

POLICY & FINANCE COMMITTEE

24 JUNE 2021

NEW FUNDING OPPORTUNITIES

1.0 Purpose of Report

1.1 To update Members on new revenue and capital funding opportunities.

2.0 Background Information

2.1 Members will recall from the March meeting that a raft of new funding grants, both capital and revenue, have recently been announced. Since that time Officers have worked with relevant Members, partners, and colleague authorities (notably Nottinghamshire County Council, Mansfield District Council and Bassetlaw District Council) to progress each opportunity. As Members will see from the urgency items elsewhere on this agenda the timeline for funding submissions has dictated agile decision-making in order to prepare strong, evidence-based bids.

Community Renewal Fund (CRF)

2.2 Members will recall that the CRF is a £220m national largely (expected c90%) revenue grant aimed at programs and interventions which can drive innovation and transformative change. Areas to address include removing barriers that people face in accessing skills and local labour market opportunities, business support, and place support. It is also noted that funding can be utilised to build evidence base(s) for future interventions via the UK Shared Prosperity Fund due to launch in 2023.

2.3 Members will be aware that Bassetlaw, Mansfield, and Newark & Sherwood fall within 100 local authority areas have been identified as Category 1 priority places for investment based on an index of economic resilience across Great Britain which measures productivity, household income, unemployment, skills and population density.

2.4 NCC are the identified accountable body for the Fund, who are responsible for assessing bids (up to a maximum of £3 million per place/LA area) for a final submission to Government by Friday 18th June 2021. NCC have engaged with colleagues at Bassetlaw, Mansfield, and this Council throughout the process. It has been made clear that bids will be expected to address one or more of the following key priorities:

- **Employment and skills** – Enabling people in targeted age groups, who have been disproportionately affected by the pandemic, to be supported back into work.
- **Enterprise** – Supporting small businesses and encouraging new businesses.
- **Market towns** – Supporting local market towns to improve footfall and increase businesses and residents' satisfaction.
- **Visitor economy** – Encouraging visitors in order to support local tourism and hospitality businesses.
- **Low carbon** – Support for businesses to improve their 'green' credentials.
- **Digital enablement** – Support for manufacturers to upskill the workforce to meet the increasing challenges of advanced technology and automation

2.5 A total of 37 bids were received across Nottinghamshire. At the time of writing NCC are appraising the submissions, with a likely final position on the number and value of bids being published by Nottinghamshire County Council after this agenda. A full verbal update on supported bids will be provided at the meeting.

Levelling Up Fund (LUF)

2.6 Members will recall that this is a £4.86 billion capital fund to invite proposals from local authorities areas for individual projects or a package bid (similar to the Towns Fund) consisting of multiple projects. District Councils within two-tier areas are eligible to submit bids for each constituency area which lies wholly or partly within their boundary. – in our case ‘Newark’ and ‘Sherwood’. County Council’s with transport powers are eligible, in addition, to submit one transport bid.

2.7 There is a £20m maximum per constituency area, albeit any NCC bid can be between £20m and £50m. All bids should have the approval of the relevant authority responsible for delivering them. For example, transport bids submitted by district councils should have the approval of their relevant transport authority.

2.8 Funds are eligible to support a range of interventions, covering for round one: 1) smaller transport projects; 2) town centre and high street regeneration; or 3) cultural and heritage assets.

2.9 Local authorities can only have one successful bid for each constituency area over the lifecycle of the Fund. Local authorities are therefore encouraged to consider whether bids that they wish to submit for the first round of the Fund reflect their local priorities, or if they should wait until later rounds so that they have more time to consider and develop their proposals.

Round One Bid

2.10 Round one bids must be submitted by **Friday, 18 June 2021**. It is expected that round one proposals will be sufficiently mature such that demonstrable investment or delivery ‘on the ground’ is capable in the 2021-22 financial year. Funding is expected to be spent by 31 March 2024 (exceptionally, into 2024-25 for larger schemes).

2.11 Members will recall the unanimous support for the Council to submit a Round One LUF bid for the Newark Southern Link Road (SLR) as the Newark constituency area proposal. The bid, whilst made by this Council, is also supported by the developer (Urban&Civic) and Nottinghamshire County Council. The bid has also been endorsed by the Newark Towns Board, Newark Town Council, and Newark Business Club.

2.12 As Members will note from the urgency item elsewhere on this agenda all three partners have equally shared costs of bid preparation as a show of collective support and willingness to deliver the projects and its well-reported significant benefits. Members will also note from the urgency item that additional grant release from already committed funds has been agreed to conclude design work for the roundabout at the A1-end of the SLR.

