



REPORT TO:	Cllr Nick Worth, Leader of the Council
REPORT OF:	Assistant Director – Strategic Growth and Development
REPORT AUTHOR:	Mark Humphreys, Head of Special Projects – Leisure
SUBJECT:	Levelling Up Funding, Grant Acceptance & Memorandum of Understanding (MoU)
PURPOSE:	To formally accept the Levelling-Up Funding grant award from the Department for Levelling Up, Housing and Communities
KEY DECISION:	No
WARD(S) AFFECTED:	All wards
EXEMPT REPORT?	No

SUMMARY

Further to the Council's submission of Round 2 Levelling Up Funding (LUF) application in July 2022 and the subsequent DLUHC notification of successful award in January 2023, this report seeks to secure the Council's formal acceptance of the LUF Round 2 grant offer – a £20,000,000 grant award to enable the re-development of the existing Castle Sports Complex site to bring about a new 'health and wellbeing hub' complex.

The report provides an overview of the grant acceptance and Memorandum of Understanding requirements, to enable grant funding to be released by DLUHC.

RECOMMENDATIONS

That delegated authority is approved for the Deputy Chief Executive – Corporate Development (s151 officer) to enter into the Memorandum of Understanding with the Department for Levelling-Up, Communities and Housing, so as to formally secure the council's award of £20,000,000 in funds through the Levelling Up Fund for the South Holland Health and Wellbeing Hub project.

REASONS FOR RECOMMENDATIONS

To enable the £20,000,000 LUF grant award to be accepted, the project to be initiated, and the project team to begin preparing further project details and proposals to present to Council for consideration and approval in due course.

OTHER OPTIONS CONSIDERED

Deferral of grant acceptance and signing of MOU will result in the first release of grant funding not being made until January 2024, thereby impacting the early cashflow of the project or delaying project commencement and completion.

Do nothing or declining the grant offer and MOU would result in the funding not being secured, and therefore the project not being progressed.

1. BACKGROUND

- 1.1 In July 2022 the Council approved the submission of an application to the Levelling Up Fund (LUF) – Round 2, requesting £20,000,000 of funding towards an estimated £25,995,000 project to enable the re-development of the existing Castle Sports Complex site to bring about a new ‘health and wellbeing hub’ complex.
- 1.2 In January 2023 the Council subsequently received notification from the Department for Levelling Up, Housing and Communities (DLUHC) that its application had been successful.
- 1.3 The health and wellbeing hub project is a town centre regeneration and cultural investment project in Spalding, based around the existing 5-acre site of Castle Sports Centre and Swimming Pools, with those facilities being in significant need of investment/replacement. The new Hub integrates new and significantly re-developed swimming pools, and other indoor and outdoor leisure facilities, with health provision, community spaces and Extra Care accommodation. The Masterplan includes new cycleways and pedestrian routes, linking the site to the town centre.

The core facilities to be delivered include:

- Swimming – including main pool, teaching pool and children’s splash pad
- Multi-use sports hall
- Adventure play / clip climb
- Fitness Suite – 100 stations plus functional equipment
- Studios / multi-purpose rooms
- Improved Bowls Hall
- Community Health and Consultation Space
- Café
- Floodlit 11 v 11 3G Pitch – the first in the district.
- Multi-use Games Area
- Informal children’s play area
- Public realm –cycle network linked to residential and commercial areas
- Allotment and Community and Sensory Garden
- Creating the space and opportunity for Extra Care housing units on the vacated Pool site

2. REPORT

- 2.1 In order to accept the funding award and begin to progress preparations for the detailed design and development of the project, including full business case, the Council is required to sign and return a Memorandum of Understanding (MoU) to DLUHC.
- 2.2 Funding for the project is released by DLUHC six monthly in advance in accordance with the funding profile set out in the application. Assuming DLUHC requirements are met, funding is issued in July and January each year. Failure to meet DLUHC requirements could result in

payments being withheld until the next funding release period, impacting the Council's project cashflow.

- 2.3 The total value of the project has meant that 'Subsidy Control' assurance is required to be provided to government <https://www.gov.uk/government/collections/subsidy-control-regime>. It has been necessary to prepare a legal letter of assurance stating that the overall level of public subsidy to the project is below the accepted £20,000,000 threshold. This letter of assurance is being prepared to be submitted to government concurrent with the signed MoU.
- 2.4 In order to secure a first release of LUF funding in July 2023, the MoU (Appendix A) must be signed and returned to DLUHC by end May/early June. The MoU requires signature by the Chief Executive or Section 151 Officer.
- 2.5 In addition to DLUHC requirements to satisfy release of funding, monitoring and evaluation, and branding and communication expectations, the MoU sets out details, based on the Council's funding application, of:
- the value of funding awarded
 - the project for which it has been awarded
 - the planned funding release profile
 - the purposes for which the funding is to be used
 - the planned project delivery plan timeline and milestones
 - the expected project outputs and outcomes
- In so far as the MOU places expectations on the Council, officers are comfortable that those expectations can be managed and delivered.
- 2.6 It should be noted that the MOU refers to March 2025 for grant spend and project completion. Officers have held a project inception meeting with government department representatives who recognise that March 2026 is a more realistic and likely completion date. Agreement on this will be reached through a Project Adjustment Request in due course, in accordance with the MOU. There are no concerns currently regarding our ability to meet the timescales that government are comfortable with.

