

Report to: Cabinet



Date of Meeting: 2 March 2022

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Exemption applied: None

Review date for release N/A

Axe Valley Feasibility Report (Placemaking projects) and potential Levelling Up bid

Report summary:

The purpose of this report is to inform members about a project that will consider the potential for placemaking and redevelopment projects for sites within the Axe Valley, from Axminster south to Seaton. The report makes a number of recommendations in relation to the funding of the Axe Valley project and how we might approach managing a bid process to Levelling Up Fund Round 2.

Consultants have now been appointed to undertake feasibility studies of placemaking projects in the Axe Valley and prepare a report on the options available for a number of sites, within public or private ownership. Suggestions for projects are detailed in the main body of the report. This can then inform bids for capital funding such as a Levelling Up Fund bid for Round 2 which is anticipated in spring 2022.

This project is in 2 parts.

Stage 1 (Feasibility studies for sites) will cost £35,000 and is an eligible project to be funded by the Welcome Back Fund (WBF).

Stage 2 will involve the preparation and submission of a bid for funds from the Levelling Up Fund. The WBF cannot be used for this because this funding programme ends on 31 March 2022 and the bidding round will most likely not have opened by then and we will not know the criteria for bidding.

At cabinet on 31 March 2021, approval was given for £100,000 from the Business Rates Reserve Fund for use in relation to submitting bids for Levelling Up funds for Exmouth and the Axe Valley. There is sufficient remaining to utilise this year on Stage 2 Axe Valley.

It is therefore recommended that the cost of Stage 2 (£30,000) be funded from the Business Rates Reserve Fund.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation

1. That Cabinet recommends that:

- a) £30,000 is provided from the agreed £100,000 allocated from Business Rates Reserve Pilot Fund (Cabinet 31st March 2021) in order to prepare a bid for Axe Valley Levelling Up Fund Round 2 (should it be considered appropriate to bid, once details of the bidding prospectus are known).

- b) A future report to cabinet will set out a recommendation regarding whether to submit a Levelling Up Fund Round 2 bid and if so, will recommend which projects to include within that bid.

Reason for recommendation:

Informing members of the use of the WBF and Business Rates Reserve Pilot Fund (as previously approved and if required for a bid submission), to identify in a timely manner, placemaking opportunities for the Axe Valley.

This information will inform a decision on whether to pursue the development and submission of a Levelling Up Fund bid.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information

[Cabinet 31 March 2021, Item 376 – Levelling Up Fund](#)

[Printed minutes 31st-Mar-2021 18.00 Cabinet.pdf \(eastdevon.gov.uk\)](#)

[Printed minutes 28th-Apr-2021 18.00 Council.pdf \(eastdevon.gov.uk\)](#)

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

Report in full

1. Background

- 1.1. The government has announced that there will be a second round of Levelling Up Funding and the Government's White Paper on Levelling Up has recently been published. When the announcement was made regarding the successful bidders for Round 1, it was announced that the Round 2 fund is expected to open in Spring 2022 and a prospectus will then be issued setting out the criteria for bids.
- 1.2. The council has undertaken a procurement exercise to appoint consultants to assist the council in preparing for a potential **Levelling Up Round 2 bid for the Axe Valley** by looking at site feasibilities within the Axe Valley. Consultants, Avison Young, have been appointed and commenced work. The commission is in two stages: Stage 1: feasibility Study and Stage 2: the preparation of a bid to the Levelling Up Fund.
- 1.3. Currently, we are only instructing them to undertake the Stage 1 feasibility study because we do not yet know the criteria for bids, as set out in paragraph 1.1 above. There is currently no further information about the sort of organisations and projects that will be eligible. Once further guidance is available from the government on the Levelling Up Fund Round 2 prospectus, we will then determine whether we appoint Avison Young to prepare a bid.
- 1.4. We will refer to the Stage 1 Avison Young work as a **Strategic Plan** although this should not be confused with the "Regeneration Strategies" that will be referred to within the Devon Place Board work (reported on separately).

2. Welcome Back Fund

- 2.1. Stage 1 of the commission is being funded by the Welcome Back Fund (WBF). However, the WBF programme ends on 31st March 2022, and as the anticipated timeline for Levelling Up is that Round 2 will not open until spring 2022, we will only be able to complete stage 1 of the commission with Avison Young using the WBF.
- 2.2. We therefore require to draw upon the previously agreed allocation of Business Rates Reserve Pilot Fund, for stage 2 – the preparation of the bid. This will be approximately £30,000. Cabinet approved (31 March 2021) that £100k from the Business Rates Reserve Pilot Fund was allocated for LUF bid preparation and submission.
- 2.3. The Exmouth Levelling Up Fund work and subsequent LUF bid has used £16,658 from the Business Rates Reserve Pilot Fund. We are able to claim £44,000 of the Exmouth LUF work from the WBF (subject to WBF approval of our claim).

3. The Axe Valley Project

- 3.1. The project scope involves consultants, Avison Young and their co-consultants considering the feasibility of sites for placemaking or development projects in Axminster and Seaton. Such sites might be publicly owned and some may be privately owned, in which case the

consultants are having discussions with the site owners on their current ambitions for the site.

- 3.2. The feasibility studies will provide an idea of the types of uses that would be suitable for the sites, and a financial (development) appraisal of the site providing estimates of the potential costs for the development/placemaking project, its end financial (commercial) value, likelihood of deliverability, and economic value.
- 3.3. Potential sites or projects include some sites owned by the council such as the Colyford Road former depot site and Harepath Road employment sites in Seaton as well as the Seaton Seafront Enhancement project. In Axminster, the project will consider sites such as the Cloakham Lawns employment site but will also explore opportunities for some key town centre sites that are privately owned, such as the Websters garage site.
- 3.4. In order to determine which sites to include in a feasibility assessment, the consultants will assess each site against a set of technical criteria similar to that which is used in the assessment of the Levelling Up Fund and other funding bids. This assessment will be combined with the views expressed by the local ward members and by stakeholders.
- 3.5. For Axminster, consideration will need to be given in any future Levelling Up bid, to whether a relief road remains an option for the town and this will be explored with Devon County Council. For a Levelling Up Fund bid it will be important to demonstrate the economic value of project interventions such as creation of employment generating development and projects that will offer additional GVA spend within the towns. Projects will aim to assist with supporting economic recovery and increasing economic/SME resilience.
- 3.6. It is noted that any future Levelling Up Bid will require the support of the local MP and that early engagement is necessary. A meeting has been held with Neil Parish MP to advise him of these 2 projects and the potential for a future Levelling Up Bid. There will be further engagement in the next month.

Financial implications:

The financial details are contained within the report and are within an approved budget.

Legal implications:

The report does not raise any specific legal implications requiring comment.