
To: Economy and Regeneration Policy Board

On: 23 May 2023

Report by: Chief Executive

Heading: Levelling Up Fund Bid 2022 – Renfrew Community Hub Update

1. Summary

- 1.1 This report provides an update on feedback received on the Council's unsuccessful bid to the UK Government's Levelling Up Fund, which focussed on the delivery of a community hub within Renfrew town centre.

2. Recommendations

- 2.1 It is recommended that the Board:
- (i) Notes the content of this report and associated appendices.

3. Background

- 3.1 The Levelling Up Fund (LUF) was announced by the UK Government in 2020 to support investment in infrastructure and assets that improve everyday life across the country. The funds are targeted at high value, local investment priorities including transport schemes, town centre regeneration and cultural / heritage assets.
- 3.2 In late 2021 the Council were successful in securing £38.7m from the first round of the fund, supporting delivery of the AMIDS South project. A report to the Leadership Board on 1 December 2021 advised that officers were considering additional proposals which could align with future calls for bids to the fund. The Board of 14 June 2022 subsequently approved the submission of an application to the second round of the fund, supporting the delivery of a new community hub within Renfrew, focussed on the Renfrew Victory Baths and former Police Chambers. The application was submitted on 28 July 2022.
- 3.3 The outcome of the Round 2 LUF process was announced on 19 January 2023 and the Council received confirmation that the Renfrew bid had been unsuccessful. The UK Government subsequently provided feedback on 10 March 2023, a summary of which is provided in section 7 below.

4 Renfrew Community Hub Project

- 4.1 The Round 2 LUF bid was developed in line with the ambitious regeneration agenda of Renfrewshire Council and its partners, focussed on positive place-based outcomes for Renfrewshire's town and villages centres. Central to this approach is to advance the evolution of our centres, ensuring that they thrive as the economic recovery from the pandemic continues.
- 4.2 In this context officers considered a range of options for a bid in Renfrew, concluding that the strongest opportunity lay with a focus on the Victory Baths and the former Renfrew Police Chambers, in recognition that both buildings are in need of significant investment to secure their long-term legacy and use. A proposal was subsequently developed for a new community hub within Renfrew town centre.
- 4.3 The proposals focussed on returning the former Renfrew Police Chambers to positive use and enhancing facilities at Victory Baths, including:-
- A Swim centre, with enhanced pool facilities, spa and wellness centre
 - A dance, gymnastics and fitness centre for all ages and groups
 - A relocated library and learning centre with digital facilities
 - New community space across the hub
- 4.4 The key objective of the project was to address the long-term challenges of vacant and underused civic assets within the town, supporting their restoration, securing their long-term legacy and acting as a catalyst for a wider transformation of Renfrew town centre as a modern, 21st century place which is central to the community.
- 4.5 The Board of 14 June 2022 noted that significant work was undertaken by officers to support the ambitious proposal, alongside key partners such as OneRen, the local community and other stakeholders. This included public consultation events which demonstrated strong community support.
- 4.6 In total the project was costed at £21.3m, £19.2m of which was asked from LUF to support the delivery of the project.

5 Levelling Up Fund

- 5.1 LUF is a competitive fund established by the UK Government, with funding distributed to places across the UK on the basis of successful project selection. The Fund has set aside at least £800 million across Scotland, Wales and Northern Ireland over four years from 2021-2022 to 2024-2025. LUF aims to invest in local infrastructure that has a visible impact on people and their communities.
- 5.2 The Renfrew Community Hub proposal was submitted under the "Regeneration and Town Centres" theme, which closely aligned with the funding requirement to upgrade vacant and underused buildings, regenerate sites and bring public services and accessible community spaces into town centres.

6 Round 2 LUF Decision

- 6.1 Successful bids to Round 2 of LUF were announced on 19 January 2023 and it was confirmed that the Council had been unsuccessful in receiving funding for the Renfrew Community Hub project.

- 6.2 In total, 111 areas across the UK were awarded a share of £2.1 billion from Round 2. This included £177.2 million for projects in Scotland over 10 local authority areas. In Round One, a total of £171 million was allocated to 8 Local Authorities for Scottish projects (including AMIDS South in Renfrewshire). Cumulatively, 18 Local Authorities in Scotland have received funding so far from LUF, totalling £348.9m.
- 6.3 The assessment and decision-making process was based on a sequential approach which took account of other investment in local areas, including grants from the first round of the fund, to encourage a spread of funding. In this context no Local Authority in Scotland who received funding in Round 1, including Renfrewshire Council, was successful in Round 2. A full list of all Scottish Local Authorities who received funding in Rounds 1 & 2 are detailed in Appendix 1.
- 6.4 A full explanatory note on the assessment and decision-making process was published by the UK Government at the same time as the bid announcements. Full details can be found here: [Levelling Up Fund Round 2: explanatory note on the assessment and decision-making process - GOV.UK \(www.gov.uk\)](https://www.gov.uk/levelling-up-fund-round-2-explanatory-note)

