



Title of Report:	Levelling Up Fund Round 2 – Project Applications
Committee Report Submitted To:	The Leisure & Development Committee
Date of Meeting:	13 April 2022
For Decision or For Information	For Decision

Linkage to Corporate Strategy (2021-25)	
Strategic Theme	Healthy and Engaged Communities
Outcome	Citizens will have access to a range of leisure, recreational, green and play environments which support better physical and mental health and wellbeing
Lead Officer	Director of Leisure and Development

Budgetary Considerations	
Cost of Proposal	N/A
Included in Current Year Estimates	No
Capital/Revenue	Capital
Code	Not applicable
Staffing Costs	Yes

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	No	Date
	EQIA Required and Completed:	No	Date:
Rural Needs Assessment (RNA)	Screening Completed	No	Date:
	RNA Required and Completed	No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	No	Date:
	DPIA Required and Completed:	No	Date:

1.0 Purpose of Report

The purpose of this paper is to update Members on capital funding opportunities from Round 2 of the Levelling Up Fund recently announced by the UK Government; and recommend prioritising funding applications for a new Coleraine Leisure Centre and a new Ballycastle Leisure Centre.

2.0 Background to the Levelling Up Fund

The first round of the Levelling Up Fund (LUF) was announced at the 2020 Spending Review to support communities in realising this vision. Focusing on capital investment in local infrastructure, building on and consolidating prior programmes such as the Local Growth Fund and the Towns Fund, the first round of the Levelling Up Fund supported £1.7 billion of projects in over 100 local areas across all corners of the UK, delivering over £170 million of funding in Scotland, £120 million in Wales, and £49 million in Northern Ireland.

Levelling up is at the heart of the UK Government's agenda to build back better after the pandemic and to deliver for citizens in every part of the UK. It is recognised that levelling up requires a multi-faceted approach and the LUF is delivered as part of a broad package of complementary UK-wide interventions including: The UK Community Renewal Fund, The UK Community Ownership Fund, the Plan for Jobs, the Freeports programme, the UK Infrastructure Bank, the Towns Fund, and the UK Shared Prosperity Fund.

The second round of the LUF will focus on the same three investment themes as the first round: local transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets. In particular, the LUF will look to support:

- **Transport investments** including (but not limited to) public transport, active travel, bridge repairs, bus priority, local road improvements and major structural maintenance, and accessibility improvements. We are requesting proposals for high-impact small, medium and, by exception, large local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth, and improve the safety, security and overall experience of transport users.
- **Regeneration and town centre investment**, building on the Towns Fund framework to upgrade eyesore buildings and dated infrastructure; acquire and regenerate brownfield sites; invest in secure community infrastructure and crime reduction; and bring public services and safe, accessible community spaces into town and city centres.
- **Cultural investment** maintaining, regenerating, or creatively repurposing existing cultural, creative, heritage and sporting assets, or creating new assets that serve those purposes including theatres, museums, galleries, production facilities, libraries, visitor attractions (and associated green spaces), sports and athletics facilities, heritage buildings and sites, and assets that support the visitor economy.

Investment proposals should focus on supporting high priority and high impact projects that will make a visible positive difference to local areas. It is recognised that what constitutes priority investment will vary across local authorities and geographies, including in rural areas of the UK.

LUF remains a competitive fund for the second round, with funding distributed to places across the UK on the basis of successful project selection. In line with LUF's goal to bring meaningful investment to every part of the UK, over the first and second round of the Fund at least 9% of total UK allocations will be set aside for Scotland, 5% for Wales, and 3% for Northern Ireland, subject to a suitable number of high-quality bids coming forward, with potential for total funding to exceed this amount.

The prospectus sets out the approach for the second round of the LUF, open to projects that can demonstrate spend from the LUF in the 2022-23 financial year with all funding provided from the LUF to be spent by 31 March 2025 and by 2025-26 on an exceptional basis.

