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| Report to: | Cabinet | Date of Meeting: | 27 th May 2021 |
| Subject: | Levelling Up funding bid submissions for June 2021 | | |
| Report of: | Executive Director (Place) | Wards Affected: | All Wards |
| Cabinet Portfolio: | Regeneration and Skills | | |
| Is this a Key Decision? | Yes | Included in Forward Plan: | No |
| Exempt / Confidential Report: | No | | |

Summary:

Report to update Cabinet on the Levelling Up funding opportunity and the proposal to submit up to two bids on or before the submission date of 18th June 2021, and potentially up to three bids in total from Sefton to the fund.

Recommendation(s):

Cabinet is recommended to:

- (1) Agree to the submission of up to two Levelling Up funding bids to Government on or before 18th June 2021, in accordance with the given bid process, and up to three bids in total from Sefton (given the likely announcement of future bidding rounds);
- (2) Note that any funded projects may require Cabinet and Council approval if successful, and would be presented for review and approval if successful and at the appropriate time, in accordance with the Council's Financial Procedure Rules;
- (3) Delegate the finalisation of the bid submissions to the Executive Director (Place), in consultation with the Cabinet Member for Regeneration and Skills;
- (4) Note that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Skills) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because approval needs to be sought prior to the first bid submission date of 18 June 2021; and
- (5) Note that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Skills) had given consent under Rule 46 of the Overview and Scrutiny Procedure Rules for this decision to be treated as urgent and not subject to "call in" on the basis that it cannot be reasonably deferred because approval needs to be sought prior to the first submission date of 18 June 2021.

Reasons for the Recommendation(s):

The Levelling Up bid opportunity may offer a route to funding for capital projects, which the recommendations propose to pursue given the importance of such projects to economic recovery in the borough. The submission of up to two bids on 18th June 2021, and of up to three bids in total, reflects the ongoing work on the opportunities referenced herein, and on other potential projects, to finalise project details and bid documentation. The recommendations in respect of timescales are due to the given deadline for bid submission, and the importance of pace of development and delivery to economic recovery and the impacts and benefits of such projects.

Alternative Options Considered and Rejected: (including any Risk Implications)

The option of submitting bids at a later date may remain, but there is a risk of uncertainty on future rounds, criteria and timescales which prompts the recommended submission on 18th June 2021. There is a risk in working at such pace in respect of delivering a quality bid submission, but this will be mitigated through the quality and quantity of resource necessary to deliver, alongside the best practice and lessons learned from such processes as the Southport Town Deal.

The option of not submitting at all was considered and rejected, given the importance of the projects proposed to economic recovery, and the lack of funding currently available to deliver all elements of Sefton's economic recovery strategy and action plan.

What will it cost and how will it be financed?

(A) Revenue Costs

The revenue implications of producing Levelling Up funding bids will be funded via existing council budgets, and approved in accordance with Financial Procedure rules.

(B) Capital Costs

No capital costs will be required for bid development. Capital costs of the projects included in the bids will be considered on a case by case basis.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Currently resource (people) implications are being managed within the current Council resource envelope and prioritising work as required to deliver all on time activities. When required due to capacity shortfall external resources are considered and used, with external expertise procured where beneficial to the bids.

Upon completion of negotiations and agreement of a final set of projects all revenue and capital financial implications will be reported to future meetings of Cabinet and Council in accordance with the Councils Financial Procedure Rules.

