

Name of meeting: Cabinet
Date: 27th June 2023
Title of report: Round 2 Levelling Up Funding (LUF2) and Local Centres Investment

Purpose of report:

To set out and agree the next steps for investment in previously agreed local/small centres including those projects to be funded via additional funding (in particular Levelling Up Fund Round 2) announced by DLUHC for Batley and Marsden.

Key Decision - Is it likely to result in spending or saving £500k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Key Decision - Yes Private Report/Private Appendix - No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd – 7th June 2023
Is it also signed off by the Service Director for Finance?	Dean Langton – 12th June 2023
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft – 14th June 2023
Cabinet member <u>portfolio</u>	Councillor Graham Turner – Portfolio Holder for Regeneration – 5th June 2023

Electoral wards affected: Batley, Cleckheaton, Colne Valley, Heckmondwike, Holme Valley South

Ward councillors consulted: Those in Batley, Cleckheaton, Heckmondwike and Holmfirth are actively engaged in the local centres programme. Ward Councillors in Marsden are aware of Marsden Levelling Up Round 2 bid and have been part of a recent place standards exercise. They were briefed on the items in this cabinet report on 5th June 2023.

Public or private: Public.

Has GDPR been considered? Yes.

1. Summary

This report seeks Cabinet agreement to the progress with the next stages of the local centres programme. This builds upon key milestones that have been achieved recently. Firstly, the announcement from the Department for Levelling Up Homes and Communities (DLUHC) that both Batley and Marsden will receive significant sums of central government grant (a combined total more than £21m (including Council match funding) plus further private sector investment. Allowing officers to progress the identified schemes and, in the case of Marsden, ensuring that this and other identified investment is carried out in a planned way. The second milestone relates to the previously identified centres of Cleckheaton, Heckmondwike and Holmfirth where place standard and masterplan exercises are largely complete. The report seeks further endorsement for the identified projects and to move to the

project development stage utilising the identified sums from the overall allocation of £10m which cabinet approved in March 2021.

2. Information required to take a decision.

Background

2.1 Investment in Local Centres represents an exciting opportunity to strengthen key towns and villages across Kirklees. Cabinet agreed at its meeting of 16th March 2021 the following summarised matters:

1. To agree the next tranche of town centres for investment namely: Batley, Cleckheaton, Holmfirth, and Heckmondwike
2. All to benefit from additional £1.5m per centre allocated as part of the Council's Capital Plan
3. To delegate authority to the Strategic Director for Growth and Regeneration to approve individual plans and projects in consultation with the Portfolio holder regeneration.
4. To agree the generic list of project or programme types that funding can be used towards
5. To note and/or agree timeframe for delivery; staffing resources to support this initiative and general governance arrangements.

2.2 The full report can be found at the link below:

<https://democracy.kirklees.gov.uk/documents/s40077/V5%20Final%20Small%20Centres%20Cabinet%20Report%2016th%20March%202021.pdf>

2.3 This programme is a large undertaking with 4 consultation and masterplan activities being undertaken either at the same time or in quick succession. The progress to date is set out in table 1 below:

Table 1 - Local Centres – Progress to Date

Centre	Core Exercise		Dates Undertaken or Completed
Batley	Place Standard	Round 1	12 th July – 9 th Aug 2021
		Round 2 - Prioritisation	February 2022
	Masterplan Consultation		21 st Oct – 21 st Nov 2022
	Masterplan Adoption		Summer 2023
Cleckheaton	Place Standard	Round 1	1 st Sept – 11 th Oct 2021
		Round 2 - Prioritisation	June 2022
	Masterplan Consultation		29 th June – 29 th July 2022
	Masterplan Adoption		10 th Feb 2023
Heckmondwike	Place Standard	Round 1	4 th Oct – 8 th Nov 2021
		Round 2 - Prioritisation	June 2022
	Masterplan Consultation		19 th May - 19 th June 2023
	Masterplan Adoption		Late Summer 2023
Holmfirth	Place Standard	Round 1	6 th Sept – 31 st Oct 2022
		Round 2 - Prioritisation	May 2022
	Masterplan Consultation		17 th Nov – 17 th Dec 2022
	Masterplan Adoption		26 th May 2023

2.4 As part of this exercise, in each centre, a series of priority projects have been identified for development and delivery. Table 2 below highlights these:

Table 2 - Local Centres – Priority Projects

Centre	Key Project Identified	Intended Next Step
Batley	Commercial Street Phase 1	Now a LUF2 project
	Commercial Street Phase 2	Now a LUF2 project
	Market Place	Now a LUF2 project
	Tesco Link	Now a LUF2 project
Cleckheaton	Savoy Square & Market	Procure multi-dis team to design scheme – Summer 23
	Spennings Bottoms & Park Entrance	Procure multi-dis team to develop a feasibility study for the area – Summer 23
	Market Place	Being delivered through TCF - A638 scheme, following full business case approval from WYCA – Likely delivery - Autumn 23
Heckmondwike	This requires finalisation following analysis of consultation results which ended on 19 th June 2023.	Examination of consultation feedback on Masterplan
Holmfirth	Access Plan	Being Delivered through WYCA funding – Starting Summer 2023.
	Towngate	Procure multi-dis team to develop options for the site – Summer 23
	Gateway & wayfinding Project	Undertake feasibility study for options and estimated costs – Autumn 23
	River Holme Masterplan	Procure multi-Dis team to develop a feasibility study for the area – Summer 23

External Funding

- 2.5 As with all town centre programmes officers continue to identify external funding sources to help deliver projects. The local centres and major projects services have been successful in bidding to government for several funding streams in particular Levelling Up funding (Round 2), the UK Shared Prosperity Fund (UKSPF), Transforming Cities Fund (TCF), Street for People and Active Travel Funds. All of which, as highlighted below, will assist in delivering on core masterplan objectives.

Levelling Up Funding (LUF2)

- 2.6 In early 2022 central government announced the second round of Levelling Up Funding (LUF2). The process was competitive. Kirklees submitted 4 bids in total. In the early announcements (late 2022) Batley was selected. A project worth £14.385m is now funded with a grant of £12.0032m coming from LUF2. A further announcement was made in the budget in March 2023 for Marsden which allocated £5.605m to the redevelopment of New Mill. Details of both projects are set out below in paragraphs 2.9 to 2.12.

UK Shared Prosperity Fund (UKSPF)

- 2.7 To help with project development in the local centres programme a number of bids have been made to UKSPF. As a result, the following have been secured:
- £120,000 additional masterplanning/feasibility resource – this will be shared between small/ local centres (Marsden) and Station to Stadium to support project development and masterplan work.
 - £285,000 – towards project development in Cleckheaton and Holmfirth.

- 2.8 Members are referred to the cabinet report and decision relating to UKSPF from 11th October 2022. See link below:

Active Travel Fund 4 (ATF4)

- 2.9 On 22nd March 2023 Active Travel England gave notice that the West Yorkshire Combined Authority had been awarded £23m from the Active Travel Fund Tranche 4 (ATF4). ATF4 is a capital funding opportunity to support the uptake of active travel (walking, wheeling and cycling) for everyday trips.
- 2.10 The successful award to Kirklees is for £2.3m. This is for two schemes to upgrade towpaths along the Huddersfield Narrow Canal Phase 3 (Slaithwaite to Marsden) and the Huddersfield Broad Canal (Aspley Marina to Cooper Bridge) to support residents to walk and cycle more easily providing health and environmental benefits. Schemes will be delivered in partnership with the Canal and River Trust over 2023/24 and 2024/25. Kirklees will also benefit from participation in an ATF4 West Yorkshire School Streets project. Kirklees will enter into a grant agreement with the West Yorkshire Combined Authority to draw down ATF4 funds.

The Batley Project

- 2.11 The Batley LUF2 project consists of a town centre wide programme of interventions which can be split into five elements:
1. Commercial Street – Phase 1 – a series of street scape improvements between Market Square and Wards Hill – particularly tackling some of the issues of parking outside of allocated bays and anti-social driver behaviour.
 2. Commercial Street – Phase 2 – adjustments to Commercial Street between Wards Hill and Hick Lane to create a better visitor/customer environment balancing this with needs of businesses.
 3. A Public Realm link between the Tesco car park and Commercial Street.
 4. Improvements to Market Square and Market Place public realm areas to create better and modern public space which is fit for the future.
 5. A refit of the former JBL building on Commercial Street

The Marsden Project

- 2.12 New Mill on Broughton Road in Marsden has been awarded LUF2 funding. This project is a private sector led project with funding awarded as gap to address viability issues associated with the redevelopment of this substantial mill complex. The Council in this instance will act in its role as responsible body and will administer the grant allocated to it by DLUHC. The concept scheme proposes a mix of commercial, retail, and residential space across the mill complex. A level of demolition is proposed.
- 2.13 The timeframe for delivery on both was March 2025 but officers understand that due to a variety of factors this is likely to be extended to March 2026.

