

Southend-on-Sea Borough Council

Report of Deputy Chief Executive & Executive Director
(Growth & Housing)

To

Cabinet

On

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Report prepared by: Emma Cooney, Director of Regeneration
& Growth

Agenda
Item No.

Levelling Up Fund

Relevant Scrutiny Committee: Policy and Resources
Cabinet Member: Councillor Gilbert
Part 1 (Public Agenda Item)

1. Purpose of Report

1.1 The report sets out the proposed approach to applications to the Government's Levelling-Up Fund (LUF) and the outcomes that would be achieved by successful bids.

2. Recommendations

2.1 That Members agree to submit a bid to the Levelling-Up Fund (LUF) for highways in the first round noting the associated additional capital and revenue costs;

2.2 That Members agree to submit a bid to the LUF for the visitor economy in the first round noting the associated additional capital and revenue costs;

2.3 That a further bid for culture-led town centre regeneration be developed in the second round as a lead authority for a potential joint bid with Rochford District Council noting the need for associated additional capital and revenue costs for the Council and that Cabinet consider this bid further once the business case has been developed;

2.4 That Members agree if these bids are successful, relevant legal agreements are entered into to draw down the funding;

2.5 That Cabinet recommend to Council that it approve the addition of £880,000 to the 2021/22 and 2022/23 Capital Investment Programme funded from

borrowing to enable preliminary works associated with this bid to commence for the Leigh Port element of the visitor economy bid;

2.6 That Cabinet recommend to Council that it approve the required additions (including additional resources for match funding) to the Capital Investment Programme, as set out in section 7.2 of the report once the final outcome of the bids are known;

2.7 That Cabinet note the additional revenue implications to the Council of proceeding with these schemes and if the bids are successful that these additional revenue costs will need to be considered as part of the Annual Budget Setting process in February 2022.

3. Background

3.1. On 3rd March 2021 the Levelling-Up Fund (LUF) prospectus¹ was published thereby opening the fund for the first round of bids. The prospectus set out the initial information in relation to the fund. The principles of which include:

- i. Three investment themes of transport, cultural investment, and regeneration and town centres - bids must be focused on at least one of these;
- ii. Each bid can be a bid for an individual project or a package bid consisting of multiple projects. Package bids must clearly explain how their component elements are aligned with each other and represent a coherent set of interventions and can include a mix of projects from the three themes;
- iii. Maximum bid value of £20m, with up to £50m for an exceptional transport bid, with at least 10% match funding (i.e. a £20m bid requires minimum £2m local match funding). If successful, funds must be spent by March 2024;
- iv. Round 1 will prioritise on well-developed bids which can begin to spend before the end of the current financial year;
- v. The number of bids that a local authority in the first category can make relates to the number of MPs in their area. One bid can be submitted for every MP whose constituency lies wholly within a boundary. Where an MP's constituency crosses multiple local authorities, one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder;
- vi. Local authorities can only have one successful bid for each of their allocated number of bids over the lifecycle of LUF;
- vii. Local Authorities should consult local Members of Parliament and a range of local stakeholders across the full geography of a place during

¹ <https://www.gov.uk/government/publications/levelling-up-fund-prospectus>

the development of the bid;

- viii. Projects should be aligned to and support Net Zero goals; and
- ix. Deadline for submission of round 1 bids is midday 18th June with deadlines for later rounds to be announced.

3.2 Local Authorities across Great Britain have been assessed and categorised as priority 1, 2 or 3 based on a Government methodology. Southend is a priority 1 location, that is to say one which will most benefit from levelling-up while Rochford is a priority 3 location. Bids from priority 1 places are to be prioritised and these areas will receive £125k capacity funding to support the development of bids. However, this will only be paid to eligible Councils after 18th June (i.e. after round 1 bid submission).

3.3 As the Southend East and Rochford parliamentary constituency crosses two local authorities, discussion has taken place with Rochford District Council as to the approach. This has reached agreement that a joint bid, as encouraged by the prospectus, is the best way forward with Southend Council acting as the lead authority.

3.4 Further technical information published following the prospectus confirmed that, in addition to the two bids relating to the number of MPs for Southend, as a highways authority Southend is eligible to make an additional application for highways only schemes. LUF effectively supersedes the pinchpoint funding which Southend has successfully secured funding from previously. An expression of interest had been submitted for a package of junctions in the most recent round. In order for these schemes to be considered for funding they must be re-submitted as part of a LUF bid. The LUF application form requires all business cases to be of a Treasury Green Book Appraisal standard. On 4th May the FAQs relating to the funding were published.

