

## CABINET

17 JUNE 2022

### REPORT OF THE PORTFOLIO HOLDER FOR BUSINESS & ECONOMIC GROWTH

#### A.3 LEVELLING UP FUND BID SUBMISSIONS

(Report prepared by Lee Heley, Rebecca Bromley and Laura Richardson)

#### PART 1 – KEY INFORMATION

##### **PURPOSE OF THE REPORT**

To request Cabinet's endorsement to the Council submitting two Levelling Up Fund bids, one for Clacton and one for Harwich and Dovercourt, each requesting up to £20m from government. To approve allocation of £2.295m from funding already set aside by the Council for Town Centre Levelling Up to provide match funding to the bids. To delegate to the Leader authorisation to approve the final bids for submission by the 6 July deadline.

##### **EXECUTIVE SUMMARY**

The government Levelling Up Fund (LUF) aims to support local economic growth and invest in communities across the UK. The £4.8 billion fund has been designed to be released across a number of funding rounds, and will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.

The Chancellor's Spring Statement on 23 March 2022 confirmed the scope and submission deadline for the second round of bids to the Levelling Up Fund (LUF).

Working in partnership with Essex County Council (ECC), Tendring District Council intends to submit two bids to the Levelling Up Fund (LUF), one for Clacton Town Centre, and one for Dovercourt Town Centre. The Town Centre focus reflects the Government levelling up aspiration to increase pride in place, and specific aims to increase people's satisfaction with their town centre and engagement in local culture and community by 2030. The projects comprising the bids reflect local priorities as they are drawn from the Clacton Future High Streets Fund plans, and the Dovercourt Masterplan Revisited, which were consulted on previously.

The Council is working with partners including Essex County Council, Essex Housing, Essex Highways, and an external consultant (Volterra) to develop the bids. Coordination of the bids requires working to a tight timescale as the government deadline for final submission of the bids is 6 July 2022.

The consultants supporting the technical aspects of the business case development for the bids are working on the financial and economic cases. Until that work is complete, the final financial case for the bid and the detail of investment required by the Council will not complete. However, given cost inflation, the full £2.295m is expected to be required.

There are two projects to be included in the bid for Clacton:

- Redevelopment of the **Carnarvon House** site to provide up to 28 new homes, car parking, electric charging points, and start-up business units, with the potential for public sector use. This site is in Council ownership. The financial costs in the bid are under quality review and subject to change, but are currently £21-£22m total project costs, with a grant from government ask of £14m -£15m. The project is planned to be delivered by TDC with consultant delivery partners and contractors, with the option to explore ECC-led delivery through Essex Housing. There is the potential for 40 per cent of these homes to social or affordable housing, with demand for one and two bedroom flats in the town.
- Redevelopment of the existing ECC **library site** to make provision for a new library and Adult Community Learning centre with additional flexible office space as part of a public sector hub. This project is being developed by ECC and would be delivered by the County Council and Essex Housing if the bid were successful. Costs are currently under review, with total project costs currently £9m and the grant requirement from government to be determined.

Discussions are underway with public sector partners on the potential for a public sector hub with health and skills providers. The University of Essex have also expressed an interest in teaching space in the area. The hub could be located in the expanded library, or on the ground floor of the Carnarvon House development.

The projects forming the Clacton bid were taken from unsuccessful bids to the Future High Streets Fund in 2020, and Round One of the Levelling Up Fund, in 2021. Feedback from assessors on those bids encouraged a resubmission in the second round of Levelling Up funding, and specific feedback has been incorporated into the bid.

The bid has also been revised in the light of deliverability and significant cost inflation. The earlier Round One bid had included an events space in Clacton town square and covered market/starter units and under cover walkway, which was reliant on the demolition of the Marks & Spencer's building, which is no longer feasible. And the earlier bid included public realm and highways works including transport infrastructure between the town centre and Jaywick Sands, which are not included in this Round Two bid, as those works would have resulted in a loss of car parking in Clacton.

