

EXECUTIVE

16 June 2022

Report Title	Levelling Up Fund Round 2 – Bid submission
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Lead Member	Cllr David Brackenbury, Executive Member for Growth and Regeneration

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

Appendix A – Long List of projects submitted

1. Purpose of Report

- 1.1 The purpose of this report to is provide background on the Levelling Up Fund (LUF), explain the process undertaken to identify and consider projects which may be suitable for this fund, and identify shortlisted projects. It also seeks approval to delegate the decision on which projects and package(s) are submitted LUF Round 2 for the deadline of noon on 6th July 2022.

2. Executive Summary

- 2.1. The Levelling Up Fund (LUF) is a £4.8bn UK Government fund announced in 2020. A Round 1 of funding was awarded in 2021, North Northamptonshire Council (NNC) did not submit a bid in Round 1 as there were no suitable projects with the appropriate level of details that could be delivered within the criteria of this funding round.

- 2.2. The Government have recently launched a Round 2 of this funding for which bids need to be submitted by 6th July 2022. The three key themes of this fund are:
- Transport investment
 - Regeneration and Town Centre Investment
 - Cultural Investments
- 2.3. Whilst North Northamptonshire is a Priority 1 area, it must compete with all other areas in England for funding and indications are that Round 2 will be massively oversubscribed. It is therefore vital that NNC takes an objective approach and presents a case which has the strongest chance of success. This means prioritising projects which are likely to score best against the Government's criteria.
- 2.4. In February/March 2022 the Council undertook a consultation exercise which was open both externally and internally within the Council. Following submissions by stakeholders and officers 59 projects were received. Projects that sit within the Council's Development Pool were also considered as were projects from the previous sovereign authorities capital programmes.
- 2.5. A first review process was undertaken by a LUF Panel involving members and officers to identify those which met the criteria; this identified a shortlist of seven projects for further consideration by consultants. These are:
- Community and Elite Training Facility with c.1500 seat stadium, Adrenaline Alley (submitted by Adrenaline Alley), Corby
 - Corby Town Centre to Station Active Travel Link, Corby
 - Greenway Active Travel Link connecting Rushden to Wellingborough
 - Environmental Improvements to Kiln and Minerva Way areas (submitted by Greatwell Homes), Wellingborough
 - New Redwell Leisure Centre, Wellingborough
 - Chester House Phase Two Improvements, Rushden/Wellingborough
 - Stanton Cross Rail Overbridge, Wellingborough
- 2.5. Consultants have been procured to review the shortlisted projects and confirm if they are viable for a Round 2 submission and then if they are, to develop business cases for the LUF Panel to consider along with the grouping of the projects into a package to be submitted to government by the 6th July 2022.
- 2.6. This report also outlines work which will commence during the summer to develop a strong pipeline of projects, covering all areas of North Northants for any future rounds of LUF and other funding streams.

3. Recommendations

- 3.1. It is recommended that the Executive:
- a) Delegate to the Executive Member for Growth & Regeneration; in consultation with the Executive Members for Highways, Travel and Assets; Sport, Leisure Culture & Tourism; Housing, Communities & Levelling Up; and Climate and the Green Environment, the Executive Director of Finance and the Executive Director of Place and Economy authority to submit a bid/s to the Levelling Up Fund Round 2 by noon on 6th July 2022.
- 3.2 Reason for Recommendations – The submitted bid(s), if approved will unlock the funding for the identified projects and deliver significant benefits to the area. If funding is secured each project will commence as soon as possible with spend expected in the 2022/2023 financial year.
- 3.3 Alternative Options Considered – The only alternative option would be to not submit the bids for the projects identified. The consequences of this would be that there was no possibility of any funding from the Levelling Up Round 2 fund.

4. Report Background

- 4.1. The Levelling Up Fund (LUF) is a £4.8bn UK Government (capital) fund announced in 2020. Round 1 of the Levelling Up Fund was completed in 2021. The Fund is designed to support economic prosperity and net zero ambitions by investing in infrastructure projects. The three key themes of this fund are:
- Transport investment
 - Regeneration and Town Centre Investment
 - Cultural Investments
- 4.2. North Northamptonshire Council is in a Priority 1 area and can submit up to four bids. Each bid can be for up to £20m support from the LUF. The submission can be a single project, or a package of up to three to be delivered by 31st March 2025 with some spend expected in the 2022/23 financial year.
- 4.3. An additional ‘major’ transport project can also be submitted for over £20m (up to £50m) to be delivered by 31st March 2026. A detailed and strong business case is expected to accompany any major transport project together with match-funding (minimum 10%). Government indicates that these projects should revitalise local economies by boosting growth, improving connectivity, making places healthier, greener, safer, and more attractive to live and work. Typically, this could involve a project or package of projects to target congestion, support active travel and deliver environmental improvements; for example, implementation of segregated priority routes for active travel identified in a Local Walking Cycling Infrastructure Plan (LCWIP), or major junction improvements which deliver wider benefits. Major road schemes could also be eligible if they support the commitment to ‘Net Zero’ and meet the criteria; for

example, support active travel and include bus priority measures (unless it can be shown that there is little or no need to do so). Potential road schemes could include further dualling of the A43, working with West Northamptonshire Council, but this is not at a sufficient stage of readiness for Round 2.

