

# CABINET

24 MAY 2024

## REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC GROWTH, REGENERATION AND TOURISM

### **A.2 UPDATE ON LEVELLING UP FUND AND CAPITAL REGENERATION PROJECTS**

#### **PART 1 – KEY INFORMATION**

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

To update Cabinet on the Levelling Up Fund and Capital Regeneration Projects following the June 2023 report and to request officers to investigate the opportunity to bring forward that delivery of the demolition of Milton Road car park in Dovercourt.

##### **EXECUTIVE SUMMARY**

###### **Agreement with Essex County Council**

- On 23 June 2023 Cabinet considered a report titled 'Clacton Civic Quarter Levelling Up Fund (LUF) Bid, Dovercourt Town Centre Improvement Corridor Capital Regeneration Project (CRP) Bid'. This report delegated authority to the Portfolio Holder for Economic Growth, Regeneration and Tourism in consultation with the Corporate Director Place and Economy, Section 151 and Monitoring Officers to approve the Heads of Terms for two funding agreements to be developed between Tendring District Council (TDC) and Essex County Council (ECC), and authorised the Corporate Director Place and Economy to approve the final terms and conditions of the agreements in consultation with the Section 151 and Monitoring Officers.
- The Heads of Terms were then approved by the Portfolio Holder on 2 January 2024 and the final terms and conditions of the funding agreements were approved on 22 January 2024. The agreements allow ECC to commission and deliver the three projects within the two schemes where ECC own the land and run services, which are Clacton Hub (Clacton LUF), and Harwich Library and Kingsway Improvements (Dovercourt CRP).
- ECC gained approvals to sign the funding agreements on 19 January 2024, and the funding agreement was sealed on 20 February 2024 by TDC. The agreements allow ECC to commission and deliver the three projects within the two schemes where ECC own the land and run services, which are Clacton Hub (Clacton LUF), and Harwich Library and Kingsway Improvements (Dovercourt CRP). Further detail is set out in the legal section.

###### **Funding draw down**

- On 6 October 2023 Cabinet considered a report titled 'Levelling Up Fund and Capital Regeneration Projects - Progressing the Projects to Planning Permission'. This report recommended drawing down a further £1,898,421 from the remaining match funding of £2,041,460, to cover professional fees for all stages of the project.

- On 19 April 2024, Cabinet considered the Finance Update Report that enabled spend of both the Council's match funding contribution, and the LUF and CRP grant funding received from Government on the projects. The report recommended delegating the determination of the mix of funding (from the Council's own approved contribution and the money made available by the Government) to support both the LUF Scheme in Clacton and the CRP Scheme in Dovercourt within the £1,898,421 previously drawn down, until the next significant project milestones are reported to Cabinet. The delegation was to the Corporate Director Place and Economy in consultation with the Council's S151 Officer. As result the Council can draw down on the LUF and CRP funding to the value of 1,898,421.
- As set out in the report to Cabinet on October 6, a further report will be brought back for consideration on the detailed projects. This report will seek approval to develop technical designs to the level of detail required to go out to the market for procurement of main build-contracts, and for agreement of the drawdown of LUF and CRP funds to support delivery of the two TDC led projects within the overall programme, Carnarvon Terrace in Clacton and Milton Road in Dovercourt.

