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## ANNEX D

<b>COMMITTEE:</b>	Executive
<b>DATE:</b>	1 <sup>st</sup> June 2002
<b>SUBJECT:</b>	Update and approval to submit two Levelling Up Fund (LUF) submission to Government on or before 6 <sup>th</sup> July 2022.
<b>REPORTING OFFICER:</b>	Nathaniel Lucas/Stuart Houlet
<b>CONTACT:</b>	Nathaniel.lucas@sedgemoor.gov.uk/Stuart.Houlet@sedgemoor.gov.uk
<b>PORTFOLIO HOLDER:</b>	Cllr Gill Slocombe.
<b>WARDS AFFECTED:</b>	Wards inclusive of the Wells and Bridgwater and West Somerset Parliamentary Constituencies.

### EXECUTIVE SUMMARY

This report provides an update to the Executive Members in relation to the current position of the two constituency based LUF bids (Wells Constituency and Bridgwater and West Somerset Constituency) that are currently being prepared by Sedgemoor District Council in partnership with Mendip and Somerset West and Taunton District Councils respectively.

In addition this report seeks approval from the Executive to submit both LUF bids on, or before the 6<sup>th</sup> July deadline and asks for delegated powers for future decision making in relation to both bids prior to the submission deadline to be given to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.

### RECOMMENDATION(S)

This report recommends the following: -

- Executive Members note the progress of both LUF constituency based bids.
- That the Executive Approves the submission of a Levelling Up bid for the Wells Constituency to the Department for Levelling Up, Housing and Communities on, or prior to the 6<sup>th</sup> July deadline, subject to the support of James Heapey MP, and delegates future decisions relating to this to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.
- That Executive Approves guaranteeing necessary match funding for the above bid of up to £900K through borrowing secured against s.106 contributions and that it commits £200k of received CIL as match funding if necessary. All other funding opportunities will be explored to ensure that both the amount and duration of any borrowing is kept to a minimum.
- That the Executive Approves the submission of a Levelling Up bid for the West Somerset

Constituency to the Department for Levelling Up, Housing and Communities on, or prior to the 6<sup>th</sup> July deadline, subject to the support of Ian Liddell Grainger MP, and delegates future decisions relating to this (including as appropriate the entering into an options agreement to provide the necessary certainty in respect of the deliverability of the scheme in relation to the bid process) to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.

<b>REPORT SIGN OFF:</b>	<b>Seen by:</b>	<b>Name</b>	<b>Date (or Not Applicable)</b>
	Monitoring Officer	Melanie Wellman/Steve Hellard	23/05/2022
	S151 Officer	Alison Turner/Alison Monteith	23/05/2022
	Health & Wellbeing	Teresa Harvey/Dave Baxter	12/05/2022
	People Team	Helen Thomas	23/05/2022
	Trade Union(s)	i.e. Unison	N/A
	Procurement	Joanna Hutchins	12/05/2022
	Customer Access	Jerry Milton	N/A
	Council Land	Tim Mander	N/A
	Senior Manager	Stuart Houlet	11/05/2022
	Executive Member	Leader of Council/Deputy Leader of Council	23/05/2022
	Relevant Board	i.e. Housing Programme Board	N/A
	Reputation Management/PR	Claire Faun	
	Risk & Equalities	Angela Farmer	13/05/2022
	Climate Change	Anna Mears	23/05/2022
Consultation	See section 14.1		

## 1. Purpose of Report

- 1.1 To update Executive Members on progress in preparing two Levelling Up Bid submissions for the Wells and Bridgwater & West Somerset Constituencies and to seek ratification from the Executive to secure delegated powers for the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer to undertake future decisions relating to both LUF submissions ahead of the 6<sup>th</sup> July 2022 deadline.

