



City of Doncaster Council

Report

Date: 13th March 2024

To: The Mayor and Members of Cabinet

Report Title: Levelling Up Fund (Round 3) Funding Offer

Relevant Cabinet Member(s)	Wards Affected	Key Decision?
Mayor Ros Jones Cllr Glyn Jones Cllr Joe Blackham	Mexborough Ward; Thorne & Moorends Ward; Adwick & Carcroft Ward	Yes

EXECUTIVE SUMMARY

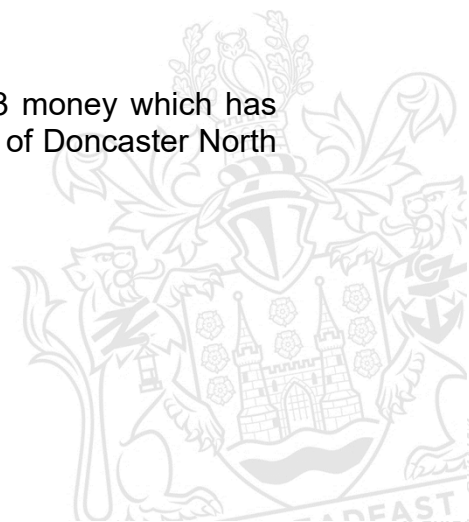
1. This report seeks approval to accept up to **£17,950,341** of Levelling Up Fund (LUF) Round 3 money awarded to Doncaster Council by the Department of Levelling Up, Housing and Communities (DLUHC).
2. On 20th November 2023, Parliamentary Under Secretary of State (Minister for Levelling Up) Jacob Young MP wrote to Ed Miliband MP (for Doncaster North). The letter confirmed that City of Doncaster Council has been provisionally awarded up to £17,950,341 for the Levelling Up Doncaster North project as part of the third round of the Fund.
3. Doncaster's successful LUF Round 3 package bid consists of three complementary projects within the Doncaster North constituency, specifically Woodlands, Mexborough and Moorends. The funding will enable capital interventions and regeneration in these key areas which are vital for the economic resilience, productivity and health and wellbeing of the area.

EXEMPT REPORT

4. This report is not exempt.

RECOMMENDATIONS

5. To accept up to £17,950,341 Levelling Up Fund Round 3 money which has been awarded to Doncaster Council by DLUHC in respect of Doncaster North and to add the funding to the Council's capital programme.



6. To provide delegated authority to the S151 Officer to accept and agree the terms and conditions of the associated Memorandum of Understanding and any further associated Grant Agreements in respect of Doncaster North, in consultation with the Mayor.
7. To provide delegated authority to the Director of Place, the Director of Corporate Resources and Chief Financial Officer in consultation with the relevant Portfolio Holders, to accept any additional monies provided by Government for Doncaster North schemes outlined in this report and to add these amounts to the relevant part of the Council's capital programme.
8. To approve the roll out of the schemes as outlined in this report, in accordance with the delegation below.
9. To provide delegated authority to the Director of Place, the Director of Corporate Resources and Chief Financial Officer in consultation with the relevant Portfolio Holders for initiation and the ongoing delivery of the programme, to include: creation of specific projects within the capital programme, funding commitment and spending decisions and the amounts awarded to outside bodies in contracts and grants, and to agree any changes necessary to the schemes, to ensure deliverability within the timescales in accordance with the terms and conditions of the grant.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

10. The overarching aim of the Levelling Up Fund is to invest in capital projects to help improve local infrastructure. These improvements will have a visible, tangible impact on people and places, and support economic recovery in Doncaster North.
11. Doncaster is a place of places, and Doncaster North is critical to the economic future of the city and central to our levelling up programme. It contains key locations in which we aim to increase productivity, skills, economic resilience, and the health and wellbeing of residents. The projects within Doncaster's successful application will help meet the strategic objectives of plans and provide opportunities and a more diverse offer for residents.

BACKGROUND

Levelling Up Fund

12. In the March 2021 budget, the then Chancellor of the Exchequer Rishi Sunak MP announced a new £4.8 billion 'Levelling Up' fund aimed at improving the built environment, including cultural and heritage assets and achieving town centre regeneration.
13. Local Authorities were placed into different categories to reflect 'priority areas' for Levelling Up. Doncaster is designated a Category 1 priority area.
14. One scheme could be accepted per local constituency, meaning Doncaster could achieve up to three successful submissions. Submissions could be a single bid (one project) or a package bid (up to 3 multiple complementary

projects). Submissions could total a maximum sum of £20 million. Larger high value transport schemes could submit a bid between £20-50 million.

