

Committee Name and Date of Committee Meeting

Cabinet – 16 May 2022

Report Title

Town Deal and Levelling Up Fund: Update and Implementation

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

Report Author(s)

Lorna Vertigan, Strategic Regeneration Manager
Lorna.vertigan@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report provides an update on progress and seeks approval to implement the Regeneration Programme projects which have been awarded funding via the Levelling Up Fund and Towns Fund. A full list and summary of the projects is included in Appendix 1.

Recommendations

1. That Cabinet note the successful outcome of Rotherham's Towns Fund and Levelling Up Fund Round 1 bids and the positive progress made to date.
2. That Cabinet note the submission of a further Levelling Up Fund bid, by 6 July 2022, following the announcement of a Round 2 on 23 March 2022.
3. That Cabinet agree to the implementation of all projects within the Town Deal and Levelling Up Fund programmes as summarised in Appendix 1, to be detailed in forthcoming project specific Full Business Cases.
4. That Cabinet note the implementation of projects will be subject to the Council's assurance framework and with Full Business Cases approved by the Strategic Director of Regeneration & Environment in consultation with the Council's S151 Officer and Cabinet Member for Jobs and the Local Economy.

List of Appendices Included

Appendix 1 Project Summary List
Appendix 2 Equalities Impact Assessment
Appendix 3 Carbon Impact Assessment

Background Papers

- [Towns Fund Prospectus](#)
- [Town Deal Report to Cabinet October 2020](#)
- [Town Investment Plan](#) (redacted version)
- [Town Deal Project Summary Template](#)
- [Rotherham Town Centre – Levelling Up Application](#)
- [Leisure Economy – Levelling Up Application](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
No

Council Approval Required
No

Exempt from the Press and Public
No

Regeneration Project Business Cases

1. Background

1.1 Town Deal

1.1.1 The Town Deal is a £3.6bn programme seeking to ‘unleash the economic potential of 100 places across the country. In January 2021 Rotherham submitted a Town Investment Plan seeking £35m for projects across Templeborough, Eastwood and the Town Centre. In June 2021, Heads of Terms were received offering £31.6m.

1.1.2 Stage 2 of the Town Deal process requires a local assurance process for each project culminating in the submission of ‘Project Summary’ documentation to Department for Levelling-Up Housing and Communities (DLUHC) by 27 June 2022.

1.2 Levelling Up Fund Round 1

1.2.1 The opportunity to bid to Round 1 of the Levelling Up Fund (LUF) was announced in March 2021. In June 2021 the Council submitted three bids seeking investment to support projects in the Leisure Economy, Principal Areas for Growth and Rotherham Town Centre.

1.2.2 An announcement was made in October 2021 that Rotherham had successfully secured funding for two of the three submitted bids for the Leisure Economy (£19.5m) and Rotherham Town Centre (£20m) totalling £39.5m.

1.2.3 In February 2022, Memoranda of Understanding (MOU) were signed between the Council and DLUHC for each of the two successful Round 1 bids, setting out the terms, principles and practices that will apply regarding the administration and delivery of the Levelling Up Fund during the financial years 2021-22 and 2022-23.

1.3 Levelling Up Fund Round 2

1.3.1 A second round of funding was announced on 23 March 2022. The Council intend to re-submit a bid proposal for Wath and Dinnington Town Centres to this fund with a deadline of 6 July 2022.

2. Key Issues

2.1 Project Implementation

2.1.1 In line with the bidding documents, the Council has been developing projects in readiness for delivery over the next 3-4 years. Project details are provided in Appendix 1.

2.1.2 In line with the Council’s Constitution and Governance practices, project specific HM Treasury Green Book compliant Business Cases are being developed. Business cases will detail project costs, route to market, delivery

programmes and ongoing management requirements, setting out the subsequent implementation of projects.

2.2 Governance

- 2.2.1 As a condition of the grant, the Town Deal Board will retain oversight of Town Deal project delivery. The Chair acting on behalf of the Board will be a signatory on the Town Deal Project Summary documents.
- 2.2.2 A condition of the Levelling Up MOU is the establishment of a Board to oversee delivery. In recognition of the intrinsically inter-linked nature of the projects the Town Deal Board will retain oversight of the Town Centre LUF projects.
- 2.2.3 A specific Programme Board is being established to oversee the Towns Fund Leisure Economy project implementation. Any further projects successfully funded by Levelling Up will be subject to their own Board requirements.
- 2.2.4 The Regeneration Strategic Programme Board will be used to provide project updates within the Council and as the recipient of the funds the Council will be the accountable body. The funds will be incorporated into the Council's financial monitoring arrangements.

