

Subject:	Rossendale Levelling Up Fund Bid	Status:	For Publication
Report to:	Full Council	Date:	18 th August 2022
Report of:	Director of Economic Development	Portfolio Holder:	Leader of the Council and Portfolio Holder for Economic Development
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
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1. RECOMMENDATIONS

- 1.1. Council note the submission of a £17.9m application to the Government’s Levelling Up Fund that will support the regeneration of: Rawtenstall and Bacup Market areas, Union Street Public Realm, Rawtenstall Connected Public Realm, the establishment of ‘The Bridge’ skills and employability centre and capacity enhancements to Rawtenstall gyratory.
- 1.2. Council provide authorisation to accept the grant, if the bid is successful, and enter into a grant funding agreement.
- 1.3. Council to authorise £1.8m of council funding from the strategic reserve to support the projects, if the bid is successful.
- 1.4. Council to authorise acceptance of Lancashire County Council funding of £1.5m to support the projects, if the bid is successful.
- 1.5. To delegate authority to the council’s Section 151 Officer working jointly with the Finance and Economic Development portfolio holders to agree the detail of any amendments to the project funding or grant acceptance.
- 1.6. A delivery plan to be presented to Cabinet for approval if the bid is successful.

2. EXECUTIVE SUMMARY

- The Levelling Up Fund is a key Government policy to promote economic growth and tackle the gap between income levels in the regions compared to more prosperous areas.
- The Levelling Up Fund bidding process is competitive and the Rossendale bid will be scored against other bids from across the country.
- The bid has been developed through the Rossendale Levelling Up Board with the Leader, Leader of the Opposition, MPs and leading business representatives.

- The bid focuses on the following two project themes, town centres and transport which match the aim of the Levelling Up Bid :
 - Rossendale Town Centres focusing on market, public realm improvement and skills development and
 - Rawtenstall gyratory improvements to ease traffic flow and reduce congestion
- The collective projects would require £21.08m in funding with £17.9m from the Levelling Up Fund, £1.5m from Lancashire County Council and £1.8m from Rossendale Borough Council.

3. BACKGROUND

- 3.1 The Levelling Up Fund is designed to invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.
- 3.2 Across the UK, unitary authorities, London Borough Councils and district councils in two tier areas in England are eligible to submit bids for the second round of the Levelling Up Fund which was announced in the 2022 Spring Statement. Rossendale has been identified as a Priority 1 area by the Government for the fund.

4. INVESTMENT THEMES

- 4.1 The second round of the fund focuses on the same three investment themes as the first round: local transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets. In particular, the fund will look to support:
- Transport investments** including public transport, active travel, bridge repairs, bus priority, local road improvements and major structural maintenance, and accessibility improvements.
 - Regeneration and town centre investment**, building on the Towns Fund framework to upgrade eyesore buildings and dated infrastructure; acquire and regenerate brownfield sites; invest in secure community infrastructure and crime reduction.
 - Cultural investment** maintaining, regenerating, or creatively repurposing existing cultural, creative, heritage and sporting assets, or creating new assets that serve those purposes including theatres, museums, galleries, production facilities, libraries, visitor attractions (and associated green spaces), sports and athletics facilities, heritage buildings and sites.
- 4.2 The funding must be used by March 2025. Bids will be competitively assessed. Bids must follow MP constituency boundaries and require the formal support of the Rossendale and Darwen MP. It should be noted that Haslingden projects were initially considered for this project with the agreement of the Hyndburn MP but it was not considered appropriate to progress these as the Levelling Up Fund is assigned to constituency boundaries. It is intended that the improvement of Haslingden market is funded through the UK Shared Prosperity Fund (which the council is submitting an investment plan to unlock by the Government by the Autumn).
- 4.3 Please refer to the background paper link for further details of the funding prospectus.

5. DETAILS OF THE BID

Rossendale's strategic context

5.1 The Council's Corporate Plan identifies a thriving economy as a priority. This is supported by the Council's Economic Development Strategy. This has five priority areas, including town centres as well as skills and employability. The council has also adopted the Bacup and Haslingden 2040 Visions and Masterplans that set out our 20-year priorities for those town centres.

