



**OPEN REPORT
COMMUNITY AND ENVIRONMENT COMMITTEE**

Community and Environment Committee – 6 March 2024

**UK SHARED PROSPERITY FUND / RURAL ENGLAND PROSPERITY FUND:
TOWN CENTRE IMPROVEMENTS GRANTS FOR APPROVAL**

Report of the Director of Regeneration and Policy

Report Author and Contact Details:

Amanda Brown – Economic Development Manager
Amanda.brown@derbyshiredales.gov.uk : 01629 761250

Wards Affected

All Wards specifically those in Matlock and Wirksworth

Report Summary

The report is to consider the decision of the UK Shared Prosperity Fund (UKSPF) Board in relation to Improvements to Town Centres, in order to meet the spend and output requirements before 31st March 2025. Funding has been provided by the Department for Levelling Up, Housing and Communities and the Department for Environment, Farming and Rural Affairs (DEFRA). Following the Council meeting in December 2023, a call for projects was issued. The UKSPF Board has been recommended to approve the revised funding package for the Matlock Western Gateway (Bakewell Road Phase 1 scheme) and two new projects for funding and delivery in 2024/25.

Recommendations

1. That in accordance with the decisions of the UKSPF Partnership Board, capital allocations are approved as follows:

Matlock Western Gateway Phase 1	£268,000
Town Centre Improvement Fund: Matlock: Hall Leys Park Project	£450,737
Town Centre Improvement Fund: Wirksworth: The Meadows Rejuvenation Project	£150,000

List of Appendices

None

Background Papers

- Council 14 December 2023: Land at Bakewell Road Matlock: outcome of options assessment and proposed approach

- Council 2 March 2023: Capital Programme 2022/23 to 2026/27 - Appendix E Supporting Information for UKSPF and REPF
- Council 26 July 2022: UK Shared Prosperity Fund: Investment Plan Submission

Consideration of report by Council or other committee

No

Council Approval Required

No

Exempt from Press or Public

No

UK Shared Prosperity Fund / Rural England Prosperity Fund: Town centre improvements grants for approval

1. Background

- 1.1 Funded by Government, the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) partially replace funding previously provided by the European Union. REPF is a rural 'top-up' to UKSPF and the combined fund is delivered as a single programme. Derbyshire Dales has been allocated a total of £2.7m capital and revenue to be spent by 31 March 2025.
- 1.2 Derbyshire Dales District Council is the Lead Local Authority for UKSPF / REPF. It has established a UKSPF Partnership Board to provide strategic oversight for the effective management and delivery of the programme. The Partnership Board, chaired by the Leader of the Council, is made up of local partners representing the public, private and voluntary sectors, and reflects UKSPF / REPF priorities.
- 1.3 Members were updated on the position regarding the UKSPF Investment Plan and details of the REPF Addendum submission at the 2 March Council 2023 meeting. Capital funding elements of the Town Centre Improvements strand were considered at the Council meeting on 14 December 2023.
- 1.4 As a reminder, the programme was developed following Member workshops and partner engagement and approved by the Council in 2022. It is based on clear evidence, and follows the UKSPF priorities of:
 - Communities and Place
 - Supporting Local Business
- 1.5 The programme aims to support business diversification, growth, adaptation and long-term resilience; as well as community projects which help strengthen local communities and foster local pride. Interventions include: business advice and grants; support to help businesses reduce their carbon footprint; site feasibility studies (strategic sites); a community resilience grant fund; and town centre improvements.
- 1.6 The UKSPF Investment Plan was approved by Government in December 2022, and funding allocation for 2022/23 was received on 27 January 2023. Approval of the REPF Addendum (top-up capital funding for 2023/24 and 2024/25) was received from Government on 6 April 2023.
- 1.7 The overall Investment Plan is on track for delivery as per the original investment plan.
- 1.8 The UKSPF Board recognised at their meeting on 7th December 2023 that unforeseen delays and increased costings for the proposed Bakewell Road Matlock regeneration scheme (Investment Plan priority E1: Town Centre Improvements) had the consequence that a scaled-back phase 1 work programme supported by UKSPF had become the deliverable option, at a reduced UKSPF estimated investment level.