2.13 Following the agreement to release grant for the A1 SLR design works Highways England have identified some additional design works required due to some changes to overall design standards. Such works will require some further consultancy support with a view to amending the current full technical highways approval for the SLR. In order to conclude this work, which will remain within the overall capital ceiling, it is recommended that an additional £387,500 of grant funds be made available to conclude this work.

2.14 A copy of the final bid (including any necessary redaction) will be circulated to Members upon submission.

Round Two Bid

2.15 Members will note the previous resolution that the Council focus efforts on a round two submission for Sherwood. This would be supported by £125,000 of capacity funding to all eligible local authorities to cover feasibility and preparatory activity, allowing proposals to be developed and submitted. At the time of writing it remains unclear when the £125,000 capacity grant will be received, nor when round two will be 'live'. It is recommended that mobilisation takes place in advance of capacity funding. This will require that Members agree to 'forward funding' this grant, alongside securing additional officer capacity, as detailed elsewhere on the agenda.

One Public Estate (OPE) Brownfield Land Release Fund (BLRF)

2.16 The BLRF is offering up to £75 million (of which £25m will be allocated for self and custom-build projects) to unlock and accelerate the release of Brownfield sites. Applications will only be considered if the following 'gateway' criteria are satisfied:

- the land to which the application relates is brownfield land, fully owned by the local authority.
- the project must be undertaking capital works on local authority-owned land only
- funding must enable the release of the land for housing by end March 2024 or earlier, and must address market failure
- the works for which funding is sought are deliverable and within a timeframe that will enable the land to be released in time
- A threshold of 1.5 for Benefits Cost Ratio (BCR) + non-monetised benefits must be reached

2.17 Funding will provide upfront capital to address viability issues arising from abnormal costs of the proposed development. The types of abnormal costs requiring funding may include:

- site levelling, groundworks, demolition
- provision of small-scale infrastructure
- highways works or other access challenges
- addressing environmental constraints.

2.18 The BLRF was launched on 19 April 2021, with an initial call for sites to be concluded by 10 May via the North Midlands OPE Partnership. It was considered that only the proposal of sufficient maturity for this Council was the redevelopment at 32 Stodman Street, Newark. Members will be aware that this project is also identified for Towns Funding via the MCHLG approved Newark Town Investment Plan. 10 expressions of interest were received by the NM Partnership, 5 were in the N2 area - 3 from Nottingham City, 1 from NCC, and the Stodman Street project.

2.19 The Stodman Street bid has been submitted in accordance with the urgency decision detailed elsewhere on this agenda.

3.0 Equalities Implications

3.1 Each of the funding bids and/or individual projects consider equalities implications under separate cover.

4.0 Financial Implications (FIN21-22/414)

4.1 Budget associated with progressing bids for the Newark Levelling Up Fund and the Brownfield Land Release Fund are addressed via the relevant urgency decisions detailed elsewhere on this agenda.

4.2 The additional grant funding release of £387,500 requested at paragraph 2.13 in addition to the £600,000 mentioned in the urgency item later on the agenda and can be provided utilising the existing capital budget set up for the Southern Link Road. These costs form part of the £12m scheme and are not in addition.

4.3 As detailed at paragraph 2.15 above, due to the unknown timescale of receipt of the £125,000 capacity fund anticipated to support round two of the LUF bid, an initial £50,000 will be made available from the Change Management Reserve.

5.0 Community Plan – Alignment to Objectives

5.1 The funding streams detailed cut across all Community Plan objectives.

6.0 RECOMMENDATIONS that Members:

- a) **formally support the submission of the Community Renewal Fund bid by Nottinghamshire County Council on or before 18 June 2021;**
- b) **support the submission of the Newark Levelling Up Fund Bid for the Southern Link Road (SLR);**
- c) **the Director – Planning & Growth in consultation with the Business Manager, Law & Information Governance, be given delegated authority to enter into contractual arrangements with Urban & Civic (the Middlebeck master developer) to utilise a further £387,500 from NSDC as part of its overall maximum contribution of £5m towards the delivery of the whole SLR;**
- d) **support the proposals to progress work to develop a Sherwood Levelling Up Fund bid, including the forward-funding of £50,000 in anticipation of future receipt of £125,000 of capacity funding in association with round two of the Levelling Up Fund; and**
- e) **Members note and welcome the submission of the Brownfield Land Release Fund bid for 32 Stodman Street.**

Reason for Recommendation

To allow the Council to maximise funding opportunities to deliver its Community Plan objectives and to improve lives for residents across the District.

Background Papers

Urgency Item – Newark Levelling Up Fund

Urgency Item – Brownfield Land Release Fund

For further information please contact Matt Lamb on Ext 5842.

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