

## Report to Leader

**Subject:** Ambition Arnold: Levelling Up Fund Round 2

**Date:** 29 July 2022

**Author:** Tanya Najuk, Head of Regeneration and Welfare

## Wards Affected

Ernehale

## Purpose

- i) To seek approval to submit an application to round 2 of the Government's Levelling Up Fund.
- ii) To seek approval in principle to the content of the bid recognising that there are further approvals required should the bid be successful.

## Key Decision

This is not a Key Decision.

## Recommendation(s)

That the Leader of the Council:

- i) Note the content of the Report.
- ii) Approves the submission of an application to the Levelling Up round 2.
- iii) Agrees in principle to the proposals in the bid, subject to any future approvals being obtained should Levelling Up funding be awarded.

## 1. Background Levelling Up Fund (LUF)

- 1.1 In 2020 the Government announced the first round of the Levelling Up Fund (LUF) as part of its Levelling Up agenda that aimed to build on the Local Growth Fund and Town Fund programmes.

- 1.2 In 2021 the Council submitted a round one proposal to the Levelling Up Fund that primarily consisted of the delivery of new Arnold Town Leisure and Theatre/Cinema on the existing footprint of the site. Although the Council received positive feedback on this part of the bid, it was not successful.
- 1.3 In April 2022 the government announced a further round of Levelling Up funding that included the same three investment themes as round one:
  - Local transport projects that make a genuine difference to local areas;
  - Town centre and high street regeneration; and
  - Support for maintaining and expanding cultural and heritage assets (to include sports and athletics facilities).
- 1.4 As with round one, the Council has been categorised as a tier two local authority and not eligible for capacity funding to support the development of a bid. Tier one local authorities qualify for a grant of £125,000. This decision impedes and places the Council at a disadvantage in developing and submitting a proposal due to capacity and resources to secure external expertise.
- 1.5 The deadline for submission of bids was initially the 6 July 2022 which has been extended to the 2<sup>nd</sup> August 2022 due to technical issues with the application portal within central government.
- 1.6 As with the first round, the LUF focus is on investments in local projects that require less than £20 million funding. However, the fund also provides for applications for larger schemes up to £50 million, such schemes must be at least 90% culture or transport based. Proposals are required to demonstrate that the grant will be spent by 31 March 2025, but by exceptional basis this can be extended to 2025/2026.
- 1.7 In 2022/23 the Council allocated monies to undertake a comprehensive masterplan of the Arnold town centre. However, the announcement of the second round of the LUF was in advance of the Council commissioning this work and could not be undertaken within the timescales of the bid. Likewise, the announcement was made in advance of a formal decision concerning a review of the borough's leisure services.
- 1.8 During April/May 2022 the Council commenced work to develop a round 2 Levelling Up proposal. Although the Council had not completed a full review of the borough's leisure and community facilities or a full masterplan of the greater Arnold town centre, consultants were appointed in June 2022 to undertake a focused piece of work to address the issues raised in the previous bid related to leisure facilities and the high street. This included a focused masterplan for the town centre north area identified below as well as fast tracked elements of a comprehensive leisure review including a Facilities Planning Model.

1.9 Although not completed the early stages of the wide ranging strategic review of the borough's leisure and community facilities has commenced. An on-going full review is proposed and full sign off of this is sought at the Council's Cabinet on 4 August 2022. This review will inform not only the current LUF submission, but also future proposals and requirements. It adopts an overarching [Strategic Outcomes Planning Model \(SOPM\)](#) to ensure the Council is in the best place to transform local play, sport, physical activity, wellbeing and community services in a sustainable manner. It seeks to undertake and refresh the following strategies that will become the evidence base for the SOPM, but also the delivery of the Levelling Up submission:

- Facilities Planning Model (FPM)
- Built Facilities Strategy (BFS)
- Playing Pitch Strategy (PPS)
- Local Football Facility Plan (LFFP) (*via the Nott's County FA*)

1.10 The Facilities Planning Model and a new Arnold leisure centre business case have been completed that provide an evidence based assessment of leisure need in the borough that enhances the Levelling Up business case.