15. General criteria of LUF:
 - Projects to meet at least one of the round themes: transport investment, regeneration and town centre investment, cultural investment
 - Have a visible impact in local areas
 - Include at least 10% match funding (preferably private match)
 - Be deliverable by March 2026, one year less than if we had been successful with our initial R2 submission
 - Represent value for money (benefit cost ratio, social value)
 - Expectation that local MPs will be consulted, including evidence of support from at least one MP.
 - Public engagement/consultation is also recommended to ensure bids include local priorities.

Round 2 Application and Round 3 - Doncaster North

16. Doncaster Council submitted two applications for Round 2; Edlington and Doncaster North – including Mexborough, Brodsworth Miners Welfare and Moorends. We were later informed that we had been unsuccessful on both counts.
17. On 20th November 2023, Parliamentary Under Secretary of State (Minister for Levelling Up) Jacob Young MP wrote to Ed Miliband MP (for Doncaster North). The letter confirmed that City of Doncaster Council has been provisionally awarded up to £17,950,341 for the Levelling Up Doncaster North project as part of the third round of the Fund. There was no separate application process or discussion, with the details of the scheme being selected by the Government from the earlier 'unsuccessful' Round 2 bid.
18. The Round 3 application consists of three complementary projects associated with communities within Doncaster North, specifically:

PROJECT ONE: Mexborough Town Centre (£12,531,172)

19. The transformation of Mexborough town centre will involve targeted street and building enhancements, better integration of the town centre with local community facilities and the development of new public spaces.
20. The LUF delivery is complementary, and in addition to, the wider CRSTS programme of works in development for Mexborough. These works will total £10.8m with £2,226,100 of this allocation (as per our original submission) counted as match funding for LUF.
21. Key Deliverables:
 - Frontage improvements to buildings in the 'At Risk' conservation area (circa 20 properties) and bringing a prominent heritage building back into full use as a multi-offer venue
 - Targeted public realm works including upgraded surface treatments, street furniture and planting

- Community safety upgrades including lighting and CCTV
- Significant new public spaces including a pocket park on the former flyover site.
- Junction modifications, with enhancements to pedestrian movement, safety, and access
- Enhanced integration and active travel links to adjacent health, sports, and social facilities
- Improvements to key town centre gateways, including the setting of the library and market buildings.

PROJECT 2: Moorends Regeneration (£3,937,864)

22. This project will help to transform the heart and heritage of Moorends with a revitalised public realm that will give greater priority to pedestrians and cyclists.
23. There is no match funding required for this project.
24. Key deliverables:
- A more cultural space that celebrates the area's heritage with new public art.
 - More cycle infrastructure including cycle stands and segregated cycle lane
 - Street and shop frontage enhancements, including new street furniture and planting.
 - A series of street greening interventions including street trees, rain gardens and vertical planting that contribute towards more attractive and sustainable spaces
 - Improved links to the surrounding green spaces with improved walking and cycle routes along key streets
 - Reduce vehicle speeds and traffic levels with traffic calming measures at key locations, improving pedestrian safety.

PROJECT 3: Brodsworth Miners Welfare Institute (£1,481,305)

25. This project will refurbish and repurpose the building in line with its Grade II listed status to enhance its role as an activity hub for the Woodlands and surrounding communities.
26. There is no match funding required for this project.
27. Key Deliverables:
- Repairs, focussed on the building's arrangement, proposed fabric repairs and addition of modern technologies
 - External Works, creating a sense of arrival from the street and maximising the potential of existing spaces
 - Building Operations, developing the framework required for the hall to be transformed it into a viable community asset
28. In association with the proposed LUF project, Doncaster Council plans to develop a modular Youth Zone facility on the grounds of the institute, supporting

its sustainability and providing a safe environment with access to sports, arts, and music activities.