Rossendale Levelling Up Board

5.2 The Rossendale Levelling Up Board has been meeting since October 2021 to lead and develop the funding bid. This has taken on board the views of the Group Leaders, MPs, local business representatives and stakeholders. It is envisaged that the board will continue and act as the project board for the bid if it is successful, with delegated authority for decision-making and monitoring of spend. Progress will be regularly updated to Council.

5.3 The Board has terms of reference which will be amended if funding is secured to act as the governance body with the Council delegating spend and project delivery. The amended terms of reference will be agreed between the portfolio holder for Economic Development and the Chief Executive.

Supporting evidence and expertise

5.4 The Board appointed several economic development, town centre and skills consultants to support them in the development of the funding bid, led by Genecon (who have been successful in winning a number of bids to the Future High Street Fund and Town Deals). The Board has considered the various options, best practice and local priorities. The following projects have been developed and have formed part of the bid.

5.5 The Board has also been supported by three subgroups that have been able to bring in wider stakeholders with interests in town centres, skills and transport. The feedback from the subgroups has helped to inform the Board in their shortlisting of the strongest Rossendale projects.

Proposed LUF bid projects

5.6 Project 1: Rossendale Town Centres

- Bacup Market redevelopment and Union St public realm
- Rawtenstall Market reconfiguration and associated public realm
- Rawtenstall Connected
- 'The Bridge' Skills and Employability Hub – Rawtenstall Old Town Hall

Project 2: Rawtenstall Gyratory

- Introduction of safe cycle and pedestrian opportunities as part of and surrounding the gyratory
- Cut congestion and reduce carbon emissions, improving air quality and overall experience of transport users
- Unlocking the borough's future housing and employment growth as committed in years 1-15 in the adopted Rossendale Local Plan

Rossendale Town Centres

5.7 Bacup Market and Public Realm Upgrade

A key part of the 2040 Vision is the development of a new purpose-built indoor market, events square and cycle hub. This will provide a destination point at the heart of the town. This follows extensive consultation with residents, businesses, stakeholders and approval by the Bacup 2040 Board.

5.8 The vision outlines delivering a thriving town centre through sustainable development with business and community investment through the significant redevelopment of the site containing the current market. Footfall and occupancy rates will be boosted through events and the town centre will be a welcoming environment that people want to visit and spend their leisure time.

5.9 The design has been shaped by public consultation and input from stakeholders. Consultation showed that there is a clear need to repurpose the offer for both residents and visitors in Bacup town centre. The key findings from the consultation include:

- 75% state that the current shop provision does not meet their needs
- 70% would like to see alfresco dining – indicating demand for a café culture
- 75% do not currently visit in the evening – showing that the evening economy could be significantly improved
- 87% want more night time entertainment/leisure/food and drink offer – this shows demand for expansion of the evening economy
- 85% want to see new community space i.e. a space which can be used flexibly for a variety of functions/activities
- Only 14% shop on the existing market – showing that the current market offer does not meet the needs of existing shoppers
- 81% would visit an indoor market – showing demand for an indoor modern facility

5.10 The design has been significantly revised since the previous Future High Streets Bid and now focuses on the following core elements:

- New indoor market with 1st floor mezzanine accommodating both quality traditional market traders and a new food and drink offer
- New Market Square – providing an events space and outdoor market offer
- Cycle Hub and café – linking with nearby cycling facilities such as the Valley Of Stone and Lee Quarry. This will replace most of the current 12 Market Street building, with the basement area repurposed for cycle storage and an entrance
- Union Street upgrade – the pavement widened to accommodate a café culture, a one-way system introduced, re-designated on-street parking/loading bays, a tree-lined environment and bus stop relocation. This will greatly improve the pedestrian environment in the town whilst maintaining car access to the inner core of the town centre.



