

Redditch Levelling Up Fund proposal

Relevant Portfolio Holder	Councillor Matt Dormer - Leader of the Council, Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ostap Paparega, Head of North Worcestershire Economic Development and Regeneration (NWEDR)
Wards Affected	Matchborough and Winyates
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 The Levelling Up Fund (LUF) is a national grant funding programme which will invest in local infrastructure that has a visible impact on people and their communities. This includes a range of high value local investment priorities, including local transport schemes, urban regeneration projects and cultural assets.
- 1.2 Redditch has an opportunity to bid for up to £20m of LUF grant funding. This report outlines the proposed projects to be included in the bid.
- 2 The deadline for submission is 6 July 2022. Consequently, the details of this submission are draft only at this stage and will be worked upon until the deadline to ensure the best chance of success.

2. RECOMMENDATION

- 2.1 **That the Executive Committee endorses this report and gives delegated authority to the Executive Director for Resources (\$151 Officer) and the Head of NWEDR (Senior Responsible Owner) in consultation with the Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships to submit a Levelling Up Fund bid, as detailed in the report.**
- 2.2 **That the Executive Committee recommends to Council a match funding contribution of 10% of the total bid value up to £2 million.**

- 2.3 Should the submitted LUF Bid be successful, that Executive Committee recommends to Council the allocation of 10% of the total bid value in the Capital Programme.**

3. BACKGROUND

3.1 In March 2022 the government launched the second round of the Levelling Up Fund.

3.2 The Fund at a glance

- Local authorities can bid for up to £20m.
- Local authorities have been placed in priority categories 1, 2 or 3 with priority 1 category representing the highest level of need.
- Redditch are in category 1.
- Preference will be given to bids from priority 1 category.
- Bids from priority 2 and 3 will still be considered on their merits of deliverability, value for money and strategic fit, and could still be successful if they are of exceptionally high quality.
- Second round bids must be submitted by 6 July 2022, noon. Decision expected in autumn 2022.
- There are three investment themes: transport, regeneration & town centre and culture & heritage.
- Bids can be for one project, or a package bid for multiple projects.
- The government will prioritise projects which are able to demonstrate investment or begin delivery on the ground in the 2022-23 financial year.
- Funding must be spent by 31 March 2025.
- Capacity funding – a flat £125,000 will be allocated to local authorities in Priority 1 category to support the development of high quality bids.

3.2 Investment themes

The second round of funding, like the first one, focuses on three themes: smaller transport projects that make a genuine difference to local areas; town centre and regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets.

Investment Themes	Key priorities	Project examples
Transport	Public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance, and	Investments in new or existing cycling provision. Improved priority for local bus services (e.g. bus priority lanes or signal priority at junctions).

	<p>accessibility improvements. The government is requesting proposals for high-impact small, medium and by exception larger local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth and improve the experience of transport users.</p>	<p>Enhanced public transport facilities, such as bus stops and stations. Accessibility improvements to local transport networks for disabled people. Enhancements and upgrades to local road networks (e.g. by passes and junction improvements). Structural maintenance works to local roads, including bridges. Multi-modal proposals which combine two or more interventions to enhance transport across modes.</p>
Regeneration and town centre	<p>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 community spaces into town and city centres.</p>	<p>Regenerating key leisure and retail sites and improving their security, in order to encourage new businesses and public services to locate there. Removing derelict buildings and other eyesores to make way for new developments. Sire acquisition and remediation of abandoned or brownfield sites, for both commercial and new residential use. Improving the public realm including high streets, parks and green spaces, designing out opportunities for crime and anti-social behaviour. Creating better connectivity between and within key retail and leisure sites. Putting forward 'Town Deals' for individual or groups of smaller towns that did not receive investment from the Towns Fund.</p>
Culture and Heritage	<p>Maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions (and associated green spaces) and heritage assets as well as creating new community-owned spaces to support the</p>	<p>Upgrading and creating new cultural and creative spaces including sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens. Acquiring and refurbishing key cultural and heritage sites including hotels and historic buildings.</p>

	arts and serve as cultural spaces.	
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3.3 Eligibility

3.3.1 The following areas are able to access the Fund:

- Unitary authorities (including metropolitan borough councils), London borough councils and district councils in two tier areas in England
- County councils with transport powers, combined authorities, mayoral combined authorities and the Greater London Authority (GLA) are eligible to submit one transport bid; unitary authorities in England with transport powers are able to submit one additional bid which must be for transport.