- 1.9 The UKSPF Board agreed at its meeting on 7 December 2023 (subsequently approved by Council on 14 December 2023) to hold an open call for capital projects to enable Town Centres to bid for funding. The indicative UKSPF/REPF capital budget for the call was approximately £600,000. The call for capital projects was opened on 20 December 2023, with a closing date of 22 January 2024. It was publicised by press release, emails, social media and via the Council's website.
- 1.10 Detailed criteria for project eligibility were set out in the published guidance. It was made clear that deliverability was crucial; that town centres were the focus (with Matlock the priority, due to the original intended destination of the funding used); that the minimum project size was £200,000; that the scheme was for capital projects only; and that match funding was essential.
- 1.11 The call received nine expressions of interest seeking total funding of £1,488,500. The expressions of interests were considered by the UKSPF Executive on 2 February 2024 in accordance with the published criteria. Two proposals were approved to proceed to full application. All applicants have received feedback and signposted where possible to alternative forms of support.
- 1.12 Both projects invited to proceed to full application did submit valid applications by the deadline of 23 February 2023. These are:
- Matlock: Hall Leys Park Project
 - Wirksworth: The Meadows Rejuvenation Project

2. Key Issues

Phase 1 Bakewell Road Regeneration Scheme (Matlock Western Gateway)

- 2.1 *Investment priority E1: Town Centre Improvements.* The original scheme included within the approved UKSPF Investment Plan (July 2022) comprised the conversion of the former Market Hall to deliver a two-screen cinema and complementary food & beverage/retail unit, with the opportunity for community meeting space to the rear of the site in the longer term. The scheme also included public realm improvements to the bus station area, improving this as a transport 'hub', and to the footway along the north side of Bakewell Road. The total UKSPF / REPF funding allocation to the project was £868,737.
- 2.2 As Members will be aware, the Council tendered the scheme twice to procure a Main Contractor but, despite value engineering, an acceptable / affordable tender was not received, illustrating the significant challenge of delivering the proposed scheme within the current volatile construction market, impacted by high cost inflation.
- 2.3 Members received a report on the project at the meeting of full Council on 14 December 2023. Taking account of the current economic climate, Council determined that the proposed conversion of the former Market Hall be deferred with a review of the position to be undertaken in approx. 18 months' time should economic conditions improve.

2.4 Alongside the re use of the former Market Hall to bring redundant floorspace back into economic use, a key objective of the scheme was the creation of a new improved gateway into Matlock town centre. In addition, the opportunity to improve facilities for bus passengers and taxi users has also been identified. The bus station is on land owned and controlled by the District Council. Areas proposed for public realm fall primarily within the adopted highway.

2.5 The Regeneration Team therefore reviewed the original scheme proposals and, with input from Derbyshire County Council's Bus Team and the scheme architect, developed a Phase 1 package of works aimed at improving the bus station area of this important gateway site and improving the location as a transport hub without prejudicing the future re-development of the site. The proposed package of works was developed in consultation with local Ward Members following consideration of options and approved at Council on 14 December. As a reminder, the approved package comprises three elements:

- a) external works to the bus station building
- b) internal improvements to the bus station inc. improved waiting area
- c) external public realm improvements around the bus station on the north side of Bakewell Road (works to the footway and highway to be delivered by DCC).

2.6 The Council has procured Atkins Realis to provide project management services for the main Phase 1 building contract. Pre-commencement planning conditions for Phase 1 have been discharged and enabling works have commenced on site. The established Project Management Group continues to meet fortnightly to oversee progress of the scheme. Ward Members have been kept up to date on progress. Regular communications have been issued to inform the public, bus and taxi users on the position.

2.7 Further to Council agreement to progress the Phase 1 works package utilising part of the UKSPF capital grant allocation to deliver UKSPF outputs, the funding package for the project (based on the updated cost plan prepared with support from Atkins Realis) is estimated as follows:

Funder	£
DDDC	127,000
UKSPF	268,000
DCC	100,000
<i>Total</i>	495,000

2.8 Scheme costs have increased from preliminary estimates due to the need for further structural surveys and detailed design to form window openings, and additional costs associated with structural works. In accordance with Council resolution to retain the existing District Council Capital Programme allocation to the Bakewell Road development scheme, the District Council funding contribution to Phase 1 will be drawn from the existing Capital Programme allocation.