Union Street, Bacup



Bacup Market Square view from Market Street



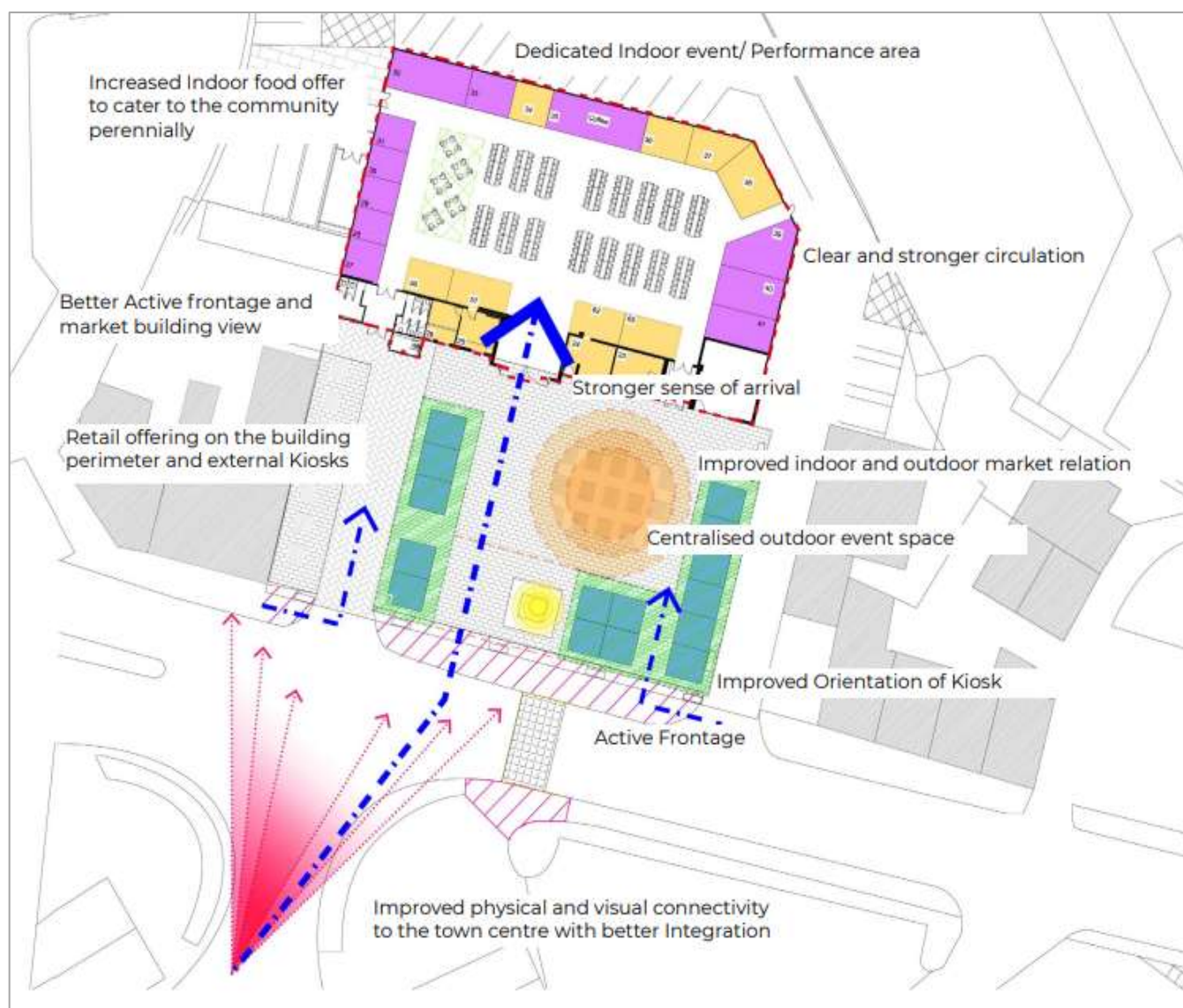
Bacup Market Square view towards Union Street



The view inside Bacup Market

Rawtenstall Market

5.11 Rawtenstall market is growing and is popular. We will build on the existing strengths and reconfigure the market to offer an enhanced market experience. Recent years have seen the development of events and the food and drink offer. The inside market will be repurposed to support more indoor events and food and drink businesses. The outside area will be opened up to offer a more attractive frontage and outside good weather events area. Central to these plans will be the retention of existing quality traders. Feedback from discussions with existing market traders will inform the final delivery plan for the project.



