

## Report of the Portfolio Holder for Economic Development and Asset Management

### UPDATE ON THE LEVELLING UP FUND INCLUDING THE USE OF THE CHIEF EXECUTIVE'S URGENCY POWERS

#### 1. Purpose of Report

To provide an update on the progress of the Levelling Up Fund (LUF) in the Borough with immediate considerations for the projects in Kimberley following the successful award of £16.5 million and to note the use of the Chief Executive's Urgency Powers.

#### 2. Recommendation

##### **Cabinet is asked to:**

- 1. NOTE the exercise of the Chief Executive's Urgency Powers, under the Constitution as set out in section 5 below, to provide an additional capital budget of £200,000 in the Capital Programme 2022/23 for the Kimberley Levelling-Up Fund – Bennerley Viaduct project, with funding being provided by central government grant due from the Levelling Up Fund.**
- 2. RESOLVE that the appointment of an additional Economic Development Officer to help with the additional work load and short timespan requirements of the award be approved. The appointment at Grade 7 is to be made on an initial six-month contract at a cost of £19,100 to be wholly funded by Levelling-Up Fund grant receipts from central government.**

#### 3. Detail

In January, Broxtowe Borough Council found out that it was successful in its bid to Round 2 of the Levelling Up Fund and successfully won the full allocation of £16.5 million that was requested. Only 21% of LUF bids were successful in the second round, meaning that Broxtowe has done very well to achieve this result.

In the past month, there has been a lot of correspondence from the Department for Levelling Up, Housing and Communities (DLUHC), which has included several mandatory seminar and workshops, and internal meetings have also been taking place. There has been some publicity regarding the bid and the completed bid document has been published on the Council website with confidential information redacted.

Broxtowe have been arranging a cash flow facility for the projects to enable spend in this financial year. This is a requirement of the scheme. The Economic Development team have been working to provide support to projects to progress them, providing advice and guidance and trying to achieve early wins.

The LUF Small Grants Fund went live on the Council website on 1 March, and will close to applications on 20 March. There is a total of £25,000 available for grants to cover costs such as:

- Shop and business frontage improvement;
- Street scene or conservation area related activities, including “Victorianisation”;
- Environmental energy-saving measures that save the business money and reduce their carbon footprint;
- Disability access improvements;
- Digital, productivity and ecommerce investments that improve productivity or create jobs.

A subsidy control assessment has been requested by DLUHC and once this has been completed, a formal Memorandum of Understanding (MOU) will be sent by DLUHC to the Council. When this document is signed and returned, the funding will begin to be released. The first payment is expected to be around £2m covering the forecast amount placed in the DHLUC bid. DHLUC have also confirmed that they will honour 2022/23 spend even if there are issues with either the MOU or subsidy control.

The next payment will be for half of Year 2 spend in July, and then payment will occur every January and July until the programme ends. DLUHC have the right to withhold funding if the Borough does not meet agreed targets, one of which was early spend before the end of this financial year. As the LUF 2 launch programme has been delayed DHLUC have indicated that there will be flexibility. The Borough’s capital programme will need to be amended to take these developments into consideration

The Kimberley LUF projects consist of a programme of linked activities:

#### **Town Centre Improvements**

- Business grants.
- Electronic light and laser installations.
- New Business and Community Hub based at the Parish Rooms

#### **New Industrial Units and Sports Facilities**

- Relocate and improve the Kimberley Miners Welfare Football Club - 2<sup>nd</sup> team (KMWFC)
- Build modern industrial units at Digby Street (current location of the KMWFC 2<sup>nd</sup> Team).
- Develop new outdoor recreation facilities in conjunction with CISWO and others in line with modern community and sporting requirements

#### **Cycle Path Network and Bennerley Viaduct**

- Development of a cycle path from Phoenix Park Tram Stop to Kimberley.
- Urban cycle scheme through Kimberley, including cycle facilities

- Cycle paths linking Kimberley to Awsworth, Giltbrook, New Eastwood including a Cycle path to Bennerley Viaduct
- New Eastern Ramp and visitor facility at Bennerley Viaduct.

### What are the next steps for the Kimberley LUF?

To date the focus has been on getting the paperwork and protocols resolved to ensure the funding is locked into Kimberley, and ensuring spend is registered against project activity in 2022/23. On 2 March 2023 a meeting was held with the Members of the Kimberley LUF Task & Finish Group who assisted the bid, plus representatives from the Friends of Bennerley Viaduct. At this meeting it was agreed that individual project leads need to be established for each project to act as a single point of contact. In some cases, this will be Borough Officers in others it will need to be another lead organisation.