4 Proposed Bids

4.1 Southend can make up to three LUF bids. This section of the report seeks to outline the planned focuses, outcomes, timing and values.

Highways Bid

4.2 As set out in paragraph 3.3, schemes previously submitted for the last round of pinchpoint funding must be re-submitted to LUF if they are to be considered for grant funding. The Council had developed a package of schemes for pinchpoint, following engagement with Councillors in December 2019, which are considered key improvements to maintain junction capacity. These are:

- Harp House roundabout
- A127 Victoria Avenue junctions with East Street / West Street and with Fairfax Drive and Prittlewell Chase
- A127 Progress Road & Bellhouse Road

- 4.3** The interrelated junctions are connectively linked via the A127 and the A1159 and these routes form part of Southend's key vehicular corridors carrying inbound and outbound commuter and leisure traffic and freight across the Borough and are located on Southend's Major Road Network (MRN) and Primary Distributer Routes. The schemes have been designed to complement completed pinch-point schemes within the Borough. Whilst each scheme could be delivered independently, they have been designed as a single interrelated improvement scheme to fully maximise their intended benefits.
- 4.4** Investment at these junctions is critical in delivering the infrastructure necessary to support background and planned growth across Southend. Building on the previous interventions the schemes are intended to further smooth the flow of traffic on the strategic highway network, improving safety along with lowering journey times for businesses, visitors and residents alike. In addition, these schemes will have a positive impact on air quality and assist with meeting challenging national CO2 targets reductions. They also contribute to delivery of the 2050 outcomes and the Council's recovery priorities around travel and transport, and major schemes.
- 4.5** The Highways bid will seek £15m LUF funding over 3 financial years matched by £1.7m funding which is not yet in the capital programme. This meets the LUF requirement for minimum 10% local match funding. This would start with advanced utilities work on notification of a successful bid followed by the main construction works to be completed by March 2024.
- 4.6** This bid is considered to meet the LUF criteria. The prospectus states that the fund is looking for proposals for high-impact small and medium schemes which, among other outputs, cut congestion, support economic growth and improve the experience of transport users with "*enhancements and upgrades to local road networks (e.g. by-passes and junction improvements)*" given as an example of the type of project welcomed by the scheme. An all Member workshop was held prior to the Pinch Point submission to assist and inform the locations chosen for further consideration.
- 4.7** The previous pinchpoint application was at expression of interest stage rather than Green Book Appraisal as required by LUF. While there is a significant amount of work already in place in relation to these designs, additional capacity, procured from external specialist advisors, has been required to undertake the additional work necessary to reach the required standard whilst allowing the Highways team sufficient capacity to continue to deliver against the existing capital programme alongside bid development. However, by building on the existing work on these schemes, it is considered possible to meet the submission deadline and the ensuing requirement for spend this financial year if successful.

Visitor Economy

- 4.8** The Visitor Economy bid will secure and enhance key assets in the Southend visitor economy offer with a focus on Leigh Port, the Cliffs Pavilion and wider safety measures. This will encourage greater visitor footfall, more visitor spend, and support a shift to staycations. Similar to the Highways bid, these projects build on existing work and investment so have a solid evidence base to support

a first round submission and ability to mobilise for spend this financial year if successful. They also complement each other through a shared narrative shaped by the visitor economy and making more of the wide range of assets the borough offers.

