

**Executive Board – 21<sup>st</sup> May 2024**

<b>Subject:</b>	Levelling Up Funding for Bulwell Town Centre Regeneration
<b>Corporate Director(s)/Director(s):</b>	Sajeeda Rose – Corporate Director for Growth and City Development Paul Seddon, Director of Planning and Transport
<b>Portfolio Holder(s):</b>	Portfolio Holder with responsibility for Strategic Regeneration
<b>Report author and contact details:</b>	Kirstie Newell, Project Manager, Major Projects <a href="mailto:Kirstie.newell@nottinghamcity.gov.uk">Kirstie.newell@nottinghamcity.gov.uk</a> Tel: 0115 87 65291
<b>Other colleagues who have provided input:</b>	Steve Dickens, Programme Manager, Major Projects
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(a) <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
<b>and/or</b>	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Type of expenditure:</b> <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 10 <sup>th</sup> April 2024	
<b>Total value of the decision: £19.867M</b>	
<b>Section 151 Officer expenditure approval</b> Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number: N/a	
<b>Commissioner Consideration</b> Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.	
<b>Wards affected: Bulwell</b>	
<b>Date of consultation with Portfolio Holder(s): 19/02/2024</b>	
<b>Relevant Council Plan Key Outcome:</b>	
Clean, Green and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Living Well in Our Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>

**Summary of issues (including benefits to citizens/service users):**

The City Council has been awarded £19.867M of capital funding from the Department for Levelling Up, Housing and Communities (DLUHC) to deliver Bulwell Town Centre regeneration.

A bid was submitted to DLUHC in June 2022 seeking funding under Round 2 of the Levelling Up Fund (LUF2) for this scheme but was initially rejected. In November 2023 DLUHC announced that full funding would however be awarded under Levelling Up Fund 3 (LUF3).

The funding seeks to bring improvements to Bulwell Town Centre by:

1. Improving the central market and high street areas and connections to green space, strengthening the 'beating heart' of the town through a series of placemaking interventions including a new marketplace, green space enhancements and creation of a 'Bulwell Promenade'.
2. Improving the look and feel of hidden heritage helping to 'preserve the soul', restoring the rich heritage and culture of the market town, reinstating original features to dramatically improve historic buildings.
3. Reconnecting Bulwell through public realm improvements easing access for all and creating better connectivity between key leisure, retail, transport, and green space unlocking the Town Centre.

It is envisaged that this investment will create jobs, increase footfall, improve trade, increase access to high quality green space, restore heritage and unlock a programme of culture and creative events, helping Bulwell restore its pride and complement recent transport infrastructure investment in the area.

**Does this report contain any information that is exempt from publication? No**

**Recommendation(s):**

- 1 **To accept the £19.867M of Levelling Up Funding secured from the Department for Levelling Up, Housing and Communities to deliver a town centre regeneration in Bulwell.**
- 2 **Delegate acceptance of the Memorandum of Understanding, subject to the satisfactory review of the obligations contained therein, to the Corporate Director for Growth and City Development in consultation with the Corporate Director of Finance and Resources.**
- 3 **To approve £19.867m of expenditure into the capital programme funded by Levelling Up Funding, subject to signing the funding Memorandum of Understanding and if further third-party matched funding is secured to enhance the scheme it is approved into the Capital Programme through the relevant governance route.**
- 4 **Delegate final project approval, initiation of procurement activities and appointment of the contractor/s to deliver the project to the Corporate Director for Growth and City Development and through engagement with the Portfolio Holder for Strategic Regeneration and Communications, give final project approval.**
- 5 **Delegate approval to enter into any licences or legal agreements, as required to deliver**

**the project, to the Corporate Director for Growth and City Development.**

**6. Delegate approval to enter into any licences or legal agreements, as required to deliver the project, to the Corporate Director for Growth and City Development.**

**1. Reasons for recommendations**

- 1.1 The Levelling Up Funding represents a significant opportunity to invest in Bulwell Town Centre.
- 1.2 Delegating acceptance of the Memorandum of Understanding, subject to the satisfactory review of the obligations on the Council it contains, will enable the project to progress to programme.
- 1.3 Delegating final project approval, initiation of procurement activities and appointment of the contractor/s to deliver the project will ensure that pre-contract work can progress to programme within the funding spend window.
- 1.4 Delegating approval to enter into third party land agreements, will ensure that if there should be the requirement for any works to be undertaken on third party land the appropriate agreements can be entered into. This will be determined by Land Registry Title Searches undertaken as pre contract work.
- 1.5 Delegating approval to enter into any licences or legal agreements required to deliver the project, will ensure that if these are required the appropriate licences/agreements can be entered into. Licences/legal agreements may be required in relation to the historical shop/building frontage works or for enhancements associated with the River Leen.