There are three projects included in the bid for Harwich and Dovercourt Town Centre:

- Development of the **Milton Road site** to include nine homes, tree planting and public parking bays, to be delivered by TDC. The financial costs in the bid are under quality review and subject to change, but are currently £3m total project costs, with a grant from government likely to be about £1.5m. The project is planned to be delivered by TDC with consultant delivery partners and contractors, with the option to explore Essex County Council led delivery through Essex Housing. There is the potential for these homes to be social or affordable housing as part of the Council or Housing Association stock.
- Refurbishment of **Harwich Library** to increase the current mezzanine space, which will in turn facilitate the re-introduction of Adult Community Learning to Harwich and Dovercourt and provide additional, flexible space for the co-location of services and

community use. The project will be delivered by Essex County Council.

- **Public realm improvements** from Dovercourt station to Kingsway, to include the realignment of the road space with footway build-outs, formalisation of the station parking, and the provision of a new pedestrian crossing and a direct pedestrian connection across the space from Station Road into Kingsway. The projects will be delivered by Essex County Council through Essex Highways.

The projects for Harwich and Dovercourt are taken from the Dovercourt Masterplan Revisited. This is the first time the Council has made a bid for funding for these projects.

The benefit to cost ratio in the economic case of each bid is an important part of the decision making process for funders, with the number of homes, economic floor space, and sustainable transport providing benefits, against the financial ask of government. The previous Clacton bids had significantly more flats in Clacton than the current proposals, 129 compared to 28. This change is due to cost inflation, where build costs have increased ahead of home sales values, making each flat less viable. Fewer flats also require a smaller scale multi-storey carpark, and free up space for commercial, community and public sector uses. The Harwich and Dovercourt bid has nine homes, skills provision, and public realm improvements. The consultants will advise the Council ahead of bid submission of any changes required to make the bids fundable in terms of the benefit cost ratios.

Alongside the two Tendring District Council led bids, Essex County Council's Sustainable Transport team intend to submit a Transport bid for up to £50m, subject to technical assessments. The District is fortunate that the County Council is considering bidding to fund a transport project in Tendring, and a priority of the District Council. This is the connection between the A133 and the A120, which would enable a right turn from the A133 towards Harwich, and a left turn from the A120 towards Clacton, joining up the District's two largest towns and enabling travel from Clacton to the Freeport, once it is operational. In addition the bid would include cycle-ways within Harwich to complement the District's bid, and improve transport links between Dovercourt and Bathside Bay, which is currently cut off by a rail line and road.

Members of Parliament can only offer formal endorsement to one bid in their constituency. ECC's transport bid is located within the Harwich and North Essex constituency and we understand Sir Bernard Jenkin MP intends to endorse to that bid if it is submitted as it is the highest value bid within the District. The Tendring District Council led bid for Harwich and Dovercourt will have informal MP support in the form of a letter. A number of bids in Round One were successful with letters of support from their Member of Parliament.

We expect to hear whether we have been successful in the Autumn, likely in November based on past experience. There is strong competition for Levelling Up Funding; £1.7 billion of funding was allocated in Round one, success with even one bid is not guaranteed and experience from the first round suggests that no Council can expect to see three successful bids in one place. However, the potential investment, from both the award of the Levelling Up Funding, coupled with the additional investment the funding could unlock, warrants the risk of not securing funding.

## **RECOMMENDATION(S)**

**It is recommended that:**

- a) **Cabinet endorse the principle of submitting two Tendring District Council led town centre bids as set out in this report;**
- b) **Cabinet approve allocating the entirety of the funding set aside by the Council for Town Centre Levelling Up 2.295m to support the bids, should it be needed once the financial cases are complete;**
- c) **Cabinet delegate final approval for both Tendring District Council led Levelling Up Fund final bids to the Leader of the Council, in consultation with the Section 151 Officer, for submission by the deadline of 6 July 2022, including a decision on the final level of investment required to support the bids; and**
- d) **Cabinet notes and supports the submission of the Essex County Council led transport bid.**

#### **REASON(S) FOR THE RECOMMENDATION(S)**

Both bids, if successful, will allow TDC to implement improvements to support Town Centre economies in the district.

The projects proposed in the Clacton bid allow for joined up provision of public services in a convenient town centre location for residents, whilst also being easily accessible from Clacton station. There will also be an offer of housing, and start-up business units with flexible use. The presence of Essex University would bring an additional further education presence into Tendring, with a complimentary offer to Anglia Ruskin's existing Into University programme.