2.9 The work will be completed in phases with target completion by the Summer. UKSPF outputs / outcomes to be delivered in 2024/25 include:

- 325 sqm public realm improved
- 1 neighbourhood improvement scheme completed

- 1 Facility Improved/improved perception
- 75% improvement in perception of amenities

Town Centre Improvement Fund applications: Matlock (Hall Leys Park Project) and Wirksworth (The Meadows Rejuvenation Project)

2.10 The rationale for the call for Town Centre Improvement Fund proposals was clear. The necessity is, by 31 March 2025, to both (a) spend the committed UKSPF/REPF capital allocation not being used by the Phase 1 Matlock Western Gateway project detailed above, and (b) achieve the UKSPF Investment Plan outputs/outcomes in relation to town centre improvements.

2.11 The available UKSPF/REPF capital allocation is £868,737. The amount required for Phase 1 Bakewell Road is estimated £268,000 (see paragraph 2.7 above). Therefore the capital sum available for the two Town Centre Improvement Fund applications is estimated at £600,737.

2.12 Achievement of UKSPF/REPF outputs and outcomes is to be in accordance with the following Investment Plan indicators:

Investment Priority:	Communities and Place	
Objective:	<i>Building resilient, safe and healthy neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built environment</i>	
UKSPF Intervention:	Outputs	Outcomes
E1 Improvements to town centres and high streets.	<ul style="list-style-type: none"> • Amount public realm created or improved (m2) • No. of commercial buildings developed or improved • Amount of commercial buildings developed or improved (m2) • No. of rehabilitated premises • Amount of rehabilitated land (m2) 	<ul style="list-style-type: none"> ▪ % increase in footfall ▪ % improvement in perception of amenities ▪ No. jobs created ▪ No. jobs safeguarded ▪ % reduction in vacancy rates ▪ % increase in visitor nos
REPF Interventions: Town Centre Sustainable Communities programme: 2.3 Capital grant funding for the creation and improvements to local rural green spaces. 2.4 Capital grant funding for existing cultural, historic and heritage institutions that make up the local cultural heritage offer. 2.6 Capital grant funding for active travel enhancements in the local area.	Outputs	Outcomes
	<ul style="list-style-type: none"> • Amount (m2) public realm created or improved • Amount of green space created or improved • No. of tourism, culture or heritage assets created or improved • No. of facilities supported or created • Amount of land or premises supported • Amount of new or improved cycleways or paths 	<ul style="list-style-type: none"> ▪ % increase in footfall ▪ % improvement in perception of facilities or amenities ▪ % increase in visitor numbers ▪ % increase in use of facilities ▪ % increase in use of cycleways or paths ▪ No. jobs created

3. Options Considered and Recommended Proposal

- 3.1 The 'do nothing' option, rejecting the above Town Centre Improvement Fund applications, would result in outputs not being achieved and external grant funding being lost to the area; the possibility of generating and delivering alternative capital spending of this scale and nature by 31st March 2025 from a standing start is minimal. This option is strongly rejected.
- 3.2 Awaiting final costings on Matlock Western Gateway Phase 1, prior to considering the two Town Centre Improvement Fund applications, is not recommended. It will be some months before the Phase 1 Western Gateway project is completed and therefore final costings established. This approach would potentially lose the opportunity to commit and deliver capital spend. The timescale for delivery of capital investment is very short, to deliver both the physical works and to achieve the outputs required by the funding bodies, and therefore it is recommended that both applications are approved.
- 3.3 Two full Town Centre Improvement Fund applications were received by the deadline, were appraised and – subject to the UKSPF Partnership Board meeting on 6 March (outcome to be reported verbally at the Committee meeting) – both have been recommended for approval by the Board for UKSPF/REPF capital funding, following full consideration of detailed application forms. It is therefore recommended that both Town Centre Improvement Fund applications
- Matlock: Hall Leys Park Project, and
 - Wirksworth: The Meadows Rejuvenation Project
- are approved and that grant recipients are notified accordingly.
- 3.4 UKSPF/REPF grant allocations would therefore be as follows (in all cases subject to final confirmed costings and match funding):

Matlock Western Gateway phase 1	£268,000
TCIF Matlock: Hall Leys Park Project	£450,737
TCIF Wirksworth: The Meadows Rejuvenation Project	£150,000
TOTAL	£868,737

- 3.5 Members will note that Matlock schemes retain £718,737 of the £868,737 available.

