

Report to: **COUNCIL**
Date: **19 July 2022**
Title: **Levelling Up Fund Round 2 and UK Shared Prosperity Fund**
Portfolio Area: **Council – Cllr Jory**

Wards Affected: **All**

Urgent Decision: **Y** Approval and clearance obtained: **Y**

Date next steps can be taken: Immediately following this meeting

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RECOMMENDATION:

That Council be RECOMMENDED to:

- 1. ratify the following decisions, failing which the Council’s commitment to give financial support for this Bid is to be withdrawn:**
 - that in view of the timetable for the submission of the Bid authorised by the Council on 5 April 2022 (Minute CM 70 refers) and the clarification of the likely capital costs of the West Devon Transport Hub in Okehampton, the Director of Place and Enterprise be further authorised to indicate in the Bid to the Levelling Up Fund 2 that the Council intends to make a match-funding contribution of £120,000;**
 - the match-funding contribution of £120,000 be funded from the UK Shared Prosperity Fund (UKSPF) monies allocated to the Council in the first instance, but in the event that the Council is not allocated any UKSPF monies or they are insufficient, the match-funding contribution, is funded from the Business Rates Retention Earmarked Reserve;**
- 2. delegate authority to the Director of Place and Enterprise, in consultation with the Leader of Council, to submit the UK**

Shared Prosperity Fund Bid for £1million in accordance with section 2.13 (below) and Appendix 1 before 1 August 2022 deadline.

1. Executive summary

- 1.1 The Council received a report at its meeting held on 5 April 2022 (Minute CM 70 refers) that set out the Council's intention, working in partnership with Devon County Council, Network Rail and Great Western Rail, to submit a revised Bid for the West Devon Transport Hub, to the second tranche of the Levelling Up Fund (LUF) (that was to open in the Spring of 2022);
- 1.2 At its meeting, the Council subsequently resolved that:

'the submission by the Director of Place and Enterprise of an application to the Levelling Up Fund Tranche 2 for capital funding for West Devon Transport Hub in Okehampton be approved.'
- 1.3 This report provides an update to the Council on the LUF and the UK Shared Prosperity Fund investment plan proposal following the Council meeting on 5 April 2022.
- 1.4 This report also sets out an opportunity for the Council to submit a Bid to the UK Shared Prosperity Fund before the deadline of 1 August 2022.
- 1.5 A version of this report was also considered at the Hub Committee Meeting held on 21 June 2022. In consideration of the report, the Hub Committee unanimously voted to approve the recommendations set out in this report.

2. Background

- 2.1 Central Government's LUF was announced as part of the 2020 Spending Review to support communities in order to regenerate town centres, enable investment in cultural facilities or upgrade local transport infrastructure;
- 2.2 The LUF is intended to focus on capital investment in local infrastructure thereby building on and consolidating prior programmes. The LUF must have a visible, tangible impact on people and places and support economic recovery;
- 2.3 The Government has categorised all local authorities based on the need for economic recovery and growth; improved transport connectivity and regeneration. As part of this process, West Devon Borough Council has been categorised as 'Medium Need - Priority 2';

- 2.4 During 2021, working in partnership with Devon County Council (DCC), Network Rail (NR) and Great Western Rail (GWR), the Council submitted a bid for approximately £11.2 million funding to deliver the West Devon Transport Hub in Okehampton. Unfortunately, this LUF bid proved to be unsuccessful;
- 2.5 Earlier this year, feedback was obtained on the application from representatives of the Department for Transport; Business, Energy and Industrial Strategy (BEIS) and Levelling Up Fund. The feedback had led to the conclusion that the bid had complied with the majority of the selection criteria. With specific additions (including further cycling and walking infrastructure), the bid would have likely been selected for funding;
- 2.6 Officers were notified that the LUF was re-opening during the Spring of 2022 to offer a second tranche of funding for high value local infrastructure;
- 2.7 As a result, again working in partnership with DCC; NR and GWR, the Council intends to re-submit a Bid to the second tranche for approximately £13.12 million (with a 10% match funding element of £1.32million) in order to deliver the West Devon Transport Hub in Okehampton. An amount of £1.2 million of match funding has been secured from Devon County Council, with West Devon Borough Council proposing to fund the remaining £120,000.
- 2.8 The West Devon Transport Hub presents a once in a lifetime opportunity to transform Okehampton and the surrounding hamlets with a multi-modal travel exchange, to create a thriving neighbourhood that welcomes everyone. It will include a: new station, lift and platform, a strengthened active travel cycle and walking offer, bus interchange, car park, EV charging, be fully accessible to wheelchairs and prams, and host a social wellbeing space.
- 2.9 The bid is supported by the local MP, as well as the local authority areas of Torridge, North Devon and Cornwall.
- 2.10 With regard to the timetable, it is a requirement for schemes to be deliverable by March 2025 and the submission deadline is Wednesday, 6 July 2022.
- 2.11 The Council report from 5 April 2022 meeting did highlight the possibility for a matched funding contribution to be required from the Borough Council towards the active travel element of the Bid and this has proven to be the case. As a result, this report is asking the Committee to set out its support for the Council to make a contribution of £120,000.
- 2.12 The match-funding contribution of £120,000 is be funded from the UK Shared Prosperity Fund (UKSPF) monies allocated to the

Council in the first instance, but in the event that the Council is not allocated any UKSPF monies or they are insufficient, the match-funding contribution is funded from the Business Rates Retention Earmarked Reserve.