1.11 The proposal that has been developed is considered to be an essential element to transform the north of the town. It forms phase 1 of the Town Centre North Masterplan providing the catalyst for phase 2 investment. The proposal also supports the long term leisure, cultural and wellbeing needs of the borough and local residents.

### **The Site**

1.12 The second round Levelling Up proposal includes a more ambitious proposal that includes a development site currently occupied by the Arnold Leisure Centre and Bonington Theatre, adjacent car park and County Council Library. It also includes properties on Front Street that are long term voids and properties in a poor state of repair.

1.13 The current leisure centre is approaching end of life condition survey undertaken in 2020/21 identified that a further investment of over £1million would be required over the next 10 years. The centre provides limited capacity and fails to be able to meet current and projected demand for swimming. The site currently has no dry side facilities such as sports courts, gym or studios.

1.14 The Bonington Theatre, the only recreational facility of its type within the local area has outgrown its capacity, with the building being unable to accommodate dual use for performance and cinema users. The joint entrance with the leisure centre undermines its cultural identity with the facility lacking presence within the town.

- 1.15 The adjoining County Council library operated by Inspire is located at the edge of the town facing out onto a busy junction. Although the County has made some investments in the building, the size and layout of the premises constrain the cultural, community, education and business support activities that would benefit the area. The configuration of the library with the adjoining leisure centre has created poor quality public realm that has become an anti-social behaviour hotspot.
- 1.16 An Asda store provides the retail anchor to the north of the town. However, the street scape is tired and the presence of long term voids along Front Street suggests a town in decline and contrasts with the investments made to the south of the town centre. To compound these issues the area lacks good quality public spaces with seating and soft landscaping. The pedestrian routes through to the High Street and Leisure Centre are narrow and provide minimal permeability between the High Street/Leisure Centre and Front Street.
- 1.17 The rationale driving the LUF business case are summarised below:-
- Current leisure and cultural/library capacity to meet current and future demand;
  - The maintenance liabilities associated with current Council assets;
  - Deterioration of the high street through long term voids and dilapidated premises;
  - Anti-social behaviour in key hot spots created by the configuration of the site;
  - Lack of well-designed public realm;
  - The decline of the retail offer within the town centre has impacted upon consumer business confidence to invest and consumer's perception of the town centre as a place to shop;
  - Enhance wellbeing of local residents; and
  - Raise the profile of Arnold as a destination to access leisure and cultural participation.

## **2. Proposal**

- 2.1 In June 2022 the Council appointed Perfect Circle consultants to undertake a masterplan of the north of Arnold town centre with a remit to create a new leisure and cultural hub for the borough to drive footfall into the town and safeguard its long term viability and prosperity. The remit included providing a transformational project that will act as a catalyst to regenerate and improve the north of the town centre.
- 2.2 The brief created the opportunity to relocate and enhance the library and theatre provision by creating a new leisure and cultural hub fronting onto the high street with the aim of increasing footfall. The brief and proposal have been informed and developed in parallel with the information provided by Max Associates, leisure services consultants.

2.3 In response to the brief the consultants have scoped a development plan that has been costed and will form part of the levelling up submission to the Department of Levelling Up, Housing and Communities.

2.4 **Ambition Arnold**, the round 2 Levelling Up bid includes:

- Land assembly,
- Demolition,
- Construction,
- Fit out,
- Project management.