- 4.9** The case for investment in the visitor economy as a tenant of the wider Southend economy is well evidenced. The 2019 Volume and Value study of the economic impact of tourism² in Southend identifies that it accounts for over 7,500 FTE jobs (16.9% of all employment) contributing a value of £470m to the economy. It is a strategic sector in the Growth Strategy and last year the sector worked together to refresh Destination Southend, the tourism strategy. Its significance is also reflected in the 2050 outcomes as *we seek to increase the variety and quality of our outstanding cultural and leisure offer for our residents and visitors and to become the region's first choice coastal tourism destination*. The roadmap also sets out a number of projects and investments, such as the Cliffs Pavilion, as milestones on that journey.
- 4.10** Initial work relating to Leigh Port was commissioned by the North Thames Fisheries Local Action Group (NTFLAG) (which the Council agreed to partner in a report of March 2017). This has subsequently led to further work and the opportunity to submit a full business case for some Growing Places Funding (GPF) from the South East Local Enterprise Partnership (SELEP), however the funding won't meet the full costs of the interventions necessary and as a revolving loan fund need to be repaid which is more challenging to achieve. Mott MacDonald have been retained to continue the expertise they have provided on the subject to date to complete the LUF business case.
- 4.11** The port is a small expanse of land (c. 7,500sqm) at the opening of the River Thames, spanning roughly 180m of the Southend coastline. The reclaimed area provides boat access, as well as housing 16 cockle sheds where cockles are cooked, processed and sold, as well as housing a small amount of light industry. It is estimated to account for 15-25% of the total UK annual cockle yield³ and as such attracts visitor interest with the potential to attract more. In assessing the future of the industry post-Brexit, a recent independent study undertaken finds that while there are challenges for the fishing industry the extent to which they threaten the viability of fishing in Leigh seems limited and that the proposed improvements to the port would assist with its stability. Old Leigh and the port is one of Southend's top visitor attractions on Tripadvisor. The project will involve construction of a new quay wall frontage, improvements to site access, dredging of the area beside the quay wall and channel, and resurfacing of the wharf to make the port a safe place to work and visit. Maintaining the sustainability of the port is central to the objectives of the project.
- 4.12** The Cliffs Pavilion is one of the top 10 regional theatres in England and welcomes approx. 500,000 customers each year. The role of this theatre as part of the broader visitor economy is significant as it hosts major shows that result in a wide catchment supporting the night-time economy and longer staying overnight visitors. The theatre is owned by the Council and operated by HQ Theatres which

² The results are derived using the Cambridge Economic Impact Model under licence by Destination Research Ltd based on the latest data from national tourism surveys and regionally/locally based data.

³ Kent & Essex Inshore Fisheries and Conservation Authority – Thames Estuary Cockle Survey Report 2015

is proven a successful formula. To continue to attract the major shows and develop audiences, significant investment is needed to enhance the visitor experience for this 1960's building. Elements of this such as improved hospitality and guest areas will have a commercial return and are part of a business plan going forward, however some aspects of the building infrastructure requires updating but will have no commercial return. These public spaces and overall building refurbishment are built into this bid and will be complemented by significant investment from both the council and the operator.

- 4.13** The Council is undertaking to strengthen pedestrian safety in its main High Street and central seafront area, controlling and restricting vehicular access in these high footfall areas. An automated bollards system and other fixed measures are being installed in Southend High Street, and implementing safety measures on the central seafront area as part of a cohesive design project, that will visually improving the site, provide environmental improvements and also enhance the visitor experience with new fixtures, including new elevated rain gardens, and granite type seating blocks and art installations.
- 4.14** As indicated above this proposal will secure and enhance key assets in the Southend visitor economy offer. This in turn will encourage greater visitor footfall, more visitor spend, and support a shift to staycations. Specifically in terms of the recovery priorities the bid includes projects that will help to rebuild and support the local economy and strongly position Southend economically for the future, enabling the town to draw in opportunities and secure investment. As part of the work to complete the business case the value of the benefits will be quantified and there will be a full Value for Money assessment.
- 4.15** If successful, work will commence during 2021/22 and will be completed prior to 31 March 2024.
- 4.16** The bid will seek LUF investment of £20m and will require £5.5m local match funding. The corresponding additions to the capital programme would be costs the Council would need meet as part of its landlord and local authority responsibilities over a period of time but by including this in LUF it benefits from leveraging external investment.
- 4.17** This package of measures is considered to meet the LUF criteria telling a cohesive narrative across the investments aligned with the priority investment themes.
- 4.18** In preparing for a successful bid outcome the remaining survey and ground investigation work needs to be commenced at Leigh Port in advance of the LUF decision. Initiating such works now will facilitate securing necessary approvals and use of the findings to inform the detailed design and tender specification. It will also support project start this financial year, as per the LUF prospectus, and allow a maximum window for completion before the March 2024 deadline. The estimated cost of these works is £880,000 and provision will need to be made in the capital investment programme to provide a budget for these costs if the bid is to proceed. If this work is not undertaken until after the LUF funding decision it will not be possible to deliver the project before March 2024. The £880k will be split over financial years 21/22 and 22/23 to reflect both the need to start work

immediately and the duration of some aspects, such as bird surveys, taking upto a year to complete.