The projects proposed in the Harwich and Dovercourt bid would revitalise the area around the station and create a new public space to create a better gateway to the town and seafront, with an improved transport interchange. The proposals for the High Street and Kingsway will encourage footfall and dwell time, with the amendments to the library allowing Adult Community Learning to establish a presence in the area. There is also potential for complimentary provision from Colchester Institute, which will allow residents to attend courses virtually, without having to travel outside of the locality.

When feedback was received on the first round LUF bid for Clacton, we were encouraged to resubmit a revised application when the second round of Levelling Up Funding was made available.

By having two MP constituencies within the TDC local authority area, we have the opportunity to submit two bids. Given the opportunities in Harwich around the Freeport, and projects set out in the existing Dovercourt Masterplan Revisited, which have already been consulted on, we are in a position to submit a bid for Harwich and Dovercourt town centre.

#### **ALTERNATIVE OPTIONS CONSIDERED**

There are other options which have been considered:

**Do nothing:** Tendring District Council would not submit any bids to the Levelling Up Fund

Not submitting a bid would allow officer time to be focused on other projects, and would reduce any financial or delivery risk to the Council from running major capital works if either of the bids is successful. However, not submitting bids would also reduce the opportunity for investment in the towns of Clacton and Harwich at a significant scale, with the benefits that will bring, and so this option has not been chosen.

**Submit one bid only:** just the Clacton bid, or the Harwich and Dovercourt bid.

It would be possible to focus on one bid to seek to ensure that it could be of the highest quality. However, we have the opportunity to submit a bid for both areas and the support of additional resource from Essex County Council and from external consultants has facilitated this work. As a result we have put in bids for both areas.

## **PART 2 – IMPLICATIONS OF THE DECISION**

### **DELIVERING PRIORITIES**

#### **Corporate Plan (2020-2024)**

Successful LUF bids will allow us to meet the following priorities in the Corporate Plan:

Building Sustainable Communities for the Future

- Vibrant Town Centres
- Building and managing our own homes

A Growing and Inclusive Economy

- Develop and attract new businesses
- More and better jobs

Community Leadership Through Partnerships

- Joined up public services for the benefit of our residents and businesses

#### **Corporate Priorities 2022/23**

Submission of two LUF bids would be in line with the following Corporate Priorities for this financial year:

- Supporting existing businesses: Applying to the Levelling Up Fund is highlighted as an action which will support this priority.

#### **Economic Strategy 2020-24**

The Tending Economic Strategy was updated in 2020. The Strategy uses evidence from Office of National Statistics to demonstrate that there have been some important changes in the district's economy in recent years which require a change in approach.

Submission of two Levelling Up Fund bids would complement the following areas for Action set out in the Strategy:

- Supporting long term investment into local civil society, citizen engagement and participatory activities within Jaywick Sands and Clacton
- Building the capacity of local civil society and third sector organisations to support the

development of routes to employment in community businesses, social enterprise and alternative labour markets

- Work with core Higher Education and Further Education partners (primarily the University of Essex and the Colchester Institute)
- Accommodate the business needs of a growing population by developing new flexible spaces for start-up and micro business growth.

### **Tendring District Council Local Plan 2013 - 2033**

If successful, delivery of the projects submitted in the Levelling Up Fund bids, would align with the following strategic objectives set out in Section 1 of the Local Plan, adopted on 26<sup>th</sup> January 2021:

- Providing sufficient new homes
- Fostering economic development

The projects within the Levelling Up Fund bids also align with the vision for Tendring District, set out in Section 2 of the Local Plan, adopted on 25<sup>th</sup> January 2022.

### **Levelling Up Fund Round 2: Missions**

As part of the launch of Round 2 of the funding, the government set out twelve missions to provide consistency and clarity over levelling up policy objectives.

The proposed projects reflect the following missions:

- By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK.
- By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.
- By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas
- By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
- By 2030, pay, employment and productivity will have risen in every area of the UK

## **OUTCOME OF CONSULTATION AND ENGAGEMENT**

MP support has been obtained for both TDC led bids; Giles Watling MP has agreed to provide formal support to the Clacton bid. Sir Bernard Jenkin supports the Harwich & Dovercourt Town Centre TDC led bid and will write a letter to that effect, and also provide his formal support to the ECC transport bid, which would bring the highest level of investment into Tendring of the three bids.

The Dovercourt Masterplan revisited was consulted on in 2016.

Although the projects comprising the Clacton bid have been revised, they were all accepted for submission to the Future High Streets Fund and the Levelling Up Fund round 1.