- All existing traders will be offered a stall in the reconfigured market
- Build on the success of Rawtenstall's thriving market food offer by creating a destination building that is better connected and integrated with the town wider town centre
- Moving the food offer to the market hall, creating an exciting destination which caters to the community all year round – increasing dwell time and customer spend
- Transforming the external kiosks and public realm so that the events and seating area has a stronger connection with the town centre, creating new views and vistas of the market building and creating a stronger layout for the market frontage

- Shifting the dry goods and retail offering to the perimeter of the market hall and the external kiosks, with the latter designed so that it presents an appealing frontage and courtyard full of activity, especially during the more clement weather
- Opportunity for pop-up markets to occur externally and internally to provide variety and interest to the public
- Improvements to the building fabric and infrastructure to future-proof the asset through insulating the roof, introducing new efficient LED lighting and including photovoltaic panels on the south-facing roof
- Architectural treatment to the external kiosks to include a sedum green roof (or other that will bring a contemporary image of the market to the street edge, with the timber kiosk units referencing the existing structures in their sympathetic scale). The canopy at the street edge will reveal the market building, which is currently hidden from the key approaches from the town centre



A daytime view of Rawtenstall Market from Bank Street.



An evening view of Rawtenstall Market from Bank Street.

Rawtenstall Connected

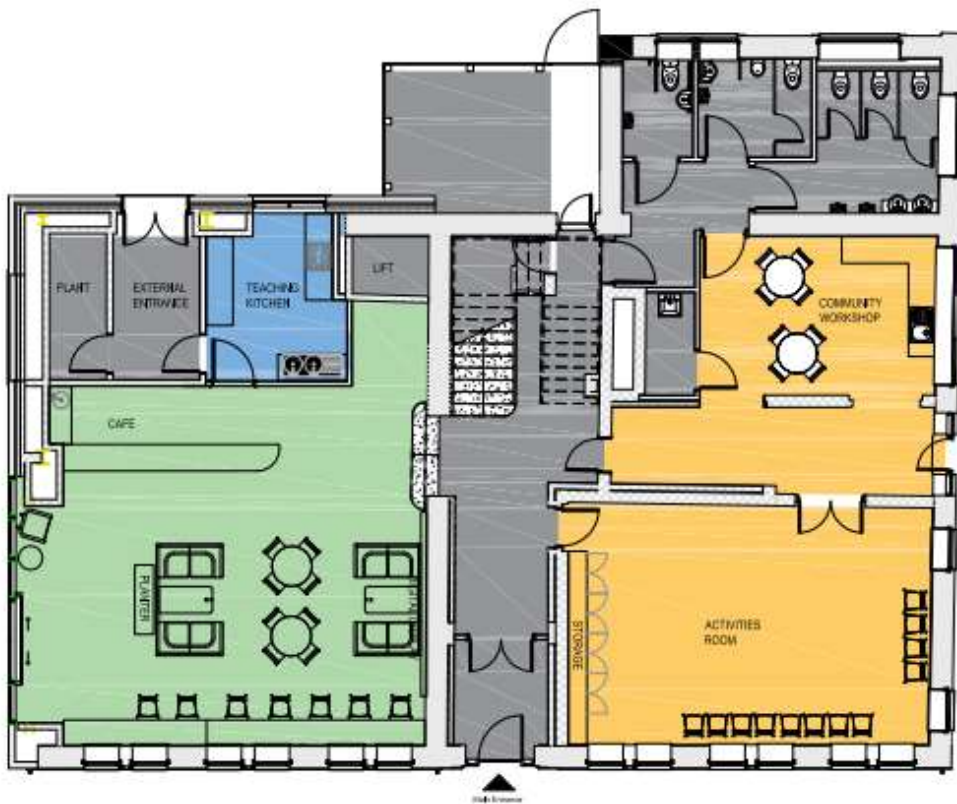
5.12 Rawtenstall Connected is a project to improve the pedestrian and cycling footfall between the key sites within the town centre; running from New Hall Hey, Railway Station, Skills and Employability Hub, Bus Station, Town Square, Bank Street and Rawtenstall Market. This will include new directional interpretation signage at key sites, wayfinding markers along the route and enhancements and adaptations of the public realm where necessary to aid the pedestrian journey.