Culture-led Regeneration and Town Centres

- 4.19** Culture led regeneration and Town Centres are subjects of a substantial amount of recent and ongoing work in Southend being undertaken both by the Council and partners. This amount of focus and investment reflects the priority they have as part of the Southend 2050 ambition and the underpinning role they play across a number of themes and outcomes. This work is set out in a separate related report elsewhere on this Cabinet agenda and provides further depth and context to a proposed LUF bid concentrated on culture-led regeneration in town centres.
- 4.20** Southend town centre is a widely recognised priority for Southend. It is a 2050 outcome, a recovery priority and has been the focus of a joint in-depth scrutiny project in recent years. It has benefitted from a range of funding but, like town centres up and down the country, continues to be challenged by some of the national trends including the effects of the pandemic. The ambition for a thriving, evolving, vibrant town centre still holds true and has been reinforced by recent work exploring the role of culture-led regeneration (set out in the accompanying report).
- 4.21** The Culture Vision is the result of an extensive piece of work co-produced with the creative and cultural sector as well as our residents. It highlights the wide-reaching potential of the sector and sets out principles to support the development and growth of Southend's cultural and creative economies across the borough over the next ten years. This is shaped by five themes and a set of underpinning principles for culture-led regeneration across the borough. The importance of heritage has been a significant theme highlighted through the development of this vision. Southend's key internationally significant collections of the Prittlewell Prince and London Shipwreck are particularly important to develop further in future plans. Southend's Culture Vision has been developed in partnership with many stakeholders.
- 4.22** Alongside the Culture Vision, Focal Point Gallery has led on a piece of work over recent months which has been widely engaged and consulted on the needs of people in the sector to then inform the development of physical assets. This has identified a need for further investment in the physical infrastructure if it is to fulfil its economic, skills, wellbeing and community potential. It sets out a number of potential interventions which would help unlock these opportunities, such as remodelling the Elmer Square and creating a cultural arts and education quarter in the central High Street area utilising underused space. This follows a similar principle to the Cultural Development Zone put forward in the Town Centre scrutiny project report. This, together with the Culture Vision provides a framework for culture-led regeneration going forward.
- 4.23** The framework developed will be applied across the borough to bring about the benefits identified for Southend residents, businesses and visitors. Looking through this lens to develop the LUF bid, opportunities which meet the bid criteria and which could form part of a coherent package may be identified in and around local centres such as Shoebury.

- 4.24** In tandem, residents have formed a strong collective of professionals from across the Creative sector, Education, Business, Design, and Food, with international culture and arts experience – called Concrete Culture, Southend. This group are committed to co-production with and for residents. Concrete Culture are focused on reactivating the Kursaal for community, education, learning, and entrepreneurship. They have undertaken a consultation survey in the town which produced 1,100 replies from all wards, proving community interest in the future of the Kursaal. The second, full survey, has c.800 completed responses; the results are being analysed at the time of writing. Further sector specific data analysis is also planned. The work of Concrete Culture aligns with the Culture Vision and Options appraisal. Their vision for the Kursaal is to provide community space that will allow local people to create, work, learn, and grow-up through the building. This would provide a medium sized multi-use venue; a business mix of commercial and subsidised activities; cross art form including performance; cross platforms; early years provision through a partnership with A Better Start Southend; and an intergenerational offer with something for everyone.
- 4.25** It is proposed that the breadth of the work and consultation undertaken to date to identify the needs of residents and the creative industries in Southend, together with its findings are brought together and built on to develop an actionable ‘masterplan’ for Southend town centre within a clear timeframe. This will provide a framework for short, medium, and long term investment and delivery in support of a continually evolving and thriving town centre. It will recognise that intervention and investment will not only be by the Council but a range of partners and commercial investors and will make the business case for their investment as well as that for the LUF application and other funding bids by the Council. As such, the masterplan will not only provide a strong context for the LUF bid but the mix of interventions to be included in the bid will be drawn from this work, taking into account the deliverability and operating models, and benefits and outcomes.
- 4.26** There is therefore a clear narrative around the opportunity for culture-led regeneration having a deep, place-making impact in town centres. This corresponds with two of the LUF investment priorities. However, for a robust bid with the best chance of success to be made, substantial further work is needed to meet the assessment criteria, and this includes detailed costings not only for the capital investment but also the business model for any spaces activated or created, engagement with landowners, including the owners of the Kursaal lease and the development of the town centre masterplan as a framework and context. It is therefore proposed to submit a culture-led regeneration application in relation to town centres in the second round.
- 4.27** This is not reflective of it being a lesser priority than the bids to be submitted in the first round, rather that the additional time between now and the second round of LUF will allow completion of the necessary work and integration of the different elements into a Green Book standard business case best placed for a successful outcome.
- 4.28** Evidence highlights that culture-led regeneration can have positive effects on myriad socio-economic factors. From health and wellbeing to skills and learning, and from commercial opportunity to social connection, it underpins and adds value