#### **Dovercourt Town Centre Improvement Corridor (CRP)**

- On 7 February the Council submitted a change request to government in relation to delivery of the Dovercourt Town Centre Improvement Corridor CRP scheme. This change request is to allow the Council to relocate the housing element of the scheme. At time of bid submission, the housing element was planned to be sited at the location of Milton Road car park, however the change request suggested the relocation of the housing element, to the two derelict sites at Victoria Street, Dovercourt. Cabinet agreed the acquisition of these sites on 17 June 2022, and the Council completed the acquisition on February 8 2024.
- On 7 May 2024, Government advised the Council that their change request had been approved.
- In September 2019 Cabinet approved concept designs and project proposals for the Starlings site in Dovercourt Town Centre and the demolition of the two-storey decked carpark on Milton Road (the site to be used subsequently for residential development), and allocated funding to secure delivery.
- On 28 January 2022, Cabinet agreed to postpone the demolition of Milton Road Car Park and bring forward options for the site later in 2022/23. The Milton Road Car Park project was then included in the Council's round 2 bid to the Levelling Up Fund, which was then awarded in a sister fund, Capital Regeneration Projects.
- Following the approval of the change request, this report asks Cabinet to agree the demolition of Milton Road Car Park and subsequent reinstatement of car parking at the site, with the number of spaces to be confirmed as designs progress.
- There are significant benefits to the change of site for the Dovercourt Town Centre scheme from Milton Road, as it has the potential to bring further brownfield sites within the town into regeneration. However, there may be cost implications, as works to Milton

Road carpark and the works to any alternative sites will both be completed under these proposals.

#### **RECOMMENDATION(S)**

**It is recommended that Cabinet:**

- a) notes the acceptance of the two funding agreements between TDC and ECC for the delivery of the ECC led schemes within the LUF and CRP projects respectively; and**
- b) requests officers to investigate the opportunity to bring forward the Milton Road element of the Dovercourt scheme from the Capital Regeneration Project funding and report the outcome back to Cabinet in the context of the wider scheme.**

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

Initiating the demolition of the existing car park on the Milton Road site, as well as site clearance, surveys and demolition as needed for the two Victoria Street sites, would ensure the sites are ready for development in time for commencement of the main works, whilst ensuring the sites are made-safe for the public and neighbours.

#### **ALTERNATIVE OPTIONS CONSIDERED**

Not to investigate bringing forward the Milton Road demolition. The decision on the Milton Road carpark would be taken alongside the wider construction programme in the knowledge of actual rather than projected construction costs. However, progressing the demolition in a timely fashion would allow for the realisation of the benefits of this aspect of the scheme earlier, and so investigating the potential supports accelerated delivery.

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

#### **DELIVERING PRIORITIES**

The council has adopted a new Corporate Plan. The LUF and CRP projects meet the following themes in the plan: Pride in our area and services to residents; Raising aspirations and creating opportunities; and Working with partners to improve quality of life.

The Council's new corporate priorities include raising aspirations and creating opportunities. Under this objective there is a specific objective to implement the Levelling Up Fund and Capital Regeneration Partnership Projects.

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.

The successful Levelling Up application complements 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.

Delivery of these projects will 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 and fostering economic development.

### OUTCOME OF CONSULTATION AND ENGAGEMENT

During the public consultation exercise for ECC’s Public Realm scheme, which forms part of the Dovercourt Town Centre Improvement Corridor CRP scheme, the Council received feedback from residents regarding the location of the housing at Milton Road and the loss of parking as a result of the proposed scheme. To respond to this feedback, the Council submitted the change request to Government outlined above in this report, and has now been advised this request was successful.

Further information on the consultation and engagement linked to the LUF and CRP can be found in previous Cabinet reports.

### 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 checked="" 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)	Updates on the Levelling Up schemes were added to the Forward Plan on 08/02/2024.

The terms of the funding agreements with ECC ensure the obligations on the Council in the MOUs with Government for LUF and CRP are discharged.

The June 2023 Cabinet Report highlighted it was important to ensure the Funding Agreements with ECC are agreed and completed as soon as possible following ECC approving their business case process, to ensure that the obligations for the ECC projects under the MOUs with Government are passported, to reduce the risk to the Council.

The key points within the final funding agreements with Essex County Council are now as follows:

The funding agreements between TDC and ECC mirror the respective Memorandums of Understanding TDC have entered into with DLUHC as Lead Authority for the delivery of each of the LUF and CRP projects. This includes the payment schedule for the Grant.

Any changes to payment schedules as a result of a change request accepted by government, will supersede the payment schedule set out in the MoU.

The Recipient (ECC) shall use the Grant only for the Purpose and in accordance with the terms and conditions set out in the funding agreement.

