

**South Lakeland District Council
Cabinet**

Monday, 4 July 2022

Levelling Up Fund Bid

Portfolio: Cllr Robin Ashcroft
Report from: Director of Customer and Commercial Services
Report Author: Matthew Williams – Senior Economy and Culture Specialist
Ward: Kendal Town
Forward Plan: Key Meeting included in the Forward Plan as published on 31 May 2022

Links to Council Plan Priorities:

Working across boundaries – Securing investment and delivering inclusive economic growth in South Lakeland’s principal service centre of Kendal, building the local knowledge and skills base and improving town centre infrastructure.

Delivering a balanced community – Providing a town centre for all ages, improving conditions for enterprise and increasing learning and development opportunities for students, helping to attract and retain more young people.

A fairer South Lakeland – An enhanced town centre offer and improved accessibility to services, with greater economic and social opportunities for all. Building closer links between further education and businesses and providing more affordable space for start-ups.

Addressing the climate emergency – A more attractive town centre with cleaner air, improved environment and quality of life. Investment into active travel route along river corridor to encourage modal shift and help towards South Lakeland’s carbon neutral target.

1.0 Expected Outcome and Measures of Success

1.1 Agreement of this proposal would enable a submission to be made to Round 2 of the Levelling Up Fund for South Lakeland. If successful, this bid would bring significant investment into the district’s principal service centre of Kendal, meeting the Council’s aspirations in its Kendal Town Centre Strategy and delivering a vibrant, enhanced town centre for residents, businesses and visitors.

2.0 Recommendation

2.1 It is recommended that Cabinet:-

- (1) Agree the submission of a Levelling Up Fund Round 2 bid for South Lakeland on the basis of the proposals set out in this report and;**
- (2) Authorise the Finance Lead Specialist, as S151 Officer, to sign a statement of compliance to accompany the bid.**

3.0 Background and Proposals

- 3.1 In 2021 the Government announced the £4.8bn Levelling Up Fund (LUF) which was to be allocated over two competitive funding rounds. £1.7bn was allocated in Round 1 and Round 2 was announced in March 2022 with applications due by 6 July 2022.
- 3.2 LUF funding is for capital schemes encompassing transport, culture or regeneration, with one successful application allowed per MP constituency area. Proposals can seek up to £20m of investment.
- 3.3 While funding is to be allocated following a competitive process, across the UK places have been prioritised for funding by the Government following a qualitative assessment process. South Lakeland has been identified as “Category 3”, lowest priority of need, creating an expectation that applications would need to be “exceptional” if they are to be successful. Bids will also be evaluated based on the other Fund criteria of strategic fit, value for money and deliverability.
- 3.4 South Lakeland District Council (SLDC) did not submit an application for Round 1 but has appointed consultants to assist in the development of a bid for Round 2 which is deliverable and meets the criteria of the Fund.
- 3.5 Working closely with partners including Cumbria County Council, Kendal Town Council, Kendal Futures and Kendal College, SLDC has developed an application focused on the regeneration of Kendal town centre, in line with strategic priorities identified in the Kendal Town Centre Strategy and Kendal Vision.
- 3.6 The application centres around two projects:

Project A – Town Centre Regeneration

1. New education accommodation at the Westmorland Shopping Centre, creating a third campus for Kendal College;
2. Regeneration of the historic Market Hall;
3. Regeneration of the Market Place;

Project B – Riverside Corridor

4. Enhancement of the riverside active travel route from Abbot Hall, along Waterside and linking to the town centre up Kent Street.

- 3.7 Together, it is intended that these proposals can support the evolution of Kendal and reinforce its role as a place to live, work and explore, revitalising and reimagining the town centre and making the most of the town's historic and natural capital. These measures would strengthen the regional role of Kendal and support the Council's ambition around the delivery of active and sustainable transport and the creation of attractive places and vibrant communities. It recognises Kendal's important role in the the district as a service centre and as a location for promoting growth, as set out in South Lakeland's Local Plan.
- 3.8 Kendal Town Centre has been a service centre since at least 1189. This has left a rich built heritage which is part of the areas identity. The town's public realm and how the place 'feels' are critical and these proposals will enrich that heritage, link key assets in the Market Hall, the Market Place, the riverside and Abbott Hall. They will be part of a wider strategy for the next phase of the town's evolution to meet the needs of the future.
- 3.9 It is considered that these measures will enable the district as a whole to better meet the needs of younger people and business, bringing a focus on further embedding education in the heart of the town and creating higher quality space for markets, events and other social activities. The proposal also seeks to improve connectivity and enhance cycling and walking infrastructure to increase active travel.
- 3.10 Investment would help to improve people's quality of life and address challenges such as underused town centre retail space, an aging working age population and staffing shortages. It would help increase the pool of higher skills developed in, attracted to and retained in the district and with up to 400 students a day using the new campus in the Westmorland Shopping Centre, this increased footfall would support local businesses and the evening economy.
- 3.11 Approval of this proposal would enable a LUF Round 2 bid to be submitted by the deadline of 6 July 2022, with funding decisions expected later this year.

