

REPORT FROM: HOUSING, HEALTH AND ENGINEERING SERVICES
MANAGER

TO: POLICY AND RESOURCES COMMITTEE

DATE: 25th NOVEMBER, 2021

Report Author: Julie Whittaker
Tel. No: (01282) 661038
E-mail: julie.whittaker@pendle.gov.uk

LEVELLING UP FUND

PURPOSE OF REPORT

To inform the Committee of the successful bid for Round 1 funding and to agree match funding for that programme. To advise of the Capacity Funding that has been allocated to develop future bids

RECOMMENDATIONS

The Committee is asked to:

- (1) Note the award of £6,531,565 from Levelling Up Fund Round 1 for Colne Town Centre.
- (2) Agree to allocate £553,156 from the Development Opportunities project in the Capital Programme as match funding.
- (3) Agree to act as Accountable Body for the Round 1 programme.
- (4) Delegate authority to the s151 Officer to enter into the grant funding agreement for Colne Town Centre.
- (5) To note the £125,000 Capacity funding that has been secured to support the development of future bids.
- (6) To consider the focus of a Round 2 bid.

REASONS FOR RECOMMENDATIONS

- (1) To enable the Round 1 funding to be secured.
- (2) To support the development of a Round 2 bid.

ISSUE

Background

1. In March 2021 the Government published details of a new competitive grant, the Levelling Up Fund (LUF). The £4.8 billion fund was established to support town centre and high street regeneration, local transport projects, and cultural and heritage assets. All local authorities were eligible to bid but MPs were expected to back one bid within their area that they saw as a priority.
2. All local authorities were placed in one of 3 categories based on: need for economic recovery and growth; need for improved transport connectivity; and need for regeneration. The category of local authority was used as part of the criteria for assessing bids. Pendle was put into category 1 as a place with the highest level of identified need.

Colne Town Centre Bid

3. Following discussions with Members it was agreed that a bid would be submitted, under Round 1, for Colne Town Centre. It is a requirement that the funding be spent by March 2024 so only projects that could deliver within that timescale could be considered. Hatch consultants and Cushman & Wakefield, who supported us on the Nelson Town Deal submission, were appointed to work with us on drawing up a bid. A bid of £6,531,565 was submitted by the deadline of 18th June, which along with match funding from public and private sources would provide a total of £9.8m of investment. This bid included 2 projects:

Colne Heritage Quarter (£3,474,845) – Investment in The Muni, Hippodrome and Little Theatre to provide new and enhanced facilities to underpin the growth in the night-time economy of Colne. This project will be led by Pendle Leisure Trust. The investment will encourage the community to engage in arts, culture and heritage to support mental health and well-being.

Market Hall/Bus Station (£3,056,720) – Making better use of the under-used site to provide: improved retail provision to contribute to an improved shopping experience for residents; new affordable apartments to encourage town centre living and increased footfall; and an improved bus station to encourage sustainable travel and improve connectivity to the town centre. This project will be led by Pendle Council.

4. We also considered a third project to bring forward brownfield sites for development. The consultants expressed a number of concerns about the proposed project and the ability to score well against the bid criteria/delivery timescales as all the sites were in private ownership and none of them had planning permission. The bid criteria made it clear that all projects needed to be strong and any weaknesses in one project would impact on the whole bid, so this project was not included to ensure it didn't have a negative impact on the other projects.
5. We received confirmation from the Department for Levelling Up, Housing and Communities on 27th October that our bid had been successful. We are now waiting for the Department to contact us regarding the next steps for our application, including the completion of

delivery, financial, monitoring & evaluation and risk register templates ahead of an inception meeting which will help us get delivery underway.

Match Funding

6. It was a requirement of the bid that there be at least 10% local match funding contribution. Approval for match funding was not sought from the Committee when the bid was submitted as it was a competitive process and there was no guarantee that it would be successful. It should be noted that if match funding is not approved by the Committee the LUF funding cannot be drawn down.
7. The bid includes £553,156 to be funded from Pendle Council and £100,000 from the Hippodrome Theatre. Pendle's contribution can be funded from the Development Opportunities project which is in the Capital Programme. There is currently £1,492,800 available in the project. This was funding displaced from the Lomeshaye Phase 1 project when we managed to secure external funding from Growth Deal, but it is a requirement that the LEP and Lancashire County Council agree what this funding is spent on. Subject to Committee agreeing the match funding, approval will be sought from both organisations.

Capacity Funding

8. £125,000 of capacity funding has been allocated to all eligible local authorities. This capacity funding has been provided with the primary intention of supporting local authorities to develop their bids for later rounds of the Fund. A small amount of this funding has been spent on the Round 1 project but the majority is still available.

Future Rounds

9. There has been no announcement yet of a further bidding round and whether the bidding criteria will be the same, but Members will need to consider their priorities for future bids. If Members still wish to consider a brownfield sites project there will be a need to consider if it is possible to overcome the issues raised as part of the Round 1 bid.
10. Due to staffing resources and the need for specialist skills not available within the Council there will be a need to employ consultancy support for future bids, using the capacity funding.

IMPLICATIONS

Policy: The funding will support delivery of the Council's Strategic Plan

Financial: As set out in the report.

Legal: There will be a need to sign a funding agreement before funding can be drawn down. We have not yet received a copy of this agreement.

Risk Management: None directly arising from this report

Health and Safety: None directly arising from this report

Sustainability: None directly arising from this report

Community Safety: None directly arising from this report

Equality and Diversity: None directly arising from this report

APPENDICES

None

LIST OF BACKGROUND PAPERS

None