- 4.4. Government has indicated that bids for the Levelling Up Fund should include a minimum of 10% 'match-funding'. It is important that proposals are clear on the availability, source, and commitment of this funding.
- 4.5. In preparation for Round 2 NNC started to identify potential projects. A survey was undertaken in the first part of 2022 to seek details of projects from both external bodies and internal NNC led projects, which generated 59 responses. This included considering NNC Development Pool proposals and projects identified in the capital programmes of the former sovereign councils.
- 4.6. The responses to the survey were collated and an initial assessment of these was undertaken by the LUF Project Officer Team. This involved considering each of the schemes to identify if they met the government criteria which are:
 - Start spending from March 2023 (a decision is likely in the autumn so the timeframe for delivery needs to be sufficiently advanced)
 - Complete all projects by March 2025 (by 2026 for transport (major scheme up to £50m)).
 - Evidence of support relating to statutory consents/land acquisition (if third party support required) e.g., Historic England, National Highways etc.
 - A delivery plan needs to be in place with milestones.
 - Firm costs (with evidence) developed (not estimates).
 - Able to quantify impact and benefits as we will have to be able to calculate a positive BCR (benefit cost ratio).
- 4.7. Following this review, the full project list was discussed and reviewed by the LUF Panel. This panel consists of four NNC Executive Members (the Executive Members for Growth & Regeneration; Highways, Travel and Assets; Sport, Leisure Culture & Tourism; and Climate and the Green Environment), the Executive Directors for Economy & Place and Adults, Communities & Well-Being, and respective Assistant Directors assisted by the LUF Project Team. Discussion focussed on readiness for Round 2 mindful that a submission must be made by noon on 6th July 2022. An important consideration, and gateway, for the Panel was the availability of supporting information, such as a feasibility study, with costings and other details to enable a strong business case to be developed.
- 4.8. The Panel was mindful that North Northamptonshire is in competition with the rest of England, and NNC must therefore be objective and seek to present the strongest case possible regardless of location to maximise the chance of success. A concern for the Panel was submitting a weaker project that is not sufficiently developed, could undermine an otherwise strong package.
- 4.9. These reviews and discussions identified the following shortlisted projects, which support both the aims of the Fund and meet all the eligibility criteria, to progress to the next stage:

	Total project value	LUF ask
Community and Elite Training Facility with c.1500 seat stadium, Adrenaline Alley (submitted by Adrenaline Alley), Corby	£7.5m	£6.35m
Corby Town Centre to Station Active Travel Link, Corby	£12.09m	£3.5m
Greenway Active Travel Link connecting Rushden to Wellingborough	£8.6m	£7.74m
Environmental Improvements to Kiln and Minerva Way areas (submitted by Greatwell Homes), Wellingborough	£3.1m	£2.16m
New Redwell Leisure Centre, Wellingborough	£8.7m	£7.234m
Chester House Phase Two Improvements, Rushden/Wellingborough	£0.75m	£0.75m
Stanton Cross Rail Overbridge, Wellingborough	£11m	£6m

Note: Project values and LUF ask are subject to change following review by NNC consultants

- 4.10. The impact and benefits of some of these projects will extend far beyond the immediate locality and help to attract additional visitors, spend and investment to the North Northamptonshire area. This means that there will be wider indirect benefits to other towns and rural areas.
- 4.11. A further project involving Investment in Technology to improve transport network reliability and resilience, enhance communication, and provide the capability to support the shift to low and zero emission modes was also identified which could form part of a submission.
- 4.12. Consultants have been procured to review the shortlisted projects and confirm if they are viable for a Round 2 submission and then if they are, to develop business cases. This will involve discussions with the project leads/organisations, gathering of information and identifying any further information that is needed.
- 4.13. Following this a technical report will be presented to the LUF Panel at the end of June to enable decisions to be taken on a bid/s. This report will make recommendations on the projects and packages and suitability for Round 2 based on the information available to present a robust case taking account of the requirements set out in the LUF Technical Guidance. [Levelling Up Fund Round 2: technical note - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/612222/levelling-up-fund-round-2-technical-note.pdf)
- 4.14. The Council is also developing Investment Plans to secure additional funds for the North Northamptonshire area through the UK Shared Prosperity Fund and the Multiply (supporting adult numeracy) initiative. Alignment of these plans with other initiatives such as the LUF work is important. An important focus for both the UKSPF and Multiply will be the 'left behind communities' in the area: namely Kingswood and Hazel Leys in Corby, Avondale Grange in Kettering, and

Queensway in Wellingborough. Opportunities will also be explored to benefit these communities, either directly or indirectly, through the LUF submission and projects supported.