4.0 Consultation

- 4.1 SLDC has been working closely with partners since May 2021 to develop a proposal which could be put forward for the second round of the LUF. The development of this bid has been aided by the establishment of a "Kendal Town Team" which is working together for Kendal, comprising lead officers and members of the District, County and Town Councils, as well as public-private sector partnership Kendal Futures. At a meeting on 20 May 2022 this group gave its unanimous support for this submission.
- 4.2 A series of stakeholder sessions have been held throughout the development of the bid to ensure its support and deliverability. Delivery partners Kendal College and Cumbria County Council have assisted in the production of designs and cost plans. Highways authority approval is required and the South Lakeland Local Committee formally agreed its support for the bid on 10 June 2022. Key local partners, including the MP for Westmorland and Lonsdale, will provide letters of support to accompany the bid.
- 4.3 The proposals themselves are established on agreed strategic priorities for the town as set out in the Kendal Town Centre Strategy, Kendal Vision, Highways and Transport Strategy and Local Cycling and Walking Investment Plan. These strategies have all been informed by considerable community engagement, with Kendal Vision alone receiving around 2,000 individual contributions.

- 4.4 Scheme designs have been developed to an appropriate level (RIBA Stage 2) for the bid and, should it be successful, further consultation will be carried out on the detailed designs before they are finalised and implemented.

5.0 Alternative Options

- 5.1 Not to proceed with a submission for Levelling Up Fund Round 2 on the basis of these proposals. There is insufficient time to develop an alternative bid to meet the deadline so no bid would therefore go forward for South Lakeland. Government has advised that there is no guarantee of further rounds of the Fund so there may be no opportunity to bid again in the future. As such, the recommendation is to proceed as described in this report.

6.0 Implications

Financial, Resources and Procurement

- 6.1 A government decision on the outcome of the bid is expected later this year. If successful, delivery will fall to the new Westmorland and Furness Council, with capital works needing to be completed by 31 March 2025. The bid guidance does however state that South Lakeland District Council is the bidding authority and that a statement of compliance must be signed by its S151 Officer to accompany the bid.
- 6.2 There are no direct financial implications to South Lakeland District Council in submitting the bid. No costs will be incurred if unsuccessful and, if successful, it would secure government funding in full for the proposed capital investment. A local financial contribution of at least 10% must be presented in the bid and this will be satisfied through private investment already committed by Kendal College in the purchase and part-renovation of the Westmorland Shopping Centre.
- 6.3 Financial risks associated with delivery will be with the new Council and in mitigation there will be allowances for cost risk, contingency and inflation within the cost plan. A management plan will also be included as part of the bid submission, setting out the expected programme, procurement and resourcing.
- 6.4 For capital works involving Council owned assets, such as the indoor market hall and public highways, contractors will be appointed through the appropriate procurement route by Westmorland and Furness Council. For the Westmorland Shopping Centre improvements, it is envisaged that Kendal College, as long-term leaseholders, would procure their own contractors.

Human Resources

- 6.5 There are no direct staffing implications to these proposals. Delivery would be managed within existing Economic Development officer resources in the new unitary authority, with the support of contractors. An amount will be included within bid to cover the associated project management and professional services costs.

Legal

- 6.6 Bidding authorities are asked to ensure that any proposed spend as part of the bid is subsidy control compliant. Accordingly, the Council has received independent legal advice and is satisfied that the proposals are fully compliant, with spend being either on publicly owned assets or for educational, non-commercial purposes. Any procurement of services will be carried out in a fair and transparent way.
- 6.7 If the bid is successful, the funding would be received from central government. Further details would follow on the arrangements for this and the funding will be subject to terms and conditions which would need to be approved by the new Westmorland and Furness authority. Further reporting would follow at such a time to seek the necessary

authority to enter into agreement to receive the funding. An agreement would also need to be put in place to formalise arrangements with Kendal College for their element of the works.

