

Open Report on behalf of Andy Gutherson, Executive Director for Place

Report to:	Councillor M J Hill OBE, Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning)
Date:	17-18 June 2021
Subject:	Submission of Application for Funding to UK Community Renewal Fund and Levelling Up Fund
Decision Reference:	I022139
Key decision?	Yes

Summary:

The County Council has the opportunity to make two bids into the funds that the government has made available for regional growth – the UK Community Renewal Fund and the Levelling Up Fund. This paper explains that Lincolnshire County Council (LCC) is the lead organisation for Community Renewal Fund and has run a consultation programme which has led to projects of sufficient quality to make a bid with a value of £9.000m to government. The paper goes on to explain that as the local highway authority LCC can make one bid to the Levelling Up Fund and because of the economic impact and because of deliverability it is proposed that the bid submitted by LCC is for £20.000m for transport improvements on the A16 between Boston and Spalding. Bids should be submitted on 18th June 2021.

Recommendation(s):

That the Leader of the Council (Executive Councillor for Resources, Communications, and Commissioning):

1. Approves the submission of a Lincolnshire-wide bid to the UK Community Renewal Fund in accordance with Table 1 in the Report
2. Approves the submission of a Lincolnshire County Council bid to the Levelling Up Fund for transport improvements which support the growth of the food manufacturing sector in the A16 corridor which connects Boston and Spalding
- 3 Authorises the Executive Director for Place to determine the detail of the final form of both bids for submission

Alternatives Considered:

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| 1. | Not to submit bids |
| | If a bid is not submitted the Council and the wider county will miss out on the opportunity to attract funding which can be used directly to support the Lincolnshire economy's recovery from the effects of the Covid-19 pandemic |
| 2. | To approve a different mix of proposals within the bid |
| | The constituent projects within the proposed UK Community Renewal Fund have been identified as a result of an open process and chosen following a detailed evaluation process involving the Council and other partners. |
| | The proposed bid to the Levelling Up Fund has specifically been designed to meet the explicit requirements of the Fund including deliverability within the deadline for expending the funds. |

Reasons for Recommendation:

Lincolnshire County Council (LCC), along with the Lincolnshire Enterprise Partnership (LEP) and other partners, have produced an economic recovery strategy which seeks to tackle the problems created by Covid-19 and the subsequent lockdown. The government's UK Community Renewal Fund and Levelling Up Fund provide a good opportunity to deliver aspects of that economic recovery strategy.

The proposed bids, if successful, will draw significant external funding into the County to enable the delivery of a wide variety of projects which are specifically targeted to address key issues affecting the county's economic recovery including in particular supporting business, improving places and developing skills and employment opportunities.

1. Background:

LCC, along with the LEP and other partners, produced an economic recovery strategy which seeks to tackle the problems created by Covid-19 and the subsequent lockdown. The government's UK Community Renewal Fund and Levelling Up Fund provide a good opportunity to deliver aspects of that economic recovery strategy.

All bids are part of a competitive process, and they will be judged on their merits by civil servants who will then recommend to ministers which schemes should be approved. Because of this there is merit in making representation to ministers and senior civil servants about the strategic importance of these bids.

Any bids that are unsuccessful will be logged and considered for UK Shared Prosperity Funding into the future.

UK Community Renewal Fund

This is a revenue based programme which will operate for just one year, until March 31st 2022. The government's intention is to learn from the implementation of the UK Community Renewal Fund in order to design its long-term successor, the UK Shared Prosperity Fund. County councils have been asked to lead UK Community Renewal Fund programmes, following an open and transparent call for projects.

LCC has been told that our bid can have a financial ceiling of £9.000m. However, it should be noted that the entire UK Community Renewal Fund budget is smaller than the amount of budgetary ceilings which have been announced, so it is quite possible that even strong bids will receive less funding than their ceiling budget.

LCC ran an open and transparent call for projects during May 2021, based on the headings in the economic recovery plan of skills, business, place, and employment.