The UK Government's [net zero and wider environmental ambitions](#) represent a key part of its commitment to building back greener – and this is particularly important with regards to capital and infrastructure projects, which have a more visible impact on surroundings. Projects should be aligned to and support net zero goals, including those set out in the UK government's [net zero strategy](#).

Further detail on LUF can be found within the prospectus:

<https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus/levelling-up-fund-round-2-prospectus>

3.0 Application Process in Northern Ireland

Recognising the different local government landscape in Northern Ireland, different organisations will be eligible to bid compared to Great Britain. The UK Government will accept bids from a range of local applicants, including but not limited to district councils, businesses, voluntary and community sector organisations, the Northern Ireland Executive and other public sector bodies.

In Northern Ireland, there will be a different approach to capacity funding based on the funding landscape. This seen all local councils and some other identified bidding entities receiving Capacity Funding of £125k last year towards future rounds of funding. As with bidding authorities in GB, places are invited to submit a capital bid (application form) for an individual project or a package of projects, up to £20 million in value.

To apply for investment from the second round of the LUF, eligible applications must submit their full bids, with all supporting documentation via the online application portal, by **12:00 noon Wednesday 6 July 2022.**

As before, LUF applications will be assessed in a three staged approach:

- **Stage 1 Gateway:** A pass/fail gateway criterion, where bids will be assessed against whether they can delivery some LUF expenditure in 2022/23.
- **Stage 2 Assessment and Shortlisting:** NI applications will be assessed against strategic fit, economic case and deliverability in the same way as GB bids. The three criteria and the sub criteria under those again carry equal weighting.
- **Stage 3 Decision making:** After bid assessment and moderation has concluded, and the shortlist has been drawn up, ministers will the make funding decisions from the NI shortlist of bids.

4.0 Prioritisation of Coleraine and Ballycastle Leisure Centres

Last year Officers identified Portrush Recreation Grounds as having the most potential to secure funding from the Levelling Up Fund. Consequently, an application was developed, and Council successfully secured £1.65m towards this regeneration scheme.

This experience will not only be relevant to completing the application requirements this year but also help evidence a successful track record of delivery which may position Council well for future funding rounds.

Round 2 of the LUF was recently announced in March, since then Officers have been engaged with the UK Government's - Department for Levelling Up and Communities to better understand the process and criteria to determine which Council capital projects could be prioritised for submission this year.

On this basis, the most appropriate strategic projects which have a strong strategic fit with the LUF's Themes of 'Regeneration and town centre investment' and 'Cultural investment' are the proposed developments of Coleraine Leisure Centre and Ballycastle Leisure Centre. Both

projects are also deploying innovative sustainability measures to meet governmental net zero strategy and wider environmental ambitions. In terms of state of readiness both projects are also near completion of an Outline Business Case in the 'Five Case' format.

Subject to Council approvals, the indicative delivery timeframe to progress both projects through Council's four stage capital process is summarised as follows:

- Stage 0: Strategic Outline Case Update and Resources Approved – September 2021;
- Stage 1: Outline Business Cases Approved – May/June 2022;

LUF application submitted July 2022:

- Stage 2: Full Business Cases (design/Planning/procure) – April to March 2023;
- Stage 3: Construction Completed (up to 24 mths) – April 2023 to March 2025; and
- Stage 4: Handover and Ready for Use - April 2025.

As indicated above, the development costs for detailed design and Planning applications for both projects could also be capitalised as eligible spend in 2022/23. The construction programme is currently scheduled to commence in April 2023 with a build period of up to 24 months completing in March 2025. This would also enable significant capital spend against the Levelling Up Fund's priorities and process for spend by 31 March 2025.

Subject to completion of the OBCs, the indicative capital cost of Coleraine Leisure Centre is c.£25m and Ballycastle Leisure Centre is c.£10m with affordability analysis still to be completed. Without a significant and successful bid to the LUF, neither of these projects will be affordable over the next five years.

5.0 Recommendation

Members are asked to note the capital funding opportunities from Round 2 of the Levelling Up Fund recently announced by the UK Government; and recommend prioritising funding applications for a new Coleraine Leisure Centre and a new Ballycastle Leisure Centre.