- 6.8 In accordance with paragraph 16(j) of the Overview and Scrutiny Procedure Rules in the Constitution, the Chairman of the Council had been consulted and had agreed that the decision proposed was reasonable in all the circumstances and for it to be treated as a matter of urgency and that the call-in process should be waived

Health and Sustainability Impact Assessment

- 6.9 Have you completed a Health and Sustainability Impact Assessment? Yes (attached at Appendix I)

- 6.10 Summary of Health and Sustainability Impacts

		Positive	Neutral	Negative	Unknown
Environment and Health	Greenhouse gases emissions	X			
	Air Quality	X			
	Biodiversity	X			
	Impacts of Climate Change	X			
	Reduced or zero requirement for energy, building space, materials or travel	X			
	Active Travel	X			
Economy and Culture	Inclusive and sustainable development	X			
	Jobs and levels of pay	X			
	Healthier high streets	X			
	Culture, creativity and heritage	X			
Housing and Communities	Standard of housing		X		
	Access to housing		X		
	Crime	X			
	Social connectedness	X			

Equality and Diversity

6.11 Have you completed an Equality Impact Analysis? Yes (attached at Appendix II)

6.12 Summary of Equality and Diversity impacts

Please indicate: P = Positive impact; 0 = Neutral; N = Negative; Enter "X"						
Age	P	X	0		N	
Disability	P	X	0		N	
Gender reassignment (transgender)	P		0	X	N	
Marriage & civil partnership	P		0	X	N	
Pregnancy & maternity	P	X	0		N	
Race/ethnicity	P		0	X	N	
Religion or belief	P		0	X	N	
Sex/gender	P		0	X	N	
Sexual orientation	P		0	X	N	
Armed forces families	P		0	X	N	
Rurality	P		0	X	N	
Socio-economic disadvantage	P	X	0		N	

Risk Management	Consequence	Controls required
Inaccurate cost estimates provided for the bid.	Underestimating the costs could result in only partial delivery of the improvement works and their associated benefits. Overspends would need to be found from alternative sources of funding.	Project management and professional fees built into costs. Allowances for cost risk, contingency and inflation within the cost plan. Capital cost estimates informed by architect designs and calculations from a quantity surveyor. Highways authority input received to inform costs on on highways elements of the bid. If successful, regular monitoring and reporting on progress will enable oversight and escalation.
Capital works completion not achievable within timeframe required for the bid.	Would result in bid being unlikely to be successful on the grounds of being undeliverable. If successful and timeframes not met it	Thorough process undertaken, informed by specialist consultants, to ensure robustness of bid and that capital projects

Risk Management	Consequence	Controls required
	could put the funding at risk and cause reputational damage.	included are adequately developed and deliverable. Consultation with delivery partners and written confirmation of their commitment and capability to deliver within necessary timeframes. Management plan included as part of the bid submission, setting out the expected programme, procurement and resourcing.

Contact Officers

Matt Williams, Senior Specialist (Economy & Culture)

Email: matthew.williams@southlakeland.gov.uk Tel: 01539 793279

Background Documents Available

Name of Background document	Where it is available
Health and Sustainability Impact Assessment	Appendix I
Equality Impact Assessment	Appendix II
Levelling Up Fund Round 2: Prospectus	https://tinyurl.com/ytsza7h6
Kendal Town Centre Strategy	https://tinyurl.com/yc6dp8un
Kendal Vision	https://tinyurl.com/jfzpxnwh

Tracking Information

Signed off by	Date sent	Date Signed off
Section 151 Officer	13 June 2022	16 June 2022
Monitoring Officer	13 June 2022	16 June 2022
CMT	13 June 2022	16 June 2022

Circulated to	Date sent
Lead Specialist	13 June 2022
Human Resources Lead Specialist	13 June 2022
Communications Team	13 June 2022
Leader	13 June 2022
Committee Chairman	13 June 2022
Portfolio Holder	13 June 2022
Ward Councillor(s)	13 June 2022

Circulated to	Date sent
Committee	N/A
Executive (Cabinet)	22 June 2022
Council	N/A