

CABINET

DATE	16/06/2021
REPORT OF	Cllr S Swinburn Portfolio Holder for Environment and Transport
RESPONSIBLE OFFICER	Sharon Wroot Executive Director for Environment, Economy and Resources
SUBJECT	Decision to proceed with the bid to the Levelling Up Fund (LUF)
STATUS	Open
FORWARD PLAN REF NO.	GENERAL EXCEPTION – Not included on the Forward Plan and will therefore be considered under the General Exception ruling as laid out in the Constitution

CONTRIBUTION TO OUR AIMS

The recommendation within this report will allow a funding bid to be submitted to Government to deliver a package of measures which will contribute towards the Council's priorities of a stronger economy and stronger communities. The bid contains three components which combine to enhance, deliver and futureproof growth ambitions for Northern Lincolnshire.

The package of schemes will also support access to employment and training opportunities for local residents who do not have access to a private vehicle and help reduce the environmental impact of traffic on our local communities. In addition, the project will support the local housing market by potentially unlocking a strategic housing site of 3,500 new dwellings.

EXECUTIVE SUMMARY

In 2021, the Government announced a funding opportunity for local authorities to bid for, the Levelling Up Fund (LUF) as part of the Government's response to the COVID pandemic and to the wider "levelling-up" agenda. The LUF fund looks to provide investment in places where it can "make the biggest difference to everyday life". Funding is prioritised for areas which have the most significant need, within this context North East Lincolnshire has been given category 1 status (highest need).

North East Lincolnshire Council's LUF bid will allow the delivery of:

- A new strategic link road between the A46 and A1136 (A180) to the west of Grimsby.
- A package of access and capacity improvements along the A180 corridor.
- A programme of priority bridge repairs to structures along the A180 corridor.

The total ask from the Government will be in the region of up to £50 million.

RECOMMENDATIONS

It is recommended that Cabinet;

1. Approves the submission of the Levelling Up Fund bid, and
2. Delegates authority to the Executive Director for Environment, Economy and Resources, in consultation with the Portfolio Holder for Environment and Transport, to execute all documentation arising from the application.

REASONS FOR DECISION

This decision will allow the submission of the LUF bid by the closing date of 18th June 2021.

1. BACKGROUND AND ISSUES

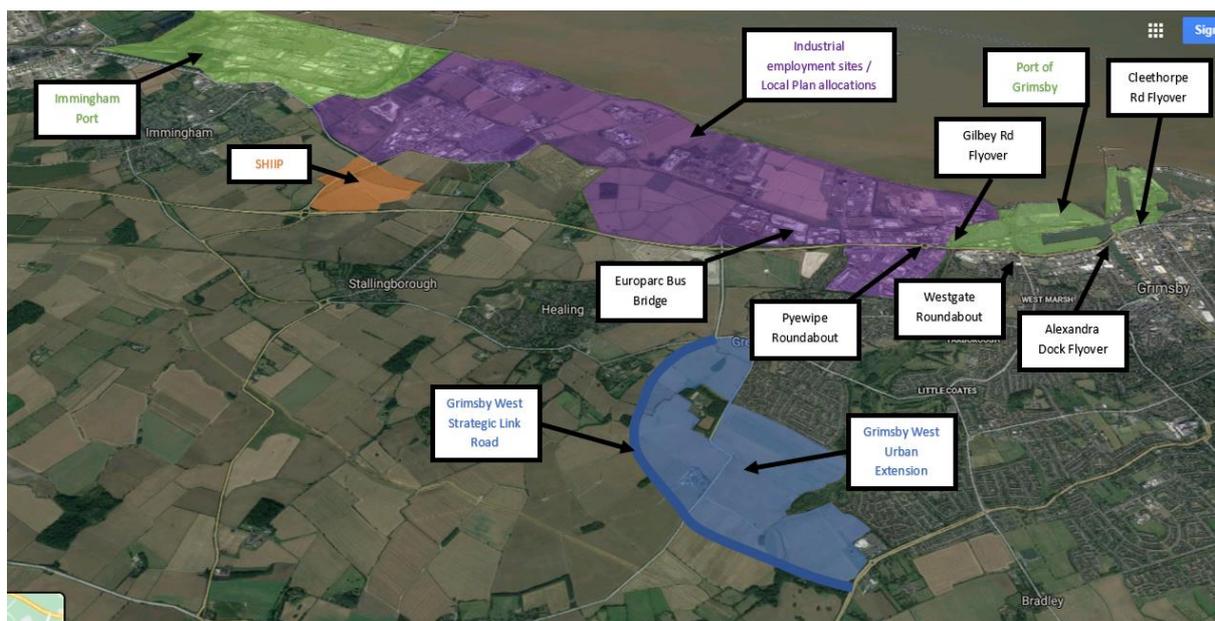
- 1.1. In March 2021, the Government launched its Levelling-up Prospectus setting out its plans for investment in national infrastructure, infrastructure that people rely on in everyday life in communities up and down the country. This followed the announcement of the Levelling-up fund, part of the 2020 Spending Review. The fund brings together the Department for Transport, the Ministry for Housing, Communities and Local Government and the Treasury to invest £4.8 billion in high value local infrastructure.
- 1.2. While the Fund is open to every local area, it is especially intended to support investment in places where it can make the biggest difference to everyday life, including ex-industrial areas, deprived towns and coastal communities. North East Lincolnshire has been identified in the top category of locations, (Category 1: those most in need of investment).
- 1.3. There are two tiers of LUF bid, the first is for projects up to £20m across a range of investment themes (transport, town centre regeneration and culture). The second tier of bid, for highways scheme only, can be up to £50m. Bids can be submitted in June 2021 or potentially in 12 months' time.
- 1.4. Bids will be assessed based on:
 - Characteristics of the place – each local authority will be sorted into category 1, 2 or 3 based on a suite of assessment metrics, with category 1 (including North East Lincolnshire) representing the highest level of identified need.)
 - Deliverability – with those projects which can start to be delivered in the current financial year (2021-22) being prioritised.
 - Strategic fit with local and LUF priorities.
 - Value for money.