The scheme will include the following:-

<b>Leisure facility</b>	<b>Cultural hub</b>	<b>New public realm</b>	<b>Future development potential</b>
<ul style="list-style-type: none"> <li>• 8 Lane Pool</li> <li>• Learner Pool</li> <li>• 120 Station Gym</li> <li>• Fitness Studio x 2</li> <li>• Spin Studio</li> <li>• 6 court sports hall</li> <li>• Café</li> </ul>	<ul style="list-style-type: none"> <li>• Public Library</li> <li>• 200 seater theatre/cinema</li> <li>• 50 seat Studio area</li> </ul>	<ul style="list-style-type: none"> <li>• Safe, pleasant and safe pedestrian routes between Front Street and High Street</li> <li>• Green public realm, tree planting and seating</li> </ul>	<ul style="list-style-type: none"> <li>• Release of land for future development and regeneration</li> </ul>

2.5 The outcomes set out in the project brief included:

- Arnold town centre north has a vibrant economic, leisure and cultural offer; a go to local destination that complements the wider local high street and economic prosperity of the borough;
- A healthier borough, as demonstrated through the Active Lives survey
- A viable leisure hub for Arnold, meeting the needs of the local community and complementing the wider leisure offer in the borough;
- A vibrant cultural hub and venue for Arnold providing an integrated community theatre/cinema and library supporting the town centre footfall;
- Increased integrated partnership working with local services for the benefit of the town centre and wider community;
- A safer and welcoming town centre that draws footfall and provides safe and green spaces for residents to enjoy; and
- Land released for future development to support a wider masterplan and town transformation;

2.6 The primary objectives of the project being to:

- Enhance the wellbeing offer for local residents;
- Provide modern, low maintenance, accessible and energy efficient public leisure and cultural facilities that supports Net Zero agenda;

- Achieve a financially viable model of leisure and cultural operations;
- Provide safe and green public realm to reduce anti-social behaviour and enhance the perception of Arnold to drive economic activity and the long term viability of the town;
- Provide opportunities for improved partnership and integrated service delivery; and
- Provide a catalyst for the further phases of the Arnold Town Centre North Masterplan.

2.7 In support of the proposal the Council has been developing a comprehensive evaluation of the proposed outputs and outcomes to be achieved that will form part of the evaluation and monitoring process.

### **Strategic Context**

2.8 The Levelling Up proposal has been framed and are consistent with a number of the Council objectives and priorities as identified in the Gedling Plan including promoting:

#### **Healthy lifestyles - To promote the health and well-being of our residents, to improve health and wellbeing and reduce health inequalities and to support physically active lifestyles**

- Agree and implement a range of actions to deliver the approved Sport and Physical Activity Strategy.
- Review options for improving our leisure facilities.
- Explore options and introduce a 'Swimming Passport' providing access & opportunity for free swimming sessions for under 16s and over 65s.
- Work with target groups and community organisations to maximise investment opportunities for the Bonington Theatre and Cinema to increase attendance and improve visitor experience.
- Directly support local groups to tackle loneliness and isolation.
- Directly work with groups to support those affected by dementia.

#### **Vibrant economy - to promote and drive sustainable growth across the borough to meet current and future needs**

- Facilitate delivery of the key strategic interventions in Arnold town centre, including Arnold Market.

#### **Cohesive, Diverse and Safe Communities**

- Work with partners to use innovative approaches to bring about a reduction in crime and anti-social behaviour

## **High Performing Council – To be a high performing, efficient and effective council**

- Develop and deliver a new efficiency programme in order to secure a balanced budget in the medium term.
- Develop and implement a strategy to maximise current income streams and identify new income opportunities.
- Explore delivery models in partnership with other local authorities and public bodies.

2.9 The Levelling Up proposal also aligns with other Gedling and partner strategies including:

- D2N2 Strategic Economic Plan Vision 2030, supporting the vision of a more prosperous better connected and increasingly resilient and competitive economy.
- D2N2 Local Industrial Strategy Vision 2030.
- Nottinghamshire County Council Plan 2021-2031.
- Nottinghamshire County Council Economic Transition Plan 2022 – 2025.
- Nottinghamshire Local Transport Plan 2011-2026.
- Nottinghamshire Future Direction for Cultural Services 2021-2027.
- The Visitor Economy Strategy for Nottinghamshire County Council 2019-2029.
- Gedling Borough Council Carbon Management Strategy 2022.
- The Gedling Local Plan where the facility is within the adopted Local Plan.
- Gedling Sport and Physical Activity Strategy 2022-2025.
- Nottinghamshire Joint Health and Wellbeing Strategy 2022-2026.
- Nottingham and Nottinghamshire Integrated Care System Health Inequalities Strategy 2020-2024.
- Uniting the Movement Strategy 2021 – 2031 Sports England.