'The Bridge' Skills and Employability Hub

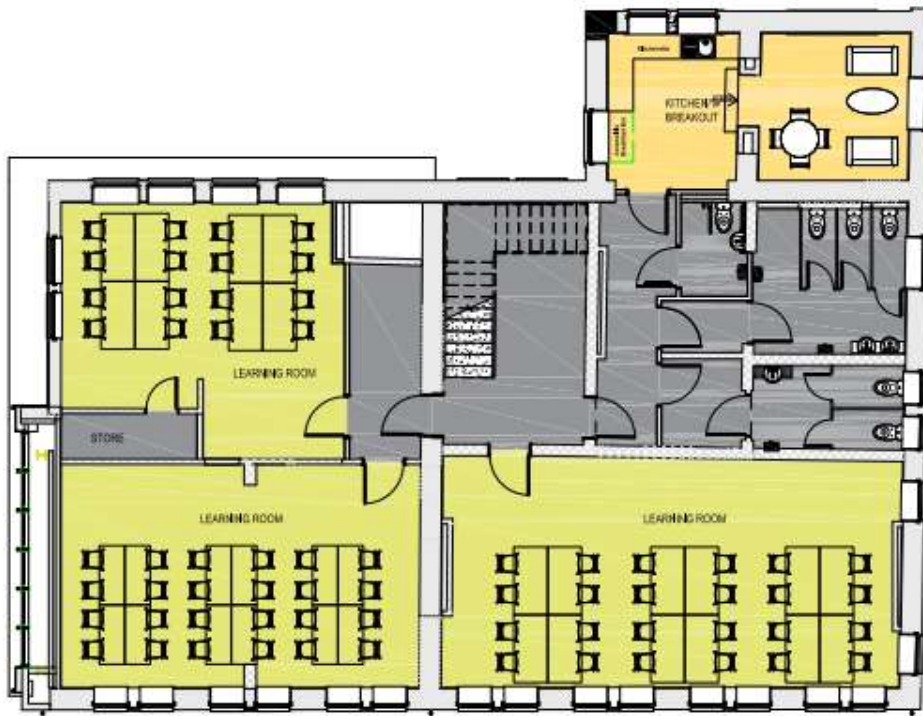
5.13 A new centre for skills and employability provision in the borough. Improving our skills outcomes and supporting residents into employment.



