

ISLE OF ANGLESEY COUNTY COUNCIL Scrutiny Report Template

Committee:	Partnership & Regeneration Scrutiny Committee
Date:	15.03.2023
Subject:	Levelling Up Fund – Holyhead: A culture and heritage driven transformation
Purpose of Report:	To report on the County Council’s Levelling Up Fund bid to UK Government
Scrutiny Chair:	Cllr. Dylan Rees
Portfolio Holder(s):	
Head of Service:	Christian Branch
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Local Members:	Relevant to all Elected Members

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1 - Recommendation/s

That the Scrutiny Committee...

1. Note progress in development of LUF bid
2. Recognise role of Council to develop and submit bid
3. Support delivery of the LUF (in line with agreed timescales, outputs etc.)

2 – Link to Council Plan / Other Corporate Priorities

The Levelling Up Fund has been developed against the context of our corporate priorities with other key local, regional and national policies and strategies informing the Plan (i.e. Regional Economic Framework for North Wales, the Welsh Government Programme for Government and the Levelling Up White Paper).

Local strategies:

- Isle of Anglesey & Gwynedd Well-being Plan(Gwynedd & Anglesey Public Service Board, 2018)
- Council Plan 2017 -2022 (Isle of AngleseyCounty Council, 2017)
- Isle of Anglesey County Council Strategic Equality Plan 2020 –2024 (Isle of Anglesey County Council, 2020)
- Anglesey Transitional Plan (post pandemic) 2022-2023 (Isle of Anglesey County Council, 2022)
- North Anglesey Economic Regeneration Plan (Isle of Anglesey County Council, 2019)
- Anglesey and Gwynedd Joint Local Development Plan 2011 –2026 (Isle of Anglesey County Council, 2017)
- Isle of Anglesey County Council toward Net Zero Plan 2022-2025 (Isle of Anglesey County Council, 2022)

3 – Guiding Principles for Scrutiny Members

1. Impact the matter has on individuals and communities [focus on customer/citizen]
2. A look at any risks [focus on risk]
3. Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality]
4. Looking at plans and proposals from a perspective of:
 - Long term
 - Prevention
 - Integration
 - Collaboration
 - Involvement
 [focus on wellbeing]

4 - Key Scrutiny Questions

1. The report discusses the significant role of partners in the successful delivery of the programme. What is the role of the Local Authority in monitoring delivery against the key priorities?
2. What are the key risks and how will they be managed to ensure delivery of work streams in the Fund?
3. What arrangements will be in place to manage the individual projects and overall programme to successful delivery?
4. To what extent does the Levelling Up programme as approved enable the Local Authority to realise the Council Plan for 2023/28?

5 – Background / Context

1. Introduction to the Levelling Up Fund (LUF)

The LUF is the flagship funding pot from UK Government. The capital only fund is designed to invest in core, social-economic infrastructure that improves everyday life across the UK. The £4.8 billion fund – launched in March 2021 – has a focus on 3 key areas:

1. Support town centre and high street regeneration,
2. Local transport projects, and
3. Cultural and heritage assets.

As a result of unrealistic timescales to develop a sufficiently detailed bid, the County Council decided not to pursue and submit a bid in the 1st LUF round which was held in early 2021. Instead a decision was taken to focus on inviting expressions of interest (EOI's) from external partners on schemes that could be delivered in collaboration with the County Council in preparation for the 2nd round of LUF.

Projects with a value of up to £20m could be supported and funding of £125,000 was provided to support development costs.

During this assessment it became apparent that only a bid focussing upon addressing Holyhead socio-economic needs would likely meet the UK Government's specific requirements and have any opportunity of being successful. These requirements included the ability to spend immediately; be deliverable by March 2025; demonstrate value for money; and be in possession of (or able to demonstrate no obstacles to securing) statutory

consents and match funding. It was also determined that a bid centred on the 'heritage; culture and townscape' attributes of Holyhead rather than the Island's wider regeneration needs would likely be more appealing to the UK Government.

None of the other EOI's that were submitted met these exacting requirements and given the timescales, it would not have been possible to progress and develop them sufficiently.

A total of 5 EOI's were submitted from Holyhead. These included:

1. Môn Communities First & the Town Council
2. The Church of Wales
3. The Ucheldre Centre
4. The Maritime Museum
5. Isle of Anglesey County Council – Heritage Regeneration

Following an open EOI process, the Executive on 3rd March 2022 endorsed the recommendation by Officers that the Island's bid focus on a bid centred on the culture, heritage and regeneration of Holyhead

2. Developing the Bid & Partnership Working

It cannot be underestimated the volume and complexity of work that went into developing the bid. This resulted in significant, intensive collaborative working with partners from Holyhead on a level and detail the Team had not done for some time.

Assembling the bid demanded having a clear and coherent story focussing on a sense of place, which was critical and clearly defining how all the components fit together and how they would form part of a longer journey to levelling up in the area.

Successful bids were to be assessed against four key criteria (weighted at 25% each):

1. Characteristics of the place (the LUF priority level of the LA, Anglesey was #2)
2. Strategic fit with local and LUF priorities
3. Value for money
4. Deliverability – Finance, ability to spend immediately and complete by 2025, management and commercial cases, and monitoring and evaluation

These criteria would be assessed on a pass/ fail basis.

