

**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES**

**16 September 2021**

Report of the Executive Director - Place

**Overview of Levelling Up and Economic Development**

**1. Purpose**

- 1.1 To provide the Improvement and Scrutiny Committee – Resources with an overview of levelling up and what it means for ‘good growth’ and economic development in Derbyshire.
- 1.2 To assist the Committee in considering areas for further scrutiny as part of a future work programme.

**2. Information and Analysis**

- 2.1 The following overview will be supported by a presentation at the meeting containing more detailed information to assist the Committee in its understanding of the following:
  - The Government’s approach to levelling up
  - The pipeline of major capital regeneration projects for the County Council – and districts/boroughs
  - The pipeline of key revenue projects aimed at supporting business growth, improved routes to employment and skills/training.
  - The approach to staff and financial resourcing to support delivery of the above.

- 2.2 In July this year, the Prime Minister set out his ambitions to ‘level up the UK’; essentially, to rebalance the economy so that the poorest and most disadvantaged areas are lifted to match the outputs and prospects of the wealthiest areas - so that geography and lack of opportunity are not the determining factors of a person or community’s destiny.
- 2.3 Government believes levelling up can only be achieved with a strong and dynamic wealth-creating economy and that there needs to be a catalytic role for Government, providing a strategic lead to the agenda.
- 2.4 This ambition had been supported earlier in the Spring budget by an announcement for Levelling Up Fund (LUF) and Community Renewal Fund (see paragraph 2.7 below).
- 2.5 At headline level, the levelling up agenda has a clear economic focus:
- Investing in public transport, road and rail infrastructure
  - Growing business confidence
  - Housing – to support first time buyers
  - Digital connectivity
  - High street investment
  - Upskilling the population (introduction of T Levels, and focus on higher level apprenticeships, Lifetime Skills Guarantee)
  - Supporting communities and building local capacity
  - Investment in research and development to create innovation hubs
  - Devolution – developing from the city deals and metro mayors to now focus on county deals
- 2.6 But the wider narrative from Government advocates that levelling up also has strong social principles at its heart such as:
- Raising living standards
  - Spreading opportunity
  - Improving public services
  - Tackling crime
  - Ensuring access to outdoor space – such as public playing fields
  - Restored community pride
- 2.7 To support delivery of the levelling up agenda and to facilitate growth post Brexit and post COVID-19, a number of initial funding streams were announced in March 2021 as part of the Spring Budget, these were:

2.8 **1) A Levelling Up Fund:** offering up to £20m per local authority area (identified on a priority basis). For Derbyshire, this meant our nine local authorities were prioritised as set out below; also the County Council, as an upper tier transport authority, was able to bid separately for up to £50m transport improvements.

**Priority 1**

- Chesterfield
- Derbyshire Dales
- High Peak
- Erewash
- Derby City

**Priority 2**

- Amber Valley
- Bolsover
- North East Derbyshire

**Priority 3**

- South Derbyshire

2.9 *LUF Bids were expected to demonstrate and evidence local stakeholder engagement, particularly harder to reach rural communities, and more importantly, the support of the local MP to the proposal.*

2.9 First round (2021-2022) LUF themes were:

- Transport investments - inc. public transport, cycling provision and maintenance
- Regeneration and town centre investment - building on Town Fund framework; improving public realm and designing out crime, creating better connectivity between retail and leisure sites, removing derelict buildings; improving facilities to encourage new businesses and public services
- Cultural investment - regenerating or repurposing museums, galleries, green spaces, heritage assets, creating community owned spaces; acquiring and refurbishing key cultural heritage sites including hotels and historic buildings

2.10 **2) A Community Renewal Fund (CRF):** introduced essentially as a forerunner to the planned Shared Prosperity Fund which is due to be announced next year. The County Council was identified as a lead authority for organising and managing the CRF process (significant initial staffing implications) which involved inviting proposals from district/borough councils, voluntary and community sector, local

education providers. Only two local authority areas – High Peak and Derbyshire Dales – were identified by Government as priority places for up to £3m CRF each. Priority themes for CRF bids were:

### **Investment in skills**

- Work based training
- Retraining upskilling or reskilling
- Promoting advancement of digital skills

### **Investment for local business**

- Feasibility studies for delivering net zero and local energy projects
- Exploring opportunities for promoting culture lead regeneration and community development
- Improving green spaces and preserving important local assets
- Promoting rural connectivity – digital and physical

### **Investment for communities and place**

- Feasibility studies for delivering net zero and local energy projects
- Exploring opportunities for promoting culture lead regeneration and community development
- Improving green spaces and preserving important local assets
- Promoting rural connectivity – digital and physical

### **Supporting people into employment**

- To engage with local services
- Identifying and addressing potential barriers
- Raising aspirations
- Supporting people to gain basic skills
- Testing what works in helping people move into work

2.11 For the LUF, only Chesterfield Borough Council submitted a bid proposing regeneration of the market square and ‘cultural quarter’; the County Council also submitted a proposal to bring forward a new junction on the A50 to facilitate Infinity Garden Village. Other district/borough areas are looking to bring forward LUF bids when a future round is announced.