A formal prospectus was published which identified the priorities that we wished to support and the criteria against which we would choose projects. This process met the guidance for the fund as set out by government. The LCC team which administered the process was separate to the team that bid for funding, and the final element of the process was a panel of external partners which gave an independent overview of the bids and the recommendations of which projects to submit to government that were made by LCC.

We received project submissions totalling £19.000m. This amount included bids from LCC for digital skills, green masterplan, entrepreneurship, and employment of disadvantaged people. Greater Lincolnshire LEP made a bid for UK Food Valley. Both the LCC and LEP bids use some core budget funding, i.e. they will make existing budgets go further rather than seeking additional funding from the council.

A summary of the LCC and LEP submissions is included as appendix A to this report. The core budget funding for the LCC bids is £100,000 for each bid from the Department of Business, Energy, and Industrial Strategy's growth hub grant (the total grant to LCC is £500,000 and the grant contract between BEIS and LCC specifically encourages growth hubs to use that funding to lever extra monies for economic development related activity). The LEP project's match funding is from the LEP reserve which has been generated through accrued interest and through the accumulation of in-year underspends.

In order to assess the robustness of projects, technical appraisal of every submission has been undertaken and a panel of partners has met to provide challenge to the appraisal process and ultimately to sign off the process. The recommendations to the panel of partners are that the bid should include these schemes:

Table 1

Applicant organisation	Project name	Amount requested
Business projects		
Greater Lincolnshire LEP	UK Food Valley	£1.152m
Health and Wellbeing Lincolnshire	Care sector recruitment project	£0.099m
Lemon Consulting	Hospitality sector network and recruitment project	£0.209m
Lincoln College	Leadership programme	£0.625m
Lincolnshire County Council	Entrepreneur programme	£1.292m
University of Lincoln	Barbican –creative industries advice project	£0.483m
Employment projects		
Abbey Access Centre, Lincoln	Employment programme for long term unemployed	£0.701m
Education Business Partnership	Virtual reality work experience project	£0.316m
John Egging Trust	Young people's confidence and skills project	£0.077m
Lincolnshire Credit Union	Finance for employment	£0.130m
Lincolnshire CVS	Voluntary sector development project	£0.265m
Urban Challenge, Lincoln	Access to employment project	£0.290m
Place projects		
Active Lincolnshire	Walking and cycling programme	£0.138m
Boston College	Town centre programme for Boston	£0.432m
Lincoln Business Improvement Group	Town centre programme for Lincoln, Mablethorpe, Skegness	£0.532m
Lincolnshire County Council	Green Lincolnshire (green masterplan)	£1.020m
Skills projects		
Lincolnshire County Council	Digital Skills programme	£1.262m

Total programme cost		£9.030m

Whilst the projects listed above may look like a list of disparate projects, a compelling storyboard based around the county's market towns, food sector opportunities, and low carbon ambitions will be made to demonstrate their coherence to government.

This would lead to a bid for £9.030m being made. As the organisation managing the programme LCC is entitled to a management fee of 2% of the total bid value (£180,000) which will cover the external costs which were incurred through the appraisal process and will also cover some of the lost grant support following the end of EU funding programmes.

The bid will be submitted on 18th June 2021 and government have said that they will announce the outcome of bids before the summer parliamentary recess.

Levelling Up Fund

The Levelling Up Fund has two strands. Firstly, there is funding of up to £20m which district councils can apply for, primarily those district councils in priority one areas which in Lincolnshire are Boston, City of Lincoln, and East Lindsey. Secondly there is funding of up to £20m, and by exception up to £50m, which the local transport authority can bid for for one transport scheme.

We understand that all three priority district councils will be bidding for Levelling Up Fund, and that West Lindsey will also make a bid of £8.500m for a Gainsborough regeneration scheme.

LCC can make a bid for a transport scheme, and the approach that has been taken is to ensure that the project is deliverable within the Levelling Up Fund timeframe –ie completed by 31st March 2024- and that the project is appropriate to the finance that is available – i.e. that it is similar to the Department for Transport pinchpoint funding that was used to create the Levelling Up Fund. The government has said that it also expects all transport projects to include elements of walking, cycling, and potentially bus provision within them.