- 4.15. There are no projects on the 'shortlist' from the former sovereign areas of Kettering and East Northamptonshire. Whilst there were a number submitted, as detailed in **Appendix A**, those that were unfortunately did not meet the key criteria and are therefore not at a sufficient stage of readiness. One of the principal reasons for discounting projects was the lack of a feasibility study (or similar supporting work) setting out costs, benefits, and other details to enable a business case to be developed. Without this information it is not possible to make a robust submission and complete the required documentation for Round 2. However, there are specific projects, such as the Kettering Station Quarter Masterplan, an extension of the Greenway along the Ise Valley to Kettering and beyond, and emerging town centre regeneration proposals for towns such as Rushden and Higham Ferrers, together with others, which with further work have the potential to be prioritised by NNC for future bids via LUF or other funding streams.
- 4.16. The Council will be working on several other workstreams over the summer, including the development of a series of new strategies covering sport and leisure, culture, community hubs, the 'North Northants Greenway' and other themes. This work will provide an opportunity to look in more detail at some of the projects which were not shortlisted, including those in the former sovereign areas of Kettering and East Northamptonshire, and help shape a wider 'pipeline' of activity so NNC will be in a stronger position to respond to opportunities that present themselves.
- 4.17. The Panel also identified three active travel projects which had strong potential but required additional feasibility and supporting technical work to get them to a sufficient state of readiness for a potential future round of LUF or other funding opportunities.
- Link connecting Stanwick with Stanwick Lakes and the Greenway
 - Link connecting Irchester to the Chester House Estate and the Greenway
 - Link connecting Wilby with Wellingborough
- 4.15 Opportunities will be considered to progress related feasibility work during 2022. This will be aligned with work on the 'NN Greenway' strategy and Local Walking and Cycling Infrastructure Plans (LCWIPs) to strengthen the strategic case and to enable these schemes to be prioritised alongside other potential projects.

5. Issues and Choices

- 5.1. All the projects submitted have been considered by the LUF Panel with further information being shared or requested to inform the discussion regarding which projects could be shortlisted. In addition to this the grouping of projects into

packages has also been discussed. Decisions will be informed by the on-going technical work and business case development with consultants.

- 5.2. The only alternative option would be to not submit a bid for the Levelling Up Fund Round 2, however as there are number of projects that have enough information to submit a bid it was felt that this was not a viable or desirable option.

6. Next Steps

- 6.1 The next stage in the process is for an interim technical report to be presented to the LUF Panel in mid-June to provide an update on the shortlisted projects following an in-depth forensic review. This will help to identify any projects which may not be viable for a Round 2 submission. A further report will be produced at the end of June which will recommend the projects and package(s) to be submitted in a bid/s based on the information available to present a robust case taking account of the requirements set out in the LUF Technical Guidance.
- 6.2 The bid/s document/s are required to be signed by the Council's Section 151 Officer. It is therefore proposed that authority to agree the submission be delegated to the to the Executive Member for Growth & Regeneration; in consultation with the Executive Members for Highways, Travel and Assets; Sport, Leisure Culture & Tourism; Housing, Communities & Levelling Up; and Climate and the Green Environment, the Executive Director of Finance (Section 151 Officer) and the Executive Director of Place and Economy.

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

- 7.1.1. As part of the process, each of the projects has been reviewed by consultants and a report drafted identifying the resource or financial implications. If funding is approved further detailed work will be needed on these projects and if the project is external a grant funding agreement will need to be put in place to ensure appropriate monitoring.
- 7.1.2. The Technical Guidance indicates that Round 2 bids should have at least 10% match-funding. The bid will need to be clear on the source and status of any match-funding.
- 7.1.3. This is capital funding and therefore if funding is secured for these projects a business case will be submitted to the Strategic Capital Board to seek approval to add this funding to the NNC Capital Programme.
- 7.1.4. As North Northamptonshire is a Category 1 area the Council has been awarded £125k capacity funding. This will help cover the costs of the consultants commissioned to support the Round 2 bid and other related technical work in 2022/23 and beyond in relation to the Fund.