North East Lincolnshire proposed LUF bid

- 1.5. The proposed LUF bid contains three components which combine to enhance, deliver and futureproof growth ambitions for Northern Lincolnshire helping to deliver both national and local economic, accessibility and environmental objectives. The package of works will significantly improve access to these

nationally significant areas, provide high quality housing for the workforce required, and improve and expand the lifespan of key access routes.

- 1.6. The delivery of a new strategic link road between the A46 and A1136 (A180) will support the local housing market, potentially unlocking a strategic housing site of 3,500 new dwellings. As well as supporting housing growth the strategic link road, around the western periphery of the 'Grimsby West' urban extension housing site, will relieve congestion from the core network and provide boosts to sustainable travel and reduced emissions, whilst also unlocking land parcels for future growth sites.
- 1.7. Works included in this proposal will also deliver significant capacity upgrades to the A180 and guarantee the long-term lifespan of nationally significant highway infrastructure between the Ports of Grimsby and Immingham.
- 1.8. Inspections of the bridges between Pyewipe Roundabout and Riby Square have identified numerous maintenance issues which indicate that weight restrictions and/or closures will be required unless critical reactive maintenance is undertaken. The LUF bid offers the opportunity to undertake works to maintain these structures and ensure that the traffic keeps flowing into Grimsby and onwards to Cleethorpes.
- 1.9. The final component of this package is the upgrading of capacity to access employment opportunities on the South Humber Bank. This will be achieved by a series of upgrades to existing infrastructure, including highways (via roundabout upgrades), cycling (via continuation of a cycle superhighway) and public transport (via a new bus bridge to Europarc, a key employment zone). This will make key employment sites which are currently difficult to access more accessible for all modes of transport, as well as making these areas more attractive to potential developers looking to site renewable energy projects on the South Humber Bank.



Scheme	Budget estimate
A46/A1136 strategic link road	£36m
A180 capacity improvements (including cycling and public transport improvements)	£7m
A180 bridge structural maintenance	£7m
Total	£50m

2. RISKS AND OPPORTUNITIES

- 2.1. The Council has a dependence on delivery of the Grimsby West Urban Extension in its adopted Local Plan in order to meet strategic housing objectives. Failure to deliver the link road puts those targets at risk.
- 2.2. Failure to retain full functionality of the A180 places jeopardy upon North East Lincolnshire's existing economy. There are potential significant consequences of implementing a weight restriction, and possible closures of the A180 would make growth ambitions unachievable, resulting in reputational damage to the area as a place to invest.
- 2.3. The bid will contain an appropriate level of cost risk throughout. These levels of contingency range from 10% to 40% of civil engineering works (depending on the current stage of the project and the potential for costs to exceed budget estimates). There is an additional contingency built into the whole project. The funding bid does require the Local Authority to accept the risk of any additional overspend above the ask from Government, however given the level of contingency already built in it is considered to be a low risk at this time.
- 2.4. Failure to deliver the schemes could negatively affect the Council's reputation with funding bodies if it is unable to meet programme milestones for delivery although this is again considered to be a low risk given the delivery timescales required by the LUF funding body.
- 2.5. There is a risk that failing to submit a LUF bid in the first round could mean that there is less funding available in future funding rounds which in turn may mean that any bid is less likely to be successful.
- 2.6. A full risk register has been compiled and will remain a live document throughout the project, this will help the Project Team keep project risk under scrutiny.
- 2.7. A comprehensive communications plan will be in place and this will contain significant elements and links to the government's Green Agenda, including protecting our natural environment, improving air quality, greener public transport, and better access for walking and cycling.

