



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

17TH JUNE 2021

**UK GOVERNMENT LEVELLING UP FUND – OPPORTUNITIES IN
RHONDDA CYNON TAF**

**REPORT OF THE DIRECTOR, PROSPERITY & DEVELOPMENT IN
DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER (CLLR
BEVAN)**

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide Cabinet with a summary of the UK Government Leveling Up Fund and the potential project opportunities and timescales for the development, appraisal, and submission of project applications

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Considers the content of the report and agrees to progress development of a project application package for submission as set out in section 5 of the report.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Council is able to take advantage of the resources available for funding projects from the first round of the Levelling Up Fund which has a deadline of 18th June 2021.

4. BACKGROUND

- 4.1 The £4.8 billion Levelling Up Fund (LUF) will invest in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets.
- 4.2 The Levelling Up Fund is a capital only fund, administered by the Ministry of Housing, Communities and Local Government (MHCLG), Department for Transport (DfT) and HM Treasury (HMT). References to the 'Secretary of State' in the Fund guidance are to the Secretary of State for Housing, Communities and Local Government, Secretary of State for Transport and the Chancellor of the Exchequer.
- 4.3 The UK Government has identified the following priority areas for investment:
- **Transport investment** - including (but not limited to) public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance, and accessibility improvements. The Fund is requesting proposals for high-impact small, medium and by exception larger local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth and improve the experience of transport users.
 - **Regeneration and town centres investment** - to upgrade eyesore buildings and dated infrastructure, acquire and regenerate brownfield sites for business use, invest in secure community infrastructure and crime reduction, and bring public services and safe community spaces into town and city centres.
 - **Cultural investment** - maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions (and associated green spaces) and heritage assets as well as creating new community-owned spaces to support the arts and serve as cultural spaces.
- 4.4 Local authorities will lead the bids for their areas and can submit a number of bids determined by the number of parliamentary constituencies wholly within the local authority boundary. Therefore, a total of **three bids** can be submitted from Rhondda Cynon Taf, representing the Rhondda, Cynon and Pontypridd Constituencies with an additional transport based bid which can cover one or more constituencies.

- 4.5 Rhondda Cynon Taf has been categorised as a Priority 1 of three priority categories which will give an advantage as part of the assessment process. Consultation and support will be expected to be gained for bids from the MPs whose constituencies will be hosting bids as well as appropriate consultation with the public and other organisations. To support the development of bids and working more closely with the UK Government a one off £125,000 capacity building grant will automatically be made available.
- 4.6 A capital bid can be for an individual project or a package of up to three projects, of up to £20 million in value per bid, or in exceptional cases up to £50m per bid for larger transport projects. Both individual and package bids can contain proposals within a single theme, or across multiple themes, so long as they form part of a coherent, consistent proposal. All bids must be submitted in full with all supporting documentation, and where appropriate the approval of the responsible authority on the **18th June 2021**. Projects will need to demonstrate investment or delivery on the ground in 2021-22. In addition to this, all projects must be fully completed by 2024.
- 4.7 The level of detail and evidence required to complete the application process is significant and is based on the HM Treasury guidance on completing project business cases. This Five Case Model requires evidence for detailed assessment that will include – Strategic, Economic, Commercial, Financial and Management Cases. The assessment and prioritisation of projects will be on a competition/scored basis.
- 4.8 There will be a three staged approach to assessment and decision making.:
- Stage 1 Gateway: The first stage is a pass/fail gateway criterion, where bids will be assessed against whether they can deliver some LUF expenditure in 2021/22.
 - Stage 2 Assessment and Shortlisting Bids: Bids will be assessed against the criteria set out in the Prospectus to deliver a shortlist of the strongest bids.

- Stage 3 Decision Making: Once bid assessment and moderation has concluded, and the shortlist is drawn up, Ministers will make funding decisions.

4.9 UK Government intend to announce the outcome following the three-stage assessment process during the Autumn of 2021

5. **PROPOSED PROJECTS**

5.1 There will be a benefit in preparing and submitting bids for the first round of Applications as this will give more time to develop and deliver projects and the level of competition from other Welsh authorities is likely to be less. As outlined above, the level of detailed information on the projects that is required to successfully complete the application in terms of the Five Case Business Plan Model is significant so a focused package of relatively well developed projects will be necessary to do well in a competitive selection process. The Fund guidance also requires that all relevant statutory procedures and a physical site start of works should be achieved in the current financial year. The proposals set out below offer an opportunity for robust applications, although challenging, in the timescale for submission by 18th June.

5.2 **Pontypridd Constituency** – Based on the Council's continuing delivery of projects aimed at realising the ambitions of the 'Pivotal Ponty' Strategic Opportunity Area previously agreed by Cabinet.

Muni Arts Centre – Full Redevelopment – This project to redevelop the Muni Arts Centre, will bring this prominent empty building back into productive use as a state of the art music and theatre venue in the heart of Pontypridd Town Centre. It is a key opportunity to bring forward the full redevelopment phase. Concept designs have already been completed by architects engaged by Awen, with phase 1 redevelopment works currently underway with current costs at £380k with £250k WG TRI and £130k RCT.

Full redevelopment costs are currently projected to be approximately £5.9M based on the appointed architects design team but will be subject to further change and development. The levelling up fund bid will be 90% (£5.31M) of the total development cost.

- 5.3 **Rhondda Constituency** - Based on delivery of the Porth Regeneration Strategy which is approved and in place and has been subject to public consultation, the Porth Transport Hub is a key project which is ready to start on site this financial year and meets all the key criteria set out in the Levelling Up Funding guidance.