Through previous work (the development of the Local Transport Plan and the review of the Route Action Plan) we had identified that substantial congestion has a negative impact on the operations of the food manufacturing sector, a sector which employs 6 times the national average in Lincolnshire, and which represents one of our economic strengths. Because of the importance of this sector to Lincolnshire's economy, and of the sector to employment within the South East of the county, transport projects in this area have been prioritised for the Levelling Up Fund.

The Local Transport Plan has provided the strategic narrative and the complimentary work done within Highways on the review of the Route Action Plan has helped to determine

which schemes would be deliverable for any bid. The Route Action Plan review identified the schemes which would have the greatest impact on road traffic flows and which have the strongest benefit cost ratio. Separately, officers have used the data in the Route Action Plan review and other information to identify which schemes could be deliverable within the Levelling Up Fund timeframe.

The project that has evolved from this process incorporates improved junctions at A16/A151 Spalding (Springfields), A16/B1180 at Spalding (Greencell), and the A16 (Marsh Lane) junction in Boston. Improvements to cycling, bus transport and walking in the Marsh Lane area are included as is feasibility research into the dualling of a section of the A16 in Kirton. The Boston area schemes are identified in the Boston Transport Strategy. These schemes are described in the attached appendix B. It should be noted that the government departments which appraise the bids may choose to support individual aspects of the bid rather than the whole package.

Our technical advisers have provided a range of costs for each aspect of the bid, and the bid and each of these costs will be firmed up as part of the council's formal capital decision process. For the purpose of the bid the most likely figure has been chosen, generally the mid-point between the lowest and highest part of the range.

It should be noted that this scheme is a Levelling Up Fund bid and is constrained by the rules of the fund particularly concerning deliverability. Separately, and as a priority using our own Advanced Design Budget resources, LCC are undertaking detailed feasibility and design work for routes to relieve congestion in Boston town centre. This wider strategy will add value to the bid.

The total amount of the Levelling Up Fund grant is £20.000m. The government has said that it expects that applicant organisations would provide a 10% contribution to the overall bid and therefore £2.000m of council match funding is required which, if the bid is successful will be the subject of a submission to the council's capital programme.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

All of the projects that form our submission to the Community Renewal Fund have been asked to demonstrate how they meet the requirements of the Equalities Act and these have been assessed by the LCC staff.

As the applicant for the Levelling Up Fund LCC has provided a statement explaining how the project supports the requirements of the Equalities Act.
The statements for both funds demonstrate that the schemes support the requirements of the Equalities Act.

Some schemes in the Community Renewal Fund bid, notably those concerned with employment measures, actively promote the Equalities Act by providing training and support to people with protected characteristics.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

The JSNA and the JHWS both identify that there is a strong link between the security and quality of a person's employment and their health. Both of the bids that are described in this paper are concerned with creating and safeguarding employment in Lincolnshire and therefore they directly contribute to the JHWS which has arisen from the JSNA.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

Elements of the Community Renewal Fund bid will concentrate on improving the vitality of town centres. It is recognised in many studies that active town centres with large levels of footfall can deter anti-social behaviour.

3. Conclusion

In summary, UK Community Renewal Fund and Levelling Up Fund are two short-term funding opportunities. They provide the opportunity to deliver some short term and targeted activity in support of the economic recovery plan whilst we continue to target more strategic and larger scale activity through other funding sources.

4. Legal Comments:

The Council has the power to make a bid against the two funds and to deliver the Council projects included in the bids if they are successful.

The decision is consistent with the Policy Framework and within the remit of the Leader of the Council and Executive Councillor for Resources, Communications, and Commissioning

5. Resource Comments:

It is expected that elements of matched funding will be required to support the bids to both the Community Renewal Fund and the Levelling Up Fund.

For Community Renewal Fund projects, match funding has been identified from within the Council's existing allocation of Place directorate funding.

If the bid for Levelling Up Fund is successful it is expected to require £2.000m matched funding which is not specifically budgeted for within the Council's current Capital Programme. There is however, a New Developments Capital Contingency Fund within the approved 2021/22 Capital Programme that is sufficient to fund the required investment.

6. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This decision will be considered by the Overview and Scrutiny Management Board at its meeting on 17 June 2021 and the comments of the Committee will be reported to the decision-maker.

d) Risks and Impact Analysis

See the body of the Report

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	LCC and LEP bids to UK Community Renewal Fund
Appendix B	Elements of LCC Transport Bid

8. Background Papers

No background papers as defined in section 100D of the Local Government Act 1972 were relied upon in the writing of this report.

This report was written by Justin Brown, who can be contacted on 01522 554825 or justin.brown@lincolnshire.gov.uk.

LCC and LEP bids to UK Community Renewal Fund

LEP UK Food Valley Pilot

The UK Food Valley Pilot tests an innovative food sector support programme to develop skills and innovation capacity and attract new staff to a growing sector which has been too reliant on migration. The programme includes five activities:

1. A SME business, innovation and technical support package
2. Small revenue grants for food and farming of £5,000-9,999 at a maximum grant rate of 50%
3. Welcome to the Food Industry' programme introducing food careers
4. An innovation programme
5. Feasibility studies to develop innovation, skills and business development programmes delivering the three UK Food Valley themes identified by industry: automation/digital; low carbon; protein transition/naturally good for you food

A UK Community Renewal Fund investment of £1,766,140 is sought. The funding package includes match funding of:

- £600,000 match funding from businesses towards the investments they make
- £25,000 match funding from University of Lincoln's Lincoln Agri-Robotics programme to undertake one of the three feasibility studies (automation and digital) which form the three core delivery themes agreed for the UK Food Valley by industry
- £20,000 match funding time from Councils to assist with the allocation and identification of businesses for the programme
- £20,000 match funding in staff time for project support from the University of Lincoln's National Centre for Food Manufacture

LCC Digital Skills Programme

Digital Lincolnshire is a partnership programme focussing on raising digital competencies across entire communities. . It is comprised of physical drop-in facilities, structured training and grants.

Digital Facilities

4 Digital Hublets will be created within existing and well-known public venues located in ELDC (Skegness, Mablethorpe, Louth and Horncastle). They will provide space for training providers to deliver community based digital training. A private 5G test network will be implemented, in partnership with O2, at an Innovation Centre where 200 local businesses can collaborate with larger operators to test new ideas such as Remote Diagnostics and Monitoring, Robotic Trials and Internet of Things (IoT) experimentation.

Digital Skills for All

This programme looks to support anyone looking to upskill, reskill or gain confidence around the digital agenda. Delivery will be via a blended approach of classroom and online provision, to meet learners' needs and widen participation. Activity includes delivery of

digital training programmes by FE Training Providers and bootcamps for 500 unemployed/underemployed individuals providing entry and intermediate level digital skills provision.

Digital Grants

Access to grant funding, at varying intervention rates, to bring forward digital projects e.g., consultancy support, new websites, on-line trading, additional staff training or investing in IT hardware/software.

£1,362,000 UK Community Renewal Fund investment is sought

£117,000 Public Sector Matched Funding - All Secured - £117,000. (£100,000 cash contribution from existing LCC budgets and £17,000 In Kind contribution towards Program and Project Management costs.

£292,333 Private Sector Match Funding - To be secured at the point that Grant application are approved. We are however very confident that this will be secured based on known demand due to the fact that recent similar grant programs have been heavily oversubscribed.

LCC Entrepreneurship Programme

The project will establish an integrated package of support areas that will inspire new business start-ups and improve entrepreneurial skills and increase creative thinking to ensure business growth and survival. These include but are not limited to

Start Up Support - New Entrepreneurs

18 experienced business people will be trained with mentoring skills and will subsequently mentor 24 business owners and engage 150 young people in schools/colleges or unemployed to inspire business start-up. 20 under 30's, will develop their business ideas through a 12 hour "bootcamp" ending with a Dragons' Den style event to pitch their business plans and secure a £3,000 seed corn grant.