An engagement plan is underway, with discussions diarised with Clacton Coastal Forum, Clacton Town Centre Partnership, Harwich Town Council, Harwich and Dovercourt Tourism Group, and other stakeholders from the Health sector.

**LEGAL REQUIREMENTS (including legislation & constitutional powers)**

Is the recommendation a Key Decision (see the criteria stated here)	YES	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	Added to the Forward Plan on 26 April 2022.

X **The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

These two bids do not formally commit the authority to action at this stage and therefore falls within the Council’s Budget and Policy Framework. However, given the scale of the investment requested, if the Council is successful further decisions will be required by the Council and depending upon the extent of these, recommendations from Cabinet to Full Council maybe required, before contracting with government.

**FINANCE AND OTHER RESOURCE IMPLICATIONS**

The Council will bid to the Levelling Up Fund, for Clacton and for Harwich and Dovercourt, for up to £20 million per bid.

The bids will require the Council to allocate the full matched funding of £2.295m already set aside for Town Centre Levelling Up by the Council. The division of that funding between the two bids will be determined in the coming weeks as the final financial cases are complete, but it is likely that most of the funding will be required by the Clacton bid given the scale of the Carnarvon Road scheme.

Given the tight timescales in developing the bid since the government announced the second funding round, the Council will not receive the final costings quality reviewed by the consultants until 15 June, and there will then need to be work to align financials for all projects across the bids. As a result the final submissions with the financial costings are not included here and will be agreed by the Leader and signed off by the Section 151 Officer.

To give a sense of scale of the bids, the Clacton Carnarvon House scheme current planning assumptions are for £21-£22m total project costs, with a grant from government of £14m -

£15m. However, these are subject to change through the review process. The Clacton library scheme is currently expected to be between £7m and £8.5m, depending on the preferred option, with the funding request to government to be agreed. As a result there is likely to be a need for a total ask of government close to the full £20m for the Clacton bid. The scale of the funding ask is due to build cost inflation and realistic assumptions about values of the completed commercial and residential property in the bid, which leaves a substantial funding gap.

The Milton Road scheme at Dovercourt has a current estimated total project cost of about £3m with a funding request to government of £1.5m. The estimated cost of the public realm works to be delivered by ECC and Essex Highways is likely to be between £4 and 5m. To support the library refurbishment, there is the option to obtain funding for decarbonisation through government funding via SALIX. The cost of the library refurbishment is around £1m (if decarbonisation works are included), or £0.75m if decarbonisation costs to be met by Salix are taken out. As a result the total request to government for the Harwich and Dovercourt bid is likely to be in the region of £7m, depending on matched funding put to it from the Councils.

The total funding ask across the two schemes is likely to be in the region of £27m, with total project costs of £40m.

ECC will be taking a decision on their match funding contributions for the Harwich and Clacton bids ahead of bid submission.

To deliver the Carnarvon Road and Milton Road schemes, the Council would need to incur expenditure in advance of funding to start work in progress, as government pays grant in arrears against agreed delivery milestones. This process would be agreed during contracting if the bid were successful. The total project costs will be well in excess of the grant, and so the Council would need to consider additional funding opportunities, including borrowing, until there are significant revenue inflows, for example housing units were sold or leased. The cost of borrowing is built into the financial models, should it be required.

There would be financial risks to mitigate in delivering the Carnarvon Road capital scheme given its scale, and to a lesser degree, the Milton Road scheme. The larger the overall project cost, the larger the financial impact of even small percentage variances in costs would be to the Council. Build cost inflation is hard to predict, with 25 percent uplift included in modelling for the Clacton bid (uplifted from the original 2020 prices).

Projects at this scale require the sustained focus of the Council. Given the size of these the Carnarvon Road Scheme and Milton Road, the Council will need to prioritise investment here to ensure their successful delivery, which is likely to have an impact on the scale and speed which the Council can deliver other projects in the District within its longer term financial planning period. This funding requirement will need to be considered within its wider financial planning framework.

There are also significant resource risks in project delivery. Projects at this scale will require substantial staff and contractor resources. The bid includes £1,500,000 professional fees to cover requirements including design and project management, employer's agent services. While Milton Road and Carnarvon House schemes are planned to be delivered by the Council, the option remains for discussion with ECC and Essex Housing, if bids were successful, about their role in delivery. If the Levelling Up Fund bids are successful, delivery of the other schemes identified in both areas (libraries and public realm) would be led by colleagues within



Essex County Council, including Essex Highways, and Essex Housing.