3.3.2 Local MPs, as democratically elected representatives of the areas, are expected to back one bid that they see as a priority. The number of bids that a local authority in the first category can make will relate to the number of MPs in their area. Every local authority can submit at least one bid. Where an MP's constituency crosses multiple local authorities, one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder.

3.3.3 The Fund will focus investment on projects that require up to £20m of funding. Bids above £20m and below £50m will be accepted for transport projects only, such as road schemes, and can be submitted by any bidding local authority.

3.3.4 All bids should have the approval of the relevant local authority responsible for delivering them. For example, transport bids submitted by district councils should have the approval of their relevant transport authority.

3.3.5 Bidding authorities are expected to consult the local MP, although their support is not a necessary condition for a successful bid.

3.4 Assessment criteria

3.4.1 The assessment will focus on the following key criteria:

- Characteristics of the place – each local authority will be sorted into category 1, 2 or 3 based on the MHCLG's assessment metrics, with category 1 representing the highest level of identified need.
- Deliverability – will be based on supplementary finance, management and commercial cases, with bids able to demonstrate

investment or which begin delivery on the ground in 2022-23 financial year prioritised in the first round of funding.

- Strategic fit with local and Fund priorities – this should be addressed in the strategic case of submissions and should include support from stakeholders.
- Value for money – an economic case should be submitted to explain the benefits of the bid and how it represents value for money.

3.4.2 In addition, Ministers will have the opportunity to exercise discretion to meet the following additional considerations:

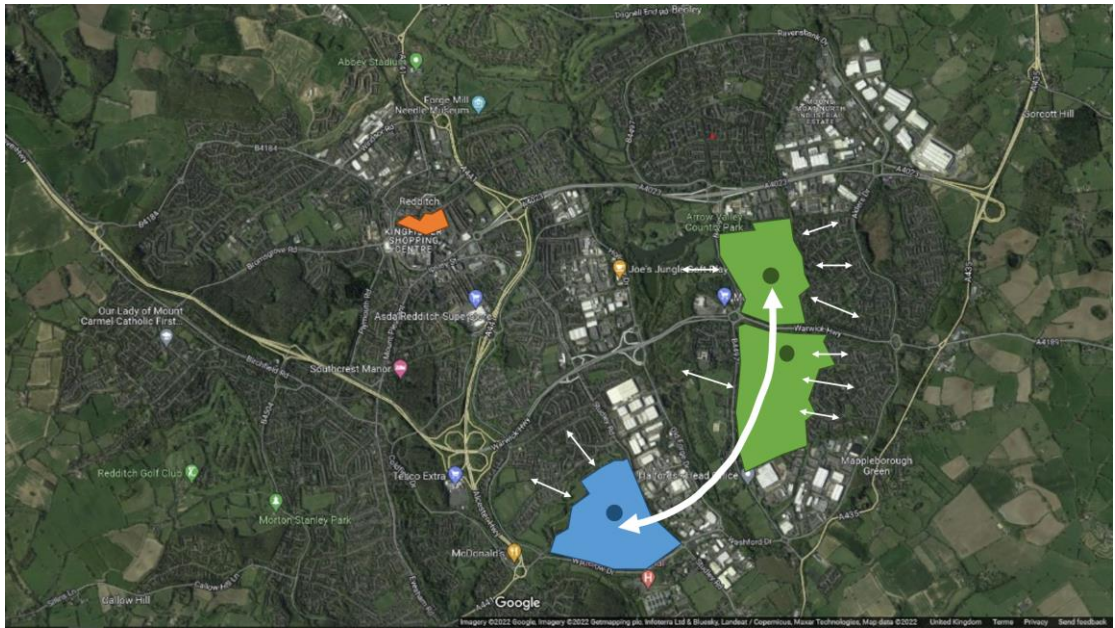
- Ensuring a reasonable thematic split of approved projects (e.g., across regeneration and town centre, transport and culture and heritage);
- Ensuring a fair spread of approved projects across Great Britain.
- Ensuring a fair balance of approved projects across places in need.
- Prioritisation of either ‘strategic fit’ or ‘deliverability’ or ‘value for money’ over the other criteria (noting this must be applied consistently to all projects).
- Taking into account other investment in the area. In future rounds, this could include funding provided to local areas through the first round of this Fund.

