



Glasgow City Council
City Administration Committee

Item 6

22nd June 2022

**Report by Councillor Susan Aitken, Leader of the Council and
Convener for City and City Region Economy and Just
Transition**

Contact: George Gillespie, Executive Director Ext 79106

UK GOVERNMENT FUNDS – LEVELLING UP FUND

Purpose of Report:

To provide an update on the UK Levelling Up Funding call round one, an overview of the process for round two and confirm bids for submission.

Recommendations:

City Administration Committee is asked to:

- a. Note the contents of the report.
- b. Note the updates on Levelling Up Fund round two process.
- c. Approves the project(s) and approach outlined at section 4.4 and Appendix One.
- d. Instructs the Executive Director of Neighbourhoods, Regeneration and Sustainability to proceed with the submission of bids to the UK Government on 6 July 2022.

Ward No(s):

Citywide:

Local member(s) advised: Yes No

consulted: Yes No

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1. INTRODUCTION

- 1.1 On 3 March 2021, as part of the UK Budget process, the UK Government launched three new UK wide funds, using the powers conferred on it through Sections 50 and 51 of the UK Internal Market Act 2020.
- 1.2 The three funds are the UK Shared Prosperity Fund, the UK Levelling Up Fund (LUF) and the UK Community Ownership Fund. These funds are intended to contribute to the UK Government's "levelling up" agenda.
- 1.3 This report provides an update on the UK Levelling Up Funding call round one, an overview of the process for round two and confirm proposed bids for submission.

2. THE UK LEVELLING UP FUND

- 2.1 As noted in the UK Government Funding report that was presented to City Administration Committee (CAC) on 17 June 2021 (<https://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDNDXNTUT2UDN>), bids for the Levelling Up Fund can be submitted by any local authority in Scotland, with the number of bids being dependent on the number of Westminster constituencies in each area.
- 2.3 Under the original terms of the Levelling Up Fund, Glasgow City Council could submit up to 7 bids (one per constituency), with a maximum value of £20M per application. There is also provision for the Council to submit one large scale transportation bid (with a value of between £20M and £50M).
- 2.4 The priority themes for the LUF are infrastructure projects under the following headings:
 - Smaller transport projects that make a genuine difference to local areas;
 - Town centre / high street / city centre regeneration; and
 - Support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets.

3. FUNDING CALL ROUND ONE

- 3.1 City Administration Committee approved the submission of the Pollok Country Park Stables and Courtyard project on 17 June 2021 and approved the acceptance of the £13.05m funding from the UK Government LUF on the 27 January 2022 (<https://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDNZL0GNTZL2U>.)

3.2 The project has now commenced and is subject to a Memorandum of Understanding (MOU) with UK Government and reports through the council's Capital Programme Board.

4.0 FUNDING CALL ROUND TWO

4.1 On the 23 March 2022, the UK Government published their prospectus providing guidance on round two of the fund (<https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus>).

4.2 Themes remain broadly similar covering transport, regeneration and cultural investments. In addition, two constituency bids of up to £50 million (across the UK) will be funded under the culture and heritage investment theme.

4.3 The prospectus confirms the submission deadline for bids as 12 noon on 6 July 2022. Local Authorities are encouraged to bid in this round as UK government intend to evaluate the success of the first round, by Spring 2023, before committing to the timing or format of a third round.

4.4 In order for the Council to be able to meet the second funding call deadline GCC NRS officers have continued to review projects on the approved Expression of Interest (EoI) list between January and March 2022 against the following key criteria:

- Readiness for submission;
- Eligibility strategic fit and fit with levelling up themes and missions;
- Deliverability: Business Case / Feasibility; Design; Planning status; Community Engagement; Approvals; and Construction timescales

4.5 From this exercise and discussions with key stakeholders the following projects noted in the Expression of Interest list from June 2021 have withdrawn from the process at the request of the applicant(s).

- University of Glasgow - MedTech Business & Research Hub - CWIC Campus
- University of Glasgow - Church Street Innovation Zone
- University of Strathclyde - City Centre GCID Technology & Innovation (TIC) Zone
- GCC - Glasgow Park Power Phase 1

4.6 Given the format and timing of round three is not confirmed, the number of bids have been maximised to cover all constituencies and categories. Officer's recommendations to Committee are therefore provided at **Appendix One**, noting:

- Any unsuccessful bids will be notified in writing, following Committee approval with an offer to continue dialogue to identify potential other sources for funding.

- In line with the UK Government’s technical guidance, a briefing was offered to all Glasgow MPs and MSPs and took place on 10 June 2022.

4.7 Further guidance on the application and assessment of bids to the Levelling Up Fund should be noted as follows:

- LUF is a competitive funding stream, and as such, there is no guarantee that funding applications will be successful.
- The application process is guided by HM Treasury’s Green Book 5-case model. This is a significant process which relies on specialised economic assessment and has been most recently used by Glasgow City Council for the City Deal programme.
- Bids and constituent projects should secure the support of and be developed after consultation with relevant local stakeholders and partners and local MPs.

5.0 FINANCE

5.1 Committee is asked to note that the LUF bids could attract up to a total £220m of LUF funding with each constituency bid expected to claim the full £20m available.

5.2 The exception to this are the Cultural and Transport bids and indicative costs have been noted in Appendix One, for these projects.

5.3 Bids will require at least ten percent match funding which could be funded by GCC and/ or external sources.

5.4 There is a requirement that the Council (as the applicant body) will commit to underwrite any potential cost over-runs.