Entrepreneurial Skills for Growth

24 Creative, Digital and Tech Businesses will benefit from workshops and 1:1 mentoring which introduce new techniques, technologies and collaborative software to explore topics such as: "Measuring what matters", "Story Selling" and "Fearless negotiations".; 48 Businesses will benefit from one of 4 'Growth Sprints', using Google Design Sprint techniques and mix 144 leaders from diverse industries to work collaboratively on Growth experiments; and 24 Businesses will undertake a Creative Thinking programme including a mix of joint workshops and deep dive ideas sessions. Topics include '10 types of Innovation', 'Creative Exercises for Ideas Generation' and 'Baking Creativity into the organisation'

10x10 Business Accelerator: an intensive series of 10 sequential workshops for 36 high growth businesses promoting rapid growth, culminating in a pitching session and £2500 grant for the winner (modules include digitisation and zero carbon).

A Pub Recovery Programme, using the “Pub Accommodation Development Guide” with 1:1 support and workshops for 48 businesses, to encourage development of accommodation & facilities.

Invest for Growth

3 grants targeted at specific locations, sectors and type of project:

- i) Rural Business Grants, up to £5,000 @ 60%
- ii) Visitor Economy Grants, up to £10K @ 60%
- iii) Invest for Future Grants, up to £25K @ 25%

£1,723,500 of UK Community Renewal Funding is being sought

£122,000 Public Sector Matched Funding - All Secured - £122,000. (£105,000 cash contribution from within existing LCC budgets and £17,000 In Kind contribution towards Programme and Project Management costs.)

£959,500 Private Sector Match Funding - To be secured at the point that Grant application are approved. We are however very confident that this will be secured based on known demand due to the fact that recent similar grant programs have been heavily oversubscribed.

LCC Green Lincolnshire

Green Lincolnshire is an integrated programme of Net-Zero support activities. This includes:

Marketing activity, using traditional methods and TED style debates to target key sectors, employers, public & social enterprises, individuals and wider communities to commit to the Lincolnshire Net-Zero Pledge; Awareness raising activity in 20 schools highlight emerging job opportunities within environmental/energy saving sectors to groups of 8 to 18 year olds; and success stories, lessons learned and environmental innovations will be shared at a Lincolnshire Climate Summit in October 2021, coinciding with the Lincolnshire Net-Zero Pledge launch and Glasgow COP26 event.

1:1 support and Net-Zero Audits will be offered to 40 businesses. The report and recommendations will support the business to work towards IIE status

Grant funding, at varying intervention rates, to bring forward revenue and small capital investment aimed at carbon reduction e.g. Solar Panels, Green heating, insulation, EV adoption and larger investment schemes:

A Net-Zero Research & Development Fund in which organisations can bid to research additional approaches to net-zero. There will be opportunities to pitch for research funding to add to those currently being considered, including: Net-Zero Parishes, Adoption of Electric and Hydrogen Vehicles, Anaerobic Digester Facilities, Meeting future demand, Last Mile pilot.

£1,350,500 will be sought from the UK Community Renewal Fund

£207,000 Public Sector Matched Funding - All Secured - £207,000. (£90,000 cash contribution from the Green Master Plan budget and £100,000 from the Growth Hub budget) In addition, there is a £17,000 In Kind contribution towards Program and Project Management costs.

£1,061,000 Private Sector Match Funding - To be secured at the point that Grant application are approved. We are however very confident that this will be secured based on known demand due to the fact that recent similar grant programs have been heavily oversubscribed.

Appendix B

Elements of LCC transport bid

Scheme	Indicative Cost Ranges		Bid
	Lower Range	Upper Range	
A16 Marsh Lane Roundabout, Boston	£3m	£4m	£3.5m
A16 / B1180 (Greencell) Roundabout, Spalding	£6m	£10m	£8m
A16 / A151 (Springfields) Roundabout	£3.2m	£6m	£4.6m
A16 / Station Road Junction (Kirton)	£1.6m	£2m	£3.6m
Active Mode Improvements - Boston (Wyberton Low Road / Marsh Lane)	£0.8m	£1m	£0.9m
Bus travel improvements			£0.5m
Active Mode Improvements - Spalding (A151 Camel Gate Junction)	£0.8m	£1m	£0.9m
Indicative Package Total	£15.4m	£24m	£22m Of which £20m LUF £2m LCC