2.12 For the CRF, the County Council submitted a programme of funding proposals covering High Peak and Derbyshire Dales up to the total £6m allocation. The programme included feasibility work for market town renewal, support to job seekers – particularly those furthest from the labour market and support to businesses. From the overview of the levelling up agenda outlined earlier in this report, it is clear the Council’s CRF submission was very much in line with the core principles.

- 2.13 The Council has not yet received feedback on the LUF or CRF bid submissions, which was due in late July. It is understood Government is unlikely to make any announcement before October/November (possibly aligned to the Autumn budget).
- 2.14 In addition to the proposed schemes prompted by the LUF and CRF funding announcements, the Council has an active pipeline of both capital and revenue projects that support 'good growth' and economic development in the County, in line with the wider levelling up ambitions. At the time of writing, it is not possible to confirm the up to date position of the pipeline as a review is currently under-way but an update will be presented to the Scrutiny Committee at its meeting on 16 September 2021. As well as considering individual projects, the review is examining the 'gateway' process through which projects are approved, and the level of evidence (such as risk assessments and procurement plans) which should be mandatory at each gateway.
- 2.15 In summary, however, the content of the capital pipeline is influenced by a number of inputs: Government initiated projects (e.g. Re-opening Your Railways and town deals); County Council priorities (e.g highway improvement schemes such as Woodville/Swadlincote Regeneration Route, key cycle network); or district/borough priorities such as the Avenue and A61 South. In addition, the process of developing the Economic Development and Employment and Skills Recovery Strategies has also influenced our pipeline – almost without exception, the actions within the Recovery Action Plan are integral to the levelling up agenda and aligned to the Council's pipeline and all of which require preparation, staff resources and funding.
- 2.16 Projects within the pipeline are at varying stages of development – some at early initiation, others at construction stage, and everything in between. Depending on where a project is within the pipeline, impacts on the level of staffing resources applied and the revenue funding that is required to support its development. The presentation to Committee will set this out in more detail.
- 2.17 Once a project has been developed to a certain stage (usually high level design, planning consent, land assembly etc), every effort is made to attract external capital funding such as LUF or specific Department for Transport funding, Heritage Lottery etc to ensure project delivery.
- 2.18 Alongside the Council's capital programme, there is a similar programme of revenue-based projects that are supporting good growth. These include European funded projects focused on routes to employment (especially for those with lower level skills or those furthest

from the jobs market) and support to businesses to help ensure they survive, grow and thrive. An overview of this programme will be presented to the Committee on 16 September 2021 as it is also subject to review currently.

2.19 The above programme of capital and revenue 'growth' projects requires a substantial amount of staff resources, initial revenue funding to facilitate project development and significant capital resources to deliver schemes on the ground. One particular challenge is to ensure the Council has an appropriate and sustainable pipeline and earlier this year, Cabinet approved the creation of a £2m 'kickstart fund' at its meeting on 17 June which is aimed at supporting earlier feasibility work to ensure projects represent value for money and are deliverable in the long term.

2.20 The Economy and Regeneration Service also works closely with other internal Council services such as Highways, Legal, Finance and Corporate Property, along with district/borough council economic development and planning teams, to deliver the agreed projects. Strong, and very recent examples of maximising the available staff and funding resources include: Woodville Swadlincote Regeneration Route, Hollis Lane Link Road phase 1 and Vision Derbyshire Business Start up. More detail on the project management and resourcing approach will be presented at the Committee meeting.

### **3 Alternative Options Considered**

3.1 No alternative options are applicable to the content of this report.

### **4 Implications**

4.1 There are no direct implications as a result of this report, however, the County Council's approach to the opportunities – and challenges – presented by the levelling up agenda will have financial and resourcing implications in the longer term. This may be in relation to funding physical infrastructure, providing direct support to businesses or routes to employment for local people.

### **5 Consultation**

5.1 It has not been necessary to undertake consultation in relation to the direct content of this report.

### **6 Background Papers**

6.1 Cabinet report on Kickstart Funding, 17 June 2021.

## **7 Appendices**

7.1 Appendix 1 – Implications.

## **8 Recommendation**

That the Committee:

- a) Notes the overview provided by the Economy and Regeneration Service and considers the implications for helping drive levelling up in Derbyshire.

## **9 Reasons for Recommendations**

9.1 To support the Committee in understanding the principles and processes linked to delivering levelling up in Derbyshire and the approach the County Council is taking to responding to the agenda.

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## **Appendix 1**

### **Implications**

#### **Financial**

1.1 Not directly as a result of this report

#### **Legal**

2.1 Not directly as a result of this report

#### **Human Resources**

3.1 Not directly as a result of this report

#### **Information Technology**

4.1 Not directly as a result of this report

#### **Equalities Impact**

5.1 The levelling up agenda is fundamentally targeted at addressing geographic and socio-economic inequalities and these principles are embedded in the overview and proposals outlined in this report.

#### **Corporate objectives and priorities for change**

6.1 Almost all of the projects included in the capital and revenue 'levelling up' pipeline are reflected in priorities set out in the Council Plan or the Place Department's Service Plan.