

Meeting of the Local Growth Scrutiny Committee on Tuesday 27 June 2023

Report on the Levelling Up Fund – Round 2 Application

Report of the Director of Economic Development

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| Classification | This report is public |
| Report By | Natalie Etches, Business Growth Manager, Dragonfly Management Ltd 01246 242389 / 07989 146973 natalie.etches@bolsover.gov.uk |
| Contact Officer | As above |

PURPOSE OF REPORT

The purpose of this report is:

- To provide members with a summary of the proposals included within the Levelling Up Fund (LUF) round 2 application;
- To set out the main failings of the application, based on feedback provided by the appraiser;
- To outline the next steps to prepare for round 3 of the Fund.

REPORT DETAILS

1. Background

- 1.1 In May 2022 the Government announced a second call for the allocation of the £4.8bn Levelling Up Fund (LUF), investing capital funds into places in need of economic recovery and growth, regeneration and improved transport connectivity. Investment was targeted against the three themes of: Regeneration and town centre; Cultural; and Transport.
- 1.2 As part of the development of LUF, the Index of Priority Places was formulated, ranking lower-tier and unitary authorities based on a combination of metrics, and then used this ranking to award 'priority status' to those areas in Category 1, awarding a capacity fund of £125,000 to all category 1 places to support the development of their bid submission/s. Bolsover received Category 2 status, so no capacity fund was available for the development of its bid.
- 1.3 Bolsover district falls within the one whole Parliamentary Constituency, so it was able to submit one application for a project within its district. Bids submitted for LUF required formal priority support from the MP as part of the submission.

- 1.4 The Fund focussed on investment in projects which required less than £20m of funding, and it encouraged bids to include a local financial contribution of at least 10% of total costs. Private sector partners were encouraged to contribute if they stood to benefit from an intervention.
- 1.5 The total amount of grant fund requested from LUF was £14,218,305 with a match funding contribution of £1,242,595 – 8% of the total project costs. It sought 45% of the funding from the Regeneration and Town Centre strand, and then the remaining 55% from the Cultural strand.
- 1.6 The application focussed its delivery around three main project areas, as set out below and also shown in Appendix 1 – Bolsover Town Proposals:
 - 1.6.1 Purchase, demolition, and redevelopment of the former Co-Operative Foodstore to provide a cultural hub including a cinema; theatre; gallery and exhibition space; food and drinks court; indoor market area. This would have linked through to the redevelopment of Oxcroft House for the cultural industries to base as a business hub.
 - 1.6.2 Townscape improvements, including a shop front improvement scheme and a comprehensive public realm improvement scheme for the public areas across the town
 - 1.6.3 Connectivity through investment in digital connectivity, Internet-of-Things (IOT) and technology to support the visitor experience including parking apps and augmented reality experiences.
- 1.7 Consultants were appointed to work on the bid, including building and landscape architects, quantity surveyors, solicitors, and property valuers – all professional services were required to be able to validate the bid, i.e. ensuring an RICS valuer provided the property valuations. This was at a cost of £32,988 to the Council.

2 Details of Proposal or Information

- 2.1 The Department for Levelling Up, Housing and Communities (DLUHC) formally notified the council of the outcome of the bid on 19 January 2023, and offered formal feedback on the application, and that there would be a further round of the Fund available with further details to follow at a later date. This detailed feedback was provided and is included as Appendix 2 – LUF Feedback.
- 2.2 In summary, the bid could have been strengthened by further detail in areas to give the assessors the confidence to make an informed appraisal of the proposal. There was a clear indication that the deliverability requires significant improvement prior to resubmission, but there were positive comments about the monitoring and evaluation plans.
- 2.3 Consultation events were held, albeit limited in number and range of stakeholder representations, which did affect the feedback and how it shaped the development of the proposals. This was in part due to the limited financial resource available to hold such events, but also the limited resources to engage with stakeholders and partners in the development of the bid.

