



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Cabinet

Wednesday 9th June 2021

Report of the Head of Property and Regeneration – S. Brennan

Matter for Decision

Wards Affected: All Wards

UK Levelling Up Fund – Neath Port Talbot project proposals

Purpose of the Report:

To seek Members approval on the proposed package of bids for Neath and Aberavon constituencies to submit to the UK government in application for funding from the UK Levelling Up Fund.

Executive Summary:

The UK Levelling Up Fund is a competitive fund, with funding distributed to places across the UK on the basis of successful project selection. Wales is set to receive approximately £240 million over 4 years.

Following stakeholder engagement, Local Authorities are invited to put forward their proposal for an individual project or a parcel bid,

consisting of multiple projects (2 – 3), which can request up to £20 million of funding per MP.

The three priorities for the first round of UK LUF are:

- Transport investments
- Regeneration and town centre investment
- Cultural investment

Lead Authorities can only have one successful bid for each of their allocated number of bids over the lifecycle of the LUF. The proposed two ‘parcel bids’ for the Neath and Aberavon constituencies are:

Neath

Neath town centre piazza	Piazza development providing community and green space and improved access to public transport.
Commercial Property Grant	Funding internal and external works to commercial properties across the county borough, including acquisition.

Aberavon

Port Talbot Civic Square	Re-purpose as a multi-purpose community space.
Port Talbot Riverside development	Riverside development including green infrastructure and a children’s play area.
Commercial Property Grant	Funding internal and external works to commercial properties across the county borough, including acquisition.

The crossing cutting theme creating a 'sense of place' will be incorporated into the proposals focusing on Neath Port Talbot's sporting, arts and industrial heritage

The remaining proposals on the long list will be developed further, and additional proposals will be added to the long list to secure funding from alternative funding sources including the UK Shared Prosperity Fund and Welsh Government Place Making funding which supports regeneration projects.

Background:

At the March 2021 spending review, the UK government announced a number of new funding and finance programmes and initiatives for local and regional economies across the UK.

The collection brings together three investment programmes which aim to level up communities namely;

- Levelling Up Fund
- UK Community Renewal Fund
- Community Ownership Fund

The £4.8 billion UK Levelling Up Fund will invest in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets.

The Levelling Up Fund is a competitive fund, with funding distributed to places across the UK on the basis of successful project selection. The Fund will set aside at least £800 million across Scotland, Wales and Northern Ireland over four years from 2021-2022 to 2024-2025. For the first round of funding, at least 9% of total UK allocations will be set aside for Scotland, 5% for Wales, and 3% for Northern Ireland. Wales is set to receive approx. £240 million over 4 years.

Local Authority areas have been categorised according to need, with funding targeted towards those in highest need – thus levelling up opportunity across the UK. Category 1 areas are those with highest need and therefore given priority. Neath Port Talbot is designated as a Category 1 area. Each Local Authority can submit 1 bid per MP.

Following stakeholder engagement, Local Authorities are invited to put forward their proposal for an individual project or a parcel bid, consisting of multiple projects, which can request up to £20 million of funding. This proposal must then be presented to the local MP for endorsement, prior to formal submission of a business case to UK government. Local Authorities may submit joint bids and collaboration is encouraged.

Priorities for the first round of UK LUF are:

- Transport investments
- Regeneration and town centre investment
- Cultural investment

Lead Authorities can only have one successful bid for each of their allocated number of bids over the lifecycle of the LUF.

Fund criteria:

Bidding authorities should consult a range of local stakeholders in developing their bids for the Levelling Up Fund (and demonstrate evidence of engagement) including seeking MP endorsement.

Neath Port Talbot Council will engage with the Public Services Board (public and third sector engagement), Swansea Bay City Deal Economic Strategy Board (private sector engagement) and the Port Talbot BID.

Assessment process:

The UK government will assess bids on four key areas, namely:

1. Characteristics of place (category 1 = highest level of need)
2. Deliverability (projects will need to start delivering and spend in the 2021/22 financial year)
3. Strategic fit with local and LUF priorities
4. Value for money (economic case to be submitted)

Bidding timescales:

18th June 2021 – First round applications to be submitted to UK government

Autumn 2021 – UK government investment decisions to be made and notify successful bidders

2021/22 – Delivery to commence

March 2024 – Delivery to be completed

Neath Port Talbot priority bids:

The UK LUF prospectus outlines 3 themes:

Theme 1 – Transport investments

Theme 2 – Regeneration and town centre investment

Theme 3 – Cultural investment

The bids need to be aligned to the 3 themes and to the LUF prospectus and technical note.

In relation to Theme 2, the UK LUF technical note refers to the following output: *delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites)*

In line with the technical note, the council commenced developing bid proposals to develop sites and premises in the valley communities of

the county borough in order to meet the evidenced need and demand and to facilitate the levelling up agenda. However following a meeting with a UK government official, the council was encouraged to develop bids with a focus on the themes in the UK LUF prospectus.

A number of workshops were held to develop a long list of bids for the Neath and Aberavon constituencies and agreed criteria was used to whittle this long list down to a short list with a focus on deliverability and alignment to UK LUF priority areas.

Appendix 1 shows the long list of bids and the ranking of those bids in line with the agreed criteria.