7.1.5. To develop the active travel schemes, namely the three named links, it will be necessary to commit funding to develop feasibility studies and designs. It is intended for this to be funded from existing budgets within the Active Travel team. By focusing on these bridges, it may lead to less funding being available to support the priorities emerging from the Local Cycling and Walking Infrastructure Plans, which officers will need to manage carefully.

7.2. Legal and Governance

7.2.1. External consultants have been appointed to work with project leads to ensure appropriate business cases are developed in line with Treasury Green Book requirements. An NNC officer project group will work alongside the consultants and bring in any of the Council's subject matter experts to advise and review the Business Case and the submission to ensure it is robust and give assurances of the content contained within.

7.3. Relevant Policies and Plans

7.3.1. The projects within the packages will help to deliver our vision for North Northamptonshire "*We will help people live healthier, more active, independent, and fulfilled lives.*"

7.3.2. This scheme will contribute to 3 out of 6 of NNC's key commitments:

1. *Active, fulfilled lives: We will help people live healthier, more active, independent, and fulfilled lives.* –
 - The greenway and active travel schemes will provide alternative methods of transport for residents and visitors, giving them the healthier options and reducing the reliance on motor vehicles.
 - While the new Redwell Leisure Centre and Adrenaline Alley Improvements will provide significantly improved community leisure facilities in North Northamptonshire providing options for healthier lifestyles.
 - Environmental improvements to Kiln and Minerva way area in Wellingborough will help improve the lives of the residents who live in this left behind area.
2. *Safe and thriving places: We will enable a thriving and successful economy that shapes great places to live, learn, work and visit.* – A number of these projects will help to drive the economic regeneration of the area in particular the greenway and active travel project will provide links between key places including town centres and leisure/tourism facilities.
3. *Green, sustainable environment: We will take a lead on improving the green environment, making the area more sustainable for generations to come.*
 - Public realm improvements are another aim of the active travel/greenway projects to create a pleasant journey for both the

residents and will potentially see a reduction in motorised use in some areas.

- The project at Kiln and Minerva way, Wellingborough will also help to provide a better environment for people to live.
- New facilities such as Redwell Leisure Centre will help to address sustainability issues by replacing an old and inefficient facility and providing something more suitable for the local communities.

7.4. Risk

7.4.1. There are no significant risks arising from the proposed recommendations in this report. The risks regarding the delivery of these projects are considered as part of the project management process for each of the projects and are recorded and monitored in the relevant risk registers. The risk for each of the projects will also be considered by the LUF consultants as part of the businesses cases they develop.

7.5. Consultation

7.5.1. Prior to the launch of Round 2 the Council undertook a survey hosted through *Citizen Space*. The purpose of the survey was to raise awareness of the Fund, explain the parameters, and provide the opportunity for external organisations (both public and private) to put forward projects. The survey ran for four weeks and closed at the end of February 2022. More than 30 projects and ideas were generated via the survey, and each has been considered by the LUF Panel as it formulated the short-list of projects which could form part of a Round 2 bid(s).

7.6. Consideration by Executive Advisory Panel

7.6.1. The submission of this bid has not been discussed at an Executive Advisory Panel (EAP). However, several of the projects included in the packages have been discussed or will be discussed at EAPs' including the Corby Town Centre to Station Active Travel Link.

7.7. Consideration by Scrutiny

7.7.1. If funding is secured and projects progress, there will be opportunities for scrutiny to look at and scrutinise the projects identified in this bid.

7.8. Equality Implications

7.8.1. There are no specific equality implications relating to this submission. However, equality is something that has been considered to ensure these projects are accessible to all and further work will be done on each of these projects if funding is successful. Moreover, some of the projects on the shortlist have significant potential to improve inclusion and access to facilities.

7.9. Climate Impact

7.9.1. The projects identified in the packages will seek to minimise climate/environmental impact in a variety of different ways. The impact of each project will be considered in the project specific documentation. These projects can also be considered at a future Climate, Environment and Growth EAP.

7.10. Community Impact

7.10.1. The projects identified on the shortlist have the potential to provide a benefit to the community in several ways. These impacts will be considered as part of its project specific documentation. All the projects identified for a bid submission will need to meet the criteria of the Levelling Up Fund and where possible should seek to help address any related issues of the left behind communities either directly or indirectly.

7.11. Crime and Disorder Impact

7.11.1 Some of these projects will have positive crime and disorder implications, the impacts of this will be considered as part of the documentation for each project.

8. Background Papers

8.1. Information on Levelling Up Funding and other community investments is available at [New levelling up and community investments - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-levelling-up-and-community-investments)