7 Round 2 Feedback

- 7.1 The UK Government provided feedback on the Council's Round 2 bid on 10 March 2023. Full details of the feedback can be found in Appendix 2. In summary the following key points were identified:
- The assessors highlighted that the Council had submitted a strong bid that built upon a comprehensive and well thought out stakeholder engagement process, scoring highly on a number of key elements. In particular, the strategic rationale for the development was noted as being particularly strong, as a clear case for investment was presented, which was backed-up by comprehensive engagement with key stakeholders.
 - Some areas of the Economic Case were highlighted as those where additional information and analysis may have been beneficial, for example in highlighting local issues that the project sought to address such as economic, social and health benefits.
 - Overall the bid was noted as being well-presented and providing confidence over the project's deliverability, however further information in relation to the outcomes, outputs and impacts may have been beneficial.
- 7.2 Officers recently met with representatives of the Scottish Team of the Department for Levelling Up, Housing and Communities (DLUC) to discuss the feedback, clarify areas for improvement and to consider opportunities for future bids. DLUC representatives again indicated that the Council had submitted a strong bid which aligned strongly with the key aims of LUF.

8 Next Steps

- 8.1 Given the feedback outlined above, it is considered that the project may still have potential to be successful in a future LUF round bid. Such a bid will however be subject to the parameters of any future LUF rounds.
- 8.2 Currently the UK Government have not indicated whether there will be a further round of funding for LUF or timescales for this.

The DLUC have however indicated that there is approximately £1 billion of LUF funding left to be allocated and it is expected that Scotland could receive around £90m of this allocation. It is anticipated that any future LUF bidding rounds would be subject to one of the following parameters:

1. Open funding i.e. any local authority can apply regardless of whether they received LUF money in either Rounds 1 or 2
2. The funding round would only be open to those local authorities who were unsuccessful in Round 2 (including Renfrewshire).
3. The funding round would only be open to those local authorities who did not receive funding in either Rounds 1 or 2.

8.3 The Council will continue to liaise with DLUC in respect of any updates on whether Round 3 is proceeding and associated guidelines. Once any announcement is made, Officers will consider future options in respect of the Renfrew CommunityHub and whether it would be prudent to apply again. A future paper to the Board will be presented to receive approval on any future course of action.

Implications of the Report

1. **Financial** – No additional finance is sought at this stage.

2. **HR & Organisational Development** – None.

3. **Community/Council Planning** – None.

4. **Legal** – None.

5. **Property/Assets** – None.

6. **Information Technology** – None.

7. **Equality & Human Rights**

- (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.

8. **Health & Safety** – None.

9. **Procurement** – None.

10. **Risk** – None.

11. **Privacy Impact** - None.

12. **COSLA Policy Position** – Not Applicable.

13. **Climate Risk** – Not Applicable.

Appendices

- (a) Local Authorities Receiving Funding from LUF Rounds 1 and 2
- (b) UK Government LUF Bid Feedback – Renfrew Community Health and Learning Hub

List of Background Papers

- (a) Levelling Up Announcement. Leadership Board, 1 December 2021
- (b) Levelling Up Fund 2022 – Renfrew Community Hub. Economy and Regeneration Board, 14 June 2022.

Author: Euan Shearer; Regeneration and Place Manager; Tel 0141 6184664.

Email: euan.shearer

Appendix 1: Local Authorities Receiving LUF funding in either Rounds 1 or 2

Local Authority	Project title	Amount	LUF category
Renfrewshire	AMIDS South (Travel Links Project)	£38,725,218	1
Shetland Islands Council	Fair Isle Ferry Infrastructure Project	£26,762,313	3
North Ayrshire	Infrastructure Improvement B714	£23,693,443	1
Aberdeenshire Council	Cultural Tides: North Sea Connections in Aberdeenshire	£20,000,000	3
East Ayrshire Council	Cultural Kilmarnock	£20,000,000	1
Aberdeen City	Aberdeen City Centre Masterplan	£20,000,000	2
Falkirk	Westfield Roundabout	£20,000,000	1
West Dunbartonshire	Artizan Shopping Centre, Glencairn House and connecting Dumbarton	£19,900,000	1
Highland	Inverness Zero Carbon Cultural Regeneration	£19,856,253	3
Fife Council	River Leven Regeneration, Glenrothes and Central Fife	£19,410,000	2
Inverclyde Council	Greenock Central	£19,390,000	1
Stirling Council	Stirling Forthside Redevelopment	£19,052,300	2
Dumfries and Galloway Council	Reactivating Galloway	£17,698,660	1
City of Edinburgh	Granton Gasholder (Waterfront Cultural Regeneration)	£16,482,845	3
Dundee City Council	Green Transport Hub and Spokes	£14,400,000	1
Glasgow City	Pollock Stables and Sawmill (Heritage and community Centre)	£13,050,500	1
East Lothian Council	Former Cockenzie Power Station Site Remediation and Preparation Works	£11,267,841	2
North Lanarkshire Council	Delivering on Cumbernauld's Town Vision	£9,225,000	1
Total		£348,914,373	