The Recipient's Section 151 Officer will be required to provide TDC with written confirmation through a signed Statement of Grant Usage and corresponding Quarterly Monitoring Return that the Project continues to represent value for money.

TDC shall pay the Grant to the Recipient in the amount shown in the Quarterly Monitoring Return completed by the Recipient and returned to the Accountable Body as set out above.

The amount of the Grant awarded to the Recipient shall not be increased in the event of any overspend by the Recipient in its delivery of the Projects.

<b>X</b>	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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No comments received.

#### **FINANCE AND OTHER RESOURCE IMPLICATIONS**

The total bid to the Levelling Up Fund for the Clacton Civic Quarter was £19,958,224. This is then broken down across the two projects in the bid, with the latest position as follows:

Project 1 (Clacton Hub)

Total request to Levelling Up Fund: £3,102,985

Match Funding Contribution provided by ECC: £7,896,291

Total Project Costs: £10,999,279

Project 2 (Carnarvon Terrace):

Total request to Levelling Up Fund: £16,855,239

Match Funding Contribution provided by TDC: £2,078,500

Brownfield Land Release Funding: £420,000

Electric Vehicle Fund: £390,000 (not yet secured)

Total Project Costs: £19,743,739

**Total overall LUF Programme Costs: £30,743,015.**

## **Dovercourt CRP**

The total bid for the Dovercourt Town Centre Improvement Corridor was £6,652,251. This bid contained 3 component projects as follows:

### Project 1 (Harwich Library)

Total request to Levelling Up Fund: £500,000

Match Funding Contribution provided by ECC: £666,844

Total Project Costs: £1,166,844

### Project 2 (Homes in Dovercourt):

Total request to Levelling Up Fund: £3,332,251

Match Funding Contribution provided by TDC: £216,500

Total Project Costs: £3,548,751

### Project 3 (Public Realm):

Total request to Levelling Up Fund: £2,820,000

Match Funding Contribution provided by ECC: £1,500,000

Total Project Costs: £4,320,000

## **Total Overall Dovercourt CRP Programme Costs: £9,035,595**

The addition of the Victoria Street works to the programme has decreased the amount of contingency available for the 'Homes in Dovercourt' project. Contingency is currently estimated at 7%, which is the minimum suggested at this stage of the projects. Additionally, the Council has ambitious sustainability targets for the schemes, and some of these may need to be value engineered if we find the design exceeds cost estimates.

We also have not factored in the sales proceeds from any homes in the Carnarvon Terrace schemes, which could provide further contingency.

The site clearance and demolition of the Victoria Street sites has increased the overall budget for 'enabling works', however, budget previously allocated to residential construction has simply been transferred to the Victoria Street sites.

Decontamination of Milton Road for residential occupation will no longer be required, so this budget has been re-allocated.

Although the budget is more finely balanced, it is anticipated that the Council will be able to satisfy the bid requirements and bring three sites into beneficial use.

The Council has also received a capacity payment of £70,000, to support delivery of the programme, which has been allocated to additional resourcing, to support wider Levelling Up delivery.

X	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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There are no additional comments over and above those set out elsewhere in the report.

It is important to highlight that further key financial ‘milestones’ will be reached, for example, once the associated procurement processes have been undertaken and the overall cost of the projects become clearer.

Further decisions will therefore be required once these project ‘milestones’ have been reached before any major financial / contractual commitments are made. This will therefore provide the opportunity to revisit / review financial risks to the Council on an on-going basis along with the consideration of options to manage those risks.