As the bidder, the District Council will hold the funds for all projects in Clacton and Dovercourt. While we will not carry the direct financial risks for the delivery of schemes led by Essex County Council, we are likely to be required to develop a system for passing on grant to them to deliver the library and public realm schemes. This process will be developed during contracting with DLUHC, if we are successful.

**X The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

The final bids will be submitted on the decision of the Leader, and as Section 151 officer I will approve the final costings before submission.

#### **USE OF RESOURCES AND VALUE FOR MONEY**

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	These bids, if successful, would significantly increase the Council's capital delivery spend on the Carnarvon House and Milton Road schemes, and could also require substantial borrowing. The Council will bring in a professional team to deliver the projects to increase its capacity and capability. There would be senior oversight at Corporate Director level of project delivery on the client side, to ensure budget control. The option for delivery via Essex County Council could be explored as an alternative to Council delivery.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks,; and	At this stage the Council is not committed contractually and so risks are reputational rather than financial. The Council has contracted specialist consultants to support the bid development, including the financial and economic cases. If the bids were successful the Council would buy in capacity and expertise from a qualified professional team, including architect, Quantity Surveyor and contractors. Decision making on contracting with government for the funds would be taken to Cabinet.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	The bid requires the development of a full five business case submission to test the value for money of the projects against national alternatives.

#### **MILESTONES AND DELIVERY**

A first draft of the bids, with accompanying costings, will be produced by 15 June 2022.

A second draft will be completed by 22 June 2022.

The deadline for submissions to the government portal is 6 July 2022.

After the deadline, there will be a three-staged approach to the bid assessment and decision making:

- 1) Stage 1 – pass/fail. Bids that fail at this stage will not be considered for funding.
- 2) Stage 2- Assessment and shortlisting against criteria laid out in the assessment framework
- 3) Stage 3 - Decision making. Ministers will make funding decisions based on the shortlist provided.

A decision on whether bids have been successful is expected in Autumn 2022.

If successful, all funding provided from the Fund is required to be spent by 31 March 2025. Guidance on how the funding will be distributed to Local Authorities has not yet been made available, however there is a requirement from government to demonstrate that some spend of funding would occur in this financial year.

Although both bids are being led by TDC, each bid contains some projects which are ECC led, therefore a joint delivery board would need to be established, with colleagues from ECC and Essex Highways, and Essex Libraries. TDC would need to undergo a tender process to appoint an architect to develop specifications and detailed designs for the Milton Road and Carnarvon House schemes. The projects within the Clacton bid would be developed in tandem to ensure continuity of design and to make use of any available efficiencies.

## **ASSOCIATED RISKS AND MITIGATION**

There is a risk that an ECC transport bid may reduce the likelihood of the individual town centre bids being successful. To mitigate this we are strengthening links between the bids in the strategic cases of the individual submissions, to show the wider benefits of all three proposals and demonstrate wider levelling up ambitions for Tendring.

There is a reputational risk to the Council of not being successful in the bids. However, the process is highly competitive and so many authorities submit bids without being successful. It is necessary to bid to have the chance of success.

Financial risk for a bid of this scale, including cost overruns and inflation. If the Council is successful and takes on the delivery of Clacton Carnarvon Road scheme, there is a risk that cost inflation on a scheme of over £20m could create additional costs for the Council, given the grant from government once approved will be fixed. This risk could be mitigated by ensuring adequate inflation is included in the bidding costs, value engineering, seeking additional funding from other relevant funders (such as One Public Estate), and by tight cost and project management from a well-qualified professional team. As part of progressing this project opportunities to find pragmatic break points in the project to manage financial risk. The option of negotiating delivery via another partner could also be considered.

Delivery risk of a bid at this scale, if successful. Capital schemes are complex, with unknowns, such as ground conditions, and reliance on contractor third parties for delivery. As such keeping to project timelines as well as budget requires strong project management and focus.

The bid includes provision for a professional team to support delivery, and will also require the dedication of Council staff in the Economic development team to focus on overseeing delivery.

