



<b>Classification</b>	<b>Item No.</b>
<b>Open Part A</b>	

<b>Meeting:</b>	Cabinet
<b>Meeting date:</b>	26th May 2021
<b>Title of report:</b>	Levelling Up Bids – Radcliffe Civic Hub Bury Flexi Hall
<b>Report by:</b>	Cllr Eamonn O’Brien
<b>Decision Type:</b>	Key Decision
<b>Ward(s) to which report relates</b>	Radcliffe East

### **Executive Summary**

Following the announcement of the Levelling Up Fund in the 2021 Budget, Bury Council is proposing to submit two bids in round 1 of the Fund in respect of the projects. The deadline for round 1 bids is 18<sup>th</sup> June 2021.

Recommendation(s)

1. That Cabinet agrees to develop and submit two Levelling Up Bid applications – one for Radcliffe (subject to approval at Radcliffe Cabinet Committee on the 27<sup>th</sup> May 2021) and a second for Bury town centre. Final approval of the submissions on or prior to the 18<sup>th</sup> June 2021 will be delegated to the Chief Executive in consultation with the Leader of the Council.
2. That Cabinet approve expenditure up to £125,000 per project as required to support the development of proposals submitted as bids to the Levelling Up Fund to enable the delivery of the project within the required timescales.

### **Reasons for the decision:**

The Radcliffe Strategic Regeneration Framework (SRF) was adopted in September 2020 as the Council’s policy for the future regeneration of the town.

In Area policy BY6 - Central Shopping Area, the current development plan states that the Council will encourage and support proposals for retailing and appropriate ancillary retail uses within Bury town centre's central shopping area.

S1/1 - Shopping in Bury Town Centre, the Council will protect, maintain and enhance the role of Bury Town Centre as a sub-regional shopping centre and promote the centre as a focal point for further development. In particular, the Council will support the expansion of the centre through the development of additional comparison shopping floorspace, complementary non-food retail warehousing and speciality shopping.

Access to monies from the Levelling Up Fund would support the delivery of projects in Radcliffe and Bury, within a timeframe that is strategically aligned to the implementation of priorities outlined in the *Let's do It, Bury 2030* plan.

## **KEY CONSIDERATIONS**

### **1. Background**

- 1.1. The regeneration of Radcliffe remains a key Council priority, and the need to improve life outcomes for the town's residents remains clear. Despite previous regeneration plans for the town, Radcliffe lags behind the rest of the Borough in multiple key indicators.
- 1.2. Public sector intervention in the town is required to arrest Radcliffe's decline and to help it realise its potential. Leaving Radcliffe to market forces will not change the existing patterns of demand; nor would it provide the improved quality and diversification of attractions to the centre which is required to increase footfall, expand dwell time and drive the town centre growth which, in turn will help to catalyse the regeneration of Radcliffe as a whole.
- 1.3. In September 2020, Cabinet approved a final version of the SRF as the Council's policy for the future regeneration of Radcliffe and as a material consideration in the determination of planning applications.
- 1.4. The creation of the Programme Management Office was approved by Cabinet in September 2020. As part of this proposal the Programme Management Office was to have the lead role of developing business cases and creating investment fund propositions.

### **2. The Levelling Up Fund**

- 2.1. Arrangements for the Levelling Up Fund were announced in the 2021 Budget and outlined within the published prospectus document.
- 2.2. The scope outlined within the guidance for the fund assumes that the business case requirements for regeneration projects will be broadly consistent with separate guidance issued in respect of other recent MHCLG programmes (Future High Street Fund and Towns Fund).

2.3. Bury has been designated within the highest priority category for funding. Based on an initial review, proposals for Radcliffe Hub and Bury Flexi Hall are well aligned with the funding criteria:

- The fund will operate on a competitive basis, taking into account the priority category, deliverability, strategic fit and value for money;
- Investment is primarily for capital infrastructure, including (i) small transport projects, (ii) regeneration and town centre investment and (iii) cultural investment;
- Support is available for projects (or packages of projects) requiring up to £20m of funding. A maximum of £20m funding is available per bid. Package bids should be made up of coherent projects that are clearly aligned;
- The focus is on projects that delivery visible change, with first round targeted towards bids that can demonstrate deliverability and can begin in the next financial year. Bids must be submitted by 18th June 2021 with spend complete by March 2024.
- Unitary Authorities can submit bids, with the number of bids determined by the number of MPs in an area.(in the context of Bury, both MP's support the submission of two bids – one per constituency).
- Bids need to demonstrate appropriate engagement and consultation, and should also have regard to policy objectives to achieve Carbon Net Zero.