## **2. Background**

- 2.1 The £4.8bn Levelling Up Fund for investment in infrastructure was announced in the 2021 Budget intended to be rolled out over 4 years (21/22 to 24/25). Bids for the first round had to be submitted by June of last year and aimed largely at oven ready schemes (the County Council were successful with the existing A38/Dunball highway improvement scheme). Guidance for the second round of the fund has recently been published and the submission date of noon on the 6th July this year confirmed. Bids for capital funding can be up to £20m and are based on MP constituencies with the expectation of MP backing for the bid. Sedgemoor has been given the highest priority and along with it £125k capacity funding to support bid submissions.
- 2.2 Officers have been working closely with Mendip District Council (MDC) and Somerset West & Taunton (SW&T) in progressing and preparing the bids for the two constituencies in Sedgemoor. For the Bridgwater & West Somerset Constituency (Ian Liddell Grainger) work is underway to support a bid for a project around the former Bridgwater hospital building (Grade II Listed) that would see its re-purposing as a Health and Social Care Centre of Excellence as well as funding towards the Tidal Barrier. For the Wells Constituency (James Heapey) the bid will focus on a package of interventions to support regeneration in Highbridge and Shepton Mallet and the re-imagining of sustainable tourism focussed on public realm improvements and traffic management within Cheddar Gorge and accessibility linkages within the wider tourism area.
- 2.3 The proposals have been the subject of a number of briefings with the relevant Members and both MPs and further engagement over the next few weeks and leading up to the submission of the bids is planned, including public consultation. Both MPs are supportive of the approach being taken.
- 2.4 Both bids are included within the BAU project list as existing projects to be handed over in April 2023 (if successful).

## **3. Current Position**

### Bridgwater & West Somerset Constituency Bid

- 3.1 For the Bridgwater & West Somerset bid, focussed on the former Bridgwater Hospital, a partnership approach is being taken with a wide range of specialist organisations from across Somerset. Partner organisations include: - Somerset County Council, Somerset West and Taunton Council, Bridgwater Town Council,

Innovate UK, Public Health Somerset, NHS, Integrated Care System, Private Sector Care Providers and Bridgwater and Taunton College and colleges across the county.

- 3.2 Sedgemoor are leading this partnership and have taken a 3-pronged approach to delivering the LUF submission by progressing 3 procurements in addition to SDC Officer time. They are as follows: -
- Bid Writer/Project Manager – PER Consulting appointed to this role.
  - Needs Analysis/Evidence Base – EIBC appointed to this role.
  - Design and Feasibility (up to RIBA Stage 2) – B2 Architects appointed
- 3.3 PER Consulting and EIBC are engaging with partners, and have developed a Programme Board made up of Senior Officers from key partner organisations (which has now met twice) and arranging workshops with key partners to understand their requirements in relation to a centre of this scale. This in turn will guide the design and feasibility work which includes a condition survey of the building and cost estimates to take the building from its current position through to the delivery of a Health and Social Care Centre of Excellence.
- 3.4 As well as developing the concept for the centre of excellence, understanding what this would consist of and the feasibility of re-using the former hospital building, work with partners is also focussed on understanding the outreach element of health and social care delivery that would spin out from the centre. Options are currently being considered for other facilities that could form part of a hub and spoke approach, that would support opportunities to improve healthcare access for rural communities through innovation and digital technology etc. The outreach aspect of the centre was an area of particular interest emphasised by the MP at our previous briefing.
- 3.5 The former hospital building remains in private ownership and there are significant concerns regarding the continued decline of the building and the owner's ability to maintain it in a secure and weatherproof state. Although as the Local Planning Authority the Council does have formal enforcement powers, to date informal discussions have addressed immediate concerns by securing remedial action. It is acknowledged by all parties that securing an appropriate active use for the building is central to addressing its long-term future.
- 3.6 Deliverability is a key element of a LUF submission to Government and the fact that the building is in private sector ownership means SDC and partners are seeking an appropriate options agreement with the owner to ensure that the building will not be sold in advance of the outcome of the bid being known. Not only does this provide certainty of the building to Government, but it also highlights partner commitment on the basis that it is expected that a number of partners will support the options agreement.
- 3.7 Alongside the Health and Social Care Centre of Excellence a proportion of the funding pot will be allocated as partnership funding towards the Bridgwater Tidal Barrier. The Barrier is the Council's key infrastructure priority and has recently been granted the necessary consents for construction through the Transport Works Act Order. The barrier will protect Bridgwater from the risk of flooding over the next 100 years,

including the hospital site that is immediately to the east of the River Parrett and at significant risk of flooding without this scheme. Options being explored in relation to the Barrier project include the early delivery of the control building at Express Park and the associated riverside park.

- 3.8 To achieve a successful LUF submission one of the key criteria is 10% match funding (preferably linked with a private sector contribution). Therefore a £20m submission will require £2m of match funding. Discussions on the HPC workforce uplift between EDF Energy and SDC have facilitated a contribution from EDF Energy of £1m plus indexation (approx. £1.4m) (as an early payment from the Community Fund) towards urban regeneration projects in Bridgwater Town Centre. This has been approved by the Hinkley Programme Board (subject to being legally secured as a side letter to the supplemental S106 agreement) to be allocated to support the development of the centre of excellence. Other sources of potential match funding include Barrier funding, COMF funding and a mix of SDC and SW&T funding as well.
- 3.9 The outputs of these workstreams will culminate in the production of an outline business case for the project to support the submission of a bid in July. As the bid progresses and the partnership matures, we will continue to keep the MP closely updated/involved. A summary of the detail of the proposed bid will be provided at the Executive Briefing meeting.

