

<b>REPORT TO:</b>		Special Overview and Scrutiny Committee	
<b>DATE:</b>		23 March 2023	
<b>PORTFOLIO:</b>		Cllr Miles Parkinson OBE - Leader of the Council	
<b>REPORT AUTHOR:</b>		Steve Riley – Executive Director (Environment)	
<b>TITLE OF REPORT:</b>		Levelling up Update	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>No</b>	Not applicable	
<b>KEY DECISION:</b>	<b>Options</b>	If yes, date of publication:	

## 1. **Purpose of Report**

- 1.1 To respond to the request from the Special Overview and Scrutiny Committee for a general update on the Council's LUF work.

## 2. **Recommendations**

- 2.1 That Communities and Wellbeing Overview and Scrutiny Committee note the report.

## 3. **Reasons for Recommendations and Background**

- 3.1 The Levelling Up Fund was announced at the 2020 Spending Review and will focus on capital investment in local infrastructure projects that require up to £20m of funding and builds on prior programmes such as the 'Local Growth Fund' and 'Towns Fund'.
- 3.2 Cabinet gave its formal approval in support of the Town Centre Stakeholder Board's recommendations that the Council's LUF submission should focus around the following three principal interventions;
1. Redevelopment to an area within the Indoor Market Hall and outdoor pavilions along Peel Street – the intervention known as Market Hall.
  2. Improvements and redevelopment to the properties of 43-59 Blackburn Road / 2-4 Church Street – the intervention known as Market Chambers.
  3. Improvements and redevelopment to the block 61-69 Blackburn Road – the intervention known as Burtons Chambers.
- 3.3 Interventions 2 and 3 are not in the Council's ownership and so Cabinet supported the appointment of CBRE, who are a nationally recognised property services consultant, to

undertake acquisition discussions on behalf of the Council and Womble Bond Dickinson, to assist with the legal aspect of this work.

- 3.4 Regular updates have been submitted to Cabinet and Council throughout 2021/22 and there are links to the various papers at the end of this report.

#### **Expenditure on Bid Submission**

- 3.5 All eligible authorities received £125k of capacity funding from the levelling up fund to support the development of their LUF submissions and in 2021 the Council created a £150k Economic Recovery Fund. These budgets will be sufficient to cover up to £275k of work involved with the bid submission.

- 3.6 Following the announcement of the Council's successful £20m funding in January 2023, a further £120k of expenditure was incurred between April and July 2022 to finalise the submission and continue to progress the acquisition work. These costs will now be included in the Council's first progress report / financial claim.

#### **Acquisitions**

- 3.7 Following the announcement of the funding, the Council acquired the freehold rights to Burtons Chambers. Discussions are now advancing with the two tenants to secure vacant possession, with one showing a keen interest in leasing a Council shop in the Town Centre.

- 3.8 With regards to the acquisition of Market Chambers, three of the five known freeholders wish to proceed with a sale by agreement and work continues with progressing drafting the Heads of Terms and other legal work with these parties.

- 3.9 Cabinet have been informed of the progress to secure the freehold and leasehold rights for Burtons Chambers and Market Chambers, including the possibility of the Council having to CPO if a sale by agreement and vacant possession could not be secured.

#### **The LUF Programme**

- 3.10 The Levelling Up fund spending timescales are extremely tight and bid criteria requires some capital spending having to be made within the financial year 2022/23 and all spending to be completed by 31 March 2025. Whilst there is a suggestion in the funding guidance spending may be permitted within the financial year 2025/26, this is only in exceptions circumstances and at the sole discretion of the funding body, DLUHC. The Council however, agreed to continue with some elements of work, either because it is required for the bid submission or where leaving it could lead to project delays.

- 3.11 There was a number of meetings with the Market Traders presenting the Market Hall redevelopment proposals during the bid preparation stage and two meetings since the successful funding announcement. The traders raised many questions, some of which officers were able to provide a response to but for others, the information is still unknown. The attached Appendix A shows the questions raised by the traders and the response which has been provided.

- 3.12 There was the request from the Market's Portfolio Holder to direct all questions through the Market Manager as there were many examples of incorrect information being

provided to traders. At the meeting on the 7<sup>th</sup> March, all traders agreed to this request and that monthly updates would be provided by handouts from the Market Manager and traders would be invited to face to face updates each quarter with the Portfolio Holder and Executive Director.

- 3.13 Following the appointment of the Project Director and given the bid was submitted over 7 months ago, she has commenced an initial piece of work up to the end of March involving a RIBA Stage 2 refresh of all the work undertaken to produce the bid. This will help to understand how far each work stream progressed and where further information/work is needed prior to the main work around progressing the designs/drawings, planning permissions, listed building consents, further costing work, operator procurement etc. before progressing to formal tenders and appointment of contractors to commence the works in Burtons Chambers and the Market Hall at the start of 2024. The attached Appendix B provides a brief programme for this work.
- 3.14 As part of project governance, work is underway drafting and agreeing the reporting structure for the delivery stage of the projects, which will include regular reports to Cabinet this Special Scrutiny Committee, the Town Centre Stakeholder Board / wider stakeholder group and partners. Officers from the Council’s Accountancy, Legal and Audit teams will also be involved in regular progress meetings.

**4. Alternative Options considered and Reasons for Rejection**

4.1 Not Applicable

**5. Consultations**

5.1 Portfolio holder

**6. Implications**

<b>Financial implications (including any future financial commitments for the Council)</b>	None from this report
<b>Legal and human rights implications</b>	None from this report
<b>Assessment of risk</b>	None from this report
<b>Equality and diversity implications</b> <i>A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	None from this report

**7. Local Government (Access to Information) Act 1985: List of Background Papers**

- 7.1 Levelling Up Update  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=2762&Ver=4>
- 7.2 Property Acquisitions – LUF Interventions October 2022 (Exempt)  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2697&Ver=4>
- 7.3 Levelling Up Funding bid update report to Cabinet – June 2022  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2695&Ver=4>
- 7.4 Town Centre Investment Plan and UK Shared Prosperity Fund – June 2022  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2694&Ver=4>
- 7.5 Town Centre Investment Plan and Levelling Up Funding bid submission – March 2022  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2617&Ver=4>
- 7.6 Town Centre Investment Plan and Levelling Up Funding bid update report to full Council -January 2022  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=130&MId=2603&Ver=4>
- 7.7 Levelling Up Funding Bid update report to Cabinet - September 2021  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2611&Ver=4>
- 7.8 Appointment of an external consultant to work on the Council's Levelling Up Fund bid – June 2021  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2617&Ver=4>

## **8. Freedom of Information**

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.