- 2.13 There is also a small window of opportunity (from 30 June to 1 August 2022) for the Council to make a Bid to the UK Shared Prosperity Fund for £1million. Whilst more information is set out in the presentation slides at Appendix 1, of particular note is the fact that funds are available, but can only be accessed via the production of robust investment plans. To ensure that the opportunity is not lost, the Committee is asked to recommend to Council to grant delegated authority to the Director of Place and Enterprise, in consultation with the Leader of Council, to submit a Bid to the UK Shared Prosperity Fund before 1 August 2022 deadline for £1million.

3. Outcomes/outputs

- 3.1 The West Devon Transport Hub will deliver a station entrance, two platforms connected by a bridge and be serviced by a passenger lift.
- 3.2 Onward connectivity will be provided locally on bike and by foot, on public transport via a bus interchange on Hameldown Road, and by car from the surface level car park with EV charging points.
- 3.3 There will be improvement of active travel cycling and walking links within Okehampton to incorporate the Transport Hub, through the Community Renewal Fund bid already submitted by the Council should it be successful, and in partnership with Devon County Council in the future.

4. Options available and consideration of risk

- 4.1 The Council has been categorised as 'priority 2 – medium need' and there is no guarantee that the Bid will be successful;
- 4.2 If the Bid proves to be successful, a number of partner organisations will be responsible for the multiple strands of project delivery, the Council will not be a direct delivery partner, but will be represented on the project board;
- 4.3 Delivering rail projects within budget and on time is notoriously challenging and this project will be no different;
- 4.4 It is a requirement of the Council Constitution for the sought financial contribution of £120,000 to be ultimately a decision of Full Council. However, the Council is not due to meet again until 19 July (i.e. 13 days after the Bid submission deadline). As a result, the report seeks to recommend that the Council ratify the

match funding contributions at its meeting on 19 July 2022. In the event that the Council does not approve this recommendation, then the Council's commitment to give financial support for the Bid will be withdrawn.

5. Proposed Way Forward

5.1 Notwithstanding the need for the Council to ratify the recommendations (as set out at section 4.4 above), the Committee is asked to approve the following recommendations:

1. That, in view of the timetable for the submission of the Bid authorised by the Council on 5 April 2022 (Minute CM 70 refers) and the clarification of the likely capital costs of the West Devon Transport Hub in Okehampton, the Director of Place and Enterprise be further authorised to indicate in the Bid to the Levelling Up Fund 2 that the Council intends to make a match-funding contribution of £120,000; and
2. That the match-funding contribution of £120,000 be funded from the UK Shared Prosperity Fund (UKSPF) monies allocated to the Council in the first instance, but in the event that the Council is not allocated any UKSPF monies or they are insufficient, the match-funding contribution, or in the case of insufficient UKSPF monies the balance of it, is funded from the Business Rates Retention Earmarked Reserve.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	It is intended that the Governance arrangements will be agreed at project level, with the project sponsor for the Borough Council being identified as the Director for Place and Enterprise.
Financial implications to include reference to value for money	N	<p>The bid to the Levelling Up Fund Round Two is for £13.12 million (with a 10% match funding element of £1.32million) in order to deliver the West Devon Transport Hub in Okehampton. An amount of £1.2m of match funding has been secured from Devon County Council, with West Devon Borough Council proposing to fund the remaining £120,000.</p> <p>It is proposed to fund the £120,000 from the UK Shared Prosperity Fund or if this is insufficient, from the Business Rates Retention Earmarked Reserve.</p> <p>The bid to the UK Shared Prosperity Fund is for £1million. No match funding from WDBC is being requested as part of this funding stream.</p>

Risk	N	These are addressed at Section 4 of the report.
Supporting Corporate Strategy		Re-opening the Railway Line and improving transport links to it will improve the economic prosperity of the region.
Climate Change - Carbon / Biodiversity Impact		Rail projects are seen as a viable low carbon alternative to road use. Ensuring that onward travel on public transport is smooth and convenient will maximise the chances of improving modal switch away from the car. Cycle infrastructure and EV Charging Points will be installed as part of or soon after the station is opened, should the Bid be successful
Comprehensive Impact Assessment Implications		
Equality and Diversity		Not applicable
Safeguarding		Not applicable
Community Safety, Crime and Disorder		Not applicable
Health, Safety and Wellbeing		Not applicable
Other implications		Not applicable

Supporting Information

Appendices:

A – PowerPoint slides delivered to a Member Briefing session on 14 June 2022.

Background Papers:

Council agenda and minutes – 5 April 2022 meeting; and
Hub Committee agenda and minutes – 21 June 2022 meeting.