#### Wells Constituency Bid

- 3.10 The Wells Constituency bid aims to address a number of historic issues including under investment in town centres and infrastructure, social deprivation, weakened local economy and decline in the tourism industry. For Shepton and Highbridge this means supporting opportunities for regeneration through new employment, housing and improved community facilities. For Cheddar the bid will be focussed on substantially enhancing the tourism offer (which over time has significantly degraded), making much more of its natural assets and linking these through active travel.
- 3.11 Stantec have been commissioned to draw up the main elements of the bid which include (for Highbridge and Cheddar):
- Highbridge Regeneration Framework - will identify regeneration projects to be delivered by the bid as well as providing a vision for the future to support further funding bids. The Framework will include the potential for urban realm improvements to Bank Street/Market Street and the Station, cycling infrastructure improvements, investment in flood defences and new and extended community facilities at Trowbridge Close
  - Cheddar Gorge Public Realm Strategy - sets a framework for seeking improvements to public realm within the Gorge to support and enhance visitor environment and experience.
  - Cheddar Accessibility Strategy – identifies a number of interventions that can improve user connectivity within the village and within the wider tourism area including integrated cycle routes, extension of the Strawberry line and supporting sustainable travel between leisure and tourism destinations.

- 3.12 The high-level detail of the bid has been discussed with the MP on two previous occasions and received support in principle which provides comfort in respect of direction and the feedback received has helped to shape the above documents.
- 3.13 Again, given the need for match funding there is a need to engage with relevant private sector partners to ensure the 10% requirement for match can be achieved. This is likely to be in the order of £1.3m for the proportion of the bid within Sedgemoor. However, given the nature of the bid is focussed on bringing forward development it is anticipated that this will be achievable. There are a number of financial contributions that have been secured through s.106 contributions that include for example funding for flood defences, funding for a new multi-use games area (MUGA), direct contributions for Highbridge regeneration, and contributions towards new or improved cycle and pedestrian routes. Some of these s.106 contributions may however not have been received before the current end of the delivery period in 2024 as they are triggered by completions of committed housing. It is therefore potentially possible that the Council might need to provide match funding in advance of these funds from either its Community infrastructure levy funds or through borrowing secured against these s.106 contributions.

Relevant discussions with owners and developers, alongside wider public engagement and consultation will continue throughout May and beyond with a view to ideally securing the required match funding without any need for borrowing. It will however be necessary at the time of submitting the bid to effectively guarantee the necessary match funding.

This report confirms that there is in excess of £2m of Community Infrastructure Levy funding available to spend immediately and significantly more than this amount also secured but not yet received. Growth at Highbridge and Cheddar will have generated CIL in excess of £2m net and whilst this is not ring fenced to the area where development has taken place, there is clearly a strong case for a proportion of this to be used to support the LUF bid delivery if successful. Current spend priorities include active travel, public transport and public realm across the district, all elements that form part of the LUF bid and so an appropriate use of CIL. Committing if necessary small proportion of the Council’s current CIL in order to secure up to £20m of Government investment maximises the value and impact of this funding.

Match funding opportunities at the current time are identified as follows,

- Funding received and available to spend            £200K
- S.106 funding secured but not yet received        £728K
- S.106 funding (less certain)                            £120
- Land (currently unknown if this can be used)      £180K
- Third party investment                                    TBC
- Community infrastructure                                £200k

It is suggested therefore that up to £200k of CIL be committed to the LUF bid and that borrowing against the identified s.106 contributions of up to £900K be

confirmed for the purposes of submitting the application for LUF.

### Request for delegated decision making

3.14 As with any funding submissions to Government timescales are tight. To support the two bids outlined above delegated decision powers are requested as part of this report and the Executive Members are asked to: -

- Approves the submission of a Levelling Up bid for the Wells Constituency to the Department for Levelling Up, Housing and Communities, subject to the support of James Heappey MP, and delegates future decisions relating to this to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.
- Approves the submission of a Levelling Up bid for the West Somerset Constituency to the Department for Levelling Up, Housing and Communities, subject to the support of Ian Liddell Grainger MP, and delegates future decisions relating to this (including as appropriate the entering into an options agreement to provide the necessary certainty in respect of the deliverability of the scheme in relation to the bid process) to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer.