It was also agreed that a governance process such as a delivery board must to be established that must be led by Broxtowe as the Accountable Body, with this Cabinet as the final arbiter of key decisions. Partners should be represented but they cannot be Project Leads and a Board Member.

Key Legal arrangements between the Council and the individual projects need to be established and signed and the terms of the MOU cascaded down to those responsible for spend or delivery. Objectives and targets should be confirmed. A risk management workshop will be held as soon the project leads are confirmed.

The cycle route project is likely to be challenging and will need specialist expertise and support. Initial discussions and ideas have been shared with VIA EM and Nottinghamshire County Council who will be absolutely critical to the success of this project. One suggestion being proposed is that an expert cycle route delivery post be created which is co-hosted by NCC/VIA EM and the Borough Council. A paper will need to return to Cabinet once a way forwards becomes clearer.

Interviews were held for an Economic Development Officer to replace a recent resignation and a second candidate has emerged who is eminently appointable and measures are being put in place to secure their services.

A letter of cooperation between the Borough Council and Friends of Bennerley Viaduct has been agreed, this will allow the Council to expend money on this project and perhaps get some early development activity and planning requirements in the 2022/23 financial year.

### LUF Round 3

The bid for Eastwood to the LUF Round 2 which was unsuccessful. The Government has promised feedback on this which needs to be understood. The Government have also confirmed that there will be a LUF Round 3, with speculation that details will be released with the budget. Again there is an incredible amount of levelling-up in parts of the Borough such as Eastwood and

consideration will need to be given to leaving “no stones unturned” for a future Eastwood bid, though consideration will be required around the resources required and the likelihood of success. A further report will return to Cabinet as soon as more details are known.

#### Use of the Chief Executive’s Urgency Powers

Due to the Council’s budget report cut-off deadline date, the successful outcome of the Kimberley LUF bid, was not included within the February Cabinet budget reports and therefore there is currently no formal member approval for the expenditure on Kimberley LUF projects in 2022/23. The Council is to receive central government (DHLUC) approval for the successful Kimberley LUF bid (total funding £16m) bid, and is very keen to work with partners to move at pace in delivering the Kimberley LUF projects and demonstrate delivery to DHLUC. It was therefore, imperative to begin work on these project immediately in order to comply with profiled spend projections to demonstrate spend in the 2023/3 financial year.

#### 4. Financial Implications

The comments from the Head of Finance Services were as follows:

Following the use of the Chief Executive’s Urgency Powers, the approved Capital Programme for 2022/23 will now include a capital budget of £200,000 towards the Kimberley Levelling-Up Fund – Bennerley Viaduct project. The cost of the scheme will be financed from the Levelling-Up Fund grants to be received from central government.

The cost of the proposed Economic Development Officer post at Grade 7 on a six-month contract is £19,100 at 2023/24 budgeted pay rates including oncosts. The addition of this temporary post to the establishment would be funded directly by a capital salaries recharge to the capital programme to then be financed by Levelling-Up Fund grant receipts from central government.

#### 5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

There will be several legal implications arising from the Memorandum of Understanding (MoU), which will set out the grant conditions, clawback clauses and the Council’s obligations as well as the subsidy control implications. The Council will in turn need to enter agreements with each funding recipient to ensure that any funding conditions are met and the Council’s position is protected. These will be considered by the Legal team once in receipt of the MoU and as the projects progress to ensure the Council are legally compliant with the relevant legislation.

In relation to the Chief Executive’s use of Emergency Powers: Chapter 2 Part 1 of the Council Procedure Rules in the Council’s Constitution states:

In consultation with the Leader of the Council and where possible the Leader of the opposition, the Chief Executive has the power to authorise the taking or carrying out of action, notwithstanding anything in the Council's Procedure Rules, Financial Regulations all other delegations, where they consider that circumstances exist that make it expedient or necessary for action to be taken prior to the time when such action could be approved through the normal Council procedures. A report on such action, and the circumstances justifying the exercise of the delegated powers, shall be made to the next meeting of the Council as appropriate.

The item contained within this report are such circumstances where it is has been necessary for the action to be taken prior to the usual approval procedure.

6. Human Resources Implications  
N/A
7. Union Comments  
N/A
8. Data Protection Compliance Implications  
N/A
9. Equality Impact Assessment  
N/A
10. Background Papers  
Nil