**2. Background (including outcomes of consultation)**

- 2.1 The Bulwell Town Regeneration Project has been developed in partnership with the people of Bulwell and the surrounding Nottingham North area, including businesses, community groups, members, and wider stakeholders including the local MP. Throughout the development of the bid, consultation has helped shaped the bid's vision, objectives and outputs.
- 2.2 Having been rejected for LUF 2 funding in June 2022 funding to full value of the bid (£19.867M) has now been offered under LUF 3. The funding window is to spend by March 2026. A Memorandum of Understanding confirming the funding and the associated conditions was anticipated to be received at the end of March and is awaited.
- 2.3 Bulwell is a historical market town that has had limited investment and reduced economic activity and is underperforming in comparison to the rest of the city area and significantly below national averages in the context of the indices of multiple deprivation measures.
- 2.4 The Bulwell Town Centre Regeneration Project will focus on the centre of Bulwell, with public realm improvements covering an area of approximately 20,100sqm.

- 2.5 It will capitalise on the strengths of the Market Town, improving pride in place, showcasing the unique local history and heritage, unlocking cultural and leisure experiences, connecting transport hubs, integrating key assets, and addressing spatial inequalities associated with prolonged underinvestment.
- 2.6 The scheme will deliver new market stall infrastructure, resurfacing of the marketplace and improved power supplies to enable flexibility of offer both for existing market days and to stimulate a programme of events including potential evening activation.
- 2.7 The Bulwell Bogs, a well-used and much-loved leisure area will be refreshed with improved activity areas (both wet and dry play), remodelled landscaping and improvements to the accessibility and connectivity in and to the area. This will also include working with the Environment Agency to consider how interfaces with the River Leen can be enhanced.
- 2.8 Historical shop / building frontages will be improved to restore heritage features in and around the areas of public realm improvements.
- 2.9 All the above will be linked together through public realm and surfacing improvements across the town centre, improving accessibility, connecting the Bulwell Bogs, Tram Station, Bus Station, Market Place, and retail high streets. This will also include refurbishment of the public toilets at the bus station which is a City Council asset.
- 2.10 It is recognised that expertise not available within the council will be required to deliver the scheme, including design services, legal support and main contractor. A procurement strategy has been developed with procurement colleagues to engage these services through framework providers as early as possible to ensure that the funding programme can be met. This approach has been endorsed by the Council's Commercial and Oversight Board.
- 2.11 The Council has engaged with Willmott Dixon via the SCAPE framework to enable pre-commencement assessment and test the deliverability of the scheme. This exercise has confirmed that the core scope of works remains deliverable within the funding envelope and within the programme window, providing that framework appointments can be progressed upon confirmation that funding has been accepted.
- 2.12 The scheme funded through the Levelling Up Fund will complement recent transport infrastructure investment that has already been undertaken using Transforming Cities Fund investment.
- 2.13 The spend profile based on the funding bid and feasibility work is set out below:

	<b>Pre 2024/25 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>Total £m</b>
Levelling Up Funding	-	3.266	16.601	19.870
<b>Matched Funding (Received and Spent)</b>				
• Transforming Cities	0.900			0.900
• Nottingham City Transport New Bus Fleet	1.800			1.800
Matched Funding (Inc. in NCC				