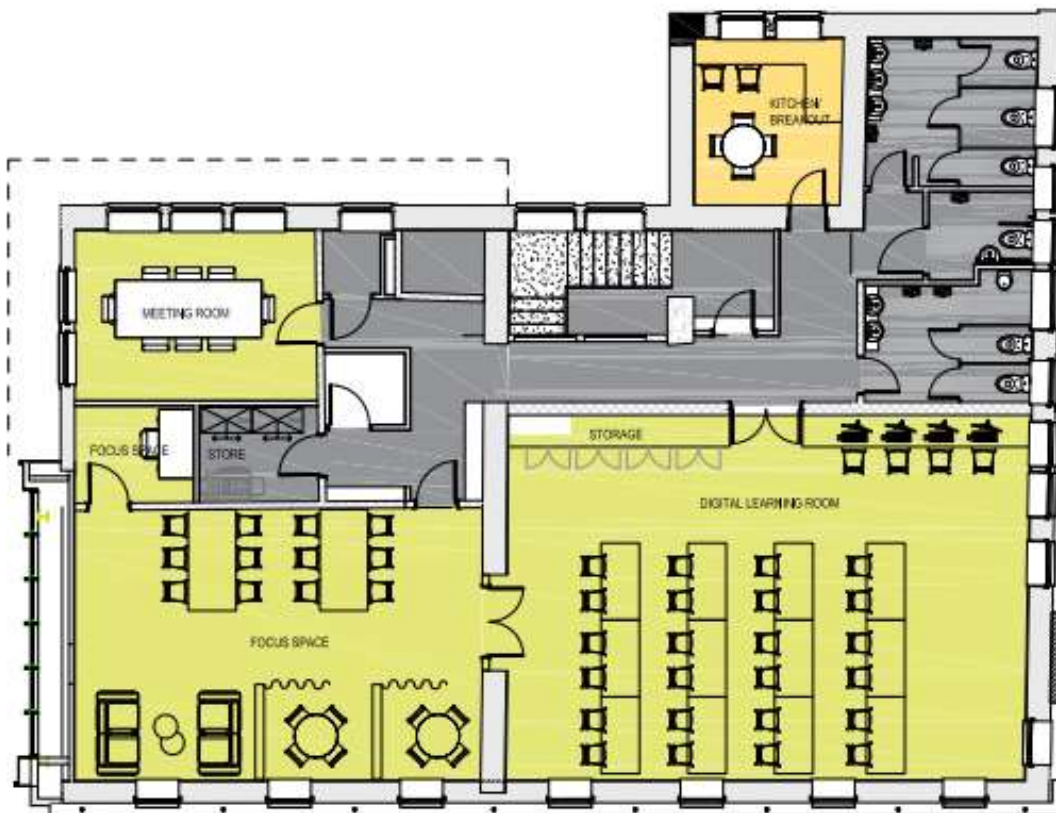
- Partnership between Nelson & Colne College and Active Lancashire
- Re-use of the refurbished Rawtenstall Old Town Hall building
- Provide a base for Rossendale Works on the ground floor and the College on floors 1 and 2
- Base for Rossendale Works employability project
- Providing courses for around 225 learners per years, with an aspiration to increase the numbers in coming years



Ground Floor



First Floor
1:00



Second Floor
1:00

5.14 Rawtenstall Gyratory

The development of the Local Plan identified improving the gyratory as a key highway infrastructure issue which will prevent the delivery of future housing and commercial growth if not undertaken. The three main towns in Rossendale converge on the gyratory and it is already over capacity in terms of saturation of traffic and length of queuing times. By 2024 the gyratory will be significantly overcapacity and will form a significant barrier and disincentive to retention of key businesses and future growth. Funding will be used to improve:

- Capacity on the gyratory in a phased approach to reduce congestion. This includes introducing new and improved signalisation and engineering works to allow for a single lane through the current gyratory linking Haslingden to Bocholt Way.
- Cycle path, pedestrian and signal improvement.

5.15 Feasibility and modelling work has been completed to improve the gyratory. The detailed proposals will be discussed over the Summer to ensure the proposed works best meet the needs of local people. Feedback from these discussions will inform the final delivery plan for the project.

6. FUNDING

The table, below, summarises the breakdown of costs in the bid.

Table of cost	Total	LUF	RBC	LCC
Project 1 Town Centres				
1:1A Bacup Market	£7,888,824	£6,955,837	£508,902	£424,085
1:1B Union Street	£455,127	£401,301	£29,360	£24,467
1:2B Rawtenstall Town Hall – The Bridge	£516,462	£455,381	£33,317	£27,764
1:2A Rawtenstall Market	£4,201,281	£3,704,409	£271,021	£225,851
1:3 Rawtenstall Connected	£889,798	£784,564	£57,400	£47,833
Sub-total	£13,951,491	£12,301,491	£900,000	£750,000
	65.6%			
Project 2 Gyratory				
Land	£100,000	£75,804	£13,198	£10,998
Build	£7,201,321	£5,575,517	£886,802	£739,002
Sub-total	£7,301,321	£5,651,321	£900,000	£750,000
	34.4%			
P1 + P2	£21,252,812	£17,952,812	£1,800,000	£1,500,000