4. Consultation

- 4.1 District Council Members and wider partners were consulted prior to submission of the UKSPF Investment Plan via workshops held in June 2022. Members subsequently approved the UKSPF Investment Plan for submission at 26 July 2022 Council.
- 4.2 The programme is based on consultation with Members and partners. Additional consultation has not been undertaken since, as this report seeks to update on progress with the agreed programme and deal with operational matters.

- 4.3 The Investment priority under consideration was published through an open call for expressions of interest.

5. Timetable for Implementation

- 5.1 Following decision on allocation of funding to approved projects (March 2024) projects must be contracted by 1 June at the latest. Full completion and expenditure must be achieved by 18th March 2025 in order to demonstrate spend to the Government by 31st March 2025.

6. Policy Implications

- 6.1 The UKSPF investment plan is closely linked to the Council's approved Economic Recovery Plan and Economic Plan.
- 6.2 Prosperity' is highlighted in the Corporate Plan 2020-24 as a District Council priority due to low local wages and high local house prices. The District Council specifically aims to: *Support businesses to encourage productivity, growth, and higher wage jobs in rural and urban locations; and to: Promote investment to stimulate the economy of our market towns.*

7. Financial and Resource Implications

- 7.1 The District Council's funding contribution towards Intervention E1: Matlock Western Gateway/Bakewell Road scheme has been the subject of previous reports to Council and funding is allocated with the Capital programme.
- 7.2 Delivery risks potentially impacting spend on the individual investment priority have been identified as low.
- 7.3 Confirmation has been received that DLUHC and Defra funding not spent in this financial year can be carried forward into 2024/25. The District Council has received payments for 2022/23 and 2023/24.
- 7.4 The financial risk has been assessed as Medium.

8. Procurement Implications

- 8.1 The Council is required to demonstrate that a competitive process has been undertaken regarding the selection of projects to deliver Investment Plan interventions. The open Expression of Interest call has met the requirement of competitive process. Procurement regulations are required to be adhered to by contracted parties, and this will be set out in the Grant Funding Agreement (with external parties) and Memorandum of Understanding (for internal delivery).

9 Legal Advice and Implications

- 9.1 As stated, the report is to consider the decision of the UK Shared Prosperity Fund (UKSPF) Board in relation to Improvements to Town Centres, in order to meet the spend and output requirements before 31st March 2025.

- 9.2 The Legal risk of challenge associated with taking the recommended decisions noted at the top of the report has been assessed as low.

10 Equalities Implications

- 10.1 An Equality Impact Assessment (EIA) has previously been prepared for the UKSPF Investment Plan and was considered at the Council meeting of 26 July 2022. There have been no material changes to the content of the Investment Plan.

11 Climate Change and Biodiversity Implications

- 11.1 Government guidance indicates that: *Interventions supported by the UK Shared Prosperity Fund will need to take account of other local and national policies and priorities – including the government’s commitment to reach Net Zero by 2050 and clean growth.*
- 11.2 Derbyshire County Council’s Climate Change Strategy: Achieving Net Zero 2021-25 identifies the low carbon economy as a strategic priority and commits *‘to drive forward the transition to a zero carbon economy, through low carbon recovery and good growth, creating more and better jobs in the low carbon and clean technology sectors, increasing skill levels and fostering innovation within the county...’*
- 11.3 The District Council itself has an approved Climate Change Strategy and Action Plan, which acknowledges the authority’s role in *‘facilitating emissions reductions across the District’* and identifies ways in which support could be provided to local businesses to understand and reduce their emissions.
- 11.4 The interventions within the UKSPF Investment Plan align with the above local policies. Each has been evaluated in terms of climate change benefits, impacts and adaptations, and this was considered at the Council meeting of 26 July 2022. The evaluation was based on the principles identified and does not consider the delivery methods or attempt to quantify impacts. There have been no material changes to the content of the Investment Plan.
- 11.5 The two applications recommended to delivery E1: Improvements to Town Centres will have no negative impact on climate change and will encourage walking and cycling. The Climate Change Officer supports the projects from a Climate and biodiversity point of view.

12 Risk Management

- 12.1 The main risk to delivery of the overall investment plan is not proceeding with the recommendations of the UKSPF Board for delivery of E1: Improvements to Town Centres and risking losing significant external grant funding and match funding.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	29/02/2024
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	28/02/2024
Monitoring Officer (or Legal Services Manager)	Kerry France	29/02/2024