**USE OF RESOURCES AND VALUE FOR MONEY**

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

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>The two projects led by the Council will develop or renew council assets. The Victoria sites will develop 9-12 social homes, and the Milton road and Carnarvon terrace will renew outdated multi-storey car parks. This will support on going service delivery to residents and visitors to the district. The delivery of the project brings in substantial external matched funding to achieve these ends, reducing the burden on local council tax and ratepayers.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks; and</p>	<p>There is a programme and project manager overseeing delivery of these schemes who actively manage risk at a project and a programme level, with monthly reporting to the programme board of the top ten risks and mitigations. The financial risks are highlighted clearly.</p>
<p>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.</p>	<p>These are capital projects seeking to – in part - renew council assets to improve the quality of the service. Costs are managed closely and lessons from previous capital delivery schemes are reflected in the delivery of these projects.</p>

**MILESTONES AND DELIVERY**

The key milestones to take the respective TDC led projects through to submission of planning applications are as follows:

- Development Brief Finalised: End-Oct 2023
- Development Brief Approved: Mid-Nov. 2023
- Procurement of Pre-construction Information: Mid-Nov. 2023 – June 2024
- Procurement of Key Design team members –Late April. 2024
- Procurement of relevant designers, advisors and consultants – April-May 2024
- Detailed Planning Application Lodged – September 2024

Interim milestones will be:

RIBA (Royal Institute of British Architects) Stage 1: refinement of budget, production of build method options, general arrangement layouts, unit mix and numbers – May 2024 (indicative cost)

RIBA Stage 2: production of cost estimate, construction strategy – June 2024  
RIBA Stage 2+: detailed planning submission lodged – Sep 2024  
RIBA Stage 3: production of cost plan, construction phase plan, production of construction tender documentation– Oct. 2024

## **ASSOCIATED RISKS AND MITIGATION**

### **LUF and CRP**

Delivering projects of this size and scale presents a risk to the Council in terms of resourcing project delivery alongside business as usual, the work needed to support the council become financially sustainable in the long term, and other levelling up projects. The burden falls heavily on the core functions of the Council which are designed to support all that work, such as the legal, financial, and procurement services. The Council is scaling up capacity in these areas.

Project risks are constantly monitored through a systematic and ongoing process of risk identification, assessment, mitigation and monitoring. The risk register is a rolling item at the programme board, as regular communication and reporting on the status of risks to all project team members, stakeholders and sponsors is essential to effective delivery. Risk registers have been produced as follows;

- one each for the LUF and CRP programmes,
- one for each of the five individual projects, and
- an overarching risk register highlighting the ‘top ten’ risks across both LUF and CRP programmes.

The current key risks to the programme are as follows:

- Programme delays caused by governance, which will be mitigated via timely reporting and engagement with management, Cabinet, and council stakeholders. It should be noted that the ECC elements of the programme, remain subject to ECC’s own internal approvals process.
- Cost escalations caused by inflation, which will be mitigated through the form of contract executed, and adequate risk allowances within budgets.
- Resourcing, which will be mitigated through timely allocation and recruitment of key personnel.
- Requirements for a number of third-party approvals, which will require timely engagement with Planning, Highways, and other statutory consultees.
- Stakeholder management, which will be mitigated by allowing adequate time to collect and assess feedback and incorporate it as required.
- Sites not appropriated for Planning: to mitigate against the construction of new social housing and regeneration being frustrated or delayed by injunctions

A key risk to the delivery of the Clacton Civic Quarter previously was the deadline for committed spend of the Government Grant by March 2025, as set out in the Council’s MOU with DLUHC. The Council looked to mitigate this via a request to DLUHC to vary the deadline for grant spend from March 2025 to March 2026, which was submitted on 10<sup>th</sup> January 2024.



On 20<sup>th</sup> February 2024, DLUHC advised all Local Authorities who were successful in Round 2 of the Levelling Up Fund of an extension to delivery timescales based on recent monitoring return submissions. The Council's request for an extension was not signed off however as a result of the extension, the following project completion dates have been agreed:

Project 1 (Clacton Hub): 30<sup>th</sup> September 2026  
Project 2 (Carnarvon Terrace): 31<sup>st</sup> December 2026

These project completion dates are after the March 2026 DLUHC funding spend deadline. The projects can continue after 31<sup>st</sup> March 2026 as set out above but only matched funding can be spent on them after that point. As a result, the risk of time overrun remains, as there is finite matched funding for the schemes.

The Council will not be able to sign a construction contract to deliver Carnarvon Terrace and Milton Road / Victoria Street if we are not assured at that point that DLUHC will fund the projects during the full time the works are then expected to take. We will continue to work closely with DLUHC on the timeline for our schemes.

