



NORWICH City Council

Committee Name: Cabinet

Committee Date: 08/06/2022

Report Title: Levelling Up Fund bid preparation

Portfolio: Councillor Waters, Leader of the council

Report from: Head of property and economic development

Wards: All Wards

OPEN PUBLIC ITEM

Purpose

To inform on the Levelling Up Fund and seek delegated authority for the Director of Development and City Services to submit a bid

Recommendation:

That cabinet delegates authority to the Executive Director of Development and City Services, in consultation with the Leader of the Council, to submit the Levelling Up Funding bid.

Policy Framework

The Council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the city has an inclusive economy in which residents have equal opportunity to flourish corporate priority.

Report

Background

1. The Levelling Up Fund, which applies to the whole of the UK, brings together the Department for Transport, the Department for Levelling up Housing and Communities and the Treasury to invest £4.8 billion in high-value local infrastructure up to 2024-25.
2. The Fund will invest in local infrastructure that has a visible impact on people and their communities. This includes a range of high value local investment priorities, including:
3. **Smaller transport projects** that make a genuine difference to local areas. Proposals for transport schemes should reduce carbon emissions, improve air quality, cut congestion, support economic growth and improve the experience of transport users.
4. **Town centre and high street regeneration.** Such as regenerating key leisure and retail sites, improving the public realm including high streets, parks and green spaces, designing out opportunities for crime and anti-social behaviour and creating better connectivity between and within key retail and leisure sites.
5. **Cultural and heritage assets** including upgrade or development of new cultural spaces including sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens. Also, community hubs, spaces or assets (and associated green spaces), and refurbishment or repurposing of key cultural and heritage sites including hotels and historic buildings, museums, galleries, visitor attractions, heritage assets as well as creating new community-owned spaces to support the arts and serve as cultural spaces.
6. Local authorities can submit one bid for every MP whose constituency lies wholly within their boundary (Norwich potentially has two bids) - where an MP's constituency crosses multiple local authorities, one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder.
7. Norwich City Council is the lead bidder for Norwich North and Norwich South, and can submit bids for up to £40m total (£20m per constituency area).
8. The Fund will focus investment in projects that require up to £20m of funding – up to a maximum of three projects. A minimum of 10% co-funding is needed with a contribution from private sector stakeholders required.
9. The funding prospectus sets out the approach for the second round of the Fund, open to projects that can demonstrate spend from the Fund in the 2022-23 financial year. All funding provided from the Levelling Up Fund is required to be spent by 31 March 2025, and by 2025-26 on an exceptional basis.
10. Consultation with relevant local stakeholders and partners is important. Bids should demonstrate evidence of local engagement as part of their strategic case through stakeholder letters or similar.
11. Alongside the stakeholder engagement and support process, in England, Scotland and Wales, Members of Parliament (MPs) will, as in the first round of the Fund, have a formal role in the bidding process to reflect their valuable local perspective. All MPs can provide formal priority support to one bid using the Pro Forma of Priority Support, formal priority support is not a condition or a requirement for a bid to be successful. If an MP does not make it clear which bid it relates to or provides formal priority support to more

than one bid, it will not be considered as formal priority support. It will instead be considered as evidence of wider stakeholder support.

12. Levelling Up Fund is a competitive bidding process with no guarantee of success or any award of grant funding.

Bid Development

13. A number of project ideas workshops and meetings were held in March and April 2022 with both internal officers and external stakeholders to gather ideas, and to consider what interventions and projects could be prioritised for delivery via Levelling Up Funding.
14. Following this, a long list of potential projects was collated then further refined to a shortlist via a scorecard filtering process mirroring the criteria that Government will use, alongside an assessment of local strategic fit and deliverability of the projects. A final project list is attached as Appendix A; this has also been reviewed by the Town Deal Board, who are supportive of this package being worked up. There is a Town Deal Board meeting scheduled for 27th June so it can consider formal endorsement of the final draft bid prior to its sign off under delegated powers.
15. The projects listed in the Appendix to this report are now being worked-up into fully costed business cases which is a requirement for the LUF bid. Final bid submission must be made via the Government's online portal by noon on 6 July 2022.
16. Due to the competitive nature of the bidding process, details of Norwich's bid and the projects within it are confidential and will not be made public until after the closing date for bid submission on 6 July 2022.

Government bid assessment and decision-making process

17. As with the first round of the Fund, the Government's assessment of bids will focus on four criteria: characteristics of places, deliverability, strategic fit with local and Fund priorities, and the economic case in line with the published assessment framework.
18. There will be a three-stage approach to assessment and decision making.