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| <p>Legal Implications:</p> <p>Legal implications will be determined through negotiation of terms post-submission, and outlined in subsequent Cabinet reports.</p> |
| <p>Equality Implications:</p> <p>Any successful projects would undertake Equality Impact Assessments, as the Council does with all capital projects. As previously, for example, Changing Places units will be included in all capital schemes.</p> |

Contribution to the Council’s Core Purpose:

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| <p>Protect the most vulnerable: Given the impact of Covid-19 on Sefton’s economy and its key sectors, the fund should support recovery and projects that deliver the creation of new employment opportunities across the borough.</p> |
| <p>Facilitate confident and resilient communities: The bids will be community focused and substantiated by extensive local community consultation, undertaken through development of the Bootle Town Centre Investment Strategy and Crosby Town Centre Development Strategy and will be reviewed and refreshed through the bid preparation process. The Projects are driven to enhance the community and the borough as a place to live and work.</p> |
| <p>Commission, broker and provide core services: The bid approval will help to support the core value of providing core services in the optimum way</p> |
| <p>Place – leadership and influencer: The Council will directly contribute to an improved place to live, work, visit and invest, creating further confidence in the borough that could lead to further private sector investment.</p> |
| <p>Drivers of change and reform: Providing a long-term sustainable future for the borough creating new diverse uses meeting the expectations of residents and visitors. Making Sefton an increasingly attractive place to live and work and embracing the needs of current and future residents and visitors.</p> |
| <p>Facilitate sustainable economic prosperity: The proposals will support economic recovery and business investment which in turn will help established businesses to create additional employment and sustainable business growth.</p> |
| <p>Greater income for social investment: The commercial enterprise of the projects may support the generation of income that can support the delivery and enhancement of positive social impact. The bid will consider social value and wider benefit realisation to be achieved through the funding allocation.</p> |
| <p>Cleaner Greener: All projects will establish the best accepted build criteria and follow current best guidance and standards and will contribute to Sefton’s objectives in respect of environmental sustainability. The bid will be expected to demonstrate how it will help</p> |

address climate change emergency and meet the Council's net zero carbon target.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director Corporate Resources & Customer Services and the Chief Legal & Democratic Officer (FD:6380/21) (LD:4581/21) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Previous external consultations undertaken will inform project development and bid strategy – these include consultations regarding Sefton's economic strategy, investment frameworks and local plans, and the Southport Town Deal. Consultation is underway in respect of the Bootle Area Action Plan, which will also inform relevant bids. In each area and on each project, consultation and engagement will be an ongoing process, continuing to engage communities and businesses.

Implementation Date for the Decision

Immediately after the Meeting.

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1.0 Introduction and Background

1.1 The Levelling Up Fund (LUF) is a joint venture between Ministry for Housing, Communities and Local Government (MHCLG), Department for Transport (DFT) and Treasury, totalling up to £4.8bn to 2024-25. Bids for funding are to be local authority led (with transport bids to be led by combined authorities). Members of Parliament are expected to support one project in their area, meaning that Sefton Council is eligible to submit up to three bids (Southport, Sefton Central, and Bootle). Projects are to be up to £20m, or up to £50m for transport projects. Bidding round one, for which submission date is Friday 18th June 2021, is focused on the three criteria below, and on prioritising projects which can commence in the 2021-22 financial year:

- Transport Investments
- Town Centre Regeneration (building on the Towns Fund criteria)
- Cultural Heritage

1.2 The prospectus for the fund is available at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966138/Levelling_Up_prospectus.pdf

1.3 The prospectus categorises areas into three levels of priority. Priority 1 areas will receive readiness funding of £125,000 to prepare bids. Sefton is in Priority 3. However, the council (like other local authorities) has questioned the methodology to allocate Sefton to Priority 3. If the Index of Multiple Deprivation were used to determine priorities, such as the rank of proportion of Lower Layer Super Output Areas (LSOAs) in the most deprived 10% nationally, Sefton would be Priority 1.

