

## REPORT 4

### HARBOROUGH DISTRICT COUNCIL

#### URGENT REPORT TO THE CABINET MEETING OF 7 JUNE 2022

PUBLIC REPORT: Y

EXEMPT REPORT: N

<b>Report Title</b>	Levelling Up Funding
<b>KEY DECISION</b>	Yes – In order to be able to submit an application for Round 2 of the Government's Levelling Up Funding on 6 July 2022.
<b>Report Author</b>	David Wright, Economy & Business Service Manager
<b>Purpose of Report</b>	To seek the views of Cabinet on the proposed application for Round 2 of the Government's Levelling Up Funding on 6 July 2022.
<b>Reason for Decision</b>	To enable officers to submit an application for Round 2 of the Government's Levelling Up Funding on 6 July 2022.
<b>Portfolio (holder)</b>	Cllr Phil King, Economy
<b>Corporate Priorities</b>	CO 1 Keeping the District a great place to live, work and visit. KA.01.04 Develop in partnership the local visitor economy particularly in respect of the District's two market towns.  CO4: Improving Tourism for the District KA.04.01 Develop in partnership the local visitor economy.
<b>Financial Implications</b>	Whilst further detailed work on costings still needs to be carried out, the projects contained in this report add up to approximately £7.5 - £8 million. Taking account of the need for project management and contingencies, it is believed that these costs could be contained with an overall project cost of £9 million.  Harborough District Council has already allocated up to £900K from Section 106 funding towards the No.4 Roman Way Homeless Accommodation project, which would equate to the 10% match funding required for Levelling Up Funding. This would therefore suggest that it may be possible to proceed with an application for the projects contained in this report with no additional funding from Harborough District Council.  All applications for Levelling Up Funding need to be developed to Treasury 'Green Book' standard, which adds to the time pressures and rigour with which applications will be assessed.
<b>Risk Management Implications</b>	This situation is recorded and reviewed as one of the Council's the Corporate Risks and Opportunities: COR OP 08 To maximise the likelihood that Harborough District Council can benefit from Government Levelling Up Funding to support town centre regeneration, investment in

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	<p>local cultural facilities or upgrading local transport Infrastructure.</p> <p>The most recent analysis is: Whilst it is recognised that this is likely to be a very difficult case to make, given that Harborough District is classed as a Category 3 (the lowest) area, Council Officers are working with consultants to submit a credible application for to Round 2 of Levelling Up Funding in early July 2022, focussed on Market Harborough town centre. Whilst it is recognised that this is a very competitive process, every effort is being made to ensure that this is as strong an application as possible and experienced consultants have been commissioned to assist with this work, learning from the experiences of Round 1.</p>
<b>Environmental Implications</b>	<p>Levelling Up Funding can help to improve the environment of Town Centres and applicants are encouraged to make application consider environmental implications and aspirations to working towards Net Zero.</p>
<b>Legal Implications</b>	<p>In order to be able to implement any Levelling Up proposals, it will be necessary for the District Council to engage with and incorporate projects from third party property owners.</p> <p>Whilst the District Council will clearly lead the application for the Levelling Up Funding, specific aspects of the work will be delivered by third party organisations, and formal approvals will be required from the County Highway Authority, the District Local Planning Authority and Conservation Authorities.</p>
<b>Equality Implications</b>	<p>An Equality Impact Assessment will be prepared for Levelling Up proposals in due course.</p>
<b>Data Protection Implications</b>	<p>None</p>
<b>Consultation</b>	<p>The proposed projects to be included in the Levelling Up Funding application generally come from the Market Harborough Town Centre Masterplan, which has involved a considerable amount of public consultation and engagement with key local stakeholders.</p>
<b>Background Papers</b>	<p>Levelling Up Fund Round 2: prospectus, (published on 23 March 2022)</p>
<b>Recommendation</b>	<p>That Cabinet agrees to submit an application for round two Levelling Up Funding in July 2022.</p> <p>That Cabinet agrees to the suggested selection of projects outlined in section 2.4 within this report.</p> <p>That Cabinet notes that we will provide a letter of support for the joint application from Melton Borough Council and Rutland County Council.</p>