Support for this proposal will enable Officers to develop the funding submission between the 1<sup>st</sup> of June and the submission date and negate the need to bring the final bids back to Executive Members as the next Executive meeting is on the 6<sup>th</sup> July which is the final day that both bids can be submitted.

## **4. Equality Implications**

4.1 As per the EIA (see appendix 2) this paper seeks ratification to submit two funding applications to Government. Therefore at this stage there are no impacts on the protected groups, however SDC Officers recognise that should the bids be successful there will be a requirement to revisit the EIA, as the schemes that make up the bid move through the different design stages and into delivery.

## **5. Options**

### 5.1 Delegated responsibility options

Option 1 (preferred option) – Approve the submission of the two LUF bids and allow for delegated decision-making powers as outlined in the recommendations section. This approach will enable any subsequent decisions post 1<sup>st</sup> June Executive to be undertaken outside of the official governance process thus mitigating any delays in achieving the 6<sup>th</sup> July submission deadline.

Option 2 – Approve the submission of the two LUF bids but decline the request for delegated decision-making powers. By taking this approach it will hamstring SDC Officers ability to obtain final sign off to submit the two bids on the basis that the next Executive meeting is not until the 6<sup>th</sup> July which is the final day for submitting the two bids.

Option 3 – Not approve the submission. This will mean that Sedgemoor District Council will not be part of the LUF process and therefore will not be able to access up to £40m of external Government funding.

## **5.2 Match funding options**

Option 1 (preferred option) – Approve the allocation of £200k of CIL funding and the borrowing by SDC of up to £900k against the identified s.106 contributions as match for the purposes of submitting the Wells Constituency LUF bid. This approach ensures that the Wells Constituency Bid will meet the match funding criteria and that any liability taken on by the Council will be repaid as S106 contributions are made available.

Option 2 – Approve the allocation of £1.1m of CIL funding as match to support the submission of the Wells Constituency LUF bid. This approach negates the need for the Council to borrow against S106 contributions but puts pressure on the total CIL funding pot that as identified earlier in the report sits at in excess of £2m.

Option 3 – Not approve either route to match funding and risk the successful submission of Wells Constituency LUF bid to Government in July.

## **6. Link to Corporate Priorities**

6.1 The two submissions referenced in this report have the potential to access up to £40m of external Government Funding that links in with the corporate priorities as follows: -

Growth and Infrastructure –

- Both bids will enable significant investment into areas of Sedgemoor improving public realm and supporting the improvements of Town and Village Centres.
- In addition both bids will support specific sectors in Sedgemoor and across the wider County: -
  - The Wells Constituency bid will support the tourism industry across Sedgemoor enabling it to grow and mitigate against the negative impacts Covid-19.
  - The Bridgwater and West Somerset Constituency bid will directly support the Health and Social Care sector in Sedgemoor, across the County and beyond by providing training and career opportunities to individuals to access the sector which is under resourced.

## Health and Wellbeing –

- The Wells Constituency bid will encourage more active travel through its improvement to public realm making walking and cycling the preferred option as apposed to the car in many cases.
- The Bridgwater and West Somerset Constituency bid will provide much needed resources to the Health and Social Care sector that will enable better care for residents of Sedgemoor and by proxy will improve health and wellbeing.

### **7. Finance Comments (Section 151 Officer)**

- 7.1 The report includes the financial implications of supporting the two Levelling up bids, if members approve the recommendations the funding is available within the CIL fund to provide the match funding required as part of the bid. Due to the timing of this bid and the value it is likely to fall under the requirements of the Section 24 Direction and will need to be presented to the New Council for approval before the bid is submitted. The detail of how the Section 24 process will operate is currently being developed and an essential requirement is that the process is agile to ensure decisions can be made in a timely manner.

### **8. Legal Comments (Monitoring Officer)**

- 8.1 The Levelling Up funding application will be subject to the Council entering into a funding agreement with the government and to certain criteria being met. The funding agreement will need to be approved by the legal section. If approved, the funding must be spent in accordance with that criteria. Any procurement exercises required as a result of the above projects must be conducted in accordance with Contract Procedure rules.

Due to the value of this bid, the Council will need (due to Local Government reorganisation and the S24 Direction issued by the government which is due to come into force on 16th June 2022) to seek the consent of the County Council prior to submitting the funding bid. However, it is anticipated that this will be covered by a General Consent that the County Council will issue. This is being considered by the County Council on 15th June 2022.