29. It is important to note that all three Doncaster North elements were included in our LUF R2 submission in August 2022, which was unsuccessful. For LUF R3, the Department for Levelling Up, Housing and Communities revisited R2 to select suitable schemes, including Doncaster North. Although we welcome the opportunity, we are currently assessing the viability of our initial proposals in the light of the reduced delivery window, inflation and additional information that may now render parts of the scheme unsuitable, particularly regarding value for money.
30. The assessment, which is being conducted as a matter of urgency, will not change the overall aims of the funding, only some of the detail. We will then seek to ensure the appropriate approvals are in place, not just with DLUHC, but via the appropriate Council channels. Our aim is, of course, to deliver the maximum value possible within the time, and this may involve some fundamental changes to the projects as they currently stand.
31. As part of DLUHC's contracting process, the Council submitted a Validation Form and supporting narrative document on 2nd February 2024 (as per a DLUHC deadline). These submissions confirmed that the full allocation is still required in order to deliver the outputs and outcomes included in the original proposal. The financial profile submitted as part of this validation process keeps all original allocations at project level unchanged, but is condensed into 2 years rather than the original 3 years. The submission also outlined the risks and issues surrounding the programme as it stands. Namely:
 - The reduced delivery window
 - Inflationary pressures
 - Issues around the 3rd Party ownership of premises required for delivery of outputs
32. This validation process is required as part of DLUHC's 'on-boarding' process and, if accepted, will allow us to progress to complete a Memorandum of Understanding with DLUHC. Submission does not, at this stage, constitute acceptance of the funds or a legal agreement to proceed to delivery, it is simply a mechanism to capture where we currently are in the process.
33. The risks detailed above are substantial but do not currently render the main thrust of our LUF3 programme unviable. A review of the programme is being undertaken and may result in the requirement for further adjustments to projects. These, when known, would be addressed by a Project Adjustment Request process, and will be managed via discussion with DLUHC.

OPTIONS CONSIDERED

34. Two options have been considered:

Option A - Not to accept the funding from Levelling Up Fund Round 3.




Option B - To accept the funding from Levelling Up Fund Round 3. To approve the roll out of the approved schemes as outlined in this report. To provide delegated authority to the relevant directors for initiation and the ongoing delivery of the programme as approved, subject to deliverability within the timescales and terms and conditions of the grant.

REASONS FOR RECOMMENDED OPTION

35. We are confident that Option B is the best result for Doncaster, as it will enable capital interventions and regeneration that simply would not be achievable without the additional capital funding LUF provides.
36. If Doncaster does not accept the Levelling Up Round 3 Funding this would end the LUF process for the Doncaster North constituency. It would deny Doncaster North the opportunity to develop in key areas which are critical to the economic future of the city as a key strategic growth area. It may also provide a negative impact for any future funding applications submitted to Government. If Doncaster does accept the funding, it will be a vital opportunity to improve the economic resilience, productivity and health and wellbeing of the area.

IMPACT ON THE COUNCIL'S KEY OUTCOMES


37.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change				✓
Considerations around climate change will underpin the work undertaken, but this is not the direct focus of the programme.				
 Developing the skills to thrive in life and in work				✓
LUF R3 is essentially a public realm programme, so although residents will benefit from improved environments, they will not be directly targeted as individuals.				
 Making Doncaster the best place to do business and create good jobs	✓			

The Levelling Up Fund projects present vital opportunities to create a stronger economy for Doncaster North.


This includes:

- Increasing the sustainability of Mexborough Town Centre and protecting an 'at risk' conservation area by bringing a prominent heritage building back into use, improving shop fronts, enhancing the public realm, delivering new and safer public spaces, increasing footfall, and integrating access with community, sports, and recreation facilities.
- Transforming the heart of Moorends to increase footfall, dwell time and pride in place by revitalising the public realm and delivering new infrastructure to increase active travel and pedestrian safety, supporting existing local businesses and attract new investment.




 <p>Building opportunities for healthier, happier and longer lives for all</p>	✓			
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The Levelling Up Fund Projects present the opportunity to improve physical activity and overall wellbeing through the general enhancement of our communities, particularly around the spaces and facilities that are most important to our residents.

The overall schemes will enhance wider wellbeing by creating a more attractive Urban Centre environments and more opportunities for residents to engage with their town centre, both of which can improve physical and mental wellbeing.

 <p>Creating safer, stronger, greener and cleaner communities where everyone belongs</p>	✓			
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- The Levelling Up Fund projects present a number of vital opportunities to create safer, cleaner and greener communities where everyone belongs, improving the environment and the wellbeing of residents and visitors.
- This includes:
 - Targeted public realm works in Mexborough including upgraded surface treatments, street furniture and planting
 - Significant new public spaces in Mexborough including a pocket park on the former flyover site.
 - Enhanced integration and active travel links to adjacent health, sports, and social facilities in Mexborough
 - A series of street greening interventions in Moorends including street trees, rain gardens and vertical planting that contribute towards more attractive and sustainable spaces.
 - More cycle infrastructure in Moorends, including cycle stands and segregated cycle lane
 - Moorends street and shop frontage enhancements, including new street furniture and planting.