Occupancy risk for the buildings once complete. The financial model relies on sale and rental of housing units and letting of space. Sales timing and values may be dampened in Clacton depending on the economic climate at the point homes are completed. The Council will need to consider these projects as a long term on going priority within its wider financial planning framework.

Cost benefit risk of the bids. Given the reduction in housing numbers of the Clacton bid, and the limited housing in the Harwich and Dovercourt Bid, there is a risk that the benefit cost ratio is lower than previous bids, reducing their chance of success. The Council will work with the bid consultants in the time before submission to develop a credible benefit cost ratio, which may change some of the costs and outputs in the projects outlined in this report.

### **EQUALITY IMPLICATIONS**

It is not foreseen that the projects in the levelling up bids would have a negative impact on groups with protected characteristics. The housing elements of both bids have the potential to deliver affordable housing to Clacton and Dovercourt. Occupancy will depend on demand at the time of letting, but it is likely that flats would benefit more men than women, and the houses in Dovercourt would benefit men and women. It is likely that private flats in Clacton would benefit younger people, who are more likely to buy town centre flats than older people.

Improved provision of Adult Community Learning in Clacton and Dovercourt will benefit more older people than young people, given the take up of ACL courses. The library improvements will benefit children as well as adults, given library use. Public realm improvements will benefit all users of the town centre in Dovercourt. The breadth of Clacton residents will also benefit from the public sector hub, as this would provide convenient town centre access to numerous public services in one place. The provision of multi-use buildings allows for organisations to respond to demand for different services as necessary.

### **SOCIAL VALUE CONSIDERATIONS**

The Levelling Up Fund is targeted towards areas which have a need for economic recovery and growth, and a need for regeneration. Round 2 of the Fund has a particular focus on town centres and offers the opportunity to regenerate key leisure and retail sites and encourage new businesses and public services to locate there. If successful, the proposed bids will improve the offer of key services to local people.

Specific economic benefits from the projects will be calculated as part of the economic case for the bids to be completed ahead of the bid submission, and will be available for the schemes in due course.

If the bids are successful, we will look to contractors to make an offer of work or apprenticeships to local people as part of their tender submissions, to support jobs in the local economy.

### **IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030**

The projects submitted have an environmentally element:

- Decarbonisation of Harwich library have been included,
- Allowances have been made for the inclusion of electric charging points within the Clacton bid in the Town Centre Parking
- Thermal efficiency standards of the newly completed buildings will be higher than the Carnarvon House it replaces
- Active travel is encouraged through the public realm improvements to Dovercourt.

#### **OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS**

**Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.**

<b>Crime and Disorder</b>	In developing the schemes we will have regard to risks of crime and disorder, for example the undercroft parking in Milton Road will need consideration to ensure that it does not attract anti-social behaviour, as will the development around the Clacton High Street carpark in the Town Centre.
<b>Health Inequalities</b>	The developments will create high quality social / affordable housing which is more likely to support people with long term health conditions, reducing health inequalities.
<b>Area or Ward affected</b>	Clacton bid: Pier ward Harwich and Dovercourt bid: Harwich & Kingsway Ward

### **PART 3 – SUPPORTING INFORMATION**

#### **BACKGROUND**

The Chancellor's Spring Statement on 23 March 2022 confirmed the scope and submission deadline for the second round of bids to the Levelling Up Fund (LUF). The LUF is a £4.8bn competitive capital investments fund which will provide funding up until financial year 2024/25.

The LUF is one of a suite of funding opportunities linked to the Government making changes to support local economic growth. The three priorities within the LUF are:

- Transport Investment;
- Regeneration and Town Centre Investment; and
- Cultural Investment.

These are the same as in the first round of bids, which closed on 18 June 2021.

As previously, funding of up to £20m is available per project, with up to £50m available by exception for larger transport projects. There is also up to £50m available for up to two large bids under the Cultural Investment theme. Local Authorities were previously assigned a Band (one, two or three, with one the areas of highest need) according to metrics of an area's need for economic recovery, need for regeneration, and need for improvement to transport connectivity. Tending remains in band one.

Local Authorities can submit one bid per whole parliamentary constituency within their boundaries. The Council is therefore eligible to submit one bid for the Clacton constituency, and a second bid for Harwich and Dovercourt, within the Harwich & North Essex constituency.

Two project teams made up of colleagues from TDC (Economic Development, Planning, Assets) and ECC Localities Teams for each area have met regularly for a number of months to prepare for the opportunity to submit bids for LUF Round Two.

