

Report to: Cabinet



Date of Meeting 5 October 2022

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Review date for release N/A

Axe Valley Project Levelling Up Fund application – Next Steps

Report summary:

A Levelling Up Fund (LUF) application, consisting of a package of projects in the Axe Valley, was submitted in August (the deadline for submissions being delayed due to technical problems with the Government's on-line application portal). There is no fixed date for the announcement of successful bids. It is expected during Autumn 2022.

The Council needs to prepare for two possible outcomes:

1. The bid is fully or partially successful and the Council is offered all or part of the Levelling Up Funding requested. For the full Axe valley package, the Council will need be able to spend up to £1million of Levelling Up Fund money during the first year of the programme (by 31st March 2023), the ability to spend in the first year of the programme being a necessary commitment of LUF applicants.
2. The bid is unsuccessful. The Council will need to review the project package, consider and decide upon any alternative delivery options it may want to pursue.

It may be as late as November that we hear about the funding which leaves little time to engage further external professional support if we are successful with the funding. Officers have been reviewing the requirements for progressing projects and consider that there is a need to engage project management consultancy to commence drawing up detailed plans, for the package of projects so that we can meet the funding requirements. Further details are set out in the full report below.

If the application is not successful the work will not be wasted as it will provide information for members to make decisions about alternative options for project delivery.

A budget is required for the engagement of project management services and officers would like to recommend the use of a budget that has already been approved for project feasibility work for one of the projects within the LUF bid. A budget of £50,000 was agreed for the feasibility of Cloakham Lawns project (agreed by Cabinet on 3rd November 2021). Officers recommend that this is allocated to this wider piece of project management work that includes Cloakham Lawns in the package.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That cabinet approves that:

1. The allocation of £50,000 for project feasibility work that was approved by cabinet in November 2021 for the Cloakham Lawns project is re-allocated and used to acquire project management expertise to support the wider LUF projects in advance of the notification by Government regarding the outcome of the council's LUF funding bid.
2. That delegated authority is given to the Service Lead for Place, Assets and Commercialisation to procure the services of a project manager to advise on the next stages and delivery aspects of the LUF projects and to commence the procurement of other professional advisors that will be required for project delivery.
3. That delegated authority is given to the Service Lead for Place, Assets and Commercialisation to act upon the advice of the project manager in commencing procurement of external professional advisors and to commence progress with delivery without delay should the council be successful in the LUF bid.
4. That in the event that the council is unsuccessful with the LUF bid, a report will be submitted to cabinet setting out the options available for progressing with delivery or otherwise of the package of projects.

Reason for recommendation:

To enable the council to make progress with the next stages of delivery for the LUF projects in advance of the outcome of the LUF funding bid so that if successful, the council does not lose further time between the decision and the end of March next year in progressing with the project spend that is required as part of the funding agreement.

This allows time for procurement processes to be progressed for the various professional advisors so that key appointments can be made in a timely manner. Should the LUF bid be unsuccessful, the project team will be able to pause appointments to reduce the financial commitment of the council and allow time for members to consider how it wishes to move forward.

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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

[Link to Cabinet Report on Axe Valley Project and Levelling Up Round 2, 29 June 2022](#)

[Link to Cabinet Report on Cloakham Lawns Employment Land, Axminster, 3 November 2021](#)

Link to [Council Plan](#)

Priorities (check which apply)

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

1. Background

- 1.1 A Levelling Up Fund (LUF) application, consisting of a package of projects in the Axe Valley, was submitted in August (the deadline for submissions being delayed due to technical problems with the Government's on-line application portal). There is no fixed date for the announcement of successful bids. It is expected during Autumn 2022.
- 1.2 The Council needs to prepare for two possible outcomes:
 - a) The bid is fully or partially successful and the Council is offered all or part of the Levelling Up Funding requested. For the full Axe valley package, the Council will need be able to spend £1million of Levelling Up Fund money during the first year of the programme (by 31st March 2023), the ability to spend in the first year of the programme being a necessary commitment of LUF applicants.
 - b) The bid is unsuccessful. The Council will need to review the project package, consider and decide upon any alternative delivery options it may want to pursue.

2. Next Steps.

- 2.1 It may be as late as November that the council is advised on the result which leaves little time to engage further external professional support if we are successful with the funding. The council has been reviewing the requirements for progressing projects and considers that there is a need to engage project management consultancy to commence drawing up detailed plans, for the package of projects so that we can meet the funding requirements.
- 2.2 If the application is not successful the work will not be wasted as it will provide information for members to make decisions about how they wish to progress and to consider alternative options for project delivery if appropriate.
- 2.3 A budget is required for the engagement of project management advice in the first instance. A budget of £50,000 was agreed for the feasibility of Cloakham Lawns project (agreed by Cabinet on 3rd November 2021). It is recommended that this is allocated to this wider piece of Axe Valley/LUF project management work, that includes Cloakham Lawns in the package.
- 2.4 If successful in the funding bid, the council will need to commence spend on the following activities:

- Professional fees on surveys, site investigations, engineering advice, architectural and planning application advice, cost advice, overall delivery methods.
- Pre- main construction contract enabling works including site clearance,

2.5 The procurement of a project manager with the expertise in drawing together a multi-discipline project team will enable a timely engagement of the necessary professional services required.

2.6 The council will liaise with the Procurement Services team at Devon County Council to ensure compliance with procurement processes.

Financial implications:

A budget was approved by Council of £50k for Cloakham Lawns Employment Land Axminster for a feasibility study and master planning exercise to be undertaken in order to identify the development options and possible returns from the site. This report proposes this funding now to be used for project management support to include this site.

Legal implications:

The report does not raise any legal implications requiring comment.