## 1. Background

- 1.1 In their 2022 Spring Statement the government announced that local authorities, including District Councils in two tier areas of England, are eligible to submit bids for the second round of the Levelling Up Fund, with a deadline for applications of 6 July 2022.
- 1.2 The Levelling Up Fund aims to invest in infrastructure that improves everyday life across the UK. Round two focusses on the same three investment themes as the first round:
  - **Transport investments** including public transport, active travel, bridge repairs, bus priority, local road improvements and major structural maintenance, and accessibility improvements. Because of the nature of these projects, these tend to have to be led by County or Unitary Councils.
  - **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.
- 1.3 Levelling Up Funding bids are invited on the basis of Parliamentary constituency boundaries and need to be supported by the relevant local Member of Parliament. Within Harborough District, here is a current review of the position for each constituency:
- 1.4 **Rutland and Melton constituency** (Alicia Kearns MP) - Melton Borough Council submitted a bid for Round 1 funding towards a range of projects, including cultural facilities associated with the College and support for the food and drink sector, building on Melton Mowbray's designation as Rural Capital of Food. Whilst this bid was unsuccessful, they received positive feedback for the proposals and were advised to resubmit the application, with stronger links to the neighbouring Rutland County Council, which is part of the same constituency. Colleagues in Melton and Rutland Councils would very much appreciate if Harborough District Council was able to endorse and support their bid and confirm that the District Council does not have any aspirations to bid for funds for the small rural part of the constituency which sits in Harborough District.
- 1.5 **South Leicestershire constituency** (Alberto Costa MP) - shared with Blaby District Council. Discussions with colleagues in Blaby District Council suggest that they do not currently have any aspirations to apply for funding within the current round. Further discussions may be required in relation to possible Round 3 funding in early 2023, when there may be opportunity to consider applying for a project to enhance Magna Park's position as a World Class, greener logistics hub, using innovation to work towards Net Zero and carbon neutrality.

- 1.6 **Harborough, Oadby and Wigston constituency** (Neil O'Brien MP) – shared with Oadby and Wigston Borough Council. It is understood that Oadby and Wigston Borough Council will be submitting an application for the regeneration of Wigston town centre, which could potentially be in competition for funding from any application from Harborough District Council.
- 1.7 All bids will be assessed on each of the criteria set out in the assessment framework:
- **Characteristics of place** – each local authority has been placed into category 1, 2 or 3 based on objective criteria, with category 1 representing the highest level of identified need. Harborough District is classed as category 3 on account of our relative affluence.
  - **Strategic fit** – applications need to set out how the bid supports the economic, community and cultural priorities of their local area and will further the area's long-term levelling up plans, complementing national, net zero carbon emissions, regional and local strategies and investments. Local Members of Parliament are also required to provide their support to one bid within their constituency.
  - **Economic case** – bids should demonstrate how they represent public value to society and all projects will be assessed for value for money, including both quantitative and qualitative benefits. All applications for Levelling Up Funding need to be developed to Treasury 'Green Book' standard, which adds to the time pressures and rigour with which applications will be assessed.
  - **Deliverability** – all bids will be assessed for evidence of robust management and delivery plans including a procurement strategy, project management, governance structures, risk management, project costings, and monitoring and evaluation. Bids must also be able to demonstrate spend from the Fund in the 2022-23 financial year, which is likely to be a significant challenge and means that projects need to be fairly well advanced in their planning.

## 2 Progress

- 2.1 In order to help us in identifying projects which are both eligible and have the greatest chance of success, given the obvious competitive nature of this funding, and the fact that Harborough District is considered to be fairly low priority, we have enlisted the support of Local Partnerships LLP, which is a joint venture consultancy arm of the Local Government Association, in partnership of HM Treasury and Welsh Government, to help guide us through the application process.
- 2.2 The starting point was to consider projects which relate to our two Town Centre Masterplans and how they could relate to the criteria.
- 2.3 Lutterworth Town Centre Masterplan was approved in September 2021. However, because it is mainly based on public realm type projects, such as developing a new Town Centre/ Market Place Plaza and traffic calming projects, we have been advised that it will be very difficult to make the necessary robust economic justification for these. In addition, Harborough District Council already have funds to start progressing implementation of the Masterplan, and some of these type of projects may also be able to be considered as part of the UK Shared Prosperity Fund later this year.

