

CABINET

Report of: Director of Community Services

Date: 17 May 2021

Cabinet Portfolios: Economy, Tourism, Leisure and Culture

PROPOSED APPLICATION TO THE LEVELLING UP FUND

Purpose

The reason for this report is to comply with Financial Regulations, November 2018, Cl. 4.11.1 for bids/applications for external funding exceeding £2,000,000.

This report seeks authority to submit two separate grant applications to the UK Government Levelling Up Fund (LUF).

- Haverfordwest Town Transformation
- Pembroke Town Transformation (packaged bid with Carmarthenshire County Council)

Background and Context

The LUF is a capital only fund, administered by the Ministry of Housing, Communities and Local Government (MHCLG), Department for Transport (DfT) and HM Treasury (HMT) that invests in high-value local infrastructure, focusing on the needs of individual places and the strategic case for investment.

The LUF provides the opportunity for local authorities to bid competitively for funding to a maximum value of £20 million per MP constituency that lies within the local authority boundary. Bidding authorities are expected to consult local Members of Parliament as part of their bid.

The first application round of the LUF seeks projects relating to transport investments, regeneration and town centre investment and cultural investment.

An additional UK government grant of £125k has been allocated to local authorities to develop their bids'

The LUF prospectus states that bids are encouraged to include a local financial contribution representing at least 10% of total costs.

The deadline for receipt of first round applications is 18 June 2021.

Proposed Projects

Haverfordwest Town Transformation

The application for Preseli Pembrokeshire constituency seeks to further progress Haverfordwest's town centre renaissance by building on completed work such as the Glan yr Afon Library and National Gallery and the Western Quayside development, currently on site.

The application will propose a signature bridge that provides a striking focus to the centre of the town, acting as a destination for visitors as well as a practical and attractive active travel route way. A new, direct approach to the castle from the town centre will be enabled via an arcade developed through 16 Bridge Street. The castle will benefit from developments to improve its appearance and experience and increase visitors. Funds will support the creation of a vibrant outdoor performance space in the inner bailey and renovation of the gaol in preparation for a flagship visitor attraction, plus perimeter walk and further green infrastructure enhancements. This development will strongly underpin the case for further funding to grow the Castle as a key attraction for Haverfordwest. Wayfinding elements with consistent branding will be deployed to join up all three elements of the scheme cohesively with each other and the rest of the town offer.

The LUF requires that all schemes are completed by March 2024, but within this timescale it will only be feasible to deliver elements of the Gaol development to 'shell and core' stage. There would be a consequential need for PCC to underwrite a circa £2 million fit-out in 2024/25 to complete the scheme. This would be a subsequent and separate project, delivered following the LUF funding period.

Commitment to the delivery of the full fit-out during 2024-25, directly following completion to 'shell and core' would be a critical lever in increasing PCC's chances of acquiring LUF funding. Scoring of the bid will take into account socio-economic impact illustrated in this proposal through visitor numbers and visitor spend, which in turn reflects overall value for money. As such, the Gaol would need to be presented as able to progress efficiently forward to a functional attraction, to present a credible LUF proposal.

We are confident that we will raise the majority of the £2 million for the visitor attraction fit-out through external sources such as Lottery, trusts and foundations, but cannot guarantee success.

Consultants have been appointed to develop this project proposal and provide an overarching rationale.

Pembroke Town Transformation

Where a constituency lies across two or more County boundaries, the LUF requires only one of the local authorities to be nominated to lead on the application on behalf of all joint applicants. In the case of Carmarthenshire West and South Pembrokeshire, Pembrokeshire County Council and Carmarthenshire County

Council will adopt a town centre focus (Pembroke and Carmarthen) aimed at addressing opportunities for improving sites and buildings. Proposed projects will need to reflect a coherent set of interventions and consultants have been jointly engaged to advise and prepare a joint bid.

PCC propose to create a community hub in Pembroke within Phase 2 of the South Quay development. The scheme will regenerate a derelict building that is currently a blight on the townscape, to deliver a public service hub 'anchor' facility and public realm improvements in a premier location adjacent to a Grade 1 listed Building and Scheduled Ancient Monument Castle.

The scheme would mirror similar development supporting a community hub proposed by West Carmarthenshire.