A further risk is that funding is governed by a Memorandum of Understanding with Government, rather than a contract. As a result, Government could determine it no longer wishes to fund the programme at a future point. However governments honour funding where Local Authorities have themselves entered into contractual arrangements to deliver. As such, until we are in contract to construct the schemes, there is the risk that funding could be withdrawn by central Government. If funding is withdrawn, the schemes cannot progress.

It has not been possible to appropriate the land for the schemes for 'planning purposes', as the assets are not currently surplus to requirements. As a result there is a small risk of project delay if any third party were to take out an injunctions against a scheme to protect rights they might have on the land. While an injunction would have a severe impact if it took place, the likelihood of it occurring is very low.

## **EQUALITY IMPLICATIONS**

EQIAs were developed for both bids and are intended to be living documents which are updated throughout the scheme.

Key findings for both the LUF and CRP programmes of work were the potential impacts, both positive and negative, on people with the following protected characteristics; age, disability. Potential impacts were as follows:

Carnarvon Terrace: provision of predominantly one-bed properties meets the needs of elderly couples/single people on the housing register in Clacton. This could further free up larger family size homes needed elsewhere on the housing register. A rationalised car park will provide safer, easier access to the town centre with increased natural surveillance. Homes built will be adaptable as per existing housing stock to make each unit as appropriate for its resident/s as possible. Accessibility across a range of disabilities will be factored in at design stage in terms of the safety of the building, but also the comfort of its residents. Improvements to the car park will make the town centre more accessible to those with disabilities with a new pedestrian entrance/exit making journeys shorter for those with mobility issues.

Homes in Dovercourt: each housing unit provided at the development will have the flexibility to be adapted with disability assistance aids if required by the tenant/s, although the townhouse design may not be appropriate for those with age or health related mobility issues in the long term. However, TDC's Draft Housing Strategy 2019-2024 shows that 415 households (26%) on the housing register have a physical or mental health condition made worse by their housing, which this provision would move to address.

## **SOCIAL VALUE CONSIDERATIONS**

TDC has entered into a Service Level Agreement (SLA) with ECC to undertake its procurement process, with TDC contributing a fee to ECC to deliver key procurement activities and enables TDC access the wider knowledge of the ECC in-house team. TDC's SLA with ECC ensures the Council's procurement follows a compliant contracting process in accordance with legislation and policy and the commissioning of the Professional Team will be undertaken through this route.

The projects themselves also aim to deliver social value.

Within the Clacton Civic Quarter scheme, the plans for the co-location and shared space for Adult Community Learning (ACL) and the library will make both more accessible via public transport and therefore likely increase the amount of people who access the services. library and ACL services with improved digital capabilities to benefit all. This could particularly benefit people with subsidised access to low cost/free public transport, including those of pension age.

Re-introducing ACL to Harwich & Dovercourt will provide a centralised skills offer and provide opportunities for residents. ACL will not only deliver skills training directly but also act as a starting point for local residents on career pathways that involve higher level qualifications.

As of 1st May 2020, there were 1,958 households on the Tendring District Council housing register (up from 608 in 2017, equivalent to 222% growth in just three years). Lack of available housing also contributes to wider health and social inequalities. Both the Carnarvon Terrace scheme within the LUF project, and the Homes in Dovercourt scheme within the CRP, will provide social housing. This will have a positive impact on single people, couples, and small families made up of all ages through increasing current housing provision of both types. The location of the housing within both schemes, close to train stations and the respective town centre areas, will offer residents good access to employment opportunities.

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

As set out in the June 2023 Cabinet report, consideration has been given, to both how this suite of projects will impact the environment and how the projects contribute to the Council's wider commitment to become net zero carbon (of Scope 1 & 2 emissions) by 2030 as laid out in the Tendring Climate Emergency Action Plan 2020 – 2023.