There are two projects to be included in the bid for Clacton:

- Redevelopment of the **Carnarvon House** site to provide the following:
- 14,000 sq. ft. of new space for community and commercial use
- Create 8 street food and maker-space kiosks with space and services for a further 20
- Provide c.28 residential units
- Enhanced multi-story car park with 300 spaces, and provision for electric charging points

Redevelopment of the existing ECC **library site** to make provision for a new library and Adult Community Learning centre with additional flexible office space for a public sector hub including public partners. This project is being developed by ECC and would be delivered by the County Council if the bid were successful.

Discussions are underway with public sector partners on the potential for a public sector hub with health and skills providers. The University of Essex have also expressed an interest in teaching space in the area. The hub could be located in the expanded library, or on the ground floor of the Carnarvon House development.

The projects forming the Clacton bid were taken from unsuccessful bids to the Future High Streets Fund in 2020, and Round One of the Levelling Up Fund, in 2021. Feedback from assessors on those bids encouraged a resubmission in the second round of Levelling Up funding, and specific feedback has been incorporated into the bid.

The bid has also been revised in the light of deliverability. The earlier Round One bid had included an events space in Clacton town square and covered market/starter units and under cover walkway, which were reliant on the demolition of the Marks & Spencer's building, which is no longer feasible as it is leased out. And the earlier bid included public realm and highways works including transport infrastructure between the town centre and Jaywick Sands, which are not included in this Round Two bid, as those works would have resulted in a loss of car parking in Clacton.

The projects will help address issues with the high levels of unemployment, lowest educational attainment and skills in the district, and provide housing in proximity to the town centre.

There are three projects included in the bid for Harwich and Dovercourt Town Centre:

- Refurbishment of Harwich Library to increase the current mezzanine space to 175

sqm, alongside general refurbishment. The new space will facilitate the return of Adult Community Learning to Harwich and Dovercourt, providing two 60m<sup>2</sup> classroom (space for a total of 40 learners). The library will also provide additional flexible space and allow potential for co-location of services and community use.

- Development of the **Milton Road site** to include nine homes, tree planting and public parking bays. The Milton Road Car Park was proposed in The Dovercourt Masterplan to be redeveloped as nine three bedroomed town houses above a shared under-croft car park and 15 public car parking spaces on Bagshaw Road. Engagement with private developers and housing associations took place in summer 2020 to inform the options for the development and delivery of the scheme.
- **Public realm improvements** from Dovercourt station to Kingsway, to include the realignment of the road space with footway build-outs, formalisation of the station parking, and the provision of a new pedestrian crossing and a direct pedestrian connection across the space from Station Road into Kingsway. These improvements will link in with future potential improvements in connectivity to the Bathside Bay area.

The projects for Harwich and Dovercourt are taken from the Dovercourt Masterplan Revisited. This is the first time the Council has made a bid for funding for these projects.

Coupled with the adjacent Starlings development, the Milton Road project has significant benefits. The investment should create confidence in the market to encourage private sector investment within the town centre; and give the town's existing traders the confidence to invest in their businesses and in their property. It will bring new amenity into the town centre with new toilets, and a high quality design scheme for the public realm.

## PREVIOUS RELEVANT DECISIONS

[Decision - Procurement Exercise To Secure A Levelling Up Bid Consultant](#)

[Decision - Levelling Up Fund: Procurement of Consultants](#)

Round one

[Decision - Levelling Up Fund - Clacton Town Centre \(tendringdc.gov.uk\)](#)

[Decision - Cabinet Members' Items - Report of the Business and Economic Growth Portfolio Holder - A.2 - The 'Levelling Up Fund' - Proposed Bid for Clacton Town Centre \(tendringdc.gov.uk\)](#)

[Issue details - Clacton Town Centre: Bid to the Levelling Up Fund \(tendringdc.gov.uk\)](#)

## BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

[Levelling Up Fund Round 2 Prospectus](#)

[Dovercourt Masterplan Revisited](#)

[Regeneris Report \(tendringdc.gov.uk\)](#)

[Cabinet Report 25 June 2021](#)

[Agenda Report Pack for Cabinet - Friday, 25th February, 2022 - contains Corporate Priorities for 2022/23](#)

#### APPENDICES

N/A

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