Main Issues

- (i) The LUF prospectus states that bids are encouraged to include a local financial contribution representing at least 10% of total costs. The guidance does not specify where these contributions need to come from and consequently there are potentially options to source from other grants, public, private or third sector contributions. We are exploring all available options but at this current time it is unlikely that we will be able to use Welsh Government funding as match. With only a short window to find match before the projects start in autumn 2021, if both applications are successful, it is likely that match of circa £2.34 million may be required from PCC capital funding.
- (ii) Further guidance and clarity is awaited regarding the process for submitting a LUF bid for the joint local authority constituency of 'South Pembrokeshire and West Carmarthenshire'. Accordingly, delegated authority will be required to enable a suite of complimentary projects to be submitted under the auspices of a 'lead' local authority.

Proposed LUF Applications

It is proposed that Pembrokeshire County Council submits the following LUF applications as set out below. As previously highlighted, match funding is suggested in the LUF guidance of 10%.

The following sets out the total estimated capital funding required. These are current estimates which will be revised between now and the submission date of the bid and therefore the total amount applied for and consequentially the 10% match required for each scheme could change.

Haverfordwest Town Transformation (Pembrokeshire Preseli) will include restoration of the curtain walls at Haverfordwest Castle, development of the Inner Bailey event space and refurbishment of the Gaol to shell and core stage. An arcade developed at ground level through 16 Bridge Street will create a link from the Castle Perimeter Walkway through to Bridge Street, supported by way marking

enhancements. A Signature Bridge will replace the footbridge access from the rear of Western Quayside to the east bank.

The total estimated cost is circa £19 million.

Pembroke Town Transformation (Carmarthenshire West and South Pembrokeshire) will deliver a Community Hub for Pembroke as Phase 2 of developments at the South Quay.

The total estimated cost is £4.3 million.

Conclusions

Each of the proposed capital schemes are funded to up to 90% of full costs. This core investment in local landmarks and facilities contributes significantly to the place making, economic development, regeneration and transformation of Pembrokeshire.

New town centre facilities are fundamental to increasing footfall in Pembrokeshire towns and promoting community confidence, new growth and prosperity in a post-Covid environment. Both programmes are considered to be manageable, deliverable and will lever a high value for money return against any matched contribution by Pembrokeshire County Council/local partners/further grant sources.

It is also recognised that, given the timing, delegation of the final sign-off of bids will need to be to the Director of Community Services in consultation with the Cabinet Member with Responsibility for Economic Development.

Comments by Director of Resources

The financial issues are outlined in the body of the report. There could be a match funding requirement of up to £2.34 million from the Council which would require a separate capital bid(s). Consideration would need to be given as to how this could be funded and the effect on the capital financing costs cap should prudential borrowing be required. The ongoing revenue implications of the proposed capital projects will need to be ascertained in order to ensure that they are affordable and can be built into the MTFP.

Comments by Head of Legal and Democratic Services

There are no legal issues arising from this report.

Comments by Head of Human Resources

There are no human resources issues arising from this report.

Impact Assessment

The content of this report has been considered against the five ways of working (long term, prevention, integration, collaboration, involvement) in the Well-being of Future Generations sustainable development principle. Bidding for LUF for the three schemes as described, brings opportunities for further investment in our town centres. This is supported by existing masterplans and the delivery of Pembrokeshire's Recovery and Regeneration Strategy 2020-2030, bringing increased investment and wealth to the County as well and supporting our ambitions as a world class destination.

The scheme proposals outlined in this report are likely to make a significant contribution to the Well-being goals in terms of providing accessibility and connectivity improvements that support town centre regeneration and development.

All the schemes proposed will be designed and delivered in accordance with the Equality Act 2010 and all the current legislation and design guidance pertaining to these types of projects and improvements. This investment will also bring future opportunities to carry out improvements to key buildings so that they can better cater for the needs of people with mobility difficulties, or people needing to tend to young children.

This investment is not likely to impact on the Council's obligations under the Welsh Language Standard Regulations 2015, although if the Council purchases all or part of the building Welsh language signage will be required.

RECOMMENDATIONS:

1. That the applications for the Levelling Up Fund be submitted to UK government for consideration.
2. In the event that UK government do not award first round Levelling Up Fund, that the Director of Communities has delegated power to revise the proposal/s for further submission in a subsequent round, in consultation with the Cabinet Member for Economy, Tourism, Leisure and Culture.
3. That delegated approval be given to the Director of Communities, in consultation with the Cabinet Member for Economy, Tourism, Leisure and Culture to enable a suite of complimentary projects to be submitted under the auspices of a 'lead' local authority in the case of the South Pembrokeshire and West Carmarthenshire constituency.

REASON FOR RECOMMENDATIONS:

To support revitalisation of Haverfordwest Town Centre and Pembroke Town Centre to increase footfall and promote community confidence, new growth and prosperity in a post-Covid environment.

Background Documents:

[Levelling Up Fund Prospectus](#)