



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

22 JUNE 2022

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

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

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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 (Round 2) and the proposed project application for the Former Chicken Factory, Trecynon for the Cynon Valley Parliamentary Constituency.

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Considers the content of the report and agrees to progress the development of a project application for submission to the UK Levelling Up Fund Round 2, as set out in section 5 of the report.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Council takes advantage of the resources available for the Cynon Valley Parliamentary Constituency from Round 2 of the Levelling Up Fund, which has a deadline of 6th July 2022.

4. BACKGROUND

- 4.1 The overall £4.8 billion Levelling Up Fund (LUF) package 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.
- 4.5 In July 2021, a total of **four bids** were submitted from Rhondda Cynon Taf, representing the Rhondda, Cynon and Pontypridd Constituencies. These included a bid for Porth Transport Hub, The Muni Arts Centre, Pontypridd, The Former Mayhew Chicken Factory development, Trecynon and an additional transport based bid for the A4119 dualling. Three of the four Round 1 bids were successful and are now being delivered with LUF support in place. The Former Mayhew Chicken Factory bid for the Cynon Valley Parliamentary Constituency was unsuccessful.
- 4.6 For Round 2 of the fund, Rhondda Cynon Taf continues to be categorised as a Priority 1 of three priority categories which will give an advantage as part of the assessment process. Consultation and

support from the MPs whose constituencies will be hosting bids is required, as well as appropriate consultation with the public and other organisations.

- 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 2022/23.
 - 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 2022.

5.0 PROPOSED PROJECT – FORMER MAYHEW CHICKEN FACTORY SITE, TRECYNON

- 5.1 It is proposed that the Council resubmit the Former Mayhew Chicken Factory Site at Trecynon, Aberdare as the LUF Round 2 submission for the Cynon Valley Parliamentary Constituency. As outlined above, the level of detail required on projects for them to be successful is significant. A relatively well developed project will therefore have a greater chance of success in a competitive selection process than a new project which is starting from scratch. 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.
- 5.2 As the Council was unsuccessful in its project bid for the Cynon Valley constituency in Round 1, the Council has another opportunity to submit a funding bid, solely for this area, as part of Round 2 of the fund.

- 5.3 Detailed feedback has been received from UK Government officials on the strengths and weaknesses of the former Mayhew Chicken Factory site bid, and with further development taking place on the proposals since the Round 1 submission, it is now considered that a stronger bid can be submitted for Round 2 which will stand a greater chance of success.
- 5.4 The former Mayhew Chicken Factory site at Trecynon, Aberdare has been purchased by the Council as a key redevelopment opportunity. The currently derelict site is in a key location readily accessible from the A4059 and close to the A465 which is currently being upgraded to a dual carriageway in the Hirwaun area. The proposal for the redevelopment of the site in Trecynon, Aberdare will provide a mixed-use development comprising of modern light industrial units, and park and ride facility as preparation for the future extension of the passenger rail line beyond Aberdare as part of the Metro developments. It will also include EV charging facilities and an active travel bridge providing new access to the redeveloped site.
- 5.5 The proposed development will provide 18 modern, high quality Grade A business units providing 2100 square metres of new business accommodation. As a pilot, three of the units are being designed to net zero carbon standards in their construction and use. A site plan of the proposals is shown at **Appendix 1**.
- 5.6 Independent commercial advice has been sought which shows that there is a growing demand for Grade A business accommodation in the Valleys area. Our experience of providing modern business accommodation at Coedely and Robertstown reinforces this advice, with strong demand and enquiries for both being received. The proposed business units have the potential to accommodate 18 new or growing local small businesses and create more than 50 new jobs for local people.
- 5.7 To gain further evidence of the demand for these proposals, a four-week public consultation will commence on the 6th June. This consultation exercise is key in supporting the Council's LUF application business case, which was something UK Government said was lacking in the first funding application.
- 5.8 The total estimated cost of the redevelopment proposal for the Round 1 submission in June 2021 was £15.984M which would bring £14.386M LUF at 90% of eligible costs. These costs are currently being updated and refined to meet the July 6th Round 2 deadline, but are likely to have increased significantly due to the current level of price inflation for construction projects.
- 5.9 This proposal will serve to reverse the loss of a large employment site

and build a modern light industrial business park, creating quality jobs in a regionally important strategic area, addressing the lack of modern industrial units in the region to support SME growth through improved productivity. In addition to this, the proposals set out above offer an opportunity for a more robust Mayhew Chicken Factory site application to be submitted by the 6th July 2022 LUF Round 2 deadline, which will have a greater chance of success.

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 requirement for assessment 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 specific basis a four-week public consultation will take place commencing on June 6th. This will help to provide evidence from the public and stakeholders for the further design of the redevelopment and the LUF business case.

9. FINANCIAL IMPLICATION(S)

- 9.1 As reference in paragraph 5.8 cost are current being updated, however 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 application does not commit the Council to any additional match funding requirement. If successful, full funding packages will be developed in line with the due diligence of reviewing the terms of any offer from UK Government.

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 project 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 that will be provided as a result of the delivery of the proposal for the Levelling Up Fund application.

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. STRATEGIC OR RELEVANT TO ELECTORAL WARDS

- 12.1 If successful, the UK Levelling Up (Round 2) development bid would be relevant to the Cynon Valley Parliamentary Constituency.

13. CONCLUSION AND NEXT STEPS

- 13.1 This report has provided a summary of the UK Government Levelling Up Fund (Round 2) and proposes to submit an application for the Former Chicken Factory, Trecynon for the Cynon Valley Parliamentary Constituency, which will create quality jobs for local people in a regionally important area and address the lack of modern industrial units in the region to support SME growth through improved productivity.
- 13.2 The proposal will serve to reverse the loss of a large employment site and build a modern light industrial business park, creating quality jobs in a regionally important strategic area, addressing the lack of modern industrial units in the region to support SME growth through improved productivity.
- 13.3 In addition to this, the proposals set out in this report offer an opportunity for a more robust Mayhew Chicken Factory site application to be submitted by the 6th July 2022 LUF Round 2 deadline, which will have a greater chance of success.

Other Information:-

Relevant Scrutiny Committee

Climate Change, Frontline Services and Prosperity Scrutiny Committee

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LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Item:

Background Papers

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

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