

**Community, Economic Growth and Property Cabinet Advisory Committee**  
**11 January 2021**

**Levelling-Up Fund – Feedback and Update**

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**1. Purpose of this Report**

- 1.1. Cabinet Advisory Committee members are asked to comment on the developing Levelling-Up Fund project as outlined in this report, including suggestions for development and refinement. Specific areas of focus for comment are suggested in section 5 below.

**2. Background – Levelling-Up Fund**

- 2.1. The Levelling-Up Fund is a UK-wide £4.8bn infrastructure fund, jointly managed by the Department for Levelling-Up, Housing and Communities (DLUHG), the Department of Transport and HM Treasury, delivered through local authorities. It prioritises investment that brings economic benefit and binds communities.
- 2.2. Local Authorities are categorised into three bands according to a combination of metrics including need for:
- economic recovery and growth
  - improved transport connectivity
  - regeneration

Swale has the highest priority status. This means Swale Borough Council has been allocated £125,000 capacity funding to develop a bid. These funds were received in October 2021.

- 2.3. Bids can be for up to £20m LUF investment, and match funding of at least 10% of the project value is strongly encouraged. This must be cash match funding – i.e. cannot be in kind (such as staff time contributions). At the recommended 10% match, the total project value would be £22.222m. There is no ceiling to the percentage of match funding that can be provided by the applicant or other project partners. Delivery must conclude by March 2025.
- 2.4. Government advises that the next round of LUF will open in the spring. We are working towards a mid-April submission deadline, although this is at present unconfirmed. We note that the Levelling-Up White Paper, anticipated before the end of 2021, has been deferred 2022.

**3. Background – Swale project development**

- 3.1. Swale's Levelling-Up Fund bid was discussed at Community, Economic Growth and Property Cabinet Advisory Committee on 6 July 2021, with a number of ideas proposed for consideration. Officers and members have reviewed the potential of regarding compatibility with the Levelling-Up Fund's priority themes and delivery parameters. A summary is shown below.

<b>Suggestion</b>	<b>Commentary</b>
Development of a marina at Queenborough / developing	Homes England have consistently indicated that a marina will present a wide range of challenges and

	<p>the offer around existing operations at Queenborough Creek.</p> <p>that this not a priority or area of focus for them - instead they are looking to seek further funding to support the viability and success of the broader scheme, such as forward funding for the primary school and potential enhancements to the creekside leisure. They are therefore at present committed to alternative funding streams and do not have the capacity to support a Levelling-Up bid within the required timeframe.</p> <p>Correspondingly, this option is rejected due to lack of partner capacity / appetite to progress within the timescale.</p>
Partnership Project with Peel Ports at Sheerness.	<p>Future plans for Sheerness Docks do not currently extend beyond optimising the position of the port as an economic entity. Discussions have not indicated an appetite for wider regeneration initiatives within the LUF timescales.</p> <p>This option is therefore rejected due to lack of partner capacity / appetite to progress within the timescale.</p>
Transport schemes such as Lower Road, Sheppey and Northern Relief Road.	<p>There is currently no planning policy support for either an extension to the improvement of the Lower Road or the completion of the Northern Relief Road. Both would require a significant amount of technical work and would need to be supported by KCC. There may also be some challenges in relation to the contribution these schemes make to net zero.</p> <p>This option is therefore rejected as not aligned to the objectives of the fund, and in particular a lack of deliverability in the timeframe.</p>
<p>Recommendations from the Sheerness &amp; West Sheppey Regeneration Framework:</p> <ul style="list-style-type: none"> <li>• regeneration of the historic port</li> <li>• improvement and development of the Station Gateway at Sheerness (incorporating wider land holdings)</li> <li>• making Beachfields a landmark leisure destination</li> </ul>	<p>Peel Ports are currently unable to commit to a wider regeneration programme, making the port option unviable in the timeframe.</p> <p>The Station Gateway project would require a long lead in time and the agreement of Network Rail during a period of significant change for the rail industry. It would also require the assembly of a wide partnership, which may be challenging in the timeframe.</p> <p>There are existing studies which consider the revival of the Beachfields area, and this project has expansion potential to offer social, health, educational, economic and environmental regeneration benefits.</p> <p>A Sheerness Regeneration scheme therefore appears the optimum fit with local strategic priorities and the criteria of the fund.</p>

Projects similar to Rushenden Retrofit, aiming to improve the economic position of households through energy consumption reductions and possible learning and skills opportunities.	<p>These opportunities offer a limited fit with the Levelling-Up Fund's capital investment priorities. Whilst the project could incorporate derelict/empty properties, protracted acquisition processes would be outside of the Levelling-Up Fund timeframe.</p> <p>This option is therefore rejected due to limited alignment with the objectives of the fund, including concerns regarding deliverability in the timeframe.</p>
Train stations – potentially the Swale branch line / Parkway station.	<p>These projects would require a long lead in time and the agreement of Network Rail during a period of significant change for the rail industry. Comparator projects (such as Thanet Parkway) indicate such a project cannot come forward in the timeframe available.</p> <p>This option is therefore rejected due to lack of deliverability in the timeframe.</p>
Seagrass meadows - linked to wildlife habitat and climate change	<p>This would require working with a wide range of partners, including those owning appropriate areas of seabed, and does not appear to align with levelling-up investment priorities.</p> <p>This option is therefore rejected due to limited alignment with the objectives of the fund.</p>