to a number of the 2050 outcomes and recovery priorities. It is expected that outcomes from this bid will include investment in and activation of space in the town centre, increasing the opportunities for residents, visitors and businesses to engage with the cultural sector, growth of employment and skills in the sector, and anchoring Southend in Thames Estuary Production Corridor (TEPC) bringing further profile, pride and investment.

- 4.29** The exact dates for the second round of LUF are yet to be confirmed but it is expected that it will open for bids later this year and will be followed by further bidding rounds.

5 Other Options

- 5.1** Members could decide not to submit two bids in the first round of LUF and to wait for later rounds. This would not disadvantage Southend but would pause delivery of the projects in waiting for following rounds to open. Further it could be decided not to pursue any LUF bids and focus on existing projects in the capital programme. This would be to the detriment of Southend both in terms of the funding which could be attracted to deliver existing 2050 priorities while supporting economic recovery, and in terms of reputation and actively pursuing levelling-up and growth ambitions.
- 5.2** Alternatively, Members could decide to pursue other projects for the three bids. This would automatically shift the focus to submissions in round 2 and later given the extensive work required in developing business cases of this nature. Such bids would still be bound by the same financial, thematic and delivery criteria. As the bids recommended for approval are rooted in consultation and delivery of 2050 outcomes, this could risk disenfranchisement and reputational damage amongst stakeholders and delay economic recovery.

6 Reasons for Recommendations

- 6.1** The two proposals are recommended for progressing to bid stage based on stakeholder feedback, contribution to 2050 outcomes and recovery priorities, and being grounded in extensive work setting out the nature of the work to be done and the impact it will make.
- 6.2** The bids recommended for submission in the first round are considered by officers and procured independent specialist capacity, to be compliant with the LUF criteria and make a compelling case.
- 6.3** The culture-led regeneration and town centre bid is recommended for submission in the second round to allow more time for developing the detail necessary for a robust business case and ensuring the proposed investments complement and enhance other strategic projects as part of a considered masterplan.

7. Corporate Implications

- 7.1** Contribution to the Southend 2050 Road Map

The outcomes and benefits to be gained from these three bids cut across a significant number of the Southend 2050 outcomes as set out below. Financially

they will lever over £6 for every £1 of Council spend therefore, in the short term, enabling outcome delivery at a significantly lower cost to Southend and in the longer term enabling greater outcome delivery as Council finances are protected by external funding through a forthcoming difficult financial period for the Council. If successful, the LUF funded projects themselves will support some of Southend's key sectors, driving up footfall and spend, thereby safeguarding and potentially creating jobs. They will also enhance the visitor offer, deliver improvements to traffic flows, environmental impact and community cohesion.

7.1.1 There is a tangible sense of pride in the place and local people are actively, and knowledgeable, talking up Southend. *Through continuing to invest in the visitor offer together with the evidenced impact of culture on pride in place.*

7.1.2 The variety and quality of our outstanding cultural and leisure offer has increased for our residents and visitors and we have become the region's first choice coastal tourism destination. *Through the development and delivery against a culture-led regeneration approach which broadens the opportunity for greater cultural and leisure offer while directly investing in particular assets.*

7.1.3 Our streets and public spaces are valued and support the mental and physical wellbeing of residents and visitors. *The town centre is a public space for which people have great affinity. Investing in public realm and reasons to spend time there is evidenced to drive up footfall so increasing numbers of people benefit.*

7.1.4 Southenders are remaining well enough to enjoy fulfilling lives, throughout their lives. *Engagement with culture is proven to contribute towards an individual's health and wellbeing.*

7.1.5 We act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling. *Contributing towards Net Zero is an expectation within bidding guidance.*

7.1.6 Even more Southenders agree that people from different backgrounds are valued and get on well together. *Cultural assets and activities can create times and spaces which support community wellbeing and understanding.*

