



REPORT TO:	ENVIRONMENT & PERFORMANCE SCRUTINY COMMITTEE
DATE:	21/6/22
SUBJECT:	LEVELLING UP FUND (LUF) – ROUND 2 SUBMISSION
PURPOSE:	To provide Members with an overview of the direction of travel of the Councils round 2 LUF submission, and seek ‘in principle’ support for the submission.
KEY DECISION:	N/A
PORTFOLIO HOLDER:	Cllr Welton
REPORT OF:	DCX Growth - Michelle Sacks
REPORT AUTHOR:	Assistant Director – Planning & Strategic Infrastructure - Mike Gildersleeves
WARD(S) AFFECTED:	Station Ward
EXEMPT REPORT?	No

SUMMARY

This is a short report which will be accompanied by a short presentation to Members on the evening.

The purpose of the paper is to provide Members with an overview of the direction of travel for the Councils proposed Levelling Up Fund (LUF) round 2 submission – this relates to the re-development of ‘PE21’.

It will also provide an overview of the LUF fund itself, the round 1 submission and feedback from that round, as well as identifying a number of key / strategic partners and organisations that Officers have been working with both to formulate the bid, but also drive forward the PE21 proposals.

RECOMMENDATIONS

That Members consider the information provided to them in respect of the round 2 LUF bid and provide any feedback / comments as deemed relevant.

That Members consider providing 'in principle' support to the round 2 bid, and its direction of travel, in advance of consideration by Cabinet on the 29th June.

REASONS FOR RECOMMENDATIONS

To enable the Council to make a robust submission to Government through the LUF round 2 process, and to enable the Council to demonstrate support and commitment to the projects which form part of the proposal.

OTHER OPTIONS CONSIDERED

Do Nothing – This would involve the Council not making a bid, and therefore not being able to access the up to £20m available

Amended proposals – There is potential for other alternative proposals to be considered, however, this has been discounted owing to the time pressures for the submission as set out in this report. The proposals have been developed in partnership with our external advisors to enable the Council to put forward a robust bid, significant changes/deviations to the approach would not be possible, whilst allowing the bid deadline to be met. Alternatives could however be considered for future LUF rounds.

1. BACKGROUND

1.1 The Levelling Up Fund (LUF) is part of the Governments wider Levelling Up agenda.

1.2 The prospectus can be found here:

<https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus/levelling-up-fund-round-2-prospectus>

1.3 It is a capital fund, designed to invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets, and is a competitive bid-process where Authorities can seek to secure up to £20m from the fund.



1.4 Key points of background are:

- Capital funding - no revenue element
- Competitive fund, with no expectation that BBC must apply
- Boston is classed as a Priority 1 area (ELDC is 1 and SHDC is 2).
- Themes include:
 - o Regeneration and town centre investment
 - o Cultural Investment
 - o Transport investment – N/A to BBC
- Projects must be high quality and high impact
- Aims to make a visible positive difference
- Bids can cross themes, but must have a 'lead' theme. Packages of no more than 3 projects.
- Need to contribute to low/zero objectives
- Must demonstrate spend in 22/23, with projects complete by end of March 2025
- 10% or greater LA match funding 'encouraged'; private sector match expected too
- Local MP support is required
- Must include Strategic Case, Economic Case, Delivery Plan, as well as evidence of match funding, partner support and engagement.
- Submissions by 6th July 2022

1.5 This round is round 2, the Council were unsuccessful in round 1 in 2021. It is anticipated that there will be future rounds, although this is not guaranteed.

2. REPORT

2.1 This is a short cover report which will be accompanied by a presentation to the Committee. Its purpose is to provide an overview of the LUF process and the direction of travel for the Councils intended submission under round 2 which is currently being worked up by Officers.

LUF Round 1 bid

2.2 The Round 1 bid was developed in conjunction with Rose Regeneration and Urban Edge; the aim was to focus on PE21 and show an overlapping of funding with the Towns Fund (as shown in the image below), it focused on the following elements:

- Acquisition Crown House for subsequent redevelopment (P3)
- Acquisition and demolition, of B&M, to facilitate redevelopment (P4)
- Urban greening and activation of the Market place (P6)
- Moorings on South Square



PARCEL LOCATION PLAN

LEGEND
Towns Fund Investment Plan
Boston levelling up initiatives

- 2.3** The focus of the bid was to utilise public sector investment from the LUF as a catalyst to deliver the PE21 project, starting at its eastern end through the re-development of Crown House and the B&M site (shown below) which would be brought together with a reinvigorated public space.