3. CONCLUSION

- 3.1 In light of the above, this decision seeks approval to formally accept the LUF grant award and sign and return the necessary MoU.
- 3.2 Agreement is sought for the Section 151 Officer to sign and enable expedient the return of the MoU

4. EXPECTED BENEFITS TO THE PARTNERSHIP

- 4.1 The South Holland Health & Wellbeing Hub is one of three projects to secure LUF funding across the SECLP. This project, alongside the other two projects in Boston and East Lindsey, have attracted significant government funds into the area in order to support with addressing a need for investment that will enhance the social, environmental and economic characteristics of our area, contributing to the government's Levelling Up agenda.

5. IMPLICATIONS

5.1 SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

5.1.1 As 4.1

5.2 CORPORATE PRIORITIES

5.2.1 The report recommendations, and the project to which they relate, will have a demonstrable positive impact on the delivery of South Holland's Corporate Plan, not least in respect of the four overarching objectives of;

- **Your Home** – older residents are supported to live independently for longer without the need to rely on health services.
- **Your Place** – leisure provision is modern, fit for purpose, and is inclusive and accessible for all people across the district. Green and public space is also available to residents to take part in regular physical activity.
- **Your Health & Wellbeing** – physical opportunities are providing, enabling local people to improve their fitness, physical health and mental health. Provision for community groups is made to reduce levels of loneliness and social isolation.
- **Your Opportunity** - residents with health conditions have more equal access to employment and more residents of working age become economically active.

5.3 STAFFING

5.3.1 The funding secured includes provisions to ensure sufficient staffing capacity to support with community and stakeholder engagement through both the delivery phase of the project (i.e. design and construction) alongside engagement to support participation in the completed Health and Wellbeing Hub once operational. This is considered an essential component of the objective of supporting increased engagement rates in sports, leisure and health-related activity in the district.

5.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS

5.4.1 None. Clause 41.1 of the MOU states that it is 'not legally enforceable'.

5.5 DATA PROTECTION

5.5.1 None

5.6 FINANCIAL

5.6.1 There are no new financial implications from this report. The Council has previously included provisions within its capital programme to both receive the LUF grant funding and provide the necessary match funding to deliver the project.

5.7 RISK MANAGEMENT

5.7.1 There is a risk to the Council's cashflow in not returning the signed MOU within the required DLUHC timelines. This report seeks to avoid that risk.

5.8 STAKEHOLDER / CONSULTATION / TIMESCALES

5.8.1 The Health and Wellbeing Hub project scope has been prepared following extensive consultation with a wide range of stakeholders, including elected members, health agencies, sports agencies, community groups, education providers, statutory agencies (such

as Sport England and Natural England) and local businesses. Further consultation and engagement will be undertaken in finalising the facility mix and project design details.

5.8.2 In terms of timescales, DLUHC require return of the signed MOU by end May/early June. Work on the project has started in terms of pulling together the required project team, appointing a project manager, and developing a detailed delivery programme. The intention is to bring a full paper on the project initiation to members in the coming months. A full business case will subsequently be prepared, including the revenue business case to enable the necessary decisions to agree and progress the Hub development in a timely manner.

5.9 REPUTATION

5.9.1 The Council's project management reputation with DLUHC could be negatively impacted if the MOU is not returned expediently.

5.10 CONTRACTS

5.10.1 None

5.11 CRIME AND DISORDER

5.11.1 None

5.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

5.12.1 None

5.13 HEALTH AND WELL BEING

5.13.1 The overriding objective of the project is to stimulate transformational health and wellbeing benefits for the entire district, be it through the provision of investment in modern sporting and recreational facilities, new leisure facilities, community and wellbeing space, addressing anti-social behaviour, and the delivery of new housing provision designed specifically to support the independence of living amongst South Holland residents.

5.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

5.14.1 The project seeks to support national and local climate change and environmental objectives through investment in the physical fabric of existing buildings, and the creation of new built facilities that offer high levels of energy efficiency and carbon reduction potential.

5.15 LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

(Use this section to highlight any links to the 12 missions contained in the Levelling Up White Paper set out below. Delete any which are not applicable. If none, insert the word 'none'.)

MISSIONS	
This paper contributes to the follow Missions outlined in the Government's Levelling Up White paper.	
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.

Research and Development	By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
Transport Infrastructure	By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
Wellbeing	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
Pride in Place	By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
Crime	By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.

6. ACRONYMS

6.1 MOU – Memorandum of Understanding

6.2 LUF – Levelling Up Fund

6.3 DLUHC – Department for Levelling-Up, Housing and Communities

6.4 SELCP – South and East Lincolnshire Council's Partnership

APPENDICES	
APPENDIX A	Memorandum of Understanding

<p>BACKGROUND PAPERS</p> <p>No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.</p>

CHRONOLOGICAL HISTORY OF THIS REPORT	
A previous report seeking approval to submit the LUF grant funding application to which this report is related, has been considered by this Council	
Name of body	Date
South Holland District Council	13 July 2022

REPORT APPROVAL	
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Signed off by:	Assistant Director, Assistant Director for Strategic Growth and Development Matthew Hogan, matthew.hogan@sholland.gov.uk
Approved for publication:	Yes