7.1.7 Residents are routinely involved in the design and delivery of services. *Evidence of meaningful consultation and engagement with residents and stakeholders is a key tenant of the LUF prospectus.*

7.1.8 We have a fast-evolving, re-imagined and thriving town centre, with an inviting mix of shops, homes, culture and leisure opportunities. *The town centre is to be the focus of a bid building on work already undertaken and currently underway.*

7.1.9 Our children are school and life ready and young people are ready for further education, training or employment. *Engagement with culture plays a significant role in enriching learning experiences as well as presenting a viable and vibrant career choice.*

7.1.10 Southend is a place that is renowned for its creative industries, where new businesses thrive and where established employers and others invest for the long term. *Specifically seeking opportunities to create and activate spaces for the creative industry and supports new businesses and entrepreneurs in the sector. Also improved road networks can facilitate movement around the borough for work and business.*

7.1.11 Southend provides fulfilling careers for our residents, and enough job roles to match the needs of the population. *Investing in the visitor economy, and therefore attracting more visitors and greater spend, should thereby create more and a wider variety of jobs. Similarly the creative sector offers an exciting and growing range of career opportunities.*

7.1.12 People have a wide choice of transport options. *This includes investing in highways to ensure they operate well.*

7.1.13 Southend is a leading digital city with world class infrastructure that reflects equity of digital provision for the young, vulnerable and disadvantaged. *Digital is a growing part of the creative sector and must be considered when investing in the sector.*

7.2 Financial Implications

7.2.1 Capacity Funding

As a priority 1 location the Council will receive £125k capacity funding on or after 18th June in support of future bid development. It is still not clear whether this can be applied for costs incurred in the development of round 1 bids. Therefore £100k of Business Transformation Reserve (BTR) funding has been earmarked to fund the additional and specialist capacity needed to develop the two first round bids. It will therefore be a combination of LUF capacity funding and BTR which together will fund the development of the three bids.

7.2.2 Highways Bid

The Highways bid will be for £15m LUF funding matched by £1.7m of new capital funding by the Council. If the bid is successful, the total of £16.7m would need to be added to the capital investment programme for highways investment and would need to be delivered in line with the scheme terms and conditions timescales. The annual running and maintenance costs of this new investment will need to be funded from within the existing Highways service budget.

7.2.3 Visitor Economy Bid

The Visitor Economy bid will be for £20m LUF funding matched by £5.5m capital funded by the Council. If the bid is successful £25.5m would need to be added to the capital investment programme and again would need to be delivered in line with the schemes terms and conditions timescales. Ongoing annual maintenance costs are being clarified as part of the development of the business case but currently there is no indication of how they will be funded. Any revenue costs falling to the Council, which could be sizeable, will need to form part of the relevant year's budget setting process and that Members note

this will be in addition to the current Medium Term Financial Plan budget gap of circa £26m.

7.2.4 Culture-led Regeneration Bid

The value of this bid will be finalised through the next phases of development work. Given the extent of the opportunities presented it is envisaged that the bid will be towards the maximum bid value of £20m and therefore c£2m match funding will be required. As far as is possible this will be sought from the existing capital investment programme together with match funding from Rochford District Council proportionate to the grant funding sought for delivery in the district as part of the package of measures around culture-led regeneration in south east Essex. It should be noted that if the bid is successful, the total value not already in the existing capital investment programme would need to be added as the Council would be lead authority, but some of these monies would be funded by contributions from Rochford District Council and/or other partners. Any revenue costs falling to the Council, which will be sizeable given the outline scheme, will need to form part of the relevant year's budget setting process and that Members note this will be in addition to the current Medium Term Financial Plan budget gap of circa £26m.

7.2.5 Overall, if all three bids are successful this would mean adding circa £64m to the Council's Capital Investment Programme, of which £55m would be from LUF alongside match funding of c. £9.2m. The first round bids require new match funding from the Council of £7.2m and the second round bid unless existing capital programme schemes can be identified will add a further £2m. If this is all new match funding this would add circa £630k per annum in additional annual financing costs to the Council's current Medium Term Financial Plan budget gap of circa £26m. In addition the associated operational and maintenance costs of the projects will be significant and whilst all options to for the projects to be self-financing and/or shared to the greatest extent possible; will be explored, there is a high risk that the significant revenue costs will also add to the Council's Medium Term financial Plan budget gap. Members will therefore need to reprioritise revenue budgets and/or deliver further revenue savings to ensure the appropriate revenue budget is available to support the running of these schemes, whilst still producing an annual robust budget.