- 2.4** The total cost of all of the above was c£22m, with 10% match funding, this left a funding 'gap' of c£20m which was the LUF 'ask'.

The Chief Executive confirmed the Councils commitment to the scheme through match-funding in the form of land, and any necessary 'top-up' to the 10% minimum (c£2m), this was to be further matched by commitments from the private sector as demonstrated by the letters of support.

- 2.5** Although this bid was unsuccessful, the feedback from Government (DLUHC) was largely good. Minor suggestions were made in respect of narrowing down the focus of the bid (removing the Market Place and Mooring element); focusing the bid down to PE21 only; revisiting values and costs; revisiting engagement with the community; and seeking support from more partners and the MP.
- 2.6** On review, of those areas successful in Round 1, it would seem that the end decision by Government was largely based around sharing funding around the UK, with those areas having already received funding through Towns Fund etc. being overlooked.
- 2.7** The feedback received however gave Officers confidence that we were heading on the right track in terms of a future bid being an appropriate fit with the LUF and its objectives.

Work that has been undertaken in between Round 1 & 2

- 2.8** Following the Round 1 submission Officers have reviewed the LUF 1 bid and consider that the core aspects of PE21 remain relevant and workable. This has been reviewed by our external advisors (AMION – who have a track record of success with round 1 submissions).
- 2.9** In addition, the Scarborough Group (SG) recently met with the Officers and the Leader/Deputy Leader and are keen to work up a private/public sector proposal for the entire PE21 area, to be delivered through a Joint Venture arrangement. This is still under discussion. Nevertheless it gives confidence that there is backing of private sector match for a LUF 2 bid. In addition, SG have been revisiting the Masterplan themselves.

- 2.10** Officers have also continued dialogue with the owners of Crown House.
- 2.11** Finally, the Council has also commissioned, jointly with NHS colleagues and LCC (transport) a reworking of the PE21 masterplan for the western end of the site, to look at the opportunities for new health centre (including defining its size, placement and potential costs) and how this could be brought forward as a deliverable proposal, and how this would work alongside neighbouring parcels. This is being led by Wilmott Dixon and is underway, in order to provide information to feed in to a LUF 2 bid.
- 2.12** Officers continue to be in discussions with other potential partners who have expressed a considerable interest in being part of PE21 scheme.

LUF Round 2 –

- 2.13** The Round 2 prospectus is largely the same as that for round 1, with some minor additions.
- 2.14** Officers are therefore progressing at pace, working with AMION to put together a suitable bid. As this is still being worked up it is not possible to give Members a precise picture of what will be included in the bid and what the financial model and 'ask' will be.
- 2.15** However it is possible to outline the likely direction and key elements these are as follows:
- **Delivery of a significant enhancement of the public realm (spanning the area between the river and the Len Medlock)** - This is seen as an impactful intervention, which can be delivered in the short-term and would create the conditions for unlocking the adjacent parcels. It would also provide confidence to other investment opportunities as well as making an immediate difference to the sense of place. This would hit a number of the key LUF objectives around re-use of brownfield land, sense of place, cultural and environmental change etc.
 - **Crown House – As per round 1.** Securing the potential to rejuvenate and reuse this existing building – likely to comprise residential and commercial/community uses.
 - **B&M redevelopment – Evolution of round 1.** Working in partnership with the current owners to re-develop this site - likely to comprise hotel, commercial/community uses and potentially residential.
- 2.16** These interventions would use the LUF funding as a catalyst to unlock the remainder of the PE21 area, including adjacent sites. Collectively this would then leverage the ability to bring forward other potential interventions which may include:
- New health facilities with linkages to third sector organisations including Len Medlock
 - Housing, community/public sector and commercial uses
 - Improvements to the bus-station

- 2.17** The LUF is a competitive bid process, with submissions made via an online portal. Submissions close at mid-day on 6th July 2022, with a decision due in the Autumn.