Discussion

- 2.14 Strategically the Local Centres Programme has so far been successful. Through place standard and masterplan engagement it has connected the Council, through ward members, with local communities to shape a longer-term vision and strategy for local town centres. The process has identified, or is in the process of identifying, a series of interventions to strengthen individual towns.
- 2.15 From a funding perspective the initial commitment has levered in an additional £18m of combined LUF2 and UKSPF funding. This figure is further expanded by the private sector investment that will need to be put into Marsden New Mill which potentially takes this figure beyond £30m. We can add to this the prior investment from WYCA in Holmfirth of approximately £5.2m for the access scheme and the WY Local Transport Plan Streets for People Funding (going into the Batley programme) of £1m. In addition, a significant capital investment is being made into

Heckmondwike bus station of potentially £4.9m meaning investment from outside the Council into our identified local centres projects is over £40m once the ATF4 funding is included and is in addition to investment in stations and the rail line as part of Trans-Pennine Route Upgrade.

Levelling Up – Round 2 Awards

- 2.16 To enable this part of the overall programme to continue to move forward and hit key deadlines set by DLUHC officers are seeking agreement from Cabinet to accept external funding of just over £12m from the Government to support delivery of the Batley Town Centre LUF project and likewise accept external funding of £5.605m to support delivery of the Marsden project. In the case of the latter, Members should note that the Council will act as Accountable Body for the grant and administer it accordingly.
- 2.17 To assist with this, on both projects, it is necessary to ask Cabinet to delegate authority to the Strategic Director Growth and Regeneration and the Service Director Legal, Governance and Commissioning to finalise and execute all necessary legal agreements with the Council's project delivery partners including DLUHC and authorise them to spend grant plus, in the case of Batley, any identified match funding, to deliver the identified LUF projects. This includes the setting up of the appropriate governance arrangements for the oversight and delivery of the projects.

Local Centres Projects

- 2.18 It can be seen from the tables in section 2.3 and 2.4 that progress has been made on engagement, master planning and project identification on all the originally identified centres of Batley, Cleckheaton, Heckmondwike and Holmfirth. Officers are moving into the project development and delivery phase for most of the centres. Cabinet is asked to note the identified projects (Table 2) which will now be developed and delivered.

Marsden

- 2.19 Marsden is potentially a new addition to the local centres programme. This is brought about by the award of funding set out above as well investment in the station and line as part of the Trans Pennine Route Upgrade (TRU). This combination means that Marsden, in the opinion of officers, requires some support particularly in terms of visioning, master planning and setting a future strategy for improvements to the main centre that complement the investment identified. The ward has recently undergone a place standard exercise which is helpful and will provide a source of community-based information to support this. It also has community-based groups who can help lead the work if that is required.
- 2.20 To complete the masterplan work, officers recommend that some of the UKSPF funding identified in section 2.7 be used to deliver this. Officers are open to utilising experience within local community-based groups and will work with the ward Councillors and the Portfolio holder for Regeneration to explore this possibility.
- 2.21 Once the master planning is complete and projects identified further funding will be required to assist with delivery. Officers will pursue funding opportunities external to the Council to develop and deliver those identified. A further report to Cabinet will be necessary where any allocation is required from the Council's own capital programme.

3. Implications for the Council

Financial Implications

- 3.1 If Cabinet decides to accept the recommendation the Council will become the Accountable Body for the LUF2 grants. In addition, should the recommendation be accepted then it is also committing to the match funding totalling £2.382m. This will be taken from the Council's small centres capital allocation of £1.5m and the remaining Streets for People Fund which was an allocation made from the West Yorkshire Local Transport Fund.

Working with people

- 3.2 Collaborating with partners is key to ensuring the Council get the best outcomes for citizens, communities, and Kirklees as a whole. As part of the local centres programme considerable engagement through place standards and master planning has been undertaken. This process will continue as projects move through the development phases. In Batley further engagement with businesses and town centre users will be required as the schemes get developed in more detail. This should help shape the projects.

