

## **CABINET**

<b>DATE</b>	22/06/2022
<b>REPORT OF</b>	Councillor Philip Jackson, Leader of the Council and Portfolio Holder Economy, Net Zero, Skills and Housing
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot Executive Director for Environment, Economy, and Resources
<b>SUBJECT</b>	Levelling Up Fund
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB 06/22/07

### **CONTRIBUTION TO OUR AIMS**

Bidding into the Levelling Up Fund has the potential to contribute to the Council's 'Stronger Economy' and 'Stronger Communities' priorities and is fully aligned to the Council Plan, Local Plan, Economic Strategy, the Grimsby Town Centre Masterplan (2020), and the Cleethorpes Masterplan (2022). The delivery of projects submitted within the Levelling Up Fund bid will complement and enhance other regeneration activities across the borough.

### **EXECUTIVE SUMMARY**

The Levelling Up Fund (LUF) is designed to invest in projects and infrastructure that improves everyday life across the UK. The £4.8bn fund will support town centre and high street regeneration, local transport projects and cultural & heritage assets. Round 2 of LUF was launched in March 2022, with proposals for bids of up to £20m per constituency invited. In addition, unitary authorities with transport powers can submit one additional bid which must be for transport related projects.

### **RECOMMENDATIONS**

It is recommended that Cabinet:

1. Approves the submission of three LUF bids, one for each constituency, Grimsby and Cleethorpes, plus a transport bid, to the Department for Levelling Up, Housing & Communities (DLUHC).
2. Authorises the Executive Director for Environment, Economy, and Resources, in consultation with the Leader of the Council, and on behalf of the Greater Grimsby Board to take all actions necessary, including:
  - 2.1 Formulation and submission of business cases together with responsibility to deal with any arising issues, clarifications sought and engagement with DLUHC or any other stakeholders.
  - 2.2 Acceptance of any successful grant funding award from the DLUHC.
  - 2.3 Defrayal of the grant and all ancillary activity in support and implementation of the above recommendations.

## REASONS FOR DECISION

To allow the submission of three bids of up to £20m each to the Levelling Up Fund by the deadline of 6<sup>th</sup> July 2022.

### 1. BACKGROUND

- 1.1 LUF was announced as part of the Chancellor's budget in March 2021 and is a competitive £4.8 billion fund which will invest in projects and infrastructure that improves everyday life across the UK. The fund aims to support town centre and high street regeneration, local transport projects and cultural & heritage assets.
- 1.2 Round 1 of LUF committed £1.7 billion of funding for the delivery of projects across the UK. Projects in the first round needed to demonstrate investment which could begin delivery on the ground in the 2021/22 financial year.
- 1.3 It was agreed for round one of the funding that as Grimsby had completed a Masterplan and Town Investment Plan (TIP) in 2020, the progress of grant funded projects through the Towns Fund and Future High Streets Fund was the priority, and that a Cleethorpes Masterplan should be commissioned with a view to creating a strong bid proposition for the second round of LUF. That masterplan was commissioned and then adopted in March 2022.
- 1.4 A North East Lincolnshire transportation bid was submitted in 2021 but this was not successful.
- 1.5 On 23 March 2022, round 2 of LUF was announced in the Chancellor's Spring Statement and builds on the Levelling Up White paper.
- 1.6 The second round of LUF will focus on the same three investment themes as the first round and aims to support projects that make a genuine difference to local areas which actively complement, rather than duplicate or compete with, funding already delivering or set to deliver. In particular, LUF will look to support:
  - **Transport investments** including (but not limited to) public transport, active travel, bridge repairs, bus priority, local road improvements and major structural maintenance, and accessibility improvements. Proposals are requested for high-impact small, medium and, by exception, large local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth, and improve the safety, security and overall experience of transport users.
  - **Regeneration and town centre investment**, building on the Towns Fund framework to upgrade eyesore buildings and dated infrastructure; acquire and regenerate brownfield sites; invest in secure community infrastructure and crime reduction; and bring public services and safe, accessible community spaces into town and city centres.
  - **Cultural investment** maintaining, regenerating, or creatively repurposing existing cultural, creative, heritage and sporting assets, or creating new assets that serve those purposes including theatres, museums, galleries, production facilities, libraries, visitor attractions (and associated green

spaces), sports and athletics facilities, heritage buildings and sites, and assets that support the visitor economy.

- 1.7 Bids must be able to demonstrate spend from the fund in the 2022/23 financial year, and applications can bundle a maximum of three projects into a package but must clearly explain how each component aligns with each other and represent a coherent set of interventions.