Briefings and Next steps

- 2.18** The decision to make a submission or not is a Cabinet decision, however, in order to give confidence (to Government) with the bid, the Council needs to demonstrate wider buy-in.
- 2.19** As such, Officers have incorporated a series of briefings in to the submission timetable. The timetable of this and the next steps for decision making are set out below:
- All Member briefing held – 10th May
 - Further Member briefing – 13th June
 - E&P Scrutiny – 21st June – to provide an overview and consider the approach
 - Full Council – 27th June – to secure ‘in principle’ support for the bid
 - Cabinet – 29th June – to authorize submission of the bid
 - Submission – 6th July

3. CONCLUSION

- 3.1** Members are asked to consider the content of this report and the associated presentation and consider offering support to the proposed submission to be made to the LUF as part of the round 2 process.
- 3.2** Officers are working at pace, in conjunction with our external advisors to pull together the bid and its proposals and outcomes. The focus of that bid being a series of strategic interventions within ‘PE21’ which will offer impactful change, whilst providing a catalyst for the wider re-development and regeneration of this strategic town-centre location.
- 3.3** Officers consider that the proposed approach is a good fit with the LUF agenda, and the requirements of the round 2 prospectus. It is suggested that the Council should make a bid to this fund to access up to £20m of Government capital investment, noting that this is a competitive fund with a decision to be made in the autumn.
- 3.4** Notwithstanding the outcome of any submission, Officers will continue to work with the various parties and stakeholders who have shown an interest in the PE21 project which has the potential to have significant positive effects on the town centre, and advise that the Council should continue to support the delivery of this important project.

EXPECTED BENEFITS TO THE PARTNERSHIP

Across the Partnership it is intended that 3 bids will be submitted, with the potential to access c£60m of Government funding. This demonstrates to Government the scale of ambition of the Partnership, as well as the ability of the Partnership to deliver projects of significant scale which would enhance the social, environmental and economic characteristics of our area and contribute to the ambition of Levelling Up.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

See previous section

CORPORATE PRIORITIES

Priority 1 – People

Priority 2 – Prosperity, regeneration and growth

Priority 3 - Environment

STAFFING

None arising from this report

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None arising from this report

DATA PROTECTION

None arising from this report

FINANCIAL

The main consideration in this regard is the potential to secure significant Government investment into the 'PE21' project. This will however require the Council to commit match funding, at 10% this is c£2m which would be likely to be in the form of land value and any necessary financial 'top-up' (eg from reserves), depending on the end value of the bid. This total requirement would be no more than £2m (10% match). This figure and approach was previously endorsed by the Chief Executive through a letter of support in connection with the round 1 bid, subject to wider Council approvals if the bid were to be successful. A similar approach is likely to be proposed with round 2, with subsequent approval for the match funding being secured in the event that a bid is successful and an offer made from Government.

RISK MANAGEMENT

None arising from this report

STAKEHOLDER / CONSULTATION / TIMESCALES

Set out in this report. Previous and continued engagement on 'PE21' as a proposal.

REPUTATION

It is clear from the round 1 process that Government does undertake scrutiny of proposals, including a review of communications and profile of projects. A disjointed response to any bid from the Council is likely to undermine the Councils reputation externally, particularly with Government.

CONTRACTS

None arising from this report

CRIME AND DISORDER

None arising from this report, although the proposals and PE21 project generally has the potential to improve the existing situation in the area.

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

None arising from this report

HEALTH AND WELL BEING

None arising from this report, although the proposals and PE21 project generally has the potential to improve the health and well-being characteristics of the area. These are key facets of the bid and the overall re-development proposals.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None arising from this report, although the proposals and PE21 project generally has the potential to improve the environmental conditions in the area and any proposals would have to meet the climate objectives set out in the prospectus. These are key facets of the bid and the overall re-development proposals.

LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

MISSIONS	
This paper contributes to the follow Missions outlined in the Government’s Levelling Up White paper.	
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
Wellbeing	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
Pride in Place	By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government’s ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
Crime	By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.

ACRONYMS

LUF – Levelling Up Fund

SG – Scarborough Group

PE21 – Working title for the re-development of the c10 acre site between the footbridge and the bus station comprising – former B&M, Crown house, Len Medlock, Health Centre and intervening public realm

BACKGROUND PAPERS	
Background papers used in the production of this report are listed below: -	
Document title	Where the document can be viewed
<i>Levelling Up Round 1 press release</i>	https://www.mybostonuk.com/levellingupfund/

CHRONOLOGICAL HISTORY OF THIS REPORT
<i>None</i>

REPORT APPROVAL	
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