Working with Partners

- 3.3 The Council has engaged with members of the public and landowners, businesses, and stakeholders during development of Masterplans this will continue as individual interventions are worked up. Officers will continue to develop relationships with partnerships/colleagues in DLUHC and the developers/property owners in Marsden as part of the levelling up agreements.

Place Based Working

- 3.4 The development of the Local Centres Masterplans is informed by Place Standard engagement exercises. This has already engaged town centre stakeholders, businesses, and users to help shape the overall approach to redeveloping the identified areas. Each masterplan in turn has used this information to formulate proposals which strengthen individual centres.

Climate Change and Air Quality

- 3.5 Both climate change and air quality will be considerations of masterplans and projects moving forward, informing the planning processes and the future detailed design work.. For example, the promotion of better connectivity through the area and to surrounding communities particularly via active travel will contribute to reducing adverse transport derived impacts on communities and improve public health.

Improving outcomes for children

- 3.6 All masterplans seek to create more family friendly environments. Additionally, streets and spaces will be designed with all generations in mind making them both safe and inclusive at the same time.

Cost of Living Crisis

- 3.7 Improved local centres will create a more attractive environment for businesses to thrive helping to stimulate the creation of a variety of new job opportunities.

Other

- 3.8 At this stage there are no additional legal or financial implications to this work. However, moving forward into the next steps there will be the need to put in place additional resources to develop the propositions this will include legal and procurement.

4. Consultees and their opinions

As noted in various sections above engagement has been at the heart of local centre programme development. This will continue through the next stage of the masterplan and project delivery.

5. Officer recommendations and reasons

Officers recommend that:

1. Cabinet notes the content of this report.
2. Cabinet agrees to accept external, LUF2, funding of £12.0032m from the Government to support delivery of the Batley Town Centre Levelling Up project. Subject to the terms and conditions of the grant funding agreement.
3. If Cabinet agree recommendation 2 then the required match funding identified in 3.1 is authorised to be allocated to the project and used for development and delivery.

4. Cabinet agrees to accept external LUF2 funding of £5.605m to support delivery of the Marsden Levelling Up project and for the Council to act as Accountable Body for the LUF2 grants. Subject to the terms and conditions of any grant funding agreement.
5. Cabinet delegates authority to the Strategic Director Growth and Regeneration and the Service Director Legal, Governance and Commissioning to finalise and execute all necessary legal agreements with the Council's project delivery partners and to put in place the necessary governance and assurance arrangements to ensure the projects identified are delivered.
6. Where Cabinet agree recommendations 2 and 3 above Cabinet also authorises the Service Director for Development to develop and deliver the identified scheme for Batley.
7. That cabinet agrees to utilise the identified UKSPF funding to develop a masterplan for Marsden that draws on recent place standard outcomes.
8. In accordance with previous recommendations relating to masterplans in the cabinet decision from 16th March 2021 that final sign off of any masterplan for Marsden is delegated to the Strategic Director Growth and Regeneration in conjunction with the Portfolio Holder for Regeneration.
9. Cabinet notes the programme of priority projects in the local centres programme at Table 2 of this report and agrees to the continued development and delivery of these and any other agreed as part of the Heckmondwike masterplan exercise, subject to the necessary funds being in place.
10. Subject to necessary funding being in place cabinet authorises officers to develop and deliver any projects for Marsden that are agreed as part of the Masterplan process outlined recommendation 8.

Reasons: To ensure the continued regeneration of the identified town and village centres.

11. Cabinet Portfolio Holder's recommendations

The Cabinet Portfolio Holder for Regeneration very much welcomes the levelling up money for both Marsden and Batley. This along with the ambitions of the cabinet to invest in our small towns, will revitalise and regenerate our small-town centres. We will ensure that we will consult and work with the local communities to ensure that the investment meets the needs of those living, working, and using these small-town centres.

These are ambitious plans and will take a lot dedicated officer time to deliver, and I would like to thank officers for the work they have done in both securing the external funding and developing these exciting projects so far.

I fully endorse the recommendations in this report and look forward to a bright and exciting future for the projects contained within the report.

12. Contact officer(s)

Simon Taylor – Head of Town Centre Programmes

13. Background Papers and History of Decisions

Cabinet Report – 16th March 2021 – Investing in Small Town Centres
Cabinet Report – 11th October 2022 - UK Shared Prosperity Fund

14. Service Director responsible

Joanne Bartholomew – Service Director Development and Co-Vid Recovery