

# **BROMSGROVE DISTRICT COUNCIL**

## **Cabinet 1 June 2022**

### **Levelling Up Funding – Spending Approval**

Relevant Portfolio Holder	Cllr Karen May, Leader of the Council and Portfolio Holder for Economic Development, Town Centre and Strategic Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Peter Carpenter
Wards Affected	All Wards
Non-Key Decision	

#### **1. SUMMARY**

This report updates Members on the progress made since reporting in January with the Levelling Up fund and, due to the tight timescales, asks for approval to be delegated to the Head of Planning, Regeneration and Leisure and the Executive Director of Resources to move forward, in accordance with the project plan, to the design and site clearance work for the two schemes. It also sets out the high-level timetable for future approvals and Member considerations.

#### **2. RECOMMENDATIONS**

**Cabinet is asked to RESOLVE that:**

- 1) progress made to date on the Levelling Up schemes be noted;**
- 2) authority be delegated to the Head of Planning, Regeneration and Leisure and the Executive Director of Resources to proceed to spend the Levelling Up Fund allocation totalling £2.266m on the required demolition and remediation works at the Windsor Street site and to engage a design and build contractor on the Market Hall site;**
- 3) the timetable, where further approvals for the Market Hall project will be needed once options have been appraised and schemes designed via the Invitation to Tender, be noted.**

#### **3. Background**

- 3.1 In November 2021, the government approved a £14,492,000 grant for Bromsgrove District Council from the Levelling Up Fund (LUF). The grant will support the redevelopment of the former Market Hall site and pre-development works (demolition and remediation) on the Windsor Street site to enable a future site redevelopment. The Windsor Street site was previously owned by the Herefordshire and Worcestershire Fire and Rescue Service (HWFRS) and Worcestershire County Council (WCC) but is now

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owned by the District Council. In addition, Bromsgrove District Council committed £1.610m in match funding, as required by the LUF programme.

- 3.2 The memorandum of understanding signed on the 18<sup>th</sup> February 2022 between the Council and the Department of Levelling Up Housing and Communities (DLUHC) set out that DLUHC considered the application submitted by the Council for the LUF proposal Old Market Hall Site and Windsor Street Site and agreed to allocate funding up to £14,492,401 across FY2021-22, FY2022-23, FY2023-24 and FY2024-25. The indicative allocation for each year is set out in the following table:

<b>Financial Year</b>	<b>Total (£)</b>
2021-22	1,600,000
2022-23	5,329,041
2023-24	7,563,360
2024-25	0
<b>Total 2020-21 – 2024-25</b>	<b>14,492,401</b>

- 3.3 The funding is provided to form part of the necessary capital investment required for delivery of the LUF proposal for the Old Market Hall Site and the Windsor Street Site. DLUHC expects the Council to use the funding provided for the purposes outlined in the application approved by DLUHC, Department for Transport ('DfT') and HM Treasury ('HMT'), and that evidence will be provided to demonstrate this. Grant funding will be paid in six monthly tranches and based on agreed delivery targets having been met. Assurance on project progress is through formal monitoring and assurance process to DLUHC.
- 3.4 In January 2022, the Cabinet approved the acquisition of the HWFRS site. In March 2022, the WCC site became available for purchase. Its acquisition gave the council 100% control over the site and the future development options. Approval was given in March to move £306,000 of LUF funding being provided by the Council from 2022/23 to 2021/22 in order for the full Windsor Street site to be purchased. The site was purchased before the end of the 2021/22 financial year at a cost of £1.806 million. This has been reflected in the 2021/22 project return that was returned to the Government on the 13<sup>th</sup> May as part of the DLUHC assurance process.
- 3.5 This paper seeks to update Members on the progress that has been made on the project plan and delivery and advises Members of very specific and tight timescales in which the budget needs to be spent. As a result of that, delegated authority is needed by officers to spend a portion of the levelling up funding on demolition and remediation works at the Windsor Street site. In addition, delegated authority is required to allocate levelling up funding to engage a contractor to design and build the scheme at the Market Hall site.