7. RISK

All the issues raised and the recommendations in this report involve risk considerations as set out below. These have been limited to the grant application at this stage, as each project will have its own risk register:

a) Benefit Cost Ratio is not strong enough

The Benefit Cost Ratio calculation is determined by the revised Green Book criteria. This is mainly but now not exclusively linked to land value uplift calculations. As Rossendale has low land values in comparison to other national areas this is a potential disadvantage. The

bid will be critically assessed before submission and any low scoring elements amended where possible to mitigate this risk.

b) Delay in approving the project by the Government

This is not in Rossendale's control. We know that round one was approved after a period of consideration. An extended period of Government deliberation on bids may compromise the ability of contractors to deliver the projects by Spring 2025.

c) Government rejecting the proposal

Approximately one in three bids were approved by the government in Round 1 and this is a real risk to the project but we are confident that this application will represent a strong bid.

d) Delivery is not possible within the grant funding timescales

The deadlines issued will be considered against each project plan, a two-year turnaround will be challenging but has been considered deliverable.

e) Ongoing revenue implications

It is unknown at this stage whether there will be any on-going revenue costs for the Council, however it is anticipated that these will be kept to a minimum by entering into leases with partner organisations to run the facilities.

8. FINANCE

8.1 The bid is based on a blend of Levelling Up Fund, Lancashire County Council and council funding. The **bid to the fund is for £17.95 million** the total cost of the works within the bid will be £21.25 million (the balance being made up of £1.8m council funding and £1.5m LCC funding).

8.2 This project is not designed to create an income stream for the Council, therefore whilst there may be opportunities to generate income, the £1.8m contribution is a cost to the Council. There is also a risk in that the Council currently has a lease with Together Housing for their occupation of the old Town Hall, which is set to run until December 2028, the lease generates an £82k per annum revenue receipt for the Council. The receipt is factored into the Council's Medium Term Financial Strategy (MTFS), therefore if as part of this scheme the lease is surrendered and the income stream is not replaced, it will place additional pressure on the MTFS. It is intended that an agreement with the current lease holder to provide some compensatory provision to allow surrender of the lease, for example to provide for payments for the first two years of the project. Once the project is underway, officers will ensure the optimum funding arrangements are in place, including funding from the anticipated main tenant of Nelson and Colne College, contribution from any revenue generated from the proposal case use within the facility and including use of capital receipts, internal borrowing or PWLB borrowing. It is unknown at this stage whether there will be any ongoing revenue costs of the proposed schemes, therefore this is a risk to the MTFS.

9. LEGAL

9.1 The legal implications are, on the whole, covered within the body of the report. In the event that the bid is successful, consideration of the grant funding agreements will need to take place prior to their execution.

9.2 The proposal for the old Town Hall will require a Deed of Surrender to be completed with the current tenant, Together Housing, and heads of terms will need to be negotiated for any new lease the proposal brings forward. Full due diligence will need to be carried out to ensure the protection of this council asset with minimum liability to the Council.

9.2 Each element of the bid will have its own legal requirements. Depending on the success of the bid and final proposals, further reports to Council or Cabinet may be required. Any resultant procurements must be carried out in accordance with the Constitution and public contracts regulations.

10. POLICY AND EQUALITIES IMPLICATIONS

The project will support the Council's Corporate Plan. Consultation has taken place with the LUF Board, Portfolio Holder, MP and CMT. Any equality implications related to the proposed projects will be given consideration in a relevant and proportionate manner.

11. REASON FOR DECISION

The Rossendale Levelling Up bid will, if successful, deliver transformational change to two of our town centres and Rawtenstall gyratory. This will support our economic development aspirations and is an excellent opportunity to lever in significant external funding to improve both the town centres and opportunities for local people.

Background Papers	
Document	Place of Inspection
www.gov.uk	https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus
Bacup 2040 Vision	https://www.rossendale.gov.uk/downloads/file/15636/el4019_the_bacup_2040_vision