Capital Programme)				
• Transforming Cities E-Mobility Scheme (TBC)		TBC	TBC	TBC
<b>Total NCC Element of Bulwell Regeneration Scheme</b>	<b>2.700</b>	<b>3.266</b>	<b>16.601</b>	<b>22.567</b>
Matched Funding (3 <sup>rd</sup> Party Potential)				
• Contributions from Shop Owners			0.266	0.266
• Environment Agency (TBC)		TBC	TBC	TBC
<b>Total Bulwell Regeneration Scheme</b>	<b>2.700</b>	<b>3.266</b>	<b>16.867</b>	<b>22.833</b>
<u>Notes:</u>				
1. Figures based on funding bid and feasibility work to date.				
2. To be confirmed on receipt of Memorandum of Understanding and appointment of contractors.				
3. Level and eligibility of e-mobility scheme and Environment Agency match funding to be confirmed. NCC has £370k allocated in its Approved Capital Programme, part of which may be allocated to Bulwell Regeneration to meet the matched funding criteria of the bid.				
4. Shop fronts. LUF allocation includes NCC grant contribution to shop front scheme. Contributions from shop owners based on estimated level of take up. See paragraph 4.6 below.				
5. Environment agency contribution, see paragraph 4.6 below.				

### 3. Other options considered in making recommendations

3.1 Not to accept Levelling Up funding. This was rejected as this would not provide regeneration of Bulwell Town Centre.

### 4. Consideration of Risk

4.1 Council officers have been working with DLUHC to verify whether the funding remains current (given the window of time between submission and award) and deliverable. Several risks and mitigations have been identified in that process as captured below.

4.2 The works are varied and across a wide area. There is a significant programme risk related to fixing the scope for each area of work to allow enough time for design and construction. This has been partly mitigated in establishing the procurement strategy outlined above. Early contractor engagement has allowed this to be programmed and early appointments can ensure that the programmed work progresses within the funding window. It is intended that responsibility for managing programme delivery is passed to the main contractor on appointment. All elements of the scheme are scalable and design work and construction planning will be coordinated to ensure that planned works remain aligned to programme window.

4.3 All works must be delivered within the LUF 3 funding. The feasibility work undertaken has identified that core elements can be delivered within this funding envelope, with allowances made for contingencies. It is also noted that all elements of the scheme are scalable should cost on certain elements need to be reduced thus ensuring that the delivered works remain within funding limits

- 4.4 A criteria of the LUF bid is to have secured match funding. Public and private match funding totalling £2,965,885 had been included in the original funding bid, of which £2.7m has already been delivered.
- 4.5 Delivered match funding includes Transforming Cities Funding (TCF) which has provided £900,000 from the redevelopment of the Bulwell Bus Station undertaken in 2023. These works included redesigning the layout, installing a new saw tooth design, and building new passenger waiting platforms. Nottingham City Transport have invested £1.8M of private sector funding into a new electric bus fleet that will operate solely from the new Bulwell Bus Station, with the new fleet designated to only serve Bulwell Bus Station and residents.
- 4.6 Within the LUF allocation an allocation for the Council's contribution for shop frontages has been included, the remaining element of match funding identified is to be sourced via heritage shop front grant scheme with private sector businesses contributing towards the overall cost of shop frontage improvements, this is estimated to be £266k. However, there is a risk to this matched source which could lead to a potential shortfall against the level expected within the LUF bid. To mitigate this risk alternative areas of match funding are being investigated. These include potential Environment Agency contributions and the inclusion of further TCF monies allocated to the e-mobility hub for cars, scooter and bikes which is currently in delivery. The use of TCF as matched funding would de-risk the matched funding requirement as this funding is already included in the Council's approved Capital Programme.
- 4.7 All the Council's costs will be met through the external funding, including management costs. All costs incurred will be eligible capital costs that will result in no revenue burden to the Council.
- 4.8 Given the Council's current financial position it is imperative that any new works delivered minimise the Council's maintenance burden. To facilitate this, personnel from relevant departments have been included in the project governance structure to ensure that all elements of the scheme are designed and specified in a manner which minimises costs.
- 4.9 The Council's internal resources are limited and can't provide the resource or expertise required to deliver all elements of this scheme. The procurement strategy to engage framework providers will ensure that correct expertise and the required level of resource is available to deliver the project within the overall grant funding envelope.
- 4.10 Extensive stakeholder engagement was undertaken in developing the bid. It is intended to maintain the same project personnel to continue this engagement to ensure that the scheme continues to meet the needs of project stakeholders and local communities as it progresses through design stages, mitigating the risk of objections to the scheme.
- 4.11 Heritage building frontage work will require support from owners and / or tenants of buildings identified. Early stakeholder engagement with these specific properties will be required to confirm support and facilitate agreement. There is a risk of underspend on this element if there is insufficient support from owners, and risk of programme overrun if agreements can't be established in line with the project programme.