Projects were chosen which will directly impact carbon output, including the increase in provision of EV Chargers in Clacton which will support residents to move to hybrid/electric vehicles in line with the Government's wider commitment to stop sales of diesel/petrol-only cars/vans from 2030. The demolition and rebuilding of Carnarvon House and the current Clacton Library site will enable lower carbon features to be included in the newly designed buildings, and the refurbishments at Harwich Library, although primarily focussed on extending

the available space within the site, will also allow for environmentally friendly adaptations to be included. Furthermore, the multi-use shared space options provided at both libraries as a result of this work allow for a reduction in overall carbon emissions; shared spaces tend to use less heating/electricity/other resources, reduce the need for travel between sites, and can encourage use of public transport to use the facility.

**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>	<p>Both projects include the provision of additional community services and improved visual amenity, which will contribute to the reduction of crime through increased natural surveillance. Rationalised access points to the car park will also provide this and will ensure people feel safer walking through the space in the evening, especially women, who can feel particularly vulnerable.</p> <p>The Carnarvon House site was an existing crime hotspot in Clacton, and redeveloping this site aim to decrease crime directly.</p>
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<b>Health Inequalities</b>	<p>Both projects contain schemes which will have a positive impact on health inequalities including access to housing, education, jobs, and public services.</p> <p>The completion of both projects will result in the provision of housing in two of the most deprived areas in the District, in areas which have demand on the housing register. TDC's Draft Housing Strategy 2019-2024 shows that 415 households (26%) on the housing register have a physical or mental health condition made worse by their housing, which this provision would move to address.</p> <p>Through investment in libraries and skills provision, both projects also aim to increase access to training and employment, through structured courses and access to IT systems.</p> <p>Both projects also include mixed use space with flexible access for public sector partners. This provides opportunities for joined up working between organisations, which can improve and simply access to services for residents.</p> <p>The Clacton Hub also includes space for the University of Essex to establish a presence. The different aspects of the University offer will result in collection of data and insights on coastal communities, which will benefit wider health and wellbeing decision making. There will also be skills and training opportunities for residents.</p>
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<b>Area or Ward affected</b>	Clacton Civic Quarter: Pier Ward, when delivery begins  Dovercourt Town Centre Improvement Corridor: Harwich & Kingsway Ward, when delivery begins
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## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

The Council's Corporate Plan is committed to developing vibrant town centres and public spaces to be proud of, building and managing its own homes and offering joined up public services for the benefit of or residents and businesses. To this end, the Council published the 'Love Clacton' Plan in 2020 and 'Dovercourt Revisited' in 2019 that outline proposals for town centre regeneration.

The Council submitted two applications in August 2022 to Round Two of the Levelling Up Fund: £19,958,224 for the Clacton Civic Quarter, and £6,652,251 for Dovercourt Town Centre, as the projects that best fit these Government funding opportunities from the Love Clacton and Dovercourt Revisited proposals.

Both bids were developed jointly with Essex County Council, who allocated resource to develop the bids, own land and buildings within three of the projects, and has committed £8m of matched funding to the delivery of both bids.

It was announced on 19 January 2023 that the Council's bid to round 2 of the Government's Levelling Up Fund (LUF) for Clacton Town Centre, the 'Clacton Civic Quarter', was successful and was awarded £19,958,224. In addition, on 15 March 2023 it was announced that a £6.65m bid for projects in Dovercourt Town Centre was approved, under Government's Capital Regeneration Scheme.

#### Clacton LUF

- The Clacton Civic Quarter bid requested £19.960m for two projects:
  1. Carnarvon Terrace is proposed to be 28 new homes in three blocks built along Carnarvon Road: one block of 11 social homes and two blocks for sale. The ground floor of each block will provide new offices or shops. The Council will remodel the carpark and install up to 30 EV chargers. A covered market of 'maker spaces' will be built.
 