<ul style="list-style-type: none"> Various traffic calming measures, enhanced community safety measures (lighting and CCTV), improvements to access, particularly around gateways and key buildings, etc. 				
 Nurturing a child and family-friendly borough	✓			
<p>Public realm work and additional green spaces will support this objective, as well as the work around community safety, detailed above.</p>				
 Building Transport and digital connections fit for the future				✓
<p>Connectivity and access will be improved, but this is not the main objective of the projects on this occasion.</p>				
 Promoting the borough and its cultural, sporting, and heritage opportunities	✓			
<p>The Levelling Up Fund projects present a number of vital opportunities to increase the creative and cultural offer in Doncaster, which will support wellbeing and business success.</p> <p>This includes:</p> <ul style="list-style-type: none"> Frontage improvements to buildings in the Mexborough 'At Risk' conservation area (circa 20 properties) and bringing a prominent heritage building back into full use as a multi-offer venue Creating a more cultural space in Moorends that celebrates the area's heritage with new public art. Moorends street and shop frontage enhancements, including new street furniture and planting. Refurbishing and repurposing of the Brodsworth Miners Welfare Institute building in line with its listed status to enhance its role as an activity hub for the Woodlands and surrounding communities. 				
Fair & Inclusive	✓			
<p>LUF3 provides funding for projects that will make improvements for everybody and will be available for all to use. The areas selected have significant levels of deprivation, and the projects will provide improved public environments for some of our most deprived residents.</p>				

Legal Implications [Officer Initials: PC Date: 09 February 2024]

38. Section 1 of the Localism Act 2011 provides the Council with the general power of competency, allowing the Council to do anything which a person is permitted to do.
39. Section 111 of the Local Government Act 1972 gives the Council the power to purchase goods and services.
40. There are two funding streams, the LUF funding and the match element. The Council will be asked to enter into legally binding funding agreements for each stream. These agreements will set out how the monies can be used. Each funding agreement is likely to contain provisions that require any of the various project outcomes and outputs to be achieved by specific dates and by a final completion date.
41. In addition, the Council should on an ongoing basis throughout the various project periods assess if the funding is to be used at any point to provide a Subsidy to a third party. If so, the Council must comply with the terms of the Subsidy Act 2022 as well as the relevant funding agreements.
42. In procuring any goods or services for the delivery of the projects regard should be had for any requirements in either of the relevant funding agreements, the Public Contract Regulations 2015 and the Council's contract procedure rules.
43. Failure to comply with such terms may lead to claw back of funding streams by the relevant funder.
44. Following contract signature, the project managers should be completely familiar with the funding agreement terms and the project milestones to protect the interests of the Council.
45. Further legal advice and assistance will be provided as each project progresses.

Financial Implications [Officer Initials: MS | Date: 09 February 2024]

46. On 20th November 2023, Doncaster Council was informed that it had been provisionally awarded up to £17,950,341 for the Levelling Up Doncaster North project as part of the third round of the Fund. The projected spend profile for LUF grant and Council match funding is shown below:

Projects	2024/25 (£)	2025/26 (£)	Total (£)
Mexborough Town Centre	3,630,000	11,127,272	14,757,272
Moorends Regeneration	1,747,756	2,190,108	3,937,864
Brodsworth Miners Welfare Institute	458,780	1,022,524	1,481,305
Total	5,836,536	14,339,905	20,176,441
LUF element	5,192,582	12,757,759	17,950,341

47. The funding will be added to the Council's capital programme. The total shown above will be funded by LUF as well as the £2.2m match funding for Mexborough Town Centre referred to above.
48. The specific terms and conditions associated with the funding haven't been received but are expected to be similar to those for LUF round 1:-
 - All funding to be spent by 31st March 2026 – this risk will need to be carefully managed given a large proportion of the spend is profiled to take place in 2025/26.
 - Local financial contribution expected (match funding) of at least 10% - this requirement is met when considering the overall programme value, which includes £2.2m funding from SYMCA that has been confirmed as being eligible.
 - LUF grant will be paid in arrears following submission of a S151 officer signed Statement of Grant Usage and corresponding quarterly monitoring return.
 - DLUHC may make appropriate adjustments to payments or withhold payments where there are significant concerns over delivery.
 - The Council will be responsible for meeting any cost overruns and the underwriting of funding contributions expected from third parties.
 - The Council will need to comply with DLUHC's Monitoring and Evaluation requirements as failure to do so may result in funding being withheld.
49. As stated above further work is needed to review the deliverability of the original proposals within the timescales and funding provided through the LUF grant. Grant acceptance and/or commitment is subject to key decision rules. The recommendation in this report is to delegate commitment and spending decisions in preparation for timely decisions once the business cases for individual projects have been further developed, at which point the financial implications and risks can be fully considered, considering any further guidance from DLUHC in respect of funding terms and conditions. Once specific schemes have been approved, the capital programme will be updated to include those specific schemes.
50. There may be some one-off initial costs that cannot be charged to the capital programme or covered by the LUF grant funding. These costs will need to be identified and funding sought from the earmarked reserve that was set up to meet the one-off revenue costs associated with major capital projects.
51. There are likely to be ongoing revenue costs as a result of the capital projects, e.g. street greening interventions and maintaining buildings, which will need to be quantified as projects are further developed. These costs are likely to be pressures on the Council's budget once the schemes are complete.
52. Any decisions in respect of land and property will need to be taken according to the Council's Financial Procedure Rules (FPR C.20 covers