3 OTHER OPTIONS CONSIDERED

- 3.1 **Do nothing** – The Council is not required to submit a LUF bid, however, opportunities to secure the necessary level of funding for the new A46-A1136

link are rare. In addition, doing nothing about the A180 structures and capacity is likely to mean that the road becomes a barrier to investment in the area in the future, especially if weight restrictions or road closures have to be implemented.

- 3.2 **Submit other projects in the LUF bid** – The £20m-£50m bid opportunity is for highways schemes only and cannot be used for other non-highways related activity. It is suggested that the current proposed schemes offer the best fit against the LUF objectives. They have been arrived at following a review of possible LUF projects, other suggested schemes either do not meet the funding objectives or would not be deliverable within the required timescales.
- 3.3 **Seek other funding sources to deliver the identified projects** - The individual projects within this bid have / are currently the subject of other funding bids including with Transport for the North and the Greater Lincolnshire Local Enterprise Partnership. Both these organisations have indicated support for the schemes.
- 3.4 Given the size of the funding ask, it is unlikely that the Council would have sufficient funding of its own to deliver the package of schemes identified and would need to adopt a more piecemeal approach to scheme delivery over a longer period of time.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1. There are potential positive reputational implications for the Council resulting from the decision. It will demonstrate a commitment to delivering the necessary infrastructure to support a stronger local economy and supports local growth in jobs and employment. The bid will also demonstrate to the Government that North East Lincolnshire Council is firmly behind the wider aspirations of 'levelling-up'.
- 4.2. A full communications plan will be drafted for each project element, these will be developed by the Project Team in line with the major scheme engagement guidelines agreed between the Council and ENGIE's communications teams.

5. FINANCIAL CONSIDERATIONS

- 5.1. There is a funding requirement of £526,134 in order to develop the schemes identified in the LUF bid during 2021/22. This can be funded from the Council's Local Transport Plan programme for the year. This funding would be included (in part) in the Council's local contribution towards the project if successful.
- 5.2. The above is based on the understanding that if the LUF bid is unsuccessful and the LUF funding is not secured, the Council will reimburse the LTP programme with the full value of the expenditure incurred in order for the urgent maintenance works on the A180 structures to be undertaken in 2021/22.
- 5.3. If successful, it is estimated the Council will need to oversee/contribute approximately £3.5m. This may include some section106 contributions from the two landowners, where the road is expected to be built (less any contribution to the bid preparation costs) to the project during the period 2021/22 to 2024/25.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 6.1. The proposal will provide a positive addition to the Council's commitment to reduce carbon emissions. The new link road and capacity improvements on the A180 will reduce journey times, associated congestion and vehicle emissions.
- 6.2. The introduction of new cycling and public transport infrastructure will encourage modeshift to low carbon alternatives and maintaining the use of the A180 bridge structures will remove the need for slower, more congested alternatives to be brought into use.
- 6.3. The package of measures will also reduce the amount of traffic on other local roads which in turn will have a positive environmental impact in these areas.

7. CONSULTATION WITH SCRUTINY

- 7.1. There has been no consultation with Scrutiny.

8. FINANCIAL IMPLICATIONS

- 8.1. A successful LUF bid would generate up to £50M of inward investment into the Borough. The costs associated with developing the schemes identified in the bid during 2021/22 being met from the Council's Local Transport Plan (LTP) allocation in the first instance. In the event that the bid is unsuccessful the Council would need to borrow in order to undertake the A180 maintenance works currently built into the LTP.
- 8.2. As detailed above, the Council would be expected to make a contribution towards the programme of approximately £3.5M which would be met from landholder contributions and/or external borrowing. At this stage there is no allocation built into the Council's capital programme which would be based upon the submission of a full business case.

9. LEGAL IMPLICATIONS

- 9.1. There are no legal implications immediately arising from the submission of the bid. Such implications will emerge upon acceptance and with the completion of anticipated funding agreements and also as workstreams around implementation and delivery occur.
- 9.2. Legal Service colleagues are able to support this work. If the bid meets with success, then Cabinet should be updated through a further report in the fullness of time.

10. HUMAN RESOURCES IMPLICATIONS

- 10.1 There are no direct HR implications arising from the contents of this report.

11. WARD IMPLICATIONS

- 11.1. The bid will mainly affect the Wolds, Freshney and West Marsh Wards although

residents from any Ward may use the new or improved infrastructure.

12. BACKGROUND PAPERS

None.

13. CONTACT OFFICER(S)

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