5.5 A further report will be presented to City Administration Committee to advise of any successful bids and seek approval to accept the funding.

6.0 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	Securing Levelling Up Funds assists the resourcing of the Council Strategic Plan.
<i>Legal:</i>	Supported projects must demonstrate that they conform to relevant UK and Scottish legislation, including subsidy control
<i>Personnel:</i>	Existing staff resources in Neighbourhoods, Regeneration & Sustainability have supported the Levelling Up Fund project

appraisal and bid preparation process. Staff resources will be required in order to continue facilitating this area of work for the remaining funding calls, as well as the ongoing management and monitoring of funding once secured.

Procurement:

Projects supported through these funds will need to evidence compliance with relevant procurement legislation.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.

Yes, specifically outcome 1 (An increased proportion of people with protected characteristics are supported to enter employment or training)

What are the potential equality impacts as a result of this report?

Positive impact -in making final decisions on the portfolio of approved projects the UK Government will give due regard to its Public Sector Equality Duty. Applicants are required to consider equalities impacts in formulating their bids and lead authorities are required to consider the equalities impacts of their decisions on proposals under the Public Sector Equality Duty.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

Yes, the stated objectives of the fund will contribute towards the UK Government's Levelling Up agenda

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Yes, a range of the interventions will respond to the following actions:
36 Accelerate Implementation of the Glasgow and Clyde Valley Blueprint for a Green Network to create green & biodiversity corridors in the city by improving open space provision and increasing tree cover, while also providing opportunities for active travel corridor
40 The city and partners to support the adoption of circular practices across the city through capacity building programmes, in line with the new Circular economy route map for the city

51 Deliver a comprehensive active travel network, incorporating the spaces for people measures (following consultation) and enabling 20-minute neighbourhoods through the liveable neighbourhoods plan

What are the potential climate impacts as a result of this proposal?

Overall, the projects will provide an increase in greenspace, active travel and reduce vacant and derelict land in a range of communities across the city.

Will the proposal contribute to Glasgow's net zero carbon target?

Yes.

Privacy and Data Protection Impacts:

None.

7.0 RECOMMENDATIONS

City Administration Committee is asked to:

- a. Note the contents of the report.
- b. Note the updates on Levelling Up Fund round two process.
- c. Approves the project(s) and approach outlined at section 4.4 and Appendix One.
- d. Instructs the Executive Director of Neighbourhoods, Regeneration and Sustainability to proceed with the submission to the UK Government on 6 July 2022.

APPENDIX 1 LEVELLING UP FUND BIDS ROUND TWO

	Project Title	Project Description	Electoral Constituency
1	People's Palace & Winter Gardens (Cultural Bid up to £50m)	This project will refurbish both the Peoples Palace and Winter Gardens to restore the building's potential to play its pivotal role as a local amenity in one of Glasgow's most deprived neighbourhoods, as Glasgow's Local History Museum and as an integrated part of Glasgow's events infrastructure. The restoration will ensure this invaluable heritage asset can be maintained and preserved for future generations, paving the way for its sustainable future.	Glasgow Central
2	Regenerating Easterhouse Town Centre	The proposal includes enhancement of the Lochs Shopping Centre building, public realm improvements at key access points, including the car park and public entrances, and wider access improvements to the active travel network to increase patronage and accessibility withing the town centre, particularly focused on links to existing facilities and the Seven Lochs Wetland Park.	Glasgow East
3	Regenerating Maryhill Town Centre	This proposal will advance delivery of regeneration within Maryhill Town Centre and adjacent Transformational Regeneration Area and help unlock development through a green infrastructure strategy. The project also aims to Forge improved physical and active travel links to City Wide Active travel network and the local Canal include the Canal Stockingfield Junction. (Note includes Canal Water Bus feasibility Feasibility)	Glasgow North
4	Possilpark Liveable Neighbourhood	This proposal will deliver a step change in regeneration of, focused on Saracen Street, Stonyhurst & Allander Streets, a number of adjacent brownfield sites, the creation of the new urban park at Cowlairs with associated development platform, and the adoption of Carlisle Street. This Local Town Centre provides an	Glasgow North East

		accessible mix of shops and services and have significant potential for growth and place improvement.	
5	Regenerating Drumchapel Town Centre	This proposal will deliver the regeneration of the core of the designated Drumchapel Town Centre focused on the shopping centre, its immediate environs and wider connectivity to improve accessibility and patronage. The proposal will link to the community hub investment proposed for the area, public realm and active travel improvements supporting site redevelopment.	Glasgow North West
6	Clyde Connectivity	This proposal combines work packages that will provide a people focus by removing the barriers of 60's style highway infrastructure and connecting the community with the QEUH, SEC and Glasgow City Centre to the wider West of Scotland economic area. This will include new active travel infrastructure, place making measures, green infrastructure, development opportunities and parking controls in the G51 area that will unlock multiple sites for increased connectivity and investment.	Glasgow South West
7	M8 Garden Cap and Public Realm improvements (Transport Bid up to £50m)	Proposal is to completely reconfigure the Charing Cross area in terms of transport and public realm, through a transformational project that will construct a garden cap over the M8 between Sauchiehall Street and Bath Street; creating a peaceful green space offering a new community asset to residents, visitors and local businesses. It will reconnect the city centre with the west end, extending the impact of, and connect to the Avenues Programme (Sauchiehall, Elmbank, St Vincent Streets), as well as the Connecting Woodside project..	Transport