The 'maker spaces' will provide space for emerging local businesses and a new retail offer for the town centre, which will increase day time activity and complement existing shops. The improvements to the carpark, including new electric car charging points will be a draw that further supports visitors to the town centre and the seafront. The provision of 28 flats, 11 of which will be affordable / social housing, seek to address the lack of affordable housing provision in the area. Within the district, the biggest demand for affordable housing is for 1 or 2 bedroom properties in Clacton.
  2. Clacton Hub will redevelop the existing ECC library site to make provision for a new library and Adult Community Learning centre with additional flexible space including proposals to bring the University of Essex to Clacton for the first time.

The University of Essex will be part of a new skills and education hub in Clacton, setting up base in the town to create a Centre for Coastal Communities. The exciting new site will provide access to a range of new learning opportunities for local people, while retaining important community elements, including the local Museum.

The Clacton LUF plans are based on many years of preparation. The successful Round Two Levelling Up Fund Bid is based on an unsuccessful Round One bid, which itself is based on a 2020 Future High Streets Fund bid, that whilst not it did not win funding, did provide the underlying vision, project development and consultation for the successful Clacton LUF bid.

Government told the Council it had been successful on 19 January 2023. Cabinet agreed on 17 March 2023 to accept the £19.960m awarded to the Council and to authorise the S151 Officer to sign the associated MOU in consultation with the Corporate Director Place & Economy and Portfolio Holder for Business and Economic Growth.

Essex County Council has subsequently increased its match funding to Clacton Hub, and those figures are reflected in the latest financial information in this report.

### **Dovercourt CRP**

- Government notified the Council in January 2023 that its Dovercourt Town Centre Improvement Corridor bid was unsuccessful for LUF, but on 15 March 2023 Government announced the bid was successful in a sister fund, 'Capital Regeneration Projects' (CRP).

The funding from Government comprises:

1. Kingsway improvements: A major investment into the appearance of Dovercourt Town Centre to improve the visitor experience and support local businesses.
2. Learning and library project: The Adult Community Learning skills centre will return to Dovercourt town within a refurbished library, increasing the opportunities for residents to benefit from courses locally.
3. Homes in Dovercourt: Demolish an out-of-date multi-storey carpark at Milton Road and build nine new, well-built social homes.

- On 17 March 2023 Cabinet considered a report titled 'Financial Performance Report - In Year Performance against the Budget at the end of Quarter 3 2022/23 and Long Term Financial Forecast Update'. In addition to accepting Government funding for the Clacton Civic Quarter LUF scheme, through that report Cabinet allocated £250,000 of Tendring District Council's match funding allocation for the above bids to support the development of the scheme for Clacton.

- On 23 June 2023 Cabinet considered a report titled 'Clacton Civic Quarter Levelling Up Fund (LUF) Bid, Dovercourt Town Centre Improvement Corridor Capital Regeneration Project (CRP) Bid'. In addition to accepting Government funding for the Dovercourt scheme, through that report Cabinet allocated usage of the £250,000 which had been drawn down in the March 2023 report, towards early preparations for the CRP scheme and agreed proposals for delivery of the respective projects in partnership with Essex County Council.

In accordance with the previous Cabinet decisions above, the Council and the Government have now signed the respective MoUs for both the LUF and CRP schemes. These MoUs denote an agreement to proceed and that the allocation of funding to the Council has passed the Government's subsidy control tests.

- On 6 October 2023 Cabinet considered a report titled 'Levelling Up Fund and Capital Regeneration Projects - Progressing the Projects to Planning Permission'. This report recommended drawing down a further £1,898,421 from the remaining match funding of £2,041,460, to cover professional fees for all stages of the project.

Essex County Council has subsequently increased its match funding to Library Scheme in the CRP. The latest figures are reflected in the financial information in this report.

## **PREVIOUS RELEVANT DECISIONS**

Delivery

[Levelling Up Fund and Capital Regeneration Projects: Procurement of site surveys](#)

[Victoria Street sites purchase](#)

[Decision – acquisition of land](#)

[Decision – completion of purchase](#)

Round two

[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](#)

[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](#)

[Cabinet Report 17 June 2022](#)

[Cabinet Report 23 June 2023](#)

[Cabinet Report 6 October 2023](#)

[Cabinet Report 15 December 2023](#)

#### APPENDICES

None

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