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### **Project Plan and Funding Allocation**

- 3.6 Members will be aware that the preferred procurement route for the Market Hall site is through a two-stage design & build contract i.e. contractor appointment, not design team appointment. Member will also be aware that the Project Plan for the Market Hall site has the following indicative milestones:
- Project start and finish dates – October 2021 to March 2024
  - Full business case approval – January 2022 to March 2022
  - Concept Design – January 2022 to March 2022
  - Initial building design - March 2022 to May 2022
  - Planning permission secured – May 2022 to September 2022
  - Technical Design – June 2022 to December 2022
  - Publication of the ITT – September 2022 to November 2022
  - Evaluation of tenders – November 2022 to December 2022
  - Awarding of the Construction Contract December 2022
  - Signing of construction contract December 2022 to January 2023
- 3.7 Initially LUF funding was required to be spent by the 31<sup>st</sup> March 2024 hence the above timetable being indicative and no spending being planned for in 2024/25. However, the timescales for spending the funding have since been extended to 31<sup>st</sup> March 2025 and will result therefore in the need to reprofile the project plan in due course. All government funding must be spent by the 31<sup>st</sup> of March 2025.
- 3.8 The LUF funding for works at the Windsor Street site include site acquisition, demolition and remediation. The design of a scheme following demolition and remediation is outside the scope of the LUF scheme.
- 3.9 As set out above, funding has been allocated by DLUHC over the 2021/22 to 2023/24 period and formal monitoring is required in order for 6 monthly release of these funds based on progress by the Council. The following table sets out the funding being made by source. In January 2022 members agreed the overall project proposals for the Levelling Up Scheme in Bromsgrove and the finances associated have been agreed as part of the Councils budget setting process in February 2022. Members are now being asked to consider and approve the allocation of the approved finances.

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<b>Name of Funding Source (organisation)</b>	<b>Financial Year 2021/22</b>	<b>Financial Year 2022/23</b>	<b>Financial Year 2023/24</b>	<b>Total</b>
	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	
<b>DLUHC</b>	<b>£1,600,000.00</b>	<b>£5,329,040.00</b>	<b>£7,653,360.00</b>	<b>£14,582,400.00</b>
<b>Bromsgrove District Council</b>	<b>£0.00</b>	<b>£805,133.00</b>	<b>£805,133.00</b>	<b>£1,610,266.00</b>
<b>Bromsgrove District Council</b>	<b>£308,000.00</b>	<b>-£308,000.00</b>	<b>£0.00</b>	<b>£0.00</b>
<b>Total</b>	<b>£1,908,000.00</b>	<b>£5,826,173.00</b>	<b>£8,458,493.00</b>	<b>£16,192,666.00</b>

3.10 The total estimated costs for each project are presently (exclusive of VAT)

- Market Hall Site – The total project cost is £12,302,818
- Windsor Street Site – The total project cost is £3,799,850

#### **4. Legal Implications**

4.1 Specific legal advice is being commissioned for each project and is budgeted for as set out in project plan.

#### **5. Strategic Purpose Implications**

5.1 The site clearance ant Windsor Street will contribute to “keep my place safe and looking good” and the LUF funding for the Former Market Hall site will additionally contribute to “provide good things for me to see, do and visit”.

#### **Relevant Strategic Purpose**

5.2 Levelling Up initiatives seeks to support the UK government’s wider commitment to level up all parts of the UK by delivering on the Governments Levelling Up objectives.

#### **Climate Change Implications**

5.3 Implications of individual schemes on climate change will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

#### **6. Other Implications**

#### **Customer / Equalities and Diversity Implications**

6.1 None as a direct result of this report. However, individual schemes will need to be assessed.

#### **Operational Implications**

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6.2 A Governance Structure, including a Project Board, has been set up and appropriate budgets have been apportioned for the management of the two projects.

### **7. RISK MANAGEMENT**

7.1 The financial monitoring is included in the monitoring regime for this project and is a requirement in the returns to Government.

### **8. APPENDENCES**

Appendix A – Governance Structure

### **AUTHOR OF REPORT**

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