- 4.12 Heritage work will require planning approvals. This risk is mitigated by the approach to procure via all works via a framework provider and ensure that sufficient timescales for these approvals are built into the programme.
- 4.13 Spend on market equipment must remain within limits to ensure that Partial Exemption is not breached, and this will be kept under review with Finance colleagues as the design and cost estimates are progressed. Initial review of the feasibility report has identified that the level of expenditure proposed on market equipment can be accommodated within the Partial Exemption position.
- 4.14 One of the requirements of LUF is that monies will be spent by 31 March 2026. The project is being planned and managed to complete by this deadline. However, as with all projects of this size and complexity there are risks that may materialise during the procurement and delivery phases. To mitigate these risks the procurement of a contractor is through a framework as outlined in Section 5 below, robust project management and governance is in place and regular reporting/monitoring of delivery will be undertaken in accordance with the Memorandum of Understanding.
- 4.15 One of the requirements of LUF is that monies will be spent by 31 March 2026. The project is being planned and managed to complete by this deadline. However, as with all projects of this size and complexity there are risks that may materialise during the procurement and delivery phases. To mitigate these risks the procurement of a contractor is through a framework as outlined in Section 5 below, robust project management and governance is in place and regular reporting/monitoring of delivery will be undertaken in accordance with the Memorandum of Understanding.

**5. Best Value Considerations, including consideration of Make or Buy where appropriate**

- 5.1 Internal resources do not have the capability or capacity to deliver these works. It is therefore proposed to procure relevant expertise to deliver the scheme.
- 5.2 It is proposed to direct award a fixed price Design and Build contract to Wilmot Dixon via Scape National Construction framework which is procurement compliant.
- 5.3 The Scape Framework provides access to an eight-week feasibility period which has proved valuable in testing the original bid designs and assumptions and verifying that the scheme remains deliverable. Willmott Dixon has carried out this feasibility work and they have experience of similar projects, a local track record of delivery and availability of resource and an appetite for the works.
- 5.4 Technical and cost management support, and legal support will be needed quickly to meet the delivery timescales. Scape's Consultancy Framework with Perfect Circle provides a direct route to secure the technical and cost management expertise that is required. Similarly, a direct award from an established framework will provide access to the legal support required for completing the construction contract, and other legal support required.
- 5.5 This approach gives the Council the best opportunity to engage with a delivery partner early to ensure that the right consultant team is selected and

managed, to ensure delivery of the scheme within the available budget, and within the funding timescales.

- 5.6 The above strategy has been considered at the Council's Commercial Oversight Board on 25<sup>th</sup> March 2024 and the approach was endorsed with the following observations: Scape's Single Supplier Frameworks, EM Lawshare and Crown Commercial Legal Frameworks are all fully compliant with Public Contract Regulations and therefore pose no procurement issues, however care should be taken to ensure compliance with the terms set out within the relevant Framework Agreements.
- 5.7 As this scheme is 100% grant funded and the biggest risks to delivery lie around meeting the funding programme and managing the works to budget it is considered that the approach outlined above offers the most efficient route and therefore best value.

## 6. **Commissioner comments**

The Commissioners support the proposals. It will be important that the project is managed and delivered within the grant allocation, as there are no funds within the Council's budget for an over-run'

## 7. **Finance colleague comments (including implications and value for money/VAT) (draft)**

- 7.1 This project is an addition to the Capital Budget approved at Full Council March 2024 and therefore following the approval of this decision the Capital Budget and associated grant funding will be increased by **£19.867m**. The expenditure within this project will require close monitoring due to the projects being delivered, due spend on Council assets requires different technical accounting compared to non-council assets such as shop frontage as these will be categorised as REFCUS.
- 7.2 The Memorandum of Understanding is required to be signed and secured prior to funding being committed to ensure the project is in accordance with the Council's approved Capital Strategy.
- 7.3 The current plans have been considered alongside the Council's Partial Exemption position and the activity from this project can be contained within the Council's limit. Any amendments to the current project will require the Project Manager to consult with the Council's Technical Finance section to ensure no pressure is created.
- 7.4 As considered in section 4, the Project Manager is required to work with colleagues to manage the revenue maintenance costs following the projects completion with a view to mitigating any ongoing revenue maintenance pressures.
- 7.5 The potential contributions from the Environment Agency and Shop Owners is currently excluded from this capital decision and will remain outside of the Capital Programme. Should this funding be secured further formal approvals will be required to accept the funding and increase the Capital Programme.
- 7.6 The potential contributions from the Environment Agency and Shop Owners is currently excluded from this capital decision and will remain outside of the



Capital Programme. Should this funding be secured further formal approvals will be required to accept the funding and increase the Capital Programme.