### 3. Business cases – the Five Cases

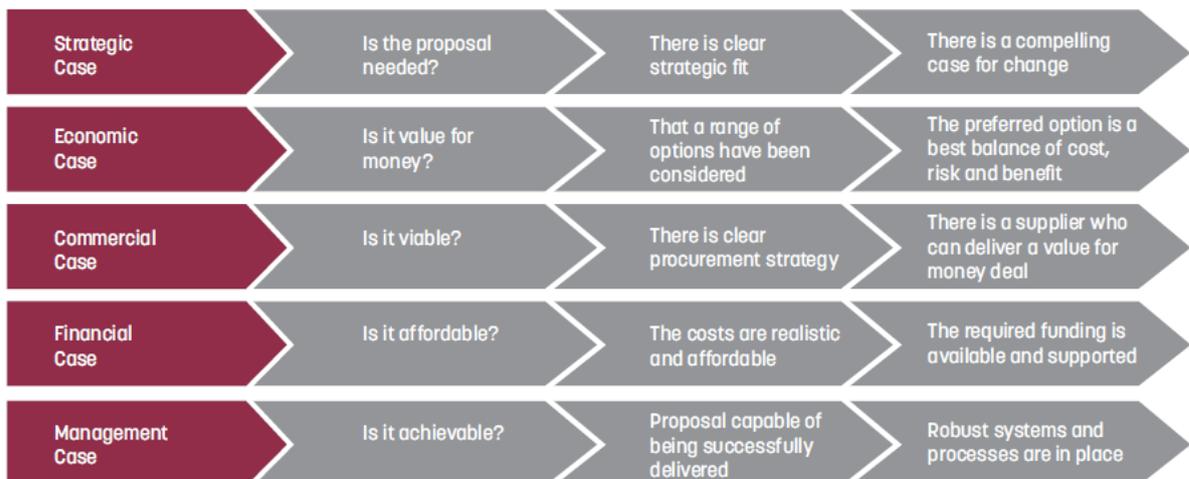
3.1. Business cases are used extensively in the public sector to guide the development to new initiatives and support spending decisions. All public sector Business Cases are governed by HM Treasury's Green Book and the Five Cases guidance. These core texts provide guidance on how Business Cases should be advanced. Associated with the Green Book, individual government departments often provide more detailed guidance on business case treatment relating to their particular specialist area, including MHCLG and its Appraisal Guide.

3.2. The purpose of Business Cases is to confirm the strategic context of proposals; to make a robust case for change; to assess a range of potential options as to the best way forward; and consider the deliverability and viability of these options. They will identify the preferred option that optimises value for money. They also set out the financial requirement; the affordability of proposals; the supporting procurement strategy, and the management arrangements for the successful rollout of the projects. The guidance contained in HM Treasury's 'Green Book' includes the five cases to be completed summarised below:

- 3.2.1. **Strategic Case** – this needs to set out a robust and evidence-based case for the acquisition of the remainder of the site and further enabling works, establishing the rationale for intervention and fit with national, regional and local policies;
- 3.2.2. **Economic Case** – the development of the Economic Case involves the identification of a long-list of options that are then assessed in relation to their strategic fit, achievability, affordability and acceptability (including “do

nothing”). From this assessment, a number of short-listed options will be selected and taken forward as part of a more detailed appraisal. The costs and benefits of each short-listed option will be assessed and compared to determine which option offers the best value for money (assessed using net present public value and benefit cost ratios). The risks associated with each option will also be considered;

- 3.2.3. **Commercial Case** – the purpose of this Case is to demonstrate that the preferred option will result in a viable procurement and well-structured deal, providing certainty in terms of delivery and minimising risk to the public sector;
- 3.2.4. **Financial Case** – the capital and revenue requirements associated with the project will need to be set out within the Financial Case. The overall cashflow of the project, its net present value (NPV) and the funding sources will need to be set out. In addition, it will also be important to identify the forecast annual funding/income and the affordability of this in terms of budget provisions, having regard to wider financial pressures;
- 3.2.5. **Management Case** – the Management case will need to set out how the project will be managed by the Council and its partners. This will include identifying the governance arrangements, as well as identifying clear roles and responsibilities.



