, including Barnfield ward.

The investment will take place at Market Chambers located on the Town Square within the Accrington town centre. This area is located within the west-most point of Barnfield ward dominated by retail. The main retail clusters include the Arndale Centre, Market Hall, Blackburn Road which runs alongside the town square, and Warner Street.

Representative Survation polling, the TCIP consultation and stakeholder interviews have indicated the poor visual aesthetic and empty units/building in disrepair has a serious impact on local pride and willingness to visit the town.

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## Further location details for this project

### Project location 1

Postcode	BB5 1JJ
Grid reference	53.752745, -2.364707

### Upload GIS/map file (optional)

% of project investment in this location	100%
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## Select the constituencies covered by this project

### Project constituency 1

Select constituency	Hyndburn
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Estimate the percentage of this package project invested in this constituency	100%
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## Select the local authorities / NI councils covered by this project

### Project local authority 1

Select local authority	Hyndburn
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Estimate the percentage of this package project invested in this Local Authority	100%
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## What is the total grant requested from LUF for this project?

£2967787

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## What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	50%
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Cultural	50%
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Transport	0%
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## Confirm the value of match funding secured for the component project

£445168

## Provide details of all the sources of match funding within your bid for this component project

£445,168 (13%) of match funding from Hyndburn Borough Council (annex H) and Lancashire County Council (annex K), secured.

## Value for money

The outcomes/impacts the Market Chambers (phase 1 'enabling') project intends to achieve are:

### Regeneration

- change in footfall (supporting other two interventions in package)\*
- change in vacancy rates (Market Chambers retail spaces no longer c50% empty, reduced shop vacancies nearby)
- change in perceptions of place
- change in consumer spending\*

The regeneration impacts\* have been quantified/monetised in economic terms via :

(1) wider land value uplift captured within a 500m buffer zone, namely of 2,014 homes and 1,076 business premises (Ordnance Survey), utilising ONS HPI and VOA rateable values and on uplifts derived from Amion research for DLUCH/HCA into placemaking effects. The uplift effects are apportioned to each project in the package according to their share of the package investment. Benefits = £3.1m.

(2) land amenity value from restored and historically sympathetic facades onto the Town Square (improving the public realm), based on land improvement amenity benefit of £109,138/ha (urban core) in the DCLG Appraisal Guide. Benefits = £73k.

(3) reduction in crime - 2,345 crimes within the 500m buffer zone - applying a cost per crime estimate of £2,908 per crime based on a Manchester Combined Authority research, and assuming a 5% reduction from higher footfall/natural surveillance effects. The overall crime effects are apportioned as described above. Benefits = £0.3m.

These benefits are in real discounted (NPV) net additional terms; they have been converted into 2022/23 money (real) terms using ONS GDP deflators, adjusted for additionality (generally 75%), and discounted in future years beyond 2022/23 using the standard social discount rate (3.5%, HMT Green Book). They are then included in the initial BCR.

The adjusted BCR adds in the distribution benefit, based on average

household incomes in the locality vs those nationally from the HBAI Survey which shows household incomes in Hyndburn c20% below the national average. Applying a marginal utility of income of 1.3 (HMT Green Book) implies a +33% distribution weighting to the benefits above. Benefits = £1.1m.

Total monetised Market Chambers (phase 1 'enabling') project benefits = £4.6m.

Of the intended outcomes listed, change in perceptions of place (including resident pride in their town) is not captured by these monetisations / in the BCR.

Crucially, this is a phase 1 'enabling' project, with subsequent funding being sought to turn the building into use for the arts and heritage, including museum and arts exhibition space, which would bring about phase 2 outcomes/impacts including:

- change in the number of visitors to cultural venues
- change in the number of cultural events
- change in consumer spending at cultural venues

These phase 2 outcomes could deliver significant wellbeing impacts and much higher economic benefits per £ of cost than the phase 1 outcomes - again, the BCR presented only includes phase 1 benefits and costs.

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## BCR and value assessment

**If it is not possible to provide an overall BCR for your package bid, explain why below** Overall BCR provided in the main application.

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## Benefit Cost Ratios

Initial BCR	1.00
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Adjusted BCR	1.33
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## Non-monetised benefits for this project

Increased pride of Accrington's residents in their Town Square - via facade/public realm improvement - and town centre ('pride in place') and Hyndburn locals. There are 36,000 Accrington town residents and 80,000 locals in Hyndburn, so even small increases in pride in place could be very significant.

Enabling effects of acquiring Market Chambers for the provision of exhibition space for the arts and heritage, an associated increased engagement and participation of residents in cultural events. These are likely to be very significant with the museum offering exhibits and curation around Accrington's distinct and proud industrial heritage.

Increased likelihood of private investment into the town centre and its buildings, and regenerative effects enabled by improvements in land values, with subsequent improvements in public realm and civic pride.

Improved building facades and frontages on the square, and of Market Chambers which is directly opposite the Market Hall and near the Town Hall - which now operates as a wedding venue.

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## Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

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## Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

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## Demonstrate that activity for this project can be delivered in 2022-23

Cashflow forecasts show a spend of £1,875,891 in 2022/23.

Market Chambers is the smallest element of the bid.

The LUF monies would be used to acquire the building and carry out essential facade/shop front/window/roof repair works and put in place passive provision for phase 2 of this project (not LUF funded).

Heads of terms have been exchanged and already agreed with some owners for acquisition shortly after LUF award (i.e. 22/23 financial year).

Designs just under RIBA Stage 2 are already in place along with a condition survey of the entire external elements of the building and the majority of the inside.

As per the delivery programme, the designs will progress to RIBA Stage 3/4 from March to June and the construction phase of works is planned for December to June 2024.

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## Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

None.

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Upload content documents (optional)

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## Outstanding statutory powers/consents

None required for LUF works.

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