The Porth Transport Hub is a key element of the approved Porth Regeneration Strategy and its delivery will be vital to the success of the Strategy. The Transport Hub is the largest project within the Strategy's programme and will serve as an anchor for comprehensive regeneration, development and investment across Porth Town Centre and the surrounding area. The transport network modernisation via the South Wales Metro development and an increase in trains, the development of the Porth Transport Hub is timed perfectly to coincide with most significant investment in the Welsh rail network development in decades, and provides a prime opportunity to capitalise upon the benefits. The Porth Transport Hub will be a new transport interchange facility which will serve as the focal point for bus travel in Porth. The facility will house all necessary amenities for operations by the main bus provider in the area, Stagecoach.

The total cost of the project is £6.6M with a bid to the Levelling Up Fund of £3.6M. External funding of £3M has already been secured therefore, there is no requirement for additional match funding.

- 5.4 **Cynon Valley Constituency – The former Mayhew Chicken Factory site in Trecynon, Aberdare** provides a significant redevelopment opportunity for a mixed use comprising modern business premises and park and ride facility as preparation for the future extension of the passenger rail line beyond Aberdare.

This will be achieved through a newly developed business site which can host a number of modern light industrial units and park and ride facilities, with EV charging facilities and an active travel bridge. The project will serve to reverse the loss of the previous employment use on the site and build a modern light industrial business park, creating quality jobs for local people in a regionally important area and addressing the lack of modern industrial units in the region to support SME growth through Improved productivity.

Current projected costs for the Modern Light Industrial Unit Development is £6.5M. Projected Costs for the park and ride facility

and active travel bridge are £3.1M. Therefore, total estimated project cost is £9.6M and the levelling up fund will be bid will be 90% of the total development cost (£8.7M).

5.5 **Transport Project Opportunities** - An options appraisal of potential transport projects currently planned and in development has been carried out in relation to the Levelling Up Fund application and assessment criteria. As a result of this, the **A4119 Ely Road Dualling** is most advanced with all necessary planning consents in place and major advanced utility diversions being undertaken this year. The main scheme can commence during the next financial year, with project completion within the set time scales. This project also fits well in terms of its strategic importance and contribution to economic benefit for the area.

5.6 The proposed improvement is therefore not only integral to the regional strategic highway network, it is also linked to part of the Strategic Opportunity Area (SOA) *The A4119 Corridor: The Regional Rhondda Gateway* and to the wider economic opportunities for the western area of the County Borough and the Cardiff Capital Region.

The transportation and regeneration benefits of the project include:

- It will improve connectivity to Tonyrefail and surrounding areas.
- It will facilitate and further unlock development of the strategically important Coed Ely site (approximately 14.32 ha) and encourage investment in the wider area.
- It will improve access to existing and new businesses at Llantrisant Business Park, the Royal Glamorgan Hospital and the wider areas.
- It will improve reliability and journey times especially for public transport, which will enhance the viability of local and regional bus services using the route.
- It will encourage more active travel and healthier lifestyles by improving opportunities for walking and cycling.

5.7 The total cost of the project is £19.4M with a bid to the Levelling Up Fund of £11.4M. Existing RCT and external funding of £8M has already been secured therefore, there is no requirement for additional match funding.

6. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

- 6.1 There is no requirement for an Equality Impact Assessment or Socio-Economic Analysis for the purposes of this report but on a project basis the requirements for assessments will be met at the appropriate stages of project development.

7. WELSH LANGUAGE IMPLICATIONS

- 7.1 There is no requirement for a Welsh Language Impact Assessment with this report although on a project basis Welsh Language Impact Assessments will take place as part of the project development process.

8. CONSULTATION / INVOLVEMENT

- 8.1 There is no requirement for a consultation associated with this report although on a project basis relevant consultation with stakeholder organisations and the public will be necessary and already have taken place or will take place as part of the project development process.

9. FINANCIAL IMPLICATION(S)

- 9.1 There is a requirement for a minimum of 10% match funding for each bid, this can come from Local Authorities and/or third parties. At this stage, submitting the applications does not commit the Council to any additional match funding requirements. If successful, full funding packages will be developed in line with the due diligence of reviewing the terms of any offer from UK Government.
- 9.2 As referenced in the report, £125K funding is automatically available to use to build capacity. It is anticipated that any costs associated with developing bids will be met from this allocation.

10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 10.1 No legislation has been considered in relation to this report. It should be noted that the bidding process itself must take account of the Lead Authority's legal obligations including the Public Sector Equality Duty.

11. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 11.1 The successful delivery of the projects set out above will make a significant positive contribution to all of the priorities of our Community Plan. The **People, Places and Prosperity** priorities will be very well served by the mix of modern business premises, public transport and active travel facilities and state of the art cultural facilities that will be provided as a result of the delivery of the proposals for the Levelling Up Fund applications.

The successful delivery of the investment proposals will also directly contribute to the goals of the Well- Being of Future Generations Act. In particular the economic and environmental well-being of Wales, supporting the delivery of a prosperous Wales, a more resilient Wales and a Wales of cohesive communities.

12. CONCLUSION

- 12.1 The UK Government Levelling Up Fund provides the Council with an opportunity to access financial support to bring forward significant priority projects as outlined above. There will be an added benefit in preparing and submitting bids for the first round of Applications as this will give more time to develop and deliver projects and the level of competition from other Welsh authorities is likely to be less.

Other Information:-

Relevant Scrutiny Committee

[ARTICLE 6 – OVERVIEW AND SCRUTINY COMMITTEE](#)

(Terms of Reference of each of the Scrutiny Committees to assist Officers with selecting the correct Committee.)

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Background Papers

- Levelling Up Fund: Prospectus
- Levelling Up Fund: Technical Note