2.10 The Council in developing the proposal drew on earlier consultation and used established networks to engage stakeholders and partners including health, police and voluntary/community sector. Feedback from the Senior Council and Youth Council was also drawn upon as well as the recent Sports and Physical Activity consultation and consultation with equalities based organisations across the borough.

2.11 The proposals were also shaped by theatre user feedback; information from the Gedling Conversation; and the Shopper and Business Survey conducted in June 2022. All of which support the interventions to address the decline of the Arnold town centre north.

2.12 The Council will develop a thorough communication and engagement plan to ensure that stakeholders are engaged throughout the programme.

## Project Costs

- 2.13 Perfect Circle and Council Officers have undertaken a financial assessment of the proposal that includes
- Site assembly,
  - Demolition, construction and fit out,
  - Project Management,
  - Unrecoverable VAT.
- 2.14 The Council's proposal falls within the category of a major Cultural Bid that allows the Council to bid up to £50m with an advisory Council match funding contribution of 10%. To qualify the Council must ensure that the Levelling Up contribution is defrayed by 31<sup>st</sup> March 2026.
- 2.15 The overall cost of the scheme is £55.987m. The Council is proposing a contribution of £5.987m to be funded by Prudential Borrowing which will be subject to Council approval following consideration of the final business case if the LUF bid is successful. The Council is seeking a £50 million contribution from the Levelling Up Fund.

## Programme Delivery

- 2.16 The Council recognises that the scope of the project will require the appointment of a dedicated team to oversee delivery with appropriate governance and controls at key gateways of the project that are summarised on the table below.
- 2.17 Upon approval of the bid the high level programme below will be further developed by a dedicated programme team. It is anticipated that the strategic leisure review will be aligned to this programme and decisions concerning future operating models will be coordinated by the Programme Director working with the Corporate Director Environment, Communities and Leisure (Senior User/Lead).

Activity	Milestone Dates	Gateway
<b>Project Approvals</b>		
LUF Application submission	Aug - 22	
LUF Application Approval/Final Business Case Approval	Oct - 22	Gateway Decision
<b>Project Initiation and Design</b>		
Programme Team/Design Team appointed	Aug - Oct-22	



Sign off Brief and Procurement Strategy	Nov-22	
Building Surveys/Assessments completed	Dec-22	
Planning Application Determination and statutory approvals	Oct-23 to Jan-24	
<b>Procurement</b>		
Tender Period incl. assessment	Jan-24	
Pre-contract contractor agreement. Entering the contract	Mar-24	Gateway Decision
Land acquisition	Window June-22 to Aug-24	
<b>Construction Phase 1</b>		
Mobilisation Period	Mar-24 to Apr-24	
Build Programme	May-24 to Oct-25	
Fit Out Period & Soft Opening	Nov-25 to Jan-26	
<b>Operational Phase 1</b>		
Operational / In Use	Feb-26 to Mar-26	Gateway Decision
<b>Construction Phase 2 Demolition of Existing Buildings and Car Parking</b>		
Demolition of former leisure and library buildings for car park and preparation for future Masterplan Phase	Mar-26 to Aug-26	Gateway – Benefit Realisation and Evaluation/Monitoring

### 3. Alternative Options

- 3.1 In deciding to develop and submit a Levelling Up proposal the Council considered whether a Do Nothing Option was appropriate. This was dismissed as the Levelling Up Fund provides the Council with a unique opportunity to realise its ambitions for Arnold and secure funding to transform its town. This funding is essential to ensure its long term viability though the provision of modern accessible and future proofed leisure and cultural facilities. Without this funding any interventions would fail to be transformative particularly as no other funding is available.
- 3.2 The option appraisal to be submitted to the DLUHC includes a comprehensive range of alternative options which were discounted on the grounds of failing to meet/achieve the following criteria:
- Strategic fit/need including national, regional and local,

- Deliverability/achievability,
- Affordability,
- Benefit realisation /value for money.