The UK LUF prospectus and technical note indicates that ‘package bids’ can be developed. Package bids can have up to two or three projects only and must clearly explain how their component elements are aligned with each other and represent a coherent set of interventions. The council proposes developing package bids for Neath and Aberavon constituencies under theme 2 ‘regeneration and town centre development’.

The short list of bids to be developed into applications for the Levelling Up Fund are:

Neath

Neath town centre piazza	Piazza development providing community and green space.
Commercial Property Grant	Funding internal and external works to commercial properties across the county borough, including acquisition.

Applications to the Levelling Up Fund will be appraised and considered at the bid level rather than as individual projects. If there are weaknesses in one of the projects, applicants should be mindful that it will adversely impact the overall score of their bid. The original parcel bid for Neath included Pontardawe Arts Centre, however since the list was ranked, a number of issues have been highlighted in relation to the Pontardawe Arts Centre development including the need to demonstrate need / demand for a cinema extension, the restrictions in developing the public space outside the cinema and the economic case benefit / cost ratio for development. As a result, it has been decided not to include Pontardawe Arts Centre in this LUF submission and to develop the business case further for future funding rounds.

Aberavon

Port Talbot Civic Square	Re-purpose as a multi-purpose community space.
Port Talbot Riverside development	Riverside development including green infrastructure and a children’s play area.
Commercial Property Grant	Funding internal and external works to commercial properties across the county borough, including acquisition.

Sense of place:

The crossing cutting theme creating a ‘sense of place’ will be incorporated in the proposals focusing on Neath Port Talbot’s sporting, arts and industrial heritage.

Future funding rounds:

The remaining proposals will be developed further, and additional proposals will be added to the long list to secure funding from alternative funding sources including the UK Shared Prosperity Fund and Welsh Government Place Making funding which supports regeneration projects.

Financial Impacts:

The Levelling Up Fund technical note indicates a minimum contribution of 10% match funding which can come from a local authority or other third party (public or private sector). This funding cannot be 'in kind'. Any contribution made must be in the form of an actual financial contribution.

The LUF criteria states that private sector match funding is encouraged - approximately 10%. The Commercial Property Development Grant (CPDG) will attract private sector investment, up to a maximum rate of 55% of the individual total project cost.

Scheme costs are still being developed and will require independent cost verification prior to submission. Current estimated costs for the project are outlined in the tables below:

Neath

Neath Piazza	£1,800,000
Commercial Property Development Grant	£3,000,000
Total	£4,800,000

Aberavon

Port Talbot Civic Square	£1,013,975
Riverside redevelopment	£1,047,557
Commercial Property Development Grant	£3,000,000
Total	£5,061,532

The total Levelling Up Fund ask is £9,861,532 (excluding project management costs which will be included in the final submission to UK government at a standard percentage).

Integrated Impact Assessment:

A first stage impact assessment has been undertaken for all four interventions (Neath Piazza, Port Talbot Civic Square, Port Talbot Riverside, Commercial Property Development Grant (CPDG) to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016).

The first stage assessment has indicated that a more in-depth assessment is not required. A summary is included below.

In line with Neath Port Talbot IIA screening form guidance, it has been determined that a full assessment is not appropriate in this instance, as the scheme will have a low impact on protected characteristics.

Valleys Communities Impacts:

The proposals will have a positive impact on the valleys communities and will support town centre regeneration of all our town centres.

Workforce Impacts:

Each Local Authority will receive £125,000 capacity funding.

Legal Impacts:

No implications.

Risk Management Impacts:

There are no risk management issues associated with this report.

The Levelling Up Fund application form requires applicants to develop a risk register which will be managed as part of the project plan.

Consultation:

This item has been subject to external consultation.

Levelling Up Fund bidding authorities are required to consult with a range of local stakeholders in developing their proposed investments for the Levelling Up Fund (and demonstrate evidence of engagement) including seeking MP endorsement.

Neath Port Talbot Council has engaged with the following stakeholders:

Stakeholder	Date	Format
MP for Neath	23/04/2021	Teams meeting
MP for Aberavon	23/04/2021	Teams meeting
Swansea Bay City Deal Economic Strategy Board (private sector engagement)	20/05/2021	Teams meeting
Port Talbot BID 'Viva Port Talbot	26/05/2021	Teams meeting
Public Services Board (public and third sector engagement)	27/05/2021	Teams meeting

Recommendations:

It is recommended that:

1. Cabinet Members agree the Levelling Up Fund parcel bids for Neath and Aberavon constituencies.
2. That delegated authority be granted to the Director of Environment and Regeneration in consultation with the Leader and relevant Cabinet Member(s) to approve the business case for submission to UK government by 18th June deadline.
3. Authorise the Director of Environment and Regeneration in consultation with the Director of Finance and Corporate Services and the Leader and relevant Cabinet Member(s) to enter in grant agreements or associated documentation that might be necessary to draw down funding from the Levelling Up Fund.

Reasons for Proposed Decision:

To enable Neath Port Talbot Council to formally submit the Levelling Up Fund parcel bid applications for Neath and Aberavon constituencies to the UK government.

Implementation of Decision:

The decision is proposed for implementation after the three day call in period.

Appendices:

Appendix 1 – Levelling Up Fund Project Prioritisation

Appendix 2 – First Stage Impact Assessments

Appendix 3 – Levelling Up Fund Prospectus

List of Background Papers:

As per the Appendices

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