## **2. NEXT STEPS**

- 2.1 Full business cases are being developed for each of the three bids, supported by a consultation process which engages with residents, business communities and MPs. These include

- A constituency bid of up to £20m for Cleethorpes which will incorporate schemes identified in the Cleethorpes' Masterplan as important strategic development locations, and deliverable within the timescales. The area of focus is Market Place, Sea Road & Pier Gardens, and, if appropriate, strategic site acquisition.
- A constituency bid of up to £20m for Grimsby which will seek to substitute the Future High Streets funding (FHSF) secured for reconfiguration works to Freshney Place and the Market Hall to bring leisure activities to the town centre. The FHSF leisure scheme is subject to a Project Adjustment Request which, if approved, will be amended to support the acquisition of Freshney Place. If successful, the LUF monies would de-risk the overall acquisition of Freshney Place and delivery of the leisure scheme. This acquisition is subject to a separate report being considered at the same Cabinet meeting.
- A transport specific bid of up to £20m for the development of a transportation hub in Grimsby town centre with potential additional projects to be considered around the electrification of buses and repairs to strategic bridge infrastructure.

- 2.2 Subject to Cabinet approval, business cases must be submitted by noon on 6 July 2022.

## **3. RISKS AND OPPORTUNITIES**

- 3.1 If successful, the funding will support the objectives and opportunities as laid out above which are identified in the Council Plan, Economic Strategy, Local Plan and the Grimsby and Cleethorpes' Masterplans.
- 3.2 Due to restrictive timescales, an extensive consultation period will be challenging, however, during the recent development of both the Grimsby and Cleethorpes' Masterplans, a considerable amount of public consultation was undertaken. Further engagement is taking place during the development of bids, and there will be continued engagement as schemes develop, subject to funding being secured.

3.3. If successful, up to £60m will be invested in the local economy.

#### **4. OTHER OPTIONS CONSIDERED**

4.1 Do nothing – The Council could choose to not submit any bids to the Levelling Up Fund. However, it is considered unlikely that future funding will be available through this fund, as it is expected there will be a much higher demand for funding than in round 1. If the Council does not put forward bids, other avenues would need to be explored to bring forward regeneration, including further use of the Council's own financial resources.

4.2 Do Less – we could choose to limit our funding bids to one or two schemes. However, the Cleethorpes' Masterplan was commissioned with the intention of preparing for Levelling Up Fund, there are Grimsby Town centre options which could reduce the need for Council's funding, as well as several transport options which fit the criteria.

#### **5. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

5.1 There are positive reputational implications for the Council if the bids are successful. In addition, any financial support attracted for regeneration and town centre improvements will result in improved footfall, visitor numbers, increased visitor spend, business opportunities and community pride.

5.2 There are potential negative implications if bids are unsuccessful and that is a consequence of competitive funds. The Council for its part will ensure credible bids are submitted.

5.3 The project teams are engaging the assistance of the Council's Communication Team in developing the bids. A Stakeholder Engagement Plan is in place to manage any further communications and engagement.

#### **6 FINANCIAL CONSIDERATIONS**

6.1 Capacity funding of £125,000 has been allocated to NELC as part of the Levelling Up Fund to support the development of bids, including specialist legal and consultancy advice.

#### **7 CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

7.1 If successful, Levelling Up Fund projects which continue the regeneration of Grimsby and Cleethorpes, strengthen the local economy, and improve infrastructure and transportation services will have positive impacts on health, wellbeing, and safety within the town centres.

#### **8 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

8.1 Projects will consider and consult with environmental and climate change

officers to ensure sustainability and low carbon initiatives are incorporated at every opportunity.

## **9 CONSULTATION WITH SCRUTINY**

- 9.1 The Economy Scrutiny Panel will be consulted on the bid proposals and thereafter, appropriate Panels will be engaged in the design process for the proposed schemes.

## **10 FINANCIAL IMPLICATIONS**

- 10.1 The funding bids, if successful, would facilitate significant additional investment into the area.
- 10.2 The business case proposals for the respective bids will be required to be subject to due diligence and assessment against council priorities.

## **11 LEGAL IMPLICATIONS**

- 11.1 There are no legal implications directly arising as any bid against a fund is merely an expression of interest with no binding commitment upon the Council. Commitment will come in the fullness of time with any award. The Council will then be bound by any conditionality of the fund with obligations being a matter of contract and captured in a funding agreement.
- 11.2 Legal Services will support and advise at the appropriate time.

## **12 HUMAN RESOURCES IMPLICATIONS**

- 12.1 There are no direct HR implications

## **13 WARD IMPLICATIONS**

- 13.1 This project is expected to benefit all wards and all residents living in North East Lincolnshire.

## **14 BACKGROUND PAPERS**

- 14.1 Council Plan <https://www.nelincs.gov.uk/assets/uploads/2022/02/NELC-Council-Plan-a11y.pdf>
- 14.2 Grimsby Town Centre Masterplan <https://www.nelincs.gov.uk/assets/uploads/2020/12/Grimsby-Masterplan-Report.pdf>
- 14.3 Cleethorpes Masterplan [Cabinet – Special | Democracy \(nelincs.gov.uk\)](#)

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