Appendix 2: Renfrewshire LUF Feedback

LUF20456 - Renfrew Community Health & Learning Hub
Renfrewshire | Scotland | Cultural | £19,208,167

Bid Summary:

The Renfrew Community Health & Learning Hub comprises the re-development and extension of 2 no Listed Buildings into a new Town Centre Community Health & Learning Hub incorporating a range of community facilities including: provision for swimming, dance-gymnastics, library, community space.

The project is developed to put the 'heart' back into Renfrew Town Centre, restore civic pride, build confidence and social cohesion, rejuvenate and re-purpose two prominent and at risk Listed Buildings and promote a more participatory, inclusive, and successful place. It will be a catalyst for regeneration and transformation of Renfrew as a destination town within the metropolitan area.

Headline:

This was a strong bid across all areas assessed. Key elements that could be strengthened include; providing a "do nothing" option and giving more clarity on its impact on addressing local problems. We have provided more specific feedback below. This has been drafted to be as clear and helpful as possible to inform future funding applications.

Assessment Overview

Strategic Fit:

This was a strong bid that built upon a comprehensive and well thought out stakeholder engagement process.

It was positive to see that the team had taken time to work with relevant stakeholders on identifying the challenges, agreeing the optimum set of facilities within the hub, and then converting this into a set of practical deliverables that enjoy widespread support.

Similarly, the case for investment was very detailed and persuasive clearly setting out the rationale for the proposals and their anticipated outputs, outcomes, and impact

The alignment with national and local context was also comprehensive covering all the key policies, strategies and plans that were relevant to this proposal.

Overall, the strategic fit section of the bid was very strong with minimal weaknesses.

Economic Case:

The evidence used gave quite a comprehensive of coverage of the bid and came from trusted data sources. However, some evidence had not been compared to national and other regional averages, which would have provided a clearer image of local issues and in particular, the scale of local issues. The bid provided a Theory of Change (TOC), however, to improve, outputs could have been quantified along with some outcomes and impacts. A counterfactual option of do nothing was provided and explored and a full business case with an appraisal of long list options provided.

Evidence of the demand for a dance/activity centre was well demonstrated, however the analysis and evidence directly linking the bid to the local problems faced was slightly limited and unclear. This could have been strengthened. HMT Green book guidance was followed, however the inclusion of additional evidence to support the assumptions made would have strengthened the bid.

Costs for each option and year were outlined, along with the specific costs for the preferred options. However, the bid incorrectly assumed 0% inflation for the year 22/23, inflation figures were sourced from multiple sources and methodology was unclear and inconsistent with the inflation forecast presented in the table.

Although displacement may be low for the dance studio wellbeing value, it was assumed that 60% of UK adults were active and thus already gaining this wellbeing benefit, as the specific value was not just for dance participation but being active. There also was a risk of double counting using the wellbeing benefit for two activities; this should have been discussed but there was no framework to remove this.

Deliverability:

Overall, this was a thorough and mostly well-presented bid which helped give confidence over the project's deliverability. There were some key issues to highlight, however.

There were no financial projections for when the facility became operational in its new form which would have been beneficial to see, above and beyond the chief financial officer commitment of the council to the scheme.

The timetable for moving from the project's current status to having the construction contractors on site appeared ambitious, which would pose a risk to the grant conditions being met by 31 March 2025.

Approximately 40% of the capital cost envelope and therefore 36% of the grant requested was attributable to risk, contingency and inflation allowances. Although this did not appear unreasonable given the heritage nature of the buildings, the relatively early stage of the project, and the prevailing economic environment, the mechanics of how the assumptions were applied to the costs were not particularly transparent.

The Monitoring and Evaluation (M&E) section explored the outputs, outcomes, and impacts. Governance and resourcing high-level summaries were provided. Potential data sources were slightly unclear but were explained more in the M&E plan specific document, whilst potential data collection methods were fully explored. To improve, the objectives of the M&E activity could have been more clearly outlined.