1.4 Government published methodology for prioritisation of local authorities, summarised below.

<https://www.gov.uk/government/publications/levelling-up-fund-additional-documents/levelling-up-fund-prioritisation-of-places-methodology-note>

| Indicator | Measure | Weight |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Indicator 1 Need for economic recovery and growth | 1) Productivity, measured using gross value added (GVA) per hour; | 50% (33.3%) |
| | 2) 16+ Unemployment rate; and | (33.3%) |
| | 3) Skills, measured using the proportion of the working-age population without a national vocational qualification (NVQ). | (33.3%) |
| Indicator 2 Need for improved transport connectivity | 4) Journey time to employment by car | 25% (75.2%) |
| | 5) Journey time to employment by public transport | (21.2%) |
| | 6) Journey time to employment by cycle | (3.5%) |
| Indicator 3 Need for regeneration | 7) Commercial vacancy rate - Proportion of retail, industrial, office and leisure units that are vacant | 25% (75%) |
| | 8) Dwellings vacancy rate - Proportion of dwellings chargeable for council tax that are classed as long-term empty (empty for more than 6 months) | (25%) |

- 1.5 The criteria do not consider deprivation. Approximately 20% of Sefton's LSOAs are in the most deprived 10% nationally, which equates to approximately 58,000 residents (21% of the population). In Indicator 1 there is no "sense-check" against regeneration need - this would have been deliverable using national deprivation indices and would have identified any anomalies in the banding of authorities at a national level. Third parties have published work on reprioritising authorities in England using the Index of Multiple Deprivation (IMD 2019), which would put Sefton in Priority 1. Indicator 1 only uses one year of unemployment data, which does not take account of areas which have multi-generational or long-term unemployment levels. Measurement of longer term unemployment using time series data that is readily available alongside the most recent year of data would have highlighted and given greater priority to areas whose economies have been transitioning from traditional industries for 20 or more years. Furthermore, Indicator 2 places significant importance on drive to work times (18.8% overall), favouring rural areas particularly, whereas there is no correlation between drive to work times and deprivation.
- 1.6 Sefton Council has written formally to question categorisation as a Priority 3 area, and has received feedback that does not suggest any change in this respect, but advises that Priority 3 status should not deter Sefton from bidding for funding. Although this informs decision making on bidding, the risk associated should be recognised. The bids and the projects themselves will need to be distinct and of the highest quality standards, to give the best opportunity of addressing this current categorisation.

2.0 Sefton Central

- 2.1 While there are a range of options and opportunities that may be relevant for Levelling Up funding, the evaluation process focuses heavily on timescales, and therefore on projects where sufficient quantity and quality of information already exists to enable a bid submission of a high standard on 18th June 2021, that aligns with the given eligibility criteria.
- 2.2 The recommended option for Sefton Central that aligns with the above is for a new village centre and library scheme. The project will provide a statement mixed-use building on a key gateway site within Crosby town centre. It will provide a mixed-use facility of community services centred around a new library, community healthcare provision, ancillary public café facilities plus additional new residential accommodation in the heart of the village centre. The development will be located on the Green, a Council-owned site currently laid out and operated as a surface car park. To facilitate the scheme and improve the town centre access, the proposal also includes accommodation works comprising junction improvement works and improvement to pedestrian and cycle access into the centre improving connectivity, encouraging active travel and relieving congestion to the Moor Lane / Liverpool Road Junction. The two remaining car parks the Sainsbury's and Moor Lane car parks will be re-engineered to improve access and create more spaces to offset those lost by the proposed development.
- 2.3 The scheme will create a new town centre hub including a fit-for-purpose new community library, General Practitioner surgery and health clinic and residential accommodation. This new community hub will capture wider social and economic

benefits, particularly providing a new focal point destination and anchor development, which in turn will help drive footfall into Crosby village centre. This approach is consistent with the approved Local Plan, Crosby Village Centre supplementary planning documents, and Crosby Village Development Framework which seeks to revitalise and diversify the town centre and increase footfall and dwell times.

- 2.4 Sefton Council has already invested significantly on design development for the project, which provides sufficient detail to support a high-quality bid submission in the short space of time available. Engagement with partners, potential occupiers and communities is underway and will continue in advance of, and subsequent to, the bid submission.
- 2.5 Further information will be provided externally as part of the consultation and engagement process. Subject to the outcomes of a bid submission, the project would require future Cabinet and Council approval, in accordance with financial procedure rules.