- 2.4 The feedback positively acknowledged the evidence of context and challenges facing the town, and how the bid would align with local and national strategies. However, there could have been better evidence to support the community cohesion / pride and overall attractiveness of the town.
- 2.5 The Deliverability feedback highlighted the gap in match funding. The Council were not able to commit any financial resource to this application and was only in a position to contribute its UKSPF (UK Shared Prosperity Fund) allocation, land and buildings, and match funding from Old Bolsover Town Council. As set out in section 1.4 above, DLUHC encouraged bids to include a local financial contribution of at least 10% of total costs, but this could not be met.
- 2.6 “There were other risks where it would have been helpful to have seen more work completed to demonstrate that the programme was truly deliverable. Such works could have included more advanced designs, a plan for purchasing the shop, pre-application advice - especially important given the potential impact on the conservation area, more detailed costs, support from shop owners, and the preparation of a business plan for project 1. Without these, there was little confidence in the deliverability of the project within the time allowed for the LUF programme”.
- 2.7 Work is already underway for the preparation of an application for Round 3 of the Levelling Up Fund. The High Streets Task Force (HSTF) have committed resource to supporting the District Council through the Understanding Your Place Potential. The HSTF last visited Bolsover on the 16 March 2023 to undertake an *Unlocking Your Place Potential* diagnostic visit that identified ‘Repositioning’ as our greatest challenge, meaning there is a need to use data and evidence to understand the challenges and identify the priority solutions.
- 2.8 **HSTF’s recommended support**, therefore is to: support Bolsover Council and stakeholders to develop an evidence-based picture of how the town is doing, the impact of activities, and help to inform decisions about priorities. Where possible the data will be gathered routinely and over time help to monitor the impact of interventions and animations and will be benchmarked against other locations. This will also support the evidence base for the LUF application.
- 2.9 Officers are also in discussions with One Public Estate (OPE) for the consultation exercise currently underway for the Opportunity Development Fund (ODF). Opportunity Development Funding awards focus support to areas where there is the strongest need to address regional and local inequalities, and an opportunity for the public sector estate to contribute to these aims, particularly in relation to health, housing and education outcomes. ODF will provide capacity for OPE Partnerships to develop a pipeline of investable public sector property opportunities in their area, with Bolsover identified as requiring up to £200,000 of ODF money to bring about a review of the public estate in Bolsover Town and how this can support the regeneration of the town.
- 2.10 Ongoing discussions and consultation events are proposed to continue engagement with the local business community, through Visit Bolsover town trader meetings, as well as public engagement events.

2.11 Officers are working with Old Bolsover Town Council to explore if there are opportunities for the purchase and repurposing of the former Co-Operative Foodstore through a bid to the Community Ownership Fund, but these exploratory issues are in the early stages, and would need to be led the town council, due to the requirements of this particular funding stream.

3 Reasons for Recommendation

- 3.1 This feedback is all valuable insight into the appraisal process, and where improvements can be made in the writing of a future bid submission.
- 3.2 Limited financial resources available to the local authority for the preparation of the application have contributed to the weaknesses identified in the feedback outlined in 2.6 above.
- 3.3 Members should consider the financial and personnel resources required in the preparation of funding applications should it want to pursue future grant funding opportunities.

4 Alternative Options and Reasons for Rejection

- 4.1 This report is to review the outcome of a recent application to the Levelling Up Fund, and therefore alternative options are not considered.

RECOMMENDATION(S)

1. Members review the feedback provided by DLUHC on the Levelling Up Fund round 2 application
2. Members to note the need to consider the financial resource required to support future calls for grant funding both for Levelling Up Fund and other calls for funding to ensure the maximum investment for the District can be captured and make recommendations to Executive as required.

Approved by Councillor John Ritchie
Portfolio Holder for Growth / Economic Development

IMPLICATIONS:

Finance and Risk: Yes No

Details: 'There are no financial implications arising from this report'

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

There are no Legal implications arising from this report

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details: there are no environmental impacts arising from this report. Future interventions and projects will need to consider the positive impact on meeting Net Zero targets along with environmental enhancements.

Staffing: Yes No

Details: There are no staffing implications arising from this report

On behalf of the Head of Paid Service

DECISION INFORMATION

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| <p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies</p> | No |
| <p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p> | No |

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| <p>District Wards Significantly Affected</p> | <p>(please state which wards or state All if all wards are affected)</p> <p>All wards affected</p> |
| <p>Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p> | <p>Details:</p> |

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| <p>Links to Council Ambition: Customers, Economy and Environment.</p> |
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| <p>DOCUMENT INFORMATION</p> | |
| <p>Appendix No</p> | <p>Title</p> |

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| 1 | Bolsover Town Proposal |
| 2 | LUF Feedback |

Background Papers

(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).

None