- 3.2. Of the above options, the Sheerness regeneration scheme is therefore deemed to represent the optimum combination of local benefit and fit with the Levelling-Up Fund's priorities, and has been chosen for progression.
- 3.3. Since the July Cabinet Advisory Committee meeting, the Sheerness project has been the subject of three member and officer scoping sessions, and was reviewed by Informal Cabinet (13 December 2021). Informal Cabinet supported the approach to business case development as outlined in this report.
- 3.4. The project has also been informally tested with an independent consultancy who have verified its fit with the fund's priorities.
- 3.5. The Sheerness regeneration scheme is being developed to consist of four elements:
  - **Beachfields.** The demolition of the ageing indoor swimming pool complex and its relocation adjacent to the dry side leisure centre. The pool is nearing the end of its economic lifespan, and there are clear financial and environmental advantages to having both facilities co-located. The relocation will be accompanied by the introduction of additional leisure and commercial opportunities, which may include - subject to feasibility studies and consultation – attractions such adventure golf, a bowling alley, outdoor five-a-side football pitches, and the conversion of the paddling pool to a splash pad. The opportunity to offer additional health-based facilities within the new footprint is being progressed with external partners. This is seen as a key feature of the new building and its community offer.

- **East Kent College Expansion.** The Council-owned car park adjacent to the existing College site is surplus to need, and presents the opportunity for the College to expand. At its Board meeting on 14 December, East Kent College agreed to explore partnering Swale Borough Council in a Levelling-Up Fund bid, seeking to extend vocational provision at Sheppey College, aligned to local need. The College may be able to offer fit out and equipment purchase as match funding to the project, and the value of works to reconfigure their existing site. The land value of the car park would also represent a match funding contribution from Swale Borough Council.

- **Master's House Completion.** The conversion of the workshop area to the rear of Master's House to studio / workspace, thereby completing the Master's House restoration scheme and securing a role for the House at the heart of the town centre and its employment offer. The Council's investment in Master's House in 22/23 would be offered as match funding.

- **Wider Placemaking.** An overarching objective for the preceding project components is connectivity between the town centre and waterfront, bringing wider benefits for the Island and its heritage, and delivering on its economic and skills potential.

- .6 The inclusion of each of these elements is subject to consultation, overall budget, and - where appropriate – formal endorsement of external partners.

#### 4. Next Steps – Consultation

- 4.1. Government has yet to confirm the submission and assessment deadlines for Levelling-Up Fund round 2. For the purposes of project planning, officers are assuming the fund will be launched on 1 March with a six-week application window.

- 4.2. The resulting consultation routemap is as follows:

Date	Group	Purpose of Engagement
18 January 2022	SMT	Progress report
Jan / Feb 2022	Extraordinary Sheppey Area Committee	Review and contribute to developing proposals
22 February 2022	SMT	Review Cabinet Paper
28 February 2022	Cabinet Agenda Planning	Review Cabinet Paper
16 March 2022	Cabinet	Details of business case

- 4.3. This formal meeting structure will be supplemented by a project page on the Council's website and a Communications and Engagement Plan, identifying key stakeholders to involve in project design and development.
- 4.4. It is hoped that the Extraordinary Area Committee can be held as a hybrid event, with the opportunity to attend in person. This will be subject to the Covid-19 restrictions and guidelines in force at the time.

## **5. Next Steps – Project Development**

- 5.1. An independent consultancy has supported the Council in developing the scope for business case preparation work, and it is anticipated we will launch the tender process early in 2022. Development work currently consists of three principal contracts:
- Development of the leisure, health and commercial proposals to RIBA Stage 0/1.
  - Development of the education proposals to RIBA Stage 0/1.
  - Business case development – including critical friend role, community and stakeholder engagement, internal business case development and economic modelling.

## **6. Commentary**

- 6.1. Cabinet Advisory Committee members are invited to provide comment on any aspect of the developing project proposals, but in particular:
- What leisure and commercial facilities could we consider for inclusion to best:
    - reflect the heritage of the Beachfields and wider area
    - serve the local communities
    - attract new visitors from further afield to explore the Island?
  - What interventions or initiatives might best help integrate Beachfields and the College site within the High Street and broader town centre?
  - What facilities could be considered within the footprint of the new combined leisure centre?

## **7. Background Papers**

- 7.1. Minutes of the Community, Economic Growth and Property Cabinet Advisory Committee, 6 July 2021.