Developing the bid also involved securing further information and a rigorous, high degree of supporting each of the 5 EOI's (Môn CF, Holyhead Town Council, Ucheldre Centre, the County Council (Heritage) and Church of Wales) and having detailed discussions with them to assess each project's maturity, viability and alignment to the LUF principles and requirements. Please see Annex A for a summary of outputs on what each individual project component is expected to deliver in terms of outputs.

In June 2022, a Portfolio Holder decision was secured to Endorse the submission of the County Council's application to the UK Government's Levelling Up Fund (LUF).

The "Holyhead: A culture and heritage driven transformation" bid was submitted on 6th July 2022.

the bid outlines how it will help reverse the decline of the town centre, and increase pride of place for residents. It will help transform the town by securing £22.5m of investment, including £17m from the Levelling Up Fund, and deliver more than £54m in tangible benefits to the local community.

The bid includes a package of projects to increase employment; improve the town centre offer and visitor experience; increase footfall and spending; provide modern floor space to meet business needs, and increase access to the arts, culture and leisure.

It should be noted that the match funding towards the LUF bid had to be fully confirmed and is from the project's own sources. The County Council – apart from its own internal project – has not provided match funding to any of the project sponsors.

3. LUF Outcome

On the 18th January 2023, the County Council was made aware it had been successful in securing the full £17m it had requested within the LUF bid.

Out of the 529 bids that were submitted in the UK during Round 2, only 111 (20%) were successful. This demonstrates that the bid submitted by Anglesey was of a very high standard and more than fulfilled each of UK Government's exacting LUF criteria and requirements.

Further information on the bid is available on the Council website and also as a supporting Annex B

4. Role of the County Council in the Delivery of LUF

Whilst the County Council – apart from the Heritage project– does not have a direct delivery role in LUF, it does have a critical role to play in the successful management and implementation of the overall programme

An experienced Programme Manager has been appointed who will oversee the management of the LUF programme, working closely with the 5 project partners to ensure that they deliver on the bid as submitted within the original business case, to cost, to time and securing all outputs. Colleagues in Finance Services will also play a key role in terms of financial monitoring, compliance and risk management

This strategic role for the County Council will be a new way of programme delivery and a new way of delivering on behalf of the people of Anglesey. It mirrors the role the County Council will adopt in the delivery and roll-out of other UK Government funding mechanism such as the Shared Prosperity Fund (SPF).

A new Governance framework is in the process of being finalised which will ensure clear roles and responsibilities are adopted at the correct levels of the County Council as well as external input and support where required. A Programme Board will also be created to

ensure robust governance measures are in place and Officers will assist but also scrutinise decisions before they are taken by the project partners, especially in areas such as procurement to ensure full compliance with regulations.

The County Council is also in the process of designing bespoke legal agreements between the Council and the five delivery organisations (the project partners) ensuring roles, responsibilities, governance arrangements, monitoring, performance, claims etc. are all outlined and agreed at the outset. These will be based on the Memorandum of Understanding (MoU) by the UK Government.

The time scales for delivery are challenging with the £17m to be spent by March 2025 therefore having these supporting frameworks in place will aid in the deliver of the programme. Informal discussions have taken place with UK Government to seek a time extension on March 2025.

5. Risks associated with LUF

Some risks that have been identified in the delivery of the LUF on Anglesey include:

1. The volatility and unpredictability of the construction sector and inflation can result in an unanticipated increase in costs of materials.
2. The Council not being in a position to provide any additional funding if cost variances arise within the £17m envelope.
3. Reputational risk as the Body responsible for managing the LUF on Anglesey should any of the projects not be delivered. External interest in this is extremely prominent.
4. Being dependent on external delivery partners who don't necessarily have experience in the delivery of such schemes and the risk of those underdelivering on approved projects.
5. Challenging timescales especially given that information is sluggish coming from UK Government to enable commencement of the schemes with certainty and confidence and not at risk.
6. The Council not taking full advantage of the opportunity presented by LUF.

6. Other Funding Sources

Whilst the LUF funding secured is only for Holyhead it is important to note that other funding sources remain for the other areas on Anglesey. The Shared Prosperity Fund (SPF) is currently in progress of being assessed and scored with later rounds expected, Welsh Government has Town Centre funds available and we can also access NDA funding specifically for North Anglesey.

6 – Equality Impact Assessment [including impacts on the Welsh Language]

6.1 Potential impacts on protected groups under the Equality Act 2010

None – applications by and for protected groups under the Equality Act 2010 will be dealt with exactly the same and funding could be targeted towards those groups

6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)

Positive – this funding has the potential to be targeted towards those at a socio-economic disadvantage

6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

Positive – by creating employment opportunities in the area it is hoped that more Welsh speakers will be able to benefit and stay in the locality.

7 – Financial Implications

Neutral – there are no financial implications on the County Council as the cost of the bid development and staffing implications have been paid for and will be met through external sources.

8 – Appendices:

A – Detail on Delivery Partners Projects

B – Holyhead LUF Bid Submission Summary Document

9 - Background papers (please contact the author of the Report for any further information):