7.2.6 Adding £64m to the Council's capital investment programme to be delivered in strict government timescales will require a major reprioritisation of the programme to ensure timely delivery of these key strategic projects. If the bids are successful officers will undertake this reprioritisation work for a future cabinet decision.

7.2.7 To progress the Leigh Port element of the Visitor Economy bid certain works (paragraph 4.18) will be required to progress now and over the next year or so to ensure timely progress of the project,. Therefore additional funding needs to be agreed of £880k to be added to the capital investment programme to be funded by borrowing. This will add a further £62,000 of additional financing costs to the council's medium term financial plan. If the scheme does not progress then these costs will need to be written off against the council's revenue budget.

7.3 Legal Implications

7.3.1 If successful the projects will have to be delivered in compliance with LUF terms and conditions with a grant funding agreement or equivalent in place setting these out. Delivery of these interventions will present a range of legal implications from procurement compliance to appropriate notices for works. These will be factored in as part of project plans and monitored through corresponding governance arrangements. The cooperation of the Cockleshed tenants will also be important and necessary for the Leigh Port project to be delivered and this co-operation brings risks of further costs and delay.

7.4 People Implications

7.4.1 Developing the bids has and will be undertaken through a combination of officer time, procured specialists and stakeholder engagement. If successful, delivery of the projects will have a sizable draw on officer time which will be a consideration for capacity to deliver the totality of the capital programme and other interventions. Dedicated resource will be built into the bids where possible and appropriate.

7.5 Property Implications

7.5.1 There are several property implications across the three bids if successful. These include premises and sites in Council ownership such as Cockle wharf, the Kursaal lease and the highway. These will be managed through the appropriate routes ensuring consents are in place, assets are protected, and maintenance considerations built in for the future. It is expected that there will also be considerations for town centre properties not in Council ownership. These will be identified through the bid development.

7.6 Consultation

7.6.1 Consultation with MPs and a wide range of stakeholders is a requirement for LUF. Both Members of Parliament for Southend have been briefed on the proposed approach.

7.8.2 Extensive consultation has been undertaken establishing the need and opportunity relating to culture-led regeneration and the town centre by Concrete Culture and Focal Point Gallery. This will be built upon for the masterplan lite, set out in the accompanying report, and in the development of the bid.

7.7 Equalities and Diversity Implications

7.7.1 The levelling up agenda will contribute significantly towards the areas of deprivation in the Borough. Three of our most deprived wards connect to the town centre area and the role of a culture led regeneration project will support opportunities for marginalised members of the community. An accessible culture programme has already begun and significant work led on by Focal Point Gallery shows how culture can play a leading role in changing attitudes.

7.8 Risk Assessment

7.8.1 Southend is a priority 1 area and as such bids submitted will be prioritised. Bids are being developed to accord with the fund criteria while meeting investment needs in Southend. As a competitive fund the grant funding is not guaranteed and therefore there is a risk that one or more submission isn't successful. This is mitigated by the ability to resubmit in later rounds in line with the guidance that states that local authorities can only have one successful bid for each of their allocated number of bids over the lifecycle of the Fund. So, if a local authority with three bid slots submits three bids in the first round, and is successful in each of them, they will not be eligible to re-bid in the following rounds. If the local authority is successful in two out of the three, they would be able to put in one further bid in the next round, and so on.

7.8.2 The addition of some £55m of grant funding plus match funding to the capital programme over the next 3 years will require a reprofile of the programme so as to ensure there is sufficient capacity to enable these projects and the rest of the capital programme to be delivered and in compliance with funding deadlines where they apply.

7.8.3 If successful each project will have its own risk register.

7.9 Value for Money

7.9.1 A value for money assessment is a requirement of the business cases to be submitted with a need to demonstrate a minimum of 1.5:1 but preferably 2:1.

7.10 Community Safety Implications

7.10.1 Security measures are included as part of the Visitor Economy bid explicitly, seeking to ensure that residents and visitors alike are safe when enjoying Southend's visitor offer.

7.11 Environmental Impact

7.11.1 Contribution towards net zero and the wider environmental agenda is a consideration within the LUF prospectus and will be addressed as part of the business cases.

8. Background Papers

None

9. Appendices

None