- 2.4 In relation to the emerging Market Harborough Town Centre Masterplan, there are a number of specific capital projects, which our consultants feel could be developed in a cohesive and compelling application. These include the following three themes.
- 2.4.1 **Development of a Cultural Quarter** – Total cost - **£3.6 – £4.15 million**. Located between Adam and Eve Street and Church Square, which would build on the existing cultural assets of the Market Harborough Museum and Library in the Symington Building, the Harborough Theatre, the Old Grammar School and the St Dionysius Church, and transform these into an exciting destination and focal point for the town. The proposed elements of the project include:
- 2.4.2 The reconfiguration of St Dionysius Church to create a dynamic, flexible and multi-functional space for community and cultural activities at a cost of approximately £1 million. This project already has planning permission and detailed costings.
- 2.4.3 Development of a new two-screen cinema, with ancillary café/ bar and exhibition space in partnership with a community interest company, to provide a much-needed new provision catering for all ages, at a cost of approximately £2 - £2.5 million, (options appraisal and designs are currently being finalised on three potential sites). This would build on the recent campaign for a cinema by the local MP and evidence that pre-pandemic the cinema industry was experiencing its most successful period to date.
- 2.4.4 Public realm improvements to Adam and Eve Street to redress the balance between vehicles and pedestrians/ cyclists and create a defined identity and signage for the Cultural Quarter, including widening pavements, reducing traffic speeds and providing crossing points, creating more outdoor seating/ café culture areas, provision of covered and secure cycle parking, and improving disabled parking facilities, at a cost of approximately £500K. Indicative plans for this were developed as part of the Masterplan, and could easily be progressed towards a delivery phase.
- 2.4.5 Possible support to Harborough Theatre with installing solar panels and new heating system, at a cost of approximately £100 – 150K. Costs and feasibility should be able to be compiled within the next few weeks.
- 2.4.6 Exploring ideas for creating better usage and access to the Old Grammar School, both for improved community use, but also for cultural and historical purposes, such as promote Market Harborough's links to the Civil War.
- 2.4.7 Maximising the use of Church Square for tourism and events, building on the success of Arts Fresco, recent guided walking tours, including promoting music/ busking etc.
- 2.5 **Town Centre Living** – Total cost - **£1.65 – 1.95 million**. This theme could include:
- 2.5.1 The provision of the Homelessness Accommodation Unit at No.4 Roman Way, plans for which is already well advanced and due to be submitted for planning approval within the next month. This project is costed at approximately £900K, which is already funded from Section 106 funds, and this would provide the necessary minimum 10% match funding required for Levelling Up Funding applications.
- 2.5.2 Creating links through to the adjacent Symington Building, by potentially purchasing and opening up the area of waste land between the buildings for employment support and craft/ makers workspaces. It is anticipated that this could cost approximately £250 - £300K.

- 2.5.3 Establishing a grants scheme to support building owners converting underutilised space above town centre shops into much-needed flats and bedsit accommodation. This would help meet housing needs for single people, and also increase vibrancy and life within the town centre, which has successfully been implemented in a number of other towns. Dependant on the other costs for projects, the cost of this could range from £500 - £750K.
- 2.6 **Redevelopment of the Indoor Market** – Total cost - **£1.75 – 2 million**. As identified as part of the BC25 process, the aim would be to give the market an overall ‘facelift’, to make it more an attractive and animated venue, with additional trading space and food and drink facilities. The aim would be to better activate the Northampton Road and St Mary’s Place part of town by helping to create a night-time economy and later night opening, which doesn’t currently exist. The project would also seek to improve the Market’s position and importance within the St Mary’s Place development, including enhancing the attractiveness of the small plaza area outside the Market and creates improved links to the river and the town centre, which would hopefully also improve the attractiveness and vibrancy of this area, and in turn help fill some of the empty units in St Mary’s place. In order to underpin this work, detailed structural, condition and mechanical and electrical surveys of the Indoor Market Hall are being undertaken. The anticipated cost of this project will be around £1.75 - £2 million.
- 2.7 Other projects which were considered and discounted include:
- Tesco Building – whilst this is widely considered to be the ugliest building in Market Harborough town centre and there is a strong desire to replace it with a more suitable and in-keeping building, this idea has not, and could not be developed, within the timescales. Furthermore, the building is owned by Harborough District Commercial Services Limited, which is well advanced in awarding an extended long lease to Tesco. This project would therefore fail on the deliverability criteria.
  - Welland Quarter – which incorporates the old Harborough Rubber Factory/ Coffee Mills building. However, this is in private ownership and is currently being developed for residential accommodation by the owner/ developer, with an imminent planning application.
  - Commons Car Park –in the past there has discussion about a possible mixed development on the Commons Car Park. However, none of these ideas have been developed to the level, nor decisions been made, where they could potentially be submitted in time for this application.
- 2.8 Given the very tight timescales, detailed work will be ongoing right up until the early July deadline, with limited opportunity for further detailed engagement with Cabinet or Council.
- 2.9 However, obviously once submitted, officers will share further details with Members and will clearly update Cabinet if it looks like the application may be successful, although there is clearly a need to manage expectations, given the level of competition for this funding.
- 2.10 Officers from the Economy and Business Service will attend this meeting to assist the Cabinet.

### 3 Points for discussion

#### 3.1 Points for discussion include:

- Does Cabinet agree to the Council submitting an application for round two Levelling Up Funding?
- Does Cabinet agree to the suggested selection of projects, outlined in section 2.4 above, given the tight timescales and the advice received about deliverability.
- Does the Cabinet agree with the principle of considering a future application for round 3 funding for the South Leicestershire constituency, possibly based on Magna Park, which is anticipated may be launched in early 2023.

#### References

Levelling Up Fund Round 2: prospectus, (published on 23 March 2022)