7.7 This scheme was presented and endorsed by the Capital Board in April 2024.

Tom Straw, Senior Accountant (Capital Programmes) 17<sup>th</sup> April 2024

## 8. **Legal colleague comments**

8.1 This report seeks approval to accept £19.867M of Levelling Up Funding and various delegations linked to that acceptance.

8.2 The Memorandum of Understanding that sets out the terms and conditions of the Levelling Up Funding has not yet been received or considered. It is assumed, therefore, that the acceptance of this funding (Recommendation 1) is subject to a review of the Memorandum of Understanding (Recommendation 2) however this should be made explicitly clear in the decision that is made.

8.3 In subsequently making use of the Levelling Up Funding, the Council must ensure it complies with the Memorandum of Understanding and any other conditions that may be imposed, and accepted, on this funding. Further, in using the funding, the Council must continue to comply with the requirements as may be applicable to the various aspects of the proposed project.

8.4 As the report notes, it is likely that external legal support will be required to support this project, in particular around construction-related agreement. Whilst unable to provide legal support directly, Legal Services is happy to continue to be involved as appropriate to support colleagues and ensure best value for the costs incurred.

8.5 As long as the above Comments are followed, this report presents no significant legal issues.

Anthony Heath, Senior Solicitor, Contracts and Commercial, 5<sup>th</sup> April 2024

## 9. **Procurement Comments**

9.1 Procurement will work with the client to ensure that all procurement activity is compliant with Public Contract Regulations, Funding Obligations and delivers best value for the Council.

Sue Oliver – Procurement Category Manager – Places. 27 March 2024

## 10. **Strategic Assets and Property Comments**

The recommendation outlined in this report is supported by the Corporate Landlord. The LUF funding will improve the Bulwell area of the city for citizens and visitors. We do not anticipate the project impacting on Council owned commercial assets but we understand there are operational assets that will be impacted and the Corporate Landlord will work with Major Projects to provide any required strategic property advice/transactional support to ensure the success of the project.

Advice provided by Beverley Gouveia – Head of Property, 27<sup>th</sup> March 2024.

**11. Crime and Disorder Implications (If Applicable)**

- 11.1 The scheme will greatly improve how the area is used and perceived. No changes are proposed to the street lighting as this is relatively new.
- 11.2 The scheme will enable a full refresh of CCTV in the area, bringing the offer up to current specifications.
- 11.3 Increased accessibility / less barriers / less hidden spaces will enhance feelings of safety.

**12. Social value considerations (If Applicable)**

- 12.1 Investment will enhance areas and uplift the quality of streets and places providing social value to the surrounding communities that will benefit from the improved facilities.
- 12.2 High level of stakeholder engagement which was captured in the bid will continue. Opportunities will be sought for community groups to engage with elements of design, the end product or both.

**13. Regard to the NHS Constitution (If Applicable)**

- 13.1 Not applicable

**14. Equality Impact Assessment (EIA)**

- 14.1 Has the equality impact of the proposals in this report been assessed?

No

Yes   
Attached as Appendix A, and due regard will be given to any implications identified in it.

**15. Data Protection Impact Assessment (DPIA)**

- 15.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because there are no DPIA implications associated with accepting funding. When public consultation takes place on the schemes the requirement for a DPIA will be assessed.

Yes

**16. Carbon Impact Assessment (CIA)**

- 16.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because Colleagues in the Carbon Neutral Team have identified key areas under which the design can consider improving its carbon footprint. It is intended that a Carbon Impact Assessment is undertaken as soon as design appointments can be made.

Yes

**17. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

17.1 Bulwell Town Centre Levelling Up Fund Bid Documents

17.2 Bulwell Town Centre Feasibility Study

**18. Published documents referred to in this report**

18.1 None