### **9. Health and Wellbeing Comments**

- 9.1 The allocation criteria for levelling up funds, and initiatives are slanted towards boosting financial and physical infrastructure capital, hence the proposed levelling up bids include urban realm improvements, cycling infrastructure improvements, investment in flood defences, improvements to public realm, Bridgwater Tidal Barrier and Bridgwater Hospital Health and Social Care Centre of Excellence. However, if successful, attention should also be focused on the financial/physical, human, social, and natural themes that could emerge from such improvements. Action to improve

health and reduce inequalities should be a component part of the levelling up bids. To improve health and reduce inequalities genuinely aligns priorities with levelling up population health.

## 10. Climate and Sustainability Implications (if any)

- 10.1 The recommendations in this report do not have any direct impact on delivering SDC carbon reduction targets as this paper seeks ratification to submit two external funding bids.
- 10.2 Should the bids be successful the projects that make up the submission to Government have the potential to deliver significant positive climate and sustainability outcomes. The scale of these outcomes will only become clearer as the projects are developed further through the subsequent design and feasibility stages. It should be noted though that climate change and sustainability will form a central part of the development of these projects should the submissions be successful.

## 11. Risk Management Implications

**NB: This template must be completed and not applicable, none or leaving blank are not acceptable**

What are the negative impacts/risks in this report	What are the positive impacts/risks in this report	What are you going to do about the impacts?  What actions will be put into place?	Outcome  <u>Low risk – Green</u>  <u>Moderate to high risk – Amber</u>  <u>High/very high risk - Red</u>
The bids submitted do not meet the themes set by Government in terms of types of projects put forward in the bids.		The LUF prospectus has been reviewed by SDC Officers and partners (including consultants tasked with producing the bid) and all projects being put forward meet themes outlined within the LUF prospectus.	Green
MPs do not support the Bids		MPs have been engaged through out the development of the bids and will continue to be engaged with ahead	Green

		of the submission on July 6 <sup>th</sup> .	
	Bridgwater and West Somerset Bid builds on the success of the Bridgwater Town Deal and the investment in the town centre.		Adds value to the Town Deal investment that is underway and shows strategically that investment in Bridgwater is linked up.
An appropriate level of match funding not secured to support the funding submissions.		Identify a suitable mix of match funding sources from a range as outlined in section 3.13 including commitment from the Local Authority	Amber

**FURTHER GUIDANCE IS INCLUDED AT THE END OF THIS AGENDA TEMPLATE (also if you need further guidance please contact Angela Farmer)**

## **12. Economic Development Implications**

12.1 Economic Development Implications in relation to this paper are limited on the basis that this paper seeks ratification to submit two LUF bids to Government. Should these bids be successful there are wide ranging and positive outcomes from an economic perspective. These include but are not limited to: -

- Access to employment through the creation of a Health and Social Care Centre of Excellence.
- Support for the Tourism industry across a large area of Sedgemoor that will assist tourism based businesses as they come out of 2 year global pandemic, as well as creating new jobs within the tourism sector.

## **13. Conclusion**

13.1.0 This report seeks approval from Executive Members to submit two LUF bids into Government that if successful will deliver wide ranging socioeconomic benefits to a large swath of Sedgemoor. In order to achieve the tight deadlines set by Government and ensure that the bids have the right level of senior sign off before being submitted, this report also seeks approval from Executive Members for delegated responsibility for future decisions in relation to the two LUF bids to the Deputy Chief Executive (Doug Bamsey) in consultation with the Leader, Portfolio

Holder for Inward Investment & Growth, Section 151 Officer and Monitoring officer. Ratification of this approach will ensure that the bids are submitted in a timely manner putting Sedgemoor in the best possible position to secure up to £40m of external Government funding.

#### **14. Consultation**

14.1 Consultation to date has been with the following individuals, groups and organisations: -

- Highbridge regeneration group
- Cheddar regeneration group
- CEO and Leader of Sedgemoor District Council
- Full Council inclusive of all Members of Sedgemoor District Council
- MP for Wells Constituency (James Heapey)
- MP for Bridgwater and West Somerset (Ian Liddell-Grainger)
- NHS
- Public Health Somerset
- Integrated Care System

Consultation will continue to take place going with individuals, groups and organisations outlined above and in addition further consultation will take place with residents and businesses within Sedgemoor.

#### **15. Appendices**

15.1 To be added.