- 3.3. Guidance sets of a staged process based on key gateways. As outlined below, there are typically three key stages as part of a process that leads directly into implementation, monitoring and evaluation. The process is designed to provide a framework that guides the iterative development of the projects.
- 3.4. It is envisaged that the project could be developed to OBC stage at the point of submitting a bid for Leveling Up Fund support. This would be consistent with the requirements for other capital funding programmes, including FHSF and Towns Fund. At OBC stage, it is generally expected that investigations and design development will be progressed to an appropriate level of detail to support rigorous option testing to support the identification of a preferred solution.

- 3.5. It is emphasised that the development of the business case to FBC, and the procurement of the contract, will need to continue post submission to satisfy internal and external assurance requirements.
- 3.6. The PMO is coordinating the progression of feasibility work on the business case for the projects, and work is underway to inform the project development, scope for mix of end users and potential external funding streams that will be required to deliver the proposals.
- 3.7. In order to access these funds, the Council will be required to submit comprehensive and robust bids that are able to demonstrate credible development proposals. Critically, the Council will need to show that it has the ability to deliver the development proposals within specific timeframes and, this will include demonstrating that it has unrestrictive control over land assets

#### **4. Progress to date**

- 4.1. The PMO are working with Amion to author the Outline Business Cases (OBC) and inform the Levelling Up Fund Bids.
- 4.2. The draft Strategic Cases have now been completed and present clearly defined cases for change, underpinned by robust strategic alignment with council transformational programmes, extensive stakeholder engagement and consultation, demand and activity assessments, and evidence-led SMART objectives.
- 4.3. Work on the draft Economic Case has focused on options appraisal, to ensure that rigorous and measured consideration has been given to realising an optimum solution. Critical Success Factors have been utilised to determine the extent to which each option aligns with delivering best value.

##### Acceptability – Alignment with key objectives

- Regeneration/Placemaking – contribute to strategic objectives for wider town centre;
- Inclusive growth – the extent to which growth supports all local communities;
- Coordinated services – supporting enhanced service provision based on co-location;
- Clean growth – the extent to which the proposals align with the net zero targets;
- Community recovery – the extent to which the proposal contributes building community capacity in support of recovery and resilience.

##### Achievability – Feasibility of proposals

- Market demand – the level of expected demand from development partners and/or occupiers;

- Site constraints – the extent to which the proposal is deliverable within the constraints of the site;
- Dependencies – the level of risks associated with the project including planning regulations;
- Timescales – deliverability within LUF timescales.

Affordability – Likelihood of securing requisite funding

- Affordable within budget – the extent to which the proposal can be delivered within set budget;
- Value for money – the expected level of benefits arising from the proposal.

The Critical Success Factors have been prioritised and a corresponding weight assigned to each scoring criteria, based on its importance to the delivery of the schemes. The results of this evaluation have identified the preferred options which represents a best value balance of cost, risk, and benefits.

- 4.4. A detailed cost benefit analysis is currently being carried out to support the assessment of the preferred options.
- 4.5. To support the Commercial Case a procurement strategy for the projects has been prepared, detailing both directly delivered and developer led outputs. To inform a best value route to market, initial soft market testing via regional frameworks has been undertaken and the response has been positive and encouraging.
- 4.6. Work on the Management Case has focused on identifying the appropriate methodology for planning, designing, procuring, and delivering the project outputs. A suite of project management documents are currently being drafted including:
- Project Management Plan
  - Soft Landings Strategy
  - Risk Management Plan and risk register
  - Change Management Plan
  - Procurement Strategy
  - Stakeholder Engagement Plan
  - Benefits Realisation Plan

The PMO are also establishing the required project governance structure to ensure mechanisms for monitoring, controlling, and reporting are in place.

## **5. The Bid Budget and Programme**

5.1. The Levelling Up Fund provides a one-off payment of £125,000 for unsuccessful bids. In the event that both bids are not successful, the council will be remunerated £250,000.