2.3 Resourcing

- 2.3.1 Project development and delivery will be led by the RIDO team with support provided by the newly appointed multi-disciplinary consultancy team led by AHR Architects. Support from services including Legal, Finance, Asset Management, Culture, Sport and Tourism and Procurement will be required on a project-by-project basis.
- 2.3.2 Project funding is provided through a combination of capital and revenue grants received from the Levelling Up Fund, Town Deal and other areas of match funding (e.g. Council, private sector, SY Mayoral Combined Authority). The full revenue implications of each project will be detailed in the project specific Business Cases.

3. Options considered and recommended proposal

- 3.1 It is recommended that the local assurance is done through existing Officer delegations as proposed in this report. The Business Case approach is recommended in line with Government best practice and requirements for these two funds.
- 3.2 An alternative to this proposal is the submission of individual Business Cases to Cabinet on a project-by-project basis. The timeframe for submission of the Town Deal Project Summary documents and the overall programme for delivery of Levelling Up Fund, the level of work required to develop projects to sufficient detail for Business Case suggests that there would be insufficient time to take each Business Case through the Cabinet process.

3.3 A do-nothing option would see Rotherham unable to deliver against its Town Deal and Levelling Up commitments.

4. Consultation on proposal

4.1 The Town Deal Board will retain oversight of the Town Deal and Town Centre based LUF projects, guiding the development of each project to Business Case and beyond to delivery. The Board will continue to meet monthly or as needed.

4.2 A Board is being established to oversee delivery against the Levelling Up Fund Leisure Economy projects.

4.3 A regeneration specific Consultation and Communications Delivery Plan is in development.

5. Timetable and Accountability for Implementing this Decision

5.1 Town Deal Project Summary documents are to be returned to DLUHC by 27 June 2022.

5.2 Project specific programmes will be included in each of the individual Business Cases and further information is included at Appendix 1. Detailed design and procurement for each project will take place up to the end of 2022 with build beginning 2023.

5.3 The Towns Fund programme continues to March 2026 and the Levelling Up Fund to March 2025.

6. Financial and Procurement Advice and Implications

6.1 The cost of producing the business cases along with analysis, cost estimate and final project design will be met from capital and revenue grants received from the Levelling Up Fund, Town Deal and Mayoral Combined Authority, as authorised under the Council's grant governance process. The cost of the support from internal services including Legal, Finance, Asset Management and Procurement will be met from existing approved budgets

6.2 As identified in the main body of the report, the Business Cases require as part of their submission a Commercial Case which needs to detail the commercial deliverability and procurement strategy for the projects. It is essential that the procurement strategy identifies a route to market that is in compliance with the Public Contracts Regulations 2015 (as amended) and the Council's own Financial and Procurement Procedure Rules.

7. Legal Advice and Implications

7.1 It is recommended that as soon as any projects start to near delivery, officers liaise early with Legal Services regarding resourcing of the legal aspect of the project.

7.2 There are no material legal implications arising from the report other than as already detailed in this report.

8. Human Resources Advice and Implications

8.1 There are no direct HR implications arising from this report. Project development and delivery resourcing is outlined within section 2.3.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are not considered to be any direct implications for Children & Young People and Vulnerable Adults.

10. Equalities and Human Rights Advice and Implications

10.1 Early consultation was carried out in the preparation of the Town Investment Plan and the Levelling Up fund submissions to Government and equality assessments were carried out, however further detailed consultation and communication is being planned in the run up to Business Cases. This will be developed on a project-by-project basis to ensure the benefit of the planned regeneration is shared equally.

11. Implications for CO2 Emissions and Climate Change

11.1 CO2 emissions and impact on climate change will be a key fundamental consideration in the development of project designs and delivery. The full impact will be conveyed on a project-by-project basis through an impact assessment attached to each Business Case.

12. Implications for Partners

12.1 The Town Investment Plan and Levelling Up Fund applications were developed with the active engagement of partners. The proposals reflect a broad consensus among partners on priorities for investment.

12.2 Further consultation with partners will occur throughout the development of projects up to Business Case.

13. Risks and Mitigation

13.1 Full risk registers will be developed on a project-by-project basis and included with each Business Case.

13.2 Programme-wide risks include the ability to provide sufficient human and financial resources to develop projects at the required pace and level of detail to Business Case in June 2022. The provision of a 5% upfront capital fund from Town Deal will enable Town Deal projects to be developed alongside the first tranche of the Levelling Up Fund.

13.3 The rising costs of construction materials and contractor availability is emerging as a major risk to the delivery of the Town Deal and Levelling Up

Funds. Costs are regularly being reviewed and additional sources of funding investigated.

14. Accountable Officers

Lorna Vertigan, Strategic Regeneration Manager
Tim O'Connell, Head of RIDO

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	28/04/22
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	26/04/22
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	23/04/22

Report Author: Lorna Vertigan, Strategic Regeneration Manager

Lorna.vertigan@rotherham.gov.uk

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