3.3 Only the preferred option provided a deliverable and affordable scheme that could realise benefits and provide value for money, whilst meeting strategic priorities (including Levelling Up priorities) and addressing the local needs of the borough. The proposal providing the opportunity for transformational change and benefits. The options considered included:

1. Do Nothing;
2. Renovate existing leisure and theatre facilities;
3. Construct a replacement facility on current leisure site – pool and theatre at the current leisure site;
4. Construct a new leisure and theatre hub on an alternative out-of-town site;
5. Construct a new expanded leisure centre with fitness suite (no theatre or library) in Arnold town centre; and
6. Construct a new Leisure and Cultural Hub in Arnold town centre.

#### **4. Financial Implications**

4.1 As set out in 2.15 the total capital costs that comprise the bid amount to an estimated £55.987m. This will require the Council to provide match funding of £5.987m which would need to be financed by prudential borrowing.

4.2 Initial and indicative business plans for the new Leisure Centre and Culture Centre have been prepared on a series of assumptions and financial analysis which indicates that the revenue implications of the prudential borrowing are affordable.

4.3 In the event of a successful bid, further detailed business plans would need to be produced with a view to confirming that the development is affordable and the associated financial risks are appropriately managed.

#### **5. Legal Implications**

5.1 At this stage, it is recognised that were the funding to be awarded that there would need to be strong governance of the project to ensure lawful decision making and management in line with the Council's Constitution and relevant statutory requirements.

5.2 In order to complete the bid an assessment has been made in relation to subsidy rules, both in the award of the grant itself to the Council and the future spend of that award by the Council. At this stage, the Council is satisfied that the bid is compliant with the subsidy rules.

- 5.3 It is recognised that site assembly for the project must be undertaken in accordance with the relevant statutory powers and the Council's rules for dealing with land and buildings. Any development on site would be subject to all necessary statutory approvals and permissions being obtained.
- 5.4 In terms of procurement in the event of award, consideration has been given to future procurement options for the project, again these must be undertaken in line with statutory requirements and the Council's Contracts and Procurement Rules.

## **6 Equalities Implications**

- 6.1 The proposed investment is intended to address the current and projected shortfall in capacity to meet the needs of residents in Arnold and its surrounding areas. The investment will provide access to sports and leisure facilities and cultural spaces, services and amenities to improve the health and wellbeing of the local population. The proposal will transform the town centre providing a sense of place and pride to engender ownership and cohesion and build business confidence through increase footfall and economic activity.
- 6.2 An equality impact assessment has been undertaken to inform the proposal. This is based upon an assessment of outputs and outcomes using a theory of change recommended by the DLUHC.

## **7 Carbon Reduction/Sustainability Implications**

The Ambition Arnold proposals reflect the Council's commitment to Net Zero in 2030. The design specification will include sustainable construction requirements including supply chain consideration. The scheme will include EV charging provision and the greening of new safe accessible public realm and pedestrian routes that will include trees and soft landscaping. The Arnold town centre is accessible via an established public transport network and cycling parking will be provided and encouraged.

## **8 Background Papers**

- 8.1 None identified.

## **9 Reasons for Recommendations**

- 9.1 For the reasons set out above the Leader is asked to approve the submission of an application to the Levelling Up round 2 for the development of a new

Leisure and Cultural Hub in Arnold town centre and endorse the principle of the proposals in the bid, subject to any future approvals being obtained should funding be awarded.

### **Statutory Officer Approval**

**Approved by: Alison Ball**

**Date: 29<sup>th</sup> July 2022**

**Chief Financial Officer**

**Approved by: Sara Paragon**

**Date: 29<sup>th</sup> July 2022**

**On behalf of the Deputy Monitoring Officer**