4. KEY ISSUES

4.1 It is proposed that this LUF bid focuses on the investment theme of Regeneration / town centre. It is important to note that the bid focus must relate to substantially progressed proposals. The Council has more proposals related to the Regeneration/town centre theme, to inform what will hopefully be a credible submission. However, a regeneration scheme could have elements of transport, culture and heritage when built out, as how future residents move around and engage with each other in open spaces and the wider built environment is a key element of regeneration.

4.2 Under the Regeneration/town centre theme the town centre and three district centres in need of improvement were considered. Figure 1 shows the location of the assessed sites i.e. town centre, Winyates, Matchborough and Woodrow.

Figure 1 – location



4.3 The options appraisal considered four potential options for a package bid: town centre sites only; Winyates and Matchborough; Winyates, Matchborough and Woodrow and a full option including town centre sites and the three district centres.

4.4 The criteria used to appraise the four options were based on the Technical Note provided by central government that is listed as a background paper (Levelling Up Round 2: Technical Note).

4.5 The option that met most criteria was the Matchborough and Winyates option. This option will deliver the following outputs:

- Provision of new commercial and residential units
- Demolition of existing (outdated) commercial buildings and connected residential units
- Provision of new sports facilities (Matchborough only)
- Improved public realm
- Unlocking land for further residential developments
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4.6 Whilst specifics are not provided at this stage members should note there has been previous consultation with council tenants (commercial and residential) and other stakeholders such as the schools and community groups about the opportunity of redevelopment. Comparisons were made at such events with what has occurred at Church Hill Centre.

5 Financial Implications

5.1 The Council was awarded a total of £125,000 of revenue funding to support the preparation of the bid and supporting evidence.

- 5.2 The Council must make a contribution of at least 10% of the bid value. This is a LUF funding requirement.
- 5.3 If decanting (relocation) of commercial and / or residential tenants is needed, they may be entitled to financial compensation.
- 5.4 The LUF grant, if awarded, will only cover initial development phases. In other words it would not provide enough funding or time to complete all aspects of the redevelopment of the district centres. For the projects to be completed, further significant funding (public and private) will be needed.

6. Legal Implications

- 6.1 There are residential and commercial tenants currently in occupation of buildings that are proposed to be demolished as part of these projects. The existing tenancy, lease and / or license agreements will have to be reviewed to establish their rights and entitlements to compensation and other mitigating measures if applicable.
- 6.2 Tenancy and / or lease agreements may have to be terminated, depending on the type of lease agreement.
- 6.3 Legal agreements to swap land may be needed.

7. Service / Operational Implications

- 7.1 There may be significant operational implications, which may involve offering residential and commercial tenants currently occupying council owned buildings alternative accommodation.
- 7.2 These proposals envisage the delivery of new residential and commercial properties which will be owned by the council and would require the provision of housing and property services.

8. Customer / Equalities and Diversity Implications

- 8.1 These proposals will affect council housing and commercial tenants. Appropriate temporary plans need to be agreed with them and put in place to ensure service continuation with minimum disruption. The implications of emerging proposals will need to be fully quantified.

9. RISK MANAGEMENT

- 9.1 A full risk register is being developed.

All proposals present major delivery risks, given the very tight implementation timeline – all grant funding must be spent by 31 March 2025.

The Winyates proposals in particular, present additional significant delivery risks and major dependencies on third parties' willingness to cooperate and ability to deliver their parts of the project within the required timeframe. Surgery relocation (to release its current site) is the most critical element of the proposal.

10. APPENDICES

None

11. BACKGROUND PAPERS

Levelling Up Fund Round 2 Prospectus
Levelling Up Fund Round 2: Technical Note

AUTHOR OF REPORT

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