disposals and acquisitions) and the budget transferred to the relevant scheme. In line with the capital key decision threshold, where the estimated disposal value is less than £1,000,000 the Property Officer, having taken financial and legal advice, may arrange for the disposal of land or property. In respect of the acquisition of land and property, where budget provision for an acquisition exists within the total Council budget, the Property Officer may approve a purchase of land or property.

53. The Shop Fronts scheme may involve grants to outside bodies. The Council's Financial Procedure Rules E.17-20 cover Grants to Outside Bodies and these procedure rules will need to be complied with, including record keeping, monitoring requirements and legally binding agreements being in place between the Council and the recipient(s).

Human Resources Implications [Officer Initials: R.W | Date: 08.02.24]

54. There are no specific human resources implications associated with this report.

Technology Implications [Officer Initials: P.W | Date: 24.01.24]

55. There are no specific technology implications. Any technology requirements (including CCTV) to support the delivery of the proposed projects should be discussed with Digital & ICT as part of the development of the schemes, with reports for consideration and prioritisation by the Technology Governance Board, where applicable.

RISKS AND ASSUMPTIONS

56. There are assumed risks with the delivery of the projects identified within this report. These have been detailed within the associated risk register, with mitigations and continuous assessments to be undertaken as part of the project delivery team.
57. At the time of writing, there were several identified risks associated with the overall project. Some of these stretched across all the identified schemes within the report, whilst other risks pertained to one of the identified schemes.
58. The main risks can be summarised as:
 - Rising costs of the scheme due to inflation, specifically cost increases relating to land, materials and supply chains;
 - Changes and new and/or additional information that has rendered parts of the initial 2022 submission less optimal, particularly with regard to issues around the 3rd Party ownership of premises required for delivery of outputs
 - The overall capacity to deliver the exact content of the schemes outlined within a reduced timescale to meet the revised deadline of March 2026.
59. The Council has vast experience of managing risks associated with major capital projects, including risks associated with the above, but we have

more work to do around fully assessing what can realistically be done within budget and to time within a programme where the details were first proposed almost two years ago, and this will include extensive discussion with DLUHC about the full viability of some of the details.

CONSULTATION

60. Extensive consultation was conducted for the development of the Mexborough Community Investment Masterplan which guided the investment priorities for this area. In addition, considerable engagement with Councillors and MPs, as well as multiple stakeholders across the private and public sectors informed the choice and initial design of project ideas.
61. Furthermore, a partnership of Locality, Commonplace and Koru Consulting was commissioned to undertake a community engagement exercise focussed on the LUF bids. Throughout May and June 2022, an online engagement platform was developed, launched and promoted to ensure that there were comprehensively determined levels of community support.
62. Based on an aggregation of the results, 84% of views expressed were positive, with only 9% indicating a negative view. A project level breakdown is: Mexborough 81% positivity rating; Moorends 70% positivity rating; Brodsworth Miners Welfare Institute 93% positivity rating.
63. Rt Hon Ed Miliband, MP for Doncaster North constituency has been actively engaged in discussions relating to the development of the scheme and confirmed his support of the current proposals by letter dated 2nd February 2024.
64. Further consultations will be conducted at key stages throughout the project timeline, with initial plans in place to undertake detailed scheme consultation for Mexborough within the next 6 months.

BACKGROUND PAPERS

65. Doncaster LUF Round 3 Outcome Letter
66. Doncaster Council's final Levelling Up Fund Round 3 application will be available in full upon request.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

67. DLUHC – Department for Levelling Up, Housing and Communities
68. LUF – Levelling Up Fund

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