5.2. Programme Milestones

Bid Submission	18 <sup>th</sup> June 2021
Development of project FBC	Jul – Nov 2021
Commence procurement to select construction partner	Jul 2021
Completion of Two-stage procurement process	Sept 2021
Site Investigations	Jul – Sept 2021
Development of RIBA Stage 3 Design Information	Sept – Nov 2021
LUF Bid Decision	Autumn 2021

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### **Community impact/links with Community Strategy**

If built proposals are brought forward to Cabinet in due course for comprehensive redevelopment, a full resident and wider community engagement strategy will be included.

The Council has a pledge to be Zero Carbon by 2038. This means that the current estate needs to be rationalised and modernised with the likely outcome that all Council services will need to be provided in a new building, whilst sharing services and facilities with the wider public sector. The hub provides an opportunity for the Council to consolidate its estate.

Our Corporate Plan 2020/22 sets out key themes, principles and deliverables to support the Borough of Bury as it recovers from the local impact of the Covid-19 pandemic and builds a better and brighter future for our population, communities and businesses.

The regeneration of Radcliffe and investment in Bury town centre supports delivery of the Let's Do It strategy and the five themes that underpin the plan. The five themes all have a correlation to how we design our Towns. As we move towards a future in urban areas where people travel less, buy locally, work and access local services, we need vital and liveable neighbourhoods. This means the Council must think carefully about neighbourhoods and how they can be either built or re-designed to work well.

The 5 themes are summarised below and how they link into the vision for Radcliffe and Bury:

**Healthy Communities:** Provision of community, civic, education and wellbeing facilities. The implementation of active travel, walking and cycling routes connecting people with local amenities and increasing the availability of public open space will enable the communities to thrive.

**Carbon neutral:** We need to use every opportunity to ensure that development in Radcliffe and Bury on our land is carbon neutral and prioritises active travel.

**Inclusion:** making sure that everyone's voice is heard, this will absolutely be a focus through the Consultation of the regeneration work.

**Digital first:** the full fibre roll out has enabled access to faster speeds and future-proofed infrastructure. This presents an excellent opportunity for the businesses and community with Radcliffe being the ideal location for small business growth.

**Inclusive Growth:** the regeneration schemes in Radcliffe and Bury will include investment in physical infrastructure (roads, cycle ways and public transport); creating more flexible

and innovative/digital workspaces to encourage more businesses to open and remain in Radcliffe and Bury; to ensure residents have the best chance to access good jobs.

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**Equality Impact and considerations:**

This proposal does not adversely affect equality.

*Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

*A public authority must, in the exercise of its functions, have due regard to the need to -*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

<b>Equality Analysis</b>	<i>Please provide a written explanation of the outcome(s) of either conducting an initial or full EA.</i>

*\*Please note: Approval of a cabinet report is paused when the 'Equality/Diversity implications' section is left blank and approval will only be considered when this section is completed.*

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**Consultation:**

Ward councillor and MP briefings to be held prior to submission of formal bids.

Wider consultation strategy as part of the bis submission will include local community and charity groups.

Any development proposals will be subject to a full planning application and will include public consultation.

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### **Legal Implications:**

There are no legal implications at this point. Once the outcome of the bid is known legal support will be provided at all stages to support the decision making and delivery process.

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### **Financial Implications:**

Regeneration across the borough is a key strategic priority for the Council and in recognition of this is reflected in the Council's capital strategy. The cost of regeneration is however significant and the Levelling Up Fund provides an opportunity to secure additional funding that will support and deliver the Council's aspirations. Economic growth and other benefits will be achieved and the additional funding will ensure the Council is able to deliver at a much greater pace than if there was no external funding. Any additional growth and income that this generates will contribute towards the Council's medium term financial strategy where it is assumed that some level of growth will be received in the later years of the strategy.

If successful there will be some costs that will fall to the Council to meet and these will need to be factored into the capital programme. These cannot however be fully quantified until the final bid has been developed and the outcome known. Some provision within the 2021/22 capital programme has been made and the associated borrowing costs factored into the revenue budget. Funding for future financial years will be subject to annual review and approval.

To support local authorities in developing bids, one off funding of £125k per bid is provided and is available even if bids are unsuccessful. Should the bids be successful and the Council decide not to proceed these costs will fall to the Council to meet. This is however unlikely given the strategic importance of both bids. In preparing the bids the Council will be mindful of the costs and the risks associated with the developments and further reports will be presented to Cabinet with full financial implications once the outcome of both bids is known.

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