3.0 Bootle

- 3.1 The council continues to progress vision, strategy and action plan for the future of Bootle town centre, and the whole of the town. This process will continue to be delivered collaboratively with communities and stakeholders, including through the Area Action Plan process now underway.
- 3.2 Short-term actions include the transformation of the canalside site on Washington Parade into an exciting new events and entertainment space. Work is now underway to transform the site into a vibrant space to host a range of events from Summer 2021. Initial clearance works on the Washington Parade site has now finished, allowing contractors to begin stage two of the project, which will see the space opened up to create a dynamic, multi-purpose venue that will sit alongside the waters of the Leeds Liverpool Canal. This would include a food, drink and leisure offer, new events spaces and an urban garden. Other enhancements in this area will also improve the environment and open up the canal, with vegetation clearance enabling use of that space. An exciting calendar of events is envisaged which, subject to restrictions at the time, would include a Food and Drink Festival later in the Summer, and a Christmas Market in December. The hosting space will aim to bring new activity to the under-used land as the long term regeneration of Bootle develops; stimulating the local economy, transforming the look and feel of the town for residents, businesses and visitors and improving the quality of life for the community
- 3.3 A range of Levelling Up funding project options have been considered, aiming to identify those closely aligned to the eligibility criteria, and projects that will be both distinctive and deliverable by the 18 June 2021 submission date for the bid.
- 3.4 The recommended option that aligns with the above would be to build on the work underway at Bootle Canalside, with a permanent visitor attraction to complement the wider food, drink and leisure offer that would be part of the future town centre proposition for residents and visitors. Such a visitor attraction would align with the Liverpool City Region's visitor proposition, given the town's and the site's ease of

connectivity by rail to the visitor destinations of both Liverpool and Southport. Moreover, such an attraction would align with the proposed new Everton Football Club stadium.

- 3.5 The visitor attraction proposed for part of the canalside site would be a Flying Theatre – an immersive, interactive experience that would be unique to the region, would engender repeat visits via changes in creative content, and would support the diversification of the town centre offer. Such a project would use existing technology and creative content, enabling prompt development and submission of a high quality bid for a distinctive project.
- 3.6 Work is ongoing at the time of writing on the project itself, and more information will be communicated externally as part of the local consultation and engagement process. However the need for a more diversified town centre offer including leisure attraction and canal-side enhancement were identified in the town investment framework . This will also form part of local consultation in respect of the Area Action Plan. Sefton Council, with support from the Liverpool City Region Combined Authority, has already invested significantly in the canalside site, and is able to demonstrate momentum that will underpin the nature of such a bid.
- 3.7 As above, subject to the outcomes of a bid submission, the project would require future Cabinet and Council approval, in accordance with financial procedure rules.

4.0 Southport

- 4.1 Following the announcement of a £37.5m Town Deal for Southport in March 2021, the Town Deal board has agreed allocation of that funding to the identified projects. Council resources are focused on finalisation of Heads of Terms, and on the next stages of development of each identified project, to finalise the Town Deal and secure the announced funding within the next year.
- 4.2 Options and opportunities for Southport in respect of Levelling Up funding will be reviewed in the coming months. This process and any projects identified would build on and complement the success of the Town Deal and emerging projects, but should not distract from or delay any of the significant workload in progress.

5.0 Governance and Approvals

- 5.1 As per the recommendations within the main report, all bids would be delegated to the Executive Director (Place) for finalisation in consultation with the Cabinet Member for Regeneration and Skills. This would include any decisions on timescales, for example if it were deemed appropriate closer to the submission date to delay or cancel one or more of the proposed submissions.
- 5.2 This report relates only to the approval to submit up to three Levelling Up funding bids. In accordance with financial procedure rules, in the event of positive feedback on one or more of the bids, those projects themselves would go through Cabinet and Council for full approval at the appropriate time.