Stage 1 gateway

19. The first stage is a pass/fail gateway of eligibility to bid.

Stage 2 assessment and shortlisting

20. Bids that progress from the gateway stage will be assessed on each of the criteria set out in the assessment framework:
21. 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. Norwich has been assessed as a category 2 area.
22. Strategic fit – Applications should 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 (including delivering net zero carbon emissions and improving air quality), regional and local strategies and investments. This should include recent levelling up investments (including Towns' Fund) and forthcoming UK Shared Prosperity Fund investment plans. As set out in the prospects and background section above, proposed bids and their constituent projects should secure the support of, and be developed following consultation with, relevant local MPs, stakeholders and partners.
23. Economic case – Bids should demonstrate how they represent public value to society. A range of benefits will be considered in our value for money appraisal of projects, including both quantitative and qualitative benefits. This includes potential to boost local economic growth, environmental benefits (including contribution to achieving the UK government's net zero carbon commitments and improving local air quality), greater employment opportunities, reduced travel times to key services, increased footfall in town and city centres, crime reduction, improved health and wellbeing, and social value to local communities.
24. Deliverability – All bids will be assessed for evidence of robust management and delivery plans including a procurement strategy, project management (including skills and experience) 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.

Stage 3 Decision-making

25. Once bids have been assessed and moderated, and the shortlist is drawn up, Ministers will make funding decisions. In making these, ministers will have the opportunity to exercise discretion to meet the following additional considerations:
- ensuring a reasonable thematic split of approved projects (e.g. across regeneration and town centre, transport and culture and heritage)
 - ensuring a fair spread of approved projects across Great Britain within, and between, individual nations and regions, and between rural and urban areas
 - ensuring a fair balance of approved projects across places in need
 - prioritisation of either 'strategic fit' or 'deliverability' or 'economic case' over the other criteria (noting this must be applied consistently to all projects)

- taking into account other investment in a local area, including investment made from the first round the Fund to encourage a spread of levelling up funds across places

26. Announcement of successful bids and funding awarded is timetabled for end September/early October 2022.

Implications

Financial and Resources

27. Experience from past successful bidders highlights the importance of securing external expertise to support successful bids, as was the case with the Council's successful Towns Fund bid, which drew in £25m to the City . An allocation of £120,000 from the business change reserve was made to support the development of a bid to Levelling Up Fund Round 2. Consultants have been engaged to assist the process and it is on track to be delivered within budget. At this stage there are no further funding requirements from the Council. However, the exempt appendix identifies the potential for capital and revenue match funding that could be required from the City Council to support a successful bid.
28. No provision has been made for that sum at this point and further approvals would be required to identify and make provision for that sum to be made available considering, for example, the need to demonstrate expenditure in 2022/23.
29. The emerging bid seeks to ensure that the revenue costs of programme and project management will be covered should the bid be successful. Should the bid be successful a further report will be made to Cabinet and Council to request the necessary budget amendments to allow the offer to be accepted.

Legal

30. There are no legal issues arising from this report.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	This report does not have any direct implications for the council's equality and diversity considerations. If bids are successful, any equality implications will be considered as schemes are developed and delivered
Health, Social and Economic Impact	This report does not have any direct implications for the council's health, social and economic considerations, but implementation of the proposals contained within the LUF bid will have a positive impact on health, social and the economy through improved pedestrian and cycling and green infrastructure opportunities, community infrastructure provision, and provision of employment space.

Crime and Disorder	This report does not have any direct implications for the council's crime and disorder considerations.
Children and Adults Safeguarding	This report does not have any direct implications for the council's Safeguarding Policy statement.
Environmental Impact	At this stage there are no environmental impact considerations.

Risk Management

Risk	Consequence	Controls Required
This report seeks approval of delegated authority to submit a Levelling Up Fund Round 2 bid. The report does not have any specific operational, financial, compliance, security, legal, political or reputational risks to the council at this stage.	N/a	N/a

Other Options Considered

31. Submission of a Round 2 bid for Levelling Up Funds represents a major opportunity to drive regeneration and provide improved amenities for Norwich. A successful bid will build upon the existing Towns' Fund investments in Norwich and support the Norwich 2040 Vision. Although the bidding process is highly competitive and labour intensive with no guarantee that any funding will be secured, the potential level of funding which could be secured is believed to be worth the investment made to support bid development and therefore the other option of not bidding was not considered to be compatible with Norwich's Corporate Strategy.

Reasons for the decision/recommendation

32. The reason for the recommendation is that the bid submission deadline of noon on 6 July will require the final drafting work and stakeholder engagement to continue to the very end of June which was not compatible with timetable requirements for Cabinet approval of the final draft prior to its submission.

Background papers: None

Appendices: A - XREP Levelling Up Fund

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